

**Vermont Department of Banking, Insurance, Securities & Health Care  
Administration  
Banking Division**

**BANKING BULLETIN NO. 23  
June 4, 2001**

**Vermont Civil Union Law – Effective July 1, 2000**

Act 91 of the 1999-2000 Vermont Legislature provides parties to a civil union with the same benefits, protections and responsibilities under law as are granted to spouses in marriage. Pursuant to Section 3 of the Act, a party to a civil union shall be included in any definition or use of the terms "spouse," "family," "immediate family," "dependent," "next of kin," and any other terms that denote the spousal relationship, as those terms are used throughout the law. The term "law" is broadly defined to include any statute, administrative or court rule, policy, common law or any other source of civil law. Consequently, whenever any terms denoting a marital relationship appear in Vermont statutes or the Department's banking regulations, they shall be construed to include the parties to a civil union. For example, parties to a civil union are entitled to hold property as tenants-by-the-entirety, and 27 V.S.A. §105, *Surviving Spouse's Interest in Homestead*, is automatically amended to include the surviving party of a civil union.

Sample forms for Individual Retirement Accounts ("IRAs") and residential mortgage loan applications, designed through a cooperative effort by representatives of the industry and this Department, are attached hereto in order to provide guidance to the industry. However, the attachment of such forms should in no way be interpreted to mean such forms are required. Providers of IRAs and mortgage lenders should review their current applications, disclosures and procedures to evaluate any element of risk that may be mitigated through the use of such forms.

This bulletin is intended to provide general information and alert interested parties to changes that may be necessary in their operations. A copy of Act 91 may be obtained from: Legislative Council, 115 State Street, Drawer 33, Montpelier, Vermont 05633-5301; (802) 828-2231. An unofficial version may be obtained from the Vermont Legislative Home Page web site.

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Elizabeth R. Costle  
Commissioner of Banking, Insurance, Securities and Health Care Administration

**SAMPLE VERMONT ADDENDUM TO  
INDIVIDUAL RETIREMENT ACCOUNT DISCLOSURES**

Individual Retirement Accounts are regulated under federal law. Federal law generally defines a "spouse" as a person of the opposite sex who is a husband or a wife. 1 U.S.C.A. §7. Certain federal IRA benefits available to a spouse may not be available to a party to a civil union. You should consult an attorney or financial advisor for specific legal or financial advice regarding the rights and benefits available to you under an Individual Retirement Account.

**SAMPLE VERMONT ADDENDUM TO  
RESIDENTIAL MORTGAGE LOAN APPLICATION**

Can anyone, other than you, claim a homestead interest\* in the property that will secure repayment of the loan?

! NO ! YES

If yes, who may be able to claim a homestead interest?

\_\_\_\_\_  
Name

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Co-Borrower

\*Vermont law recognizes a homestead right in the spouse or civil union partner of the legal owner of real estate, which is used or kept as their primary home, even if the spouse or civil union partner is not a co-owner of that home. This homestead interest prevents creditors from attaching the entire homestead property without the written consent of both spouses or partners. Therefore, the lender will require that both spouses or civil union partners sign the mortgage deed, or otherwise waive their homestead interest in the property, in order to insure that it is fully enforceable.

This Addendum has been prepared in response to Act 91 of the 2000 Legislative Session, effective July 1, 2000, which provides that parties to a civil union shall have all the same benefits, protections, and responsibilities afforded under Vermont law to spouses in a marriage.

You should consult an attorney for specific legal advice regarding homestead rights and for specific legal advice regarding benefits, protections, and responsibilities under Act 91.