



General Assembly

February Session, 2002

***Raised Bill No. 329***

LCO No. 1497

Referred to Committee on Banks

Introduced by:  
(BA )

***AN ACT CONCERNING THE BANKER'S BANK.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (q) of section 36a-70 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2002*):

4 (q) (1) As used in this subsection, "bankers' bank" means a  
5 Connecticut bank that is (A) owned exclusively by any combination of  
6 banks, out-of-state banks, Connecticut credit unions, federal credit  
7 unions, or out-of-state credit unions having their principal office in  
8 Connecticut, Maine, Massachusetts, New Hampshire, New York,  
9 Rhode Island or Vermont, and (B) organized to engage exclusively in  
10 providing services for, [such] or that indirectly benefit, other banks,  
11 out-of-state banks, Connecticut credit unions, federal credit unions, or  
12 out-of-state credit unions and their directors, officers and employees.

13 (2) One or more persons may organize a bankers' bank in  
14 accordance with the provisions of this section, except that subsections  
15 (g) and (h) of this section shall not apply. The approving authority for  
16 a bankers' bank shall be the commissioner acting alone. Before

17 granting a temporary certificate of authority in the case of an  
18 application to organize a bankers' bank, the approving authority shall  
19 consider (A) whether the proposed bankers' bank will facilitate the  
20 provision of services that such banks, out-of-state banks, Connecticut  
21 credit unions, federal credit unions, or out-of-state credit unions would  
22 not otherwise be able to readily obtain, and (B) the character and  
23 experience of the proposed directors and officers. The application to  
24 organize a bankers' bank shall be approved if the approving authority  
25 determines that the interest of the public will be directly or indirectly  
26 served to advantage by the establishment of the proposed bankers'  
27 bank, and the proposed directors possess capacity and fitness for the  
28 duties and responsibilities with which they will be charged.

29 (3) A bankers' bank shall have all of the powers of and be subject to  
30 all of the requirements applicable to a Connecticut bank under this title  
31 which are not inconsistent with this subsection, except: (A) A bankers'  
32 bank may only provide services [only] for, or that indirectly benefit,  
33 other banks, out-of-state banks, Connecticut credit unions, federal  
34 credit unions, or out-of-state credit unions having their principal office  
35 in Maine, Massachusetts, New Hampshire, New York, Rhode Island or  
36 Vermont and for the directors, officers and employees of such banks,  
37 out-of-state banks, Connecticut credit unions, federal credit unions, or  
38 out-of-state credit unions; (B) only [such other] banks, out-of-state  
39 banks, Connecticut credit unions, federal credit unions, or out-of-state  
40 credit unions [,] having their principal office in Maine, Massachusetts,  
41 New Hampshire, New York, Rhode Island or Vermont may own the  
42 capital stock of or otherwise invest in a bankers' bank; (C) upon the  
43 written request of [the organizers of] a bankers' bank, the  
44 commissioner may waive specific requirements of this title and the  
45 regulations adopted thereunder if the commissioner finds that (i) the  
46 requirement pertains primarily to banks that provide retail or  
47 consumer banking services and is inconsistent with this subsection,  
48 and (ii) the requirement may impede the ability of the bankers' bank to  
49 compete or to provide desired services to its market provided, any  
50 such waiver and the commissioner's findings shall be in writing and

51 shall be made available for public inspection; and (D) the  
52 commissioner may, by regulation, limit the powers that may be  
53 exercised by a bankers' bank.

54 (4) The commissioner may adopt regulations, in accordance with  
55 chapter 54, to administer the provisions of this subsection.

This act shall take effect as follows:	
Section 1	October 1, 2002

**Statement of Purpose:**

To allow Connecticut chartered banker's banks the ability to provide certain services to nonbanks and credit unions and to eliminate the geographic restriction currently applicable to Connecticut banker's banks.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*