



General Assembly

February Session, 2004

**Raised Bill No. 159**

LCO No. 1160

\* SB00159BA 030404 \*

Referred to Committee on Banks

Introduced by:  
(BA )

**AN ACT CONCERNING CONNECTICUT CREDIT UNION BRANCHES.**

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

1 Section 1. Subsection (a) of section 36a-462a of the general statutes,  
2 as amended by section 65 of public act 03-84 and section 14 of public  
3 act 03-196, is repealed and the following is substituted in lieu thereof  
4 (*Effective from passage*):

5 (a) (1) No Connecticut credit union shall establish a branch in this  
6 state or outside of this state unless prior to such establishment the  
7 credit union has filed with the commissioner an application to  
8 establish a branch. The Connecticut credit union may establish such  
9 branch unless the commissioner disapproves the application not later  
10 than thirty days after the application has been filed with the  
11 commissioner. The commissioner may disapprove an application to  
12 establish a branch if the commissioner finds that: (A) Establishment of  
13 the proposed branch is inconsistent with safety and soundness; (B)  
14 establishment of the proposed branch is inconsistent with the  
15 Connecticut credit union's field of membership; [(C) in the case of a  
16 Connecticut credit union whose membership is limited to persons with  
17 a single common bond or multiple common bond, the establishment of

18 the proposed branch will result in an oversaturation of credit unions in  
19 the town in which the branch is to be located; (D)] (C) in the case of a  
20 Connecticut credit union whose membership is limited to a well-  
21 defined community, neighborhood or rural district, (i) the proposed  
22 branch is not generally accessible to the public, (ii) establishment of the  
23 proposed branch will result in an oversaturation of financial  
24 institutions in the town in which the branch is to be located, or (iii)  
25 such credit union does not have a record of compliance with the  
26 requirements of sections 36a-37 to 36a-37e, inclusive, as amended; or  
27 [(E)] (D) in the case of an out-of-state branch, the laws of such other  
28 state do not authorize the establishment of such branch. Except as  
29 provided in this subdivision, a Connecticut credit union may establish  
30 or operate a branch in the same or approximately the same location as  
31 another financial institution, provided any such institution's insurable  
32 accounts or deposits are federally insured.

33 (2) (A) A Connecticut credit union that proposes to close a branch  
34 within or outside of this state shall submit to the commissioner a notice  
35 of the proposed closing as soon as possible but not less than thirty  
36 days prior to the closing date. The notice shall include a detailed  
37 statement of the reasons for the decision to close the branch.

38 (B) The Connecticut credit union shall provide notice of the  
39 proposed closing to its members by:

40 (i) Posting such notice in a conspicuous manner on the premises of  
41 the branch proposed to be closed at least thirty days prior to the  
42 closing, and

43 (ii) Including such notice in at least one regular account statement  
44 mailed to its members who utilize the branch proposed to be closed, or  
45 in a separate mailing to such members at least thirty days prior to the  
46 closing date.

47 (3) With the approval of the commissioner, any Connecticut credit  
48 union may relocate any branch within this state in accordance with

49 such notice and other requirements as the commissioner may  
50 prescribe. As used in this subdivision, "relocate" means to move within  
51 the same immediate neighborhood without substantially affecting the  
52 nature of the business or members served.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

**BA**      *Joint Favorable*