



General Assembly

January Session, 2005

Raised Bill No. 1070

LCO No. 2832

02832_____BA_

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT MAKING TECHNICAL REVISIONS TO VARIOUS STATUTES
RELATIVE TO THE BANKING LAW OF CONNECTICUT.**

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

1 Section 1. Subdivision (3) of subsection (a) of section 36a-468a of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (3) A terminating Connecticut credit union shall give written notice
5 of the date, time and place of the meeting at which its members shall
6 vote on the plan of merger. Such notice shall state that the purpose of
7 the meeting is to consider the plan of merger and contain or be
8 accompanied by a copy or summary of the plan. The notice shall be
9 hand-delivered or mailed to each member at such member's last-
10 known address as shown on the records of the credit union not less
11 than thirty or more than fifty days prior to the date of the meeting.
12 Unless waived by the commissioner in accordance with subdivision (2)
13 of subsection (b) of this [subsection] section, the affirmative vote of
14 two-thirds of the members of the terminating Connecticut credit union
15 voting on the plan of merger shall be required for approval of the
16 merger. The terminating Connecticut credit union shall file with the

17 commissioner a verified statement that the merger has been duly
18 noticed and approved by its members in accordance with this
19 subdivision.

20 Sec. 2. Subsection (a) of section 36a-584 of the general statutes is
21 repealed and the following is substituted in lieu thereof (*Effective from*
22 *passage*):

23 (a) A check cashing licensee shall not charge or collect in fees,
24 charges or otherwise, a sum in excess of one per cent of the check for
25 cashing a check drawn by the state of Connecticut and payable within
26 this state to a recipient of public assistance, as [defined] provided in
27 section 36a-304, if the check is negotiated to the licensee by the original
28 payee of the check, and if the payee produces reasonable identification,
29 as provided for in regulations adopted pursuant to section 36a-305.

30 Sec. 3. Subsection (c) of section 36a-604 of the general statutes is
31 repealed and the following is substituted in lieu thereof (*Effective from*
32 *passage*):

33 (c) Each licensee that engages in the business of money
34 transmission, except by issuing stored value shall at all times have a
35 net worth of at least five hundred thousand dollars. Each licensee that
36 engages in the business of money transmission by issuing stored value
37 shall at all times have a net worth of at least five hundred thousand
38 dollars or a higher amount as determined by the commissioner, in
39 accordance with generally [accepting] accepted accounting principles.

40 Sec. 4. Section 36a-705 of the general statutes is repealed and the
41 following is substituted in lieu thereof (*Effective from passage*):

42 As used in this section and sections 36a-706, 36a-707 and 36a-708,
43 unless the context otherwise requires:

44 (1) "First mortgage loan" means "first mortgage loan", as defined in
45 section 36a-485;

46 (2) "Mortgage broker" means "first mortgage broker", as defined in
47 section 36a-485, who is licensed or required to be licensed under
48 sections 36a-485 to 36a-498a, inclusive;

49 (3) "Mortgage lender" means "mortgage lender", as defined in
50 section 36a-485, who is required to be licensed under [section] sections
51 36a-485 to 36a-498a, inclusive, except that the term shall include a
52 bank, out-of-state bank, Connecticut credit union, federal credit union
53 and out-of-state credit union; and

54 (4) "Mortgage rate lock-in" means a written or electronically
55 transmitted confirmation issued to a mortgage applicant or the
56 representative of such applicant by a mortgage lender or the lender's
57 representative, prior to the issuance of a first mortgage loan
58 commitment, stating that a particular rate, number of points or
59 variable rate terms will be the rate, number of points, or variable rate
60 terms at which the lender will make the loan, provided the first
61 mortgage loan is closed by a specified date, and the applicant qualifies
62 for the loan in accordance with the lender's standards of
63 creditworthiness.

64 Sec. 5. Subsection (c) of section 36a-801 of the general statutes is
65 repealed and the following is substituted in lieu thereof (*Effective from*
66 *passage*):

67 (c) No person [L] licensed to act within this state as a consumer
68 collection agency shall do so under any other name or at any other
69 place of business than that named in the license. Any change of
70 location of a place of business of a licensee shall require prior written
71 notice to the commissioner. Not more than one place of business shall
72 be maintained under the same license but the commissioner may issue
73 more than one license to the same licensee upon compliance with the
74 provisions of sections 36a-800 to 36a-810, inclusive, as to each new
75 licensee. A license shall not be transferable or assignable. Any licensee
76 holding, applying for, or seeking renewal of more than one license
77 may, at its option, file the bond required under section 36a-802

78 separately for each place of business licensed, or to be licensed, or a
79 single bond, naming each place of business, in an amount equal to five
80 thousand dollars for each place of business.

81 Sec. 6. Subsection (b) of section 42-480 of the general statutes is
82 repealed and the following is substituted in lieu thereof (*Effective from*
83 *passage*):

84 (b) At the time a borrower applies for a refund anticipation loan, a
85 facilitator shall disclose to such borrower on a document that is
86 separate from the loan application:

87 (1) The estimated fee for preparing and electronically filing an
88 income tax return;

89 (2) The refund anticipation loan fee schedule;

90 (3) The annual percentage rate utilizing the guidelines established
91 by the official staff interpretations of federal Regulation Z to the Truth
92 in Lending Act, 12 CFR [,] Part 226;

93 (4) The estimated total cost to the borrower for utilizing a refund
94 anticipation loan;

95 (5) The estimated number of days within which the loan proceeds
96 shall be paid to the borrower if the loan is approved;

97 (6) The borrower is responsible for repayment of the loan and
98 related fees in the event the income tax refund is not paid or not paid
99 in full; and

100 (7) The availability of electronic filing of the income tax return of the
101 borrower and the average time announced by the Internal Revenue
102 Service within which the borrower can expect to receive a refund if the
103 borrower's return is electronically filed and the borrower does not
104 obtain a refund anticipation loan.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	36a-468a(a)(3)
Sec. 2	<i>from passage</i>	36a-584(a)
Sec. 3	<i>from passage</i>	36a-604(c)
Sec. 4	<i>from passage</i>	36a-705
Sec. 5	<i>from passage</i>	36a-801(c)
Sec. 6	<i>from passage</i>	42-480(b)

Statement of Purpose:

To make technical revisions to various statutes relative to the Banking Law of Connecticut.

[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.]