



# House of Representatives

General Assembly

**File No. 67**

February Session, 2006

House Bill No. 5299

*House of Representatives, March 21, 2006*

The Committee on Banks reported through REP. DOYLE of the 28th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING SECURED AND UNSECURED LENDING.**

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

1 Section 1. Subdivision (21) of subsection (a) of section 36a-250 of the  
2 2006 supplement to the general statutes is repealed and the following  
3 is substituted in lieu thereof (*Effective October 1, 2006*):

4 (21) Make secured and unsecured loans and issue letters of credit,  
5 [as authorized by and subject to section 36a-260] except as otherwise  
6 expressly limited by sections 36a-261 to 36a-265, inclusive.

7 Sec. 2. Section 36a-260 of the general statutes is repealed. (*Effective*  
8 *October 1, 2006*)

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2006</i>	36a-250(a)(21)
Sec. 2	<i>October 1, 2006</i>	Repealer section

**BA** Joint Favorable

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

---

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill eliminates the requirement for banks that make secured and unsecured loans to annually adopt a loan policy and a loan review policy. There is no fiscal impact.

***The Out Years***

There is no fiscal impact in the out years.

**OLR Bill Analysis**  
**HB 5299**

***AN ACT CONCERNING SECURED AND UNSECURED LENDING.***

**SUMMARY:**

This bill eliminates the requirement for banks that make secured and unsecured loans to annually adopt a loan policy and a loan review policy. Instead, the banks can make these loans subject to any existing statutory limitations. Under current law, the loan policy must include the application process, the types of loans the bank offers including underwriting guidelines and collateral requirements, title review and insurance requirements, and an evaluation and appraisal process. The loan review policy must establish standards to ensure that loans comply with the loan policy. Semiannually, the bank's governing board, or a committee it designates, must conduct an assessment of loan reviews.

EFFECTIVE DATE: October 1, 2006

**COMMITTEE ACTION**

Banks Committee

Joint Favorable

Yea 18 Nay 0 (03/09/2006)