



House Bill No. 6979

Public Act No. 07-72

**AN ACT MAKING TECHNICAL REVISIONS TO VARIOUS
STATUTES RELATIVE TO THE BANKING AND SECURITIES LAWS
OF CONNECTICUT.**

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

Section 1. Section 36a-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

Other definitions applying to this title or to specified parts thereof and the sections in which they appear are:

- "Account". Sections 36a-155 and 36a-365.
- "Additional proceeds". Section 36a-746e.
- "Administrative expense". Section 36a-237.
- "Advance fee". Sections 36a-485, 36a-510 and 36a-615.
- "Advertise" or "advertisement". Sections 36a-485 and 36a-510.
- "Agency bank". Section 36a-285.
- "Alternative mortgage loan". Section 36a-265.
- "Amount financed". Section 36a-690.
- "Annual percentage rate". Section 36a-690.
- "Annual percentage yield". Section 36a-316.
- "Annuities". Section 36a-455a.
- "Applicant". Section 36a-736.

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"APR". Section 36a-746a.
"Assessment area". Section 36a-37.
"Assets". Section 36a-70.
"Associate". Section 36a-184.
"Associated member". Section 36a-458a.
"Bank". Section 36a-30.
"Bankers' bank". Section 36a-70.
"Banking business". Section 36a-425.
"Basic services". Section 36a-437a.
"Billing cycle". Section 36a-565.
"Bona fide nonprofit organization". Section 36a-655.
"Branch". Sections 36a-145, 36a-410 and 36a-435b.
"Branch or agency net payment entitlement". Section 36a-428n.
"Branch or agency net payment obligation". Section 36a-428n.
"Broker". Section 36a-746a.
"Business and industrial development corporation". Section 36a-626.
"Business and property in this state". Section 36a-428n.
"Capital". Section 36a-435b.
"Cash advance". Section 36a-564.
"Cash price". Section 36a-770.
"Certificate of incorporation". Section 36a-435b.
"Closely related activities". Sections 36a-250 and 36a-455a.
"Collective managing agency account". Section 36a-365.
"Commercial vehicle". Section 36a-770.
"Community bank". Section 36a-70.
"Community credit union". Section 36a-37.
"Community development bank". Section 36a-70.
"Community reinvestment performance". Section 36a-37.
"Connecticut holding company". Sections 36a-53 and 36a-410.
"Consolidate". Section 36a-145.
"Construction loan". Section 36a-458a.
"Consumer". Sections 36a-155, 36a-676 and 36a-695.

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"Consumer Credit Protection Act". Section 36a-676.
"Consumer debtor" and "debtor". Sections 36a-645 and 36a-800.
"Consumer collection agency". Section 36a-800.
"Consummation". Section 36a-746a.
"Controlling interest". Section 36a-276.
"Corporate". Section 36a-435b.
"Credit". Sections 36a-645 and 36a-676.
"Credit manager". Section 36a-435b.
"Creditor". Sections 36a-676, 36a-695 and 36a-800.
"Credit card", "cardholder" and "card issuer". Section 36a-676.
"Credit clinic". Section [36a-695] 36a-700.
"Credit rating agency". Section 36a-695.
"Credit report". Section 36a-695.
"Credit sale". Section 36a-676.
"Credit union service organization". Section 36a-435b.
"Credit union service organization services". Section 36a-435b.
"De novo branch". Section 36a-410.
"Debt". Section 36a-645.
"Debt adjustment". Section 36a-655.
"Debt mutual fund". Sections 36a-275 and 36a-459a.
"Debt securities". Sections 36a-275 and 36a-459a.
"Debtor". Section 36a-655.
"Deliver". Section 36a-316.
"Deposit". Section 36a-316.
"Deposit account". Section 36a-316.
"Deposit account charge". Section 36a-316.
"Deposit account disclosures". Section 36a-316.
"Deposit contract". Section 36a-316.
"Deposit services". Section 36a-425.
"Depositor". Section 36a-316.
"Director". Section 36a-435b.
"Earning period". Section 36a-316.

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"Electronic payment instrument". Section 36a-596.
"Eligible collateral". Section 36a-330.
"Equity mutual fund". Sections 36a-276 and 36a-459a.
"Equity security". Sections 36a-276 and 36a-459a.
"Executive officer". Sections 36a-263 and 36a-469c.
"Federal Credit Union Act". Section 36a-435b.
"Federal Home Mortgage Disclosure Act". Section 36a-736.
"Fiduciary". Section 36a-365.
"Filing fee". Section 36a-770.
"Finance charge". Sections 36a-690 and 36a-770.
"Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316,
36a-330, 36a-435b and 36a-736.
"Financial records". Section 36a-41.
"First mortgage broker". Section 36a-485.
"First mortgage correspondent lender". Section 36a-485.
"First mortgage lender". Section 36a-485.
"First mortgage loan". Sections 36a-485, 36a-705 and 36a-715.
"Foreign banking corporation". Section 36a-425.
"General facility". Section 36a-580.
"Global net payment entitlement". Section 36a-428n.
"Global net payment obligation". Section 36a-428n.
"Goods". Sections 36a-535 and 36a-770.
"Graduated payment mortgage loan". Section 36a-265.
"Guardian". Section 36a-365.
"High cost home loan". Section 36a-746a.
"Holder". Section 36a-596.
"Home banking services". Section 36a-170.
"Home banking terminal". Section 36a-170.
"Home improvement loan". Section 36a-736.
"Home purchase loan". Section 36a-736.
"Home state". Section 36a-410.
"Immediate family member". Section 36a-435b.

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"Insider". Section 36a-454b.
"Installment loan contract". Sections 36a-535 and 36a-770.
"Insurance". Section 36a-455a.
"Insurance bank". Section 36a-285.
"Insurance department". Section 36a-285.
"Interest". Section 36a-316.
"Interest rate". Section 36a-316.
"Lender". Sections 36a-746a and 36a-770.
"Lessor". Section 36a-676.
"License". Section 36a-626.
"Licensee". Sections 36a-510, 36a-596 and 36a-626.
"Limited branch". Section 36a-145.
"Limited facility". Section 36a-580.
"Loan broker". Section 36a-615.
"Loss". Section 36a-330.
"Made in this state". Section 36a-770.
"Managing agent". Section 36a-365.
"Manufactured home". Section 36a-457b.
"Material litigation". Section 36a-596.
"Member". Section 36a-435b.
"Member business loan". Section 36a-458a.
"Member in good standing". Section 36a-435b.
"Membership share". Section 36a-435b.
"Mobile branch". Section 36a-435b.
"Money order". Section 36a-596.
"Money transmission". Section 36a-365.
"Mortgage insurance". Section 36a-725.
"Mortgage lender". Sections 36a-485, 36a-510 and 36a-705.
"Mortgage loan". Sections 36a-261, 36a-265 and 36a-457b.
"Mortgage rate lock-in". Section 36a-705.
"Mortgage servicing company". Section 36a-715.
"Mortgagor". Section 36a-715.

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"Motor vehicle". Section 36a-770.
"Multiple common bond membership". Section 36a-435b.
"Municipality". Section 36a-800.
"Net outstanding member business loan balance". Section 36a-458a.
"Net worth". Sections 36a-441a, 36a-458a and 36a-596.
"Network". Section 36a-155.
"Nonrefundable". Sections 36a-498 and 36a-521.
"Note account". Sections 36a-301 and 36a-456b.
"Office". Section 36a-316.
"Officer". Section 36a-435b.
"Open-end credit plan". Section 36a-676.
"Open-end loan". Section 36a-565.
"Organization". Section 36a-800.
"Originator". Sections 36a-485 and 36a-510.
"Out-of-state holding company". Section 36a-410.
"Outstanding". Section 36a-596.
"Passbook savings account". Section 36a-316.
"Payment instrument". Section 36a-596.
"Periodic statement". Section 36a-316.
"Permissible investment". Section 36a-596.
"Person". Section 36a-184.
"Post". Section 36a-316.
"Prepaid finance charge". Section 36a-746a.
"Prepayment penalty". Section 36a-746a.
"Prime quality". Section 36a-596.
"Principal amount of the loan". Section 36a-510.
"Processor". Section 36a-155.
"Public deposit". Section 36a-330.
"Purchaser". Section 36a-596.
"Qualified financial contract". Section 36a-428n.
"Qualified public depository" and "depository". Section 36a-330.
"Real estate". Section 36a-457b.

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"Records". Section 36a-17.
"Related person". Section 36a-53.
"Relocate". Sections 36a-145 and 36a-462a.
"Residential property". Section 36a-485.
"Retail buyer". Sections 36a-535 and 36a-770.
"Retail credit transaction". Section 42-100b.
"Retail installment contract". Sections 36a-535 and 36a-770.
"Retail installment sale". Sections 36a-535 and 36a-770.
"Retail seller". Sections 36a-535 and 36a-770.
"Reverse annuity mortgage loan". Section 36a-265.
"Sales finance company". Sections 36a-535 and 36a-770.
"Savings department". Section 36a-285.
"Savings deposit". Section 36a-316.
"Secondary mortgage broker". Section 36a-510.
"Secondary mortgage correspondent lender". Section 36a-510.
"Secondary mortgage lender". Section 36a-510.
"Secondary mortgage loan". Section 36a-510.
"Security convertible into a voting security". Section 36a-184.
"Senior management". Section 36a-435b.
"Share". Section 36a-435b.
"Simulated check". Sections 36a-485 and 36a-510.
"Single common bond membership". Section 36a-435b.
"Social purpose investment". Section 36a-277.
"Standard mortgage loan". Section 36a-265.
"Table funding agreement". Section 36a-485.
"Tax and loan account". Sections 36a-301 and 36a-456b.
"The Savings Bank Life Insurance Company". Section 36a-285.
"Time account". Section 36a-316.
"Travelers check". Section 36a-596.
"Troubled Connecticut credit union". Section 36a-448a.
"Unsecured loan". Section 36a-615.
"Warehouse agreement". Section 36a-485.

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Sec. 2. Section 36a-14a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

Not later than thirty days after the close of the first quarter of the fiscal year ending June 30, 2005, and not later than thirty days after the close of each quarter thereafter, the [Banking Commissioner] commissioner shall submit a report to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies, through the Office of Fiscal Analysis, containing the specific amount of each fee, charge, assessment, fine, civil penalty, settlement payment and other revenue collected by the Department of Banking during the quarter covered by the report.

Sec. 3. Subsection (b) of section 36a-56a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(b) The [Banking Commissioner] commissioner shall enforce the provisions of subsection (a) of this section. Whenever it appears to the commissioner that any person has violated, is violating or is about to violate any of the provisions of said subsection (a), the commissioner may take action against such person in accordance with sections 36a-50 and 36a-52, which shall include the right to seek injunctive relief, impose civil penalties and issue cease and desist orders, except that no civil penalty in excess of ten thousand dollars per violation may be imposed.

Sec. 4. Section 36a-101 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

Each director of a Connecticut bank, upon such director's election, shall take and subscribe to an oath or affirmation that the director: (1) Will diligently and honestly perform the duties of director in

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administering the affairs of the Connecticut bank; (2) will remain responsible for the performance of the duties of director even if the director delegates the performance of such duties; and (3) will not knowingly or wilfully permit the violation of any law or regulation applicable to Connecticut banks. Each such oath or affirmation shall be recorded in the minutes of the Connecticut bank, and the Connecticut bank shall promptly file a copy of such minutes with the [Banking Commissioner] commissioner.

Sec. 5. Section 36a-102 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

The [Banking Commissioner] commissioner, in the commissioner's discretion and in accordance with section 29-17a, may arrange for the fingerprinting or for conducting any other method of positive identification required by the State Police Bureau of Investigation of each director of a Connecticut bank upon such director's re-election and each new officer of a Connecticut bank upon such officer's employment, to be used in conducting a criminal history records check.

Sec. 6. Subdivision (1) of subsection (j) of section 36a-237f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(j) (1) The [Banking Commissioner] commissioner shall deposit all money available for the benefit of persons who have not filed a claim and are, according to the bank's records, depositors and creditors of a trust bank or uninsured bank in receivership in a bank, Connecticut credit union, federal credit union, out-of-state bank that maintains in this state a branch, as defined in section 36a-410, or out-of-state credit union that maintains in this state a branch, as defined in section 36a-435b. The commissioner shall pay the nonclaiming depositors and creditors on demand the undisputed amount, based on the bank's

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records, held for their benefit.

Sec. 7. Subsection (c) of section 36a-604 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

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

Sec. 8. Section 36a-800 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

As used in sections 36a-800 to 36a-810, inclusive, unless the context otherwise requires:

(1) "Consumer collection agency" means any person engaged in the business of collecting or receiving for payment for others of any account, bill or other indebtedness from a consumer debtor or engaged in the business of collecting or receiving for payment property tax from a property tax debtor on behalf of a municipality, including any person who, by any device, subterfuge or pretense, makes a pretended purchase or takes a pretended assignment of accounts from any other person or municipality of such indebtedness for the purpose of evading the provisions of sections 36a-800 to 36a-810, inclusive. It includes persons who furnish collection systems carrying a name which simulates the name of a consumer collection agency and who supply forms or form letters to be used by the creditor, even though such forms direct the consumer debtor or property tax debtor to make payments directly to the creditor rather than to such fictitious agency.

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"Consumer collection agency" further includes any person who, in attempting to collect or in collecting such person's own accounts or claims from a consumer debtor, uses a fictitious name or any name other than such person's own name which would indicate to the consumer debtor that a third person is collecting or attempting to collect such account or claim. "Consumer collection agency" does not include (A) an individual employed on the staff of a licensed consumer collection agency, or by a creditor who is exempt from licensing, when attempting to collect on behalf of such consumer collection agency, (B) persons not primarily engaged in the collection of debts from consumer debtors who receive funds in escrow for subsequent distribution to others, including, but not limited to, real estate brokers and lenders holding funds of borrowers for payment of taxes or insurance, (C) any public officer or a person acting under the order of any court, (D) any member of the bar of this state, and (E) a person who services loans or accounts for the owners thereof when the arrangement includes, in addition to requesting payment from delinquent consumer debtors, the providing of other services such as receipt of payment, accounting, record-keeping, data processing services and remitting, for loans or accounts which are current as well as those which are delinquent. Any person not included in the definition contained in this [subsection] subdivision is, for purposes of sections 36a-645 to 36a-647, inclusive, a "creditor", as defined in [subdivision (3) of] section 36a-645;

(2) "Consumer debtor" means any natural person, not an organization, who has incurred indebtedness or owes a debt for personal, family or household purposes, including current or past due child support, or who has incurred indebtedness or owes a debt to a municipality due to a levy by such municipality of a personal property tax;

(3) "Creditor" means a person, including a municipality, that retains,

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hires, or engages the services of a consumer collection agency;

(4) "Municipality" means any town, city or borough, consolidated town and city, consolidated town and borough, district as defined in section 7-324 or municipal special services district established under chapter 105a;

(5) "Organization" means a corporation, partnership, association, trust or any other legal entity or an individual operating under a trade name or a name having appended to it a commercial, occupational or professional designation;

(6) "Property tax" has the meaning given to the term in section 7-560;

(7) "Property tax debtor" means any natural person or organization who has incurred indebtedness or owes a debt to a municipality due to a levy by such municipality of a property tax.

Sec. 9. Subdivision (3) of subsection (a) of section 36b-14 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2007*):

(3) Broker-dealer records required to be maintained under subdivision (2) of this subsection may be maintained in any form of data storage acceptable under Section 17(a) of the Securities [and] Exchange Act of 1934 if they are readily accessible to the commissioner. Investment adviser records required to be maintained under this section may be stored on microfilm, microfiche or on an electronic data processing system or similar system utilizing an internal memory device provided that a printed copy of any such record is immediately accessible.

Approved May 30, 2007