



General Assembly

January Session, 2007

Raised Bill No. 7073

LCO No. 3961

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Referred to Committee on Banks

Introduced by:
(BA)

AN ACT PROTECTING CONSUMERS' PRIVACY IN MORTGAGE APPLICATIONS.

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

1 Section 1. Section 36a-41 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 As used in sections 36a-41 to 36a-45, inclusive, as amended by this
4 act:

5 (1) "Financial institution" means a bank, Connecticut credit union,
6 federal credit union, an out-of-state bank that maintains a branch in
7 this state and an out-of-state credit union that maintains an office in
8 this state.

9 (2) "Financial records" means any original or any copy, whether
10 physically or electronically retained, of: (A) A document granting
11 signature authority over a deposit account or a share account with a
12 financial institution; (B) a statement, ledger card or other record on any
13 deposit account or share account with a financial institution which
14 shows each transaction in or with respect to that account; (C) any

15 check, draft or money order drawn on a financial institution or issued
16 and payable by such an institution; or (D) any item, other than an
17 institutional or periodic charge, made pursuant to any agreement by a
18 financial institution and a customer which constitutes a debit or credit
19 to that person's deposit account or share account with such financial
20 institution if the item is not included in subparagraph (C) of this
21 subdivision.

22 (3) "Mortgage trigger lead" means a consumer report obtained
23 pursuant to Section 604 (c)(1)(B) of the federal Fair Credit Reporting
24 Act, 15 USC 1681b, where the issuance of the report is triggered by an
25 inquiry made with the consumer reporting agency in response to an
26 application for credit. The term does not include a report obtained by a
27 lender that holds or services existing indebtedness of the applicant
28 who is the subject of the report.

29 Sec. 2. Section 36a-42 of the general statutes is repealed and the
30 following is substituted in lieu thereof (*Effective October 1, 2007*):

31 (a) A financial institution may not disclose to any person, except to
32 the customer or the customer's duly authorized agent, any financial
33 records relating to such customer unless the customer has authorized
34 disclosure to such person or the financial records are disclosed in
35 response to (1) a certificate signed by the Commissioner of
36 Administrative Services or the Commissioner of Social Services
37 pursuant to the provisions of section 17b-137, (2) a lawful subpoena,
38 summons, warrant or court order as provided in section 36a-43, (3)
39 interrogatories by a judgment creditor or a demand by a levying
40 officer as provided in sections 52-351b and 52-356a, (4) a certificate
41 issued by a medical provider or its attorney under subsection (b) of
42 section 17b-124, provided nothing in this subsection shall require the
43 provider or its attorney to furnish to the financial institution any
44 application for medical assistance filed pursuant to an agreement with
45 the IV-D agency under subsection (c) of section 17b-137, (5) a certificate
46 signed by the Commissioner of Veterans' Affairs pursuant to section

47 27-117, or (6) the consent of an elderly person or the representative of
48 such elderly person provided to a person, department, agency or
49 commission pursuant to section 17b-454, provided the financial
50 institution shall have no obligation to determine the capacity of such
51 elderly person or the representative of such elderly person to provide
52 such consent.

53 (b) No first mortgage broker or mortgage lender, as defined in
54 section 36a-485, and no secondary mortgage broker or mortgage
55 lender, as defined in section 36a-510, shall use a mortgage trigger lead
56 in connection with the solicitation of an application for a loan or a line
57 of credit that would be secured by a lien on residential real property
58 located in this state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	36a-41
Sec. 2	<i>October 1, 2007</i>	36a-42

Statement of Purpose:

To protect consumers from the unauthorized use of their personal information and resulting solicitations by prohibiting mortgage lenders from using any credit bureau's "lead generating" product in 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.]