



February 28, 2008

The Honorable Senator Duff  
The Honorable Representative Barry  
Co-Chairmen, Joint Committee on Banks  
Legislative Office Building, Room 2400  
Capitol Avenue  
Hartford, Connecticut 06106

**RE: H.B. No. 5332 (RAISED) AN ACT CONCERNING DELINQUENCY AND COLLECTION CHARGES ON RETAIL INSTALLMENT CONTRACTS OR INSTALLMENT LOAN CONTRACTS.**

**Senator Duff, Representative Barry and Members of the Banks Committee:**

Thank you very much for the opportunity to testify before you today. On behalf of Connecticut's 150 not for profit credit unions I am testifying in support of House Bill 5332, An Act Concerning Delinquency and Collection Charges on Retail Installment Loan Contracts.

If passed, this bill would create parity for Connecticut credit unions and banks that hold retail installment contracts or installment loan contracts with federal credit unions and banks. The bill seeks to apply truth in lending requirements with regard to collecting charges or expenses for delinquent accounts.

This outdated law was last updated in 1980, twenty-eight years ago, when the legislature passed what was then a long overdue increase in fees from \$5 to \$10 or 5% of the monthly payment, whichever is less; it is again time to amend this statute to reflect inflation. Connecticut and Alabama are currently the only two states in the nation that do not refer to Truth in Lending Laws or allow a fee policy to be determined by the governing board of directors.

All credit unions operate as not-for-profit financial institutions and all earnings are retained as capital or are returned to the members in various forms. If this bill is passed, members will benefit from a decrease in administrative costs associated with a decrease in delinquent loans, that savings will be passed on to them though lower loan rates, higher rates on savings or to provide products and services

Thank you very much for the opportunity to testify.

A handwritten signature in cursive script that reads "Kelly Ramsey Fuhlbrigge".

Kelly Ramsey Fuhlbrigge  
Vice President -Government Relations  
Credit Union League of Connecticut