



General Assembly

February Session, 2008

Raised Bill No. 5128

LCO No. 755

00755_____BA_

Referred to Committee on Banks

Introduced by:
(BA)

**AN ACT CLARIFYING CERTAIN DEPOSITORY INSTITUTION
DISCLOSURE REQUIREMENTS.**

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

1 Section 1. Section 42-150u of the 2008 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2008*):

4 (a) No provision in a written contract for the purchase or lease of
5 goods or services primarily for personal, family or household purposes
6 that provides for the payment of liquidated damages in the event of a
7 breach of the contract shall be enforceable unless (1) the contract
8 contains a statement in boldface type at least twelve points in size
9 immediately following such liquidated damages provision stating "I
10 ACKNOWLEDGE THAT THIS CONTRACT CONTAINS A
11 LIQUIDATED DAMAGES PROVISION", and (2) the person against
12 whom such provision is to be enforced signs such person's name or
13 writes such person's initials next to such statement. Nothing in this
14 section shall validate a clause that is a penalty clause or is otherwise
15 invalid under the law of this state.

16 (b) The provisions of subsection (a) of this section shall not apply to
17 (1) contracts between a consumer and an agency of the state or any
18 political subdivision of the state or of the federal government, (2)
19 negotiable instruments, [and] (3) contract provisions for late fees,
20 prepayment penalties or default interest rates, and (4) contracts
21 between a consumer and an insured depository institution, as defined
22 in section 36a-2 of the 2008 supplement to the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2008	42-150u

Statement of Purpose:

To clarify that contracts between consumers and FDIC insured depository institutions are not subject to the liquidated damages disclosure requirements generally applicable to agreements for the purchase or lease of goods or services primarily for personal, family or household purposes.

[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.]