



General Assembly

February Session, 2008

**Raised Bill No. 182**

LCO No. 1496

\*01496\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT CONCERNING BANK AND CREDIT UNION AUTHORITY AND  
NONDEPOSITORY LICENSES.**

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

1 Section 1. Section 36a-3 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2 statutes is repealed and the following is substituted in lieu thereof  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 Other definitions applying to this title or to specified parts thereof  
5 and the sections in which they appear are:

T1 "Account". Sections 36a-155 and 36a-365.

T2 "Additional proceeds". Section 36a-746e.

T3 "Administrative expense". Section 36a-237.

T4 "Advance fee". Sections 36a-485 of the 2008 supplement to  
T5 the general statutes, 36a-510 of the 2008 supplement to  
T6 the general statutes and 36a-615.

T7 "Advertise" or "advertisement". Sections 36a-485 of the  
T8 2008 supplement to the general statutes and 36a-510 of  
T9 the 2008 supplement to the general statutes.

T10 "Agency bank". Section 36a-285.

- T11 "Alternative mortgage loan". Section 36a-265.
- T12 "Amount financed". Section 36a-690.
- T13 "Annual percentage rate". Section 36a-690.
- T14 "Annual percentage yield". Section 36a-316.
- T15 "Annuities". Section 36a-455a.
- T16 "Applicant". Section 36a-736.
- T17 "APR". Section 36a-746a.
- T18 "Assessment area". Section 36a-37.
- T19 "Assets". Section 36a-70.
- T20 "Associate". Section 36a-184.
- T21 "Associated member". Section 36a-458a.
- T22 "Bank". Section 36a-30.
- T23 "Bankers' bank". Section 36a-70.
- T24 "Banking business". Section 36a-425.
- T25 "Basic services". Section 36a-437a.
- T26 "Billing cycle". Section 36a-565.
- T27 "Bona fide nonprofit organization". Section 36a-655.
- T28 "Branch". Sections 36a-145 of the 2008 supplement to the
- T29 general statutes, 36a-410 of the 2008 supplement to the
- T30 general statutes and 36a-435b.
- T31 "Branch or agency net payment entitlement". Section 36a-428n.
- T32 "Branch or agency net payment obligation". Section 36a-428n.
- T33 "Broker". Section 36a-746a.
- T34 "Business and industrial development corporation". Section 36a-626.
- T35 "Business and property in this state". Section 36a-428n.
- T36 "Capital". Section 36a-435b.
- T37 "Cash advance". Section 36a-564.
- T38 "Cash price". Section 36a-770.
- T39 "Certificate of incorporation". Section 36a-435b.
- T40 "Closely related activities". Sections 36a-250 and 36a-455a.
- T41 "Collective managing agency account". Section 36a-365.
- T42 "Commercial vehicle". Section 36a-770.
- T43 "Community bank". Section 36a-70.
- T44 "Community credit union". Section 36a-37.

- T45 "Community development bank". Section 36a-70.
- T46 "Community reinvestment performance". Section 36a-37.
- T47 "Connecticut holding company". Sections 36a-53 of the
- T48 2008 supplement to the general statutes and 36a-410 of
- T49 the 2008 supplement to the general statutes.
- T50 "Consolidate". Section 36a-145 of the 2008 supplement to
- T51 the general statutes.
- T52 "Construction loan". Section 36a-458a.
- T53 "Consumer". Sections 36a-155, 36a-676 and 36a-695.
- T54 "Consumer Credit Protection Act". Section 36a-676.
- T55 "Consumer debtor" and "debtor". Sections 36a-645 and
- T56 36a-800 of the 2008 supplement to the general statutes.
- T57 "Consumer collection agency". Section 36a-800 of the 2008
- T58 supplement to the general statutes.
- T59 "Consummation". Section 36a-746a.
- T60 "Controlling interest". Section 36a-276.
- T61 "Corporate". Section 36a-435b.
- T62 "Credit". Sections 36a-645 and 36a-676.
- T63 "Credit manager". Section 36a-435b.
- T64 "Creditor". Sections 36a-676, 36a-695 and 36a-800 of the
- T65 2008 supplement to the general statutes.
- T66 "Credit card", "cardholder" and "card issuer". Section 36a-676.
- T67 "Credit clinic". Section 36a-700.
- T68 "Credit rating agency". Section 36a-695.
- T69 "Credit report". Section 36a-695.
- T70 "Credit sale". Section 36a-676.
- T71 "Credit union service organization". Section 36a-435b.
- T72 "Credit union service organization services". Section 36a-435b.
- T73 "De novo branch". Section 36a-410 of the 2008 supplement
- T74 to the general statutes.
- T75 "Debt". Section 36a-645.
- T76 "Debt adjustment". Section 36a-655.
- T77 "Debt mutual fund". Sections 36a-275 and 36a-459a.
- T78 "Debt securities". Sections 36a-275 and 36a-459a.

- T79 "Debtor". Section 36a-655.
- T80 "Deliver". Section 36a-316.
- T81 "Deposit". Section 36a-316.
- T82 "Deposit account". Section 36a-316.
- T83 "Deposit account charge". Section 36a-316.
- T84 "Deposit account disclosures". Section 36a-316.
- T85 "Deposit contract". Section 36a-316.
- T86 "Deposit services". Section 36a-425.
- T87 "Depositor". Section 36a-316.
- T88 "Director". Section 36a-435b.
- T89 "Earning period". Section 36a-316.
- T90 "Electronic payment instrument". Section 36a-596 of the
- T91 2008 supplement to the general statutes.
- T92 "Eligible collateral". Section 36a-330.
- T93 "Equity mutual fund". Sections 36a-276 and 36a-459a.
- T94 "Equity security". Sections 36a-276 and 36a-459a.
- T95 "Executive officer". Sections 36a-263 and 36a-469c.
- T96 "Federal Credit Union Act". Section 36a-435b.
- T97 "Federal Home Mortgage Disclosure Act". Section 36a-736.
- T98 "Fiduciary". Section 36a-365.
- T99 "Filing fee". Section 36a-770.
- T100 "Finance charge". Sections 36a-690 and 36a-770.
- T101 "Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316,
- T102 36a-330, 36a-435b and 36a-736.
- T103 "Financial records". Section 36a-41.
- T104 "First mortgage broker". Section 36a-485 of the 2008
- T105 supplement to the general statutes.
- T106 "First mortgage correspondent lender". Section 36a-485 of
- T107 the 2008 supplement to the general statutes.
- T108 "First mortgage lender". Section 36a-485 of the 2008
- T109 supplement to the general statutes.
- T110 "First mortgage loan". Sections 36a-485 of the 2008
- T111 supplement to the general statutes, 36a-705 and 36a-715.
- T112 "Foreign banking corporation". Section 36a-425.

- T113 "General facility". Section 36a-580.
- T114 "Global net payment entitlement". Section 36a-428n.
- T115 "Global net payment obligation". Section 36a-428n.
- T116 "Goods". Sections 36a-535 and 36a-770.
- T117 "Graduated payment mortgage loan". Section 36a-265.
- T118 "Guardian". Section 36a-365.
- T119 "High cost home loan". Section 36a-746a.
- T120 "Holder". Section 36a-596 of the 2008 supplement to the
- T121 general statutes.
- T122 "Home banking services". Section 36a-170.
- T123 "Home banking terminal". Section 36a-170.
- T124 "Home improvement loan". Section 36a-736.
- T125 "Home purchase loan". Section 36a-736.
- T126 "Home state". Section 36a-410 of the 2008 supplement to
- T127 the general statutes.
- T128 "Immediate family member". Section 36a-435b.
- T129 "Insider". Section 36a-454b.
- T130 "Installment loan contract". Sections 36a-535 and 36a-770.
- T131 "Insurance". Section 36a-455a.
- T132 "Insurance bank". Section 36a-285.
- T133 "Insurance department". Section 36a-285.
- T134 "Interest". Section 36a-316.
- T135 "Interest rate". Section 36a-316.
- T136 "Lender". Sections 36a-746a and 36a-770.
- T137 "Lessor". Section 36a-676.
- T138 "License". Section 36a-626.
- T139 "Licensee". Sections 36a-510 of the 2008 supplement to the
- T140 general statutes, 36a-596 of the 2008 supplement to the
- T141 general statutes and 36a-626.
- T142 "Limited branch". Section 36a-145 of the 2008 supplement
- T143 to the general statutes.
- T144 "Limited facility". Section 36a-580.
- T145 "Loan broker". Section 36a-615.
- T146 "Loss". Section 36a-330.

- T147 "Made in this state". Section 36a-770.
- T148 "Managing agent". Section 36a-365.
- T149 "Manufactured home". Section 36a-457b.
- T150 "Material litigation". Section 36a-596 of the 2008
- T151 supplement to the general statutes.
- T152 "Member". Section 36a-435b.
- T153 "Member business loan". Section 36a-458a.
- T154 "Member in good standing". Section 36a-435b.
- T155 "Membership share". Section 36a-435b.
- T156 "Mobile branch". Section 36a-435b.
- T157 "Money order". Section 36a-596 of the 2008 supplement to
- T158 the general statutes.
- T159 "Money transmission". Section 36a-365.
- T160 "Mortgage insurance". Section 36a-725.
- T161 "Mortgage lender". Sections 36a-485 of the 2008
- T162 supplement to the general statutes, 36a-510 of the 2008
- T163 supplement to the general statutes and 36a-705.
- T164 "Mortgage loan". Sections 36a-261, 36a-265 and 36a-457b.
- T165 "Mortgage rate lock-in". Section 36a-705.
- T166 "Mortgage servicing company". Section 36a-715.
- T167 "Mortgagor". Section 36a-715.
- T168 "Motor vehicle". Section 36a-770.
- T169 "Multiple common bond membership". Section 36a-435b.
- T170 "Municipality". Section 36a-800 of the 2008 supplement to
- T171 the general statutes.
- T172 "Net outstanding member business loan balance". Section 36a-458a.
- T173 "Net worth". Sections 36a-441a, 36a-458a and 36a-596 of
- T174 the 2008 supplement to the general statutes.
- T175 "Network". Section 36a-155.
- T176 "Nonrefundable". Sections 36a-498 of the 2008
- T177 supplement to the general statutes and 36a-521 of
- T178 the 2008 supplement to the general statutes.
- T179 "Note account". Sections 36a-301 and 36a-456b.
- T180 "Office". Section 36a-23, as amended by this act, and section 36a-316.

- T181 "Officer". Section 36a-435b.
- T182 "Open-end credit plan". Section 36a-676.
- T183 "Open-end loan". Section 36a-565.
- T184 "Organization". Section 36a-800 of the 2008 supplement to
- T185 the general statutes.
- T186 "Originator". Sections 36a-485 of the 2008 supplement to
- T187 the general statutes and 36a-510 of the 2008 supplement
- T188 to the general statutes.
- T189 "Out-of-state holding company". Section 36a-410 of the
- T190 2008 supplement to the general statutes.
- T191 "Outstanding". Section 36a-596 of the 2008 supplement to
- T192 the general statutes.
- T193 "Passbook savings account". Section 36a-316.
- T194 "Payment instrument". Section 36a-596 of the 2008
- T195 supplement to the general statutes.
- T196 "Periodic statement". Section 36a-316.
- T197 "Permissible investment". Section 36a-596 of the 2008
- T198 supplement to the general statutes.
- T199 "Person". Section 36a-184.
- T200 "Post". Section 36a-316.
- T201 "Prepaid finance charge". Section 36a-746a.
- T202 "Prepayment penalty". Section 36a-746a.
- T203 "Prime quality". Section 36a-596 of the 2008 supplement
- T204 to the general statutes.
- T205 "Principal amount of the loan". Section 36a-510 of the
- T206 2008 supplement to the general statutes.
- T207 "Processor". Section 36a-155.
- T208 "Public deposit". Section 36a-330.
- T209 "Purchaser". Section 36a-596 of the 2008 supplement to
- T210 the general statutes.
- T211 "Qualified financial contract". Section 36a-428n.
- T212 "Qualified public depository" and "depository". Section 36a-330.
- T213 "Real estate". Section 36a-457b.
- T214 "Records". Section 36a-17.

- T215 "Related person". Section 36a-53 of the 2008 supplement  
T216 to the general statutes.
- T217 "Relocate". Sections 36a-145 of the 2008 supplement to the  
T218 general statutes and 36a-462a.
- T219 "Residential property". Section 36a-485 of the 2008  
T220 supplement to the general statutes.
- T221 "Retail buyer". Sections 36a-535 and 36a-770.
- T222 "Retail credit transaction". Section 42-100b.
- T223 "Retail installment contract". Sections 36a-535 and 36a-770.
- T224 "Retail installment sale". Sections 36a-535 and 36a-770.
- T225 "Retail seller". Sections 36a-535 and 36a-770.
- T226 "Reverse annuity mortgage loan". Section 36a-265.
- T227 "Sales finance company". Sections 36a-535 and 36a-770.
- T228 "Savings department". Section 36a-285.
- T229 "Savings deposit". Section 36a-316.
- T230 "Secondary mortgage broker". Section 36a-510 of the 2008  
T231 supplement to the general statutes.
- T232 "Secondary mortgage correspondent lender". Section 36a-  
T233 510 of the 2008 supplement to the general statutes.
- T234 "Secondary mortgage lender". Section 36a-510 of the 2008  
T235 supplement to the general statutes.
- T236 "Secondary mortgage loan". Section 36a-510 of the 2008  
T237 supplement to the general statutes.
- T238 "Security convertible into a voting security". Section 36a-184.
- T239 "Senior management". Section 36a-435b.
- T240 "Share". Section 36a-435b.
- T241 "Simulated check". Sections 36a-485 of the 2008  
T242 supplement to the general statutes and 36a-510 of the  
T243 2008 supplement to the general statutes.
- T244 "Single common bond membership". Section 36a-435b.
- T245 "Social purpose investment". Section 36a-277.
- T246 "Standard mortgage loan". Section 36a-265.
- T247 "Table funding agreement". Section 36a-485 of the 2008  
T248 supplement to the general statutes.

- T249 "Tax and loan account". Sections 36a-301 and 36a-456b.
- T250 "The Savings Bank Life Insurance Company". Section 36a-285.
- T251 "Time account". Section 36a-316.
- T252 "Travelers check". Section 36a-596 of the 2008 supplement
- T253 to the general statutes.
- T254 "Troubled Connecticut credit union". Section 36a-448a.
- T255 "Unsecured loan". Section 36a-615.
- T256 "Warehouse agreement". Section 36a-485 of the 2008
- T257 supplement to the general statutes.

6       Sec. 2. Section 36a-16 of the general statutes is repealed and the  
7 following is substituted in lieu thereof (*Effective October 1, 2008*):

8       (a) (1) Each Connecticut bank shall file with the commissioner such  
9 reports of condition and income as are required to be filed with the  
10 appropriate federal banking agency on the dates that such reports are  
11 required to be filed with such agency. [Each mutual Connecticut bank  
12 shall publish such reports for the period ending December thirty-first  
13 of each year in a newspaper published in the county where the main  
14 office of such mutual Connecticut bank is located in such form as the  
15 commissioner may prescribe within ten days of the date of such report,  
16 and such proof of publication shall be furnished as the commissioner  
17 may require.]

18       (2) Each out-of-state bank that maintains in this state a branch as  
19 defined in section 36a-410 of the 2008 supplement to the general  
20 statutes shall quarterly file with the commissioner such loan and  
21 deposit information as the commissioner may require.

22       (3) Each such Connecticut bank or out-of-state bank shall also file  
23 with the commissioner or publish such other reports and information  
24 as the commissioner may require.

25       (4) Any Connecticut bank or out-of-state bank that fails to [publish]  
26 file any report in accordance with this subsection or file any [report or]  
27 information required by this subsection, on the date required, shall pay

28 to the commissioner one hundred dollars for each day that it fails to  
29 [publish or] file such report or information, unless excused for cause  
30 by the commissioner.

31 (b) Except as provided in subsection (a) of this section, any person  
32 who fails to file any report or provide information required by any  
33 provision of this title, or any regulation adopted pursuant to this title,  
34 on the date required, shall pay to the commissioner fifty dollars for  
35 each day that such person fails to file such report or provide such  
36 information, unless excused for cause by the commissioner.

37 Sec. 3. Section 36a-23 of the general statutes is repealed and the  
38 following is substituted in lieu thereof (*Effective October 1, 2008*):

39 (a) The Governor is authorized, by proclamation, to designate and  
40 appoint one or more legal holidays, which shall include at a minimum  
41 the legal holidays designated in section 1-4, to be known as bank and  
42 credit union holidays, to be observed throughout this state, or to be  
43 observed in a certain county or town, or counties or towns, as specified  
44 in such proclamation. During such holiday period all banking and  
45 credit union transactions within the area in which such holiday is  
46 declared shall be suspended, except that the commissioner, with the  
47 approval of the Governor, may prescribe such conditions and  
48 restrictions for the conduct of banking and credit union business  
49 during such holiday period and within the area in which such holiday  
50 is declared as may appear to the commissioner to be in the best interest  
51 of the public. On one banking day that immediately precedes or  
52 follows any bank and credit union holiday, a bank or credit union may  
53 close any of its offices on its own initiative. Each such bank or credit  
54 union that closes an office on its own initiative shall provide the  
55 commissioner with forty-five-day advance notice of the date the office  
56 will be closed and shall post notice in the affected office for thirty days  
57 prior to the date such office will be closed.

58 (b) The commissioner may authorize the closing of all banks or  
59 Connecticut credit unions in this state or all banks or Connecticut

60 credit unions in any specified towns or counties or any office of any  
61 bank or Connecticut credit union whenever it appears to the  
62 commissioner that such action is required as a result of an emergency,  
63 or for good cause shown.

64 (c) A bank or Connecticut credit union may close any office located  
65 on a college or university campus or in a building of an educational  
66 institution during any period when the college, university or  
67 educational institution is not in regular session; provided the bank or  
68 Connecticut credit union shall give notice to the commissioner in  
69 advance of its intent to effect such closings of such an office.

70 (d) A bank or Connecticut credit union may close any office on its  
71 own initiative whenever an emergency does not afford an opportunity  
72 to obtain the commissioner's prior approval.

73 [(e) An emergency, within the meaning of this section, shall include  
74 conditions arising from shortages of fuel, housing, food, transportation  
75 or labor, or arising from enemy action or threat of enemy action, from  
76 fire or other casualty, from robbery or other crime, from riot or threat  
77 of riot, or from extreme weather conditions.]

78 [(f)] (e) The period of any closing pursuant to this section or  
79 pursuant to any similar provision of federal law, as well as the  
80 holidays otherwise provided by law, shall be a legal holiday, for  
81 purposes of the Uniform Commercial Code and otherwise, for the  
82 affected banks, Connecticut credit unions or offices.

83 (f) (1) If the commissioner determines that an emergency has  
84 affected and will continue to affect for an extended period of time one  
85 or more offices of a Connecticut bank or Connecticut credit union, or  
86 an office of an out-of-state state-chartered credit union or foreign bank  
87 that has an office in this state, either as a result of the emergency or  
88 subsequent recovery operations, the commissioner may issue an  
89 approval authorizing the bank or credit union affected to open one or  
90 more temporary offices or other facilities required for bank or credit

91 union operations for the purpose of prompt restoration of banking or  
92 credit union services to the existing customers of the bank or credit  
93 union as the circumstances of such emergency may require. A  
94 temporary office or facility may be used to solicit and service new  
95 customers, provided such customers are located within the market  
96 area of the affected office. A temporary office or other facility may  
97 remain open only for the period specified in the commissioner's  
98 approval, provided the commissioner may extend such period if the  
99 commissioner finds that the conditions requiring such office or facility  
100 continue to exist. The bank or credit union may convert a temporary  
101 office to a permanent office if permitted by and subject to the  
102 limitations and requirements of this title.

103 (2) If requested by the state or federal banking regulatory agency of  
104 an out-of-state bank or foreign bank, whose home state, as defined in  
105 section 36a-410, is Massachusetts, New Jersey, New York or Rhode  
106 Island, or an out-of-state state-chartered credit union whose main  
107 office is located in Massachusetts, New Jersey, New York or Rhode  
108 Island, that does not have an office in this state, and such home state or  
109 main office state is experiencing an emergency, the commissioner may  
110 issue an order authorizing such bank or credit union to open one or  
111 more temporary offices or other facilities in this state for the purpose  
112 of prompt restoration of banking or credit union services to the  
113 existing customers of the bank or credit union, as the circumstances of  
114 such emergency may require. A temporary office or facility may be  
115 used to solicit and service new customers, provided such customers  
116 are located outside this state. A temporary office or facility opened  
117 under the authority of this subsection may remain open only for the  
118 period specified in the commissioner's approval, provided the  
119 commissioner may extend such period on a finding that the conditions  
120 requiring such office or facility continue to exist. The bank or credit  
121 union may convert a temporary office to a permanent office if  
122 permitted by and subject to the limitations and requirements of this  
123 title.

124 (3) To further rapid restoration of banking and credit union services  
125 after an emergency, the commissioner may temporarily waive or  
126 suspend statutory or regulatory requirements that threaten to impede  
127 recovery and restoration of financial services.

128 (4) For purposes of this subsection, "office" means: (A) In the case of  
129 a Connecticut bank, a "branch", "limited branch" or "mobile branch", as  
130 defined in section 36a-145, (B) in the case of a foreign bank, a state  
131 branch, state agency or representative office, (C) in the case of an out-  
132 of-state bank, a "branch" as defined in section 36a-410, and (D) in the  
133 case of a Connecticut credit union or out-of-state state-chartered credit  
134 union, a "branch" as defined in section 36a-435b.

135 (g) For purposes of this section, an emergency includes conditions  
136 arising from shortages of fuel, housing, food, transportation or labor,  
137 or arising from enemy action or threat of enemy action, from fire or  
138 other casualty, from robbery or other crime, from riot or threat of riot,  
139 or from extreme weather conditions.

140 Sec. 4. Section 36a-190 of the general statutes is repealed and the  
141 following is substituted in lieu thereof (*Effective October 1, 2008*):

142 The provisions of sections 36a-183 to 36a-187, inclusive, shall not  
143 apply to: (1) A transaction subject to the provisions of section 36a-105  
144 or 36a-106, section 36a-125 or 36a-181, or the provisions of the laws of  
145 the United States relating to the merger or consolidation of federal  
146 banks, (2) the acquisition of shares acquired in good faith in a fiduciary  
147 capacity, (3) the acquisition or transfer of shares of a federal bank to  
148 the extent that the acquisition or transfer of such shares is subject to  
149 approval or disapproval under the laws of the United States, (4) the  
150 acquisition by a person who has previously filed an acquisition  
151 statement of less than one per cent of the voting securities of a bank or  
152 holding company during any six-month period, (5) an acquisition or  
153 transfer by operation of law or by gift, will or intestacy, provided the  
154 acquiror or transferee provides written notice of such acquisition or  
155 transfer to the commissioner not later than thirty days after such

156 acquisition or transfer and such notice includes (A) the name of the  
157 acquiror or transferee, (B) the person from whom the voting securities  
158 or securities convertible into voting securities are being acquired or  
159 transferred, (C) the number of shares of such voting securities or  
160 securities convertible into voting securities being acquired or  
161 transferred, (D) the number of such voting securities or securities  
162 convertible into voting securities owned by the acquiror or transferee  
163 on the date of acquisition or transfer, (E) the date of acquisition or  
164 transfer, and (F) whether the acquiror or transferee is an officer or  
165 director of the bank or bank holding company whose voting securities  
166 or securities convertible into voting securities are being acquired or  
167 transferred, (6) a transaction involving the acquisition of securities if  
168 the commissioner certifies in writing that the protection of depositors  
169 and creditors of the bank, the securities of which are being acquired or  
170 which is a subsidiary of the holding company the securities of which  
171 are being acquired, requires that the transaction proceed without  
172 delay, or (7) (A) the formation of a mutual holding company or a  
173 reorganized savings institution of such mutual holding company  
174 under sections 36a-192 and 36a-193 including the acquisition of voting  
175 shares of a reorganized savings institution by a nonstock corporation  
176 pursuant to subsection (b) of section 36a-192, or (B) the issuance of  
177 capital stock by such reorganized savings institution under sections  
178 36a-195 and 36a-196.

179 Sec. 5. Section 36a-198 of the general statutes is repealed and the  
180 following is substituted in lieu thereof (*Effective October 1, 2008*):

181 (a) A mutual holding company may establish a subsidiary holding  
182 company as a direct subsidiary to hold one hundred per cent of the  
183 stock of its reorganized savings institution subsidiary. The formation  
184 and operation of the subsidiary holding company may not be utilized  
185 as a means to evade or frustrate the purposes of sections 36a-192 to  
186 36a-199, inclusive. The subsidiary holding company may be  
187 established either at the time of the initial mutual holding company  
188 reorganization or at a subsequent date, subject to the approval of and

189 in accordance with any conditions or limitations imposed by the  
190 commissioner. A proposal to establish a subsidiary holding company  
191 shall be filed with the commissioner and shall include the proposed  
192 certificate of incorporation and bylaws of the subsidiary holding  
193 company and any other information required by the commissioner.

194 (b) For purposes of section 36a-196, the subsidiary holding company  
195 shall be treated as a reorganized savings institution issuing stock and  
196 shall be subject to the requirements of said section. In the case of a  
197 stock issuance by a subsidiary holding company, the aggregate  
198 amount of outstanding common stock of the subsidiary holding  
199 company owned or controlled by persons other than the subsidiary  
200 holding company's mutual holding company parent at the close of the  
201 proposed issuance shall be less than fifty per cent of the subsidiary  
202 holding company's total outstanding common stock.

203 (c) Subject to the approval of the commissioner, a subsidiary  
204 holding company may acquire and dispose of its own stock, provided  
205 no such acquisition or disposal results in persons other than the  
206 subsidiary holding company's mutual holding company parent  
207 owning or controlling a greater percentage of common stock than is  
208 permissible under subsection (b) of this section.

209 Sec. 6. Section 36a-540 of the general statutes is repealed and the  
210 following is substituted in lieu thereof (*Effective October 1, 2008*):

211 Each license shall specify the location at which the business is to be  
212 conducted. Each license shall be maintained at the location for which it  
213 was issued and shall be available for public inspection. Such license  
214 shall not be transferable or assignable. Any change of location of a  
215 licensee shall require only prior written notice to the commissioner. No  
216 licensee shall use any name other than the name specified on the  
217 license issued by the commissioner. Not later than fifteen days after a  
218 licensee ceases to engage in this state in the business of a sales finance  
219 company for any reason, including a business decision to terminate  
220 operations in this state, license revocation, bankruptcy or voluntary

221 dissolution, such licensee shall surrender to the commissioner in  
222 person or by registered or certified mail its license for each location in  
223 which such licensee has ceased to engage in such business.

224 Sec. 7. Section 36a-560 of the general statutes is repealed and the  
225 following is substituted in lieu thereof (*Effective October 1, 2008*):

226 No licensee shall make any loan provided for by sections 36a-555 to  
227 36a-573, inclusive, under any other name or at any other place of  
228 business than that named in the license. Not more than one place of  
229 business shall be maintained under the same license, but the  
230 commissioner may issue more than one license to the same licensee  
231 upon compliance with the provisions of sections 36a-555 to 36a-573,  
232 inclusive, as to each new license. Not later than fifteen days after a  
233 licensee ceases to engage in this state in the business of a small loan  
234 lender for any reason, including a business decision to terminate  
235 operations in this state, license revocation, bankruptcy or voluntary  
236 dissolution, such licensee shall surrender to the commissioner in  
237 person or by registered or certified mail its license for each location in  
238 which such licensee has ceased to engage in such business.

239 Sec. 8. Subsection (c) of section 36a-581 of the general statutes is  
240 repealed and the following is substituted in lieu thereof (*Effective*  
241 *October 1, 2008*):

242 (c) An application for a check cashing license or renewal of such  
243 license shall be in writing, under oath and on a form provided by the  
244 commissioner. The application shall set forth: (1) The name and  
245 address of the applicant; (2) if the applicant is a firm or partnership,  
246 the names and addresses of each member of the firm or partnership;  
247 (3) if the applicant is a corporation, the names and addresses of each  
248 officer, director, authorized agent and each shareholder owning ten  
249 per cent or more of the outstanding stock of such corporation; (4) if the  
250 applicant is a limited liability company, the names and addresses of  
251 each [manager] member and authorized agent of such limited liability  
252 company; (5) each location where the check cashing business is to be

253 conducted and the type of facility that will be operated at that location;  
254 (6) the business plan, which shall include the proposed days and hours  
255 of operation; (7) the amount of liquid assets available for each location  
256 which shall not be less than the amount specified in subdivision (7) of  
257 subsection (e) of this section, as amended by this act; (8) for each  
258 limited facility, a copy of the executed contract evidencing the  
259 proposed arrangement between the applicant and the employer; and  
260 (9) any other information the commissioner may require.

261 Sec. 9. Subsection (e) of section 36a-581 of the general statutes is  
262 repealed and the following is substituted in lieu thereof (*Effective*  
263 *October 1, 2008*):

264 (e) Upon the filing of the required application and the applicable  
265 license and location fees, the commissioner shall investigate the facts  
266 and may issue a license if the commissioner finds that (1) the applicant  
267 is in all respects properly qualified and of good character, (2) if the  
268 applicant is a firm or partnership, each member of the firm or  
269 partnership is in all respects properly qualified and of good character,  
270 (3) if the applicant is a corporation, each officer, director, authorized  
271 agent and each shareholder owning ten per cent or more of the  
272 outstanding stock of such corporation is in all respects properly  
273 qualified and of good character, (4) if the applicant is a limited liability  
274 company, each [manager] member and authorized agent is in all  
275 respects properly qualified and of good character, (5) granting such  
276 license would not be against the public interest, (6) the applicant has a  
277 feasible plan for conducting business, and (7) the applicant has  
278 available and shall continuously maintain liquid assets of at least ten  
279 thousand dollars for each general facility location and at least two  
280 thousand five hundred dollars for each limited facility location  
281 specified in the application.

282 Sec. 10. Section 36a-583 of the general statutes is repealed and the  
283 following is substituted in lieu thereof (*Effective October 1, 2008*):

284 The license for each facility shall be conspicuously posted in that

285 facility during the hours of operation. Such license shall not be  
286 transferable or assignable. Not later than fifteen days after a licensee  
287 ceases to engage in this state in the business of cashing checks, drafts  
288 or money orders for consideration at a general facility or limited  
289 facility for any reason, including, but not limited to, a business  
290 decision to terminate operations in this state, license revocation,  
291 bankruptcy or voluntary dissolution, such licensee shall surrender to  
292 the commissioner in person or by registered or certified mail its license  
293 for each location in which such licensee has ceased to engage in such  
294 business.

295 Sec. 11. Subsection (a) of section 36a-598 of the general statutes is  
296 repealed and the following is substituted in lieu thereof (*Effective*  
297 *October 1, 2008*):

298 (a) Each application for an original or renewal license required  
299 under sections 36a-595 to 36a-610, inclusive, shall be made in writing  
300 and under oath to the commissioner in such form as the commissioner  
301 may prescribe. The application shall include:

302 (1) The exact name of the applicant and, if incorporated, the date of  
303 incorporation and the state where incorporated;

304 (2) The complete address of the principal office from which the  
305 business is to be conducted, and of the office where the books and  
306 records of the applicant are maintained and to be maintained,  
307 including the street and number, if any, and the municipality and  
308 county of such offices;

309 (3) The complete name and address of each of the applicant's  
310 branches, subsidiaries, affiliates and agents and subagents, if any,  
311 engaging in this state in the business of selling or issuing Connecticut  
312 payment instruments, or engaging in the business of money  
313 transmission;

314 (4) The name, title, address and telephone number of the person to

315 whom notice of the commissioner's approval or disapproval of the  
316 application shall be sent and to whom any inquiries by the  
317 commissioner concerning the application shall be directed;

318 (5) The name and residence address of (A) the individual, if the  
319 applicant is an individual; (B) the partners, if the applicant is a  
320 partnership; (C) the directors, trustees, principal officers, and any  
321 shareholder owning ten per cent or more of each class of its securities,  
322 if the applicant is a corporation or association; or (D) the [managers]  
323 members, if the applicant is a limited liability company, and sufficient  
324 information pertaining to the name and address, in a form acceptable  
325 to the commissioner, on such partners, directors, trustees, principal  
326 officers, [managers] members, and any shareholder owning ten per  
327 cent or more of each class of its securities, as the commissioner deems  
328 necessary to make the findings under section 36a-600, as amended by  
329 this act;

330 (6) The most recently audited unconsolidated financial statement of  
331 the applicant, including its balance sheet and receipts and  
332 disbursements for the preceding year, prepared by an independent  
333 certified public accountant acceptable to the commissioner;

334 (7) A list of the applicant's permissible investments, the book and  
335 market values of such investments, and the dollar amount of the  
336 applicant's aggregate outstanding payment instruments (A) as of the  
337 date of the financial statement filed in accordance with subdivision (6)  
338 of this subsection; and (B) as of a date no earlier than thirty business  
339 days prior to the filing of the application;

340 (8) The history of material litigation and criminal convictions for the  
341 five-year period prior to the date of the application of (A) the  
342 individual, if the applicant is an individual; (B) the partners, if the  
343 applicant is a partnership; (C) the directors, trustees, principal officers  
344 and any shareholder owning ten per cent or more of each class of its  
345 securities, if the applicant is a corporation or association; or (D) the  
346 [managers] members, if the applicant is a limited liability company,

347 and sufficient information pertaining to the history of material  
348 litigation and criminal convictions, in a form acceptable to the  
349 commissioner, on such partners, directors, trustees, principal officers,  
350 members and any shareholder owning ten per cent or more of each  
351 class of its securities;

352 (9) (A) The surety bond required by subsection (a) of section 36a-602  
353 of the 2008 supplement to the general statutes, if applicable;

354 (B) A list of the investments maintained in accordance with  
355 subsection (c) of section 36a-602 of the 2008 supplement to the general  
356 statutes, if applicable, and the book and market values of any such  
357 investments (i) as of the date of the financial statement filed in  
358 accordance with subdivision (6) of this subsection; and (ii) as of a date  
359 no earlier than thirty business days prior to the filing of the  
360 application;

361 (C) The commissioner may defer compliance with the provisions of  
362 this subdivision until after the commissioner rules on the application,  
363 but the commissioner shall not issue a license until an applicant  
364 complies with the provisions of this subdivision;

365 (10) A statement of whether the applicant will engage in the  
366 business of issuing money orders, travelers checks or electronic  
367 payment instruments or engage in the business of money transmission  
368 in this state;

369 (11) Any other information the commissioner may require.

370 Sec. 12. Subsection (b) of section 36a-599 of the general statutes is  
371 repealed and the following is substituted in lieu thereof (*Effective*  
372 *October 1, 2008*):

373 (b) A license issued pursuant to sections 36a-595 to 36a-610,  
374 inclusive, shall expire at the close of business on September thirtieth of  
375 the odd-numbered year following its issuance, unless renewed or  
376 earlier surrendered, suspended or revoked pursuant to said sections,

377 provided any license that is renewed effective July 1, 2007, shall expire  
378 on September 30, 2009. Not later than fifteen days after a licensee  
379 ceases to engage in this state in the business of issuing Connecticut  
380 payment instruments or ceases to engage in the business of money  
381 transmission for any reason, including a business decision to terminate  
382 operations in this state, license revocation, bankruptcy or voluntary  
383 dissolution, such licensee shall surrender to the commissioner in  
384 person or by registered or certified mail its license for each location in  
385 which such licensee has ceased to engage in such business.

386 Sec. 13. Subsection (a) of section 36a-600 of the general statutes is  
387 repealed and the following is substituted in lieu thereof (*Effective*  
388 *October 1, 2008*):

389 (a) Upon the filing of an application for an original license, and the  
390 payment of the fees for investigation and license, the commissioner  
391 shall investigate the financial condition and responsibility, financial  
392 and business experience, character and general fitness of the applicant.  
393 The commissioner shall approve conditionally any application, if the  
394 commissioner finds that:

395 (1) The applicant's financial condition is sound;

396 (2) The applicant's business will be conducted honestly, fairly,  
397 equitably, carefully and efficiently within the purposes and intent of  
398 sections 36a-595 to 36a-610, inclusive, and in a manner commanding  
399 the confidence and trust of the community;

400 (3) (A) If the applicant is an individual, such individual is in all  
401 respects properly qualified and of good character, (B) if the applicant is  
402 a partnership, each partner is in all respects properly qualified and of  
403 good character, (C) if the applicant is a corporation or association, each  
404 president, chairperson of the executive committee, senior officer  
405 responsible for the corporation's business, chief financial officer or any  
406 other person who performs similar functions as determined by the  
407 commissioner, director, trustee and each shareholder owning ten per

408 cent or more of each class of the securities of such corporation is in all  
409 respects properly qualified and of good character, or (D) if the  
410 applicant is a limited liability company, each member is in all respects  
411 properly qualified and of good character;

412 (4) The applicant is in compliance with the provisions of sections  
413 36a-603 of the 2008 supplement to the general statutes and 36a-604 of  
414 the 2008 supplement to the general statutes;

415 (5) No person on behalf of the applicant knowingly has made any  
416 incorrect statement of a material fact in the application, or in any  
417 report or statement made pursuant to sections 36a-595 to 36a-610,  
418 inclusive;

419 (6) No person on behalf of the applicant knowingly has omitted to  
420 state any material fact necessary to give the commissioner any  
421 information lawfully required by the commissioner.

422 Sec. 14. Section 36a-658 of the general statutes is repealed and the  
423 following is substituted in lieu thereof (*Effective October 1, 2008*):

424 Each license shall state the location at which the business is to be  
425 conducted and shall state fully the name of the licensee. If the licensee  
426 desires to engage in the business of debt adjustment in more than one  
427 location, the licensee shall procure a license for each location where the  
428 business is to be conducted. Each license shall be maintained at the  
429 location for which the license was issued and shall be available for  
430 public inspection. Such license shall not be transferable or assignable,  
431 provided any change of location of a licensee shall require only prior  
432 written notice to the commissioner. No licensee shall use any name  
433 other than the name stated on the license issued by the commissioner.  
434 Not later than fifteen days after a licensee ceases to engage in this state  
435 in the business of debt adjustment for any reason, including a business  
436 decision to terminate operations in this state, license revocation,  
437 bankruptcy or voluntary dissolution, such licensee shall surrender to  
438 the commissioner in person or by registered or certified mail its license

439 for each location in which such licensee has ceased to engage in such  
 440 business.

441 Sec. 15. Section 36a-738 of the general statutes is repealed and the  
 442 following is substituted in lieu thereof (*Effective October 1, 2008*):

443 A financial institution shall comply with all applicable provisions of  
 444 the federal Home Mortgage Disclosure Act, and, in addition, shall  
 445 report on the federal Home Mortgage Disclosure Act loan application  
 446 register the reason for denial in connection with each loan application  
 447 subject to federal reporting that is denied by the financial institution.  
 448 Each financial institution shall provide the commissioner with any  
 449 information required to be disclosed to a federal agency pursuant to  
 450 the federal Home Mortgage Disclosure Act [as the commissioner may  
 451 require] if requested by the commissioner in any case in which the  
 452 commissioner is unable to obtain such information from the applicable  
 453 federal agency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	36a-3
Sec. 2	<i>October 1, 2008</i>	36a-16
Sec. 3	<i>October 1, 2008</i>	36a-23
Sec. 4	<i>October 1, 2008</i>	36a-190
Sec. 5	<i>October 1, 2008</i>	36a-198
Sec. 6	<i>October 1, 2008</i>	36a-540
Sec. 7	<i>October 1, 2008</i>	36a-560
Sec. 8	<i>October 1, 2008</i>	36a-581(c)
Sec. 9	<i>October 1, 2008</i>	36a-581(e)
Sec. 10	<i>October 1, 2008</i>	36a-583
Sec. 11	<i>October 1, 2008</i>	36a-598(a)
Sec. 12	<i>October 1, 2008</i>	36a-599(b)
Sec. 13	<i>October 1, 2008</i>	36a-600(a)
Sec. 14	<i>October 1, 2008</i>	36a-658
Sec. 15	<i>October 1, 2008</i>	36a-738

**Statement of Purpose:**

To make various changes to the banking laws.

*[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.]*