



General Assembly

Substitute Bill No. 182

February Session, 2008

* SB00182BA 030508 *

**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2 statutes is repealed and the following is substituted in lieu thereof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 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 by
30 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 of the 2008 supplement to the general statutes, is
106 Massachusetts, New Jersey, New York or Rhode Island, or an out-of-
107 state state-chartered credit union whose main office is located in
108 Massachusetts, New Jersey, New York or Rhode Island, that does not
109 have an office in this state, and such home state or main office state is
110 experiencing an emergency, the commissioner may issue an order
111 authorizing such bank or credit union to open one or more temporary
112 offices or other facilities in this state for the purpose of prompt
113 restoration of banking or credit union services to the existing
114 customers of the bank or credit union, as the circumstances of such
115 emergency may require. A temporary office or facility may be used to
116 solicit and service new customers, provided such customers are
117 located outside this state. A temporary office or facility opened under
118 the authority of this subsection may remain open only for the period
119 specified in the commissioner's approval, provided the commissioner
120 may extend such period on a finding that the conditions requiring
121 such office or facility continue to exist. The bank or credit union may
122 convert a temporary office to a permanent office if permitted by and
123 subject to the limitations and requirements of this 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. For purposes of this
128 subdivision, "temporarily" means a period of time not exceeding
129 ninety days.

130 (4) For purposes of this subsection, "office" means: (A) In the case of
131 a Connecticut bank, a "branch", "limited branch" or "mobile branch", as
132 defined in section 36a-145 of the 2008 supplement to the general
133 statutes, (B) in the case of a foreign bank, a state branch, state agency
134 or representative office, (C) in the case of an out-of-state bank, a
135 "branch" as defined in section 36a-410 of the 2008 supplement to the
136 general statutes, and (D) in the case of a Connecticut credit union or

137 out-of-state state-chartered credit union, a "branch" as defined in
138 section 36a-435b.

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

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

146 The provisions of sections 36a-183 to 36a-187, inclusive, shall not
147 apply to: (1) A transaction subject to the provisions of section 36a-105
148 or 36a-106, section 36a-125 or 36a-181, or the provisions of the laws of
149 the United States relating to the merger or consolidation of federal
150 banks, (2) the acquisition of shares acquired in good faith in a fiduciary
151 capacity, (3) the acquisition or transfer of shares of a federal bank to
152 the extent that the acquisition or transfer of such shares is subject to
153 approval or disapproval under the laws of the United States, (4) the
154 acquisition by a person who has previously filed an acquisition
155 statement of less than one per cent of the voting securities of a bank or
156 holding company during any six-month period, (5) an acquisition or
157 transfer by operation of law or by gift, will or intestacy, provided the
158 acquiror or transferee provides written notice of such acquisition or
159 transfer to the commissioner not later than thirty days after such
160 acquisition or transfer and such notice includes (A) the name of the
161 acquiror or transferee, (B) the person from whom the voting securities
162 or securities convertible into voting securities are being acquired or
163 transferred, (C) the number of shares of such voting securities or
164 securities convertible into voting securities being acquired or
165 transferred, (D) the number of such voting securities or securities
166 convertible into voting securities owned by the acquiror or transferee
167 on the date of acquisition or transfer, (E) the date of acquisition or
168 transfer, and (F) whether the acquiror or transferee is an officer or
169 director of the bank or bank holding company whose voting securities

170 or securities convertible into voting securities are being acquired or
171 transferred, (6) a transaction involving the acquisition of securities if
172 the commissioner certifies in writing that the protection of depositors
173 and creditors of the bank, the securities of which are being acquired or
174 which is a subsidiary of the holding company the securities of which
175 are being acquired, requires that the transaction proceed without
176 delay, or (7) (A) the formation of a mutual holding company or a
177 reorganized savings institution of such mutual holding company
178 under sections 36a-192 and 36a-193 including the acquisition of voting
179 shares of a reorganized savings institution by a nonstock corporation
180 pursuant to subsection (b) of section 36a-192, or (B) the issuance of
181 capital stock by such reorganized savings institution under sections
182 36a-195 and 36a-196.

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

185 (a) A mutual holding company may establish a subsidiary holding
186 company as a direct subsidiary to hold one hundred per cent of the
187 stock of its reorganized savings institution subsidiary. The formation
188 and operation of the subsidiary holding company may not be utilized
189 as a means to evade or frustrate the purposes of sections 36a-192 to
190 36a-199, inclusive. The subsidiary holding company may be
191 established either at the time of the initial mutual holding company
192 reorganization or at a subsequent date, subject to the approval of and
193 in accordance with any conditions or limitations imposed by the
194 commissioner. A proposal to establish a subsidiary holding company
195 shall be filed with the commissioner and shall include the proposed
196 certificate of incorporation and bylaws of the subsidiary holding
197 company and any other information required by the commissioner.

198 (b) For purposes of section 36a-196, the subsidiary holding company
199 shall be treated as a reorganized savings institution issuing stock and
200 shall be subject to the requirements of said section. In the case of a
201 stock issuance by a subsidiary holding company, the aggregate
202 amount of outstanding common stock of the subsidiary holding

203 company owned or controlled by persons other than the subsidiary
204 holding company's mutual holding company parent at the close of the
205 proposed issuance shall be less than fifty per cent of the subsidiary
206 holding company's total outstanding common stock.

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

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

215 Each license shall specify the location at which the business is to be
216 conducted. Each license shall be maintained at the location for which it
217 was issued and shall be available for public inspection. Such license
218 shall not be transferable or assignable. Any change of location of a
219 licensee shall require only prior written notice to the commissioner. No
220 licensee shall use any name other than the name specified on the
221 license issued by the commissioner. Not later than fifteen days after a
222 licensee ceases to engage in this state in the business of a sales finance
223 company for any reason, including a business decision to terminate
224 operations in this state, license revocation, bankruptcy or voluntary
225 dissolution, such licensee shall surrender to the commissioner in
226 person or by registered or certified mail its license for each location in
227 which such licensee has ceased to engage in such business.

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

230 No licensee shall make any loan provided for by sections 36a-555 to
231 36a-573, inclusive, under any other name or at any other place of
232 business than that named in the license. Not more than one place of
233 business shall be maintained under the same license, but the
234 commissioner may issue more than one license to the same licensee

235 upon compliance with the provisions of sections 36a-555 to 36a-573,
236 inclusive, as to each new license. Not later than fifteen days after a
237 licensee ceases to engage in this state in the business of a small loan
238 lender for any reason, including a business decision to terminate
239 operations in this state, license revocation, bankruptcy or voluntary
240 dissolution, such licensee shall surrender to the commissioner in
241 person or by registered or certified mail its license for each location in
242 which such licensee has ceased to engage in such business.

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

246 (c) An application for a check cashing license or renewal of such
247 license shall be in writing, under oath and on a form provided by the
248 commissioner. The application shall set forth: (1) The name and
249 address of the applicant; (2) if the applicant is a firm or partnership,
250 the names and addresses of each member of the firm or partnership;
251 (3) if the applicant is a corporation, the names and addresses of each
252 officer, director, authorized agent and each shareholder owning ten
253 per cent or more of the outstanding stock of such corporation; (4) if the
254 applicant is a limited liability company, the names and addresses of
255 each [manager] member and authorized agent of such limited liability
256 company; (5) each location where the check cashing business is to be
257 conducted and the type of facility that will be operated at that location;
258 (6) the business plan, which shall include the proposed days and hours
259 of operation; (7) the amount of liquid assets available for each location
260 which shall not be less than the amount specified in subdivision (7) of
261 subsection (e) of this section, as amended by this act; (8) for each
262 limited facility, a copy of the executed contract evidencing the
263 proposed arrangement between the applicant and the employer; and
264 (9) any other information the commissioner may require.

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

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

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

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

299 Sec. 11. Subsection (a) of section 36a-598 of the general statutes is
300 repealed and the following is substituted in lieu thereof (*Effective*

301 October 1, 2008):

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

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

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

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

318 (4) The name, title, address and telephone number of the person to
319 whom notice of the commissioner's approval or disapproval of the
320 application shall be sent and to whom any inquiries by the
321 commissioner concerning the application shall be directed;

322 (5) The name and residence address of (A) the individual, if the
323 applicant is an individual; (B) the partners, if the applicant is a
324 partnership; (C) the directors, trustees, principal officers, and any
325 shareholder owning ten per cent or more of each class of its securities,
326 if the applicant is a corporation or association; or (D) the [managers]
327 members, if the applicant is a limited liability company, and sufficient
328 information pertaining to the name and address, in a form acceptable
329 to the commissioner, on such partners, directors, trustees, principal
330 officers, [managers] members, and any shareholder owning ten per
331 cent or more of each class of its securities, as the commissioner deems

332 necessary to make the findings under section 36a-600, as amended by
333 this act;

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

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

344 (8) The history of material litigation and criminal convictions for the
345 five-year period prior to the date of the application of (A) the
346 individual, if the applicant is an individual; (B) the partners, if the
347 applicant is a partnership; (C) the directors, trustees, principal officers
348 and any shareholder owning ten per cent or more of each class of its
349 securities, if the applicant is a corporation or association; or (D) the
350 [managers] members, if the applicant is a limited liability company,
351 and sufficient information pertaining to the history of material
352 litigation and criminal convictions, in a form acceptable to the
353 commissioner, on such partners, directors, trustees, principal officers,
354 members and any shareholder owning ten per cent or more of each
355 class of its securities;

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

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

364 application;

365 (C) The commissioner may defer compliance with the provisions of
366 this subdivision until after the commissioner rules on the application,
367 but the commissioner shall not issue a license until an applicant
368 complies with the provisions of this subdivision;

369 (10) A statement of whether the applicant will engage in the
370 business of issuing money orders, travelers checks or electronic
371 payment instruments or engage in the business of money transmission
372 in this state;

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

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

377 (b) A license issued pursuant to sections 36a-595 to 36a-610,
378 inclusive, shall expire at the close of business on September thirtieth of
379 the odd-numbered year following its issuance, unless renewed or
380 earlier surrendered, suspended or revoked pursuant to said sections,
381 provided any license that is renewed effective July 1, 2007, shall expire
382 on September 30, 2009. Not later than fifteen days after a licensee
383 ceases to engage in this state in the business of issuing Connecticut
384 payment instruments or ceases to engage in the business of money
385 transmission for any reason, including a business decision to terminate
386 operations in this state, license revocation, bankruptcy or voluntary
387 dissolution, such licensee shall surrender to the commissioner in
388 person or by registered or certified mail its license for each location in
389 which such licensee has ceased to engage in such business.

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

393 (a) Upon the filing of an application for an original license, and the

394 payment of the fees for investigation and license, the commissioner
395 shall investigate the financial condition and responsibility, financial
396 and business experience, character and general fitness of the applicant.
397 The commissioner shall approve conditionally any application, if the
398 commissioner finds that:

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

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

404 (3) (A) If the applicant is an individual, such individual is in all
405 respects properly qualified and of good character, (B) if the applicant is
406 a partnership, each partner is in all respects properly qualified and of
407 good character, (C) if the applicant is a corporation or association, each
408 president, chairperson of the executive committee, senior officer
409 responsible for the corporation's business, chief financial officer or any
410 other person who performs similar functions as determined by the
411 commissioner, director, trustee and each shareholder owning ten per
412 cent or more of each class of the securities of such corporation is in all
413 respects properly qualified and of good character, or (D) if the
414 applicant is a limited liability company, each member is in all respects
415 properly qualified and of good character;

416 (4) The applicant is in compliance with the provisions of sections
417 36a-603 of the 2008 supplement to the general statutes and 36a-604 of
418 the 2008 supplement to the general statutes;

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

423 (6) No person on behalf of the applicant knowingly has omitted to
424 state any material fact necessary to give the commissioner any

425 information lawfully required by the commissioner.

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

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

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

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

457 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

BA *Joint Favorable Subst.*