



General Assembly

Amendment

February Session, 2008

LCO No. 5938

HB0557705938HDO

Offered by:

REP. BARRY, 12th Dist.
SEN. DUFF, 25th Dist.
REP. CAFERO, 142nd Dist.
REP. RYAN, 141st Dist.
SEN. KANE, 32nd Dist.

To: Subst. House Bill No. 5577

File No. 114

Cal. No. 70

"AN ACT CONCERNING RESPONSIBLE LENDING AND ECONOMIC SECURITY."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective from passage*) (a) As used in this section,
4 "authority" means the Connecticut Housing Finance Authority created
5 under section 8-244 of the general statutes.

6 (b) The authority is authorized to continue to develop and
7 implement a program for home mortgage refinancing for homeowners
8 with adjustable rate mortgages as an additional purpose pursuant to
9 the provisions of subdivision (32) of section 8-250 of the general
10 statutes. Such program shall be undertaken by the authority consistent
11 with and subject to its contractual obligations to its bondholders in an
12 initial amount of forty million dollars under terms and conditions

13 determined by the authority.

14 Sec. 2. (NEW) (*Effective from passage*) (a) As used in this section:

15 (1) "Authority" means the Connecticut Housing Finance Authority
16 created under section 8-244 of the general statutes;

17 (2) "Mortgage" means a mortgage deed or other instrument which
18 constitutes a first or second consensual lien on one-to-four family
19 owner-occupied residential real property located in this state,
20 including, but not limited to, a single-family unit in a common interest
21 community, securing a loan made primarily for personal, family or
22 household purposes;

23 (3) "Borrower" means the owner-occupant of a one-to-four family
24 residential real property located in this state, including, but not limited
25 to, a single family unit in a common interest community, who has a
26 mortgage encumbering such real property;

27 (4) "Lender" means the original lender under a mortgage, or its
28 agents, successors or assigns; and

29 (5) "HERO program" means the Homeowner's Equity Recovery
30 Opportunity Loan program.

31 (b) The authority is authorized to develop and implement the
32 HERO program as an additional purpose pursuant to the provisions of
33 subdivision (32) of section 8-250 of the general statutes. The HERO
34 program shall be undertaken by the authority consistent with and
35 subject to its contractual obligations with its bondholders in an initial
36 amount of thirty million dollars.

37 (c) On and after July 1, 2008, the authority shall implement the
38 HERO program in accordance with this section. Said program shall
39 offer, within available funds, financing through the following
40 mechanism: The authority shall purchase mortgages directly from
41 lenders and then place borrowers it determines to be eligible on an
42 affordable repayment plan. All borrowers approved by the authority

43 for the program shall attend in-person financial counseling at an
44 authority-approved agency.

45 (d) A HERO loan shall: (1) Be a mortgage for up to thirty years in an
46 amount determined by the authority; (2) provide an interest rate at an
47 amount determined by the authority; (3) be serviced by the authority
48 or its agents; and (4) have property taxes and insurance, including
49 mortgage insurance, homeowner's insurance and, if applicable, flood
50 insurance, included in the borrower's monthly payment amount.

51 (e) For purposes of the HERO program, the authority shall purchase
52 mortgages directly from lenders and make a HERO loan available to
53 borrowers whose mortgages have been purchased by the authority
54 and who have been determined by the authority to be eligible. A
55 borrower shall be eligible if the HERO loan is in the first lien position,
56 and if, in the authority's determination, the borrower has: (1) Made an
57 effort to meet his or her financial obligations to the best of the
58 borrower's ability; (2) sufficient and stable income to support timely
59 repayment of a HERO loan; (3) legal title to the mortgaged property
60 and resides in it as the borrower's permanent residence; and (4) if the
61 borrower has stopped making monthly payments, the ability to
62 account for the borrower's cash flow by showing how those funds
63 were escrowed, saved or redirected. The authority shall make a
64 determination of eligibility for the HERO program no later than thirty
65 calendar days after the date of receipt of the borrower's application.

66 (f) The borrower shall apply for a HERO loan on the form provided
67 by the authority. The borrower shall complete and sign the application
68 subject to the penalty for false statement under section 53a-157b of the
69 general statutes. Any borrower who misrepresents any financial or
70 other pertinent information in conjunction with the filing of an
71 application for a HERO loan may be denied assistance. The borrower
72 shall provide the authority with full disclosure of all assets and
73 liabilities, whether singly or jointly held, and all household income
74 regardless of source. For purposes of this subsection, both of the
75 following are included as assets:

76 (1) The sum of the household's savings and checking accounts,
77 market value of stocks, bonds and other securities, other capital
78 investments, pensions and retirement funds, personal property and
79 equity in real property including the subject mortgage property.
80 Income derived from family assets shall be considered as income.
81 Equity is the difference between the market value of the property and
82 the total outstanding principal of any loans secured by the property
83 and other liens.

84 (2) Lump-sum additions to family assets such as inheritances,
85 capital gains, insurance payments included under health, accident,
86 hazard or worker's compensation policies and settlements, verdicts or
87 awards for personal or property losses or transfer of assets without
88 consideration within one year of the time of application. Pending
89 claims for such items must be identified by the borrower as contingent
90 assets.

91 (g) On or before July 1, 2008, the authority shall adopt procedures in
92 accordance with section 1-121 of the general statutes to implement the
93 provisions of this section.

94 Sec. 3. Subsection (a) of section 8-251 of the general statutes is
95 repealed and the following is substituted in lieu thereof (*Effective July*
96 *1, 2008*):

97 (a) In order to provide additional construction and permanent
98 financing for housing in this state, the authority is authorized to make
99 commitments to purchase, and to purchase, service and sell mortgages
100 and to make loans directly upon the security of any mortgage, and to
101 make commitments to purchase, and to purchase and sell participation
102 sale certificates representing interests in mortgages, provided the
103 underlying mortgage loans shall have been made and shall be used
104 solely to finance or refinance the construction, rehabilitation, purchase
105 or leasing of housing in this state, and provided further the aggregate
106 amount of permanent mortgages, mortgage-backed securities and
107 participation sale certificates representing interests in mortgages

108 purchased, and permanent loans made by the authority which are not
109 directly or indirectly insured or guaranteed by any department,
110 agency, instrumentality of the United States of America, or public
111 corporation chartered by the Congress of the United States, including
112 but not limited to the Federal Home Loan Mortgage Corporation, or
113 which are not insured or guaranteed by any department, agency or
114 instrumentality of the state, any insurance company licensed to do
115 business in the state and authorized to underwrite mortgage insurance
116 or by the authority shall not at any one time exceed one billion five
117 hundred million dollars.

118 Sec. 4. (NEW) Section 8-250 of the general statutes is amended by
119 adding subdivision (45) as follows (*Effective July 1, 2008*):

120 (NEW) (45) To develop and implement a program to purchase, and
121 to fund the authority's purchase of, foreclosed residential real property
122 in this state for the purpose of providing affordable and supportive
123 housing, and to report, in accordance with section 11-4a, no later than
124 January 1, 2009, on the program and plans for its implementation to
125 the joint standing committees of the General Assembly having
126 cognizance of matters relating to banks and planning and
127 development, and to the select committee of the General Assembly
128 having cognizance of matters relating to housing.

129 Sec. 5. Section 8-265cc of the general statutes is repealed and the
130 following is substituted in lieu thereof (*Effective July 1, 2008*):

131 As used in sections 8-265cc to 8-265kk, inclusive, as amended by this
132 act:

133 (1) "Aggregate family income" means the total income of persons
134 residing in the same household as the mortgagor and any other
135 resident of the household declared by the mortgagor as a dependent
136 for federal tax purposes, from whatever source derived, including, but
137 not limited to, pensions, annuities, retirement benefits and Social
138 Security benefits, provided the authority may exclude from income (A)
139 reasonable allowances for dependents, (B) reasonable allowances for

140 medical expenses, (C) all or any part of the earnings of gainfully
141 employed minors or family members other than the chief wage earner,
142 (D) income not regularly received, and (E) such other expenses as the
143 authority may allow;

144 (2) "Authority" means the Connecticut Housing Finance Authority
145 [as] created under section 8-244;

146 (3) "Mortgage" means a mortgage deed or other instrument which
147 constitutes a first or second consensual lien on [one or two-family]
148 one-to-four family owner-occupied residential real property located in
149 this state, including, but not limited to, a single-family [units] unit in a
150 common interest community; [, located in this state;]

151 (4) "Mortgagee" means the original lender under a mortgage, or its
152 agents, successors, [who agrees to participate in the program
153 established pursuant to sections 8-265cc to 8-265kk, inclusive, or an
154 assignee of a mortgage who agrees to participate in the program] or
155 assigns;

156 (5) "Mortgagor" means the owner-occupant of [one or two-family] a
157 one-to-four family residential real property located in this state,
158 including, but not limited to, a single family unit in a common interest
159 community, who is also the borrower under a mortgage encumbering
160 such real property;

161 (6) "Housing expense" means the sum of the mortgagor's monthly
162 maintenance expense in a common interest community, utility
163 expense, heating expense, hazard insurance payment, taxes and
164 required mortgage payment, including escrows;

165 (7) "Financial hardship due to circumstances beyond the
166 mortgagor's control" means: [a] (A) A significant [curtailment]
167 reduction of at least twenty-five per cent of aggregate family
168 household income which reasonably cannot be or could not have been
169 alleviated by the liquidation of assets by the mortgagor, [and is related
170 to one or more of the following: (A) Unemployment] including, but not

171 limited to, a reduction resulting from (i) unemployment or
172 underemployment of one or more of the mortgagors; [(B)] (ii) a loss,
173 reduction or delay in receipt of such federal, state or municipal
174 benefits as Social Security, supplemental security income, public
175 assistance and government pensions; [(C)] (iii) a loss, reduction or
176 delay in receipt of such private benefits as pension, disability, annuity
177 or retirement benefits; [(D)] (iv) divorce or a loss of support payments;
178 [(E)] (v) disability, illness or death of a mortgagor; [(F)] (vi) uninsured
179 damage to the mortgaged property which affects liveability and
180 necessitates costly repairs; or [(G)] (vii) expenses related to the
181 disability, illness or death of a member of the mortgagor's family, but
182 is not related to accumulation of installment debt incurred for
183 recreational or nonessential items prior to the occurrence of the alleged
184 circumstances beyond the mortgagor's control in an amount that
185 would have caused the mortgagor's total debt service to exceed sixty
186 per cent of aggregate family income at that time; or (B) a significant
187 increase in the dollar amount of the periodic payments required by the
188 mortgage;

189 (8) "Consumer credit counseling agency" means a nonprofit
190 corporation or governmental agency located in this state which has
191 been designated by the authority to provide homeowners' emergency
192 mortgage assistance program counseling. A qualified consumer credit
193 counseling agency must either be certified as a housing counseling
194 agency by the federal Department of Housing and Urban
195 Development or otherwise determined accepted by the authority;

196 (9) "Foreclosure mediation program" means the foreclosure
197 mediation program established by section 17 of this act; and

198 (10) "Periodic payments" means principal, interest, taxes, insurance
199 and, if applicable, condominium fees.

200 Sec. 6. Subsection (b) of section 8-265dd of the general statutes is
201 repealed and the following is substituted in lieu thereof (*Effective July*
202 *1, 2008*):

203 (b) Notwithstanding any provision of the general statutes, or any
204 rule of law to the contrary, on and after [the date a mortgagee agrees to
205 participation in the program established pursuant to sections 8-265cc
206 to 8-265kk, inclusive] July 1, 2008, no judgment of strict foreclosure nor
207 any judgment ordering a foreclosure sale shall be entered in any action
208 instituted by the mortgagee to foreclose a mortgage commenced on or
209 after such date, for the foreclosure of an eligible mortgage unless (1)
210 notice to the mortgagor has been given by the mortgagee in accordance
211 with section 8-265ee, as amended by this act, and the time for response
212 has expired, and (2) a determination has been made on the mortgagor's
213 application for emergency mortgage assistance payments in
214 accordance with section 8-265ff, as amended by this act, or the
215 applicable time periods set forth in [said] sections 8-265cc to 8-265kk,
216 inclusive, as amended by this act, have expired, whichever is earlier.
217 For purposes of this section and sections 8-265ee to 8-265kk, inclusive,
218 as amended by this act, an "eligible mortgage" is a mortgage which
219 satisfies the standards contained in subdivisions (1), (3), (8) and (10) to
220 (13), inclusive, of subsection (d) of section 8-265ff, as amended by this
221 act.

222 Sec. 7. Section 8-265ee of the general statutes is repealed and the
223 following is substituted in lieu thereof (*Effective July 1, 2008*):

224 (a) On [or after the date a mortgagee files an agreement to
225 participate in the program established pursuant to sections 8-265cc to
226 8-265kk, inclusive, the] and after July 1, 2008, a mortgagee who desires
227 to foreclose upon a mortgage which satisfies the standards contained
228 in subdivisions (1), (3), (10), (11) and (12) of subsection (d) of section 8-
229 265ff, as amended by this act, shall give notice to the mortgagor by
230 registered, or certified mail, postage prepaid at the address of the
231 property which is secured by the mortgage. No such mortgagee may
232 commence a foreclosure of a mortgage prior to mailing such notice.
233 Such notice shall advise the mortgagor of his delinquency or other
234 default under the mortgage and shall state that the mortgagor has
235 [thirty] sixty days from the date of such notice in which to (1) have a
236 face-to-face meeting, [or] telephone or other conference acceptable to

237 the authority with the mortgagee or a face-to-face meeting with a
238 consumer credit counseling agency to attempt to resolve the
239 delinquency or default by restructuring the loan payment schedule or
240 otherwise, and (2) [to] contact the authority, at an address and phone
241 number contained in the notice, to obtain information and apply for
242 emergency mortgage assistance payments if the mortgagor and
243 mortgagee are unable to resolve the delinquency or default.

244 (b) If the mortgagor fails to meet with the mortgagee or comply with
245 any of the time limitations specified in the notice as provided in
246 subsection (a) of this section, or if the mortgagor's application is not
247 filed [within] by the date thirty days after the date of any default in
248 payment under an agreement as provided in subsection (c) of this
249 section or if the mortgagor's application for emergency mortgage
250 assistance payments is not approved [within] by the date thirty
251 calendar days [of] after the date of receipt of the mortgagor's
252 application in accordance with the provisions of section 8-265ff, as
253 amended by this act, the foreclosure of the mortgagor's mortgage may,
254 at any time thereafter, continue without any further restriction or
255 requirement under the provisions of sections 8-265cc to 8-265kk,
256 inclusive, as amended by this act, provided the mortgagee files an
257 affidavit with the court stating the notice provisions of subsection (a)
258 of this section have been complied with and that either the mortgagor
259 failed to meet with the mortgagee or failed to comply with all of the
260 time limitations specified in the notice as provided in subsection (a) of
261 this section or that the mortgagor's application for emergency
262 assistance payments was not approved [within] by the date thirty
263 calendar days [of] after the date of receipt of the mortgagor's
264 application, or that a determination of ineligibility was made.

265 (c) If, after a face-to-face meeting, [or] telephone or other conference
266 acceptable to the authority, as provided in subsection (a) of this
267 section, the mortgagor and the mortgagee reach an agreement to
268 resolve the delinquency or default and, because of financial hardship
269 due to circumstances beyond the mortgagor's control, the mortgagor is
270 unable to fulfill the obligations of the agreement, the mortgagor may

271 apply to the authority for emergency mortgage assistance payments
272 under sections 8-265cc to 8-265kk, inclusive, [within] as amended by
273 this act, by the date thirty days [of] after the date of any default in
274 payment under the agreement. The mortgagee shall not be required to
275 send any additional notice to the mortgagor other than the notice
276 required under subsection (a) of this section.

277 (d) No person receiving financial relief under sections 8-265cc to 8-
278 265kk, inclusive, as amended by this act, may file a defense,
279 counterclaim or set-off to any action for foreclosure of the mortgage for
280 which such financial relief was provided.

281 (e) Nothing in sections 8-265cc to 8-265kk, inclusive, as amended by
282 this act, shall prevent a mortgagor from exercising rights that may
283 exist under the foreclosure mediation program and those rights may
284 be exercised concurrently with the rights afforded under sections 8-
285 265cc to 8-265kk, inclusive, as amended by this act, provided the
286 exercise of rights under the foreclosure mediation program shall not
287 cause a delay in the determination under subsection (d) of section 8-
288 265ff, as amended by this act.

289 Sec. 8. Section 8-265ff of the general statutes is repealed and the
290 following is substituted in lieu thereof (*Effective July 1, 2008*):

291 (a) If the mortgagor applies for emergency mortgage assistance
292 payments under sections 8-265cc to 8-265kk, inclusive, as amended by
293 this act, the authority shall, [within] no later than eight business days
294 after the date of receipt of such application, notify all of the
295 mortgagees listed on the application holding a mortgage on the
296 mortgagor's real property.

297 (b) The mortgagor shall apply for a loan on the form provided by
298 the authority. The mortgagor shall complete and sign the application
299 subject to the penalty for false statement under section 53a-157b.

300 (c) The mortgagor shall provide the authority with full disclosure of
301 all assets and liabilities, whether singly or jointly held, and all

302 household income regardless of source. For purposes of this
303 subsection, both of the following are included as assets:

304 (1) The sum of the household's savings and checking accounts,
305 market value of stocks, bonds and other securities, other capital
306 investments, pensions and retirement funds, personal property and
307 equity in real property including the subject mortgage property.
308 Income derived from family assets shall be considered as income.
309 Equity is the difference between the market value of the property and
310 the total outstanding principal of any loans secured by the property
311 and other liens.

312 (2) Lump-sum additions to family assets such as inheritances,
313 capital gains, insurance payments included under health, accident,
314 hazard or worker's compensation policies and settlements, verdicts or
315 awards for personal or property losses or transfer of assets without
316 consideration within one year of the time of application. Pending
317 claims for such items must be identified by the homeowner as
318 contingent assets.

319 (d) The authority shall make a determination of eligibility for
320 emergency mortgage assistance payments [within] by the date thirty
321 calendar days after the date of receipt of the mortgagor's application.
322 During said thirty-day period no judgment of strict foreclosure or any
323 judgment ordering foreclosure by sale shall be entered in any action
324 for the foreclosure of any mortgage any mortgagee holds on the
325 mortgagor's real property. No emergency mortgage assistance
326 payments may be provided unless the authority finds that:

327 (1) The real property securing the mortgage is a [single family or
328 two-family] one-to-four family owner-occupied residence, including,
329 but not limited to, a single family [units] unit in a common interest
330 community, is the principal residence of the mortgagor and is located
331 in this state;

332 (2) Payments, including amounts required to be paid into escrow or
333 impound accounts as reserves for taxes and insurance payments,

334 including mortgage insurance, or any combination of [the above] such
335 payments, owed by the mortgagor under any mortgage on such real
336 property have been contractually delinquent and the mortgagee has
337 indicated to the mortgagor its intention to foreclose;

338 (3) The mortgage is not insured by the Federal Housing
339 Administration under Title II of the National Housing Act, 12 USC
340 Section 1707 et seq.;

341 (4) The mortgagor is a resident of this state and is suffering financial
342 hardship which renders the mortgagor unable to correct the
343 delinquency or delinquencies within a reasonable time and make full
344 mortgage payments. For the purposes of subdivision (8) of this
345 subsection, in order to determine whether the financial hardship is due
346 to circumstances beyond the mortgagor's control, the authority may
347 consider information regarding the mortgagor's employment, credit
348 history and current and past household income, assets, total debt
349 service, net worth, eligibility for other types of assistance and any
350 other criteria or related factors it deems necessary and relevant;

351 (5) There is a reasonable prospect that the mortgagor will be able to
352 resume full mortgage payments within [~~thirty-six~~] sixty months after
353 the beginning of the period in which emergency mortgage assistance
354 payments are provided in accordance with a written plan formulated
355 or approved by the authority and pay the mortgage in full in level
356 monthly payments of principal and interest, subject only to payment
357 changes as provided in the mortgage, by its maturity date;

358 (6) The mortgagor has applied to the authority for emergency
359 mortgage assistance payments on an application form prescribed by
360 the authority which includes a financial statement disclosing all assets
361 and liabilities of the mortgagor, whether singly or jointly held, and all
362 household income regardless of source;

363 (7) Based on the financial statement, the mortgagor has insufficient
364 household income or net worth to correct the delinquency or
365 delinquencies within a reasonable period of time and make full

366 mortgage payments;

367 (8) There is a reasonable prospect that the mortgagor, as determined
368 by the authority, will be able to repay the emergency mortgage
369 assistance within a reasonable amount of time under the terms of
370 section 8-265hh, as amended by this act, including through a
371 refinancing of the mortgage, and the authority finds that, except for the
372 current delinquency, the mortgagor has had a favorable residential
373 mortgage credit history for the previous [five] two years or period of
374 ownership, whichever is less. For the purposes of this subdivision, if a
375 mortgagor has been more than thirty days in arrears [two] four or
376 more times on a residential mortgage within the previous [two years]
377 year, the mortgagor shall be ineligible for emergency mortgage
378 assistance payments unless the mortgagor can demonstrate that the
379 prior delinquency was the result of financial hardship due to
380 circumstances beyond the mortgagor's control. In making a
381 determination under this subsection, the authority may consider
382 information regarding the structure of the mortgage, its repayment
383 schedule and any other relevant factors or criteria it deems
384 appropriate;

385 (9) The mortgagee is not otherwise prevented by law from
386 foreclosing upon the mortgage;

387 (10) The mortgagor has not mortgaged the real property for
388 commercial or business purposes;

389 (11) The mortgagor has not previously received emergency
390 mortgage assistance payments from the authority, provided a
391 mortgagor who has previously received such payments shall be
392 eligible to reapply if the mortgagor has reinstated the mortgage and
393 the mortgagor shall not have been delinquent for at least six
394 consecutive months immediately following such reinstatement;

395 (12) The mortgagor is not in default under the mortgage except for
396 the monetary delinquency referred to in subdivision (2) of this
397 subsection; and

398 (13) The mortgagor meets such other procedural requirements as
399 the authority may establish.

400 Sec. 9. Section 8-265gg of the general statutes is repealed and the
401 following is substituted in lieu thereof (*Effective July 1, 2008*):

402 (a) If the authority approves a mortgagor for assistance under the
403 provisions of section 8-265ff, as amended by this act, the authority
404 shall make monthly emergency mortgage assistance payments directly
405 to each mortgagee secured by the mortgagor's real property for a
406 period not to exceed [thirty-six] sixty months, either consecutively or
407 nonconsecutively. The total monthly payment made by the authority,
408 to or on behalf of a mortgagor under subsection (c) of this section, shall
409 be not more than twenty-eight per cent of one hundred forty per cent
410 of annual area median income, as published by the United States
411 Department of Housing and Urban Development, divided by twelve.
412 Upon receipt of payment in full from a mortgagor of the monthly
413 amount established under subsection (b) of this section, the authority
414 shall pay to each mortgagee the full amount then due to the mortgagee
415 pursuant to the terms of the mortgage without regard to any
416 acceleration under the mortgage. Such payments shall include, but not
417 be limited to, principal, interest, taxes, assessments and insurance
418 premiums. The initial payment made by the authority to each
419 mortgagee [shall] may be an amount which pays all arrearages and
420 pays reasonable costs and reasonable attorney's fees incurred by the
421 mortgagee in connection with foreclosure of the mortgage.

422 (b) A mortgagor on whose behalf the authority is making
423 emergency mortgage assistance payments shall, during the period in
424 which such assistance is provided, make monthly payments to the
425 authority in lieu of the mortgagor's monthly mortgage payments. Such
426 payments to the authority shall be in an amount which will cause the
427 mortgagor's total housing expense to be less than or equal to thirty-five
428 per cent of the mortgagor's aggregate family income. The mortgagor
429 shall make such payments to the authority not later than seven days
430 before each mortgage payment is due to the mortgagee.

431 (c) The amount by which the emergency mortgage assistance
432 payments made by the authority to the mortgagee exceeds the
433 payments made by the mortgagor to the authority shall be a loan in
434 that amount made by the authority to the mortgagor. Any such loan
435 shall be evidenced by such documents as the authority may require
436 and shall be subject to repayment with interest and secured as
437 provided in section 8-265hh, as amended by this act.

438 (d) The authority shall establish procedures for periodic review of
439 the mortgagor's financial circumstances for the purpose of determining
440 the necessity for continuation, termination or adjustment of the
441 amount of emergency mortgage assistance payments or adjustment of
442 the payments by the mortgagor pursuant to subsection (b) of this
443 section. Payments shall be discontinued when the authority
444 determines that, due to changes in the mortgagor's financial condition,
445 the payments are no longer necessary in accordance with the standards
446 contained in section 8-265ff, as amended by this act, or the expiration
447 of the [thirty-six-month] sixty-month period of a mortgagor eligibility
448 for such payments under subsection (d) of section 8-265ff, as amended
449 by this act, whichever is sooner, and a foreclosure of the mortgagor's
450 mortgage may, at any time thereafter, proceed without further
451 restriction or requirement under sections 8-265cc to 8-265hh, inclusive,
452 as amended by this act. The authority may adjust payments by the
453 mortgagor pursuant to subsection (b) of this section based on a review
454 under this subsection.

455 (e) If the mortgagor fails to pay to the authority any amounts due
456 under subsection (b) of this section within seven days of the date due
457 to the authority, the authority shall review the mortgagor's financial
458 circumstances to determine whether the delinquency is the result of
459 additional financial hardship due to circumstances beyond the
460 mortgagor's control. If the delinquency is not the result of additional
461 financial hardship due to circumstances beyond the mortgagor's
462 control in the mortgagor's financial circumstances, the authority shall
463 terminate emergency mortgage assistance payments and the
464 foreclosure of the mortgagor's mortgage may, at anytime thereafter,

465 continue without any further restriction or requirement under sections
466 8-265cc to 8-265kk, inclusive, as amended by this act. If the
467 delinquency is the result of a change in the mortgagor's financial
468 circumstances, the authority may modify the mortgagor's required
469 monthly payments to the authority.

470 (f) If any mortgagee scheduled to receive payments from the
471 authority under the provisions of sections 8-265cc to 8-265kk, inclusive,
472 as amended by this act, fails to receive the full amount of such
473 payment from the authority within thirty days of the scheduled due
474 date, or if the mortgagor fails to observe and perform all of the terms,
475 covenants and conditions of the mortgage, the mortgagee shall provide
476 a fifteen-day notice to the authority and the foreclosure of the
477 mortgagor's mortgage may, at any time thereafter, proceed without
478 any further restriction or requirement under sections 8-265cc to 8-
479 265kk, inclusive, as amended by this act.

480 Sec. 10. Subsection (d) of section 8-265hh of the general statutes is
481 repealed and the following is substituted in lieu thereof (*Effective July*
482 *1, 2008*):

483 (d) All moneys received by the authority from mortgagors for
484 repayment of emergency mortgage assistance payments shall be paid
485 to the authority, deposited in such funds or accounts as the authority
486 may establish from time to time for such purpose and [paid by the
487 authority to the State Treasurer and deposited into the General Fund]
488 be used solely for the purposes of the program established pursuant to
489 sections 8-265cc to 8-265kk, inclusive, as amended by this act.

490 Sec. 11. (NEW) (*Effective from passage*) (a) For purposes of this section
491 "state assistance" means a payment by the state of actual debt service,
492 comprised of principal, interest, interest rate swap payments, liquidity
493 fees, letter of credit fees, trustee fees and other similar bond-related
494 expenses.

495 (b) Not later than July 1, 2008, the state, acting by and through the
496 Secretary of the Office of Policy and Management and the State

497 Treasurer, shall enter into a contract or contracts with the Connecticut
498 Housing Finance Authority that provide for the state to pay to said
499 authority state assistance on bonds issued by said authority for
500 purposes of providing funds for the emergency mortgage assistance
501 program in sections 8-265cc to 8-265kk, inclusive, of the general
502 statutes, as amended by this act, as an additional purpose pursuant to
503 the provisions of section 8-252 of the general statutes and costs of
504 issuance in an aggregate principal amount not to exceed fifty million
505 dollars. Any provision of such a contract entered into providing for
506 payments equal to annual debt service shall constitute a full faith and
507 credit obligation of the state and as part of the contract of the state with
508 the holders of any bonds or refunding bonds, as applicable,
509 appropriation of all amounts necessary to meet punctually the terms of
510 such contract shall be made and the State Treasurer shall pay such
511 amounts as the same become due. The Connecticut Housing Finance
512 Authority may pledge such state assistance as security for the payment
513 of such bonds or refunding bonds issued by said authority for such
514 purposes. Any bonds so issued by the Connecticut Housing Finance
515 Authority for the emergency mortgage assistance program pursuant to
516 sections 8-265cc to 8-265kk, inclusive, of the general statutes, as
517 amended by this act, and at any time outstanding, may at any time or
518 from time to time, be refunded, in whole or in part, by the Connecticut
519 Housing Finance Authority by the issuance of its refunding bonds in
520 such amounts as the authority may deem necessary or appropriate but
521 not exceeding an amount sufficient to refund the principal amount of
522 the bonds to be so refunded, any unpaid interest thereon, and any
523 premiums, commissions and costs of issuance necessary to be paid in
524 connection therewith. The state, acting by and through the Office of
525 Policy and Management and the State Treasurer and without further
526 authorization, may execute an amendment to any contract providing
527 state assistance as required in connection with such refunding bonds.

528 (c) Notwithstanding any contract entered into by the state with the
529 Connecticut Housing Finance Authority for state assistance, the bonds
530 or refunding bonds to which such state assistance applies shall not

531 constitute bonds or notes issued or guaranteed by the state within the
532 meaning of section 3-21 of the general statutes.

533 Sec. 12. (*Effective July 1, 2008*) The sum of fourteen million dollars is
534 appropriated to the Connecticut Housing Finance Authority from the
535 State Banking Fund, for the fiscal year ending June 30, 2009, for the
536 program described in sections 8-265cc to 8-265kk, inclusive, as
537 amended by this act.

538 Sec. 13. (NEW) (*Effective July 1, 2008*) (a) The WorkPlace, Inc., in
539 conjunction with the other regional workforce development boards
540 pursuant to section 31-3k of the general statutes and the one-stop
541 centers pursuant to section 31-3gg of the general statutes, shall
542 establish a mortgage crisis job training program in accordance with
543 this section. For purposes of the program, at least three mortgage crisis
544 job training teams shall be established for different areas of the state.
545 The WorkPlace, Inc. and Capital Workforce Partners shall manage
546 such teams. The teams, in cooperation with the regional workforce
547 development boards and the one-stop centers, shall ensure the
548 provision of rapid, customized employment services, job training,
549 repair training and job placement assistance to borrowers who are
550 unemployed, underemployed or in need of a second job. The
551 WorkPlace, Inc. shall arrange for the provision of financial literacy and
552 credit counseling for participants in the program with the Connecticut
553 Housing Finance Authority.

554 (b) Borrowers shall be eligible for the program if they are at least
555 sixty days delinquent on their mortgages and (1) are referred by their
556 Connecticut Housing Finance Authority lender, or (2) demonstrate an
557 imminent need to increase earnings in order to avoid delinquency or
558 foreclosure. Borrowers may also access the program through the one-
559 stop centers.

560 (c) The WorkPlace, Inc. and the Connecticut Housing Finance
561 Authority shall submit a joint report, in accordance with section 11-4a
562 of the general statutes, on the implementation of the mortgage crisis

563 job training program to the joint standing committees of the General
564 Assembly having cognizance of matters relating to banks and planning
565 and development, and to the select committee of the General Assembly
566 having cognizance of matters relating to housing by January 1, 2009.

567 Sec. 14. (*Effective July 1, 2008*) The sum of two million five hundred
568 thousand dollars is appropriated to the Labor Department from the
569 State Banking Fund, for the fiscal year ending June 30, 2009, for the
570 mortgage crisis job training program established in section 13 of this
571 act.

572 Sec. 15. (NEW) (*Effective July 1, 2008*) As used in this section and
573 sections 16 to 19, inclusive, of this act:

574 (1) "Mortgagor" means the owner-occupant of one-to-four family
575 residential real property located in this state who is also the borrower
576 under a mortgage encumbering such residential real property, which is
577 the primary residence of such owner-occupant;

578 (2) "Residential real property" means a one-to-four family dwelling
579 occupied as a residence by a mortgagor;

580 (3) "Mortgagee" means the original lender or servicer under a
581 mortgage, or its successors or assigns, who is the holder of any
582 mortgage on residential real property securing a loan made primarily
583 for personal, family or household purposes that is the subject of a
584 foreclosure action;

585 (4) "Authority" means the Connecticut Housing Finance Authority
586 created under section 8-244 of the general statutes; and

587 (5) "Mortgage assistance programs" means the mortgage assistance
588 programs developed and implemented by the authority in accordance
589 with sections 1 and 2 of this act, and sections 8-265cc to 8-265kk,
590 inclusive, of the general statutes, as amended by this act.

591 Sec. 16. (NEW) (*Effective July 1, 2008*) (a) Prior to July 1, 2010, when a
592 mortgagee commences an action for the foreclosure of a mortgage on

593 residential real property with a return date on or after July 1, 2008, the
594 mortgagee shall give notice to the mortgagor of the foreclosure
595 mediation program established in section 17 of this act by attaching to
596 the front of the foreclosure complaint that is served on the mortgagor:
597 (1) A copy of the notice of the availability of foreclosure mediation, in
598 such form as the Chief Court Administrator prescribes, and (2) a
599 foreclosure mediation request form, in such form as the Chief Court
600 Administrator prescribes.

601 (b) (1) Except as provided in subdivision (2) of this subsection, a
602 mortgagor may request foreclosure mediation by submitting the
603 foreclosure mediation request form to the court and filing an
604 appearance not more than fifteen days after the return day for the
605 foreclosure action. Upon receipt of the foreclosure mediation request
606 form, the court shall notify each appearing party that a foreclosure
607 mediation request form has been submitted by the mortgagor.

608 (2) The court may grant a mortgagor permission to submit a
609 foreclosure mediation request form and file an appearance after the
610 fifteen-day period established in subdivision (1) of this subsection, for
611 good cause shown, except that no foreclosure mediation request form
612 may be submitted and no appearance may be filed more than twenty-
613 five days after the return date.

614 (3) No foreclosure mediation request form may be submitted to the
615 court on or after July 1, 2010.

616 (c) If at any time on or after July 1, 2008, but prior to July 1, 2010, the
617 court determines that the notice requirement of subsection (a) of this
618 section has not been met, the court may, upon its own motion or upon
619 the written motion of the mortgagor, issue an order that no judgment
620 may enter for fifteen days during which period the mortgagor may
621 submit a foreclosure mediation request form to the court.

622 (d) Notwithstanding any provision of the general statutes or any
623 rule of law to the contrary, prior to July 1, 2010, no judgment of strict
624 foreclosure nor any judgment ordering a foreclosure sale shall be

625 entered in any action instituted by the mortgagee to foreclose a
626 mortgage on residential real property unless: (1) Notice to the
627 mortgagor has been given by the mortgagee in accordance with
628 subsection (a) of this section and the time for submitting a foreclosure
629 mediation request form has expired and no foreclosure mediation
630 request form has been submitted, or if such notice has not been given,
631 the time for submitting a foreclosure mediation request form pursuant
632 to subsection (b) or (c) of this section has expired and no foreclosure
633 mediation request form has been submitted, or (2) the mediation
634 period set forth in section 18 of this act has expired or has otherwise
635 terminated, whichever is earlier.

636 (e) None of the mortgagor's or mortgagee's rights in the foreclosure
637 action shall be waived by the mortgagor's submission of a foreclosure
638 mediation request form to the court.

639 Sec. 17. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
640 Chief Court Administrator shall establish in each judicial district a
641 foreclosure mediation program in actions to foreclose mortgages on
642 residential real property. Such foreclosure mediation shall (1) address
643 all issues of foreclosure, including, but not limited to, reinstatement of
644 the mortgage, assignment of law days, assignment of sale date,
645 restructuring of the mortgage debt and foreclosure by decree of sale,
646 and (2) be conducted by foreclosure mediators who (A) are employed
647 by the Judicial Branch, (B) are trained in mediation and all relevant
648 aspects of the law, as determined by the Chief Court Administrator,
649 (C) have knowledge of the community-based resources that are
650 available in the judicial district in which they serve, and (D) have
651 knowledge of the mortgage assistance programs. Such mediators may
652 refer mortgagors who participate in the foreclosure mediation
653 program to community-based resources when appropriate and to the
654 mortgage assistance programs.

655 Sec. 18. (NEW) (*Effective July 1, 2008*) (a) The mediation period under
656 the foreclosure mediation program established in section 17 of this act
657 shall commence when the court sends notice to each appearing party

658 that a foreclosure mediation request form has been submitted by a
659 mortgagor to the court, which notice shall be sent not later than three
660 business days after the court receives a completed foreclosure
661 mediation request form. The mediation period shall conclude not more
662 than sixty days after the return day for the foreclosure action, except
663 that the court may, in its discretion, for good cause shown, extend by
664 not more than ten days, or shorten, the mediation period on its own
665 motion or upon motion of any party.

666 (b) The first mediation session shall be held not later than ten
667 business days after the court sends notice to all parties that a
668 foreclosure mediation request form has been submitted to the court.
669 The mortgagor and mortgagee shall appear in person at each
670 mediation session and shall have authority to agree to a proposed
671 settlement, except that if the mortgagee is represented by counsel, the
672 mortgagee's counsel may appear in lieu of the mortgagee to represent
673 the mortgagee's interests at the mediation, provided such counsel has
674 the authority to agree to a proposed settlement and the mortgagee is
675 available during the mediation session by telephone or electronic
676 means.

677 (c) Not later than two days after the conclusion of the first
678 mediation session, the mediator shall determine whether the parties
679 will benefit from further mediation. The mediator shall file with the
680 court a report setting forth such determination and mail a copy of such
681 report to each appearing party. If the mediator reports to the court that
682 the parties will not benefit from further mediation, the mediation
683 period shall terminate automatically. If the mediator reports to the
684 court after the first mediation session that the parties may benefit from
685 further mediation, the mediation period shall continue.

686 (d) If the mediator has submitted a report to the court that the
687 parties may benefit from further mediation pursuant to subsection (c)
688 of this section, not more than two days after the conclusion of the
689 mediation, but no later than the termination of the mediation period
690 set forth in subsection (a) of this section, the mediator shall file a report

691 with the court describing the proceedings and specifying the issues
692 resolved, if any, and any issues not resolved pursuant to the
693 mediation. The filing of the report shall terminate the mediation period
694 automatically. If certain issues have not been resolved pursuant to the
695 mediation, the mediator may refer the mortgagor to any appropriate
696 community-based services that are available in the judicial district, but
697 any such referral shall not cause a delay in the mediation process.

698 (e) The Chief Court Administrator shall establish policies and
699 procedures to implement this section. Such policies and procedures
700 shall, at a minimum, provide that the mediator shall advise the
701 mortgagor at the first mediation session required by subsection (b) of
702 this section that: (1) Such mediation does not suspend the mortgagor's
703 obligation to respond to the foreclosure action in accordance with
704 applicable rules of the court; and (2) a judgment of strict foreclosure or
705 foreclosure by sale may cause the mortgagor to lose the residential real
706 property to foreclosure.

707 (f) In no event shall any determination issued by a mediator under
708 this program form the basis of an appeal of any foreclosure judgment.

709 (g) Foreclosure mediation request forms shall not be accepted by the
710 court on or after July 1, 2010, and the foreclosure mediation program
711 shall terminate when all mediation has concluded with respect to any
712 applications submitted to the court prior to July 1, 2010.

713 (h) At any time during the mediation period, the mediator may refer
714 the mortgagor to the mortgage assistance programs, except that any
715 such referral shall not prevent a mortgagee from proceeding to
716 judgment when the conditions specified in subsection (d) of section 16
717 of this act have been satisfied.

718 Sec. 19. (NEW) (*Effective July 1, 2008*) Nothing in sections 15 to 18,
719 inclusive, of this act, shall require a mortgagee to modify a mortgage
720 or change the terms of payment of a mortgage without its consent.

721 Sec. 20. (*Effective July 1, 2008*) The sum of two million dollars is

722 appropriated to the Judicial Department, from the State Banking Fund,
723 for the fiscal year ending June 30, 2009, for the foreclosure mediation
724 program established in section 17 of this act.

725 Sec. 21. (NEW) (*Effective July 1, 2008*) (a) As used in this section,
726 sections 22 to 30, inclusive, and section 81 of this act:

727 (1) "Commissioner" means the Banking Commissioner and, with
728 respect to any function of the commissioner, includes any person
729 authorized or designated by the commissioner to carry out that
730 function;

731 (2) "CHFA loan" means a loan made, insured, purchased, subsidized
732 or guaranteed by the Connecticut Housing Finance Authority;

733 (3) "FHA loan" means a loan made, insured, purchased, subsidized
734 or guaranteed by the Federal Housing Administration;

735 (4) "First mortgage loan" has the same meaning as provided in
736 section 36a-485 of the 2008 supplement to the general statutes, as
737 amended by this act;

738 (5) "Lender" means any person engaged in the business of the
739 making of mortgage loans who is required to be licensed by the
740 Department of Banking under chapter 668 of the general statutes or the
741 2008 supplement to the general statutes, as amended by this act, or
742 their successors or assigns, and shall also mean any bank, out-of-state
743 bank, Connecticut credit union, federal credit union, out-of-state credit
744 union, or an operating subsidiary of a federal bank or a federally
745 chartered out-of-state bank where such subsidiary engages in the
746 business of making mortgage loans, and their successors and assigns,
747 but shall not include any mortgage broker, as defined in this section, or
748 any mortgage loan originator, as defined in section 36a-485 of the 2008
749 supplement to the general statutes, as amended by this act;

750 (6) "Mortgage broker" means any person, other than a lender, who
751 (A) for a fee, commission or other valuable consideration, negotiates,

752 solicits, arranges, places or finds a mortgage, and (B) who is required
753 to be licensed by the Department of Banking under chapter 668 of the
754 general statutes or the 2008 supplement to the general statutes, or their
755 successors or assigns;

756 (7) "Nonprime home loan" means any loan or extension of credit,
757 excluding an open-end line of credit, and further excluding a reverse
758 mortgage transaction, as defined in 12 CFR 226.33, as amended from
759 time to time:

760 (A) In which the borrower is a natural person;

761 (B) The proceeds of which are to be used primarily for personal
762 family or household purposes;

763 (C) In which the loan is secured by a mortgage upon any interest in
764 one-to-four family residential property located in this state which is, or
765 when the loan is made, intended to be used or occupied by the
766 borrower as a principal residence;

767 (D) In which the principal amount of the loan does not exceed (i)
768 four hundred seventeen thousand dollars for a loan originated on or
769 after July 1, 2008, but before July 1, 2010; and (ii) the then current
770 conforming loan limit, as established from time to time by the Federal
771 National Mortgage Association, for a loan originated on or after July 1,
772 2010;

773 (E) Where the loan is not a CHFA loan; and

774 (F) In which the conditions set forth in clauses (i) and (ii) of this
775 subparagraph apply, subject to any adjustments made pursuant to
776 clause (iii) of this subparagraph:

777 (i) The difference between the APR for the loan or extension of
778 credit and the yield on United States Treasury securities having
779 comparable periods of maturity is either equal to or greater than (I)
780 three percentage points, if the loan is a first mortgage loan, or (II) five
781 percentage points, if the loan is a secondary mortgage loan. For

782 purposes of such calculation, without regard to whether the loan is
783 subject to or reportable under the provisions of the federal Home
784 Mortgage Disclosure Act, 12 USC 2801 et seq., the difference between
785 the APR and the yield on United States Treasury securities having
786 comparable periods of maturity shall be determined using the same
787 procedures and calculation methods applicable to loans that are
788 subject to the reporting requirement of the federal Home Mortgage
789 Disclosure Act, as those procedures and calculation methods are
790 amended from time to time, provided the yield on United States
791 Treasury securities is determined as of the fifteenth day of the month
792 prior to the application for the loan.

793 (ii) The difference between the APR for the loan and the
794 conventional mortgage rate is either equal to or greater than (I) one
795 and three-quarters percentage points, if the loan is a first mortgage
796 loan, or (II) three and three-quarters percentage points, if the loan is a
797 secondary mortgage loan. For purposes of such calculation,
798 "conventional mortgage rate" means the most recent daily contract
799 interest rate on commitments for fixed-rate mortgages published by
800 the board of governors of the federal reserve system in its statistical
801 release H.15, or any publication that may supersede it, during the
802 week in which the interest rate for the loan is set.

803 (iii) The commissioner shall have the authority, after consideration
804 of the relevant factors, to increase the percentages set forth in clauses
805 (i) and (ii) of this subparagraph. The authority of the commissioner,
806 and any increases or decreases made under this clause, shall expire on
807 August 31, 2009. For purposes of this clause, the relevant factors to be
808 considered by the commissioner shall include, but not be limited to,
809 the existence and amount of increases in fees or charges in connection
810 with purchases of mortgages by the Federal National Mortgage
811 Association or the Federal Home Loan Mortgage Corporation and
812 increases in fees or charges imposed by mortgage insurers and the
813 impact, including the magnitude of the impact, that such increases
814 have had, or will likely have, on APRs for mortgage loans in this state.
815 When considering such factors, the commissioner shall focus on those

816 increases that are related to the deterioration in the housing market
817 and credit conditions. The commissioner may refrain from increasing
818 such percentages if it appears that lenders are increasing interest rates
819 or fees in bad faith or if increasing the percentages would be contrary
820 to the purposes of sections 21 to 27, inclusive, of this act. No increase
821 authorized by the commissioner to a particular percentage shall exceed
822 one-quarter of one percentage point, and the total of all increases to a
823 particular percentage under this clause shall not exceed one-half of one
824 percentage point. No increase shall be made unless: (I) The increase is
825 noticed in the Banking Department Bulletin and the Connecticut Law
826 Journal, and (II) a public comment period of twenty days is provided.
827 Any increase made under this clause shall be reduced proportionately
828 when the need for the increase has diminished or no longer exists. The
829 commissioner, in the exercise of his discretion, may authorize an
830 increase in the percentages with respect to all loans or just with respect
831 to a certain class or classes of loans;

832 (8) "Open-end line of credit" means a mortgage extended by a
833 lender under a plan in which: (A) The lender reasonably contemplates
834 repeated transactions; (B) the lender may impose a finance charge from
835 time to time on an outstanding unpaid balance; (C) the amount of
836 credit that may be extended to the consumer during the term of the
837 plan, up to any limit set by the lender, is generally made available to
838 the extent that any outstanding balance is repaid; and (D) none of the
839 proceeds of the open-end line of credit are used at closing to (i)
840 purchase the borrower's primary residence, or (ii) refinance a
841 mortgage loan that had been used by the borrower to purchase the
842 borrower's primary residence;

843 (9) "Residential property" has the same meaning as provided in
844 section 36a-485 of the 2008 supplement to the general statutes, as
845 amended by this act;

846 (10) "Secondary mortgage loan" has the same meaning as provided
847 in section 36a-485 of the 2008 supplement to the general statutes, as
848 amended by this act.

849 (b) The provisions of sections 22 to 30, inclusive, of this act shall be
850 applicable to nonprime home loans and mortgages, as appropriate, for
851 which applications have been received on or after August 1, 2008.

852 Sec. 22. (NEW) (*Effective July 1, 2008*) (a) A lender shall not engage in
853 conduct in any transaction, practice or course of business in connection
854 with the making of a nonprime home loan that is misleading,
855 deceptive or untruthful.

856 (b) Lenders and mortgage brokers shall have a duty of good faith
857 with respect to the performance of any contract with a borrower
858 relative to a nonprime home loan. For purposes of this subsection, the
859 duty of good faith is the same as the obligation imposed pursuant to
860 section 42a-1-304 of the general statutes, and includes the observance
861 of reasonable common standards of fair dealing. The provisions of this
862 subsection cannot be waived.

863 (c) In connection with a nonprime home loan that is a first mortgage
864 loan, a lender shall provide the borrower with a notice or letter that
865 generally describes the terms of the transaction. Such notice or letter
866 shall be provided no later than three business days prior to the closing,
867 unless the borrower expressly requests an expedited closing and the
868 lender has not yet, acting in good faith, provided the letter or notice. In
869 cases where a letter or notice is required, the lender shall notify the
870 borrower, within a reasonable time period, of any subsequent material
871 changes to the terms of the transaction. The provisions of this
872 subsection cannot be waived.

873 Sec. 23. (NEW) (*Effective July 1, 2008*) (a) No lender shall make a
874 nonprime home loan unless the lender reasonably believes, at the time
875 the loan is consummated, that one or more of the obligors, when
876 considered individually or collectively, will be able to make the
877 scheduled payments to repay the loan, and to pay related real estate
878 taxes and insurance premiums, based upon a consideration of the
879 obligor's current and expected income, current and expected
880 obligations as disclosed by the obligor, or otherwise known to the

881 lender, including subordinate mortgages made contemporaneously,
882 homeowner's fees, condominium fees, employment status and other
883 financial resources, excluding the equity in the dwelling that secures
884 repayment of the loan. Notwithstanding the provisions of this
885 subsection, in the case of a bridge loan, a lender may consider the
886 equity in the dwelling as a source of repayment for the loan.

887 (b) A lender's analysis of an obligor's ability to repay under
888 subsection (a) of this section may utilize commercially recognized
889 underwriting standards and methodologies, including automated
890 underwriting systems, provided they comply with the requirements of
891 this subsection and subsection (a) of this section. In determining an
892 obligor's ability to repay a nonprime home loan, the lender shall take
893 reasonable steps to verify the accuracy and completeness of
894 information provided by or on behalf of the obligor using tax returns,
895 consumer reports, payroll receipts, bank records, reasonable
896 alternative methods or reasonable third-party verification. In
897 determining an obligor's ability to repay a nonprime home loan
898 according to its terms when the loan has an adjustable rate feature, the
899 lender shall underwrite the repayment schedule assuming that the
900 interest rate is a fixed rate equal to the fully indexed interest rate at the
901 time of consummation, or within fifteen days thereof, without
902 considering any initial discounted rate. For purposes of this
903 subsection, the "fully indexed rate" means the interest rate that would
904 have been applied had the initial interest rate been determined by the
905 application of the same interest rate formula that applies under the
906 terms of the loan documents to subsequent interest rate adjustments,
907 disregarding any limitations on the amount by which the interest rate
908 may change at any one time. In determining an obligor's ability to
909 repay a nonprime home loan that is not fully amortizing by its terms,
910 the lender shall underwrite the loan based on a fully amortizing
911 repayment schedule based on the maturity set forth in the note.

912 (d) This section shall not apply to FHA loans.

913 Sec. 24. (NEW) (*Effective July 1, 2008*) (a) No lender shall make a

914 nonprime home loan where all or a portion of the proceeds are used to
915 fully or partially pay off a special mortgage on the same property
916 unless the borrower has obtained a written certification from a
917 counselor with an independent third-party nonprofit organization
918 approved by the United States Department of Housing and Urban
919 Development that the borrower has received mortgage counseling. For
920 purposes of this section, "special mortgage" means a loan originated,
921 subsidized or guaranteed by or through a state, federal, tribal or local
922 government, or nonprofit organization.

923 (b) The prohibition in subsection (a) of this section shall not apply
924 where the borrower provides the lender with a statement from an
925 organization described in subsection (a) of this section, on the
926 organization's letterhead, stating that the required counseling is not
927 available for at least thirty days from the date of the request for
928 counseling.

929 (c) For purposes of this section, a lender shall make a good-faith
930 effort to determine whether the loan to be refinanced is a special
931 mortgage, but shall not be required to obtain the certification in
932 subsection (a) of this section if the lender: (1) Makes a good-faith
933 inquiry to the current holder or servicer of the loan and to the
934 borrower as to whether the loan is a special mortgage; and (2) does not
935 receive an affirmative response from either the current holder or
936 servicer of the loan or the borrower indicating that it is a special
937 mortgage.

938 Sec. 25. (NEW) (*Effective July 1, 2008*) A lender shall not make a
939 nonprime home loan unless:

940 (1) With respect to nonprime home loans that are first mortgage
941 loans originated on or after January 1, 2010, the lender requires and
942 collects a monthly escrow for the payment of real property taxes and
943 homeowner's insurance. The provisions of this subdivision shall not
944 apply to: (A) FHA loans; or (B) a nonprime home loan product which,
945 in good faith, is generally designed and marketed to the public as a

946 subordinate lien home equity loan product but is secured by a first
947 mortgage loan;

948 (2) To the extent applicable, the lender obtains the written
949 certification or statement under section 24 of this act; and

950 (3) The lender mailed or delivered to applicants, no later than three
951 business days after the receipt of a completed application for a
952 nonprime home loan, a notice containing a toll-free number that can be
953 used to obtain a list of nonprofit housing counselors approved by the
954 United States Department of Housing and Urban Development. For
955 purposes of this subdivision, a lender may use the toll-free number
956 which satisfies the requirements of Section 106(c)(5) of the Housing
957 and Urban Development Act of 1968 (12 USC 1701(x) Section (c)(5)).
958 No borrower shall have a private right of action for the lender's failure
959 to deliver, on a timely basis, a notice required by this subdivision.

960 Sec. 26. (NEW) (*Effective July 1, 2008*) (a) A lender shall not offer a
961 nonprime home loan that contains:

962 (1) A prepayment penalty, except that this prohibition shall not
963 apply to FHA loans;

964 (2) A provision that increases the interest rate after default other
965 than a failure to comply with a provision to maintain an automatic
966 electronic payment feature where that maintenance provision has been
967 provided in return for an interest rate reduction and the increase is no
968 greater than that reduction;

969 (3) A provision requiring a borrower, whether acting individually or
970 on behalf of others similarly situated, to assert any claim or defense in
971 a nonjudicial forum that: (A) Utilizes principles which are inconsistent
972 with the law as set forth in the general statutes or common law; (B)
973 limits any claim or defense the borrower may have; or (C) is less
974 convenient, more costly or more dilatory for the resolution of a dispute
975 than a judicial forum established in this state where the borrower may
976 otherwise properly bring a claim or defense.

977 (b) If a nonprime home loan contains a provision which violates
978 subdivision (1), (2) or (3) of subsection (a) of this section, that provision
979 shall be void and unenforceable.

980 Sec. 27. (NEW) (*Effective July 1, 2008*) No lender or mortgage broker
981 shall attempt in bad faith to avoid the application of sections 22 to 29,
982 inclusive, of this act, by dividing any loan transaction into separate
983 parts or to structure in bad faith a residential mortgage loan
984 transaction as an open-end loan for the purpose of evading the
985 applicable provisions of sections 22 to 29, inclusive, of this act, when
986 the loan would have been a nonprime home loan if the loan had been
987 structured as a closed-end loan.

988 Sec. 28. (NEW) (*Effective July 1, 2008*) (a) As used in this section and
989 section 29 of this act, the term "mortgage" means a mortgage deed or
990 other instrument that constitutes a first or secondary consensual lien
991 upon any interest in one-to-four family residential real property
992 located in this state, that is, or when the loan is made, intended to be
993 occupied by the borrower as a principal residence. "Mortgage"
994 includes, but is not limited to, a nonprime home loan.

995 (b) A lender shall not make and a mortgage broker shall not offer a
996 nonprime home loan that refinances a mortgage unless the nonprime
997 home loan provides or is expected to provide a tangible net benefit to
998 the borrower. A lender or mortgage broker shall not take any action
999 that recommends or encourages a default on an existing mortgage or
1000 other debt prior to and in connection with the closing or planned
1001 closing of a new nonprime home loan that refinances all or any portion
1002 of the existing loan or debt.

1003 (c) A lender may not finance, directly or indirectly in connection
1004 with a mortgage, any credit life, credit disability, credit unemployment
1005 or credit property insurance, or any other life or health insurance or
1006 any payments directly or indirectly for any debt cancellation or
1007 suspension agreement or contract, except that insurance premiums or
1008 debt cancellation or suspension fees calculated and paid on a monthly

1009 basis or through regularly scheduled periodic payments shall not be
1010 considered financed by the lender for the purposes of this subsection.

1011 (d) If all defaults in connection with a nonprime home loan are
1012 cured after the initiation of any action to foreclose, but prior to the
1013 entry of judgment, the lender shall take steps as necessary to terminate
1014 the foreclosure proceeding or other action. The lender may require that
1015 the borrower pay any reasonable costs actually incurred by the lender
1016 in connection with the default and protecting its rights in the property,
1017 including any costs related to collection, foreclosure and termination of
1018 the proceeding or other action. Cure of default reinstates the borrower
1019 to the same position as if the default had not occurred and nullifies, as
1020 of the date of the cure, any acceleration of any obligation under the
1021 security instrument or note arising from the default. The borrower's
1022 right to reinstatement, as described in this subsection, may not be
1023 exercised by the borrower on more than two occasions over the course
1024 of twenty-four consecutive months.

1025 Sec. 29. (NEW) (*Effective July 1, 2008*) A mortgage broker, in addition
1026 to duties imposed by federal statutes, other provisions of the general
1027 statutes or at common law, shall: (1) Use reasonable care, skill and
1028 diligence in performing the mortgage broker's duties and shall act in
1029 good-faith and fair dealing in all transactions with the borrower; (2)
1030 make reasonable good-faith efforts to secure a mortgage that is in the
1031 reasonable interests of the borrower considering all the circumstances
1032 reasonably available to the mortgage broker, including, but not limited
1033 to, the rates, points, fees, charges, costs and product type; (3) ensure
1034 that the cost of credit is reasonably appropriate considering the
1035 borrower's level of creditworthiness and other bona fide underwriting
1036 concerns, and (4) notify, before the closing, each lender of the payment
1037 obligations associated with each of the other lender's loans if the
1038 mortgage broker knows that more than one mortgage will be made by
1039 different lenders contemporaneously to a borrower secured by the
1040 same real property. The duties under this section may not be waived.

1041 Sec. 30. (NEW) (*Effective July 1, 2008*) (a) A borrower who has been

1042 injured by a violation of sections 22 to 29, inclusive, of this act, may
1043 bring a claim in a court of competent jurisdiction by the date three
1044 years after the date of the closing for the following: The greater of
1045 actual damages or one thousand dollars; and costs and reasonable
1046 attorney's fees, unless:

1047 (1) By the date ninety days after the date of the loan closing and
1048 prior to the commencement of any action against a lender under this
1049 section, the borrower is notified by the lender of the compliance
1050 failure, the lender tenders appropriate restitution and the lender either
1051 (A) makes the nonprime home loan comply with the applicable
1052 provisions of sections 22 to 29, inclusive, of this act; or (B) changes the
1053 terms of the mortgage in a manner beneficial to the borrower so that
1054 the mortgage will no longer be considered a nonprime home loan
1055 subject to the provisions of sections 22 to 29, inclusive, of this act; or

1056 (2) The lender is able to show by a preponderance of evidence that
1057 the compliance failure was not intentional and resulted from a bona
1058 fide error notwithstanding the maintenance of procedures reasonably
1059 adapted to avoid such errors. For the purposes of this subdivision, the
1060 phrase "bona fide error" includes, but is not limited to, a clerical,
1061 calculation, printing, computer malfunction or programming error, but
1062 does not include an error of legal judgment with respect to a lender's
1063 obligations under the relevant provisions of sections 22 to 29, inclusive,
1064 of this act. In actions where the compliance failure has caused material
1065 injury to the borrower, the lender shall also be able to show that it
1066 cured the compliance failure or otherwise undertook reasonable
1067 remedial steps to address or compensate for the injury; or

1068 (3) The lender and borrower otherwise reach a mutual agreement on
1069 an appropriate remedy or curative action.

1070 (b) In addition, the court may grant an injured borrower such relief
1071 as it deems just and equitable.

1072 (c) A borrower or mortgagor may assert fraud and any violation of
1073 sections 22 to 29, inclusive, of this act which causes material injury to a

1074 borrower as a counterclaim or defense to foreclosure by the date six
1075 years after the date of the closing.

1076 (d) Nothing in this section shall be construed as creating or
1077 permitting a cause of action or defense or counterclaim against an
1078 assignee of a nonprime home loan or other mortgage loan with respect
1079 to a violation of sections 22 to 29, inclusive, of this act by the
1080 originating lender or mortgage broker.

1081 Sec. 31. (*Effective July 1, 2008*) Sections 1 to 25, inclusive, of public act
1082 07-156 shall take effect July 1, 2008.

1083 Sec. 32. Section 36a-1 of the general statutes is repealed and the
1084 following is substituted in lieu thereof (*Effective July 1, 2008*):

1085 This title shall be known as the "Banking Law of Connecticut" and
1086 shall be applicable to all Connecticut banks, Connecticut credit unions,
1087 [first and secondary] mortgage lenders, mortgage correspondent
1088 lenders, mortgage loan originators and mortgage brokers, money
1089 order and travelers check licensees, check cashing service licensees,
1090 trustees under mortgages or deeds of trust of real property securing
1091 certain investments, corporations exercising fiduciary powers, small
1092 loan licensees, sales finance companies, mortgage servicing companies,
1093 debt adjusters, and to such other persons as subject themselves to the
1094 provisions of this title or who, by violating any of its provisions,
1095 become subject to the penalties provided in this title.

1096 Sec. 33. Section 36a-2 of the 2008 supplement to the general statutes,
1097 as amended by section 2 of public act 07-156, is repealed and the
1098 following is substituted in lieu thereof (*Effective July 1, 2008*):

1099 As used in this title, unless the context otherwise requires:

1100 (1) "Affiliate" of a person means any person controlling, controlled
1101 by, or under common control with, that person;

1102 (2) "Applicant" with respect to any license or approval provision
1103 pursuant to this title means a person who applies for that license or

1104 approval;

1105 (3) "Automated teller machine" means a stationary or mobile
1106 unattended device, including a satellite device but excluding a point of
1107 sale terminal, at which banking transactions, including, but not limited
1108 to, deposits, withdrawals, advances, payments or transfers, may be
1109 conducted;

1110 (4) "Bank" means a Connecticut bank or a federal bank;

1111 (5) "Bank and trust company" means an institution chartered or
1112 organized under the laws of this state as a bank and trust company;

1113 (6) "Bank holding company" has the meaning given to that term in
1114 12 USC Section 1841(a), as amended from time to time, [amended,]
1115 except that the term "bank", as used in 12 USC Section 1841(a) includes
1116 a bank or out-of-state bank that functions solely in a trust or fiduciary
1117 capacity;

1118 (7) "Capital stock" when used in conjunction with any bank or out-
1119 of-state bank means a bank or out-of-state bank that is authorized to
1120 accumulate funds through the issuance of its capital stock;

1121 (8) "Client" means a beneficiary of a trust for whom the Connecticut
1122 bank acts as trustee, a person for whom the Connecticut bank acts as
1123 agent, custodian or bailee, or other person to whom a Connecticut
1124 bank owes a duty or obligation under a trust or other account
1125 administered by such Connecticut bank, regardless of whether such
1126 Connecticut bank owes a fiduciary duty to the person;

1127 (9) "Club deposit" means deposits to be received at regular intervals,
1128 the whole amount deposited to be withdrawn by the owner or repaid
1129 by the bank in not more than fifteen months from the date of the first
1130 deposit, and upon which no interest or dividends need to be paid;

1131 (10) "Commissioner" means the Banking Commissioner and, with
1132 respect to any function of the commissioner, includes any person
1133 authorized or designated by the commissioner to carry out that

1134 function;

1135 (11) "Company" means any corporation, joint stock company, trust,
1136 association, partnership, limited partnership, unincorporated
1137 organization, limited liability company or similar organization, but
1138 does not include (A) any corporation the majority of the shares of
1139 which are owned by the United States or by any state, or (B) any trust
1140 which by its terms shall terminate within twenty-five years or not later
1141 than twenty-one years and ten months after the death of beneficiaries
1142 living on the effective date of the trust;

1143 (12) "Connecticut bank" means a bank and trust company, savings
1144 bank or savings and loan association chartered or organized under the
1145 laws of this state;

1146 (13) "Connecticut credit union" means a cooperative, nonprofit
1147 financial institution that (A) is organized under chapter 667 and the
1148 membership of which is limited as provided in section 36a-438a, (B)
1149 operates for the benefit and general welfare of its members with the
1150 earnings, benefits or services offered being distributed to or retained
1151 for its members, and (C) is governed by a volunteer board of directors
1152 elected by and from its membership;

1153 (14) "Connecticut credit union service organization" means a credit
1154 union service organization that is incorporated under the laws of this
1155 state, located in this state and established by at least one Connecticut
1156 credit union;

1157 (15) "Consolidation" means a combination of two or more
1158 institutions into a new institution; all institutions party to the
1159 consolidation, other than the new institution, are "constituent"
1160 institutions; the new institution is the "resulting" institution;

1161 (16) "Control" has the meaning given to that term in 12 USC Section
1162 1841(a), as amended from time to time; [amended;]

1163 (17) "Credit union service organization" means an entity organized

1164 under state or federal law to provide credit union service organization
1165 services primarily to its members, to Connecticut credit unions, federal
1166 credit unions and out-of-state credit unions other than its members,
1167 and to members of any such other credit unions;

1168 (18) "Customer" means any person using a service offered by a
1169 financial institution;

1170 (19) "Demand account" means an account into which demand
1171 deposits may be made;

1172 (20) "Demand deposit" means a deposit that is payable on demand,
1173 a deposit issued with an original maturity or required notice period of
1174 less than seven days or a deposit representing funds for which the
1175 bank does not reserve the right to require at least seven days' written
1176 notice of the intended withdrawal, but does not include any time
1177 deposit;

1178 (21) "Deposit" means funds deposited with a depository;

1179 (22) "Deposit account" means an account into which deposits may
1180 be made;

1181 (23) "Depositor" includes a member of a mutual savings and loan
1182 association;

1183 (24) "Director" means a member of the governing board of a
1184 financial institution;

1185 (25) "Equity capital" means the excess of a Connecticut bank's total
1186 assets over its total liabilities, as defined in the instructions of the
1187 federal Financial Institutions Examination Council for consolidated
1188 reports of condition and income;

1189 (26) "Executive officer" means every officer of a Connecticut bank
1190 who participates or has authority to participate, otherwise than in the
1191 capacity of a director, in major policy-making functions of such bank,
1192 regardless of whether such officer has an official title or whether that

1193 title contains a designation of assistant and regardless of whether such
1194 officer is serving without salary or other compensation. The president,
1195 vice president, secretary and treasurer of such bank are deemed to be
1196 executive officers, unless, by resolution of the governing board or by
1197 such bank's bylaws, any such officer is excluded from participation in
1198 major policy-making functions, otherwise than in the capacity of a
1199 director of such bank, and such officer does not actually participate in
1200 such policy-making functions;

1201 (27) "Federal agency" has the meaning given to that term in 12 USC
1202 Section 3101, as amended from time to time; [amended;]

1203 (28) "Federal bank" means a national banking association, federal
1204 savings bank or federal savings and loan association having its
1205 principal office in this state;

1206 (29) "Federal branch" has the meaning given to that term in 12 USC
1207 Section 3101, as amended from time to time; [amended;]

1208 (30) "Federal credit union" means any institution chartered or
1209 organized as a federal credit union pursuant to the laws of the United
1210 States having its principal office in this state;

1211 (31) "Fiduciary" means a person undertaking to act alone or jointly
1212 with others primarily for the benefit of another or others in all matters
1213 connected with its undertaking and includes a person acting in the
1214 capacity of trustee, executor, administrator, guardian, assignee,
1215 receiver, conservator, agent, custodian under the Connecticut Uniform
1216 Gifts to Minors Act or the Uniform Transfers to Minors Act, and acting
1217 in any other similar capacity;

1218 (32) "Financial institution" means any Connecticut bank,
1219 Connecticut credit union, or other person whose activities in this state
1220 are subject to the supervision of the commissioner, but does not
1221 include a person whose activities are subject to the supervision of the
1222 commissioner solely pursuant to chapter 672a, 672b or 672c or any
1223 combination thereof;

1224 (33) "Foreign bank" has the meaning given to that term in 12 USC
1225 Section 3101, as amended from time to time; [amended;]

1226 (34) "Foreign country" means any country other than the United
1227 States and includes any colony, dependency or possession of any such
1228 country;

1229 (35) "Governing board" means the group of persons vested with the
1230 management of the affairs of a financial institution irrespective of the
1231 name by which such group is designated;

1232 (36) "Holding company" means a bank holding company or a
1233 savings and loan holding company, except, as used in sections 36a-180
1234 to 36a-191, inclusive, "holding company" means a company that
1235 controls a bank;

1236 (37) "Insured depository institution" has the meaning given to that
1237 term in 12 USC Section 1813, as amended from time to time;
1238 [amended;]

1239 (38) "Licensee" means any person who is licensed or required to be
1240 licensed pursuant to the applicable provisions of this title;

1241 (39) "Loan" includes any line of credit or other extension of credit;

1242 (40) "Merger" means the combination of one or more institutions
1243 with another which continues its corporate existence; all institutions
1244 party to the merger are "constituent" institutions; the merging
1245 institution which upon the merger continues its existence is the
1246 "resulting" institution;

1247 (41) "Mutual" when used in conjunction with any institution that is a
1248 bank or out-of-state bank means any such institution without capital
1249 stock;

1250 (42) "Mutual holding company" means a mutual holding company
1251 organized under sections 36a-192 to 36a-199, inclusive, and unless
1252 otherwise indicated, a subsidiary holding company controlled by a

1253 mutual holding company organized under sections 36a-192 to 36a-199,
1254 inclusive;

1255 (43) ["National mortgage licensing system"] "Nationwide Mortgage
1256 Licensing System" means the [national] nation-wide mortgage
1257 licensing system [to be] implemented pursuant to a uniform mortgage
1258 licensing project under the auspices of the Conference of State Bank
1259 Supervisors and the American Association of Residential Mortgage
1260 Regulators;

1261 (44) "Out-of-state" includes any state other than Connecticut and
1262 any foreign country;

1263 (45) "Out-of-state bank" means any institution that engages in the
1264 business of banking, but does not include a bank, Connecticut credit
1265 union, federal credit union or out-of-state credit union;

1266 (46) "Out-of-state credit union" means any credit union other than a
1267 Connecticut credit union or a federal credit union;

1268 (47) "Out-of-state trust company" means any company chartered to
1269 act as a fiduciary but does not include a company chartered under the
1270 laws of this state, a bank, an out-of-state bank, a Connecticut credit
1271 union, a federal credit union or an out-of-state credit union;

1272 (48) "Person" means an individual, company, including a company
1273 described in subparagraphs (A) and (B) of subdivision (11) of this
1274 section, or any other legal entity, including a federal, state or municipal
1275 government or agency or any political subdivision thereof;

1276 (49) "Point of sale terminal" means a device located in a commercial
1277 establishment at which sales transactions can be charged directly to the
1278 buyer's deposit, loan or credit account, but at which deposit
1279 transactions cannot be conducted;

1280 (50) "Prepayment penalty" means any charge or penalty for paying
1281 all or part of the outstanding balance owed on a loan before the date
1282 on which the principal is due and includes computing a refund of

1283 unearned interest by a method that is less favorable to the borrower
1284 than the actuarial method, as defined by Section 933(d) of the Housing
1285 and Community Development Act of 1992, 15 USC 1615(d), as
1286 amended from time to time;

1287 [(50)] (51) "Reorganized savings bank" means any savings bank
1288 incorporated and organized in accordance with sections 36a-192 and
1289 36a-193;

1290 [(51)] (52) "Reorganized savings and loan association" means any
1291 savings and loan association incorporated and organized in
1292 accordance with sections 36a-192 and 36a-193;

1293 [(52)] (53) "Reorganized savings institution" means any reorganized
1294 savings bank or reorganized savings and loan association;

1295 [(53)] (54) "Representative office" has the meaning given to that term
1296 in 12 USC Section 3101, as amended from time to time; [amended;]

1297 [(54)] (55) "Reserves for loan and lease losses" means the amounts
1298 reserved by a Connecticut bank against possible loan and lease losses
1299 as shown on the bank's consolidated reports of condition and income;

1300 [(55)] (56) "Retail deposits" means any deposits made by individuals
1301 who are not "accredited investors", as defined in 17 CFR [Section]
1302 230.501(a);

1303 [(56)] (57) "Satellite device" means an automated teller machine
1304 which is not part of an office of the bank, Connecticut credit union or
1305 federal credit union which has established such machine;

1306 [(57)] (58) "Savings account" means a deposit account, other than an
1307 escrow account established pursuant to section 49-2a, into which
1308 savings deposits may be made and which account must be evidenced
1309 by periodic statements delivered at least semiannually or by a
1310 passbook;

1311 [(58)] (59) "Savings and loan association" means an institution

1312 chartered or organized under the laws of this state as a savings and
1313 loan association;

1314 [(59)] (60) "Savings bank" means an institution chartered or
1315 organized under the laws of this state as a savings bank;

1316 [(60)] (61) "Savings deposit" means any deposit other than a demand
1317 deposit or time deposit on which interest or a dividend is paid
1318 periodically;

1319 [(61)] (62) "Savings and loan holding company" has the meaning
1320 given to that term in 12 USC Section 1467a, as amended from time to
1321 time; [amended;]

1322 [(62)] (63) "Share account holder" means a person who maintains a
1323 share account in a Connecticut credit union, federal credit union or
1324 out-of-state credit union that maintains in this state a branch, as
1325 defined in section 36a-435b;

1326 [(63)] (64) "State" means any state of the United States, the District of
1327 Columbia, any territory of the United States, Puerto Rico, Guam,
1328 American Samoa, the trust territory of the Pacific Islands, the Virgin
1329 Islands and the Northern Mariana Islands;

1330 [(64)] (65) "State agency" has the meaning given to that term in 12
1331 USC Section 3101, as amended from time to time; [amended;]

1332 [(65)] (66) "State branch" has the meaning given to that term in 12
1333 USC Section 3101, as amended from time to time; [amended;]

1334 [(66)] (67) "Subsidiary" has the meaning given to that term in 12
1335 USC Section 1841(d), as amended from time to time; [amended;]

1336 [(67)] (68) "Subsidiary holding company" means a stock holding
1337 company, controlled by a mutual holding company, that holds one
1338 hundred per cent of the stock of a reorganized savings institution;

1339 [(68)] (69) "Supervisory agency" means: (A) The commissioner; (B)

1340 the Federal Deposit Insurance Corporation; (C) the Resolution Trust
1341 Corporation; (D) the Office of Thrift Supervision; (E) the National
1342 Credit Union Administration; (F) the Board of Governors of the
1343 Federal Reserve System; (G) the United States Comptroller of the
1344 Currency; and (H) any successor to any of the foregoing agencies or
1345 individuals;

1346 [(69)] (70) "Time account" means an account into which time
1347 deposits may be made;

1348 [(70)] (71) "Time deposit" means a deposit that the depositor or
1349 share account holder does not have a right and is not permitted to
1350 make withdrawals from within six days after the date of deposit,
1351 unless the deposit is subject to an early withdrawal penalty of at least
1352 seven days' simple interest on amounts withdrawn within the first six
1353 days after deposit, subject to those exceptions permissible under 12
1354 CFR Part 204, as amended from time to time; [amended;]

1355 [(71)] (72) "Trust bank" means a Connecticut bank organized to
1356 function solely in a fiduciary capacity; and

1357 [(72)] (73) "Uninsured bank" means a Connecticut bank that does
1358 not accept retail deposits and for which insurance of deposits by the
1359 Federal Deposit Insurance Corporation or its successor agency is not
1360 required.

1361 Sec. 34. Section 36a-3 of the 2008 supplement to the general statutes
1362 is repealed and the following is substituted in lieu thereof (*Effective July*
1363 *1, 2008*):

1364 Other definitions applying to this title or to specified parts thereof
1365 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 [, 36a-510] of the 2008 supplement

- T5 to the general statutes, as amended by this act, and 36a-615, as
T6 amended by this act.
- T7 "Advertise" or "advertisement". [Sections] Section 36a-485 [and 36a-
T8 510] of the 2008 supplement to the general statutes, as amended by
T9 this act.
- 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, as amended by this act.
- T15 "Annuities". Section 36a-455a.
- T16 "Applicant". Section 36a-736, as amended by this act.
- T17 "APR". Section 36a-746a, as amended by this act.
- 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 office". Section 36a-485 of the 2008 supplement to the
T32 general statutes, as amended by this act.
- T33 "Branch or agency net payment entitlement". Section 36a-428n.
- T34 "Branch or agency net payment obligation". Section 36a-428n.
- T35 "Broker". Section 36a-746a, as amended by this act.
- T36 "Business and industrial development corporation". Section 36a-626.
- T37 "Business and property in this state". Section 36a-428n.
- T38 "Capital". Section 36a-435b.
- T39 "Cash advance". Section 36a-564.

- T40 "Cash price". Section 36a-770.
- T41 "Certificate of incorporation". Section 36a-435b.
- T42 "CHFA loan". Section 21 of this act.
- T43 "Closely related activities". Sections 36a-250 and 36a-455a.
- T44 "Collective managing agency account". Section 36a-365.
- T45 "Commercial vehicle". Section 36a-770.
- T46 "Community bank". Section 36a-70.
- T47 "Community credit union". Section 36a-37.
- T48 "Community development bank". Section 36a-70.
- T49 "Community reinvestment performance". Section 36a-37.
- T50 "Connecticut holding company". Sections 36a-53 of the
- T51 2008 supplement to the general statutes and 36a-410 of
- T52 the 2008 supplement to the general statutes.
- T53 "Consolidate". Section 36a-145 of the 2008 supplement to
- T54 the general statutes.
- T55 "Construction loan". Section 36a-458a.
- T56 "Consumer". Sections 36a-155, 36a-676 and 36a-695.
- T57 "Consumer Credit Protection Act". Section 36a-676.
- T58 "Consumer debtor" and "debtor". Sections 36a-645 and
- T59 36a-800 of the 2008 supplement to the general statutes.
- T60 "Consumer collection agency". Section 36a-800 of the 2008
- T61 supplement to the general statutes.
- T62 "Consummation". Section 36a-746a, as amended by this act.
- T63 "Controlling interest". Section 36a-276.
- T64 "Conventional mortgage rate". Section 21 of this act.
- T65 "Corporate". Section 36a-435b.
- T66 "Credit". Sections 36a-645 and 36a-676.
- T67 "Credit manager". Section 36a-435b.
- T68 "Creditor". Sections 36a-676, 36a-695 and 36a-800 of the
- T69 2008 supplement to the general statutes.
- T70 "Credit card", "cardholder" and "card issuer". Section 36a-676.
- T71 "Credit clinic". Section 36a-700.
- T72 "Credit rating agency". Section 36a-695.
- T73 "Credit report". Section 36a-695.
- T74 "Credit sale". Section 36a-676.

- T75 "Credit union service organization". Section 36a-435b.
- T76 "Credit union service organization services". Section 36a-435b.
- T77 "De novo branch". Section 36a-410 of the 2008 supplement
- T78 to the general statutes.
- T79 "Debt". Section 36a-645.
- T80 "Debt adjustment". Section 36a-655.
- T81 "Debt mutual fund". Sections 36a-275 and 36a-459a.
- T82 "Debt securities". Sections 36a-275 and 36a-459a.
- T83 "Debtor". Section 36a-655.
- T84 "Deliver". Section 36a-316, as amended by this act.
- T85 "Deposit". Section 36a-316, as amended by this act.
- T86 "Deposit account". Section 36a-316, as amended by this act.
- T87 "Deposit account charge". Section 36a-316, as amended by this act.
- T88 "Deposit account disclosures". Section 36a-316, as amended by this
- T89 act.
- T90 "Deposit contract". Section 36a-316, as amended by this act.
- T91 "Deposit services". Section 36a-425.
- T92 "Depositor". Section 36a-316, as amended by this act.
- T93 "Director". Section 36a-435b.
- T94 "Earning period". Section 36a-316, as amended by this act.
- T95 "Electronic payment instrument". Section 36a-596 of the
- T96 2008 supplement to the general statutes.
- T97 "Eligible collateral". Section 36a-330.
- T98 "Equity mutual fund". Sections 36a-276 and 36a-459a.
- T99 "Equity security". Sections 36a-276 and 36a-459a.
- T100 "Executive officer". Sections 36a-263 and 36a-469c.
- T101 "Federal Credit Union Act". Section 36a-435b.
- T102 "Federal Home Mortgage Disclosure Act". Section 36a-736, as
- T103 amended by this act.
- T104 "FHA loan". Section 21 of this act.
- T105 "Fiduciary". Section 36a-365.
- T106 "Filing fee". Section 36a-770.
- T107 "Finance charge". Sections 36a-690 and 36a-770.
- T108 "Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316, as
- T109 amended by this act, 36a-330, 36a-435b, [and] 36a-736, as amended

- T110 by this act, and 36a-755, as amended by this act.
- T111 "Financial records". Section 36a-41.
- T112 ["First mortgage broker". Section 36a-485.
- T113 "First mortgage correspondent lender". Section 36a-485.
- T114 "First mortgage lender". Section 36a-485.]
- T115 "First mortgage loan". Sections 36a-485 of the 2008
- T116 supplement to the general statutes, as amended by this act, 36a-705,
- T117 [and] as amended by this act, 36a-715, as amended by this act, and
- T118 36a-725, as amended by this act.
- T119 "Foreign banking corporation". Section 36a-425.
- T120 "Fully indexed rate". Section 23 of this act.
- T121 "General facility". Section 36a-580.
- T122 "Global net payment entitlement". Section 36a-428n.
- T123 "Global net payment obligation". Section 36a-428n.
- T124 "Goods". Sections 36a-535 and 36a-770.
- T125 "Graduated payment mortgage loan". Section 36a-265.
- T126 "Guardian". Section 36a-365.
- T127 "High cost home loan". Section 36a-746a, as amended by this act.
- T128 "Holder". Section 36a-596 of the 2008 supplement to the
- T129 general statutes.
- T130 "Home banking services". Section 36a-170.
- T131 "Home banking terminal". Section 36a-170.
- T132 "Home improvement loan". Section 36a-736, as amended by this act.
- T133 "Home purchase loan". Section 36a-736, as amended by this act.
- T134 "Home state". Section 36a-410 of the 2008 supplement to
- T135 the general statutes.
- T136 "Immediate family member". Section 36a-435b.
- T137 "Insider". Section 36a-454b.
- T138 "Installment loan contract". Sections 36a-535 and 36a-770.
- T139 "Insurance". Section 36a-455a.
- T140 "Insurance bank". Section 36a-285.
- T141 "Insurance department". Section 36a-285.
- T142 "Interest". Section 36a-316, as amended by this act.
- T143 "Interest rate". Section 36a-316, as amended by this act.
- T144 "Interim interest". Section 36a-746a, as amended by this act.

- T145 "Lender". Sections 36a-746a, [and] as amended by this act,
T146 36a-770, and section 21 of this act.
- T147 "Lessor". Section 36a-676.
- T148 "License". Section 36a-626.
- T149 "Licensee". Sections [36a-510,] 36a-596 of the 2008 supplement to the
T150 general statutes and 36a-626.
- T151 "Limited branch". Section 36a-145 of the 2008 supplement
T152 to the general statutes.
- T153 "Limited facility". Section 36a-580.
- T154 "Loan broker". Section 36a-615, as amended by this act.
- T155 "Loss". Section 36a-330.
- T156 "Made in this state". Section 36a-770.
- T157 "Main office". Section 36a-485 of the 2008 supplement to the general
T158 statutes, as amended by this act.
- T159 "Managing agent". Section 36a-365.
- T160 "Manufactured home". Section 36a-457b.
- T161 "Material litigation". Section 36a-596 of the 2008
T162 supplement to the general statutes.
- T163 "Member". Section 36a-435b.
- T164 "Member business loan". Section 36a-458a.
- T165 "Member in good standing". Section 36a-435b.
- T166 "Membership share". Section 36a-435b.
- T167 "Mobile branch". Section 36a-435b.
- T168 "Money order". Section 36a-596 of the 2008 supplement to
T169 the general statutes.
- T170 "Money transmission". Section 36a-365.
- T171 "Mortgage". Section 28 of this act.
- T172 "Mortgage broker". Sections 36a-485 of the 2008 supplement to the
T173 general statutes, as amended by this act, 36a-705, as
T174 amended by this act, and section 21 of this act.
- T175 "Mortgage correspondent lender". Section 36a-485 of the 2008
T176 supplement to the general statutes, as amended by this act.
- T177 "Mortgage insurance". Section 36a-725, as amended by this act.
- T178 "Mortgage lender". Sections 36a-485 [36a-510 and] of the 2008
T179 supplement to the general statutes, as amended by this act,

- T180 36a-705, as amended by this act, and 36a-725, as amended
T181 by this act.
- T182 "Mortgage loan". Sections 36a-261, 36a-265, [and] 36a-457b, 36a-
T183 485 of the 2008 supplement to the general statutes, as amended by
T184 this act, and 36a-736, as amended by this act.
- T185 "Mortgage loan originator". Section 36a-485 of the 2008 supplement
T186 to the general statutes, as amended by this act.
- T187 "Mortgage rate lock-in". Section 36a-705, as amended by this act.
- T188 "Mortgage servicing company". Section 36a-715, as amended by this
T189 act.
- T190 "Mortgagor". Section 36a-715, as amended by this act.
- T191 "Motor vehicle". Section 36a-770.
- T192 "Multiple common bond membership". Section 36a-435b.
- T193 "Municipality". Section 36a-800 of the 2008 supplement to
T194 the general statutes.
- T195 "Net outstanding member business loan balance". Section 36a-458a.
- T196 "Net worth". Sections 36a-441a, 36a-458a and 36a-596 of
T197 the 2008 supplement to the general statutes.
- T198 "Network". Section 36a-155.
- T199 "Nonprime home loan". Section 21 of this act.
- T200 "Nonrefundable". [Sections] Section 36a-498 [and 36a-521] of the
T201 2008 supplement to the general statutes, as amended by this act.
- T202 "Note account". Sections 36a-301 and 36a-456b.
- T203 "Office". [Section] Sections 36a-316, as amended by this act, and 36a-
T204 485 of the 2008 supplement to the general statutes, as amended by
T205 this act.
- T206 "Officer". Section 36a-435b.
- T207 "Open-end credit plan". Section 36a-676.
- T208 "Open-end line of credit". Section 21 of this act.
- T209 "Open-end loan". Section 36a-565.
- T210 "Organization". Section 36a-800 of the 2008 supplement to
T211 the general statutes.
- T212 ["Originator". Sections 36a-485 and 36a-510.]
- T213 "Out-of-state holding company". Section 36a-410 of the
T214 2008 supplement to the general statutes.

- T215 "Outstanding". Section 36a-596 of the 2008 supplement to
T216 the general statutes.
- T217 "Passbook savings account". Section 36a-316, as amended by this act.
- T218 "Payment instrument". Section 36a-596 of the 2008
T219 supplement to the general statutes.
- T220 "Periodic statement". Section 36a-316, as amended by this act.
- T221 "Permissible investment". Section 36a-596 of the 2008
T222 supplement to the general statutes.
- T223 "Person". Section 36a-184.
- T224 "Post". Section 36a-316, as amended by this act.
- T225 "Prepaid finance charge". Section 36a-746a, as amended by this act.
- T226 ["Prepayment penalty". Section 36a-746a.]
- T227 "Prime quality". Section 36a-596 of the 2008 supplement
T228 to the general statutes.
- T229 "Principal amount of the loan". Section [36a-510] 36a-485 of the 2008
T230 supplement to the general statutes, as amended by this act.
- T231 "Processor". Section 36a-155.
- T232 "Public deposit". Section 36a-330.
- T233 "Purchaser". Section 36a-596 of the 2008 supplement to
T234 the general statutes.
- T235 "Qualified financial contract". Section 36a-428n.
- T236 "Qualified public depository" and "depository". Section 36a-330.
- T237 "Real estate". Section 36a-457b.
- T238 "Records". Section 36a-17.
- T239 "Related person". Section 36a-53 of the 2008 supplement
T240 to the general statutes.
- T241 "Relocate". Sections 36a-145 of the 2008 supplement to the
T242 general statutes and 36a-462a.
- T243 "Residential property". Section 36a-485 of the 2008
T244 supplement to the general statutes, as amended by this act.
- T245 "Retail buyer". Sections 36a-535 and 36a-770.
- T246 "Retail credit transaction". Section 42-100b.
- T247 "Retail installment contract". Sections 36a-535 and 36a-770.
- T248 "Retail installment sale". Sections 36a-535 and 36a-770.
- T249 "Retail seller". Sections 36a-535 and 36a-770.

- T250 "Reverse annuity mortgage loan". Section 36a-265.
- T251 "Sales finance company". Sections 36a-535 and 36a-770.
- T252 "Savings department". Section 36a-285.
- T253 "Savings deposit". Section 36a-316, as amended by this act.
- T254 ["Secondary mortgage broker". Section 36a-510.
- T255 "Secondary mortgage correspondent lender". Section 36a-510.
- T256 "Secondary mortgage lender". Section 36a-510.]
- T257 "Secondary mortgage loan". Section [36a-510] 36a-485 of the 2008
- T258 supplement to the general statutes, as amended by this act.
- T259 "Security convertible into a voting security". Section 36a-184.
- T260 "Senior management". Section 36a-435b.
- T261 "Share". Section 36a-435b.
- T262 "Simulated check". [Sections] Section 36a-485 [and 36a-510] of the
- T263 2008 supplement to the general statutes, as amended by this act.
- T264 "Single common bond membership". Section 36a-435b.
- T265 "Special mortgage". Section 24 of this act.
- T266 "Social purpose investment". Section 36a-277.
- T267 "Standard mortgage loan". Section 36a-265.
- T268 "Table funding agreement". Section 36a-485 of the 2008
- T269 supplement to the general statutes, as amended by this act.
- T270 "Tax and loan account". Sections 36a-301 and 36a-456b.
- T271 "The Savings Bank Life Insurance Company". Section 36a-285.
- T272 "Time account". Section 36a-316, as amended by this act.
- T273 "Travelers check". Section 36a-596 of the 2008 supplement
- T274 to the general statutes.
- T275 "Troubled Connecticut credit union". Section 36a-448a.
- T276 "Unsecured loan". Section 36a-615, as amended by this act.
- T277 "Warehouse agreement". Section 36a-485 of the 2008
- T278 supplement to the general statutes, as amended by this act.
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- 1366 Sec. 35. Subsection (d) of section 36a-21 of the 2008 supplement to
- 1367 the general statutes, as amended by section 3 of public act 07-156, is
- 1368 repealed and the following is substituted in lieu thereof (*Effective July*
- 1369 *1, 2008*):

1370 (d) The provisions of this section shall not apply to the disclosure of
1371 (1) any record that is maintained by the commissioner with the
1372 [national mortgage licensing system] Nationwide Mortgage Licensing
1373 System to any supervisory, governmental or law enforcement agency
1374 that is authorized to access such record on the system, provided such
1375 record shall remain the property of the Department of Banking and
1376 may not be further disclosed to any person without the consent of the
1377 commissioner, or (2) any record of a licensee that is maintained by the
1378 commissioner with such system to such licensee. No person may
1379 obtain information from the [national mortgage licensing system]
1380 Nationwide Mortgage Licensing System that could not otherwise be
1381 obtained under state law. No information obtained from the [national
1382 mortgage licensing system] Nationwide Mortgage Licensing System
1383 shall be admissible as evidence in, or used to initiate, a civil proceeding
1384 in this state unless such information would otherwise be admissible in
1385 such proceeding under state law.

1386 Sec. 36. Section 36a-56 of the general statutes is repealed and the
1387 following is substituted in lieu thereof (*Effective July 1, 2008*):

1388 Any person who knowingly makes any false statement or report, or
1389 wilfully overvalues any land, property or security, with intent to
1390 defraud and for the purpose of influencing in any way the action of a
1391 bank, out-of-state bank that maintains in this state a branch as defined
1392 in section 36a-410 of the 2008 supplement to the general statutes,
1393 Connecticut credit union, small loan licensee or any [first or secondary]
1394 person licensed as a mortgage lender, mortgage correspondent lender
1395 or mortgage broker, [licensee] as defined in section 36a-485 of the 2008
1396 supplement to the general statutes, as amended by this act, upon any
1397 application, advance, commitment, loan or extension of credit, or any
1398 change, extension, renewal or refinancing thereof, or the acceptance,
1399 release or substitution of security therefor, and upon which such bank,
1400 out-of-state bank, credit union or licensee relies in taking such action,
1401 shall be fined not more than five hundred dollars or imprisoned not
1402 more than one year, or both. A finding by the commissioner as a result
1403 of an investigation of any such making or overvaluing shall be

1404 considered a violation of this section for purposes of the administrative
1405 enforcement of sections 36a-50 to 36a-53, inclusive. The commissioner
1406 shall refer to the Chief State's Attorney any evidence found by the
1407 commissioner of a criminal violation of the provisions of this section.

1408 Sec. 37. Subdivision (6) of subsection (c) of section 36a-65 of the
1409 general statutes is repealed and the following is substituted in lieu
1410 thereof (*Effective July 1, 2008*):

1411 (6) A licensee under section 36a-489 [~~36a-513~~] of the 2008
1412 supplement to the general statutes, as amended by this act, 36a-541,
1413 36a-556, 36a-581, 36a-600, 36a-628, 36a-656 or 36a-801 shall pay to the
1414 commissioner the actual cost of any examination of the licensee, as
1415 such cost is determined by the commissioner. If the licensee fails to pay
1416 such cost not later than [thirty] sixty days after receipt of demand from
1417 the commissioner, the commissioner [shall automatically] may
1418 suspend the license until such costs are paid.

1419 Sec. 38. Section 36a-485 of the 2008 supplement to the general
1420 statutes, as amended by section 4 of public act 07-156, is repealed and
1421 the following is substituted in lieu thereof (*Effective July 1, 2008*):

1422 As used in this section and sections 36a-486 to 36a-498a, inclusive, as
1423 amended by this act, unless the context otherwise requires:

1424 (1) "Advance fee" means any consideration paid or given, directly or
1425 indirectly, to a mortgage lender, [first] mortgage correspondent lender
1426 or mortgage broker [or originator] required to be licensed pursuant to
1427 sections 36a-485 to 36a-498a, inclusive, as amended by this act, prior to
1428 the closing of a [first] mortgage loan to any person, including, but not
1429 limited to, loan fees, points, broker's fees or commissions, transaction
1430 fees or similar prepaid finance charges;

1431 (2) "Advertise" or "advertisement" means the use of [media, mail,
1432 computer, telephone, personal contact or any other means to offer the
1433 opportunity for a first mortgage loan] any announcement, statement,
1434 assertion or representation that is placed before the public in a

1435 newspaper, magazine or other publication, or in the form of a notice,
1436 circular, pamphlet, letter or poster or over any radio or television
1437 station, by means of the Internet, or by other electronic means of
1438 distributing information, by personal contact, or in any other way;

1439 [(3) "First mortgage broker" means a person who, for a fee,
1440 commission or other valuable consideration, directly or indirectly,
1441 negotiates, solicits, arranges, places or finds a first mortgage loan that
1442 is to be made by a mortgage lender, whether or not the mortgage
1443 lender is required to be licensed under sections 36a-485 to 36a-498a,
1444 inclusive;

1445 (4) "First mortgage correspondent lender" means a person engaged
1446 in the business of making first mortgage loans in such person's own
1447 name where the loans are not held by such person for more than
1448 ninety days and are funded by another person through a warehouse
1449 agreement, table funding agreement or similar agreement;

1450 (5) "First mortgage lender" means a person engaged in the business
1451 of making first mortgage loans: (A) In such person's own name
1452 utilizing such person's own funds, or (B) by funding loans through a
1453 table funding agreement;]

1454 (3) "Branch office" means a location other than the main office at
1455 which a licensee or any person on behalf of a licensee acts as a
1456 mortgage lender, mortgage correspondent lender or mortgage broker;

1457 [(6)] (4) "First mortgage loan" means a loan or an extension of credit,
1458 including, but not limited to, an extension of credit pursuant to a
1459 contract or an assigned contract for the sale of goods or services, made
1460 to a natural person, the proceeds of which are to be used primarily for
1461 personal, family or household purposes, and which is secured by a
1462 first mortgage upon any interest in one-to-four-family [residential]
1463 owner-occupied [real] residential property located in this state which
1464 is not subject to any prior mortgages and includes the renewal or
1465 refinancing of an existing first mortgage loan;

1466 (5) "Main office" means the main address designated on the
1467 Nationwide Mortgage Licensing System;

1468 (6) "Mortgage broker" means a person who, for a fee, commission or
1469 other valuable consideration, directly or indirectly, negotiates, solicits,
1470 arranges, places or finds a mortgage loan that is to be made by a
1471 mortgage lender or mortgage correspondent lender, whether or not the
1472 mortgage lender or mortgage correspondent lender are required to be
1473 licensed under sections 36a-485 to 36a-498a, inclusive, as amended by
1474 this act;

1475 (7) ["Mortgage lender" means a first mortgage lender, a first
1476 mortgage correspondent lender, or both;] "Mortgage correspondent
1477 lender" means a person engaged in the business of making mortgage
1478 loans in such person's own name where the loans are not held by such
1479 person for more than ninety days and are funded by another person
1480 through a warehouse agreement, table funding agreement or similar
1481 agreement;

1482 (8) "Mortgage lender" means a person engaged in the business of
1483 making mortgage loans in such person's own name utilizing such
1484 person's own funds or by funding loans through a warehouse
1485 agreement, table funding agreement or similar agreement;

1486 (9) "Mortgage loan" means a first mortgage loan or secondary
1487 mortgage loan;

1488 [(8) "Originator"] (10) "Mortgage loan originator" means an
1489 individual who is employed or retained by, or otherwise acts on behalf
1490 of, a mortgage lender, mortgage correspondent lender or [first]
1491 mortgage broker [that is licensed or required to be licensed under
1492 sections 36a-485 to 36a-498a, inclusive] licensee who, for, or with the
1493 expectation of, a fee, commission or other valuable consideration, [to
1494 take] takes an application for or [negotiate, solicit, arrange or find a
1495 first] negotiates, solicits, arranges or finds a mortgage loan.
1496 ["Originator"] "Mortgage loan originator" does not include (1) an
1497 officer, if the [mortgage lender or first mortgage broker] licensee is a

1498 corporation; a general partner, if the licensee is a partnership; a
1499 member, if the licensee is a limited liability company; or a sole
1500 proprietor, if the licensee is a sole proprietorship, or (2) an individual
1501 whose responsibilities are limited to clerical and administrative tasks
1502 and who does not solicit borrowers, arrange or find mortgage loans,
1503 take applications or negotiate the terms of loans;

1504 (11) "Office" means a branch office or a main office;

1505 (12) "Principal amount of the loan" means the gross amount the
1506 borrower is obligated to repay including any prepaid finance charge
1507 that is financed, and any other charge that is financed;

1508 ~~[(9)]~~ (13) "Residential property" means improved real property used
1509 or occupied, or intended to be used or occupied, for residential
1510 purposes;

1511 (14) "Secondary mortgage loan" means (A) a loan or an extension of
1512 credit, including, but not limited to, an extension of credit pursuant to
1513 a contract or an assigned contract for the sale of goods or services,
1514 made to a natural person, the proceeds of which are to be used
1515 primarily for personal, family or household purposes, and that is
1516 secured, in whole or in part, by a mortgage upon any interest in one-
1517 to-four-family owner-occupied residential property located in this
1518 state, provided such property is subject to one or more prior
1519 mortgages, and (B) the renewal or refinancing of any existing loan or
1520 extension of credit described in subparagraph (A) of this subdivision;

1521 ~~[(10)]~~ (15) "Simulated check" means a document that imitates or
1522 resembles a check but is not a negotiable instrument;

1523 ~~[(11)]~~ (16) "Table funding agreement" means an agreement wherein
1524 a person agrees to fund mortgage loans to be made in another person's
1525 name and to purchase such loans after they are made; and

1526 ~~[(12)]~~ (17) "Warehouse agreement" means an agreement to provide
1527 credit to a person to enable the person to have funds to make mortgage

1528 loans and hold such loans pending sale to other persons.

1529 Sec. 39. (NEW) (*Effective July 1, 2008*) (a) The Banking Commissioner
1530 shall participate in the Nationwide Mortgage Licensing System for this
1531 state and permit such system to process applications for mortgage
1532 lender, mortgage correspondent lender, mortgage broker and
1533 mortgage loan originator licenses in this state and receive and
1534 maintain records related to such licenses that are allowed or required
1535 to be maintained by the commissioner.

1536 (b) (1) Each first mortgage lender license and secondary mortgage
1537 lender license in existence on June 30, 2008, shall be deemed on and
1538 after July 1, 2008, to be a mortgage lender license, as defined in section
1539 36a-485 of the 2008 supplement of the general statutes, as amended by
1540 this act; (2) each first mortgage correspondent lender license and
1541 secondary mortgage correspondent lender license in existence on June
1542 30, 2008, shall be deemed on and after July 1, 2008, to be a mortgage
1543 correspondent lender license, as defined in section 36a-485 of the 2008
1544 supplement of the general statutes, as amended by this act; (3) each
1545 first mortgage broker license and secondary mortgage broker license in
1546 existence on June 30, 2008, shall be deemed on and after July 1, 2008, to
1547 be a mortgage broker license, as defined in section 36a-485 of the 2008
1548 supplement of the general statutes, as amended by this act; and (4)
1549 each originator registration in existence on June 30, 2008, shall be
1550 deemed on and after July 1, 2008, to be a mortgage loan originator
1551 license, as defined in section 36a-485 of the 2008 supplement of the
1552 general statutes, as amended by this act.

1553 (c) (1) Each person licensed on July 1, 2008, as a mortgage lender,
1554 mortgage correspondent lender, mortgage broker or mortgage loan
1555 originator shall, prior to October 1, 2008, transition on to the
1556 Nationwide Mortgage Licensing System by submitting all licensing
1557 and license-related information required by the Nationwide Mortgage
1558 Licensing System for this state.

1559 (2) On and after July 1, 2008, any licensing or license-related filings

1560 shall be submitted exclusively through the Nationwide Mortgage
1561 Licensing System.

1562 (3) Any person making any filing or submission of any information
1563 on the Nationwide Mortgage Licensing System shall do so in
1564 accordance with the procedures and requirements of such system and
1565 pay the applicable fees or charges to such system.

1566 (d) Notwithstanding the provisions of this section, any initial
1567 application for a license submitted on the Nationwide Mortgage
1568 Licensing System between October 1, 2008, and December 31, 2008,
1569 shall not be approved by the commissioner prior to January 1, 2009.

1570 Sec. 40. Section 36a-486 of the 2008 supplement to the general
1571 statutes, as amended by section 5 of public act 07-156, is repealed and
1572 the following is substituted in lieu thereof (*Effective July 1, 2008*):

1573 (a) No person shall engage in the business of making [first]
1574 mortgage loans or act as a [first] mortgage broker in this state unless
1575 such person has first obtained the required license for its main office
1576 and each branch office where such business is conducted in accordance
1577 with the provisions of sections 36a-485 to 36a-498a, inclusive, as
1578 amended by this act. A person, other than a licensed mortgage loan
1579 originator acting on behalf of the mortgage lender, mortgage
1580 correspondent lender or mortgage broker, that employs or retains such
1581 mortgage loan originator, shall be deemed to be engaged in the
1582 business of making mortgage loans if such person advertises, causes to
1583 be advertised, solicits, offers to make or makes mortgage loans, either
1584 directly or indirectly. A [first] mortgage correspondent lender shall not
1585 be deemed to be acting as a [first] mortgage lender if such [first]
1586 mortgage correspondent lender makes a loan utilizing its own funds in
1587 a situation where another person does not honor such person's
1588 commitment to fund the loan.

1589 (b) No person licensed as a mortgage lender, mortgage
1590 correspondent lender or [first] mortgage broker shall employ or retain
1591 [an] a mortgage loan originator unless such mortgage loan originator is

1592 licensed under sections 36a-485 to 36a-498a, inclusive, [provided such
1593 licensure shall not be required for any originator who is licensed under
1594 sections 36a-510 to 36a-524, inclusive] as amended by this act. No
1595 individual may act as [an] a mortgage loan originator without being
1596 licensed, or act as [an] a mortgage loan originator [, as defined in
1597 sections 36a-485 and 36a-510,] for more than one person. The license of
1598 [an] a mortgage loan originator is not effective during any period
1599 when such mortgage loan originator is not associated with a licensed
1600 mortgage lender, mortgage correspondent lender or [first] mortgage
1601 broker. [Both] Either the mortgage loan originator [and] or the
1602 mortgage lender, [and first] mortgage correspondent lender or
1603 mortgage broker [shall promptly notify the commissioner, in writing,]
1604 may file a notification of the termination of employment [or services]
1605 of [an] a mortgage loan originator with the Nationwide Mortgage
1606 Licensing System.

1607 (c) Each [first] mortgage loan negotiated, solicited, arranged, placed,
1608 found or made without a license shall constitute a separate violation
1609 for purposes of section 36a-50.

1610 Sec. 41. Section 36a-487 of the general statutes is repealed and the
1611 following is substituted in lieu thereof (*Effective July 1, 2008*):

1612 The following are exempt from licensing under sections 36a-485 to
1613 36a-498a, inclusive, as amended by this act:

1614 (1) Any bank, out-of-state bank, Connecticut credit union, federal
1615 credit union, or out-of-state credit union, provided subsidiaries of such
1616 institutions other than operating subsidiaries of federal banks and
1617 federally-chartered out-of-state banks are not exempt from licensure;

1618 (2) Persons making five or fewer [first] mortgage loans within any
1619 period of twelve consecutive months, provided nothing herein shall
1620 relieve such persons from complying with all applicable laws;

1621 (3) Bona fide nonprofit corporations making [first] mortgage loans
1622 to promote home ownership for the economically disadvantaged;

1623 (4) Agencies of the federal government, or any state or municipal
1624 government, or any quasi-governmental agency making [first]
1625 mortgage loans under the specific authority of the laws of any state or
1626 the United States;

1627 (5) Persons licensed under sections 36a-555 to 36a-573, inclusive, as
1628 amended by this act, when making mortgage loans authorized by said
1629 sections;

1630 (6) Persons [licensed under sections 36a-510 to 36a-524, inclusive,
1631 when making loans authorized by said sections, provided such
1632 licensed mortgage lender makes less than twelve first mortgage loans
1633 within any period of twelve consecutive months] owning real property
1634 who take back from the buyer of such property a secondary mortgage
1635 loan in lieu of any portion of the purchase price of the property;

1636 (7) Any corporation or its affiliate which makes [first] mortgage
1637 loans exclusively for the benefit of its employees or agents;

1638 (8) Any corporation, licensed in accordance with section 38a-41, or
1639 its affiliate or subsidiary, which makes [first] mortgage loans to
1640 promote home ownership in urban areas; [and]

1641 (9) Persons acting as fiduciaries with respect to any employee
1642 pension benefit plan qualified under the Internal Revenue Code of
1643 1986, or any subsequent corresponding internal revenue code of the
1644 United States, as from time to time amended, who make [first]
1645 mortgage loans solely to plan participants from plan assets; and

1646 (10) Persons making secondary mortgage loans to individuals
1647 related to the maker by blood or marriage.

1648 Sec. 42. Section 36a-488 of the 2008 supplement to the general
1649 statutes, as amended by section 2 of public act 07-91 and section 6 of
1650 public act 07-156, is repealed and the following is substituted in lieu
1651 thereof (*Effective July 1, 2008*):

1652 (a) (1) The commissioner shall not issue a [license as a first]

1653 mortgage lender license, a [first] mortgage correspondent lender
1654 license or a [first] mortgage broker license to any person unless such
1655 person meets the following tangible net worth and experience
1656 requirements, as applicable: (A) The minimum tangible net worth
1657 requirement for a [first] mortgage lender shall be two hundred fifty
1658 thousand dollars and the minimum tangible net worth requirement for
1659 a [first] mortgage correspondent lender and a [first] mortgage broker
1660 shall be (i) prior to March 2, 2009, twenty-five thousand dollars, and
1661 (ii) on and after March 2, 2009, fifty thousand dollars, and (B) a
1662 mortgage lender, mortgage correspondent lender or mortgage broker
1663 shall have, at the [location] main office for which the license is sought,
1664 a [person] qualified individual with supervisory authority over the
1665 lending or brokerage activities who has at least three years' experience
1666 in the mortgage [lending] business within the five years immediately
1667 preceding the application for the license, [and a first mortgage broker
1668 shall have, at the location for which the license is sought, a person with
1669 supervisory authority over the brokerage activities who has at least
1670 three years' experience in the mortgage lending or mortgage brokerage
1671 business within the five years immediately preceding the application
1672 for the license.] and at each branch office, the lender or broker shall
1673 have a branch manager with supervisory authority over the lending or
1674 brokerage activities who has at least three years' experience in the
1675 mortgage business within the five years immediately preceding the
1676 application for the license. As used in this subdivision, "experience in
1677 the mortgage business" means paid experience in the origination,
1678 processing or underwriting of mortgage loans, the marketing of such
1679 loans in the secondary market or in the supervision of such activities,
1680 or any other relevant experience as determined by the commissioner.

1681 (2) Each licensee shall maintain the net worth required by this
1682 subsection and shall promptly notify the commissioner if such
1683 licensee's net worth falls below the net worth required by this
1684 subsection.

1685 (b) The commissioner may issue a [first] mortgage lender license, a
1686 [first] mortgage correspondent lender license, or a [first] mortgage

1687 broker license. Each [first] mortgage lender licensee may also act as a
1688 [first] mortgage correspondent lender and a [first] mortgage broker,
1689 and each [first] mortgage correspondent lender licensee may also act as
1690 a [first] mortgage broker. [An] On and after July 1, 2008, an application
1691 for a license as a mortgage lender, mortgage correspondent lender or
1692 mortgage broker office or renewal of such license shall be [made under
1693 oath and on a form provided by the commissioner. The application
1694 shall include: (1) The type of license sought; (2) the name and address
1695 of the applicant; (3) the location for which the license is sought; (4) the
1696 name and address of each member, partner, officer, director,
1697 authorized agent and shareholder owning ten per cent or more of the
1698 outstanding stock, as applicable; (5) if the applicant is a trust or the
1699 lead lender in one or more participation loans, the name and address
1700 of each trustee or lead lender and each beneficiary of the trust or other
1701 participant lenders in all outstanding participation loans; (6)] filed with
1702 the Nationwide Mortgage Licensing System and the following
1703 supplementary information shall be filed directly with the
1704 commissioner: (1) In the case of an application for a license for the
1705 main office or renewal of such license, a financial statement as of a date
1706 not more than [six] twelve months prior to the filing of the application
1707 which reflects tangible net worth, and if such financial statement is
1708 unaudited, the proprietor, general partner, or duly authorized officer,
1709 trustee or member shall swear to its accuracy under oath before a
1710 notary public; [(7)] (2) a bond as required by section 36a-492 of the
1711 2008 supplement to the general statutes, as amended by this act; (3)
1712 evidence that the [person with supervisory authority over the lending
1713 or brokerage activities at the location for which the license is sought]
1714 qualified individual or branch manager meets the experience required
1715 by subsection (a) of this section; and [(8)] (4) such other information
1716 pertaining to the applicant, the applicant's background, the
1717 background of its principals, [and] employees, and mortgage loan
1718 originators, and the applicant's activities as the commissioner may
1719 require. For the purpose of this subsection, evidence of experience of
1720 the qualified individual or branch manager shall include: (A) A
1721 statement specifying the duties and responsibilities of such person's

1722 employment, the term of employment, including month and year, and
1723 the name, address and telephone number of a supervisor, employer or,
1724 if self-employed, a business reference; and (B) if required by the
1725 commissioner, copies of W-2 forms, 1099 tax forms or, if self-
1726 employed, 1120 corporate tax returns, signed letters from the employer
1727 on the employer's letterhead verifying such person's duties and
1728 responsibilities and term of employment including month and year,
1729 and if such person is unable to provide such letters, other proof
1730 satisfactory to the commissioner that such person meets the experience
1731 requirement. The commissioner may conduct a criminal history
1732 records check of the applicant, of each member, partner, officer or
1733 director of the applicant and of the person with supervisory authority
1734 at the [location] office for which the license is sought, and require the
1735 applicant to submit the fingerprints of such persons as part of the
1736 application. The [application shall be filed with the national mortgage
1737 licensing system, which shall process the fingerprints through the
1738 Federal Bureau of Investigation] applicant shall submit such
1739 fingerprints for processing with the Nationwide Mortgage Licensing
1740 System, as required.

1741 (c) [An] On and after July 1, 2008, an application [for an] to license a
1742 person as a mortgage loan originator [license] for a specified office or
1743 renewal of such license shall be [made on a form provided by the
1744 commissioner. The commissioner may conduct a criminal history
1745 records check of the applicant and require the applicant to submit
1746 fingerprints as part of the application] filed with the Nationwide
1747 Mortgage Licensing System. The [application shall be filed with the
1748 national mortgage licensing system, which shall process the
1749 fingerprints through the Federal Bureau of Investigation] applicant
1750 shall submit such fingerprints for processing with the Nationwide
1751 Mortgage Licensing System, as required.

1752 Sec. 43. Section 36a-489 of the 2008 supplement to the general
1753 statutes, as amended by section 7 of public act 07-156, is repealed and
1754 the following is substituted in lieu thereof (*Effective July 1, 2008*):

1755 (a) If the commissioner finds, upon the filing of an application for a
1756 license as a mortgage lender, mortgage correspondent lender or [first]
1757 mortgage broker, [license,] that the applicant meets the requirements
1758 of subsection (a) of section 36a-488 of the 2008 supplement to the
1759 general statutes, as amended by this act, and that the financial
1760 responsibility, character, reputation, integrity and general fitness of the
1761 applicant and of the partners thereof if the applicant is a partnership,
1762 of the members if the applicant is a limited liability company or
1763 association, and of the officers, directors and principal employees if the
1764 applicant is a corporation, are such as to warrant belief that the
1765 business will be operated soundly and efficiently, in the public interest
1766 and consistent with the purposes of sections 36a-485 to 36a-498a,
1767 inclusive, as amended by this act, and sections 22 to 29, inclusive, of
1768 this act, the commissioner may thereupon issue [the applicant] the
1769 license. If the commissioner fails to make such findings, or if the
1770 commissioner finds that the applicant has made a material
1771 misstatement in such application, the commissioner shall not issue a
1772 license, and shall notify the applicant of the denial and the reasons for
1773 such denial. Any denial of an application by the commissioner shall,
1774 when applicable, be subject to the provisions of section 46a-80.

1775 (b) Upon the filing of an application for [an] a mortgage loan
1776 originator license, the commissioner shall license the mortgage loan
1777 originator named in the application unless the commissioner finds that
1778 such applicant or mortgage loan originator has made a material
1779 misstatement in the application or that the financial responsibility,
1780 character, reputation, integrity and general fitness of such mortgage
1781 loan originator are not such as to warrant belief that granting such
1782 license would be in the public interest and consistent with the
1783 purposes of sections 36a-485 to 36a-498a, inclusive, as amended by this
1784 act, and sections 22 to 29, inclusive, of this act. If the commissioner
1785 denies an application for [an] a mortgage loan originator license, the
1786 commissioner shall notify [such] the applicant and the proposed
1787 mortgage loan originator of the denial and the reasons for such denial.
1788 Any denial of an application by the commissioner shall, when

1789 applicable, be subject to the provisions of section 46a-80. [A license
1790 shall remain in force and effect until it has been surrendered, revoked,
1791 suspended or expires in accordance with the provisions of sections
1792 36a-485 to 36a-498a, inclusive.]

1793 Sec. 44. Section 36a-490 of the 2008 supplement to the general
1794 statutes, as amended by section 3 of public act 07-91 and section 8 of
1795 public act 07-156, is repealed and the following is substituted in lieu
1796 thereof (*Effective July 1, 2008*):

1797 (a) [Each mortgage] A mortgage lender, mortgage correspondent
1798 lender and [first] mortgage broker license [shall state the location at
1799 which the business is to be conducted and shall state fully the name of
1800 the licensee. If the licensee desires to make first mortgage loans in
1801 more than one location or to act as a first mortgage broker in more
1802 than one location, the licensee shall procure a license for each location
1803 where the business is to be conducted. Each license shall be maintained
1804 at the location for which the license was issued and shall be available
1805 for public inspection. Such license] shall not be transferable or
1806 assignable. No licensee [shall] may use any name other than [the] its
1807 legal name or a fictitious name [stated on the license issued] approved
1808 by the commissioner, provided such licensee may not use its legal
1809 name if the commissioner disapproves use of such name. Any licensee
1810 who intends to permanently cease engaging in the business of making
1811 mortgage loans or acting as a mortgage broker at any time during a
1812 license period for any cause, including, but not limited to, bankruptcy,
1813 license revocation or voluntary dissolution, shall file a surrender of the
1814 license for each office at which the licensee intends to cease to do
1815 business, on the Nationwide Mortgage Licensing System, not later
1816 than fifteen days after such cessation, provided this requirement shall
1817 not apply when a license has been suspended pursuant to section 36a-
1818 51 of the 2008 supplement to the general statutes.

1819 (b) A mortgage lender, mortgage correspondent lender or mortgage
1820 broker licensee may change the name of the licensee or [location]
1821 address of the office specified on [its license] the most recent filing

1822 with the Nationwide Mortgage Licensing System if (1) at least [twenty-
1823 one] thirty calendar days prior to such change, the licensee [notifies the
1824 commissioner, in writing, on a form satisfactory to the commissioner,]
1825 files such change with the Nationwide Mortgage Licensing System and
1826 provides, directly to the commissioner, a bond rider or endorsement to
1827 the surety bond on file with the commissioner that reflects the new
1828 name or [location] address of the office, and (2) the commissioner does
1829 not disapprove such change, in writing, or request further information
1830 within such [twenty-one-day] thirty-day period. The licensee shall
1831 promptly file with the Nationwide Mortgage Licensing System or, if
1832 the information cannot be filed on the Nationwide Mortgage Licensing
1833 System, directly notify the commissioner, in writing, of any other
1834 change in the information provided in the [application for license or
1835 most recent renewal of such license] most recent filing with the
1836 Nationwide Mortgage Licensing System.

1837 (c) The mortgage lender, mortgage correspondent lender or
1838 mortgage broker licensee shall promptly file with the Nationwide
1839 Mortgage Licensing System or, if the information cannot be filed on
1840 the Nationwide Mortgage Licensing System, directly notify the
1841 commissioner, in writing, of the occurrence of any of the following
1842 developments:

1843 (1) Filing for bankruptcy, or the consummation of a corporate
1844 restructuring, of the licensee;

1845 (2) Filing of a criminal indictment against the licensee in any way
1846 related to the lending or brokerage activities of the licensee, or
1847 receiving notification of the filing of any criminal felony indictment or
1848 felony conviction of any of the licensee's officers, directors, members,
1849 partners or shareholders owning ten per cent or more of the
1850 outstanding stock;

1851 (3) Receiving notification of the institution of license denial, cease
1852 and desist, suspension or revocation procedures, or other formal or
1853 informal regulatory action by any governmental agency against the

1854 licensee and the reasons therefor;

1855 (4) Receiving notification of the initiation of any action by the
1856 Attorney General or the attorney general of any other state and the
1857 reasons therefor;

1858 (5) Receiving notification of a material adverse action with respect
1859 to any existing line of credit or warehouse credit agreement;

1860 (6) Suspension or termination of the licensee's status as an approved
1861 seller or servicer by the Federal National Mortgage Association,
1862 Federal Home Loan Mortgage Corporation or Government National
1863 Mortgage Association;

1864 (7) Exercise of recourse rights by investors or subsequent assignees
1865 of mortgage loans if such loans for which the recourse rights are being
1866 exercised, in the aggregate, exceed the licensee's net worth exclusive of
1867 real property and fixed assets;

1868 (8) Receiving notification of filing for bankruptcy of any of the
1869 licensee's officers, directors, members, partners or shareholders
1870 owning ten per cent or more of the outstanding stock of the licensee; or

1871 (9) Any proposed change in control in the ownership of the licensee,
1872 or among the officers, directors, members or partners of the licensee on
1873 a form provided by the commissioner. The commissioner may
1874 thereupon cause such investigation to be made as he deems necessary,
1875 as if the licensee were applying for an initial license. In the case of a
1876 corporation, "change in control" means a change of ownership by a
1877 person or group acting in concert to acquire ten per cent or more of
1878 any class of voting securities, or the ability of a person or group acting
1879 in concert to elect a majority of the directors or otherwise effect a
1880 change in policy of the corporation.

1881 (d) Each mortgage loan originator licensee shall promptly file with
1882 the Nationwide Mortgage Licensing System or, if the information
1883 cannot be filed on the Nationwide Mortgage Licensing System, directly

1884 notify the commissioner, in writing, of the occurrence of any of the
1885 following developments:

1886 (1) Filing for bankruptcy of the mortgage loan originator licensee;

1887 (2) Filing of a criminal indictment against the mortgage loan
1888 originator licensee;

1889 (3) Receiving notification of the institution of license or registration
1890 denial, cease and desist, suspension or revocation procedures, or other
1891 formal or informal regulatory action by any governmental agency
1892 against the mortgage loan originator licensee and the reasons therefor;
1893 or

1894 (4) Receiving notification of the initiation of any action against the
1895 mortgage loan originator licensee by the Attorney General or the
1896 attorney general of any other state and the reasons therefor.

1897 [(c)] (e) Each mortgage lender, mortgage correspondent lender,
1898 mortgage broker and mortgage loan originator license shall remain in
1899 force and effect until it has been surrendered, revoked, suspended or
1900 expires, or is no longer effective, in accordance with the provisions of
1901 sections 36a-485 to 36a-498a, inclusive, as amended by this act.

1902 Sec. 45. Section 36a-491 of the 2008 supplement to the general
1903 statutes, as amended by section 9 of public act 07-156, is repealed and
1904 the following is substituted in lieu thereof (*Effective July 1, 2008*):

1905 (a) (1) [Each applicant for a first mortgage lender license, a first
1906 mortgage correspondent lender license or a first mortgage broker
1907 license shall, at the time of making such application, pay to the
1908 national mortgage licensing system the required license fee and
1909 processing fee for an initial or renewal application. Each license issued
1910 pursuant to section 36a-489 shall expire at the close of business on
1911 December thirty-first of the year following its issuance unless such
1912 license is renewed.] The expiration date of any mortgage lender,
1913 mortgage correspondent lender and mortgage broker license that

1914 expires on September 30, 2008, shall be extended to the close of
1915 business on December 31, 2008. On and after July 1, 2008, each
1916 mortgage lender, mortgage correspondent lender or mortgage broker
1917 license shall expire at the close of business on December thirty-first of
1918 the year in which it is approved, unless such license is renewed, and
1919 provided any such license that is approved on or after November first
1920 shall expire at the close of business on December thirty-first of the year
1921 following the year in which it is approved. An application for renewal
1922 of a license shall be filed between November first and December thirty-
1923 first of the year in which the license expires, provided a licensee may
1924 file a renewal application not later than March first of the following
1925 year together with a late fee of one hundred dollars. Any such filing
1926 after December thirty-first shall be deemed timely and sufficient for
1927 purposes of subsection (b) of section 4-182. Each applicant for a license
1928 or renewal of a license as a mortgage lender or mortgage
1929 correspondent lender shall pay to the Nationwide Mortgage Licensing
1930 System any required fees or charges and a license fee of eight hundred
1931 dollars, and each applicant for an initial or renewal license as a
1932 mortgage broker shall pay to the Nationwide Mortgage Licensing
1933 System any required fees or charges and a license fee of four hundred
1934 dollars, provided each mortgage lender or mortgage correspondent
1935 lender licensee who is a licensee on September 30, 2008, who submits a
1936 renewal application shall, at the time of making such application, pay
1937 to the Nationwide Mortgage Licensing System any required fees or
1938 charges and a license fee of nine hundred dollars and each mortgage
1939 broker who was a licensee on June 30, 2008, who submits a renewal
1940 application shall, at the time of making such application, pay to the
1941 Nationwide Mortgage Licensing System any required fees or charges
1942 and a license fee of four hundred fifty dollars.

1943 (2) Each mortgage loan originator license shall expire at such time as
1944 the license of the mortgage lender, mortgage correspondent lender or
1945 mortgage broker that employs or retains the mortgage loan originator
1946 expires, unless such mortgage loan originator license is renewed. Each
1947 [applicant] mortgage lender, mortgage correspondent lender or

1948 mortgage broker applicant and each mortgage lender licensee,
1949 mortgage correspondent lender licensee or mortgage broker licensee
1950 that files an application for [an] a mortgage loan originator license
1951 shall [, at the time of making such application,] pay to the [national
1952 mortgage licensing system the required] Nationwide Mortgage
1953 Licensing System any required fees or charges and a license fee [and
1954 processing fee for an initial or renewal application] of one hundred
1955 dollars for each mortgage loan originator, provided each mortgage
1956 lender, mortgage correspondent lender or mortgage broker who is a
1957 licensee on September 30, 2008, who submits a renewal application for
1958 a mortgage loan originator shall, at the time of making such
1959 application, pay to the Nationwide Mortgage Licensing System any
1960 required fees or charges and a license fee of one hundred twenty-five
1961 dollars. On and after January 1, 2010, each mortgage lender, mortgage
1962 correspondent lender or mortgage broker filing an application for a
1963 mortgage loan originator license shall pay a license fee of one hundred
1964 dollars for each mortgage loan originator and any required fees or
1965 charges to the Nationwide Mortgage Licensing System. [Each such
1966 license shall expire at the close of business on December thirty-first of
1967 the year following its issuance unless such license is renewed.]

1968 (b) [No abatement of the license fee shall be made if the license is
1969 surrendered, revoked or suspended prior to the expiration of the
1970 period for which it was issued.] All fees [required by] paid pursuant to
1971 this section, including fees paid in connection with an application that
1972 is denied or withdrawn prior to the issuance of the license, shall be
1973 nonrefundable, provided such fees paid by an originator for a license
1974 that is not sponsored by a mortgage lender, mortgage correspondent
1975 lender or mortgage broker may be refundable. No fee paid pursuant to
1976 this section shall be prorated if the license is surrendered, revoked or
1977 suspended prior to the expiration of the period for which it was
1978 approved.

1979 Sec. 46. Subsection (a) of section 36a-492 of the 2008 supplement to
1980 the general statutes, as amended by section 10 of public act 07-156, is
1981 repealed and the following is substituted in lieu thereof (*Effective July*

1982 1, 2008):

1983 (a) No mortgage lender, mortgage correspondent lender or [first]
1984 mortgage broker license, and no renewal thereof, shall be granted
1985 unless the applicant has filed a bond with the commissioner written by
1986 a surety authorized to write such bonds in this state, in the sum of
1987 forty thousand dollars, the form of which shall be approved by the
1988 Attorney General, provided on and after August 1, 2009, the bond shall
1989 be in the sum of eighty thousand dollars. Such bond shall be
1990 conditioned upon such licensee faithfully performing any and all
1991 written agreements or commitments with or for the benefit of
1992 borrowers and prospective borrowers, truly and faithfully accounting
1993 for all funds received from a borrower or prospective borrower by the
1994 licensee in the licensee's capacity as a mortgage lender, mortgage
1995 correspondent lender or a [first] mortgage broker, and conducting
1996 such mortgage business consistent with the provisions of sections 36a-
1997 485 to 36a-498a, inclusive, as amended by this act. Any borrower or
1998 prospective borrower who may be damaged by failure to perform any
1999 written agreements or commitments, or by the wrongful conversion of
2000 funds paid by a borrower or prospective borrower to a licensee, may
2001 proceed on such bond against the principal or surety thereon, or both,
2002 to recover damages. Commencing August 1, 2009, any borrower or
2003 prospective borrower who may be damaged by a licensee's failure to
2004 satisfy a judgment against the licensee arising from the making or
2005 brokering of a nonprime home loan, as defined in section 21 of this act,
2006 may proceed on such bond against the principal or surety thereon, or
2007 both, to recover the amount of the judgment. The commissioner may
2008 proceed on such bond against the principal or surety thereon, or both,
2009 to collect any civil penalty imposed upon the licensee pursuant to
2010 subsection (a) of section 36a-50 and any unpaid costs of examination of
2011 the licensee as determined pursuant to section 36a-65, as amended by
2012 this act. The proceeds of the bond, even if commingled with other
2013 assets of the licensee, shall be deemed by operation of law to be held in
2014 trust for the benefit of such claimants against the licensee in the event
2015 of bankruptcy of the licensee and shall be immune from attachment by

2016 creditors and judgment creditors. The bond shall run concurrently
2017 with the period of the license granted to the applicant, and the
2018 aggregate liability under the bond shall not exceed the penal sum of
2019 the bond.

2020 Sec. 47. Subsection (b) of section 36a-492 of the 2008 supplement to
2021 the general statutes is repealed and the following is substituted in lieu
2022 thereof (*Effective July 1, 2008*):

2023 (b) The surety company shall have the right to cancel the bond at
2024 any time by a written notice to the licensee stating the date cancellation
2025 shall take effect. Such notice shall be sent by certified mail to the
2026 licensee at least thirty days prior to the date of cancellation. A surety
2027 bond shall not be cancelled unless the surety company notifies the
2028 commissioner in writing not less than thirty days prior to the effective
2029 date of cancellation. [The commissioner shall automatically suspend
2030 the license on the date the cancellation takes effect, unless the surety
2031 bond has been replaced or renewed. The commissioner shall give the
2032 licensee notice of the automatic suspension pending proceedings for
2033 revocation or refusal to renew and an opportunity for a hearing on
2034 such actions in accordance with section 36a-51.]

2035 Sec. 48. Subsection (a) of section 36a-493 of the 2008 supplement to
2036 the general statutes, as amended by section 11 of public act 07-156, is
2037 repealed and the following is substituted in lieu thereof (*Effective July*
2038 *1, 2008*):

2039 (a) Each mortgage lender, mortgage correspondent lender and [first]
2040 mortgage broker licensee shall maintain adequate records of each loan
2041 transaction at the [location] office named in the license, or, if requested
2042 by the commissioner, shall make such records available at such
2043 [location] office or send such records to the commissioner by registered
2044 or certified mail, return receipt requested, or by any express delivery
2045 carrier that provides a dated delivery receipt, not later than five
2046 business days after requested by the commissioner to do so. Upon
2047 request, the commissioner may grant a licensee additional time to

2048 make such records available or send them to the commissioner. Such
2049 records shall provide the following information: (1) A copy of any
2050 disclosures required under part III of chapter 669; (2) whether the
2051 licensee acted as a mortgage lender, a mortgage correspondent lender,
2052 a [first] mortgage broker, [or both] a mortgage lender and a mortgage
2053 broker, or a mortgage correspondent lender and a mortgage broker; (3)
2054 if the licensee is acting as a mortgage lender or mortgage
2055 correspondent lender, and retains the [first] mortgage loan or receives
2056 payments thereon, an adequate loan history for those loans retained or
2057 upon which payments are received, itemizing the amount and date of
2058 each payment and the unpaid balance at all times; (4) the purpose for
2059 which the loan was made; (5) the original or an exact copy of the note,
2060 loan agreement or other evidence of indebtedness and mortgage deed;
2061 (6) a statement signed by the [borrowers] borrower acknowledging the
2062 receipt of such statement which discloses the full amount of any fee,
2063 commission or consideration paid to the [first] mortgage lender,
2064 mortgage correspondent lender and mortgage broker for all services in
2065 connection with the origination and settlement of the mortgage loan;
2066 [and] (7) the name and address of the mortgage lender, mortgage
2067 correspondent lender and the mortgage broker, if any, involved in the
2068 loan transaction; (8) a copy of the initial and a copy of the final
2069 mortgage loan application taken from the borrower; and (9) a copy of
2070 all information used in evaluating the application.

2071 Sec. 49. Subsections (b) and (c) of section 36a-493 of the 2008
2072 supplement to the general statutes are repealed and the following is
2073 substituted in lieu thereof (*Effective July 1, 2008*):

2074 (b) For each loan that is made and serviced by a licensee, the
2075 licensee shall retain: (1) The records of such loan transaction for not
2076 less than two years following the final payment thereon, or the
2077 assignment of such loan, whichever occurs first, or such longer period
2078 as may be required by any other provision of law, and (2) copies of the
2079 note, HUD-1 settlement statement or other settlement statement, or
2080 such other records as are sufficient to verify the mortgage lender's or
2081 mortgage correspondent lender's compliance with section 36a-498a of

2082 the 2008 supplement to the general statutes, as amended by this act, for
2083 not less than five years from the date of the transaction.

2084 (c) For each loan transaction in which a licensee acts as a mortgage
2085 lender, mortgage correspondent lender or [first] mortgage broker but
2086 does not service the loan, the licensee shall retain: [the] (1) The records
2087 of such loan transaction for not less than two years from the date of the
2088 transaction or such longer period as may be required by any other
2089 provision of law, and (2) copies of the note, HUD-1 settlement
2090 statement or other settlement statement, or such other records as are
2091 sufficient to verify the mortgage lender's or mortgage correspondent
2092 lender's compliance with section 36a-498a of the 2008 supplement to
2093 the general statutes, as amended by this act, for not less than five years
2094 from the date of the transaction.

2095 Sec. 50. Section 36a-494 of the 2008 supplement to the general
2096 statutes, as amended by section 17 of public act 07-91 and section 12 of
2097 public act 07-156, is repealed and the following is substituted in lieu
2098 thereof (*Effective July 1, 2008*):

2099 (a) (1) The commissioner may suspend, revoke or refuse to renew
2100 any mortgage lender, mortgage correspondent lender or [first]
2101 mortgage broker license or take any other action, in accordance with
2102 the provisions of section 36a-51 of the 2008 supplement to the general
2103 statutes, for any reason which would be sufficient grounds for the
2104 commissioner to deny an application for such license under sections
2105 36a-485 to 36a-498a, inclusive, as amended by this act, or if the
2106 commissioner finds that the licensee or any proprietor, director, officer,
2107 member, partner, shareholder, trustee, employee or agent of such
2108 licensee has done any of the following: (A) Made any material
2109 misstatement in the application; (B) committed any fraud,
2110 misappropriated funds or misrepresented, concealed, suppressed,
2111 intentionally omitted or otherwise intentionally failed to disclose any
2112 of the material particulars of any [first] mortgage loan transaction,
2113 including disclosures required by subdivision (6) of subsection (a) of
2114 section 36a-493 of the 2008 supplement to the general statutes, as

2115 amended by this act, or part III of chapter 669 or regulations adopted
2116 pursuant thereto, to anyone entitled to such information; (C) violated
2117 any of the provisions of this title or of any regulations adopted
2118 pursuant thereto, or any other law or regulation applicable to the
2119 conduct of its business; or (D) failed to perform any agreement with a
2120 licensee or a borrower.

2121 (2) The commissioner may suspend, revoke or refuse to renew any
2122 mortgage loan originator license or take any other action, in
2123 accordance with the provisions of section 36a-51 of the 2008
2124 supplement to the general statutes, for any reason which would be
2125 sufficient grounds for the commissioner to deny an application for
2126 such license under sections 36a-485 to 36a-498a, inclusive, as amended
2127 by this act, or if the commissioner finds that the licensee has
2128 committed any fraud, misappropriated funds, misrepresented,
2129 concealed, suppressed, intentionally omitted or otherwise intentionally
2130 failed to disclose any of the material particulars of any [first] mortgage
2131 loan transaction or has violated any of the provisions of this title or of
2132 any regulations adopted pursuant to such title or any other law or
2133 regulation applicable to the conduct of such licensee's business.

2134 (b) Whenever it appears to the commissioner that any person has
2135 violated, is violating or is about to violate any of the provisions of
2136 sections 36a-485 to 36a-498a, inclusive, as amended by this act, or any
2137 regulation adopted pursuant thereto, or any licensee has failed to
2138 perform any agreement with a borrower, committed any fraud,
2139 misappropriated funds or misrepresented, concealed, suppressed,
2140 intentionally omitted or otherwise intentionally failed to disclose any
2141 of the material particulars of any mortgage loan transaction, including
2142 disclosures required by subdivision (6) of subsection (a) of section 36a-
2143 493 of the 2008 supplement to the general statutes, as amended by this
2144 act, or part III of chapter 669 or regulations adopted pursuant thereto,
2145 to anyone entitled to such information, the commissioner may take
2146 action against such person or licensee in accordance with sections 36a-
2147 50 and 36a-52 of the 2008 supplement to the general statutes.

2148 Sec. 51. Section 36a-496 of the 2008 supplement to the general
2149 statutes, as amended by section 13 of public act 07-156, is repealed and
2150 the following is substituted in lieu thereof (*Effective July 1, 2008*):

2151 No person engaged in the business of making [first] mortgage loans
2152 in this state, whether licensed in accordance with the provisions of
2153 sections 36a-485 to 36a-498a, inclusive, as amended by this act, or
2154 exempt from licensing, shall accept applications or referral of
2155 applicants from, or pay a fee to, any [first] mortgage broker or
2156 mortgage loan originator who is required to be licensed under said
2157 sections but [is] was not, as of the time of the performance of such
2158 mortgage broker's or mortgage loan originator's services in connection
2159 with loans made or to be made by the mortgage lender or mortgage
2160 correspondent lender, licensed to act as such by the commissioner, if
2161 the mortgage lender or mortgage correspondent lender has actual
2162 knowledge that the [first] mortgage broker or mortgage loan originator
2163 [is] was not licensed by the commissioner.

2164 Sec. 52. Section 36a-497 of the general statutes is repealed and the
2165 following is substituted in lieu thereof (*Effective July 1, 2008*):

2166 No [person licensed pursuant to section 36a-489] mortgage lender
2167 licensee, mortgage correspondent lender licensee or mortgage broker
2168 licensee shall:

2169 (1) Advertise or cause to be advertised in this state, any [first]
2170 mortgage loan in which such person intends to act only as a [first]
2171 mortgage broker unless the advertisement includes the following
2172 statement, clearly and conspicuously expressed: MORTGAGE
2173 BROKER ONLY, NOT A MORTGAGE LENDER OR MORTGAGE
2174 CORRESPONDENT LENDER; or

2175 (2) In connection with an advertisement in this state, use (A) a
2176 simulated check; (B) a comparison between the loan payments under
2177 the [first] mortgage loan offered and the loan payments under a
2178 hypothetical loan or extension of credit, unless the advertisement
2179 includes, with respect to both the hypothetical loan or extension of

2180 credit and the [first] mortgage loan being offered, the interest rate, the
2181 loan balance, the total amount of finance charges, the total number of
2182 payments and the monthly payment amount that would be required to
2183 pay off the outstanding loan balance shown; (C) representations such
2184 as "verified as eligible", "eligible", "preapproved", "prequalified" or
2185 similar words or phrases, without also disclosing, in immediate
2186 proximity to and in similar size print, language which sets forth
2187 prerequisites to qualify for the [first] mortgage loan, including, but not
2188 limited to, income verification, credit check, and property appraisal or
2189 evaluation; or (D) any words or symbols in the advertisement or on the
2190 envelope containing the advertisement that give the appearance that
2191 the mailing was sent by a government agency.

2192 Sec. 53. Section 36a-498 of the 2008 supplement to the general
2193 statutes, as amended by section 1 of public act 07-118 and section 14 of
2194 public act 07-156, is repealed and the following is substituted in lieu
2195 thereof (*Effective July 1, 2008*):

2196 (a) Except as provided in subsection (c) of this section, every
2197 advance fee paid or given, directly or indirectly, to a mortgage lender,
2198 mortgage correspondent lender or [first] mortgage broker required to
2199 be licensed pursuant to sections 36a-485 to 36a-498a, inclusive, as
2200 amended by this act, shall be refundable.

2201 (b) No mortgage loan originator required to be licensed pursuant to
2202 sections 36a-485 to 36a-498a, inclusive, as amended by this act, shall
2203 accept payment of any advance fee except an advance fee on behalf of
2204 a mortgage lender, mortgage correspondent lender or [first] mortgage
2205 broker licensee. Nothing in this subsection shall be construed as
2206 prohibiting the mortgage lender, mortgage correspondent lender or
2207 [first] mortgage broker licensee from paying [an] a mortgage loan
2208 originator all or part of an advance fee, provided such advance fee
2209 paid is not refundable under this section.

2210 (c) Subsection (a) of this section shall not apply if: (1) The person
2211 providing the advance fee and the mortgage lender, mortgage

2212 correspondent lender or [first] mortgage broker agree in writing that
2213 the advance fee shall not be refundable, in whole or in part; and (2) the
2214 written agreement complies in all respects with the provisions of
2215 subsection (d) of this section.

2216 (d) An agreement under subsection (c) of this section shall meet all
2217 of the following requirements to be valid and enforceable: (1) The
2218 agreement shall be dated, signed by both parties, and be executed
2219 prior to the payment of any advance fee; (2) the agreement shall
2220 expressly state the total advance fee required to be paid and any
2221 amount of the advance fee that shall not be refundable; (3) the
2222 agreement shall clearly and conspicuously state any conditions under
2223 which the advance fee will be retained by the [licensee] mortgage
2224 lender, mortgage correspondent lender or mortgage broker; (4) the
2225 term "nonrefundable" shall be used to describe each advance fee or
2226 portion thereof to which the term is applicable, and shall appear in
2227 boldface type in the agreement each time it is used; and (5) the form of
2228 the agreement shall (A) be separate from any other forms, contracts, or
2229 applications utilized by the [licensee] mortgage lender, mortgage
2230 correspondent lender or mortgage broker, (B) contain a heading in a
2231 size equal to at least ten-point boldface type that shall title the form
2232 "AGREEMENT CONCERNING NONREFUNDABILITY OF
2233 ADVANCE FEE", (C) provide for a duplicate copy which shall be
2234 given to the person paying the advance fee at the time of payment of
2235 the advance fee, and (D) include such other specifications as the
2236 commissioner may by regulation prescribe.

2237 (e) An agreement under subsection (c) of this section that does not
2238 meet the requirements of subsection (d) of this section shall be
2239 voidable at the election of the person paying the advance fee.

2240 (f) (1) No mortgage lender, mortgage correspondent lender or [first]
2241 mortgage broker required to be licensed pursuant to sections 36a-485
2242 to 36a-498a, inclusive, as amended by this act, shall enter into an
2243 agreement with or otherwise require any person to pay the mortgage
2244 lender, mortgage correspondent lender or [first] mortgage broker for

2245 any fee, commission or other valuable consideration lost as a result of
2246 such person failing to consummate a [first] mortgage loan, provided
2247 the mortgage lender, mortgage correspondent lender or [first]
2248 mortgage broker may collect such fee, commission or consideration as
2249 an advance fee subject to the requirements of this section.

2250 (2) No [first] mortgage broker required to be licensed pursuant to
2251 sections 36a-485 to 36a-498a, inclusive, as amended by this act, shall
2252 enter into an agreement with or otherwise require any person to pay
2253 the [first] mortgage broker any fee, commission or other valuable
2254 consideration for the prepayment of the principal of a [first] mortgage
2255 loan by such person before the date on which the principal is due.

2256 (g) (1) For the purposes of this subsection:

2257 (A) "Unfair or deceptive act or practice" means (i) the failure to
2258 clearly and conspicuously state in the initial phase of the solicitation
2259 that the solicitor is not affiliated with the mortgage lender, mortgage
2260 correspondent lender or mortgage broker with which the consumer
2261 initially applied, (ii) the failure to clearly and conspicuously state in
2262 the initial phase of the solicitation that the solicitation is based on
2263 personal information about the consumer that was purchased, directly
2264 or indirectly, from a consumer reporting agency without the
2265 knowledge or permission of the mortgage lender, mortgage
2266 correspondent lender or mortgage broker with which the consumer
2267 initially applied, (iii) the failure in the initial solicitation to comply
2268 with the provisions of the federal Fair Credit Reporting Act relating to
2269 prescreening solicitations that use consumer reports, including the
2270 requirement to make a firm offer of credit to the consumer, or (iv)
2271 knowingly or negligently using information from a mortgage trigger
2272 lead (I) to solicit consumers who have opted out of prescreened offers
2273 of credit under the federal Fair Credit Reporting Act, or (II) to place
2274 telephone calls to consumers who have placed their contact
2275 information on a federal or state Do Not Call list; and

2276 (B) "Mortgage trigger lead" means a consumer report obtained

2277 pursuant to Section 604 (c)(1)(B) of the federal Fair Credit Reporting
2278 Act, 15 USC 1681b, where the issuance of the report is triggered by an
2279 inquiry made with a consumer reporting agency in response to an
2280 application for credit. "Mortgage trigger lead" does not include a
2281 consumer report obtained by a mortgage lender or mortgage
2282 correspondent lender that holds or services existing indebtedness of
2283 the applicant who is the subject of the report.

2284 (2) No mortgage lender, [or first] mortgage correspondent lender,
2285 mortgage broker or mortgage loan originator shall engage in an unfair
2286 or deceptive act or practice in soliciting an application for a [first]
2287 mortgage loan when such solicitation is based, in whole or in part, on
2288 information contained in a mortgage trigger lead. Any violation of this
2289 subsection shall be deemed an unfair or deceptive trade practice under
2290 subsection (a) of section 42-110b.

2291 Sec. 54. Section 36a-498a of the 2008 supplement to the general
2292 statutes, as amended by section 15 of public act 07-156, is repealed and
2293 the following is substituted in lieu thereof (*Effective July 1, 2008*):

2294 (a) No mortgage lender [or first mortgage broker] licensee or
2295 mortgage correspondent lender licensee under section 36a-489 of the
2296 2008 supplement to the general statutes, as amended by this act, and
2297 no person exempt from licensure under subdivisions (1), (2), (5) and (6)
2298 of section 36a-487, as amended by this act, making a first mortgage
2299 loan [shall] may charge, impose or cause to be paid, directly or
2300 indirectly, prepaid finance charges that exceed in the aggregate, the
2301 greater of five per cent of the principal amount of the loan or two
2302 thousand dollars. If the proceeds of the loan are used to refinance an
2303 existing loan, the aggregate of the prepaid finance charges for the
2304 current refinancing and any previous financings by such licensee or
2305 exempt person or affiliate of such licensee or exempt person within
2306 two years of the current refinancing shall not exceed the greater of five
2307 per cent of the principal amount of the initial loan or two thousand
2308 dollars. The provisions of this section shall not prohibit such licensee
2309 or exempt person from charging, imposing or causing to be paid,

2310 directly or indirectly, prepaid finance charges in addition to those
2311 permitted by this section in connection with any additional proceeds
2312 received by the borrower in the refinancing, provided such prepaid
2313 finance charges on the additional proceeds shall not exceed five per
2314 cent of the additional proceeds. [For purposes of this section,
2315 "additional proceeds" has the meaning given to that term in
2316 subdivision (3) of section 36a-746e and "prepaid finance charge" has
2317 the meaning given to that term in subdivision (7) of section 36a-746a.]

2318 (b) (1) No mortgage lender or mortgage correspondent lender
2319 making a secondary mortgage loan may (A) charge, impose or cause to
2320 be paid, directly or indirectly, in connection with any secondary
2321 mortgage loan transaction, prepaid finance charges that exceed in the
2322 aggregate eight per cent of the principal amount of the loan, or (B)
2323 include in the loan agreement, under which prepaid finance charges
2324 have been assessed, any provision that permits the mortgage lender or
2325 mortgage correspondent lender to demand payment of the entire loan
2326 balance prior to the scheduled maturity, except that such loan
2327 agreement may contain a provision that permits the mortgage lender
2328 or mortgage correspondent lender to demand payment of the entire
2329 loan balance if any scheduled installment is in default for more than
2330 sixty days or if any condition of default set forth in the mortgage note
2331 exists.

2332 (2) Any mortgage lender, mortgage correspondent lender or
2333 mortgage broker who fails to comply with the provisions of this
2334 subsection shall be liable to the borrower in an amount equal to the
2335 sum of: (A) The amount by which the total of all prepaid finance
2336 charges exceeds eight per cent of the principal amount of the loan; (B)
2337 eight per cent of the principal amount of the loan or two thousand five
2338 hundred dollars, whichever is less; and (C) the costs incurred by the
2339 borrower in bringing an action under this subsection, including
2340 reasonable attorney's fees, as determined by the court, provided no
2341 such mortgage lender, mortgage correspondent lender or mortgage
2342 broker shall be liable for more than the amount specified in this
2343 subsection in a secondary mortgage loan transaction involving more

2344 than one borrower.

2345 (c) For purposes of this section, "additional proceeds" has the same
2346 meaning as provided in subdivision (3) of section 36a-746e and
2347 "prepaid finance charge" has the same meaning as provided in
2348 subdivision (7) of section 36a-746a, as amended by this act.

2349 (d) Any mortgage deed to secure a secondary mortgage loan that is
2350 recorded in the land records of any town shall contain the word
2351 "Mortgage" in the heading, either in capital letters or underscored and
2352 shall contain the principal amount of the loan.

2353 Sec. 55. (NEW) (*Effective July 1, 2008*) (a) Each mortgage lender,
2354 mortgage correspondent lender and mortgage broker, all as defined in
2355 section 36a-485 of the 2008 supplement to the general statutes, as
2356 amended by this act, and licensed under section 36a-489 of the 2008
2357 supplement to the general statutes, as amended by this act, shall
2358 deliver to the mortgagor a release of a secondary mortgage: (1) Upon
2359 receipt by such licensee of cash or a certified check in the amount of
2360 the outstanding balance of the obligation secured by such mortgage; or
2361 (2) upon payment by the payor bank, as defined in section 42a-4-105 of
2362 the general statutes, of any check that is payable to such licensee or its
2363 assignee in the amount of the outstanding balance of the obligation
2364 secured by such mortgage.

2365 (b) Each such licensee shall advise any person designated by the
2366 mortgagor of the amount of the outstanding balance of the obligation
2367 secured by the secondary mortgage granted to such licensee no later
2368 than the second business day after the licensee receives a request for
2369 such information.

2370 Sec. 56. (NEW) (*Effective July 1, 2008*) At least once a year, each
2371 mortgage lender and mortgage correspondent lender, both as defined
2372 in section 36a-485 of the 2008 supplement to the general statutes, as
2373 amended by this act, and licensed under section 36a-489 of the 2008
2374 supplement to general statutes, as amended by this act, shall adopt a
2375 mortgage loan policy with respect to subprime mortgage loans and

2376 nontraditional mortgage loans made by such mortgage lender or such
2377 mortgage correspondent lender based on and consistent with the most
2378 current version of the Conference of State Bank Supervisors, American
2379 Association of Residential Mortgage Regulators and National
2380 Association of Consumer Credit Administrators Statement on
2381 Subprime Mortgage Lending, and the Conference of State Bank
2382 Supervisors and American Association of Residential Mortgage
2383 Regulators Guidance on Nontraditional Mortgage Product Risks. Such
2384 licensees shall comply with such policy and develop and implement
2385 internal controls that are reasonably designed to ensure such
2386 compliance. The mortgage loan policy and any mortgage loan, as
2387 defined in section 36a-485 of the 2008 supplement to the general
2388 statutes, as amended by this act, made pursuant to the policy shall be
2389 subject to examination concerning prudent lending practices by the
2390 Banking Commissioner.

2391 Sec. 57. Subsection (a) of section 36a-534a of the general statutes is
2392 repealed and the following is substituted in lieu thereof (*Effective July*
2393 *1, 2008*):

2394 (a) Any [first] mortgage broker, or mortgage lender or mortgage
2395 correspondent lender, as defined in section 36a-485 of the 2008
2396 supplement to the general statutes, as amended by this act, and
2397 licensed pursuant to section [36a-486] 36a-489 of the 2008 supplement
2398 to the general statutes, as amended by this act, [and any secondary
2399 mortgage broker or mortgage lender, as defined in section 36a-510 and
2400 licensed pursuant to section 36a-511,] shall notify the commissioner by
2401 written affidavit if any such mortgage broker, [or] mortgage lender or
2402 mortgage correspondent lender, as a result of a transaction in which
2403 such mortgage broker, [or] mortgage lender or mortgage
2404 correspondent lender was involved, reasonably believes that the
2405 lending practices of a financial institution or federal bank violate
2406 section 36a-737 or 46a-66. Such mortgage broker, [or] mortgage lender
2407 or mortgage correspondent lender shall provide the commissioner
2408 with any written document containing lending restrictions which a
2409 financial institution or federal bank has provided to such mortgage

2410 broker, [or] mortgage lender or mortgage correspondent lender. In the
2411 event the commissioner finds that there is a reasonable basis for said
2412 notification, the commissioner shall notify the Commission on Human
2413 Rights and Opportunities of said notification and the action the
2414 commissioner plans to take with respect thereto.

2415 Sec. 58. Section 36a-555 of the general statutes is repealed and the
2416 following is substituted in lieu thereof (*Effective July 1, 2008*):

2417 No person shall engage in the business of making loans of money or
2418 credit in the amount or to the value of fifteen thousand dollars or less
2419 for loans made under section 36a-563 of the 2008 supplement to the
2420 general statutes or section 36a-565, and charge, contract for or receive a
2421 greater rate of interest, charge or consideration than twelve per cent
2422 per annum therefor, unless licensed to do so by the commissioner
2423 pursuant to sections 36a-555 to 36a-573, inclusive. The provisions of
2424 this section shall not apply to (1) a bank, (2) an out-of-state bank, (3) a
2425 Connecticut credit union, (4) a federal credit union, (5) an out-of-state
2426 credit union, (6) a savings and loan association wholly owned
2427 subsidiary service corporation, (7) a person to the extent that such
2428 person makes loans for agricultural, commercial, industrial or
2429 governmental use or extends credit through an open-end credit plan,
2430 as defined in subdivision (8) of subsection (a) of section 36a-676, for the
2431 retail purchase of consumer goods or services, (8) a mortgage lender or
2432 mortgage correspondent lender licensed pursuant to sections 36a-485
2433 to 36a-498a, inclusive, as amended by this act, when making first
2434 mortgage loans, as defined in section 36a-485 [, (9) a mortgage lender
2435 licensed pursuant to sections 36a-510 to 36a-524, inclusive, when
2436 making secondary mortgage loans, as defined in section 36a-510] of the
2437 2008 supplement to the general statutes, as amended by this act, or
2438 [(10)] (9) a licensed pawnbroker.

2439 Sec. 59. Section 36a-705 of the general statutes is repealed and the
2440 following is substituted in lieu thereof (*Effective July 1, 2008*):

2441 As used in this section and sections 36a-706, 36a-707 and 36a-708,

2442 unless the context otherwise requires:

2443 (1) "First mortgage loan" means "first mortgage loan", as defined in
2444 section 36a-485 of the 2008 supplement to the general statutes, as
2445 amended by this act;

2446 (2) "Mortgage broker" means ["first mortgage broker"] a "mortgage
2447 broker", as defined in section 36a-485 of the 2008 supplement to the
2448 general statutes, as amended by this act, who is licensed or required to
2449 be licensed under sections 36a-485 to 36a-498a, inclusive, as amended
2450 by this act;

2451 (3) "Mortgage lender" means a "mortgage lender" or "mortgage
2452 correspondent lender", as defined in section 36a-485 of the 2008
2453 supplement to the general statutes, as amended by this act, who is
2454 required to be licensed under sections 36a-485 to 36a-498a, inclusive, as
2455 amended by this act, except that the term shall include a bank, out-of-
2456 state bank, Connecticut credit union, federal credit union and out-of-
2457 state credit union; and

2458 (4) "Mortgage rate lock-in" means a written or electronically
2459 transmitted confirmation issued to a mortgage applicant or the
2460 representative of such applicant by a mortgage lender or mortgage
2461 correspondent lender or the mortgage lender's or mortgage
2462 correspondent lender's representative, prior to the issuance of a first
2463 mortgage loan commitment, stating that a particular rate, number of
2464 points or variable rate terms will be the rate, number of points, or
2465 variable rate terms at which the mortgage lender or mortgage
2466 correspondent lender will make the loan, provided the first mortgage
2467 loan is closed by a specified date, and the applicant qualifies for the
2468 loan in accordance with the mortgage lender's or mortgage
2469 correspondent lender's standards of creditworthiness.

2470 Sec. 60. Subdivision (1) of section 36a-715 of the general statutes is
2471 repealed and the following is substituted in lieu thereof (*Effective July*
2472 *1, 2008*):

2473 (1) "First mortgage loan" has the same meaning as provided in
2474 [subdivision (6) of] section 36a-485 of the 2008 supplement to the
2475 general statutes, as amended by this act.

2476 Sec. 61. Section 36a-725 of the general statutes is repealed and the
2477 following is substituted in lieu thereof (*Effective July 1, 2008*):

2478 As used in this section and section 36a-726, unless the context
2479 otherwise requires:

2480 (1) "First mortgage loan" means any loan made to an individual, the
2481 proceeds of which are to be used primarily for personal, family or
2482 household purposes, which loan is secured by a mortgage upon any
2483 interest in one-to-four-family residential, owner-occupied real
2484 property located in this state which is not subject to any prior
2485 mortgages. The term includes the renewal or refinancing of an existing
2486 first mortgage loan;

2487 (2) "Mortgage insurance" means insurance written by an
2488 independent mortgage insurance company to protect the mortgage
2489 lender against loss incurred in the event of a default by a borrower
2490 under the mortgage loan;

2491 (3) "Mortgage lender" means any person engaged in the business of
2492 making first mortgage loans, including, but not limited to, banks, out-
2493 of-state banks, Connecticut credit unions, federal credit unions, out-of-
2494 state credit unions, and [first] mortgage lenders and correspondent
2495 mortgage lenders required to be licensed under sections 36a-485 to
2496 36a-498a, inclusive, as amended by this act.

2497 Sec. 62. Section 36a-736 of the general statutes is repealed and the
2498 following is substituted in lieu thereof (*Effective July 1, 2008*):

2499 As used in sections 36a-735 to 36a-744, inclusive, unless the context
2500 otherwise requires:

2501 (1) "Applicant" means any person who applies for a home purchase
2502 loan, home improvement loan or other mortgage loan as defined in

2503 sections 36a-735 to 36a-744, inclusive, whether or not the loan is
2504 granted;

2505 (2) "Federal Home Mortgage Disclosure Act" means the Home
2506 Mortgage Disclosure Act of 1975 (12 USC Section 2801 et seq.), as
2507 amended from time to time, [amended,] and any regulations
2508 promulgated by the Federal Reserve Board pursuant to that act,
2509 except, for purposes of sections 36a-735 to 36a-744, inclusive, the
2510 supervisory agency shall be the commissioner;

2511 (3) "Financial institution" means any Connecticut bank or
2512 Connecticut credit union which makes home purchase loans or home
2513 improvement loans or any for profit mortgage lending institution
2514 other than a Connecticut bank or Connecticut credit union, whose
2515 home purchase loan originations equaled or exceeded ten per cent of
2516 its loan origination volume, measured in dollars, in the preceding
2517 calendar year, if such mortgage lending institution is licensed under
2518 sections 36a-485 to 36a-498a, inclusive, [or 36a-510 to 36a-524,
2519 inclusive] as amended by this act;

2520 (4) "Home improvement loan" has the same meaning as provided in
2521 the federal Home Mortgage Disclosure Act;

2522 (5) "Home purchase loan" has the same meaning as provided in the
2523 federal Home Mortgage Disclosure Act; and

2524 (6) "Mortgage loan" means a loan which is secured by residential
2525 real property.

2526 Sec. 63. Section 36a-746a of the general statutes is repealed and the
2527 following is substituted in lieu thereof (*Effective July 1, 2008*):

2528 As used in this section and sections 36a-746b to 36a-746g, inclusive,
2529 as amended by this act:

2530 (1) "APR" means the annual percentage rate for the loan calculated
2531 according to the provisions of the federal Truth-in-Lending Act, 15
2532 USC Section 1601 et seq., as amended from time to time, [amended,]

2533 and the regulations promulgated thereunder. For open-end lines of
2534 credit, "APR" means the highest corresponding annual percentage rate
2535 required to be disclosed under 12 CFR [Sections] 226.6(a)(2) and
2536 226.14(b), as amended from time to time, [amended,] excluding any
2537 maximum rates required to be disclosed or stated pursuant to 12 CFR
2538 [Sections] 226.6(a)(2) or 226.30, as amended from time to time,
2539 [amended.] For closed-end loans, "APR" means the annual percentage
2540 rate required to be disclosed under 12 CFR [Section] 226.18(e), as
2541 amended from time to time, [amended,] excluding any maximum rates
2542 required to be disclosed or stated pursuant to 12 CFR [Sections]
2543 226.18(f) or 226.30, as amended from time to time, [amended.] For
2544 purposes of this subdivision, any variable rate calculation shall use an
2545 index value in effect within forty-five days prior to consummation;

2546 (2) "Broker" means a person who, for a fee, commission or other
2547 valuable consideration, negotiates, solicits, arranges, places or finds a
2548 high cost home loan that is to be made by a lender;

2549 (3) "Consummation" means the time that a borrower becomes
2550 contractually obligated on a loan or extension of credit;

2551 (4) "High cost home loan" means any loan or extension of credit,
2552 including an open-end line of credit but excluding a reverse mortgage
2553 transaction, as defined in 12 CFR [Section] 226.33, as amended from
2554 time to time; [amended:]

2555 (A) In which the borrower is a natural person;

2556 (B) The proceeds of which are to be used primarily for personal,
2557 family or household purposes;

2558 (C) In which the loan is secured by a mortgage upon any interest in
2559 one-to-four family residential [real] property, as defined in section 36a-
2560 485 of the 2008 supplement to the general statutes, as amended by this
2561 act, located in this state [which] that is, or, when the loan is made, is
2562 intended to be used or occupied by the borrower as a principal
2563 residence; and

2564 (D) In which the APR at consummation [will exceed] is greater than
2565 the yield on Treasury securities having comparable periods of maturity
2566 to the loan maturity as of the fifteenth day of the month immediately
2567 preceding the month in which the application for the loan or extension
2568 of credit is received by the lender, by more than the number of
2569 percentage points specified in 12 CFR 226.32(a)(1)(i), as amended from
2570 time to time; [amended;]

2571 (5) "Interim interest" means interest for the period from funding to
2572 the start of amortization paid by a borrower at or before
2573 consummation of a closed-end loan where such amortization begins
2574 sixty-two days or less after funding;

2575 (6) "Lender" means any person who originates one or more high
2576 cost home loans; and

2577 (7) "Prepaid finance charge" means any finance charge determined
2578 in accordance with 12 CFR [Section] 226.4, as amended from time to
2579 time, [amended,] that is paid separately in cash or by check before or at
2580 consummation of a loan or extension of credit or withheld from the
2581 proceeds of such transaction at any time, except the term includes any
2582 fees or commissions payable to the lender or broker in connection with
2583 the sale of credit life, accident, health, disability or unemployment
2584 insurance products or unrelated goods or services sold in conjunction
2585 with the loan or extension of credit when the cost of such insurance
2586 products or goods or services is prepaid with the proceeds of the loan
2587 or extension of credit and financed as part of the principal amount of
2588 the loan or extension of credit, and excludes premiums, fees and any
2589 other amounts paid to a governmental agency, any amounts required
2590 to be escrowed by a governmental agency and interim interest. [;]

2591 [(8) "Prepayment penalty" means any charge or penalty for paying
2592 all or part of the principal before the date on which the principal is due
2593 and includes computing a refund of unearned interest by a method
2594 that is less favorable to the borrower than the actuarial method, as
2595 defined by Section 933(d) of the Housing and Community

2596 Development Act of 1992, 15 USC 1615(d), as from time to time
2597 amended.]

2598 Sec. 64. Section 36a-746c of the general statutes is repealed and the
2599 following is substituted in lieu thereof (*Effective July 1, 2008*):

2600 A high cost home loan shall not provide for or include the
2601 following:

2602 (1) For a loan with a term of less than seven years, a payment
2603 schedule with regular periodic payments that when aggregated do not
2604 fully amortize the outstanding principal balance, except that this
2605 limitation does not apply to a loan with maturities of less than one
2606 year if the purpose of the loan is a bridge loan, as used in 12 CFR
2607 226.32, as amended from time to time, [amended,] connected with the
2608 acquisition or construction of a dwelling intended to become the
2609 borrower's principal dwelling;

2610 (2) A payment schedule with regular periodic payments that cause
2611 the principal balance to increase;

2612 (3) A payment schedule that consolidates more than two periodic
2613 payments and pays them in advance from the proceeds, unless such
2614 payments are required to be escrowed by a governmental agency;

2615 (4) An increase in the interest rate after default or default charges in
2616 excess of five per cent of the amount in default;

2617 (5) A refund calculated by a method less favorable than the actuarial
2618 method, as defined by Section 933(d) of the Housing and Community
2619 Development Act of 1992, 15 USC 1615(d), as amended from time to
2620 time, [amended,] for rebates of interest arising from a loan acceleration
2621 due to default;

2622 (6) A prepayment penalty; [except as allowed by this subdivision. A
2623 high cost home loan may provide for or include a prepayment penalty,
2624 including a refund calculated according to the rule of 78s, as such term
2625 is used in 12 CFR 226.32, as from time to time amended, if:

2626 (A) The penalty can be exercised only for the first three years
2627 following consummation. No prepayment penalty shall exceed three
2628 per cent of the balance prepaid for any payment occurring earlier than
2629 one year after consummation of the loan, two per cent of the balance
2630 prepaid for any payment occurring between one and two years after
2631 consummation of the loan, and one per cent of the balance prepaid for
2632 any payment occurring between two and three years after
2633 consummation of the loan;

2634 (B) The source of the prepayment funds is not a refinancing by the
2635 lender or an affiliate of the lender; and

2636 (C) At consummation, the borrower's total monthly debts, including
2637 amounts owed under the high cost home loan, do not exceed fifty per
2638 cent of the borrower's monthly gross income, as verified by the
2639 borrower's signed financial statement, a credit report and payment
2640 records for employment income;]

2641 (7) A [mandatory arbitration clause or] waiver of participation in a
2642 class action or a provision requiring a borrower, whether acting
2643 individually or on behalf of others similarly situated, to assert any
2644 claim or defense in a nonjudicial forum that: (A) Utilizes principles
2645 which are inconsistent with the law as set forth in the general statutes
2646 or common law; (B) limits any claim or defense the borrower may
2647 have; or (C) is less convenient, more costly or more dilatory for the
2648 resolution of a dispute than a judicial forum established in this state
2649 where the borrower may otherwise properly bring a claim or defense;
2650 or

2651 (8) A call provision that permits the lender, in its sole discretion, to
2652 accelerate the indebtedness. This prohibition shall not apply when
2653 repayment of the loan is accelerated by bona fide default, pursuant to a
2654 due-on-sale clause provision, or pursuant to another provision of the
2655 loan agreement unrelated to the payment schedule including, but not
2656 limited to, bankruptcy or receivership.

2657 Sec. 65. Section 36a-746g of the general statutes is repealed and the

2658 following is substituted in lieu thereof (*Effective July 1, 2008*):

2659 The lender and any assignee of the lender shall have the obligation,
2660 jointly and severally, to refund or credit the borrower for any default
2661 charges [, prepayment penalties] or prepaid finance charges collected
2662 in excess of the limits set forth in sections 36a-746c and 36a-746e.

2663 Sec. 66. Section 36a-758 of the 2008 supplement to the general
2664 statutes is repealed and the following is substituted in lieu thereof
2665 (*Effective July 1, 2008*):

2666 Any person who makes any first mortgage loan, as defined in
2667 section 36a-485 of the 2008 supplement to the general statutes, as
2668 amended by this act, or any secondary mortgage loan, as defined in
2669 section [36a-510] 36a-485 of the 2008 supplement to the general
2670 statutes, as amended by this act, shall, at the time of consummation of
2671 such loan or at the termination of any right to rescind the loan
2672 transaction under 12 CFR 226, as amended from time to time,
2673 [amended,] whichever is later, pay the loan proceeds to the mortgagor,
2674 to the mortgagor's attorney, to the mortgagee's attorney or to any other
2675 person specified in any settlement statement, any written agreement
2676 between the mortgagor and the mortgagee or any written instruction
2677 of the mortgagor, by a certified, bank treasurer's or cashier's check or
2678 by means of wire transfer.

2679 Sec. 67. Section 25 of public act 07-156 is repealed and the following
2680 is substituted in lieu thereof (*Effective July 1, 2008*):

2681 The Banking Commissioner shall submit to the joint standing
2682 committee of the General Assembly having cognizance of matters
2683 relating to banks three annual reports that shall include financial
2684 statements of the State Regulatory Registry, LLC, concerning the
2685 [national mortgage licensing system] Nationwide Mortgage Licensing
2686 System described in section [1] 39 of this act. Each such financial
2687 statement shall cover a twelve-month period. The commissioner shall
2688 submit such reports for three consecutive years not later than ten days
2689 after receipt of such financial statements by the commissioner.

2690 Sec. 68. Subsection (g) of section 19a-343a of the general statutes is
2691 repealed and the following is substituted in lieu thereof (*Effective July*
2692 *1, 2008*):

2693 (g) If the defendant is a financial institution and the record owner of
2694 the real property, or if the defendant is a financial institution claiming
2695 an interest of record pursuant to a bona fide mortgage, assignment of
2696 lease or rent, lien or security in the real property and is not determined
2697 to be a principal or an accomplice in the conduct constituting the
2698 public nuisance, the court shall not enter any order against such
2699 defendant. The state shall have the burden of proving by clear and
2700 convincing evidence that any such defendant claiming an interest of
2701 record under this subsection is a principal or an accomplice in the
2702 alleged conduct constituting the public nuisance. For the purposes of
2703 this subsection, "financial institution" means a bank, as defined in
2704 [subdivision (4) of] section 36a-2 of the 2008 supplement to the general
2705 statutes, as amended by this act, an out-of-state bank, as defined in
2706 [subdivision (44) of] section 36a-2 of the 2008 supplement to the
2707 general statutes, as amended by this act, an institutional lender or any
2708 subsidiary or affiliate of such bank, out-of-state bank or institutional
2709 lender that directly or indirectly acquires the real property pursuant to
2710 strict foreclosure, foreclosure by sale or deed-in-lieu of foreclosure, and
2711 with the intent of ultimately transferring the property, or other lender
2712 licensed by the Department of Banking.

2713 Sec. 69. Subdivision (17) of section 36a-316 of the general statutes is
2714 repealed and the following is substituted in lieu thereof (*Effective July*
2715 *1, 2008*):

2716 (17) "Savings deposit" means a savings deposit, as defined in
2717 [subdivision (59) of] section 36a-2 of the 2008 supplement to the
2718 general statutes, as amended by this act, and the payment on shares at
2719 a Connecticut credit union or federal credit union, and a "savings
2720 account" is a deposit account which contains savings deposits.

2721 Sec. 70. Section 20-329 of the general statutes is repealed and the

2722 following is substituted in lieu thereof (*Effective July 1, 2008*):

2723 The provisions of this chapter concerning the licensure of real estate
2724 brokers and real estate salespersons shall not apply to: (1) Any person
2725 who as owner or lessor performs any of the acts enumerated in section
2726 20-311, with reference to property owned, leased or sought to be
2727 acquired or leased by the person, or to the person's regular employees
2728 who are employed as on-site residential superintendents or custodians,
2729 with respect to the property so owned or leased or sought to be
2730 acquired or leased when such acts are performed in the regular course
2731 of, or incident to, the management of such property and the
2732 investment therein; (2) any person acting as attorney-in-fact under a
2733 duly executed power of attorney from the owner authorizing the final
2734 consummation by performance of any contract for the sale, leasing or
2735 exchange of real estate, or to service rendered by any attorney-at-law
2736 in the performance of the attorney-at-law's duties as such attorney-at-
2737 law; (3) a receiver, trustee in bankruptcy, administrator, executor or
2738 other fiduciary, while acting as such, or any person selling real estate
2739 under order of any court, or to a trustee acting under a trust
2740 agreement, deed of trust or will, or the regular salaried employees
2741 thereof; (4) witnesses in court as to the values of real estate; (5) persons
2742 in the employ of the federal or state government or any political
2743 subdivision thereof while acting in the course of such employment; (6)
2744 any employee of any nonprofit housing corporation that (A) has been
2745 certified as a tax-exempt organization under Section 501(c)(3) of the
2746 Internal Revenue Code of 1986, or any subsequent corresponding
2747 internal revenue code of the United States, as from time to time
2748 amended, and manages a housing project, or (B) manages a housing
2749 project assisted in whole or in part by the federal government
2750 pursuant to Section 8 of The United States Housing Act of 1937, as
2751 amended from time to time, [amended,] while such employee is
2752 performing duties in the regular course of, or incidental to, the
2753 management of such housing project; (7) [any person licensed as a
2754 broker in accordance with sections 36a-510 to 36a-524, inclusive, who
2755 engages solely in the activities described in subsection (6) of section

2756 36a-510; (8)] any person licensed to maintain or operate a mobile
2757 manufactured home park under chapter 412 who performs any of the
2758 acts enumerated in section 20-311, with reference to lots or mobile
2759 manufactured homes within the park or to the person's employees
2760 with respect to lots or mobile manufactured homes within such park
2761 when such acts are performed in the regular course of, or incidental to,
2762 the management of such property and the investment therein; [(9)] (8)
2763 persons licensed as sellers of mobile manufactured homes under
2764 section 21-67; or [(10)] (9) any person or such person's regular
2765 employee who, as owner, lessor, licensor, manager, representative or
2766 agent manages, leases, or licenses space on or in a tower, building or
2767 other structure for (A) "personal wireless services facilities" or facilities
2768 for "private mobile service" as those terms are defined in 47 USC 332,
2769 which facilities shall be unattended, and the installation and
2770 maintenance of related devices authorized by the Federal
2771 Communications Commission, and ancillary equipment used to
2772 operate such devices and equipment shelters therefor, in an area not to
2773 exceed three hundred sixty square feet for any one service established
2774 by the Federal Communications Commission in 47 CFR, as amended
2775 from time to time, by a provider of any such service, and (B) any right
2776 appropriate to access such facilities and connect or use utilities in
2777 connection with such facilities.

2778 Sec. 71. Subsection (a) of section 51-81c of the 2008 supplement to
2779 the general statutes is repealed and the following is substituted in lieu
2780 thereof (*Effective July 1, 2008*):

2781 (a) A program for the use of interest earned on lawyers' clients'
2782 funds accounts is hereby established. The organization administering
2783 the program shall use such interest to provide funding for (1) the
2784 delivery of legal services to the poor by nonprofit corporations whose
2785 principal purpose is providing legal services to the poor, and (2) law
2786 school scholarships based on financial need. Each lawyer and law firm
2787 having a clients' funds account shall participate in the program. On
2788 and after July 1, 2005, each entity, other than a borrower, having an
2789 account established to receive loan proceeds from a mortgage lender,

2790 as defined in this subsection, shall participate in the program. Under
2791 the program, funds in accounts established to receive such loan
2792 proceeds, regardless of the amount or period held, and clients' funds
2793 that are less than ten thousand dollars in amount or expected to be
2794 held for a period of not more than sixty business days, shall be
2795 deposited by participating lawyers, law firms and entities in interest-
2796 bearing accounts specifically established pursuant to the program.
2797 Funds deposited in such accounts shall be subject to withdrawal upon
2798 request by the depositor and without delay. The interest earned on
2799 such accounts shall be paid to an organization qualified under Section
2800 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent
2801 corresponding internal revenue code of the United States, as from time
2802 to time amended, which shall be designated to administer the program
2803 by the judges of the Superior Court pursuant to subsection (b) of this
2804 section. Nothing in this section shall prevent (A) a lawyer or law firm
2805 from depositing a client's funds, regardless of the amount of such
2806 funds or the period for which such funds are expected to be held, in a
2807 separate interest-bearing account established on behalf of and for the
2808 benefit of the client, or (B) an entity from depositing a person's loan
2809 proceeds, regardless of the amount of such proceeds or the period for
2810 which such proceeds are expected to be held, in a separate interest-
2811 bearing account established on behalf of and for the benefit of the
2812 person. The organization administering the program shall mail to each
2813 lawyer, law firm and entity participating in the program a detailed
2814 annual report of all funds disbursed under the program including the
2815 amount disbursed to each recipient of funds. Any recipient of funds
2816 under the program which, using program funds, represents a party in
2817 an action filed after July 1, 1992, against the state or any officer or
2818 agency thereof and is awarded attorney's fees in such action by the
2819 court, shall reimburse the program for the amount of attorney's fees
2820 received in proportion to the percentage of program funds used for the
2821 litigation. No recipient of funds under the program may use such
2822 funds to pay the occupational tax imposed pursuant to section 51-81b
2823 of the 2008 supplement to the general statutes, on behalf of any
2824 attorney. As used in this section, "mortgage lender" means any person

2825 engaged in the business of making [first] mortgage loans, [or
2826 secondary mortgage loans,] including, but not limited to, a bank, out-
2827 of-state bank, Connecticut credit union, federal credit union, out-of-
2828 state credit union, [first] mortgage lender or mortgage correspondent
2829 lender required to be licensed under sections 36a-485 to 36a-498a,
2830 inclusive, [or secondary mortgage lender required to be licensed under
2831 sections 36a-510 to 36a-524, inclusive] as amended by this act.

2832 Sec. 72. Subsection (a) of section 51-344a of the general statutes is
2833 repealed and the following is substituted in lieu thereof (*Effective July*
2834 *1, 2008*):

2835 (a) Whenever the term "judicial district of Hartford-New Britain" or
2836 "judicial district of Hartford-New Britain at Hartford" is used or
2837 referred to in the following sections of the general statutes, it shall be
2838 deemed to mean or refer to the judicial district of Hartford on and after
2839 September 1, 1998: Sections 1-205 of the 2008 supplement to the general
2840 statutes, 1-206 of the 2008 supplement to the general statutes, 2-48, 3-
2841 21a, 3-62d, 3-70a, 3-71a, 4-61, 4-160, 4-164, 4-177b, 4-180, 4-183, 4-197, 5-
2842 202, 5-276a, 8-30g, 9-7a, 9-7b, 9-369b, 10-153e, 12-208, 12-237, 12-268l,
2843 12-312, 12-330m, 12-405k, 12-422, 12-448, 12-454, 12-456, 12-463, 12-489,
2844 12-522, 12-554, 12-565, 12-572, 12-586f, 12-597, 12-730, 13b-34, 13b-235,
2845 13b-315, 13b-375, 14-57, 14-66 of the 2008 supplement to the general
2846 statutes, 14-67u, 14-110, 14-195, 14-311, 14-311c, 14-324, 14-331, 15-125,
2847 15-126, 16-41 of the 2008 supplement to the general statutes, 16a-5, 17b-
2848 60, 17b-100, 17b-238, 17b-531, 19a-85, 19a-86, 19a-123d, 19a-425, 19a-
2849 498, 19a-517, 19a-526, 19a-633, 20-12f, 20-13e of the 2008 supplement to
2850 the general statutes, 20-29, 20-40, 20-45, 20-59 of the 2008 supplement
2851 to the general statutes, 20-73a, 20-86f, 20-99, 20-114, 20-133, 20-154, 20-
2852 156, 20-162p, 20-192, 20-195p, 20-202, 20-206c, 20-227, 20-238, 20-247,
2853 20-263, 20-271, 20-307, 20-341f, 20-363 of the 2008 supplement to the
2854 general statutes, 20-373, 20-404, 20-414, 21a-55, 21a-190i, 22-7, 22-64, 22-
2855 228, 22-248, 22-254, 22-320d, 22-326a, 22-344b, 22-386, 22a-6b of the
2856 2008 supplement to the general statutes, 22a-7, 22a-16, 22a-30, 22a-34,
2857 22a-53, 22a-60, 22a-62, 22a-63 of the 2008 supplement to the general
2858 statutes, 22a-66h, 22a-106a, 22a-119, 22a-167, 22a-180, 22a-182a, 22a-

2859 184, 22a-220a, 22a-220d, 22a-225, 22a-226, 22a-226c, 22a-227, 22a-250,
2860 22a-255l, 22a-276, 22a-285a, 22a-285g of the 2008 supplement to the
2861 general statutes, 22a-285j, 22a-310, 22a-342a, 22a-344, 22a-361a, 22a-374,
2862 22a-376, 22a-408, 22a-430, 22a-432, 22a-438, 22a-449f of the 2008
2863 supplement to the general statutes, 22a-449g, 22a-459, 23-5e, 23-65m,
2864 25-32e, 25-36, 28-5, 29-143j of the 2008 supplement to the general
2865 statutes, 29-158, 29-161z, 29-317, 29-323, 29-329, 29-334, 29-340, 29-369,
2866 30-8, 31-109, 31-249b of the 2008 supplement to the general statutes, 31-
2867 266, 31-266a, 31-270, 31-273, 31-284, 31-285, 31-339, 31-355a, 31-379, 35-
2868 3c, 35-42, 36a-186, 36a-187, 36a-471a, 36a-494 [, 36a-517] of the 2008
2869 supplement to the general statutes, as amended by this act, 36a-587 of
2870 the 2008 supplement to the general statutes, 36a-647, 36a-684, 36a-718,
2871 36a-807, 36b-26, 36b-27 of the 2008 supplement to the general statutes,
2872 36b-30, 36b-50, 36b-71, 36b-72, 36b-74, 36b-76, 38a-41, 38a-52, 38a-134,
2873 38a-139, 38a-140, 38a-147, 38a-150, 38a-185, 38a-209, 38a-225, 38a-226b,
2874 38a-241, 38a-337, 38a-470, 38a-620, 38a-657, 38a-687, 38a-774, 38a-776,
2875 38a-817, 38a-843, 38a-868, 38a-906, 38a-994, 42-103c, 42-110d, 42-110k,
2876 42-110p, 42-182, 46a-5, 46a-56 of the 2008 supplement to the general
2877 statutes, 46a-100, 47a-21, 49-73, 51-44a, 51-81b of the 2008 supplement
2878 to the general statutes, 51-194, 52-146j, 53-392d and 54-211a.

2879 Sec. 73. Subdivision (2) of section 42-287 of the general statutes is
2880 repealed and the following is substituted in lieu thereof (*Effective July*
2881 *1, 2008*):

2882 (2) Any transaction between a consumer and a bank, out-of-state
2883 bank, Connecticut credit union, federal credit union or out-of-state
2884 credit union as each is defined in section 36a-2 of the 2008 supplement
2885 to the general statutes, as amended by this act, or a [first] mortgage
2886 broker, mortgage correspondent lender or mortgage lender, [second
2887 mortgage broker or lender,] sales finance company or small loan
2888 lender licensed under chapter 668 in which any such person, or such
2889 person's subsidiary, affiliate or agent markets its own services to a
2890 consumer.

2891 Sec. 74. Subdivision (2) of section 36a-615 of the general statutes is

2892 repealed and the following is substituted in lieu thereof (*Effective July*
2893 *1, 2008*):

2894 (2) "Loan broker" means any person who: (A) For or in expectation
2895 of a fee (i) arranges, negotiates, places, solicits or finds an unsecured
2896 loan; (ii) assists or advises a person in obtaining an unsecured loan; or
2897 (iii) offers or attempts to engage in the activities described in
2898 subparagraph (i) or (ii) of this subdivision; (B) acts for or on behalf of a
2899 loan broker; (C) holds himself out to the public generally as a person
2900 engaging in the activities described in subdivision (A) of this
2901 subsection. A principal, officer, director, partner, joint venturer,
2902 manager or other person with similar supervisory or managerial
2903 responsibility for persons engaging in the activities described in
2904 subdivisions (A) to (C), inclusive, of this subsection shall be deemed to
2905 be a loan broker. "Loan broker" shall not include any bank, out-of-state
2906 bank, Connecticut credit union, federal credit union, out-of-state credit
2907 union, small loan licensee, nondepository [first] mortgage lender,
2908 mortgage correspondent lender or mortgage broker, [secondary
2909 mortgage loan lender or broker,] sales finance company, securities
2910 broker-dealer or investment adviser, investment company as defined
2911 in the Investment Company Act of 1940, as amended from time to
2912 time, [amended,] forwarder of money, trustee under a mortgage or
2913 deed of trust of real property, corporation exercising fiduciary powers,
2914 money order and travelers check licensee, check cashing licensee, real
2915 estate broker or agent, attorney, Federal Housing Authority or
2916 Veterans' Administration approved lender, or insurance company;
2917 provided any such person or entity so excluded is licensed by and
2918 subject to the regulation and supervision of the appropriate regulatory
2919 agency of the United States or this state or any other state and is acting
2920 within the scope of the license

2921 Sec. 75. Subdivision (2) of subsection (a) of section 36a-755 of the
2922 general statutes is repealed and the following is substituted in lieu
2923 thereof (*Effective July 1, 2008*):

2924 (2) "Financial institution" means a bank, out-of-state bank,

2925 Connecticut credit union, federal credit union, out-of-state credit
2926 union, [secondary mortgage loan licensee and first] mortgage lender,
2927 mortgage correspondent lender or mortgage broker licensee.

2928 Sec. 76. Subdivision (1) of subsection (a) of section 49-6a of the
2929 general statutes is repealed and the following is substituted in lieu
2930 thereof (*Effective July 1, 2008*):

2931 (1) "Creditor" means any state bank and trust company or national
2932 banking association, state or federal savings bank, state or federal
2933 savings and loan association, state or federal credit union, licensed
2934 [first] mortgage lender, mortgage correspondent lender or other
2935 financial institution.

2936 Sec. 77. (*Effective from passage*) (a) There is established a Commission
2937 on Nontraditional Loans and Home Equity Lines of Credit.

2938 (b) The commission shall determine: (1) The number of homeowners
2939 in Connecticut who have nontraditional loans and home equity lines of
2940 credit; (2) the number of Connecticut residents who have
2941 nontraditional loans or home equity lines of credit which are in default
2942 or who have been affected by foreclosure action or are likely to face
2943 such action over the next four years; (3) the types of nontraditional
2944 loans and home equity lines of credit that pose a high risk of loan
2945 default or foreclosure and the characteristics or features of such loans
2946 that are possible factors in defaults or foreclosure; and (4) the
2947 circumstances under which nontraditional loans and home equity lines
2948 of credit are appropriate for borrowers.

2949 (c) For the purposes of this section, "nontraditional mortgage" has
2950 the same meaning as set forth in the "Interagency Guidance on
2951 Nontraditional Mortgage Product Risks", 71 Federal Register 58609
2952 (Oct. 4, 2006), as amended from time to time. For purposes of this
2953 section, "home equity line of credit" means a mortgage extended by a
2954 lender under a plan in which: (1) The lender reasonably contemplates
2955 repeated transactions; (2) the lender may impose a finance charge from
2956 time to time on an outstanding unpaid balance; (3) the amount of

2957 credit that may be extended to the consumer during the term of the
2958 plan, up to any limit set by the lender, is generally made available to
2959 the extent that any outstanding balance is repaid; and (4) none of the
2960 proceeds of the open-end line of credit are used at closing to (A)
2961 purchase the borrower's primary residence, or (B) refinance a
2962 mortgage loan that had been used by the borrower to purchase the
2963 borrower's primary residence.

2964 (d) The commission shall consist of the following members:

2965 (1) The Banking Commissioner, or the commissioner's designee,
2966 who shall serve as the chair of the commission;

2967 (2) The chairpersons and ranking members of the joint standing
2968 committee of the General Assembly having cognizance of matters
2969 relating to banks, or their designees;

2970 (3) Two persons appointed by the Governor, one of whom shall
2971 represent state chartered banks and one of whom is a housing
2972 advocate who represents low-income residents;

2973 (4) One person appointed by the speaker of the House of
2974 Representatives who represents mortgage bankers;

2975 (5) One person appointed by the president pro tempore of the
2976 Senate who is an attorney who represents homeowners who are
2977 defendants in foreclosure actions;

2978 (6) One person appointed by the majority leader of the Senate who
2979 is a consumer who has been a defendant in a foreclosure action related
2980 to a nontraditional mortgage or home equity line of credit;

2981 (7) One person appointed by the majority leader of the House of
2982 Representatives who is an attorney who represents the banking
2983 industry;

2984 (8) One person appointed by the minority leader of the Senate who
2985 represents a nonprofit organization which advocates for people

2986 affected by predatory lending; and

2987 (9) One person appointed by the minority leader of the House of
2988 Representatives who represents federally chartered banks.

2989 (e) All appointments to the task force shall be made no later than
2990 August 1, 2008. Any vacancy shall be filled by the appointing
2991 authority.

2992 (f) The administrative staff of the joint standing committee of the
2993 General Assembly having cognizance of matters relating to banks shall
2994 serve as administrative staff of the task force.

2995 (g) Not later than January 1, 2009, the task force shall submit a
2996 report on its findings and recommendations to the joint standing
2997 committee of the General Assembly having cognizance of matters
2998 relating to banks, in accordance with the provisions of section 11-4a of
2999 the general statutes. The commission's recommendation shall include
3000 recommendations on measures that address nontraditional loans and
3001 home equity lines of credit that have a high incidence of defaults and
3002 foreclosures and possible restrictions on such loans or certain features
3003 of such loans that increase the likelihood of foreclosure or default.
3004 When making such recommendations, the commission shall give
3005 consideration to the impact that such measures and restrictions might
3006 have on responsible lending activities that can help to serve the credit
3007 needs of Connecticut residents, including, but not limited to, the
3008 impact on the secondary market and credit costs and availability. The
3009 task force shall terminate on the date that it submits such report or
3010 January 1, 2009, whichever is later.

3011 Sec. 78. Section 36a-605 of the general statutes is repealed and the
3012 following is substituted in lieu thereof (*Effective July 1, 2008*):

3013 [(a)] In connection with the examination of a licensee under section
3014 36a-17, the commissioner may also examine the agents and subagents
3015 of such licensee. The commissioner, in lieu of conducting an
3016 examination, may accept the report of examination of any other state

3017 or federal supervisory agency or any organization affiliated with or
3018 representing such supervisory agency with respect to the examination
3019 or other supervision of any person subject to the provisions of sections
3020 36a-595 to 36a-610, inclusive, or a report prepared by an independent
3021 accounting firm, and reports so accepted are considered for purposes
3022 of sections 36a-595 to 36a-610, inclusive, as an official examination
3023 report of the commissioner.

3024 [(b) The commissioner may enter into cooperative, coordinating and
3025 information-sharing agreements with any other state or federal
3026 supervisory agency or any organization affiliated with or representing
3027 such supervisory agency with respect to the examination, examination
3028 fees or other supervision of any person subject to the provisions of
3029 sections 36a-595 to 36a-610, inclusive. Any such agreement may
3030 include provisions concerning the assessment or sharing of fees for
3031 such examination or supervision.]

3032 Sec. 79. Section 36a-59 of the general statutes is repealed and the
3033 following is substituted in lieu thereof (*Effective July 1, 2008*):

3034 (a) The commissioner may enter into one or more stipulations and
3035 agreements or memoranda of understanding with a Connecticut bank,
3036 either alone or in conjunction with the Federal Deposit Insurance
3037 Corporation or its successor agency, or may enter into one or more
3038 letters of understanding and agreement or memoranda of
3039 understanding with a Connecticut credit union or Connecticut credit
3040 union service organization, either alone or in conjunction with the
3041 National Credit Union Administration or its successor agency, if the
3042 commissioner finds as a result of an examination or investigation that
3043 the Connecticut bank, Connecticut credit union or Connecticut credit
3044 union service organization: (1) Has failed to file a report when due, (2)
3045 is insolvent, (3) has violated any provisions of the general statutes
3046 within the jurisdiction of the commissioner, or any regulation, rule or
3047 order adopted or issued thereunder, or (4) has engaged or participated
3048 in, or is engaging or participating in, any unsafe and unsound practice.

3049 (b) The commissioner may enter into cooperative, coordinating or
3050 information-sharing agreements with any other state or federal
3051 supervisory agency or any organization affiliated with or representing
3052 such supervisory agency with respect to the examination, examination
3053 fees or other supervision of any person subject to the provisions of
3054 sections 36a-485 to 36a-810, inclusive, as amended by this act. Any
3055 such agreement may include provisions concerning the assessment or
3056 sharing of fees for such examination or supervision.

3057 Sec. 80. (*Effective July 1, 2008*) The sum of two million five hundred
3058 thousand dollars is appropriated to the State Treasurer, from the State
3059 Banking Fund, for the fiscal year ending June 30, 2009, for purposes of
3060 providing state assistance under section 11 of this act.

3061 Sec. 81. (NEW) (*Effective July 1, 2008*) A mortgage broker shall not
3062 influence real estate appraisals of residential property. For the
3063 purposes of this section, "influence residential real estate appraisals"
3064 includes, but is not limited to: (1) Refusal, or intentional failure, to pay
3065 an appraiser for an appraisal that reflects a fair market value estimate
3066 that is less than the sale contract price; or (2) refusal, or intentional
3067 failure, to utilize, or encouraging other mortgage brokers not to utilize,
3068 an appraiser based solely on the fact that the appraiser provided an
3069 appraisal reflecting a fair market value estimate that was less than the
3070 sale contract price.

3071 Sec. 82. (NEW) (*Effective July 1, 2008*) (a) A real estate broker or real
3072 estate salesperson licensed under chapter 392 of the general statutes
3073 shall not influence residential real estate appraisals. For the purposes
3074 of this section, "influence residential real estate appraisals" includes,
3075 but is not limited to, refusal or intentional failure to refer a homebuyer,
3076 or encouraging other real estate brokers or real estate salespersons not
3077 to refer a homebuyer, to a mortgage broker, as defined in section 21 of
3078 this act, or a lender, as defined in section 21 of this act, based solely on
3079 the fact that the mortgage broker or lender uses an appraiser who has
3080 provided an appraisal reflecting a fair market value estimate that was
3081 less than the sale contract price.

3082 (b) Violations of subsection (a) of this section shall be subject to the
3083 actions and penalties set forth in section 20-320 of the general statutes.

3084 Sec. 83. (*Effective July 1, 2008*) Sections 36a-510, 36a-511, 36a-513, 36a-
3085 514, 36a-515, 36a-516, 36a-517, 36a-521, 36a-523 and 36a-534g of the
3086 2008 supplement to the general statutes are repealed.

3087 Sec. 84. (*Effective July 1, 2008*) Sections 8-265jj, 36a-512, 36a-519, 36a-
3088 520, 36a-522, 36a-524 and 36a-746f of the general statutes are repealed."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>July 1, 2008</i>	8-251(a)
Sec. 4	<i>July 1, 2008</i>	New section
Sec. 5	<i>July 1, 2008</i>	8-265cc
Sec. 6	<i>July 1, 2008</i>	8-265dd(b)
Sec. 7	<i>July 1, 2008</i>	8-265ee
Sec. 8	<i>July 1, 2008</i>	8-265ff
Sec. 9	<i>July 1, 2008</i>	8-265gg
Sec. 10	<i>July 1, 2008</i>	8-265hh(d)
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>July 1, 2008</i>	New section
Sec. 13	<i>July 1, 2008</i>	New section
Sec. 14	<i>July 1, 2008</i>	New section
Sec. 15	<i>July 1, 2008</i>	New section
Sec. 16	<i>July 1, 2008</i>	New section
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>July 1, 2008</i>	New section
Sec. 19	<i>July 1, 2008</i>	New section
Sec. 20	<i>July 1, 2008</i>	New section
Sec. 21	<i>July 1, 2008</i>	New section
Sec. 22	<i>July 1, 2008</i>	New section
Sec. 23	<i>July 1, 2008</i>	New section
Sec. 24	<i>July 1, 2008</i>	New section
Sec. 25	<i>July 1, 2008</i>	New section
Sec. 26	<i>July 1, 2008</i>	New section
Sec. 27	<i>July 1, 2008</i>	New section

Sec. 28	July 1, 2008	New section
Sec. 29	July 1, 2008	New section
Sec. 30	July 1, 2008	New section
Sec. 31	July 1, 2008	New section
Sec. 32	July 1, 2008	36a-1
Sec. 33	July 1, 2008	36a-2
Sec. 34	July 1, 2008	36a-3
Sec. 35	July 1, 2008	36a-21(d)
Sec. 36	July 1, 2008	36a-56
Sec. 37	July 1, 2008	36a-65(c)(6)
Sec. 38	July 1, 2008	36a-485
Sec. 39	July 1, 2008	New section
Sec. 40	July 1, 2008	36a-486
Sec. 41	July 1, 2008	36a-487
Sec. 42	July 1, 2008	36a-488
Sec. 43	July 1, 2008	36a-489
Sec. 44	July 1, 2008	36a-490
Sec. 45	July 1, 2008	36a-491
Sec. 46	July 1, 2008	36a-492(a)
Sec. 47	July 1, 2008	36a-492(b)
Sec. 48	July 1, 2008	36a-493(a)
Sec. 49	July 1, 2008	36a-493(b) and (c)
Sec. 50	July 1, 2008	36a-494
Sec. 51	July 1, 2008	36a-496
Sec. 52	July 1, 2008	36a-497
Sec. 53	July 1, 2008	36a-498
Sec. 54	July 1, 2008	36a-498a
Sec. 55	July 1, 2008	New section
Sec. 56	July 1, 2008	New section
Sec. 57	July 1, 2008	36a-534a(a)
Sec. 58	July 1, 2008	36a-555
Sec. 59	July 1, 2008	36a-705
Sec. 60	July 1, 2008	36a-715(1)
Sec. 61	July 1, 2008	36a-725
Sec. 62	July 1, 2008	36a-736
Sec. 63	July 1, 2008	36a-746a
Sec. 64	July 1, 2008	36a-746c
Sec. 65	July 1, 2008	36a-746g
Sec. 66	July 1, 2008	36a-758
Sec. 67	July 1, 2008	PA 07-156, Sec. 25

Sec. 68	<i>July 1, 2008</i>	19a-343a(g)
Sec. 69	<i>July 1, 2008</i>	36a-316(17)
Sec. 70	<i>July 1, 2008</i>	20-329
Sec. 71	<i>July 1, 2008</i>	51-81c(a)
Sec. 72	<i>July 1, 2008</i>	51-344a(a)
Sec. 73	<i>July 1, 2008</i>	42-287(2)
Sec. 74	<i>July 1, 2008</i>	36a-615(2)
Sec. 75	<i>July 1, 2008</i>	36a-755(a)(2)
Sec. 76	<i>July 1, 2008</i>	49-6a(a)(1)
Sec. 77	<i>from passage</i>	New section
Sec. 78	<i>July 1, 2008</i>	36a-605
Sec. 79	<i>July 1, 2008</i>	36a-59
Sec. 80	<i>July 1, 2008</i>	New section
Sec. 81	<i>July 1, 2008</i>	New section
Sec. 82	<i>July 1, 2008</i>	New section
Sec. 83	<i>July 1, 2008</i>	Repealer section
Sec. 84	<i>July 1, 2008</i>	Repealer section