



# House of Representatives

General Assembly

**File No. 213**

January Session, 2009

House Bill No. 6231

*House of Representatives, March 25, 2009*

The Committee on Banks reported through REP. BARRY of the 12th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING THE DEPARTMENT OF BANKING.***

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

1 Section 1. Section 36a-1 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 This title shall be known as the "Banking Law of Connecticut" and  
4 shall be applicable to all Connecticut banks, Connecticut credit unions,  
5 mortgage lenders, mortgage correspondent lenders, mortgage loan  
6 originators and mortgage brokers, money order and travelers check  
7 licensees, check cashing service licensees, trustees under mortgages or  
8 deeds of trust of real property securing certain investments,  
9 corporations exercising fiduciary powers, small loan licensees,  
10 business and industrial development corporation licensees, sales  
11 finance companies, mortgage servicing companies, debt adjusters, and  
12 to [such] any other persons [as] who subject themselves to the  
13 provisions of this title or who, by violating any of its provisions,  
14 become subject to the penalties provided in this title.

15      Sec. 2. Section 36a-3 of the general statutes is repealed. (*Effective*  
16      *October 1, 2009*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	36a-1
Sec. 2	<i>October 1, 2009</i>	Repealer section

**BA**      *Joint Favorable*

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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 10 \$</b>	<b>FY 11 \$</b>
Banking Dept.	BF - None	None	None

Note: BF=Banking Fund

**Municipal Impact:** None

**Explanation**

The bill is technical and clarifying in nature and has no fiscal impact.

**OLR Bill Analysis****HB 6231*****AN ACT CONCERNING THE DEPARTMENT OF BANKING.*****SUMMARY:**

This bill specifically adds business and industrial development corporation licensees to the list of licensees to which Connecticut's banking law applies. The banking law applies to listed entities, as well as to other people who subject themselves to its provisions or who, by violating any of its provisions, become subject to its penalties. The law already authorizes and provides for the licensure of business and industrial development corporations. A business and industrial development corporation is a person approved or seeking approval from the federal Small Business Administration as a participating lender under its loan guarantee programs, who applies to the banking commissioner for a license under the law.

The bill makes a technical change by repealing a list of cross-references to a number of definitions in the statutes and makes another technical correction.

EFFECTIVE DATE: October 1, 2009

**BACKGROUND*****Parties Subject to Connecticut Banking Laws***

Connecticut banking law currently applies to all Connecticut banks and credit unions; first and secondary mortgage lenders and brokers; money order and travelers check licensees; check cashing service licensees; trustees under mortgages or deeds of trust of real property securing certain investments; corporations exercising fiduciary powers; small loan licensees, sales finance companies; mortgage servicing companies; debt adjusters; and other entities that subject

themselves to the provisions of the law or who, by violating any of its provisions, become subject to its penalties.

**COMMITTEE ACTION**

Banks Committee

Joint Favorable

Yea 16 Nay 0 (03/10/2009)