



General Assembly

January Session, 2009

**Raised Bill No. 617**

LCO No. 2399

\*02399\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA )

**AN ACT CONCERNING BRANCHING AND AUTHORITY TO  
IMPLEMENT THE NATIONAL DEFENSE AUTHORIZATION ACT.**

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

1 Section 1. Section 36a-3 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 Other definitions applying to this title or to specified parts thereof  
4 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 and 36a-615.
- T5 "Advertise" or "advertisement". Section 36a-485.
- T6 "Agency bank". Section 36a-285.
- T7 "Alternative mortgage loan". Section 36a-265.
- T8 "Amount financed". Section 36a-690.
- T9 "Annual percentage rate". Section 36a-690.
- T10 "Annual percentage yield". Section 36a-316.
- T11 "Annuities". Section 36a-455a.

- T12 "Applicant". Section 36a-736.
- T13 "APR". Section 36a-746a.
- T14 "Assessment area". Section 36a-37.
- T15 "Assets". Section 36a-70.
- T16 "Associate". Section 36a-184.
- T17 "Associated member". Section 36a-458a.
- T18 "Bank". Section 36a-30.
- T19 "Bankers' bank". Section 36a-70.
- T20 "Banking business". Section 36a-425.
- T21 "Basic services". Section 36a-437a.
- T22 "Billing cycle". Section 36a-565.
- T23 "Bona fide nonprofit organization". Section 36a-655.
- T24 "Branch". Sections 36a-145, as amended by this act, 36a-410 and 36a-
- T25 435b.
- T26 "Branch office". Section 36a-485.
- T27 "Branch or agency net payment entitlement". Section 36a-428n.
- T28 "Branch or agency net payment obligation". Section 36a-428n.
- T29 "Broker". Section 36a-746a.
- T30 "Business and industrial development corporation". Section
- T31 36a-626.
- T32 "Business and property in this state". Section 36a-428n.
- T33 "Capital". Section 36a-435b.
- T34 "Cash advance". Section 36a-564.
- T35 "Cash price". Section 36a-770.
- T36 "Certificate of incorporation". Section 36a-435b.
- T37 "CHFA loan". Section 36a-760.
- T38 "Closely related activities". Sections 36a-250 and 36a-455a.
- T39 "Collective managing agency account". Section 36a-365.
- T40 "Commercial vehicle". Section 36a-770.
- T41 "Community bank". Section 36a-70.
- T42 "Community credit union". Section 36a-37.
- T43 "Community development bank". Section 36a-70.
- T44 "Community reinvestment performance". Section 36a-37.
- T45 "Connecticut holding company". Sections 36a-53 and 36a-410.

- T46 "Consolidate". Section 36a-145, as amended by this act.
- T47 "Construction loan". Section 36a-458a.
- T48 "Consumer". Sections 36a-155, 36a-676 and 36a-695.
- T49 "Consumer Credit Protection Act". Section 36a-676.
- T50 "Consumer debtor" and "debtor". Sections 36a-645 and
- T51 36a-800.
- T52 "Consumer collection agency". Section 36a-800.
- T53 "Consummation". Section 36a-746a.
- T54 "Controlling interest". Section 36a-276.
- T55 "Conventional mortgage rate". Section 36a-760.
- T56 "Corporate". Section 36a-435b.
- T57 "Credit". Sections 36a-645 and 36a-676.
- T58 "Credit manager". Section 36a-435b.
- T59 "Creditor". Sections 36a-676, 36a-695 and 36a-800.
- T60 "Credit card", "cardholder" and "card issuer". Section 36a-676.
- T61 "Credit clinic". Section 36a-700.
- T62 "Credit rating agency". Section 36a-695.
- T63 "Credit report". Section 36a-695.
- T64 "Credit sale". Section 36a-676.
- T65 "Credit union service organization". Section 36a-435b.
- T66 "Credit union service organization services". Section 36a-435b.
- T67 "De novo branch". Section 36a-410.
- T68 "Debt". Section 36a-645.
- T69 "Debt adjustment". Section 36a-655.
- T70 "Debt mutual fund". Sections 36a-275 and 36a-459a.
- T71 "Debt securities". Sections 36a-275 and 36a-459a.
- T72 "Debtor". Section 36a-655.
- T73 "Deliver". Section 36a-316.
- T74 "Deposit". Section 36a-316.
- T75 "Deposit account". Section 36a-316.
- T76 "Deposit account charge". Section 36a-316.
- T77 "Deposit account disclosures". Section 36a-316.
- T78 "Deposit contract". Section 36a-316.
- T79 "Deposit services". Section 36a-425.

- T80 "Depositor". Section 36a-316.
- T81 "Director". Section 36a-435b.
- T82 "Earning period". Section 36a-316.
- T83 "Electronic payment instrument". Section 36a-596.
- T84 "Eligible collateral". Section 36a-330.
- T85 "Eligible entity". Section 36a-34, as amended by this act.
- T86 "Equity mutual fund". Sections 36a-276 and 36a-459a.
- T87 "Equity security". Sections 36a-276 and 36a-459a.
- T88 "Executive officer". Sections 36a-263 and 36a-469c.
- T89 "Federal Credit Union Act". Section 36a-435b.
- T90 "Federal Home Mortgage Disclosure Act". Section 36a-736.
- T91 "FHA loan". Section 36a-760.
- T92 "Fiduciary". Section 36a-365.
- T93 "Filing fee". Section 36a-770.
- T94 "Finance charge". Sections 36a-690 and 36a-770.
- T95 "Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316,
- T96 36a-330, 36a-435b, 36a-736 and 36a-755.
- T97 "Financial records". Section 36a-41.
- T98 "First mortgage loan". Sections 36a-485, 36a-705, 36a-715 and
- T99 36a-725.
- T100 "Foreign banking corporation". Section 36a-425.
- T101 "Fully indexed rate". Section 36a-760b.
- T102 "General facility". Section 36a-580.
- T103 "Global net payment entitlement". Section 36a-428n.
- T104 "Global net payment obligation". Section 36a-428n.
- T105 "Goods". Sections 36a-535 and 36a-770.
- T106 "Graduated payment mortgage loan". Section 36a-265.
- T107 "Guardian". Section 36a-365.
- T108 "High cost home loan". Section 36a-746a.
- T109 "Holder". Section 36a-596.
- T110 "Home banking services". Section 36a-170.
- T111 "Home banking terminal". Section 36a-170.
- T112 "Home improvement loan". Section 36a-736.
- T113 "Home purchase loan". Section 36a-736.

- T114 "Home state". Section 36a-410.
- T115 "Immediate family member". Section 36a-435b.
- T116 "Insider". Section 36a-454b.
- T117 "Installment loan contract". Sections 36a-535 and 36a-770.
- T118 "Insurance". Section 36a-455a.
- T119 "Insurance bank". Section 36a-285.
- T120 "Insurance department". Section 36a-285.
- T121 "Interest". Section 36a-316.
- T122 "Interest rate". Section 36a-316.
- T123 "Interim interest". Section 36a-746a.
- T124 "Lender". Sections 36a-746a, 36a-760 and 36a-770.
- T125 "Lessor". Section 36a-676.
- T126 "License". Section 36a-626.
- T127 "Licensee". Sections 36a-596 and 36a-626.
- T128 "Limited branch". Section 36a-145, as amended by this act.
- T129 "Limited facility". Section 36a-580.
- T130 "Loan broker". Section 36a-615.
- T131 "Loss". Section 36a-330.
- T132 "Made in this state". Section 36a-770.
- T133 "Main office". Section 36a-485.
- T134 "Managing agent". Section 36a-365.
- T135 "Manufactured home". Section 36a-457b.
- T136 "Material litigation". Section 36a-596.
- T137 "Member". Section 36a-435b.
- T138 "Member business loan". Section 36a-458a.
- T139 "Member in good standing". Section 36a-435b.
- T140 "Membership share". Section 36a-435b.
- T141 "Mobile branch". [Section] Sections 36a-145, as amended by this act,
- T142 and 36a-435b.
- T143 "Money order". Section 36a-596.
- T144 "Money transmission". Section 36a-365.
- T145 "Mortgage". Section 36a-760g.
- T146 "Mortgage broker". Sections 36a-485, 36a-705 and 36a-760.
- T147 "Mortgage correspondent lender". Section 36a-485.

- T148 "Mortgage insurance". Section 36a-725.
- T149 "Mortgage lender". Sections 36a-485, 36a-705 and 36a-725.
- T150 "Mortgage loan". Sections 36a-261, 36a-265, 36a-457b,
- T151 36a-485 and 36a-736.
- T152 "Mortgage loan originator". Section 36a-485.
- T153 "Mortgage rate lock-in". Section 36a-705.
- T154 "Mortgage servicing company". Section 36a-715.
- T155 "Mortgagor". Section 36a-715.
- T156 "Motor vehicle". Section 36a-770.
- T157 "Multiple common bond membership". Section 36a-435b.
- T158 "Municipality". Section 36a-800.
- T159 "Net outstanding member business loan balance". Section 36a-458a.
- T160 "Net worth". Sections 36a-441a, 36a-458a and 36a-596.
- T161 "Network". Section 36a-155.
- T162 "Nonprime home loan". Section 36a-760.
- T163 "Nonrefundable". Section 36a-498.
- T164 "Note account". Sections 36a-301 and 36a-456b.
- T165 "Office". Sections 36a-23, 36a-316 and 36a-485.
- T166 "Officer". Section 36a-435b.
- T167 "Open-end credit plan". Section 36a-676.
- T168 "Open-end line of credit". Section 36a-760.
- T169 "Open-end loan". Section 36a-565.
- T170 "Organization". Section 36a-800.
- T171 "Out-of-state holding company". Section 36a-410.
- T172 "Outstanding". Section 36a-596.
- T173 "Passbook savings account". Section 36a-316.
- T174 "Payment instrument". Section 36a-596.
- T175 "Periodic statement". Section 36a-316.
- T176 "Permissible investment". Section 36a-596.
- T177 "Person". Section 36a-184.
- T178 "Post". Section 36a-316.
- T179 "Prepaid finance charge". Section 36a-746a.
- T180 "Prime quality". Section 36a-596.
- T181 "Principal amount of the loan". Section 36a-485.

- T182 "Processor". Section 36a-155.
- T183 "Public deposit". Section 36a-330.
- T184 "Purchaser". Section 36a-596.
- T185 "Qualified financial contract". Section 36a-428n.
- T186 "Qualified public depository" and "depository". Section 36a-330.
- T187 "Real estate". Section 36a-457b.
- T188 "Records". Section 36a-17.
- T189 "Related person". Section 36a-53.
- T190 "Relocate". Sections 36a-145, as amended by this act, and 36a-462a.
- T191 "Residential property". Section 36a-485.
- T192 "Resulting entity". Section 36a-34, as amended by this act.
- T193 "Retail buyer". Sections 36a-535 and 36a-770.
- T194 "Retail credit transaction". Section 42-100b.
- T195 "Retail installment contract". Sections 36a-535 and 36a-770.
- T196 "Retail installment sale". Sections 36a-535 and 36a-770.
- T197 "Retail seller". Sections 36a-535 and 36a-770.
- T198 "Reverse annuity mortgage loan". Section 36a-265.
- T199 "Sales finance company". Sections 36a-535 and 36a-770.
- T200 "Savings department". Section 36a-285.
- T201 "Savings deposit". Section 36a-316.
- T202 "Secondary mortgage loan". Section 36a-485.
- T203 "Security convertible into a voting security". Section 36a-184.
- T204 "Senior management". Section 36a-435b.
- T205 "Share". Section 36a-435b.
- T206 "Simulated check". Section 36a-485.
- T207 "Single common bond membership". Section 36a-435b.
- T208 "Special mortgage". Section 36a-760c.
- T209 "Social purpose investment". Section 36a-277.
- T210 "Standard mortgage loan". Section 36a-265.
- T211 "Table funding agreement". Section 36a-485.
- T212 "Tax and loan account". Sections 36a-301 and 36a-456b.
- T213 "The Savings Bank Life Insurance Company". Section 36a-285.
- T214 "Time account". Section 36a-316.
- T215 "Travelers check". Section 36a-596.

T216 "Troubled Connecticut credit union". Section 36a-448a.

T217 "Unsecured loan". Section 36a-615.

T218 "Warehouse agreement". Section 36a-485.

5 Sec. 2. Section 36a-34 of the general statutes is repealed and the  
6 following is substituted in lieu thereof (*Effective from passage*):

7 (a) As used in subsection (b) of this section:

8 (1) "Eligible entity" means any entity that (A) received a composite  
9 rating of one or two under the Uniform Financial Institutions Rating  
10 System as a result of its most recent safety and soundness examination;  
11 (B) received a compliance rating of one or two on its most recent  
12 compliance examination; (C) received a satisfactory or better rating on  
13 its most recent community reinvestment performance evaluation; (D)  
14 is well capitalized in that it (i) has a total risk-based capital ratio of ten  
15 per cent or greater; (ii) has a tier one risk-based capital ratio of six per  
16 cent or greater; (iii) has a tier one leverage capital ratio of five per cent  
17 or greater; and (iv) is not subject to any written agreement, order,  
18 capital directive or prompt corrective action directive issued pursuant  
19 to Section 8 or 38 of the Federal Deposit Insurance Act, 12 USC 1818  
20 and 12 USC 1831o, respectively, as amended from time to time, the  
21 International Lending Supervision Act, 12 USC 3907, as amended from  
22 time to time, the Home Owners' Loan Act, 12 USC 1461, as amended  
23 from time to time, or any regulation thereunder, to meet and maintain  
24 a specific capital level for any capital measure; (E) is not subject to a  
25 cease and desist order, consent order, prompt correction action  
26 directive, written agreement, memorandum of understanding or other  
27 administrative agreement with its primary state or federal banking  
28 regulator; and (F) is not subject to any formal or informal  
29 administrative action by its primary state or federal banking regulator.

30 ~~[(1)]~~ (2) "Entity" means the applicant or applicants except, in the case  
31 of an approval pursuant to section 36a-411, "entity" means the  
32 subsidiaries of the applicant holding company.

33 [(2) "Resulting entity" means: (A) In the case of an approval  
34 pursuant to section 36a-145 and subdivision (2) of subsection (a) of  
35 section 36a-412, the applicant; (B) in the case of an approval pursuant  
36 to section 36a-125, the resulting Connecticut bank; (C) in the case of an  
37 approval pursuant to section 36a-181, the Connecticut bank; (D) in the  
38 case of an approval pursuant to section 36a-411, the bank to be  
39 acquired or established; and (E) in the case of an approval pursuant to  
40 subdivision (1) of subsection (a) of section 36a-412, the bank to be  
41 acquired or the resulting bank.]

42 (3) "Federal CRA" shall have the same meaning as set forth in  
43 subsection (a) of section 36a-30.

44 (4) "Resulting entity" means: (A) In the case of an approval pursuant  
45 to section 36a-145, as amended by this act, and subdivision (2) of  
46 subsection (a) of section 36a-412, the applicant; (B) in the case of an  
47 approval pursuant to section 36a-125, the resulting Connecticut bank;  
48 (C) in the case of an approval pursuant to section 36a-181, the  
49 Connecticut bank; (D) in the case of an approval pursuant to section  
50 36a-411, the bank to be acquired or established; and (E) in the case of  
51 an approval pursuant to subdivision (1) of subsection (a) of section  
52 36a-412, the bank to be acquired or the resulting bank.

53 (b) The commissioner shall not grant any approval under section  
54 36a-125, subsections (b), (c) and (d) of section 36a-145, as amended by  
55 this act, section 36a-181, section 36a-411 or subdivisions (1) and (2) of  
56 subsection (a) of section 36a-412 unless the commissioner finds, in  
57 accordance with regulations adopted pursuant to chapter 54, that (1)  
58 based on the most recent applicable performance evaluation and any  
59 related information required by the commissioner, the entity has a  
60 record of compliance with the requirements of federal CRA, sections  
61 36a-30 to 36a-33, inclusive, to the extent applicable, and applicable  
62 consumer protection laws; and (2) except as otherwise provided in this  
63 subsection, if the entity, and in the case of an approval pursuant to  
64 section 36a-411, the bank or any subsidiary bank of the Connecticut

65 holding company, received any overall rating other than an assigned  
66 rating of "outstanding" on its most recent applicable community  
67 reinvestment performance evaluation, the resulting entity will provide  
68 adequate services to meet the banking needs of all community  
69 residents, including low-income residents and moderate-income  
70 residents to the extent permitted by its charter, in accordance with a  
71 plan submitted by the applicant to the commissioner, in such form and  
72 containing such information as the commissioner may require, or, if  
73 acceptable to the commissioner, in accordance with an approved  
74 strategic plan prepared under federal CRA, or the relevant portion  
75 thereof, that is submitted by the applicant to the commissioner. Upon  
76 receiving any such plan, the commissioner shall make the plan  
77 available for public inspection and comment at the Department of  
78 Banking and cause notice of its submission and availability for  
79 inspection and comment to be published in the department's weekly  
80 bulletin. With the concurrence of the commissioner, the applicant or  
81 applicants shall publish, in the form of a legal advertisement in a  
82 newspaper having a substantial circulation in the area, notice of such  
83 plan's submission and availability for public inspection and comment.  
84 The notice shall state that the inspection and comment period will last  
85 for a period of thirty days from the date of publication. The  
86 commissioner shall not make such finding until the expiration of such  
87 thirty-day period. In making such finding, the commissioner shall,  
88 unless clearly inapplicable, consider, among other factors, whether the  
89 plan identifies specific unmet credit and consumer banking needs in  
90 the local community and specifies how such needs will be satisfied,  
91 provides for sufficient distribution of banking services among  
92 branches or satellite devices, or both, located in low-income  
93 neighborhoods, contains adequate assurances that banking services  
94 will be offered on a nondiscriminatory basis and demonstrates a  
95 commitment to extend credit for housing, small business and  
96 consumer purposes in low-income neighborhoods. The submission of  
97 such plan shall not be required in the case of an approval under  
98 subsection (d) of section 36a-145, as amended by this act, provided, the

99 commissioner may require the filing of such information in lieu of a  
100 plan as the commissioner deems appropriate. If the commissioner  
101 determines that an applicant is an eligible entity, the commissioner  
102 may (A) exempt such applicant from the requirement that such  
103 applicant file a plan, or (B) require such information in lieu of a plan as  
104 the commissioner deems appropriate. Except with respect to an  
105 approval pursuant to [sections] section 36a-145, as amended by this  
106 act, and section 36a-181, the commissioner shall not approve the  
107 transaction if the transaction would result in a monopoly, or would be  
108 in furtherance of any combination or conspiracy to monopolize or  
109 attempt to monopolize the business of banking in this state or if the  
110 commissioner determines that the effect of the proposed transaction  
111 may be to substantially lessen competition, or would tend to create a  
112 monopoly, or would be in restraint of trade, unless the commissioner  
113 finds that the anticompetitive effects of the proposed transaction are  
114 clearly outweighed in the public interest by the probable effect of the  
115 transaction in meeting the convenience and needs of the community to  
116 be served.

117 (c) The commissioner shall not make a determination stating that  
118 the commissioner does not disapprove an offer, invitation, request,  
119 agreement or acquisition pursuant to section 36a-185 unless the  
120 commissioner finds, in accordance with regulations adopted pursuant  
121 to chapter 54, that (1) based on the most recent applicable performance  
122 evaluation and any related information required by the commissioner,  
123 the acquiring person, if such person is a bank or out-of-state bank, and  
124 the acquiring person's subsidiaries, if such person is a holding  
125 company, has a record of compliance with the requirements of federal  
126 CRA, sections 36a-30 to 36a-33, inclusive, to the extent applicable, and  
127 applicable consumer protection laws; and (2) except as otherwise  
128 provided in this subsection, if the bank or any banking subsidiary of  
129 the holding company referred to in the acquisition statement received  
130 any overall rating other than an assigned rating of "outstanding" on its  
131 most recent applicable community reinvestment performance  
132 evaluation, such bank or banking subsidiary will provide adequate

133 services to meet the banking needs of all community residents,  
134 including low-income residents and moderate-income residents to the  
135 extent permitted by its charter or their charters. If the acquiring person  
136 is not a natural person, or if the acquiring person is a natural person  
137 who would be the beneficial owner of twenty-five per cent or more of  
138 any class of voting securities of the bank or holding company referred  
139 to in the acquisition statement, the finding as to the adequacy of  
140 services to be provided shall be based on a plan submitted by the  
141 acquiring person to the commissioner, in such form and containing  
142 such information as the commissioner may require, or, if acceptable to  
143 the commissioner, in accordance with an approved strategic plan  
144 prepared under federal CRA, or the relevant portion thereof, that is  
145 submitted by the acquiring person to the commissioner. Upon  
146 receiving any such plan, the commissioner shall make the plan  
147 available for public inspection and comment at the Department of  
148 Banking and cause notice of its submission and availability for  
149 inspection and comment to be published in the department's weekly  
150 bulletin. With the concurrence of the commissioner, the acquiring  
151 person shall publish, in the form of a legal advertisement in a  
152 newspaper having a substantial circulation in the area, notice of such  
153 plan's submission and availability for public inspection and comment.  
154 The notice shall state that the inspection and comment period will last  
155 for a period of thirty days from the date of publication. The  
156 commissioner shall not make such finding until the expiration of such  
157 thirty-day period. In making such finding, the commissioner shall  
158 consider, among other factors, whether the plan identifies specific  
159 unmet credit and consumer banking needs in the local community and  
160 specifies how such needs will be satisfied, provides for sufficient  
161 distribution of banking services among branches or satellite devices, or  
162 both, located in low-income neighborhoods, contains adequate  
163 assurances that banking services will be offered on a  
164 nondiscriminatory basis and demonstrates a commitment to extend  
165 credit for housing, small business and consumer purposes in low-  
166 income neighborhoods. The commissioner may exempt an acquiring

167 person from the requirement that such acquiring person file a plan if  
168 the commissioner determines that the bank or banking subsidiary  
169 referred to in the acquisition statement is an eligible entity. If the  
170 acquiring person is a natural person who would be the beneficial  
171 owner of less than twenty-five per cent of all classes of voting  
172 securities of the bank or holding company referred to in the acquisition  
173 statement, the commissioner shall make the finding as to adequacy of  
174 services to be provided based on the commitment of the acquiring  
175 person to use the acquiring person's best efforts to cause such bank or  
176 banking subsidiaries of such holding company to provide such  
177 services. The commissioner shall not make a determination stating that  
178 the commissioner does not disapprove such offer, invitation, request,  
179 agreement or acquisition if such offer, invitation, request, agreement or  
180 acquisition would result in a monopoly, or would be in furtherance of  
181 any combination or conspiracy to monopolize or attempt to  
182 monopolize the business of banking in this state or if the commissioner  
183 should determine that the effect of the proposed offer, invitation,  
184 request, agreement or acquisition may be to substantially lessen  
185 competition, or would tend to create a monopoly, or would be in  
186 restraint of trade, unless the commissioner finds that the  
187 anticompetitive effects of the proposed transaction are clearly  
188 outweighed in the public interest by the probable effect of the  
189 transaction in meeting the convenience and needs of the community to  
190 be served.

191 Sec. 3. Subparagraph (K) of subdivision (1) of subsection (d) of  
192 section 36a-65 of the general statutes is repealed and the following is  
193 substituted in lieu thereof (*Effective from passage*):

194 (K) Acquiring, altering or improving real estate for present or future  
195 use in the business of the bank or purchasing real estate adjoining any  
196 parcel of real estate owned by the bank under subdivision (33) of  
197 subsection (a) of section 36a-250, five hundred dollars, except that no  
198 fee shall be charged for such application if it is filed in connection with  
199 an application to relocate a main office of a Connecticut bank under

200 subsection (a) of section 36a-81 or establish (i) a branch in this state  
201 under subdivision (1) of subsection (b) of section 36a-145, as amended  
202 by this act, (ii) a limited branch in this state under subdivision (1) of  
203 subsection (c) of section 36a-145, as amended by this act, or (iii) a  
204 branch or limited branch outside of this state under subsection (j) of  
205 section 36a-145, as amended by this act.

206 Sec. 4. Section 36a-145 of the general statutes is repealed and the  
207 following is substituted in lieu thereof (*Effective from passage*):

208 (a) As used in this section:

209 (1) "Branch" means any office at a fixed location of a Connecticut  
210 bank, other than the main office, at which deposits are received, checks  
211 paid and money lent and which, at a minimum, is open for banking  
212 business Monday through Friday, except as provided in subsection (a)  
213 of section 36a-23.

214 (2) "Commercial activities" means activities in which a bank holding  
215 company, as defined in 12 USC 1841(a)(1), a financial holding  
216 company, as defined in 12 USC 1841(p), a national banking association  
217 established under 12 USC 21, or a financial subsidiary of a national  
218 bank established under 12 USC 24a, may not engage under federal  
219 law.

220 (3) "Consolidate" means to combine within the same neighborhood,  
221 without substantially affecting the nature of the business or customers  
222 served, (A) two or more branches into a single branch; (B) one or more  
223 branches and one or more limited branches into a single branch or  
224 limited branch; (C) two or more limited branches into a single limited  
225 branch; or (D) one or more branches or limited branches into a main  
226 office.

227 (4) "Limited branch" means any office at a fixed location of a  
228 Connecticut bank at which banking business is conducted other than  
229 the main office, branch or mobile branch.

230 (5) "Mobile branch" means any office of a Connecticut bank at which  
231 banking business is conducted which is in fact moved or transported  
232 to one or more predetermined locations in accordance with a  
233 predetermined schedule.

234 (6) "Relocate" means to move within the same immediate  
235 neighborhood without substantially affecting the nature of the  
236 business or customers served.

237 (b) (1) With the approval of the commissioner, any Connecticut  
238 bank may establish a branch in this state. The commissioner shall not  
239 approve the establishment of a branch under this subsection unless the  
240 commissioner considers whether: (A) Establishment of the branch is  
241 consistent with safe and sound banking practices; and (B) the branch  
242 will promote the public convenience and advantage. The  
243 commissioner shall not approve the establishment of any branch under  
244 this subsection unless the commissioner makes the findings required  
245 under section 36a-34. No Connecticut bank may establish or maintain a  
246 branch in this state on the premises or property of an affiliate of such  
247 bank if the affiliate engages in commercial activities.

248 (2) For a period of three years following the issuance of its final  
249 certificate of authority pursuant to subsection (l) of section 36a-70, a  
250 Connecticut bank may, with thirty days' prior notice to the  
251 commissioner, establish a branch in this state if the proposed branch  
252 was approved as part of the application to organize such bank, unless  
253 the commissioner requires an approval pursuant to subdivision (1) of  
254 this subsection.

255 (3) With the approval of the commissioner, any Connecticut bank  
256 may convert a limited branch in this state to a branch. The  
257 commissioner shall not approve a conversion under this subdivision  
258 unless the commissioner considers such factors and makes such  
259 findings under subdivision (1) of this subsection as the commissioner  
260 deems applicable.

261 (c) (1) With the approval of the commissioner, any Connecticut bank  
262 may establish in this state a limited branch that provides limited  
263 services or is open for limited time periods. The commissioner shall  
264 not approve the establishment of a limited branch under this  
265 subdivision unless the commissioner considers such factors and makes  
266 such findings under subdivision (1) of subsection (b) of this section as  
267 the commissioner deems applicable. The commissioner shall approve  
268 such establishment if the commissioner determines that: (A) The  
269 interest of the neighborhood where the limited branch is to be located  
270 will be served to advantage by the establishment of the proposed  
271 branch, and (B) the proposed products, services and banking hours are  
272 appropriate to meet the convenience and needs of the neighborhood.  
273 No Connecticut bank may establish or maintain a limited branch in  
274 this state on the premises or property of an affiliate of such bank if the  
275 affiliate engages in commercial activities.

276 (2) For a period of three years following the issuance of its final  
277 certificate of authority pursuant to subsection (l) of section 36a-70, a  
278 Connecticut bank may, with thirty days' prior notice to the  
279 commissioner, establish a limited branch in this state if the proposed  
280 limited branch was approved as part of the application to organize  
281 such bank, unless the commissioner requires an approval pursuant to  
282 subdivision (1) of this subsection.

283 (3) With the approval of the commissioner, any Connecticut bank  
284 may convert a branch in this state to a limited branch. The  
285 commissioner shall not approve a conversion under this subdivision  
286 unless the commissioner considers such factors and makes such  
287 findings under subdivision (1) of subsection (b) of this section as the  
288 commissioner deems applicable, and the commissioner determines  
289 that alternative banking services are available in the neighborhood so  
290 that any reduction in services will not result in unmet banking needs.

291 (4) [With] (A) Except as provided in subparagraph (B) of this  
292 subdivision, with the approval of the commissioner, any Connecticut

293 bank may establish in this state a special need limited branch that  
294 provides limited services or is open for limited time periods in order to  
295 meet a special need of the neighborhood in which such limited branch  
296 is to be located. The commissioner shall not approve the establishment  
297 of a special need limited branch under this subdivision unless the  
298 commissioner considers such factors and makes such findings and  
299 determinations under subdivision (1) of this subsection as the  
300 commissioner deems necessary.

301 (B) Any Connecticut bank may establish in this state a special need  
302 limited branch that provides limited services or is open for limited  
303 time periods to participate or assist in a financial education program  
304 for high school students where, in connection with the program,  
305 deposits are received, checks are paid or money is lent, if: (i) The  
306 deposits are received, checks are paid and money is lent on school  
307 premises or a facility used by the high school; (ii) the receipt of  
308 deposits, paying of checks and lending of money are provided in  
309 accordance with the school's policy; (iii) the principal purpose of each  
310 program is financial education; and (iv) each program is conducted in  
311 a manner that is consistent with safe and sound banking practices,  
312 provided the Connecticut bank submits written notice to the  
313 commissioner not less than thirty days prior to the date of the  
314 establishment of such branch. The notice shall include a detailed  
315 description of the program, the location of the high school or facility at  
316 which the program will take place and any other information that the  
317 commissioner may require.

318 (5) A limited branch shall be conspicuously identified as a branch of  
319 the Connecticut bank. The commissioner may condition the approval  
320 of such branch with any other requirement that the commissioner  
321 deems necessary or appropriate for the protection of depositors or the  
322 Connecticut bank.

323 (d) (1) With the approval of the commissioner for each  
324 predetermined location, any Connecticut bank may establish in this

325 state a mobile branch. The commissioner shall not approve the  
326 establishment of a mobile branch under this subsection unless the  
327 commissioner makes the considerations, findings and determinations  
328 required under subdivision (1) of subsection (c) of this section,  
329 provided that in the case of a mobile branch established in order to  
330 meet a special need of the neighborhood in which such mobile branch  
331 is to be located, the commissioner shall not approve such  
332 establishment unless the commissioner makes the considerations and  
333 determinations required under subdivision (4) of subsection (c) of this  
334 section.

335 (2) A mobile branch shall be conspicuously identified as a branch of  
336 the Connecticut bank. The commissioner may condition approval of  
337 such mobile branch with any other requirement that the commissioner  
338 deems necessary or appropriate for the protection of depositors or the  
339 Connecticut bank.

340 (e) Nothing in this section shall prohibit a Connecticut bank from  
341 establishing or operating a branch, limited branch or mobile branch in  
342 the same or approximately the same location as another depository  
343 institution, or continuing to operate as a branch, limited branch or  
344 mobile branch in this state in the same or approximately the same  
345 location, the business of any other depository institution which has  
346 been acquired by the Connecticut bank.

347 (f) (1) A Connecticut bank which proposes to close any branch or  
348 limited branch shall submit to the commissioner a notice of the  
349 proposed closing not later than the first day of the ninety-day period  
350 ending on the date proposed for that closing. The notice shall include a  
351 detailed statement of the reasons for the decision to close the branch or  
352 limited branch and the statistical and other information in support of  
353 such reasons. After receipt of the notice, the commissioner may require  
354 the Connecticut bank to submit any additional information.

355 (2) The Connecticut bank shall provide notice of the proposed  
356 closing to its customers by:

357 (A) Posting a notice in a conspicuous manner on the premises of the  
358 branch or limited branch proposed to be closed during a period not  
359 less than the thirty-day period ending on the date proposed for that  
360 closing; and

361 (B) Including a notice in at least one of any regular account  
362 statements mailed to customers of the branch or limited branch  
363 proposed to be closed or in a separate mailing, by not later than the  
364 beginning of the ninety-day period ending on the date proposed for  
365 that closing.

366 (3) (A) A Connecticut bank which proposes to close any mobile  
367 branch shall submit to the commissioner a notice of the proposed  
368 closing not later than thirty days prior to the date proposed for such  
369 closing. The notice shall include a detailed statement of the reasons for  
370 the decision to close the mobile branch and the statistical and other  
371 information in support of such reasons. After receipt of the notice, the  
372 commissioner may require the Connecticut bank to submit any  
373 additional information.

374 (B) A Connecticut bank which proposes to close any predetermined  
375 location of a mobile branch shall notify the commissioner prior to the  
376 closing of such location.

377 (g) Any Connecticut bank may relocate within this state any branch  
378 or limited branch established in this state in accordance with such  
379 notice to customers and other requirements as the commissioner may  
380 prescribe, provided the bank submits written notice to the  
381 commissioner not later than thirty days prior to the date of such  
382 relocation.

383 (h) Any Connecticut bank may consolidate within this state any  
384 branch, limited branch or main office established in this state in  
385 accordance with such notice to customers and other requirements as  
386 the commissioner may prescribe, provided the bank submits written  
387 notice to the commissioner not later than thirty days prior to the date

388 of such consolidation.

389 (i) With the approval of the commissioner, a Connecticut bank may  
390 sell a branch, limited branch or mobile branch established in this state  
391 to any bank, Connecticut credit union or federal credit union. The  
392 selling Connecticut bank must have been in existence and  
393 continuously operating for at least five years unless the commissioner  
394 waives this requirement. The commissioner shall not approve such  
395 sale if such acquiring bank or credit union, including all insured  
396 depository institutions which are affiliates of the bank or credit union,  
397 upon consummation of the sale, would control thirty per cent or more  
398 of the total amount of deposits of insured depository institutions in  
399 this state, unless the commissioner permits a greater percentage of  
400 such deposits. Approval under this subsection shall not be required if  
401 approval under section 36a-210 is required for such sale.

402 (j) With the approval of the commissioner, a Connecticut bank may  
403 establish a branch, limited branch or mobile branch outside of this  
404 state in accordance with applicable law. The commissioner shall not  
405 grant such approval, unless: (1) The commissioner finds, in accordance  
406 with regulations adopted pursuant to chapter 54, that the Connecticut  
407 bank has a record of compliance with the requirements of the  
408 Community Reinvestment Act of 1977, 12 USC 2901 et seq., as from  
409 time to time amended, sections 36a-30 to 36a-33, inclusive, to the extent  
410 applicable, and applicable consumer protection laws; (2) the  
411 Connecticut bank is adequately capitalized and the commissioner  
412 determines that it will continue to be adequately capitalized; and (3)  
413 the Connecticut bank is adequately managed and the commissioner  
414 determines that it will continue to be adequately managed. The  
415 commissioner may examine and supervise the out-of-state branches of  
416 any such Connecticut bank and may enter into agreements with other  
417 state or federal banking regulators or similar regulators in a foreign  
418 country concerning such examinations or supervision. Any such  
419 agreement may include provisions concerning the assessment or  
420 sharing of fees for such examination or supervision.

421 (k) Any Connecticut bank may relocate outside of this state any  
422 branch or limited branch established outside of this state in accordance  
423 with such notice to customers and other requirements as the  
424 commissioner may prescribe, provided the bank submits written  
425 notice to the commissioner not later than thirty days prior to the date  
426 of such relocation.

427 (l) Any Connecticut bank may consolidate outside of this state any  
428 branch or limited branch established outside of this state in accordance  
429 with such notice to customers and other requirements as the  
430 commissioner may prescribe, provided the bank submits written  
431 notice to the commissioner not later than thirty days prior to the date  
432 of such consolidation.

433 (m) With the approval of the commissioner, a Connecticut bank may  
434 sell a branch, limited branch or mobile branch established outside of  
435 this state. The selling Connecticut bank must have been in existence  
436 and continuously operating for at least five years unless the  
437 commissioner waives this requirement. Approval under this  
438 subsection shall not be required if approval under section 36a-210 is  
439 required for such sale.

440 (n) Upon receipt of an application pursuant to subdivision (1) of  
441 subsection (b), subdivisions (1) and (4) of subsection (c), subdivision  
442 (1) of subsection (d) or subsection (j) of this section, the commissioner  
443 shall cause notice of the application to be published in the  
444 department's weekly bulletin. The commissioner shall determine  
445 whether the applicant is an eligible entity, as defined in section 36a-34,  
446 as amended by this act, and shall promptly notify the applicant of such  
447 determination. An application by an eligible entity shall be deemed  
448 approved on the twelfth day after expiration of the comment period  
449 provided in the department's weekly bulletin, unless the commissioner  
450 informs the applicant, in writing, prior to such twelfth day, that (1) an  
451 adverse comment has been received that warrants additional  
452 investigation or review; (2) the application presents a significant

453 community reinvestment or compliance concern; (3) the application  
454 presents a significant supervisory concern or raises significant legal or  
455 policy issues; or (4) the application requires additional information.  
456 The application may be deemed approved prior to the expiration of the  
457 twelfth day if the commissioner issues a written notice of the  
458 commissioner's intent not to disapprove the application.

459 Sec. 5. Subdivision (4) of subsection (a) of section 36a-412 of the  
460 general statutes is repealed and the following is substituted in lieu  
461 thereof (*Effective from passage*):

462 (4) (A) [Except as provided in this section, the] The laws of this state,  
463 including laws regarding (i) community reinvestment pursuant to  
464 sections 36a-30 to 36a-33, inclusive; (ii) consumer protection pursuant  
465 to sections 36a-41 to 36a-45, inclusive, 36a-290 to 36a-304, inclusive,  
466 36a-306, 36a-307, 36a-315 to 36a-323, inclusive, 36a-645 to 36a-647,  
467 inclusive, 36a-690, 36a-695 to 36a-700, inclusive, 36a-705 to 36a-707,  
468 inclusive, 36a-715 to 36a-718, inclusive, 36a-725, 36a-726, 36a-755 to  
469 36a-759, inclusive, 36a-770 to 36a-788, inclusive, and 36a-800 to 36a-  
470 810, inclusive; (iii) fair lending pursuant to sections 36a-737, 36a-740  
471 and 36a-741; and (iv) establishment of interstate branches pursuant to  
472 section 36a-145, as amended by this act, shall apply to any branch in  
473 this state of an out-of-state bank, other than a federally-chartered out-  
474 of-state bank, to the same extent as such laws [would apply if the  
475 branch were a federal bank, provided the following laws shall apply to  
476 any branch in this state of an out-of-state bank to the same extent as  
477 such laws apply to a branch of a Connecticut bank: (i) Community  
478 reinvestment laws including sections 36a-30 to 36a-33, inclusive, (ii)  
479 consumer protection laws including sections 36a-41 to 36a-45,  
480 inclusive, 36a-290 to 36a-304, inclusive, 36a-306, 36a-307, 36a-315 to  
481 36a-323, inclusive, 36a-645 to 36a-647, inclusive, 36a-690, 36a-695 to  
482 36a-700, inclusive, 36a-705 to 36a-707, inclusive, 36a-715 to 36a-718,  
483 inclusive, 36a-725, 36a-726, 36a-755 to 36a-759, inclusive, 36a-770 to  
484 36a-788, inclusive, and 36a-800 to 36a-810, inclusive, (iii) fair lending  
485 laws including sections 36a-16, 36a-737, 36a-740 and 36a-741, and (iv)

486 branching laws including sections 36a-23 and 36a-145] apply to a  
487 branch in this state of an out-of-state national banking association.

488 (B) [Except as provided in this section, an] An out-of-state bank,  
489 other than a federally-chartered out-of-state bank, that establishes a  
490 branch in this state may conduct any activity at such branch [(i) if such  
491 activity] that is permissible under the laws of the home state of such  
492 out-of-state bank, [and (ii)] to the [same] extent [as] such activity is  
493 permissible [for] either for a Connecticut bank or for a branch in this  
494 state of [a federally-chartered] an out-of-state [bank] national banking  
495 association. If the commissioner determines that a branch in this state  
496 of an out-of-state bank, other than a federally-chartered out-of-state  
497 bank, is being operated in violation of any applicable law of this state  
498 or in an unsafe and unsound manner, the commissioner may take any  
499 enforcement action authorized under this title against such out-of-state  
500 bank to the same extent as if such branch were a Connecticut bank,  
501 provided the commissioner shall promptly give notice of such action  
502 to the home state banking regulator of such out-of-state bank and, to  
503 the extent practicable, shall consult and cooperate with such regulator  
504 in pursuing and resolving such action. For purposes of this  
505 subparagraph, "activity" includes acquiring or retaining any  
506 investment.

507 Sec. 6. (NEW) (*Effective from passage*) Each financial institution shall  
508 comply with the applicable provisions of Section 670 of the John  
509 Warner National Defense Authorization Act for Fiscal Year 2007,  
510 Public Law 109-364, and 32 CFR 232, as amended from time to time,  
511 that limit the interest rate that may be charged on consumer credit to  
512 members of the armed services and their dependents. Whenever it  
513 appears that any financial institution has violated, is violating or is  
514 about to violate any of such applicable provisions, the commissioner  
515 may take action against such financial institution in accordance with  
516 sections 36a-50 and 36a-52 of the general statutes. The Banking  
517 Commissioner may enter into agreements with the United States  
518 Department of Defense to enhance the communication and exchange

519 of information relating to financial institutions to achieve prompt and  
 520 effective resolution and redress of consumer complaints and alleged  
 521 violations of Section 670 of the John Warner National Defense  
 522 Authorization Act for Fiscal Year 2007, Public Law 109-364, and 32  
 523 CFR 232, as amended from time to time. For purposes of this section  
 524 "financial institution" means any Connecticut bank, Connecticut credit  
 525 union or other person whose lending activities in this state are subject  
 526 to 32 CFR 232, as amended from time to time.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	36a-3
Sec. 2	<i>from passage</i>	36a-34
Sec. 3	<i>from passage</i>	36a-65(d)(1)(K)
Sec. 4	<i>from passage</i>	36a-145
Sec. 5	<i>from passage</i>	36a-412(a)(4)
Sec. 6	<i>from passage</i>	New section

**Statement of Purpose:**

To eliminate the requirement that banks submit a Community Reinvestment Act plan with certain applications provided certain conditions are met and unless the Banking Commissioner determines the submission of such a plan is appropriate; to eliminate the application fee required for approval to acquire, alter or improve real estate when such application is filed with an application to relocate a main office of a Connecticut bank; to authorize Connecticut banks to establish special need limited branches to participate in financial education programs; to conform Connecticut's interstate banking law to federal law; and to require financial institutions to comply with the John Warner National Defense Authorization Act, to authorize the commissioner to take enforcement action for violations of such act and to authorize the commissioner to enter into agreements with the United States Department of Defense to exchange information concerning consumer complaints and alleged violations of such act.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*