



**Substitute Senate Bill No. 617**

**Public Act No. 09-100**

**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:

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 Section 36a-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Other definitions applying to this title or to specified parts thereof and the sections in which they appear are:

- "Account". Sections 36a-155 and 36a-365.
- "Additional proceeds". Section 36a-746e.
- "Administrative expense". Section 36a-237.
- "Advance fee". Sections 36a-485 and 36a-615.
- "Advertise" or "advertisement". Section 36a-485.
- "Agency bank". Section 36a-285.
- "Alternative mortgage loan". Section 36a-265.
- "Amount financed". Section 36a-690.
- "Annual percentage rate". Section 36a-690.
- "Annual percentage yield". Section 36a-316.
- "Annuities". Section 36a-455a.
- "Applicant". Section 36a-736.
- "APR". Section 36a-746a.

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- "Assessment area". Section 36a-37.
- "Assets". Section 36a-70, as amended by this act.
- "Associate". Section 36a-184.
- "Associated member". Section 36a-458a.
- "Bank". Section 36a-30.
- "Bankers' bank". Section 36a-70, as amended by this act.
- "Banking business". Section 36a-425.
- "Basic services". Section 36a-437a.
- "Billing cycle". Section 36a-565.
- "Bona fide nonprofit organization". Section 36a-655.
- "Branch". Sections 36a-145, as amended by this act, 36a-410 and 36a-435b.
- "Branch office". Section 36a-485.
- "Branch or agency net payment entitlement". Section 36a-428n.
- "Branch or agency net payment obligation". Section 36a-428n.
- "Broker". Section 36a-746a.
- "Business and industrial development corporation". Section 36a-626.
- "Business and property in this state". Section 36a-428n.
- "Capital". Section 36a-435b.
- "Cash advance". Section 36a-564.
- "Cash price". Section 36a-770.
- "Certificate of incorporation". Section 36a-435b.
- "CHFA loan". Section 36a-760.
- "Closely related activities". Sections 36a-250 and 36a-455a.
- "Collective managing agency account". Section 36a-365.
- "Commercial vehicle". Section 36a-770.
- "Community bank". Section 36a-70, as amended by this act.
- "Community credit union". Section 36a-37.
- "Community development bank". Section 36a-70, as amended by this act.
- "Community reinvestment performance". Section 36a-37.

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"Connecticut holding company". Sections 36a-53 and 36a-410.

"Consolidate". Section 36a-145, as amended by this act.

"Construction loan". Section 36a-458a.

"Consumer". Sections 36a-155, 36a-676 and 36a-695.

"Consumer Credit Protection Act". Section 36a-676.

"Consumer debtor" and "debtor". Sections 36a-645 and 36a-800.

"Consumer collection agency". Section 36a-800.

"Consummation". Section 36a-746a.

"Controlling interest". Section 36a-276.

"Conventional mortgage rate". Section 36a-760.

"Corporate". Section 36a-435b.

"Credit". Sections 36a-645 and 36a-676.

"Credit manager". Section 36a-435b.

"Creditor". Sections 36a-676, 36a-695 and 36a-800.

"Credit card", "cardholder" and "card issuer". Section 36a-676.

"Credit clinic". Section 36a-700.

"Credit rating agency". Section 36a-695.

"Credit report". Section 36a-695.

"Credit sale". Section 36a-676.

"Credit union service organization". Section 36a-435b.

"Credit union service organization services". Section 36a-435b.

"De novo branch". Section 36a-410.

"Debt". Section 36a-645.

"Debt adjustment". Section 36a-655.

"Debt mutual fund". Sections 36a-275 and 36a-459a.

"Debt securities". Sections 36a-275 and 36a-459a.

"Debtor". Section 36a-655.

"Deliver". Section 36a-316.

"Deposit". Section 36a-316.

"Deposit account". Section 36a-316.

"Deposit account charge". Section 36a-316.

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"Deposit account disclosures". Section 36a-316.  
"Deposit contract". Section 36a-316.  
"Deposit services". Section 36a-425.  
"Depositor". Section 36a-316.  
"Director". Section 36a-435b.  
"Earning period". Section 36a-316.  
"Electronic payment instrument". Section 36a-596.  
"Eligible collateral". Section 36a-330.  
"Eligible entity". Section 36a-34, as amended by this act.  
"Equity mutual fund". Sections 36a-276 and 36a-459a.  
"Equity security". Sections 36a-276 and 36a-459a.  
"Executive officer". Sections 36a-263 and 36a-469c.  
"Expedited Connecticut bank". Section 36a-70, as amended by this act.  
"Federal Credit Union Act". Section 36a-435b.  
"Federal Home Mortgage Disclosure Act". Section 36a-736.  
"FHA loan". Section 36a-760.  
"Fiduciary". Section 36a-365.  
"Filing fee". Section 36a-770.  
"Finance charge". Sections 36a-690 and 36a-770.  
"Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316, 36a-330, 36a-435b, 36a-736 and 36a-755.  
"Financial records". Section 36a-41.  
"First mortgage loan". Sections 36a-485, 36a-705, 36a-715 and 36a-725.  
"Foreign banking corporation". Section 36a-425.  
"Fully indexed rate". Section 36a-760b.  
"General facility". Section 36a-580.  
"Global net payment entitlement". Section 36a-428n.  
"Global net payment obligation". Section 36a-428n.  
"Goods". Sections 36a-535 and 36a-770.  
"Graduated payment mortgage loan". Section 36a-265.  
"Guardian". Section 36a-365.

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"High cost home loan". Section 36a-746a.  
"Holder". Section 36a-596.  
"Home banking services". Section 36a-170.  
"Home banking terminal". Section 36a-170.  
"Home improvement loan". Section 36a-736.  
"Home purchase loan". Section 36a-736.  
"Home state". Section 36a-410.  
"Immediate family member". Section 36a-435b.  
"Insider". Section 36a-454b.  
"Installment loan contract". Sections 36a-535 and 36a-770.  
"Insurance". Section 36a-455a.  
"Insurance bank". Section 36a-285.  
"Insurance department". Section 36a-285.  
"Interest". Section 36a-316.  
"Interest rate". Section 36a-316.  
"Interim interest". Section 36a-746a.  
"Lender". Sections 36a-746a, 36a-760 and 36a-770.  
"Lessor". Section 36a-676.  
"License". Section 36a-626.  
"Licensee". Sections 36a-596 and 36a-626.  
"Limited branch". Section 36a-145, as amended by this act.  
"Limited facility". Section 36a-580.  
"Loan broker". Section 36a-615.  
"Loss". Section 36a-330.  
"Made in this state". Section 36a-770.  
"Main office". Section 36a-485.  
"Managing agent". Section 36a-365.  
"Manufactured home". Section 36a-457b.  
"Material litigation". Section 36a-596.  
"Member". Section 36a-435b.  
"Member business loan". Section 36a-458a.  
"Member in good standing". Section 36a-435b.

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- "Membership share". Section 36a-435b.
- "Mobile branch". [Section] Sections 36a-145, as amended by this act, and 36a-435b.
- "Money order". Section 36a-596.
- "Money transmission". Section 36a-365.
- "Mortgage". Section 36a-760g.
- "Mortgage broker". Sections 36a-485, 36a-705 and 36a-760.
- "Mortgage correspondent lender". Section 36a-485.
- "Mortgage insurance". Section 36a-725.
- "Mortgage lender". Sections 36a-485, 36a-705 and 36a-725.
- "Mortgage loan". Sections 36a-261, 36a-265, 36a-457b, 36a-485 and 36a-736.
- "Mortgage loan originator". Section 36a-485.
- "Mortgage rate lock-in". Section 36a-705.
- "Mortgage servicing company". Section 36a-715.
- "Mortgagor". Section 36a-715.
- "Motor vehicle". Section 36a-770.
- "Multiple common bond membership". Section 36a-435b.
- "Municipality". Section 36a-800.
- "Net outstanding member business loan balance". Section 36a-458a.
- "Net worth". Sections 36a-441a, 36a-458a and 36a-596.
- "Network". Section 36a-155.
- "Nonprime home loan". Section 36a-760.
- "Nonrefundable". Section 36a-498.
- "Note account". Sections 36a-301 and 36a-456b.
- "Office". Sections 36a-23, 36a-316 and 36a-485.
- "Officer". Section 36a-435b.
- "Open-end credit plan". Section 36a-676.
- "Open-end line of credit". Section 36a-760.
- "Open-end loan". Section 36a-565.
- "Organization". Section 36a-800.
- "Out-of-state holding company". Section 36a-410.

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"Outstanding". Section 36a-596.  
"Passbook savings account". Section 36a-316.  
"Payment instrument". Section 36a-596.  
"Periodic statement". Section 36a-316.  
"Permissible investment". Section 36a-596.  
"Person". Section 36a-184.  
"Post". Section 36a-316.  
"Prepaid finance charge". Section 36a-746a.  
"Prime quality". Section 36a-596.  
"Principal amount of the loan". Section 36a-485.  
"Processor". Section 36a-155.  
"Public deposit". Section 36a-330.  
"Purchaser". Section 36a-596.  
"Qualified financial contract". Section 36a-428n.  
"Qualified public depository" and "depository". Section 36a-330.  
"Real estate". Section 36a-457b.  
"Records". Section 36a-17.  
"Related person". Section 36a-53.  
"Relocate". Sections 36a-145, as amended by this act, and 36a-462a.  
"Residential property". Section 36a-485.  
"Resulting entity". Section 36a-34, as amended by this act.  
"Retail buyer". Sections 36a-535 and 36a-770.  
"Retail credit transaction". Section 42-100b.  
"Retail installment contract". Sections 36a-535 and 36a-770.  
"Retail installment sale". Sections 36a-535 and 36a-770.  
"Retail seller". Sections 36a-535 and 36a-770.  
"Reverse annuity mortgage loan". Section 36a-265.  
"Sales finance company". Sections 36a-535 and 36a-770.  
"Savings department". Section 36a-285.  
"Savings deposit". Section 36a-316.  
"Secondary mortgage loan". Section 36a-485.  
"Security convertible into a voting security". Section 36a-184.

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"Senior management". Section 36a-435b.  
"Share". Section 36a-435b.  
"Simulated check". Section 36a-485.  
"Single common bond membership". Section 36a-435b.  
"Special mortgage". Section 36a-760c.  
"Social purpose investment". Section 36a-277.  
"Standard mortgage loan". Section 36a-265.  
"Table funding agreement". Section 36a-485.  
"Tax and loan account". Sections 36a-301 and 36a-456b.  
"The Savings Bank Life Insurance Company". Section 36a-285.  
"Time account". Section 36a-316.  
"Travelers check". Section 36a-596.  
"Troubled Connecticut credit union". Section 36a-448a.  
"Unsecured loan". Section 36a-615.  
"Warehouse agreement". Section 36a-485.

Sec. 2. Subsection (b) of section 36a-14 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(b) The commissioner shall annually report to the Governor and the joint standing committee [on] of the General Assembly having cognizance of matters relating to banks on (1) the commissioner's administration of interstate banking pursuant to part I of chapter 666; and (2) the issuance of final certificates of authority to expedited Connecticut banks pursuant to section 36a-70, as amended by this act.

Sec. 3. Subsection (a) of section 36a-21 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(a) Notwithstanding any provision of state law and except as provided in subsection (b) of this section, the following records of the Department of Banking shall not be disclosed by the commissioner or

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any employee of the Department of Banking, or be subject to public inspection or discovery:

(1) Examination and investigation reports and information contained in or derived from such reports, including examination reports prepared by the commissioner or prepared on behalf of or for the use of the commissioner;

(2) Confidential supervisory or investigative information obtained from a state, federal or foreign regulatory or law enforcement agency; [and]

(3) Information obtained, collected or prepared in connection with examinations, inspections or investigations, and complaints from the public received by the Department of Banking, if such records are protected from disclosure under federal or state law or, in the opinion of the commissioner, such records would disclose, or would reasonably lead to the disclosure of: (A) Investigative information the disclosure of which would be prejudicial to such investigation, until such time as the investigation and all related administrative and legal actions are concluded; (B) personal or financial information, including account or loan information, without the written consent of the person or persons to whom the information pertains; or (C) information that would harm the reputation of any person or affect the safety and soundness of any person whose activities in this state are subject to the supervision of the commissioner, and the disclosure of such information under this subparagraph would not be in the public interest; and

(4) Information obtained, collected or prepared in connection with the organization of an expedited Connecticut bank prior to the issuance of a final certificate of authority to commence the business of a Connecticut bank pursuant to section 36a-70, as amended by this act.

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Sec. 4. Section 36a-34 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

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

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

[(2)] "Resulting entity" means: (A) In the case of an approval pursuant to section 36a-145 and subdivision (2) of subsection (a) of

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section 36a-412, the applicant; (B) in the case of an approval pursuant to section 36a-125, the resulting Connecticut bank; (C) in the case of an approval pursuant to section 36a-181, the Connecticut bank; (D) in the case of an approval pursuant to section 36a-411, the bank to be acquired or established; and (E) in the case of an approval pursuant to subdivision (1) of subsection (a) of section 36a-412, the bank to be acquired or the resulting bank.]

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

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

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

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

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

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

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most recent applicable community reinvestment performance evaluation, such bank or banking subsidiary will provide adequate services to meet the banking needs of all community residents, including low-income residents and moderate-income residents to the extent permitted by its charter or their charters. If the acquiring person is not a natural person, or if the acquiring person is a natural person who would be the beneficial owner of twenty-five per cent or more of any class of voting securities of the bank or holding company referred to in the acquisition statement, the finding as to the adequacy of services to be provided shall be based on a plan submitted by the acquiring person to the commissioner, in such form and containing such information as the commissioner may require, or, if acceptable to the commissioner, in accordance with an approved strategic plan prepared under federal CRA, or the relevant portion thereof, that is submitted by the acquiring person to the commissioner. Upon receiving any such plan, the commissioner shall make the plan available for public inspection and comment at the Department of Banking and cause notice of its submission and availability for inspection and comment to be published in the department's weekly bulletin. With the concurrence of the commissioner, the acquiring person shall publish, in the form of a legal advertisement in a newspaper having a substantial circulation in the area, notice of such plan's submission and availability for public inspection and comment. The notice shall state that the inspection and comment period will last for a period of thirty days from the date of publication. The commissioner shall not make such finding until the expiration of such thirty-day period. In making such finding, the commissioner shall consider, among other factors, whether the plan identifies specific unmet credit and consumer banking needs in the local community and specifies how such needs will be satisfied, provides for sufficient distribution of banking services among branches or satellite devices, or both, located in low-income neighborhoods, contains adequate assurances that banking services will be offered on a

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nondiscriminatory basis and demonstrates a commitment to extend credit for housing, small business and consumer purposes in low-income neighborhoods. The commissioner may exempt an acquiring person from the requirement that such acquiring person file a plan if the commissioner determines that the bank or banking subsidiary referred to in the acquisition statement is an eligible entity. If the acquiring person is a natural person who would be the beneficial owner of less than twenty-five per cent of all classes of voting securities of the bank or holding company referred to in the acquisition statement, the commissioner shall make the finding as to adequacy of services to be provided based on the commitment of the acquiring person to use the acquiring person's best efforts to cause such bank or banking subsidiaries of such holding company to provide such services. The commissioner shall not make a determination stating that the commissioner does not disapprove such offer, invitation, request, agreement or acquisition if such offer, invitation, request, agreement or acquisition would result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in this state or if the commissioner should determine that the effect of the proposed offer, invitation, request, agreement or acquisition may be to substantially lessen competition, or would tend to create a monopoly, or would be in restraint of trade, unless the commissioner finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Sec. 5. Subdivision (1) of subsection (d) of section 36a-65 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(d) (1) The fee for investigating and processing each application is as

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follows:

(A) Establishment of (i) a branch under subdivision (1) of subsection (b) of section 36a-145, two thousand dollars; (ii) a mobile branch under subdivision (1) of subsection (d) of section 36a-145, one thousand five hundred dollars; (iii) a limited branch under subdivision (1) of subsection (c) of section 36a-145, one thousand five hundred dollars; (iv) a special need limited branch under subdivision (4) of subsection (c) of section 36a-145, as amended by this act, five hundred dollars; (v) an out-of-state branch under subsection (j) of section 36a-145, a reasonable fee not to exceed two thousand dollars from which any fees paid to a state other than this state or to a foreign country in connection with the establishment shall be deducted; and (vi) an out-of-state limited or mobile branch under subsection (j) of section 36a-145, a reasonable fee not to exceed one thousand five hundred dollars from which any fees paid to a state other than this state or to a foreign country in connection with the establishment shall be deducted.

(B) Sale of (i) a branch under subsection (i) of section 36a-145, two thousand dollars, except there shall be no fee for the sale of a branch of a Connecticut bank to another Connecticut bank or to a Connecticut credit union; and (ii) a limited branch, including a special need limited branch or mobile branch under subsection (i) of section 36a-145, a fee not to exceed one thousand five hundred dollars.

(C) Relocation of (i) a main office of a Connecticut bank under subsection (a) of section 36a-81, two thousand dollars; and (ii) a branch or a limited branch under subsection (g) of section 36a-145, five hundred dollars.

(D) Conversions from (i) a branch to a limited branch under subdivision (3) of subsection (c) of section 36a-145; and (ii) a limited branch to a branch under subdivision (3) of subsection (b) of section 36a-145, five hundred dollars.

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(E) Merger or consolidation involving a Connecticut bank under section 36a-125 or subsection (a) of section 36a-126, two thousand five hundred dollars if two institutions are involved and five thousand dollars if three or more institutions are involved.

(F) Acquisition of assets or business under section 36a-210, two thousand five hundred dollars.

(G) Organization of a holding company under section 36a-181, two thousand five hundred dollars.

(H) Organization of any Connecticut bank under section 36a-70, as amended by this act, including the conditional preliminary approval for an expedited bank, fifteen thousand dollars, except no fee shall be required for the organization of an interim Connecticut bank.

(I) Reorganization of a mutual savings bank or mutual savings and loan association into a mutual holding company under section 36a-192, five thousand dollars.

(J) Conversions under (i) sections 36a-135 to 36a-138, inclusive, five thousand dollars; (ii) sections 36a-139, 36a-139a and 36a-469c, two thousand five hundred dollars; and (iii) section 36a-139b, fifteen thousand dollars.

(K) Acquiring, altering or improving real estate for present or future use in the business of the bank or purchasing real estate adjoining any parcel of real estate owned by the bank under subdivision (33) of subsection (a) of section 36a-250, five hundred dollars, except that no fee shall be charged for such application if it is filed in connection with an application to relocate a main office of a Connecticut bank under subsection (a) of section 36a-81 or establish (i) a branch in this state under subdivision (1) of subsection (b) of section 36a-145, as amended by this act, (ii) a limited branch in this state under subdivision (1) of subsection (c) of section 36a-145, as amended by this act, or (iii) a

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branch or limited branch outside of this state under subsection (j) of section 36a-145, as amended by this act.

(L) Investigation and processing an interstate banking transaction application filed under section 36a-411 or 36a-412, two thousand five hundred dollars, unless the transaction otherwise requires an investigation and processing fee under this section.

(M) Issuance of a final certificate of authority for an expedited Connecticut bank, except for a conditional preliminary approval, fifteen thousand dollars.

Sec. 6. Subsection (p) of section 36a-70 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(p) (1) One or more persons may organize an interim Connecticut bank solely [(1)] (A) for the acquisition of an existing bank, whether by acquisition of stock, by acquisition of assets, or by merger or consolidation, or [(2)] (B) to facilitate any other corporate transaction authorized by this title in which the commissioner has determined that such transaction has adequate regulatory supervision to justify the organization of an interim Connecticut bank. Such interim Connecticut bank shall not accept deposits or otherwise commence business. Subdivision (2) of subsection (c) and subsections (d), (f), (g), (h) and (o) of this section shall not apply to the organization of an interim bank, provided the commissioner may, in the commissioner's discretion, order a hearing under subsection (e) or require that the organizers publish or mail the proposed certificate of incorporation or both. The approving authority for an interim Connecticut bank shall be the commissioner acting alone. If the approving authority determines that the organization of the interim Connecticut bank complies with applicable law, the approving authority shall issue a temporary certificate of authority conditioned on the approval by the appropriate

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supervisory agency of the corporate transaction for which the interim Connecticut bank is formed.

(2) (A) Notwithstanding any provision of this title, for the period from October 1, 2009, to September 30, 2011, inclusive, one or more persons may apply to the commissioner for the conditional preliminary approval of an expedited Connecticut bank organized primarily for the purpose of assuming liabilities and purchasing assets from the Federal Deposit Insurance Corporation when the Federal Deposit Insurance Corporation is acting as receiver or conservator of an insured depository institution. The person or persons organizing an expedited Connecticut bank shall execute, acknowledge and file with the commissioner an application to organize. Such application shall be made on a form acceptable to the commissioner and shall contain sufficient information for the commissioner to evaluate (i) the amount, type and sources of capital that would be available to the bank; (ii) the ownership structure and holding companies, if any, over the bank; (iii) the identity, biographical information and banking experience of each of the initial organizers and prospective initial directors, senior executive officers and any individual, group or proposed shareholders of the bank that will own or control ten per cent or more of the stock of the bank; (iv) the overall strategic plan of the organizers and investors for the bank; and (v) a preliminary business plan outlining intended product and business lines, retail branching plans and capital, earnings and liquidity projections. The commissioner, acting alone, shall grant conditional preliminary approval of such application to organize if the commissioner determines that the organizers have available sufficient committed funds to invest in the bank; the organizers and proposed directors possess capacity and fitness for the duties and responsibilities with which they will be charged; the proposed bank charter has a reasonable chance of success and will be operated in a safe and sound manner; and the fee for investigating and processing the application has been paid in accordance with subparagraph (H) of subdivision (1)

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of subsection (d) of section 36a-65, as amended by this act. Such preliminary approval shall be subject to such conditions as the commissioner deems appropriate, including the requirements that the bank not commence the business of a Connecticut bank until after its bid or application for a particular insured depository institution is accepted by the Federal Deposit Insurance Corporation, that the background checks are satisfactory, and that the organizers submit, for the safety and soundness review by the commissioner, more detailed operating plans and current financial statements as potential acquisition transactions are considered, and such plans and statements are satisfactory to the commissioner. The commissioner may alter, suspend or revoke the conditional preliminary approval if the commissioner deems any interim development warrants such action. The conditional preliminary approval shall expire eighteen months from the date of approval, unless extended by the commissioner, if the bank has not commenced business and consummated an initial acquisition.

(B) The commissioner shall not issue a final certificate of authority to commence the business of a Connecticut bank until all conditions and preopening requirements and applicable state and federal regulatory requirements have been met and the fee for assuming liabilities and purchasing assets has been paid in accordance with subparagraph (M) of subdivision (1) of subsection (d) of section 36a-65, as amended by this act. The commissioner may waive any requirement under this title or regulations adopted under this title that is necessary for the consummation of a bank acquisition involving an expedited Connecticut bank if the commissioner finds that such waiver is advisable and in the interest of depositors or the public, provided the commissioner shall not waive the requirement that the institution's insurable accounts or deposits be federally insured. Any such waiver granted by the commissioner under this subparagraph shall be in writing and shall set forth the reason or reasons for the waiver. The

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commissioner may impose conditions on the final certificate of authority as the commissioner deems necessary to ensure that the bank will be operated in a safe and sound manner. The commissioner shall cause notice of the issuance of the final certificate of authority to be published in the department's weekly bulletin.

Sec. 7. Subsection (a) of section 36a-110 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2009*):

(a) Except for dividends payable in shares of its capital stock, no capital stock Connecticut bank shall declare a dividend on its capital stock except from its net profits, unless the bank has received the prior approval of the commissioner. As used in this subsection, "net profits" means the remainder of all earnings from current operations. The total of all dividends declared by such bank in any calendar year shall not, unless specifically approved by the commissioner, exceed the total of its net profits of that year combined with its retained net profits of the preceding two years.

Sec. 8. Section 36a-145 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) As used in this section:

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

(2) "Commercial activities" means activities in which a bank holding company, as defined in 12 USC 1841(a)(1), a financial holding company, as defined in 12 USC 1841(p), a national banking association established under 12 USC 21, or a financial subsidiary of a national

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bank established under 12 USC 24a, may not engage under federal law.

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

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

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

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

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

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bank if the affiliate engages in commercial activities.

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

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

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

(2) For a period of three years following the issuance of its final

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certificate of authority pursuant to subsection (l) of section 36a-70, a Connecticut bank may, with thirty days' prior notice to the commissioner, establish a limited branch in this state if the proposed limited branch was approved as part of the application to organize such bank, unless the commissioner requires an approval pursuant to subdivision (1) of this subsection.

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

(4) [With] (A) Except as provided in subparagraph (B) of this subdivision, with the approval of the commissioner, any Connecticut bank may establish in this state a special need limited branch that provides limited services or is open for limited time periods in order to meet a special need of the neighborhood in which such limited branch is to be located. The commissioner shall not approve the establishment of a special need limited branch under this subdivision unless the commissioner considers such factors and makes such findings and determinations under subdivision (1) of this subsection as the commissioner deems necessary.

(B) Any Connecticut bank may establish in this state a special need limited branch that provides limited services or is open for limited time periods to participate or assist in a financial education program for high school students where, in connection with the program, deposits are received, checks are paid or money is lent, if: (i) The deposits are received, checks are paid and money is lent on school premises or a facility used by the high school; (ii) the receipt of

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deposits, paying of checks and lending of money are provided in accordance with the school's policy; (iii) the principal purpose of each program is financial education; and (iv) each program is conducted in a manner that is consistent with safe and sound banking practices, provided the Connecticut bank submits written notice to the commissioner not less than thirty days prior to the date of the establishment of such branch. The notice shall include a detailed description of the program, the location of the high school or facility at which the program will take place and any other information that the commissioner may require.

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

(d) (1) With the approval of the commissioner for each predetermined location, any Connecticut bank may establish in this state a mobile branch. The commissioner shall not approve the establishment of a mobile branch under this subsection unless the commissioner makes the considerations, findings and determinations required under subdivision (1) of subsection (c) of this section, provided that in the case of a mobile branch established in order to meet a special need of the neighborhood in which such mobile branch is to be located, the commissioner shall not approve such establishment unless the commissioner makes the considerations and determinations required under subdivision (4) of subsection (c) of this section.

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

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Connecticut bank.

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

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

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

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

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

(3) (A) A Connecticut bank which proposes to close any mobile branch shall submit to the commissioner a notice of the proposed

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closing not later than thirty days prior to the date proposed for such closing. The notice shall include a detailed statement of the reasons for the decision to close the mobile branch and the statistical and other information in support of such reasons. After receipt of the notice, the commissioner may require the Connecticut bank to submit any additional information.

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

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

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

(i) With the approval of the commissioner, a Connecticut bank may sell a branch, limited branch or mobile branch established in this state to any bank, Connecticut credit union or federal credit union. The selling Connecticut bank must have been in existence and continuously operating for at least five years unless the commissioner waives this requirement. The commissioner shall not approve such sale if such acquiring bank or credit union, including all insured depository institutions which are affiliates of the bank or credit union, upon consummation of the sale, would control thirty per cent or more

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of the total amount of deposits of insured depository institutions in this state, unless the commissioner permits a greater percentage of such deposits. Approval under this subsection shall not be required if approval under section 36a-210 is required for such sale.

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

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

(l) Any Connecticut bank may consolidate outside of this state any branch or limited branch established outside of this state in accordance

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with such notice to customers and other requirements as the commissioner may prescribe, provided the bank submits written notice to the commissioner not later than thirty days prior to the date of such consolidation.

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

(n) Upon receipt of an application pursuant to subdivision (1) of subsection (b) of this section, subdivisions (1) and (4) of subsection (c) of this section, subdivision (1) of subsection (d) of this section or subsection (j) of this section, the commissioner shall cause notice of the application to be published in the department's weekly bulletin. The commissioner shall determine whether the applicant is an eligible entity, as defined in section 36a-34, as amended by this act, and shall promptly notify the applicant of such determination. An application by an eligible entity shall be deemed approved on the twelfth day after expiration of the comment period provided in the department's weekly bulletin, unless the commissioner informs the applicant, in writing, prior to such twelfth day, that (1) an adverse comment has been received that warrants additional investigation or review; (2) the application presents a significant community reinvestment or compliance concern; (3) the application presents a significant supervisory concern or raises significant legal or policy issues; or (4) the application requires additional information. The application may be deemed approved prior to the expiration of the twelfth day if the commissioner issues a written notice of the commissioner's intent not to disapprove the application.

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Sec. 9. Subdivision (4) of subsection (a) of section 36a-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) (A) [Except as provided in this section, the] The laws of this state, including laws regarding (i) community reinvestment pursuant to sections 36a-30 to 36a-33, inclusive; (ii) consumer protection pursuant to sections 36a-41 to 36a-45, inclusive, 36a-290 to 36a-304, inclusive, 36a-306, 36a-307, 36a-315 to 36a-323, inclusive, 36a-645 to 36a-647, inclusive, 36a-690, 36a-695 to 36a-700, inclusive, 36a-705 to 36a-707, inclusive, 36a-715 to 36a-718, inclusive, 36a-725, 36a-726, 36a-755 to 36a-759, inclusive, 36a-770 to 36a-788, inclusive, and 36a-800 to 36a-810, inclusive; (iii) fair lending pursuant to sections 36a-737, 36a-740 and 36a-741; and (iv) establishment of interstate branches pursuant to section 36a-145, as amended by this act, shall apply to any branch in this state of an out-of-state bank, other than a federally-chartered out-of-state bank, to the same extent as such laws [would apply if the branch were a federal bank, provided the following laws shall apply to any branch in this state of an out-of-state bank to the same extent as such laws apply to a branch of a Connecticut bank: (i) Community reinvestment laws including sections 36a-30 to 36a-33, inclusive, (ii) consumer protection laws including sections 36a-41 to 36a-45, inclusive, 36a-290 to 36a-304, inclusive, 36a-306, 36a-307, 36a-315 to 36a-323, inclusive, 36a-645 to 36a-647, inclusive, 36a-690, 36a-695 to 36a-700, inclusive, 36a-705 to 36a-707, inclusive, 36a-715 to 36a-718, inclusive, 36a-725, 36a-726, 36a-755 to 36a-759, inclusive, 36a-770 to 36a-788, inclusive, and 36a-800 to 36a-810, inclusive, (iii) fair lending laws including sections 36a-16, 36a-737, 36a-740 and 36a-741, and (iv) branching laws including sections 36a-23 and 36a-145] apply to a branch in this state of an out-of-state national banking association.

(B) [Except as provided in this section, an] An out-of-state bank, other than a federally-chartered out-of-state bank, that establishes a

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branch in this state may conduct any activity at such branch [(i) if such activity] that is permissible under the laws of the home state of such out-of-state bank, [and (ii)] to the [same] extent [as] such activity is permissible [for] either for a Connecticut bank or for a branch in this state of [a federally-chartered] an out-of-state [bank] national banking association. If the commissioner determines that a branch in this state of an out-of-state bank, other than a federally-chartered out-of-state bank, is being operated in violation of any applicable law of this state or in an unsafe and unsound manner, the commissioner may take any enforcement action authorized under this title against such out-of-state bank to the same extent as if such branch were a Connecticut bank, provided the commissioner shall promptly give notice of such action to the home state banking regulator of such out-of-state bank and, to the extent practicable, shall consult and cooperate with such regulator in pursuing and resolving such action. For purposes of this subparagraph, "activity" includes acquiring or retaining any investment.

Sec. 10. (NEW) (*Effective from passage*) Each financial institution shall comply with the applicable provisions of Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, and 32 CFR 232, as amended from time to time, that limit the interest rate that may be charged on consumer credit to members of the armed services and their dependents. Whenever it appears that any financial institution has violated, is violating or is about to violate any of such applicable provisions, the commissioner may take action against such financial institution in accordance with sections 36a-50 and 36a-52 of the general statutes. The Banking Commissioner may enter into agreements with the United States Department of Defense to enhance the communication and exchange of information relating to financial institutions to achieve prompt and effective resolution and redress of consumer complaints and alleged violations of Section 670 of the John Warner National Defense

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Authorization Act for Fiscal Year 2007, Public Law 109-364, and 32 CFR 232, as amended from time to time. For purposes of this section "financial institution" means any Connecticut bank, Connecticut credit union or other person whose lending activities in this state are subject to 32 CFR 232, as amended from time to time.

Approved June 3, 2009