

TESTIMONY SUBMITTED TO THE BANKS COMMITTEE
February 25, 2009

Commissioner Howard F. Pitkin
Department of Banking

SB 54, AN ACT CONCERNING CONSUMER CREDIT LICENSES
SB 59, AAC BANKS AND CREDIT UNIONS
HB 5114, AAC TECHNICAL REVISIONS TO THE CONNECTICUT UNIFORM
SECURITIES ACT
HB 5186, AAC TECHNICAL REVISIONS TO THE SECURITIES AND BUSINESS
INVESTMENTS LAW OF CONNECTICUT

Good morning Chairman Duff, Chairman Barry and members of the committee. My name is Howard F. Pitkin and I am the Commissioner of the Connecticut Department of Banking. I am here to testify in favor of four pieces of legislation proposed by the agency.

The first bill I wish to comment on is **SB 54, AN ACT CONCERNING CONSUMER CREDIT LICENSES**. This proposal requires an applicant for a license under various provisions of the consumer credit statutes to provide the complete history of criminal convictions of the applicant and authorizing the agency to conduct a state and federal criminal history records check of such persons, and certain other related persons of such applicant. The bill authorizes the commissioner to deny an application for a license if the applicant or related persons of the applicant has been convicted of any misdemeanor or felony involving any aspect of the business for which a license is being sought. These actions are necessary to exclude such persons from engaging in the various types of consumer credit businesses.

The next bill I am here to speak on is **SB 59, AN ACT CONCERNING BANKS AND CREDIT UNIONS**. This proposal is necessary to clarify the fees for out-of-state branch relocations and to delete a redundant and confusing provision of the law.

The bill would allow the agency to grant investors conditional preliminary approval to organize more than one bank to acquire failed banks. It is unnecessary and unduly burdensome to have investors file another application for preliminary conditional approval in these instances. The department already will have checked the resources and suitability of the investors prior to issuing the preliminary approval. Moreover, the agency has the ability to impose conditions in the preliminary approval process with respect to the organization of subsequent banks to ensure that all capital and other requirements continue to be met.

This new provision authorizing Connecticut banks to merge with their nonbank affiliates would give these organizations flexibility with respect to corporate reorganizations and put them on a level playing field with national banks.

The next two agency bills are purely technical in nature.

HB 5114, AN ACT CONCERNING TECHNICAL REVISIONS TO THE CONNECTICUT UNIFORM SECURITIES ACT substitutes “sections 36b-2 to 36b-34, inclusive” for “sections 36b-2 to 36b-33, inclusive” wherever that phrase appears in Chapter 672a of the Connecticut General Statutes to reflect the addition of Section 36b-34 by Public Act 03-259. This is long overdue correction.

Finally, ***HB 5186, AN ACT CONCERNING TECHNICAL REVISIONS TO THE SECURITIES AND BUSINESS INVESTMENTS LAW OF CONNECTICUT*** makes technical revisions to certain provisions of Title 36b, the Securities and Business Investments Law of Connecticut.

Thank you for your attention to these matters and I am happy to answer any questions you may have.