



Senate

General Assembly

File No. 220

January Session, 2011

Senate Bill No. 908

Senate, March 28, 2011

The Committee on Banks reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING SECURED AND UNSECURED LENDING.

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

1 Section 1. Subdivision (21) of subsection (a) of section 36a-250 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2011*):

4 (21) Make secured and unsecured loans and issue letters of credit,
5 [as authorized by and subject to section 36a-260] except as otherwise
6 expressly limited by sections 36a-261 to 36a-265, inclusive.

7 Sec. 2. Section 36a-260 of the general statutes is repealed. (*Effective*
8 *October 1, 2011*)

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2011</i>	36a-250(a)(21)
Sec. 2	<i>October 1, 2011</i>	Repealer section

BA *Joint Favorable*

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

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

There is no fiscal impact to the state or municipalities as the bill makes changes to lending policies of banks which are private entities.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 908*****AN ACT CONCERNING SECURED AND UNSECURED LENDING.*****SUMMARY:**

This bill eliminates the requirement for banks that make secured and unsecured loans to annually adopt loan and loan review policies. Banks continue to be subject to any existing statutory limitations in making these loans.

Under current law, the loan policy must include (1) the application and approval process; (2) the types of loans offered, including underwriting guidelines and collateral requirements; (3) title review and insurance requirements; and (4) an evaluation and appraisal process. The bank's governing board must also develop reasonable internal controls to ensure compliance with its policy.

Also under current law, the loan review policy must establish standards to determine which loans are included in the review and ensure their compliance with the loan policy. The bank's governing board, or a committee it designates, must semiannually assess loan review policies, and the banking commissioner may examine them and any loan made under them for safe and sound banking practices.

EFFECTIVE DATE: October 1, 2011

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 17 Nay 0 (03/15/2011)