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Sen. Joseph Crisco, Senate Chairman
Rep. Robert Megna, House Chairman
Sen. Kevin Kelly, Ranking Member
Rep. Christopher Coutu, Ranking Member

Re: Testimony *In Support* of Raised House Bill 5437, *An Act Concerning Security Deposits*

Date: January 25, 2011 Public Hearing

Thank you for raising House Bill 5437, *An Act Concerning Security Deposits*, for public hearing and for consideration by the Insurance and Real Estate Committee. This issue was brought to my attention by a landlord who contacted the State Banking Department to inquire why landlords would be required to pay 1.50% interest on renter security deposits when banks are currently paying a fraction of that amount in interest. This situation reflects current statute in Connecticut. Other states, however, correlate and adjust the amount of interest required with current bank rates. It would seem reasonable that landlords should not be required to pay more interest than they collect on the renter security deposit accounts that landlords are required to maintain.

rHB 5437 seeks to remedy this inequitable circumstance, and to bring Connecticut statute into best practice by matching the amount of interest paid out by landlords with the current bank deposit rates.

I respectfully urge your consideration and support of this proposal. Thank you for offering rHB 5437 an opportunity for public input.