



Senate

General Assembly

File No. 141

January Session, 2013

Substitute Senate Bill No. 232

Senate, March 26, 2013

The Committee on Banks reported through SEN. LEONE of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO THE BANKING STATUTES.

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

1 Section 1. Subsection (a) of section 36a-17 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) The commissioner, in the commissioner's discretion, may, subject
5 to the provisions of section 36a-21 and the Freedom of Information
6 Act, as defined in section 1-200, [;] (1) make such public or private
7 investigations or examinations within or outside this state, concerning
8 any person subject to the jurisdiction of the commissioner, as the
9 commissioner deems necessary to carry out the duties of the
10 commissioner, (2) require or permit any person to testify, produce a
11 record or file a statement in writing, under oath, or otherwise as the
12 commissioner determines, as to all the facts and circumstances
13 concerning the matter to be investigated or about which an action or
14 proceeding is pending, and (3) publish information concerning any
15 violation of any provision of the general statutes within the jurisdiction

16 of the commissioner or any regulation or order adopted or issued
17 under such provision.

18 Sec. 2. Subsection (a) of section 36a-196 of the general statutes is
19 repealed and the following is substituted in lieu thereof (*Effective from*
20 *passage*):

21 (a) Following the reorganization of any mutual savings bank or
22 mutual savings and loan association pursuant to sections 36a-192 to
23 36a-199, inclusive, the reorganized savings institution of such mutual
24 holding company shall not sell or offer to sell its common stock or
25 securities convertible into common stock unless each eligible account
26 holder of the reorganized savings institution receives, without
27 payment, nontransferable subscription rights to purchase common
28 stock or securities convertible into common stock, as the case may be,
29 of the reorganized savings institution pursuant to a subscription
30 offering: (1) In which every eligible account holder may receive the
31 right, subject to modification in the event of an over-subscription to the
32 subscription offering by all eligible account holders, to purchase up to
33 a maximum of one-half of one per cent of the total number of the
34 shares of common stock or securities convertible into common stock,
35 as the case may be, being offered by the reorganized savings
36 institution; (2) in which every eligible account holder, regardless of
37 such account holder's relationship to the reorganized savings
38 institution, may participate at the same time as every other eligible
39 account holder; and (3) which offering shall precede any offering of the
40 reorganized savings institution's common stock or securities
41 convertible into common stock, as the case may be, to the members of
42 the general public. The terms of the subscription offering may provide
43 that any savings account with total balances of less than five hundred
44 dollars, or any lesser amount as determined by the governing board of
45 the reorganized savings institution, shall not constitute a qualifying
46 deposit for participation in the subscription offering. Not later than
47 fifteen days from the date of submission to the commissioner of a plan
48 outlining the terms of the subscription offering, the reorganized
49 savings institution shall mail by first class mail a notice to each eligible

50 account holder as of the eligibility record date indicating that: [(1)] (A)
51 The governing board of the reorganized savings institution has
52 approved the sale of a certain number of shares of common stock or
53 securities convertible into common stock, as the case may be; [(2)] (B)
54 such eligible account holder shall have nontransferable rights to
55 subscribe for shares of the common stock or securities convertible into
56 common stock, as the case may be, of the reorganized savings
57 institution; [(3)] (C) the holders of capital stock of the reorganized
58 savings bank shall have exclusive voting rights; [(4)] (D) the right to
59 subscribe to shares of common stock or securities convertible into
60 common stock, as the case may be, will expire unless such rights are
61 exercised by the eligible account holder within the time period
62 specified in such notice, which date shall not be less than sixty days
63 from the date of the submission to the commissioner of the plan
64 outlining the terms of the subscription offering; and [(5)] (E) in order to
65 obtain further information with respect to the subscription offering,
66 the eligible account holder shall indicate such eligible account holder's
67 interest to the reorganized savings institution by returning a postage
68 prepaid expression of interest sent by the reorganized savings
69 institution not later than the date set forth in the notice, which date
70 shall be not less than thirty days from the date of the submission to the
71 commissioner of the plan outlining the terms of the subscription
72 offering. In mailing such notice to eligible account holders, the
73 reorganized savings institution may rely upon the last-known valid
74 address of such account holder in its possession. The reorganized
75 savings institution shall have no further obligation to forward
76 information regarding the conversion offering to eligible account
77 holders who have not returned postage prepaid expressions of interest
78 or responded otherwise in writing to such notice.

79 Sec. 3. Subsection (c) of section 36a-380 of the general statutes is
80 repealed and the following is substituted in lieu thereof (*Effective from*
81 *passage*):

82 (c) As used in sections 36a-380 to 36a-386, inclusive, "entity" means a
83 corporation, joint stock company, association, partnership, limited

84 partnership, unincorporated organization, limited liability company or
85 similar organization, but does not include any corporation of which
86 the majority of the shares are owned by the United States or by any
87 state.

88 Sec. 4. Subdivision (15) of section 36a-485 of the general statutes is
89 repealed and the following is substituted in lieu thereof (*Effective from*
90 *passage*):

91 (15) "Mortgage broker" (A) means a person who (i) for
92 compensation or gain or with the expectation of compensation or gain
93 (I) takes a residential mortgage loan application, or (II) offers or
94 negotiates terms of a residential mortgage loan, and (ii) is not the
95 prospective source of the funds for the residential mortgage loan, and
96 (B) [but] does not include (i) an individual who is licensed as a
97 mortgage loan originator acting as a mortgage loan originator on
98 behalf of such mortgage loan originator's sponsoring mortgage lender,
99 mortgage correspondent lender, mortgage broker or exempt registrant,
100 or (ii) an individual exempt from mortgage loan originator licensure
101 under subdivision (2) of subsection (b) of section 36a-486 when acting
102 within the scope of such exemption;

103 Sec. 5. Subdivision (3) of subsection (c) of section 36a-534b of the
104 general statutes is repealed and the following is substituted in lieu
105 thereof (*Effective from passage*):

106 (3) Any person making any filing or submission of any information
107 on the system shall do so in accordance with the procedures and
108 requirements of the system and pay the applicable fees or charges to
109 the system. Each mortgage lender, mortgage correspondent lender,
110 mortgage broker, mortgage loan originator and loan processor or
111 underwriter licensee and each exempt registrant, to the extent required
112 by the system, shall timely submit to the system accurate reports of
113 condition that shall be in such form and shall contain such information
114 as the system may require. Failure by a licensee to submit a timely and
115 accurate report of condition shall constitute a violation of this
116 provision. Failure of an exempt registrant to timely and accurately

117 submit a report of condition shall form a basis to inactivate the licenses
 118 of all sponsored mortgage loan originators or loan processor or
 119 underwriters. To the extent that the system does not require
 120 submission of reports of condition by individual mortgage loan
 121 originator or loan processor or underwriter licensees, such individual
 122 licensees shall timely and accurately report all required information in
 123 their possession to their sponsor for purposes of their sponsor's
 124 reporting obligation. Failure of an individual licensee to timely and
 125 accurately report required information in [their] such licensee's
 126 possession to [their] such licensee's sponsor shall constitute a violation
 127 of this provision.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	36a-17(a)
Sec. 2	<i>from passage</i>	36a-196(a)
Sec. 3	<i>from passage</i>	36a-380(c)
Sec. 4	<i>from passage</i>	36a-485(15)
Sec. 5	<i>from passage</i>	36a-534b(c)(3)

BA *Joint Favorable Subst.*

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**

The bill has no fiscal impact upon the Department of Banking as the changes embodied in the bill are technical in nature.

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

OLR Bill Analysis

sSB 232

AN ACT CONCERNING REVISIONS TO THE BANKING STATUTES.

SUMMARY:

This bill makes technical changes in the banking statutes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Banks Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/14/2013)