



General Assembly

January Session, 2013

Raised Bill No. 232

LCO No. 587

00587 _____ BA_

Referred to Committee on BANKS

Introduced by:

(BA)

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-196 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) Following the reorganization of any mutual savings bank or
5 mutual savings and loan association pursuant to sections 36a-192 to
6 36a-199, inclusive, the reorganized savings institution of such mutual
7 holding company shall not sell or offer to sell its common stock or
8 securities convertible into common stock unless each eligible account
9 holder of the reorganized savings institution receives, without
10 payment, nontransferable subscription rights to purchase common
11 stock or securities convertible into common stock, as the case may be,
12 of the reorganized savings institution pursuant to a subscription
13 offering: (1) In which every eligible account holder may receive the
14 right, subject to modification in the event of an over-subscription to the
15 subscription offering by all eligible account holders, to purchase up to
16 a maximum of one-half of one per cent of the total number of the

17 shares of common stock or securities convertible into common stock,
18 as the case may be, being offered by the reorganized savings
19 institution; (2) in which every eligible account holder, regardless of
20 such account holder's relationship to the reorganized savings
21 institution, may participate at the same time as every other eligible
22 account holder; and (3) which offering shall precede any offering of the
23 reorganized savings institution's common stock or securities
24 convertible into common stock, as the case may be, to the members of
25 the general public. The terms of the subscription offering may provide
26 that any savings account with total balances of less than five hundred
27 dollars, or any lesser amount as determined by the governing board of
28 the reorganized savings institution, shall not constitute a qualifying
29 deposit for participation in the subscription offering. Not later than
30 fifteen days from the date of submission to the commissioner of a plan
31 outlining the terms of the subscription offering, the reorganized
32 savings institution shall mail by first class mail a notice to each eligible
33 account holder as of the eligibility record date indicating that: [(1)] (A)
34 The governing board of the reorganized savings institution has
35 approved the sale of a certain number of shares of common stock or
36 securities convertible into common stock, as the case may be; [(2)] (B)
37 such eligible account holder shall have nontransferable rights to
38 subscribe for shares of the common stock or securities convertible into
39 common stock, as the case may be, of the reorganized savings
40 institution; [(3)] (C) the holders of capital stock of the reorganized
41 savings bank shall have exclusive voting rights; [(4)] (D) the right to
42 subscribe to shares of common stock or securities convertible into
43 common stock, as the case may be, will expire unless such rights are
44 exercised by the eligible account holder within the time period
45 specified in such notice, which date shall not be less than sixty days
46 from the date of the submission to the commissioner of the plan
47 outlining the terms of the subscription offering; and [(5)] (E) in order to
48 obtain further information with respect to the subscription offering,
49 the eligible account holder shall indicate such eligible account holder's
50 interest to the reorganized savings institution by returning a postage

51 prepaid expression of interest sent by the reorganized savings
52 institution not later than the date set forth in the notice, which date
53 shall be not less than thirty days from the date of the submission to the
54 commissioner of the plan outlining the terms of the subscription
55 offering. In mailing such notice to eligible account holders, the
56 reorganized savings institution may rely upon the last-known valid
57 address of such account holder in its possession. The reorganized
58 savings institution shall have no further obligation to forward
59 information regarding the conversion offering to eligible account
60 holders who have not returned postage prepaid expressions of interest
61 or responded otherwise in writing to such notice.

62 Sec. 2. Subsection (c) of section 36a-380 of the general statutes is
63 repealed and the following is substituted in lieu thereof (*Effective from*
64 *passage*):

65 (c) As used in sections 36a-380 to 36a-386, inclusive, "entity" means a
66 corporation, joint stock company, association, partnership, limited
67 partnership, unincorporated organization, limited liability company or
68 similar organization, but does not include any corporation of which
69 the majority of the shares are owned by the United States or by any
70 state.

71 Sec. 3. Subdivision (15) of section 36a-485 of the general statutes is
72 repealed and the following is substituted in lieu thereof (*Effective from*
73 *passage*):

74 (15) "Mortgage broker" (A) means a person who (i) for
75 compensation or gain or with the expectation of compensation or gain
76 (I) takes a residential mortgage loan application, or (II) offers or
77 negotiates terms of a residential mortgage loan, and (ii) is not the
78 prospective source of the funds for the residential mortgage loan, and
79 (B) [but] does not include (i) an individual who is licensed as a
80 mortgage loan originator acting as a mortgage loan originator on
81 behalf of such mortgage loan originator's sponsoring mortgage lender,

82 mortgage correspondent lender, mortgage broker or exempt registrant,
83 or (ii) an individual exempt from mortgage loan originator licensure
84 under subdivision (2) of subsection (b) of section 36a-486 when acting
85 within the scope of such exemption;

86 Sec. 4. Subdivision (3) of subsection (c) of section 36a-534b of the
87 general statutes is repealed and the following is substituted in lieu
88 thereof (*Effective from passage*):

89 (3) Any person making any filing or submission of any information
90 on the system shall do so in accordance with the procedures and
91 requirements of the system and pay the applicable fees or charges to
92 the system. Each mortgage lender, mortgage correspondent lender,
93 mortgage broker, mortgage loan originator and loan processor or
94 underwriter licensee and each exempt registrant, to the extent required
95 by the system, shall timely submit to the system accurate reports of
96 condition that shall be in such form and shall contain such information
97 as the system may require. Failure by a licensee to submit a timely and
98 accurate report of condition shall constitute a violation of this
99 provision. Failure of an exempt registrant to timely and accurately
100 submit a report of condition shall form a basis to inactivate the licenses
101 of all sponsored mortgage loan originators or loan processor or
102 underwriters. To the extent that the system does not require
103 submission of reports of condition by individual mortgage loan
104 originator or loan processor or underwriter licensees, such individual
105 licensees shall timely and accurately report all required information in
106 their possession to their sponsor for purposes of their sponsor's
107 reporting obligation. Failure of an individual licensee to timely and
108 accurately report required information in [their] such licensee's
109 possession to [their] such licensee's sponsor shall constitute a violation
110 of this provision.

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

Section 1	<i>from passage</i>	36a-196(a)
Sec. 2	<i>from passage</i>	36a-380(c)
Sec. 3	<i>from passage:</i> (15	36a-485(15)
Sec. 4	<i>from passage</i>	36a-534b(c)(3)

Statement of Purpose:

To make revisions to the banking statutes.