



General Assembly

Amendment

January Session, 2013

LCO No. 8354

SB0091108354SD0

Offered by:

SEN. LEONE, 27th Dist.

REP. TONG, 147th Dist.

To: Subst. Senate Bill No. 911

File No. 238

Cal. No. 201

**"AN ACT CONCERNING MONEY TRANSMISSION, MORTGAGE
SERVICERS AND CONSUMER COLLECTION AGENCIES."**

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- 1 In line 177, strike "such applicant" and insert in lieu thereof "was"
 - 2 In line 181, strike "such"
 - 3 In line 182, strike "applicant" and insert in lieu thereof "was"
 - 4 In line 480, strike "transmission" and insert in lieu thereof
 - 5 "transmissions"
 - 6 In line 662, strike "such applicant" and insert in lieu thereof "was"
 - 7 In line 663, after "Commission" and before the comma insert "or, if
 - 8 the licensee is a wholly-owned subsidiary of a publicly-traded
 - 9 company, a copy of the parent company's most recent 10-K report that
 - 10 was filed with said commission"
 - 11 In line 666, strike "such applicant" and insert in lieu thereof "was"

- 12 In line 818, strike "(A)" and after "not" insert "(A)"
- 13 In lines 820 and 824, strike "any" and insert in lieu thereof "a"
- 14 Strike sections 20 to 37, inclusive, in their entirety and renumber the
15 remaining sections and internal references accordingly
- 16 In line 1595, strike the opening and closing brackets and "servicers"
- 17 In line T171, strike the opening and closing brackets
- 18 Strike sections 40 to 43, inclusive, in their entirety and renumber the
19 remaining sections and internal references accordingly
- 20 In line 1776, insert an opening bracket before "and" and strike
21 opening bracket before "(E)"
- 22 In line 1781, after "delinquent" insert the following: , (vi) a bank or
23 out-of-state bank, as defined in section 36a-2, and (vii) a subsidiary or
24 affiliate of a bank or out-of-state bank, to the extent such affiliate or
25 subsidiary is not primarily engaged in the business of purchasing and
26 collecting upon delinquent debts. For purposes of this subparagraph,
27 "account, bill or other indebtedness" shall not include debt secured by
28 real property
- 29 In line 1816, after "and" insert "(A)"
- 30 In line 1818, after "state" insert ", or (B) collects from consumer
31 debtors or property tax debtors who reside within this state for such
32 consumer collection agency's own account"
- 33 In line 2052, strike "by the creditor"
- 34 In line 2058, strike "inform" and insert in lieu thereof "provide the
35 following disclosure in type not less than ten-point informing"
- 36 In line 2059, strike "it is"
- 37 In line 2061, strike "1681c, (i)" and insert in lieu thereof "1681c:"

38 Strike lines 2062 to 2072, inclusive, in their entirety

39 In line 2073, strike "any credit reporting agencies;" and insert the
40 following in lieu thereof:

41 "The law limits how long you can be sued on a debt. Because of the
42 age of your debt, (INSERT OWNER NAME) will not sue you for it. If
43 you do not pay the debt, (INSERT OWNER NAME) may report or
44 continue to report it to the credit reporting agencies as unpaid"; and
45 (B) when collecting on debt that is past the date for obsolescence
46 provided for in Section 605(a) of the Fair Credit Reporting Act, 15 USC
47 1681c: "The law limits how long you can be sued on a debt. Because of
48 the age of your debt, (INSERT OWNER NAME) will not sue you for it
49 and (INSERT OWNER NAME) will not report it to any credit
50 reporting agencies.";

51 After the last section, add the following and renumber sections and
52 internal references accordingly:

53 "Sec. 501. Section 8 of substitute house bill 6339 of the current
54 session is repealed and the following is substituted in lieu thereof
55 (*Effective October 1, 2013*):

56 An exchange facilitator at all times shall: (1) Maintain an errors and
57 omissions policy of insurance in an amount not less than two hundred
58 fifty thousand dollars executed by an insurer authorized to do
59 business in this state; or (2) deposit an amount of cash or securities [;]
60 or [(3)] provide irrevocable letters of credit in an amount not less than
61 two hundred fifty thousand dollars.

62 Sec. 502. Subsection (a) of section 36a-802 of the general statutes is
63 repealed and the following is substituted in lieu thereof (*Effective*
64 *October 1, 2013*):

65 (a) No such license and no renewal thereof shall be granted to a
66 third party consumer collection agency unless the applicant has filed
67 with the commissioner a bond to the people of the state in the penal

68 sum of twenty-five thousand dollars, approved by the Attorney
69 General as to form and by the commissioner as to sufficiency of the
70 security thereof. Such bond shall be conditioned that such licensee
71 shall well, truly and faithfully account for all funds entrusted to the
72 licensee and collected and received by the licensee in the licensee's
73 capacity as a consumer collection agency. Any person who may be
74 damaged by the wrongful conversion of any creditor, consumer debtor
75 or property tax debtor funds received by such consumer collection
76 agency may proceed on such bond against the principal or surety
77 thereon, or both, to recover damages. The commissioner may proceed
78 on such bond against the principal or surety thereon, or both, to collect
79 any civil penalty imposed upon the licensee pursuant to subsection (a)
80 of section 36a-50. The proceeds of the bond, even if commingled with
81 other assets of the licensee, shall be deemed by operation of law to be
82 held in trust for the benefit of such claimants against the licensee in the
83 event of bankruptcy of the licensee and shall be immune from
84 attachment by creditors and judgment creditors. The bond shall run
85 concurrently with the period of the license granted to the applicant,
86 and the aggregate liability under the bond shall not exceed the penal
87 sum of the bond."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	October 1, 2013	HB ###0 (current session), Sec. 8
Sec. 502	October 1, 2013	36a-802(a)