OLR Bill Analysis

sHB 6339 (as amended by House “A” and “B”)*

AN ACT CONCERNING BANKS AND THE ECONOMIC DEVELOPMENT OF LOAN PRODUCTION OFFICES.

SUMMARY:

This bill makes a variety of changes in the banking laws as described in the section-by-section analysis below.

Among other things, the bill (1) prohibits the disclosure of non-public information contained in certain Banking Department examination reports and (2) allows Connecticut banks, with the banking commissioner’s approval, to establish loan production offices out of state.

The bill makes changes in the exchange facilitator laws. It requires exchange facilitators to (1) provide certain notifications to their clients; (2) maintain a set minimum fidelity bond or other accounts with certain stipulations; (3) maintain a specific amount of insurance coverage, deposit a specified amount of cash or securities, or provide a specified minimum amount in irrevocable letters of credit; and (4) follow certain rules for handling and investing funds. It allows the banking commissioner to adopt implementing regulations.

The bill makes changes in the public deposits laws. It:

1. restricts the types of investments that can be considered eligible collateral,

2. changes the collateralization requirements for qualified public depositories (QPD),

3. sets new thresholds that determine the trust accounts to which the funds must be transferred depending on whether the QPD is a bank or a credit union,

4. requires a QPD to determine and adjust the market value of eligible collateral on a monthly basis, and

5. changes the QPD's reporting requirements and establishes new filing requirements for holders of eligible collateral.

The bill requires the party to whom a municipality has assigned a tax lien, or any subsequent assignee, to provide written notice to the mortgage holder within 30 days after the assignment.

The bill decreases, from 60 to 45 days, the time in which an appraisal management company must pay an appraiser for an appraisal or valuation assignment. By law, the (1) time period starts when the appraiser transmits or otherwise provides the completed appraisal or valuation study to the company or its assignee and (2) deadline does not apply in cases of breach of contract or substandard performance of services or where the parties have mutually agreed upon an alternate payment schedule in writing.

The bill establishes the amount of certain debt securities that Connecticut banks may purchase or hold for their accounts.

Lastly, the bill makes technical and conforming changes.

*<u>House Amendment "A"</u> adds provisions related to (1) exchange facilitators for tax deferred exchanges, (2) QPDs, (3) assignment of tax liens on real property, and (4) investments by Connecticut banks.

*<u>House Amendment "B"</u> decreases, from 60 to 45 days, the time an appraisal management company operating in Connecticut has to pay an appraiser for an appraisal or valuation assignment.

EFFECTIVE DATE: October 1, 2013, except the provisions on Connecticut bank mergers, loan production offices, and QPDs are effective upon passage.

§§ 1-4 — BANKS AND THE ECONOMIC DEVELOPMENT OF LOAN PRODUCTION OFFICES

The bill prohibits directors, officers, employees, or agents of licensed business and industrial development corporations and entities licensed to act as trustees from disclosing non-public information contained in a licensee's Banking Department examination report without the banking commissioner's prior written consent. Under existing law, this restriction applies to Connecticut banks and Connecticut credit unions. By law a "business and industrial development corporation" is a person approved or seeking approval from the federal Small Business Administration as a participating lender under its loan guarantee programs.

The bill allows Connecticut banks, with the banking commissioner's approval, to establish loan production offices out of state, instead of just in state. A "loan production office" is an office whose activities are limited to loan production and solicitation.

Mergers with Affiliates

By law, a Connecticut bank can merge with one of its affiliates that is not a bank if the resulting institution is a Connecticut bank. The merger must be done in accordance with the law on merging Connecticut banks. The bill specifies that the affiliate is to be treated as a constituent bank for purposes of these merger proceedings. The bill maintains the exception that for issues related to corporate procedure and mergers, an affiliate should comply with the laws of the state under which it was organized.

§§ 5-12 — EXCHANGE FACILITATORS FOR TAX DEFERRED EXCHANGES.

Under federal law, a taxpayer can transfer certain property held for productive use in a trade or business or for investment (the "relinquished property") and subsequently receive "replacement property" of a like kind. If the taxpayer uses the replacement property for the same purpose as the relinquished property, the Internal Revenue Service (IRS) does not recognize a loss or a taxable gain from the transaction. The bill imposes requirements on people or businesses who act as exchange facilitators in these transactions.

§ 5 — Exchange Facilitators

The bill defines an "exchange facilitator" as a person or entity who:

1. maintains a Connecticut office to solicit business facilitating the exchange of like-kind property or

2. for a fee (a) facilitates an exchange of like-kind property by entering into an agreement with a client in which the facilitator acquires contractual rights to sell the client's relinquished Connecticut property and transfer a replacement property to the client, acting as an intermediary that qualifies under federal law, (b) enters into an agreement with a client to take title to a Connecticut property acting as an exchange accommodation titleholder that qualifies under federal law, or (c) enters into an agreement with a client to act as a qualified trustee or qualified escrow holder (see BACKGROUND).

An exchange facilitator does not include:

1. a financial institution acting solely as a (a) depository for exchange funds, (b) qualified escrow holder, or (c) qualified trustee, and not otherwise facilitating exchanges;

2. a person or entity (a) teaching seminars or classes or giving presentations to attorneys, accountants, or other professionals about tax-deferred exchanges or how to act as exchange facilitators or (b) advertising the seminars, classes, or presentations; or

3. an entity that an exchange facilitator or person representing one wholly owns and uses to facilitate exchanges or take title to Connecticut property as an exchange accommodation titleholder.

Under the bill, a "financial institution" is any state or federally chartered bank, credit union, savings and loan holding company, savings and loan association, savings bank, trust company, or trust bank whose accounts are insured by the full faith and credit of the United States, Federal Deposit Insurance Corporation, National Credit

Union Share Insurance Fund, or other similar program.

§ 6 — Notice of Change in Control

The bill generally requires an exchange facilitator to notify each existing client whose relinquished property is located in Connecticut or whose replacement property held under a qualified exchange accommodation agreement (see BACKGROUND) is in Connecticut of any change in control of the facilitator. This applies to any transfer or transfers within a 12-month period of more than 50% of the exchange facilitator's assets or ownership interests, directly or indirectly.

The clients must be notified within 10 business days of the change in control by fax, email, or first class mail.

The facilitator must also post a notice of change of control on his or her web site for at least 90 days after the change. The notice must state the name, address, and other contact information of the person who received control.

The notification requirement does not apply to publicly traded companies that remain publicly traded after a change in control.

§§ 7-10 — Financial Requirements and Handling Funds

The bill requires an exchange facilitator to, at all times:

1. maintain a minimum $1 million fidelity bond executed by an insurer authorized to do business in Connecticut;

2. deposit all exchange funds (funds the exchange facilitator receives from, or on behalf of, the client to facilitate an exchange of like-kind property) in a separately identified account and (b) provide that any withdrawals from that account require both the facilitator's and client's written authorizations by commercially reasonable means, including the client's delivery of authorization to the facilitator and the facilitator's delivery to the depository institution of its sole authorization, or delivery to the depository institution of both the client's and the facilitator's authorization; or

3. deposit all exchange funds in a qualified escrow account or qualified trust with a financial institution and require both the facilitator's and the taxpayer's written authorizations for any withdrawals (see BACKGROUND).

The bill also requires an exchange facilitator to, at all times, (1) maintain a minimum $250,000 errors and omissions insurance policy executed by a Connecticut authorized insurer or (2) deposit at least $250,000 cash or securities or provide at least $250,000 in irrevocable letters of credit.

Additionally, an exchange facilitator must:

1. hold all of the client's exchange funds, other than the facilitator's compensation, in a way that provides liquidity and preserves principal;

2. notify the client how the exchange funds will be invested or deposited; and

3. deposit or invest exchange funds in investments that satisfy liquidity and preservation of principal investment goals and meet the prudent investor standard.

Under Connecticut law, trustees must follow certain standards when investing and managing trust assets when the trust provisions are not explicit. Among the things, trustees must invest and manage assets as "prudent investors" would and use any special skills or expertise they have. This requirement is referred to as the "prudent investor standard. "

Under the bill, the facilitator violates the prudent investor standard if he or she:

1. knowingly commingles exchange funds with the exchange facilitator's operating accounts or

2. loans or transfers exchange funds to any person or entity affiliated with or related to the exchange facilitator. But, the

funds may be transferred pursuant to the exchange contract (a) to pay an exchange expense or complete the acquisition of the replacement property, (b) to deposit exchange funds with a financial institution, or (c) to an exchange accommodation titleholder, a trustee of a qualified trust, or a qualified escrow agent.

The bill allows exchange funds to be pooled. To "pool" is to (1) aggregate multiple clients' exchange funds for investment purposes to achieve common investment goals and efficiencies and (2) ensure that the exchange funds are readily identifiable to each client for whom they are held, through an accounting or subaccounting system.

Under the bill, exchange funds are not subject to execution or attachment on any claim against the exchange facilitator.

§§ 10-12 — Prohibited Conduct

The bill prohibits an exchange facilitator from knowingly keeping, or causing to be kept, any money in any financial institution under a client's name unless the money actually belongs to the client and the client entrusted it to the facilitator.

It also prohibits exchange facilitators or a facilitator's owners, officers, directors, and employees, from knowingly:

1. making any intentionally misleading material representations about any exchange facilitator transaction;

2. pursuing a continued or flagrant course of misrepresentation or making false statements through advertising or by other means;

3. failing, within a reasonable time, to account for any money or property belonging to another person that the exchange facilitator may possess or control;

4. engaging in fraudulent or dishonest dealings;

5. committing any crime related to the exchange facilitation business involving fraud, misrepresentation, deceit,

embezzlement, misappropriation of funds, robbery, or theft, except there is no violation if the crime was committed by an officer, director, or employee and (1) that individual's employment or appointment has been terminated and (2) no clients were harmed or those that were harmed received full restitution;

6. materially failing to fulfill the facilitator's contractual duties to the client to deliver property or funds to the client, unless the failure is due to circumstances beyond the facilitator's control; and

7. materially violating any of the bill's provisions regarding exchange facilitators or the regulations adopted pursuant to them.

The bill permits any person claiming to suffer damage due to the exchange facilitator's illegal actions to file a claim with the banking commissioner against the exchange facilitator to recover damages from such bonds, funds, or policies, or letters of credit set forth above.

The bill subjects any person who violates it to a possible civil suit and requires the person who commences the suit to notify the Department of Banking upon filing it.

§§ 13-15 — PUBLIC DEPOSITS.

The bill makes various changes to the public deposits laws.

Eligible Collateral

The bill changes the definition of eligible collateral, restricting the investments that are considered eligible collateral. In general:

1. United States treasury bills, notes, and bonds are still allowed as eligible collateral;

2. United States government agency securities and variable-rate securities have been limited to certain kinds;

3. government issued mortgage backed securities are allowed, but

privately-issued mortgage backed securities are not allowed;

4. mortgages are no longer allowed; and
5. state and municipal bonds are still allowed but under more restricted parameters.

Specifically, the bill defines "eligible collateral" as the following investments for which prices or values are quoted or readily available:

1. general obligations that the United States or Connecticut guarantees fully as to principal and interest or for which the United States or Connecticut pledges the full faith and credit for the payment of principal and interest;
2. general obligations of any federal agency, including government sponsored enterprises, which are not guaranteed fully as to principal and interest by the United States or for which the full faith and credit of the United States is not pledged for the payment of principal and interest;
3. mortgage pass-through or participation certificates or similar securities that the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or Government National Mortgage Association issued or guaranteed;
4. general obligations of municipalities and states other than this state that are rated in the three highest rating categories by a rating agency recognized by the banking commissioner; and
5. revenue obligations for essential services, including education, transportation, emergency, water, and sewer services of municipalities and states that are rated in the three highest rating categories by a rating agency recognized by the commissioner and that are determined to be a prudent investment by the QPD governing board, a management committee or board committee appointed by the governing board, or by an officer appointed by the governing board, management committee, or board committee.

Collateral Requirements

By law, each QPD must maintain at all times, separate from its other assets, a minimum amount of eligible collateral to secure public deposits (collateralization level). The bill establishes new minimum collateralization levels for a QPD depending on whether it (1) is or is not under a formal regulatory order, (2) has been conducting business in the state for less than two years, or (3) is an uninsured bank.

Under the bill, "formal regulatory order" means a written agreement related to enforcement, including a letter of understanding or agreement or a written order that a supervisory agency is required to publish or publishes on its website. It does not include any written agreement or order under which the QPD's sole obligation is to pay a civil penalty, fine, or restitution.

QPD Not Under a Formal Regulatory Order. The bill requires a QPD that is not under a formal regulatory order to maintain eligible collateral of at least 25% of all uninsured public deposits held by the QPD, with the following exceptions:

1. if the QPD is a bank or out-of-state bank having a tier one leverage ratio of at least 6% and a risk-based capital ratio of at least 12%, or is a credit union or federal credit union having a net worth ratio of at least 8%, the amount of eligible collateral must be at least 10% of all uninsured deposits held by the QPD; or

2. if the QPD is a bank or out-of-state bank having a tier one leverage ratio below 5% or a risk-based capital ratio below 10%, or is a credit union or federal credit union having a net worth ratio below 7%, the amount of eligible collateral must be at least 110% of all uninsured public deposits held by the QPD (see BACKGROUND).

QPD under a Formal Regulatory Order. The bill requires a QPD that is under a formal regulatory order to maintain eligible collateral of at least 110% of all uninsured public deposits held by the QPD. This does not apply when (1) the formal regulatory order is not related to capital, asset quality, earnings, or liquidity and (2) the QPD notifies each of its public depositors of the issuance of the order. In that case, the required collateral may be reduced as follows:

1. if the QPD is a bank or out-of-state bank having a tier one leverage ratio of at least 5% and risk-based capital ratio of at least 10% or a credit union or federal credit union having a net worth ratio of at least 7%, the QPD may reduce the required amount of eligible collateral to at least 75% of all uninsured public deposits held by the QPD; or

2. if the QPD is a bank or out-of-state bank having a tier one leverage ratio of at least 7.5% and a risk-based capital ratio of at least 14% or a credit union or federal credit union having a net worth ratio of at least 9.5%, the amount of eligible collateral may be reduced to at least 50% of all uninsured public deposits held by the QPD.

QPD Operating in the State for Less than Two Years or Uninsured Bank. The bill requires each QPD that (1) has been conducting business in Connecticut for less than two years, except for a successor institution to a depository that conducted business here for two years or more, or (2) is an uninsured bank, to maintain eligible collateral of at least 120% of all uninsured public deposits held by the QPD.

Eligible Collateral Amounts Determined by Agreement. By law, a QPD and a public depositor may agree on a collateralization level that is greater than the applicable statutory minimum amount required. Under current law, when determining the required statutory minimum, the amount of uninsured public deposit must be determined at the close of business on the day of receipt of any public deposit and any deficiency in the required amount of eligible collateral must be cured no later than the close of business on the following business day.

The bill maintains these requirements, but adds that in determining the minimum required amount of eligible collateral, the QPD's tier one leverage ratio and risk-based capital ratio or net worth ratio must be calculated, in accordance with applicable federal and state regulations, based on the most recent quarterly call report (see BACKGROUND). If, in subsequent calendar quarters, the depository experiences a decline in its tier one leverage ratio, risk-based capital ratio, or net worth ratio such that the agreed upon collateral level is lower than the applicable statutory minimum, the bill requires the QPD to increase the amount of eligible collateral maintained to the applicable statutory minimum. By law, the QPD must notify the commissioner of such actions.

Commissioner's Adjustment of Eligible Collateral Requirements. The bill allows the commissioner to increase the required collateralization level, up to a maximum amount of 120%, if he reasonably determines that the increase is necessary for the protection of public deposits. If he determines that the increase is no longer necessary, he may allow the QPD to reduce the amount to not less than the applicable statutory minimum required amount.

Segregation of Eligible Collateral from Other Assets. By law, each QPD must transfer, in a manner consistent with the commissioner's requirements, the eligible collateral that it maintains to an account separate from its own assets based on the QPD's risk-based capital ratio. The bill increases, from 8% to 10%, the risk-based capital ratio threshold and adds "tier one leverage ratio" as a new measure to determine the accounts to which the funds are to be transferred.

Specifically, if the QPD is a bank or out-of-state bank having a tier one leverage ratio of at least 5% or a risk-based capital ratio of at least 10%, the QPD must transfer eligible collateral to (1) its own trust department within the state, unless approved by the commissioner, (2) another financial institution's trust department within the state, unless approved by the commissioner, or (3) a federal reserve bank or federal home loan bank. If the QPD is a bank or out-of-state bank having a tier one leverage ratio below 5% or a risk-based capital ratio below 10% or a credit union or federal credit union, the QPD must transfer eligible collateral to (1) the trust department of a financial institution, located in the state, unless approved by the commissioner, that is not owned or controlled by the QPD or by a holding company owning or controlling the QPD, or (2) a federal reserve bank or federal home loan bank.

Other Eligible Collateral Requirements. The bill requires a QPD to determine and adjust the market value of eligible collateral on a monthly basis, instead of quarterly. The bill authorizes the commissioner to require the valuation of the collateral more frequently than monthly if necessary to protect public deposits.

By law, the commissioner has a perfected security interest in all eligible collateral held in the segregated trust accounts. Such interest has priority over all other perfected security interests and liens.

The bill requires each holder of eligible collateral to file a report with the commissioner, at the end of each calendar quarter, containing (1) the description and par value of each investment it holds as eligible collateral and (2) the CUSIP number (see BACKGROUND).

Under current law, the QPD has the right to reduce the amount of eligible collateral maintained if it gives written notice to its public depositors. The bill allows reductions without written notice, but limits reductions to amounts that are in excess of the applicable statutory minimum required amount. By law, a QPD can make substitutions of eligible collateral at any time without notice and keep the income from the assets.

The bill repeals the provisions that pertain to required minimum collateral market values and the requirements that pertain to QPDs that are subject to cease and desist orders.

QPD Reporting Requirements.

By law, each QPD must file a written report with the commissioner. The bill requires the report to include (1) the QPD’s tier one leverage ratio and risk-based capital ratio or net worth ratio, (2) uninsured and total amount of public deposits, and (3) the description and market value of any eligible collateral.

All other reporting requirements remain unchanged, including the requirements to (1) file the report on each call report date (2) certify the report under oath, (3) indicate the amount and name of the issuer of any letters of credit, and (4) provide a copy of the report to public depositors upon request. Failure to furnish any report or give any information as required will result in disqualification and loss of the right to receive public deposits.

§ 16 — NOTIFICATION OF SALE OF REAL PROPERTY TAX LIEN

The bill requires the party to whom a municipality has assigned a tax lien, or any subsequent assignee, to provide written notice to the mortgage holder within 30 days after the assignment.

The bill requires the notice to include (1) the name and address of the party to whom the tax lien was assigned; (2) the amount of unpaid taxes, interest, and fees as of the date of the assignment; and (3) information to identify the property.

§ 17 — INVESTMENTS BY CONNECTICUT BANKS

The bill establishes the amount of certain debt securities that Connecticut banks may purchase or hold for their accounts. It applies to:

1. general obligations of a federal agency, including government-sponsored enterprises, that are not guaranteed fully as to principal and interest by the United States or for which the United States does not pledge its full faith and credit for payment of principal and interest;

2. residential mortgage pass-through securities and other residential mortgage-backed securities, including collateralized mortgage obligations and real estate investment conduits issued or guaranteed by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, if at the time of issuance or guarantee they are operating under conservatorship or receivership of the Federal Housing Financing Authority; and

3. debt mutual funds where the portfolios of the investment

companies consist only of the type of investments described above.

For these types of investments, the bill allows the bank to purchase or hold them without regard to other liability to the bank of the maker, obligor, guarantor, or issuer if:

1. they are rated in the three highest rating categories by a rating service recognized by the banking commissioner or, if not rated, determined by the bank's governing board to be a prudent investment;

2. the total amount of these investments from any one maker, obligor, or issuer does not exceed 75% of the bank's total equity capital and reserves for loan and lease losses, unless the commissioner provides prior approval; and

3. the total amount of them does not exceed 50% of the bank's assets.

Currently, a Connecticut bank can purchase or hold the type of general obligations described above but must only meet the first condition regarding ratings.

BACKGROUND

Exchange Accommodation Titleholder and Qualified Exchange Accommodation Arrangement

Federal law allows an exchange accommodation titleholder (EAT), through a qualified exchange accommodation arrangement (QEAA) with a property's taxpayer, to act as the beneficial owner of a property for income tax purposes in order to facilitate a like-kind exchange. In order to do so, the EAT must (1) not be the taxpayer for the property or a disqualified person; (2) be subject to federal income tax; and (3) hold the legal title to the property, or other indicia of ownership such as a contract for deed (IRS Rev. Proc. 2000-37).

Qualified Intermediary

Federal law defines a qualified intermediary as a person involved in a taxpayer's transfer of relinquished property who (1) is not the taxpayer or a disqualified person and (2) enters into a QEAA, acquires the relinquished property from the taxpayer and transfers it, then acquires the replacement property and transfers it to the taxpayer (26 C.F.R. § 1.1031(k)-1(g)(4)).

Qualified Trust

According to federal law, a trustee and a taxpayer create a qualified trust through an agreement that expressly limits the taxpayer's rights to receive, pledge, borrow, or otherwise obtain the benefits of the cash or cash equivalent held by the trustee (26 C.F.R. § 1.1031(k)-1(g)(3)).

Qualified Escrow

An escrow holder and a taxpayer create a qualified escrow account through an agreement that expressly limits the taxpayer's rights to receive, pledge, borrow, or otherwise obtain the benefits of the cash or cash equivalent held in the escrow account (26 C.F.R. § 1.1031(k)-1(g)(3)).

Qualified Public Depository (QPD)

By law, “qualified public depository” or “depository” means a bank, Connecticut credit union, federal credit union, or an out-of-state bank that maintains a branch in the state, which receives or holds public deposits (CGS § 36a-330).

Public Deposit

“Public deposit” means (1) money of the state or its subdivisions, or any commission, committee, board or officer thereof; any housing authority; or any Connecticut court and (2) money held by the Judicial Department in a fiduciary capacity (CGS § 36a-330).

Uninsured Public Deposit

“Uninsured public deposit” means the portion of a public deposit that is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or by the National Credit Union Administration (NCUA). Amounts of a public deposit that are insured by FDIC or NCUA include amounts that have been redeposited, with the authorization of the public depositor, into deposit accounts in one or more federally insured banks, out-of-state banks, Connecticut credit unions, or federal credit unions, including the qualified public depository, provided the full amounts are eligible for insurance coverage by FDIC or NCUA (CGS § 36a-330).

Tier One Leverage Ratio

Tier one leverage ratio has the same meaning as "leverage ratio" which means the ratio of Tier 1 capital to total assets (12 CFR § 325.2).

Risk-based Capital Ratio

"Total risk-based capital ratio" is the ratio of qualifying total capital to risk-weighted assets, as calculated in accordance with the FDIC's Statement of Policy on Risk–Based Capital (12 CFR § 325.2).

Net Worth Ratio

Net worth ratio is the ratio of the net worth of the credit union to the total assets of the credit union (12 C.F.R. § 702.2(g)).

Net Worth

Net worth means the retained earnings balance of the credit union at the end of a quarter as determined under generally accepted accounting principles (12 C.F.R. § 702.2(f)).

Total Assets

For purposes of calculating net worth ratio, total assets means a credit union's total assets as measured by:

1. average quarterly balance, which is the average of quarter-end balances of the current and three preceding calendar quarters;

2. average monthly balance, which is the average of month-end balances over the three calendar months of the calendar quarter;

3. average daily balance, which is the average daily balance over the calendar quarter; or

4. quarter-end balance, which is the quarter-end balance of the

calendar quarter as reported on the credit union's call report ((12 C.F.R. § 702.2(k)).

CUSIP Number

CUSIP stands for Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most securities, including: stocks of all registered U.S. and Canadian companies and U.S. government and municipal bonds. The CUSIP system facilitates the clearing and settlement process of securities. The number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security.

Quarterly Call Report

All regulated financial institutions in the United States are required to file periodic financial and other information with their respective regulators and other parties. One of the key reports required to be filed is the quarterly Consolidated Report of Condition and Income, generally referred to as the “call report.” Call reports are due no later than 30 days after the end of each calendar quarter.

Related Bills

SB 827 (File 259), favorably reported by the Banks Committee, contains similar provisions related to QPDs.

SB 913 (File 188), favorably reported by the Banks Committee, contains similar provisions related to assignment of real property tax liens.

SB 5392 (File 276), favorably reported by the Banks Committee, contains similar provisions related to exchange facilitators.

SB 5638 (File 204), favorably reported by the Insurance and Real Estate Committee, contains similar provisions related to appraisal management companies.

COMMITTEE ACTION

Banks Committee

Joint Favorable Substitute

Yea	17	Nay	0	(03/14/2013)