



General Assembly

January Session, 2013

Amendment

LCO No. 5935

SB0082705935SD0

Offered by:

SEN. LEONE, 27th Dist.

REP. TONG, 147th Dist.

To: Subst. Senate Bill No. 827

File No. 259

Cal. No. 214

"AN ACT CONCERNING PUBLIC DEPOSITS."

1 Strike section 1 in its entirety and insert the following in lieu thereof:

2 "Section 1. Section 36a-330 of the general statutes is repealed and the
3 following is substituted in lieu thereof (*Effective from passage*):

4 As used in sections 36a-330 to 36a-338, inclusive, unless the context
5 otherwise requires:

6 (1) "Business day" means any day other than a Saturday, Sunday or
7 day on which a financial institution is closed as required or authorized
8 by state or federal law;

9 (2) "Close of business" means the time at which a financial
10 institution closes for regular business operations on any business day;

11 (3) "Eligible collateral" means [(A) United States treasury bills, notes
12 and bonds, (B) United States government agency securities, (C) United
13 States agency variable-rate securities, (D) mortgage pass-through or

14 participation certificates or similar securities, (E) performing one-to-
15 four-family residential mortgage loans that meet the following criteria:
16 (i) The mortgage loan has a loan-to-value ratio which is less than or
17 equal to eighty per cent for loans without private mortgage insurance,
18 or a loan-to-value ratio which is less than or equal to ninety-five per
19 cent for loans with private mortgage insurance; and (ii) the mortgage
20 loan has a payment history of not more than one payment over thirty
21 days in arrears during the past twelve consecutive months or, if the
22 loan has a payment history of less than twelve months in duration, the
23 loan meets the documentation requirements of the Federal National
24 Mortgage Association or the Federal Home Loan Mortgage
25 Corporation; provided, in the case of a subsequent default under any
26 such mortgage loan that continues uncured for more than sixty days,
27 such loan shall no longer qualify as eligible collateral and shall be
28 replaced by a performing mortgage loan that meets the criteria set
29 forth in this subdivision, and (F) state and municipal bonds] the
30 following investments for which prices or values are quoted or readily
31 available: (A) General obligations that are guaranteed fully as to
32 principal and interest by the United States or this state or for which the
33 full faith and credit of the United States or this state is pledged for the
34 payment of principal and interest; (B) general obligations of any
35 agency of the United States, including government sponsored
36 enterprises, which are not guaranteed fully as to principal and interest
37 by the United States or for which the full faith and credit of the United
38 States is not pledged for the payment of principal and interest; (C)
39 mortgage pass-through or participation certificates or similar securities
40 that have been issued or guaranteed by the Federal National Mortgage
41 Association, Federal Home Loan Mortgage Corporation or
42 Government National Mortgage Association; (D) general obligations of
43 municipalities and states other than this state that are rated in the three
44 highest rating categories by a rating agency recognized by the
45 commissioner; and (E) revenue obligations for essential services,
46 including education, transportation, emergency, water and sewer
47 services of municipalities and states that are rated in the three highest
48 rating categories by a rating agency recognized by the commissioner

49 and that are determined to be a prudent investment by the governing
50 board of the qualified public depository, by a management committee
51 or board committee appointed by such governing board or by an
52 officer appointed by such governing board, management committee or
53 board committee;

54 (4) "Financial institution" means a bank, Connecticut credit union,
55 federal credit union or an out-of-state bank that maintains in this state
56 a branch as defined in section 36a-410;

57 (5) "Loss" means issuance of an order of supervisory authority
58 restraining a qualified public depository from making payments of
59 deposit liabilities or the appointment of a receiver for a qualified
60 public depository;

61 (6) "Net worth ratio" has the same meaning as "net worth ratio" as
62 provided in 12 CFR 702.2, as from time to time amended;

63 [(6)] (7) "Public deposit" means (A) moneys of this state or of any
64 governmental subdivision of this state or any commission, committee,
65 board or officer thereof, any housing authority or any court of this
66 state and (B) moneys held by the Judicial Department in a fiduciary
67 capacity;

68 [(7)] (8) "Qualified public depository" or "depository" means a bank,
69 Connecticut credit union, federal credit union or an out-of-state bank
70 that maintains in this state a branch, as defined in section 36a-410,
71 which receives or holds public deposits and, to the extent applicable,
72 (A) segregates eligible collateral for public deposits as described in
73 section 36a-333, or (B) arranges for a letter of credit to be issued in
74 accordance with section 36a-337;

75 (9) "Risk-based capital ratio" has the same meaning as "total risk-
76 based capital ratio" as provided in Section 325.2 of Subpart 325 of the
77 Federal Deposit Insurance Corporation Rules and Regulations, as
78 amended from time to time;

79 (10) "Tier one leverage ratio" has the same meaning as "leverage
 80 ratio" as provided in Section 325.2 of Subpart 325 of the Federal
 81 Deposit Insurance Corporation Rules and Regulations, as amended
 82 from time to time; and

83 ~~[(8)]~~ (11) "Uninsured public deposit" means the portion of a public
 84 deposit that is not insured or guaranteed by the Federal Deposit
 85 Insurance Corporation or by the National Credit Union
 86 Administration. For purposes of this subdivision, amounts of a public
 87 deposit that are insured by the Federal Deposit Insurance Corporation
 88 or the National Credit Union Administration include amounts that
 89 have been redeposited, with the authorization of the public depositor,
 90 into deposit accounts in one or more federally insured banks, out-of-
 91 state banks, Connecticut credit unions or federal credit unions,
 92 including the qualified public depository, provided the full amounts so
 93 included are eligible for insurance coverage by the Federal Deposit
 94 Insurance Corporation or by the National Credit Union
 95 Administration."

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

Section 1	<i>from passage</i>	36a-330
-----------	---------------------	---------