



General Assembly

January Session, 2013

Amendment

LCO No. 7151

HB0635507151HRO

Offered by:
REP. ALBERTS, 50th Dist.

To: Subst. House Bill No. 6355 File No. 286 Cal. No. 196

"AN ACT CONCERNING HOMEOWNER PROTECTION RIGHTS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 36a-275 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective October 1, 2013*):

5 (a) As used in this section, the term "debt securities" means (1) any
6 marketable obligation evidencing indebtedness of any person in the
7 form of direct, assumed or guaranteed bonds, notes or debentures or
8 any security that has attributes similar to such marketable obligations;
9 (2) any obligation identified by certificates of participation in
10 investments described in subdivision (1) of this subsection in which a
11 Connecticut bank could invest directly; or (3) repurchase agreements,
12 and the term "debt mutual fund" means a partnership interest in,
13 shares of stock of, units of beneficial interest in or other ownership
14 interest in any one investment company registered under the
15 Investment Company Act of 1940, as from time to time amended,

16 commonly described as mutual funds, money market funds,
17 investment trusts or business trusts, provided the portfolios of such
18 investment companies consist solely of investments described in
19 subdivision (1) of this subsection.

20 (b) In addition to other investments authorized by this part, any
21 Connecticut bank may purchase or hold for its own account debt
22 securities and debt mutual funds without regard to any other liability
23 to the Connecticut bank of the maker, obligor, guarantor or issuer of
24 such debt securities and debt mutual funds, provided: (1) The debt
25 securities and debt mutual funds are rated in the three highest rating
26 categories by a rating service of such securities recognized by the
27 commissioner or, if not so rated, are determined by the bank's
28 governing board to be a prudent investment; (2) unless the bank
29 obtains the prior approval of the commissioner, the total amount of the
30 debt securities and debt mutual funds of any one maker, obligor or
31 issuer purchased or held by a Connecticut bank or for a Connecticut
32 bank's account may not exceed, at any time, twenty-five per cent of its
33 total equity capital and reserves for loan and lease losses; and (3) the
34 total amount of any debt securities and debt mutual funds purchased
35 or held by a Connecticut bank or for a Connecticut bank's account
36 pursuant to this subsection may not exceed at any time twenty-five per
37 cent of its assets.

38 (c) In addition to other investments authorized by this part, any
39 Connecticut bank may purchase or hold for its own account the
40 following debt securities and debt mutual funds without regard to any
41 other liability to the Connecticut bank of the maker, obligor, guarantor
42 or issuer of such debt securities and debt mutual funds, provided the
43 debt securities and debt mutual funds are rated in the three highest
44 rating categories by a rating service recognized by the commissioner
45 or, if not so rated, determined by the bank's governing board to be a
46 prudent investment:

47 (1) The general obligations of the United States or this state;

48 (2) Securities which are guaranteed fully as to principal and interest
49 by the United States or this state or for which the full faith and credit
50 of the United States or this state is pledged for the payment of
51 principal and interest;

52 (3) Securities, including repurchase agreements, the principal and
53 interest of which are irrevocably secured by securities described in
54 subdivisions (1) and (2) of this subsection;

55 (4) General obligations of any agency of the United States, including
56 government sponsored enterprises, which are not guaranteed fully as
57 to principal and interest by the United States or for which the full faith
58 and credit of the United States is not pledged for the payment of
59 principal and interest; [and]

60 (5) Residential mortgage pass-through securities that are issued or
61 guaranteed by the Federal National Mortgage Association or the
62 Federal Home Loan Mortgage Corporation, provided said association
63 or corporation is operating at the time of issuance or guarantee under
64 the conservatorship or receivership of the Federal Housing Finance
65 Agency;

66 (6) Other residential mortgage-backed securities, including
67 collateralized mortgage obligations and real estate mortgage
68 investment conduits, that are issued or guaranteed by the Federal
69 National Mortgage Association or the Federal Home Loan Mortgage
70 Corporation, provided said association or corporation is operating at
71 the time of issuance or guarantee under the conservatorship or
72 receivership of the Federal Housing Finance Agency; and

73 [(5)] (7) Debt mutual funds, provided the portfolios of the
74 investment companies consist solely of investments described in
75 subdivisions (1) to [(4)] (6), inclusive, of this subsection."

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

Section 1	October 1, 2013	36a-275
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