



General Assembly

January Session, 2013

Amendment

LCO No. 7152

HB0635507152HR0

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. Subsection (c) of section 36a-21 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2013*):

6 (c) No director, officer, employee or agent of any Connecticut bank,
7 [or] Connecticut credit union or licensee under section 36a-380 or 36a-
8 628 shall disclose without the prior written consent of the
9 commissioner any information contained in an examination report
10 about such bank, [or] credit union [,] or licensee which information is
11 not otherwise a matter of public record.

12 Sec. 2. Section 36a-127 of the general statutes is repealed and the
13 following is substituted in lieu thereof (*Effective from passage*):

14 A Connecticut bank may merge with one or more of its affiliates

15 that are not banks or out-of-state banks, provided the resulting
16 institution is a Connecticut bank. Such merger shall be effected in
17 accordance with the provisions of section 36a-125 as if such affiliate
18 were a constituent bank, except, with respect to any provision therein
19 governing corporate procedure, including the rights of dissenting
20 members or shareholders who assert existing appraisal rights, such
21 affiliate shall comply with the laws of the state or other jurisdiction
22 under which such affiliate is organized. Any such affiliate shall also
23 comply with other applicable laws of the state or other jurisdiction
24 under which such affiliate is organized concerning such mergers.

25 Sec. 3. Subsection (o) of section 36a-145 of the general statutes is
26 repealed and the following is substituted in lieu thereof (*Effective from*
27 *passage*):

28 (o) With the approval of the commissioner, a Connecticut bank may
29 establish a loan production office in or outside this state.

30 Sec. 4. Subsection (a) of section 36a-262 of the general statutes is
31 repealed and the following is substituted in lieu thereof (*Effective from*
32 *passage*):

33 (a) Except as otherwise provided in this section, the total direct or
34 indirect liabilities of any one obligor that are not fully secured,
35 however incurred, to any Connecticut bank, exclusive of such bank's
36 investment in the investment securities of such obligor, shall not
37 exceed at the time incurred fifteen per cent of the equity capital and
38 reserves for loan and lease losses of such bank. The total direct or
39 indirect liabilities of any one obligor that are fully secured, however
40 incurred, to any Connecticut bank, exclusive of such bank's investment
41 in the investment securities of such obligor, shall not exceed at the time
42 incurred ten per cent of the equity capital and reserves for loan and
43 lease losses of such bank, provided this limitation shall be separate
44 from and in addition to the limitation on liabilities that are not fully
45 secured. Notwithstanding any provision of this subsection, the
46 limitation on the liabilities of any one obligor shall take into account

47 the credit exposure to such obligor arising from a derivative
48 transaction. The commissioner shall have the authority to establish the
49 method for determining the credit exposure and the extent to which
50 the credit exposure shall be taken into account. As used in this
51 subsection, "derivative transaction" includes any transaction that is a
52 contract, agreement, swap, warrant, note or option that is based, in
53 whole or in part, on the value of any interest in, or any quantitative
54 measure or the occurrence of any event [leading] relating to, one or
55 more commodities, securities, currencies, interest or other rates,
56 indices or other assets. The commissioner may adopt regulations in
57 accordance with the provisions of chapter 54 establishing the method
58 for determining credit exposure to derivative transactions and the
59 extent to which the credit exposure shall be taken into account. For
60 purposes of this section, a liability shall be considered to be fully
61 secured if it is secured by readily marketable collateral having a
62 market value, as determined by reliable and continuously available
63 price quotations, at least equal to the amount of the liability. For
64 purposes of determining the limitations of this section, in computing
65 the liabilities of an obligor, a liability is incurred at the time of the
66 closing of the transaction, unless such closing is preceded by a legally
67 binding written commitment to enter into the transaction, in which
68 case such liability is incurred at the time of commitment and is net of
69 any liabilities of the obligor to such bank that will be paid with the
70 proceeds of the commitment at the time of closing. The limitations
71 provided for in this subsection may be exceeded for a period of time
72 not to exceed six hours if at the closing of any transaction at which
73 such obligor incurs such liabilities to a Connecticut bank in excess of
74 such limitations, such bank immediately assigns or participates out to
75 one or more other persons an amount that constitutes not less than the
76 excess over the applicable limitation. Obligations as endorser or
77 guarantor of negotiable or nonnegotiable installment consumer paper
78 which carry an agreement to repurchase on default, unless the bank's
79 sole recourse is to an agreed reserve held by it, in which case the
80 liability shall be excluded, a full recourse endorsement or an
81 unconditional guarantee by the person, partnership, association or

82 corporation transferring the same, shall be subject under this section to
 83 a limitation of fifteen per cent of the bank's equity capital and reserves
 84 for loan and lease losses in addition to the applicable limitations of this
 85 section with respect to the makers of such obligations; provided, upon
 86 certification by an officer of the bank designated for that purpose by
 87 the governing board that the responsibility of each maker of such
 88 obligations has been evaluated and the bank is relying primarily upon
 89 each such maker for the payment of such obligations, the limitations of
 90 this section as to the obligations of each maker shall be the sole
 91 applicable loan limitation; and provided such certification shall be in
 92 writing and shall be retained as part of the records of such bank."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	36a-21(c)
Sec. 2	<i>from passage</i>	36a-127
Sec. 3	<i>from passage</i>	36a-145(o)
Sec. 4	<i>from passage</i>	36a-262(a)