AN ACT CONCERNING THE BANKING LAWS, THE UNIFORM COMMERCIAL CODE, THE ELECTRONIC FUND TRANSFER ACT AND MORTGAGORS IN GOOD STANDING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subdivision (3) of section 36a-485 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(3) "Branch office" means a location other than the main office at which a licensee or any person on behalf of a licensee acts as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator;

Sec. 2. Subdivision (2) of section 36a-800 of the 2014 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(2) "Consumer collection agency" means any person (A) engaged as a third party in the business of collecting or receiving for payment for others of any account, bill or other indebtedness from a consumer debtor, (B) engaged directly or indirectly in the business of collecting any account, bill or other indebtedness from a consumer debtor for such person's own account if the indebtedness was acquired from
another person and if the indebtedness was either delinquent or in default at the time it was acquired, or (C) engaged in the business of collecting or receiving for payment property tax from a property tax debtor on behalf of a municipality, including any person who, by any device, subterfuge or pretense, makes a pretended purchase or takes a pretended assignment of accounts from any other person or municipality of such indebtedness for the purpose of evading the provisions of sections 36a-800 to 36a-810, inclusive, as amended by this act. It includes persons who furnish collection systems carrying a name which simulates the name of a consumer collection agency and who supply forms or form letters to be used by the creditor, even though such forms direct the consumer debtor or property tax debtor to make payments directly to the creditor rather than to such fictitious agency. "Consumer collection agency" further includes any person who, in attempting to collect or in collecting such person's own accounts or claims from a consumer debtor, uses a fictitious name or any name other than such person's own name which would indicate to the consumer debtor that a third person is collecting or attempting to collect such account or claim. "Consumer collection agency" does not include (i) an individual employed on the staff of a licensed consumer collection agency, or by a creditor who is exempt from licensing, when attempting to collect on behalf of such consumer collection agency, (ii) persons not primarily engaged in the collection of debts from consumer debtors who receive funds in escrow for subsequent distribution to others, including, but not limited to, real estate brokers and lenders holding funds of borrowers for payment of taxes or insurance, (iii) any public officer or a person acting under the order of any court, (iv) any member of the bar of this state, (v) a person who services loans or accounts for the owners thereof when the arrangement includes, in addition to requesting payment from delinquent consumer debtors, the providing of other services such as receipt of payment, accounting, record-keeping, data processing services and remitting, for loans or accounts which are current as well
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as those which are delinquent, (vi) a bank or out-of-state bank, as defined in section 36a-2, and (vii) a subsidiary or affiliate of a bank or out-of-state bank, provided such affiliate or subsidiary is not primarily engaged in the business of purchasing and collecting upon delinquent debts. For purposes of this subparagraph, "account, bill or other indebtedness" shall not include debt, other than delinquent debt secured by real property. Any person not included in the definition contained in this subdivision is, for purposes of sections 36a-645 to 36a-647, inclusive, a "creditor", as defined in section 36a-645;

Sec. 3. Subsections (a) and (b) of section 36a-671d of the general statutes are repealed and the following is substituted in lieu thereof (Effective from passage):

(a) (1) No debt negotiation license, and no renewal thereof, shall be granted unless the applicant has filed the surety bond required by this section, which bond shall be written by a surety authorized to write such bonds in this state.

(2) No application for a debt negotiation license for a main office, and no renewal of such a license, shall be granted unless the applicant has filed a single surety bond with the commissioner in an aggregate amount of fifty thousand dollars, or such other amount required by subdivision (4) of this subsection. No application for a debt negotiation license branch office, and no renewal of such a license, shall be granted unless the applicant has identified such branch office as a bonded location by addendum to the main office surety bond required by this section.

(3) Each debt negotiation licensee shall file a single surety bond that complies with the requirements of this section in connection with the main office license with the commissioner in an aggregate amount of fifty thousand dollars or such other amount required in subdivision (4) of this subsection, which bond shall identify any licensed branch office
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as a bonded location on such bond by addendum.

(4) In the case of a debt negotiation licensee engaging or offering to engage in the business of negotiating residential mortgage loans on behalf of mortgagors, such debt negotiation licensee shall file a bond in the penal sum amount set forth in subsection [(f)] (e) of this section based on the aggregate dollar amount of the residential mortgage loans negotiated or offered to be negotiated by its sponsored mortgage loan originator licensees. The principal on a bond required by this subdivision shall annually confirm that it maintains the required penal sum in the amount required by this subdivision. Not later than September 1, 2012, and each September first thereafter, a licensee shall file with the commissioner such information as the commissioner may require to confirm that the penal sum of the bond remains consistent with the amount required by this section. The principal shall file not later than September first of the applicable year, or on such other date as the commissioner may require pursuant to subsection [(h)] (g) of this section, any bond rider or endorsement to the surety bond on file with the commissioner to reflect any changes necessary to maintain the surety bond coverage required by this section.

(b) The form of any surety bond submitted pursuant to subsection (a) of this section shall be approved by the Attorney General. Any surety bond filed under subsection (a) of this section shall be conditioned upon the debt negotiation licensee and any sponsored mortgage loan originator licensee faithfully performing any and all written agreements or commitments with or for the benefit of debtors and mortgagors, as applicable, truly and faithfully accounting for all funds received from a debtor or mortgagor by the principal or a mortgage loan originator sponsored by the principal in the principal's capacity as debt negotiation licensee, and conducting such business consistent with the provisions of sections 36a-485 to 36a-498f, inclusive, as amended by this act, 36a-534a, 36a-534b and 36a-671 to [36a-671d]
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36a-671e, inclusive, as amended by this act. Any debtor or mortgagor who may be damaged by a failure to perform any written agreements, by the wrongful conversion of funds paid by a debtor or mortgagor to a debt negotiation licensee or mortgage loan originator licensee, or by conduct inconsistent with the provisions of sections 36a-485 to 36a-498f, inclusive, as amended by this act, 36a-534a, 36a-534b and 36a-671 to [36a-671d] 36a-671e, inclusive, as amended by this act, may proceed on any such surety bond against the principal or surety thereon, or both, to recover damages. The commissioner may proceed on any such surety bond against the principal or surety thereon, or both, to collect any civil penalty imposed upon the licensee pursuant to subsection (a) of section 36a-50 and any unpaid costs of examination of a licensee as determined pursuant to section 36a-65. The proceeds of any bond, even if commingled with other assets of the principal, shall be deemed by operation of law to be held in trust for the benefit of such claimants against the principal in the event of bankruptcy of the principal and shall be immune from attachment by creditors and judgment creditors. Any bond required by this section shall be maintained during the entire period of the license granted to the applicant, and the aggregate liability under any such bond shall not exceed the penal amount of the bond. The principal shall notify the commissioner of the commencement of an action on the bond. When an action is commenced on a principal's bond, the commissioner may require the filing of a new bond and immediately on recovery on any action on the bond, the principal shall file a new bond. Any mortgagor or prospective mortgagor who may be damaged by a failure of the debt negotiation licensee or mortgage loan originator licensee to satisfy a judgment against the licensee arising from the negotiation of or offer to negotiate a nonprime home loan, as defined in section 36a-760, as amended by this act, may proceed on such bond against the principal or surety on such bond, or both, to recover the amount of the judgment.

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Sec. 4. Subdivision (2) of subsection (e) of section 36a-671d of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(2) A debt negotiation licensee sponsoring and bonding at least one mortgage loan originator as an exempt registrant under subdivision (2) of subsection (a) and subsection [(c)] (d) of section 36a-487 shall file a bond with a penal sum in the following amount:

(A) If the aggregate dollar amount of all residential mortgage loans negotiated or offered to be negotiated by all sponsored mortgage loan originators during the preceding twelve-month period ending July thirty-first of the current year is less than thirty million dollars, the penal sum of the bond shall be fifty thousand dollars;

(B) If the aggregate dollar amount of all residential mortgage loans negotiated or offered to be negotiated by all sponsored mortgage loan originators during the preceding twelve-month period ending July thirty-first of the current year is thirty million dollars or more but less than fifty million dollars, the penal sum of the bond shall be one hundred thousand dollars; and

(C) If the aggregate dollar amount of all residential mortgage loans negotiated or offered to be negotiated by all sponsored mortgage loan originators during the preceding twelve-month period ending July thirty-first of the current year is fifty million dollars or more, the penal sum of the bond shall be one hundred fifty thousand dollars.

Sec. 5. Section 36a-746a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

As used in this section and sections 36a-746b to 36a-746g, inclusive:

(1) "APR" means the annual percentage rate for the loan calculated according to the provisions of the federal Truth-in-Lending Act, 15
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USC Section 1601 et seq., as amended from time to time, and the regulations promulgated thereunder. For open-end lines of credit, "APR" means the highest corresponding annual percentage rate required to be disclosed under 12 CFR [226.6(a)(2) and 226.14(b)] 1026.6(a)(2) and 1026.14(b), as amended from time to time, excluding any maximum rates required to be disclosed or stated pursuant to 12 CFR [226.6(a)(2) or 226.30] 1026.6(a)(2) or 1026.30, as amended from time to time. For closed-end loans, "APR" means the annual percentage rate required to be disclosed under 12 CFR [226.18(e)] 1026.18(e), as amended from time to time, excluding any maximum rates required to be disclosed or stated pursuant to 12 CFR [226.18(f) or 226.30] 1026.18(f) or 1026.30, as amended from time to time. For purposes of this subdivision, any variable rate calculation shall use an index value in effect within forty-five days prior to consummation;

(2) "Broker" means a person who, for a fee, commission or other valuable consideration, negotiates, solicits, arranges, places or finds a high cost home loan that is to be made by a lender;

(3) "Consummation" means the time that a borrower becomes contractually obligated on a loan or extension of credit;

(4) "High cost home loan" means any loan or extension of credit, including an open-end line of credit but excluding a reverse mortgage transaction, as defined in 12 CFR [226.33] 1026.33, as amended from time to time:

(A) In which the borrower is a natural person;

(B) The proceeds of which are to be used primarily for personal, family or household purposes;

(C) In which the loan is secured by a mortgage upon any interest in one-to-four family residential property, as defined in section 36a-485, as amended by this act, located in this state that is, or, when the loan is
made, is intended to be used or occupied by the borrower as a principal residence; and

(D) In which the APR at consummation is greater than the yield on Treasury securities having comparable periods of maturity to the loan maturity as of the fifteenth day of the month immediately preceding the month in which the application for the loan or extension of credit is received by the lender, by more than the number of percentage points specified in 12 CFR [226.32(a)(1)(i)] 1026.32(a)(1)(i), as amended from time to time;

(5) "Interim interest" means interest for the period from funding to the start of amortization paid by a borrower at or before consummation of a closed-end loan where such amortization begins sixty-two days or less after funding;

(6) "Lender" means any person who originates one or more high cost home loans; and

(7) "Prepaid finance charge" means any finance charge determined in accordance with 12 CFR [226.4] 1026.4, as amended from time to time, that is paid separately in cash or by check before or at consummation of a loan or extension of credit or withheld from the proceeds of such transaction at any time, except the term includes any fees or commissions payable to the lender or broker in connection with the sale of credit life, accident, health, disability or unemployment insurance products or unrelated goods or services sold in conjunction with the loan or extension of credit when the cost of such insurance products or goods or services is prepaid with the proceeds of the loan or extension of credit and financed as part of the principal amount of the loan or extension of credit, and excludes premiums, fees and any other amounts paid to a governmental agency, any amounts required to be escrowed by a governmental agency and interim interest.
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Sec. 6. Subdivision (1) of section 36a-746c of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(1) For a loan with a term of less than seven years, a payment schedule with regular periodic payments that when aggregated do not fully amortize the outstanding principal balance, except that this limitation does not apply to a loan with maturities of less than one year if the purpose of the loan is a bridge loan, as used in 12 CFR [226.32] 1026.32, as amended from time to time, connected with the acquisition or construction of a dwelling intended to become the borrower's principal dwelling:

Sec. 7. Section 36a-758 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

Any person who makes any first mortgage loan, as defined in section 36a-485, as amended by this act, or any secondary mortgage loan, as defined in section 36a-485, as amended by this act, shall, at the time of consummation of such loan or at the termination of any right to rescind the loan transaction under 12 CFR [226] 1026, as amended from time to time, whichever is later, pay the loan proceeds to the mortgagor, to the mortgagor's attorney, to the mortgagee's attorney or to any other person specified in any settlement statement, any written agreement between the mortgagor and the mortgagee or any written instruction of the mortgagor, by a certified, bank treasurer's or cashier's check or by means of wire transfer.

Sec. 8. Subdivision (3) of subsection (a) of section 36a-760e of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(3) For a loan with a term of less than seven years, a payment schedule with regular periodic payments that when aggregated do not
fully amortize the outstanding principal balance, except that this limitation does not apply to a loan with maturities of less than one year if the purpose of the loan is a bridge loan, as used in 12 CFR [226.32] 1026.32, as amended from time to time, connected with the acquisition or construction of a dwelling intended to become the borrower's principal dwelling;

Sec. 9. Section 36a-671 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) As used in this section and sections 36a-671a to [36a-671d] 36a-671e, inclusive, as amended by this act, (1) "debt negotiation" means, for or with the expectation of a fee, commission or other valuable consideration, assisting a debtor in negotiating or attempting to negotiate on behalf of a debtor the terms of a debtor's obligations with one or more mortgagees or creditors of the debtor, including the negotiation of short sales of residential property or foreclosure rescue services; (2) "debtor" means any individual who has incurred indebtedness or owes a debt for personal, family or household purposes; (3) "mortgagee" means the original lender under a mortgage loan secured by residential property or its agents, successors or assigns; (4) "mortgagor" means a debtor who is an owner of residential property, including, but not limited to, a single-family unit in a common interest community, who is also the borrower under a mortgage encumbering such residential property; (5) "short sale" means the sale of residential property by a mortgagor for an amount less than the outstanding balance owed on the loan secured by such property where, prior to the sale, the mortgagee or an assignee of the mortgagee agrees to accept less than the outstanding loan balance in full or partial satisfaction of the mortgage debt and the proceeds of the sale are paid to the mortgagee or an assignee of the mortgagee; (6) "foreclosure rescue services" means services related to or promising assistance in connection with (A) avoiding or delaying actual or
anticipated foreclosure proceedings concerning residential property, or (B) curing or otherwise addressing a default or failure to timely pay with respect to a mortgage loan secured by residential property, and includes, but is not limited to, the offer, arrangement or placement of a mortgage loan secured by residential property or other extension of credit when those services are advertised, offered or promoted in the context of foreclosure related services; and (7) "residential property" means one-to-four family owner-occupied real property.

(b) No person shall engage or offer to engage in debt negotiation in this state without a license issued under this section for each location where debt negotiation will be conducted. Any person desiring to obtain such a license shall file with the commissioner an application under oath, setting forth such information as the commissioner may require. Each applicant for a license and each licensee shall notify the commissioner of any change in the applicant's business from that stated in the application for the license. A person is engaging in debt negotiation in this state if such person: (1) Has a place of business located within this state; (2) has a place of business located outside of this state and the debtor is a resident of this state who negotiates or agrees to the terms of the services in person, by mail, by telephone or via the Internet; or (3) has its place of business located outside of this state and the services concern a debt that is secured by property located within this state.

(c) An application for an original or renewal debt negotiation license shall be in writing on a form provided by the commissioner and shall include (1) the history of criminal convictions of the (A) applicant, (B) partners, if the applicant is a partnership, (C) members, if the applicant is a limited liability company or association, or (D) officers, directors and principal employees, if the applicant is a corporation; and (2) sufficient information pertaining to the history of criminal convictions, in a form acceptable to the commissioner, on such applicant, partners,
members, officers, directors and principal employees as the commissioner deems necessary to make the findings under subsection (d) of this section. The commissioner, in accordance with section 29-17a, may conduct a state and national criminal history records check of the applicant and of each partner, member, officer, director and principal employee of the applicant. The commissioner may deem an application for a debt negotiation license abandoned if the applicant fails to respond to any request for information required under sections 36a-671 to 36a-671e, inclusive, or any regulations adopted pursuant to said sections 36a-671 to 36a-671e, inclusive. The commissioner shall notify the applicant, in writing, that if the applicant fails to submit such information not later than sixty days after the date on which such request for information was made, the application shall be deemed abandoned. An application filing fee paid prior to the date an application is deemed abandoned pursuant to this subsection shall not be refunded. Abandonment of an application pursuant to this subsection shall not preclude the applicant from submitting a new application for a license under sections 36a-671 to 36a-671e, inclusive.

(d) If the commissioner finds, upon the filing of an application for a debt negotiation license, that: (1) The financial responsibility, character, reputation, integrity and general fitness of the (A) applicant, (B) partners thereof, if the applicant is a partnership, (C) members, if the applicant is a limited liability company or association, and (D) officers, directors and principal employees, if the applicant is a corporation, are such as to warrant belief that the business will be operated soundly and efficiently, in the public interest and consistent with the purposes of sections 36a-671 to 36a-671e, inclusive; and (2) the applicant is solvent and no proceeding in bankruptcy, receivership or assignment for the benefit of creditors has been commenced against the applicant, the commissioner may thereupon issue the applicant a debt negotiation license. Such debt negotiation license shall not be
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transferable. Any change of location of a licensee shall require prior written notice to the commissioner. No licensee shall use any name unless such name has been approved by the commissioner. If the commissioner fails to make such findings, the commissioner shall not issue a license and shall notify the applicant of the reasons for such denial. The commissioner may deny an application if the commissioner finds that the applicant or any partner, member, officer, director or principal employee of the applicant has been convicted of any misdemeanor involving any aspect of the debt negotiation business or any felony. Any denial of an application by the commissioner shall, when applicable, be subject to the provisions of section 46a-80. Withdrawal of an application for a license shall become effective upon receipt by the commissioner of a notice of intent to withdraw such application. The commissioner may deny a license up to the date one year after the effective date of withdrawal.

(e) Each applicant for an original or renewal debt negotiation license shall, at the time of making such application, pay to the commissioner an application fee of one thousand six hundred dollars, provided, if such application is filed not earlier than one year before the date such license will expire, such person shall pay a license fee of eight hundred dollars. Each such license shall expire at the close of business on September thirtieth of the odd-numbered year following its issuance unless such license is renewed. Each licensee shall, on or before September first of the year in which the license expires, file such renewal application as the commissioner may require. Whenever an application for a license is filed under this section by any person who was a licensee under this section and whose license expired less than sixty days prior to the date such application was filed, such application shall be accompanied by a one-hundred-dollar processing fee in addition to the application fee.

(f) If the commissioner determines that a check filed with the
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commissioner to pay an application fee has been dishonored, the commissioner shall automatically suspend the license or a renewal license that has been issued but is not yet effective. The commissioner shall give the licensee notice of the automatic suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing on such actions in accordance with section 36a-51.

(g) No abatement of the license fee shall be made if the license is surrendered, revoked or suspended prior to the expiration of the period for which it was issued. The fee required by subsection (e) of this section shall be nonrefundable.

Sec. 10. Subsection (a) of section 36a-671a of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The commissioner may suspend, revoke or refuse to renew any license or take any other action, in accordance with the provisions of section 36a-51, for any reason that would be sufficient grounds for the commissioner to deny application for a license under sections 36a-671 to 36a-671e, inclusive, as amended by this act, or if the commissioner finds that the licensee or any proprietor, director, officer, member, partner, shareholder, trustee, employee or agent of such licensee has done any of the following: (1) Made any material misstatement in the application; (2) committed any fraud or misappropriated funds; (3) violated any of the provisions of sections 36a-671 to [36a-671d] 36a-671e, inclusive, as amended by this act, or any other law or regulation applicable to the conduct of its business; or (4) failed to perform any agreement with a debtor.

Sec. 11. Subdivision (1) of subsection (b) of section 36a-486 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):
(b) (1) No person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker shall engage the services of a mortgage loan originator or of a loan processor or underwriter required to be licensed under this section unless such mortgage loan originator or loan processor or underwriter is licensed under section 36a-489. An individual, unless specifically exempted under subdivision (2) of this subsection, shall not engage in the business of a mortgage loan originator on behalf of a licensee or a person exempt under section 36a-487 with respect to any residential mortgage loan without first obtaining and maintaining annually a license as a mortgage loan originator under section 36a-489. An individual, unless specifically exempted under subdivision (2) of this subsection, shall be deemed to be engaged in the business of a mortgage loan originator if such individual: (A) Acts as a mortgage loan originator in connection with any residential mortgage loan on behalf of a licensee or person exempt under section 36a-487; or (B) makes any representation to the public through advertising or other means of communication that such individual can or will act as a mortgage loan originator on behalf of a licensee or person exempt under section 36a-487. Each licensed mortgage loan originator and each licensed loan processor or underwriter shall register with and maintain a valid unique identifier issued by the system. No individual may act as a mortgage loan originator for more than one person at the same time. No loan processor or underwriter licensee may be sponsored by more than one person at a time. The license of a mortgage loan originator or a loan processor or underwriter is not effective during any period when such mortgage loan originator or a loan processor or underwriter is not sponsored by a licensed mortgage lender, mortgage correspondent lender or mortgage broker, or by a person registered as an exempt registrant under subsection [(c)] (d) of section 36a-487, or during any period in which the license of the mortgage lender, mortgage correspondent lender or mortgage broker with whom such originator or loan processor or underwriter is associated has been suspended.
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Either the mortgage loan originator, the loan processor or underwriter or the sponsor may file a notification of the termination of sponsorship with the system.

Sec. 12. Subdivisions (3) to (6), inclusive, of subsection (d) of section 36a-492 of the general statutes are repealed and the following is substituted in lieu thereof (Effective from passage):

(3) Effective October 1, 2011, an exempt registrant under subsection [(c)] (d) of section 36a-487 who is exempt from licensing under subdivision (1) of subsection (a) of section 36a-487 shall file a bond in a penal sum of one hundred thousand dollars the first time such exempt registrant sponsors a mortgage loan originator.

(4) Effective October 1, 2011, an exempt registrant under subsection [(c)] (d) of section 36a-487 who is exempt from licensure under subsection (b) of section 36a-487 shall file a bond in a penal sum of fifty thousand dollars the first time such exempt registrant sponsors a mortgage loan originator.

(5) Effective October 1, 2011, an exempt registrant under subsection [(c)] (d) of section 36a-487, as who is exempt from licensure under subdivision (2) of subsection (a) of section 36a-487 shall file a bond in a penal sum as set forth in section 36a-671d, as amended by this act.

(6) (A) For mortgage lender and mortgage correspondent lender licensees, and, after October 1, 2011, persons sponsoring and bonding at least one mortgage loan originator as an exempt registrant under subsection [(c)] (d) of section 36a-487 and who are exempt from licensing under subdivision (1) of subsection (a) of section 36a-487 if (i) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is less than thirty million dollars, the
penal sum of the bond shall be one hundred thousand dollars; (ii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is thirty million dollars or more but less than one hundred million dollars, the penal sum of the bond shall be two hundred thousand dollars; (iii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is one hundred million dollars or more but less than two hundred fifty million dollars, the penal sum of the bond shall be three hundred thousand dollars; and (iv) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is two hundred fifty million dollars or more, the penal sum of the bond shall be five hundred thousand dollars.

(B) For mortgage broker licensees and, after October 1, 2011, persons who are sponsoring and bonding at least one mortgage loan originator as an exempt registrant under subsection [(c)] (d) of section 36a-487 and who are exempt from licensing under subsection (b) or (c) of section 36a-487 if (i) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is less than thirty million dollars, the penal sum of the bond shall be fifty thousand dollars; (ii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is thirty million dollars or more but less than fifty million dollars, the penal sum of the bond shall be one
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hundred thousand dollars; and (iii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding twelve-month period ending July thirty-first of the current year is fifty million dollars or more, the penal sum of the bond shall be one hundred fifty thousand dollars.

Sec. 13. Subsection (a) of section 36a-17 of the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) The commissioner, in the commissioner's discretion, may, subject to the provisions of section 36a-21 and the Freedom of Information Act, as defined in section 1-200, [1] (1) make such public or private investigations or examinations within or outside this state, concerning any person subject to the jurisdiction of the commissioner, as the commissioner deems necessary to carry out the duties of the commissioner, (2) require or permit any person to testify, produce a record or file a statement in writing, under oath, or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter to be investigated or about which an action or proceeding is pending, and (3) publish information concerning any violation of any provision of the general statutes within the jurisdiction of the commissioner or any regulation or order adopted or issued under such provision.

Sec. 14. Subsection (g) of section 36b-33 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2014):

(g) Every applicant for registration under sections 36b-2 to 36b-34, inclusive, every investment adviser exempt under subsection (e) of section 36b-6, and every issuer, other than the United States, any state, Canada, any other foreign government with which the United States
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currently maintains diplomatic relations, or any issuer of covered securities under Section 18(b)(1) of the Securities Act of 1933, which proposes to offer a security in this state through any person acting on an agency basis in the common-law sense shall file with the commissioner, in such form as the commissioner by regulation prescribes, an irrevocable consent appointing the commissioner or the commissioner's successor in office to be his or her attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against him or her or his or her successor executor or administrator which arises under sections 36b-2 to 36b-34, inclusive, or any regulation or order thereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. A person who has filed such a consent in connection with a previous registration need not file another. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless (1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail, return receipt requested, certified mail, return receipt requested, or [by] any express delivery carrier that provides a dated delivery receipt, to the defendant or respondent at the defendant's or respondent's last address on file with the commissioner, and (2) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

Sec. 15. Subsection (h) of section 36b-33 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2014):

(h) When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 36b-2 to 36b-34, inclusive, or any regulation or order thereunder, and such
person has not filed a consent to service of process under subsection (g) of this section and personal jurisdiction over such person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to such person's appointment of the commissioner or the commissioner's successor in office to be such person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against such person or such person's successor executor or administrator which grows out of that conduct and which is brought under said sections or any regulation or order thereunder, with the same force and validity as if served on such person personally. Service may be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless (1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail, return receipt requested, certified mail, return receipt requested, or [by] any express delivery carrier that provides a dated delivery receipt, to the defendant or respondent at the defendant's or respondent's last known address or takes other steps which are reasonably calculated to give actual notice, and (2) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

Sec. 16. Subsections (e) and (f) of section 36b-62 of the general statutes are repealed and the following is substituted in lieu thereof (Effective October 1, 2014):

(e) Every seller proposing to sell or offer for sale a business opportunity in this state or from this state directly or through any person acting on an agency basis, as determined by reference to the principles of common law, shall file with the commissioner, in such form as the commissioner by regulation, adopted pursuant to section 36b-77, or order prescribes, an irrevocable consent appointing the
commissioner to be the seller's attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against the seller or the seller's successor, executor or administrator that arises under sections 36b-60 to 36b-80, inclusive, or any regulation or order adopted or issued under said sections after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. Service may be made by leaving a copy of the process in the office of the commissioner, but such service shall not be effective unless (1) the plaintiff, who may be the commissioner in a suit, action or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail, return receipt requested, certified mail, return receipt requested, or [by] any express delivery carrier that provides a dated delivery receipt, to the defendant or respondent at the defendant's or respondent's last address on file with the commissioner, and (2) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

(f) When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 36b-60 to 36b-80, inclusive, or any regulation or order adopted or issued under said sections, and such person has not filed a consent to service of process under subsection (e) of this section and personal jurisdiction over such person cannot otherwise be obtained in this state, such conduct shall be considered equivalent to such person's appointment of the commissioner to be such person's attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against such person or such person's successor, executor or administrator that grows out of such conduct and that is brought under said sections or any regulation or order adopted or issued under said sections, with the same force and validity as if served on such person personally. Service may be made by leaving a copy of the
process in the office of the commissioner, but such service shall not be
effective unless (1) the plaintiff, who may be the commissioner in a
suit, action or proceeding instituted by the commissioner, forthwith
sends notice of the service and a copy of the process by registered mail,
return receipt requested, certified mail, return receipt requested, or
[by] any express delivery carrier that provides a dated delivery receipt,
to the defendant or respondent at the defendant's or respondent's last
known address, and (2) the plaintiff's affidavit of compliance with this
subsection is filed in the case on or before the return day of the
process, if any, or within such further time as the court allows.

Sec. 17. Section 52-367b of the general statutes is repealed and the
following is substituted in lieu thereof (Effective October 1, 2014):

(a) Execution may be granted pursuant to this section against any
debts due from any financial institution to a judgment debtor who is a
natural person, except to the extent such debts are protected from
execution by sections 52-352a, 52-352b, 52-352c of the general statutes,
revision of 1958, revised to 1983, 52-354 of the general statutes, revision
of 1958, revised to 1983, 52-361 of the general statutes, revision of 1958,
revised to 1983 and section 52-361a, as well as by any other laws or
regulations of this state or of the United States which exempt such
debts from execution.

(b) If execution is desired against any such debt, the plaintiff
requesting the execution shall make application to the clerk of the
court. The application shall be accompanied by a fee of one hundred
dollars payable to the clerk of the court for the administrative costs of
complying with the provisions of this section which fee may be
recoverable by the judgment creditor as a taxable cost of the action. In
a IV-D case, the request for execution shall be accompanied by an
affidavit signed by the serving officer attesting to an overdue support
amount of five hundred dollars or more which accrued after the entry
of an initial family support judgment. If the papers are in order, the
clerk shall issue such execution containing a direction that the officer serving such execution shall, within seven days from the receipt by the serving officer of such execution, make demand (1) upon the main office of any financial institution having its main office within the county of the serving officer, or (2) if such main office is not within the serving officer's county and such financial institution has one or more branch offices within such county, upon an employee of such a branch office, such employee and branch office having been designated by the financial institution in accordance with regulations adopted by the Banking Commissioner, in accordance with chapter 54, for payment of any such nonexempt debt due to the judgment debtor and, after having made such demand, shall serve a true and attested copy of the execution, together with the affidavit and exemption claim form prescribed by subsection (k) of this section, with the serving officer's actions endorsed thereon, with the financial institution officer upon whom such demand is made. The serving officer shall not serve more than one financial institution execution per judgment debtor at a time, including copies thereof. After service of an execution on one financial institution, the serving officer shall not serve the same execution or a copy thereof upon another financial institution until receiving confirmation from the preceding financial institution that the judgment debtor had insufficient funds at the preceding financial institution available for collection to satisfy the execution, provided any such additional service is made not later than forty-five days from the receipt by the serving officer of such execution. After service of an execution on a financial institution, the serving officer shall not subsequently serve the same execution or a copy thereof upon such financial institution if an electronic direct deposit from a readily identifiable source described in subsection (c) of this section was made to the judgment debtor's account during the look-back period, as described in subsection (c) of this section. If no such deposit was made, the serving officer may subsequently serve the same execution or a copy thereof upon such institution, provided such execution has not
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expired or otherwise become unenforceable.

(c) If any such financial institution upon which such execution is served and upon which such demand is made is indebted to the judgment debtor, the financial institution shall remove from the judgment debtor's account the amount of such indebtedness not exceeding the amount due on such execution before its midnight deadline, as defined in section 42a-4-104. Notwithstanding the provisions of this subsection, if electronic direct deposits that are readily identifiable as exempt federal veterans' benefits, Social Security benefits, including, but not limited to, retirement, survivors' and disability benefits, supplemental security income benefits, exempt benefits paid by the federal Railroad Retirement Board or the federal Office of Personnel Management, unemployment compensation benefits exempt under section 52-352b, or child support payments processed and received pursuant to Title IV-D of the Social Security Act were made to the judgment debtor's account during the thirty-day look-back period of either the sixty-day period preceding the date that the execution was served on the financial institution, or, with regard to federal benefits, such greater period as required by federal law, then the financial institution shall leave the lesser of the account balance or one thousand dollars in the judgment debtor's account, provided nothing in this subsection shall be construed to limit a financial institution's right or obligation to remove such funds from the judgment debtor's account if required by any other provision of law or by a court order. The judgment debtor shall have full and customary access to such funds left in the judgment debtor's account pursuant to this subsection. The financial institution may notify the judgment creditor that funds have been left in the judgment debtor's account pursuant to this subsection. Nothing in this subsection shall alter the exempt status of funds which are exempt from execution under subsection (a) of this section or under any other provision of state or federal law, or the right of a judgment debtor to claim such exemption.
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Nothing in this subsection shall be construed to affect any other rights or obligations of the financial institution with regard to the funds in the judgment debtor's account.

(d) If any funds are removed from the judgment debtor's account pursuant to subsection (c) of this section, upon receipt of the execution and exemption claim form from the serving officer, the financial institution shall (1) forthwith mail copies thereof, postage prepaid, to the judgment debtor and to any secured party that is party to a control agreement between the financial institution and such secured party under article 9 of title 42a at the last known address of the judgment debtor and of any such secured party with respect to the affected accounts on the records of the financial institution, and (2) mail notice to the judgment debtor as required by 31 CFR 212.6 and 212.7. The financial institution shall hold the amount removed from the judgment debtor's account pursuant to subsection (c) of this section for fifteen days from the date of the mailing to the judgment debtor and any such secured party, and during such period shall not pay the serving officer.

(e) To prevent the financial institution from paying the serving officer, as provided in subsection (h) of this section, the judgment debtor shall give notice of a claim of exemption by delivering to the financial institution, by mail or other means, the exemption claim form or other written notice that an exemption is being claimed and any such secured party shall give notice of its claim of a prior perfected security interest in such deposit account by delivering to the financial institution, by mail or other means, written notice thereof. The financial institution may designate an address to which the notice of a claim of exemption, or a secured party claim notice, shall be delivered. Upon receipt of such notice, the financial institution shall, within two business days, send a copy of such notice to the clerk of the court which issued the execution.

(f) (1) Upon receipt of an exemption claim form or a secured party
claim notice, the clerk of the court shall enter the appearance of the judgment debtor or such secured party with the address set forth in the exemption claim form or secured party claim notice. The clerk shall forthwith send file-stamped copies of the exemption claim form or secured party claim notice to the judgment creditor and judgment debtor with a notice stating that the disputed funds are being held for forty-five days from the date the exemption claim form or secured party claim notice was received by the financial institution or until a court order is entered regarding the disposition of the funds, whichever occurs earlier, and the clerk shall automatically schedule the matter for a short calendar hearing. The claim of exemption filed by such judgment debtor shall be prima facie evidence at such hearing of the existence of the exemption.

(2) Upon receipt of notice from the financial institution pursuant to subsection (c) of this section, a judgment creditor may, on an ex parte basis, present to a judge of the Superior Court an affidavit sworn under oath by a competent party demonstrating a reasonable belief that such judgment debtor's account contains funds which are not exempt from execution and the amount of such nonexempt funds. Such affidavit shall not be conclusory but is required to show the factual basis upon which the reasonable belief is based. If such judge finds that the judgment creditor has demonstrated a reasonable belief that such judgment debtor's account contains funds which are not exempt from execution, such judge shall authorize the judgment creditor to submit a written application to the clerk of the court for a hearing on the exempt status of funds left in the judgment debtor's account pursuant to subsection (c) of this section. The judgment creditor shall promptly send a copy of the application and the supporting affidavit to the judgment debtor and to any secured party shown on a secured party claim notice sent to the judgment creditor pursuant to subdivision (1) of this subsection. Upon receipt of such application, the clerk of the court shall automatically schedule the
manner for a short calendar hearing and shall give written notice to the
judgment creditor, the judgment debtor and any secured party shown
on a secured party claim notice received by the clerk of the court. The
notice to the judgment creditor pursuant to subsection (c) of this
section shall be prima facie evidence at such hearing that the funds in
the account are exempt funds. The burden of proof shall be upon the
judgment creditor to establish the amount of funds which are not
exempt.

(g) If an exemption claim is made or a secured party claim notice is
given pursuant to subsection (e) of this section, the financial institution
shall continue to hold the amount removed from the judgment debtor's
account for forty-five days or until a court order is received regarding
disposition of the funds, whichever occurs earlier. If no such order is
received within forty-five days of the date the financial institution
sends a copy of the exemption claim form or notice of exemption or a
secured party claim notice to the clerk of the court, the financial
institution shall return the funds to the judgment debtor's account.

(h) If no claim of exemption or secured party claim notice is
received by the financial institution within fifteen days of the mailing
to the judgment debtor and any secured party of the execution and
exemption claim form pursuant to subsection (d) of this section, the
financial institution shall, upon demand, forthwith pay the serving
officer the amount removed from the judgment debtor's account, and
the serving officer shall thereupon pay such sum, less such serving
officer's fees, to the judgment creditor, except to the extent otherwise
ordered by a court.

(i) The court, after a hearing conducted pursuant to subsection (f) of
this section, shall enter an order determining the issues raised by the
claim of exemption and claim by a secured party of a prior perfected
security interest in such deposit account. The clerk of the court shall
forthwith send a copy of such order to the financial institution. Such
order shall be deemed to be a final judgment for the purposes of appeal. No appeal shall be taken except within seven days of the rendering of the order. The order of the court may be implemented during such seven-day period, unless stayed by the court.

(j) [If] Except as otherwise provided in subsection (c) of this section, if both exempt and nonexempt moneys have been deposited into an account, for the purposes of determining which moneys are exempt under this section, the moneys most recently deposited as of the time the execution is served shall be deemed to be the moneys remaining in the account.

(k) The execution, exemption claim form and clerk's notice regarding the filing of a claim of exemption shall be in such form as prescribed by the judges of the Superior Court or their designee. The exemption claim form shall be dated and include a checklist and description of the most common exemptions, instructions on the manner of claiming the exemptions and a space for the judgment debtor to certify those exemptions claimed under penalty of false statement.

(l) If records or testimony are subpoenaed from a financial institution in connection with a hearing conducted pursuant to subsection (f) of this section, the reasonable costs and expenses of the financial institution in complying with the subpoena shall be recoverable by the financial institution from the party requiring such records or testimony, provided, the financial institution shall be under no obligation to attempt to obtain records or documentation relating to the account executed against which are held by any other financial institution. The records of a financial institution as to the dates and amounts of deposits into an account in the financial institution shall, if certified as true and accurate by an officer of the financial institution, be admissible as evidence without the presence of the officer in any hearing conducted pursuant to subsection (f) of this section to
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determine the legitimacy of a claim of exemption made under this section.

(m) If there are moneys to be removed from the judgment debtor's account, prior to the removal of such moneys pursuant to subsection (c) of this section, the financial institution shall receive from the serving officer as representative of the judgment creditor a fee of eight dollars for the financial institution's costs in complying with the provisions of this section which fee may be recoverable by the judgment creditor as a taxable cost of the action.

(n) If the financial institution fails or refuses to pay over to the serving officer the amount of such debt, not exceeding the amount due on such execution, such financial institution shall be liable in an action therefor to the judgment creditor named in such execution for the amount of nonexempt moneys which the financial institution failed or refused to pay over, excluding funds of up to one thousand dollars which the financial institution in good faith allowed the judgment debtor to access pursuant to subsection (c) of this section. The amount so recovered by such judgment creditor shall be applied toward the payment of the amount due on such execution. Thereupon, the rights of the financial institution shall be subrogated to the rights of the judgment creditor. If such financial institution pays exempt moneys from the account of the judgment debtor over to the serving officer contrary to the provisions of this section, such financial institution shall be liable in an action therefor to the judgment debtor for any exempt moneys so paid and such financial institution shall refund or waive any charges or fees by the financial institution, including, but not limited to, dishonored check fees, overdraft fees or minimum balance service charges and legal process fees, which were assessed as a result of such payment of exempt moneys. Thereupon, the rights of the financial institution shall be subrogated to the rights of the judgment debtor.
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(o) Except as provided in subsection (n) of this section, no financial institution or any officer, director or employee of such financial institution shall be liable to any person with respect to any act done or omitted in good faith or through the commission of a bona fide error that occurred despite reasonable procedures maintained by the financial institution to prevent such errors in complying with the provisions of this section.

(p) Nothing in this section shall in any way restrict the rights and remedies otherwise available to a judgment debtor or any such secured party at law or in equity.

(q) Nothing in this section shall in any way affect any rights of the financial institution with respect to uncollected funds credited to the account of the judgment debtor, which rights shall be superior to those of the judgment creditor.

(r) For the purposes of this subsection, "exempt" shall have the same meaning as provided in subsection (c) of section 52-352a. Funds deposited in an account that has been established for the express purpose of receiving electronic direct deposits of public assistance or of Title IV-D child support payments from the Department of Social Services shall be exempt.

Sec. 18. Subsection (b) of section 52-367b of the general statutes, as amended by section 14 of public act 12-89, is repealed and the following is substituted in lieu thereof (Effective July 1, 2015):

(b) If execution is desired against any such debt, the plaintiff requesting the execution shall make application to the clerk of the court. The application shall be accompanied by a fee of seventy-five dollars payable to the clerk of the court for the administrative costs of complying with the provisions of this section which fee may be recoverable by the judgment creditor as a taxable cost of the action. In
a IV-D case, the request for execution shall be accompanied by an affidavit signed by the serving officer attesting to an overdue support amount of five hundred dollars or more which accrued after the entry of an initial family support judgment. If the papers are in order, the clerk shall issue such execution containing a direction that the officer serving such execution shall, within seven days from the receipt by the serving officer of such execution, make demand (1) upon the main office of any financial institution having its main office within the county of the serving officer, or (2) if such main office is not within the serving officer's county and such financial institution has one or more branch offices within such county, upon an employee of such a branch office, such employee and branch office having been designated by the financial institution in accordance with regulations adopted by the Banking Commissioner, in accordance with chapter 54, for payment of any such nonexempt debt due to the judgment debtor and, after having made such demand, shall serve a true and attested copy of the execution, together with the affidavit and exemption claim form prescribed by subsection (k) of this section, with the serving officer's actions endorsed thereon, with the financial institution officer upon whom such demand is made. The serving officer shall not serve more than one financial institution execution per judgment debtor at a time, including copies thereof. After service of an execution on one financial institution, the serving officer shall not serve the same execution or a copy thereof upon another financial institution until receiving confirmation from the preceding financial institution that the judgment debtor had insufficient funds at the preceding financial institution available for collection to satisfy the execution, provided any such additional service is made not later than forty-five days from the receipt by the serving officer of such execution. After service of an execution on a financial institution, the serving officer shall not subsequently serve the same execution or a copy thereof upon such financial institution if an electronic direct deposit from a readily identifiable source described in subsection (c) of this section was made
to the judgment debtor's account during the look-back period, as defined in subsection (c) of this section. If no such deposit was made, the serving officer may subsequently serve the same execution or a copy thereof upon such institution, provided such execution has not expired or otherwise become unenforceable.

Sec. 19. Section 36a-760 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2014):

(a) As used in this section and sections 36a-760a to 36a-760j, inclusive:

(1) "APR" has the same meaning as provided in section 36a-746a, as amended by this act;

(2) "CHFA loan" means a loan made, insured, purchased, subsidized or guaranteed by the Connecticut Housing Finance Authority;

(3) "FHA loan" means a loan made, insured, purchased, subsidized or guaranteed by the Federal Housing Administration;

(4) "First mortgage loan" has the same meaning as provided in section 36a-485, as amended by this act;

(5) "Lender" means any person engaged in the business of the making of mortgage loans who is required to be licensed by the Department of Banking under chapter 668, or such person's successors or assigns, and also means any bank, out-of-state bank, Connecticut credit union, federal credit union, out-of-state credit union, or an operating subsidiary of a federal bank or a federally chartered out-of-state bank where such subsidiary engages in the business of making mortgage loans, and their successors and assigns, but does not include any mortgage broker, as defined in this section, or any mortgage loan originator, as defined in section 36a-485, as amended by this act;
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(6) "Mortgage broker" means any person, other than a lender, who (A) for a fee, commission or other valuable consideration, negotiates, solicits, arranges, places or finds a mortgage, and (B) who is required to be licensed by the Department of Banking under chapter 668, or such person's successors or assigns;

(7) "Nonprime home loan" means any loan or extension of credit, excluding an open-end line of credit, any mortgage insured under Title II of the National Housing Act, 12 USC 1701 et seq. that satisfies the requirements for a qualified mortgage set forth in 78 Federal Register 75215 (December 11, 2013), and [further excluding] a reverse mortgage transaction, as defined in 12 CFR [226.33] 1026.33, as amended from time to time:

(A) In which the borrower is a natural person;

(B) The proceeds of which are to be used primarily for personal family or household purposes;

(C) In which the loan is secured by a mortgage upon any interest in one-to-four family residential real property located in this state which is, or when the loan is made, intended to be used or occupied by the borrower as a principal residence;

(D) In which the principal amount of the loan does not exceed four hundred seventeen thousand dollars;

(E) Where the loan is not a CHFA loan; and

(F) In which the conditions set forth in clauses (i) and (ii) of this subparagraph apply, subject to any adjustments made pursuant to clause (iii) of this subparagraph:

(i) The difference, at the time of consummation, between the APR for the loan and the conventional mortgage rate is either equal to or
greater than (I) one and three-quarters percentage points, if the loan is a first mortgage loan, or (II) three and three-quarters percentage points, if the loan is a secondary mortgage loan. For purposes of such calculation, "conventional mortgage rate" means the most recent contract interest rate on commitments for fixed-rate mortgages published by the Board of Governors of the Federal Reserve System in its statistical release H.15, or any publication that may supersede it, during the week preceding the week in which the interest rate for the loan is set. For purposes of determining the beginning of each weekly period, the first day of each week shall be the effective date for the applicable prime offer rate, as of the date the interest rate is set, as determined in accordance with subparagraph (F)(ii) of this subdivision.

(ii) The difference, at the time of consummation, between the APR for the loan or extension of credit and the average prime offer rate for a comparable transaction, as of the date the interest rate is set, is greater than one and one-half percentage points if the loan is a first mortgage loan or three and one-half percentage points if the loan is a secondary mortgage loan. For purposes of this subparagraph, "average prime offer rate" has the meaning as provided in 12 CFR 226.35, as amended from time to time. For purposes of subparagraphs (F)(i) and (F)(ii) of this subdivision, the date the interest rate is set is the last date the interest rate is set, provided the rate is adjusted on or before consummation.

(iii) The commissioner shall have the authority, after consideration of the relevant factors, to increase the percentages set forth in clauses (i) and (ii) of this subparagraph. For purposes of this clause, the relevant factors to be considered by the commissioner shall include, but not be limited to, the existence and amount of increases in fees or charges in connection with purchases of mortgages by the Federal National Mortgage Association or the Federal Home Loan Mortgage
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Corporation and increases in fees or charges imposed by mortgage insurers and the impact, including the magnitude of the impact, that such increases have had, or will likely have, on APRs for mortgage loans in this state. When considering such factors, the commissioner shall focus on those increases that are related to the deterioration in the housing market and credit conditions. The commissioner may refrain from increasing such percentages if it appears that lenders are increasing interest rates or fees in bad faith or if increasing the percentages would be contrary to the purposes of sections 36a-760 to 36a-760f, inclusive, as amended by this act. No increase authorized by the commissioner to a particular percentage shall exceed one-quarter of one percentage point, and the total of all increases to a particular percentage under this clause shall not exceed one-half of one percentage point. No increase shall be made unless: (I) The increase is noticed in the Banking Department Bulletin and the Connecticut Law Journal, and (II) a public comment period of twenty days is provided. Any increase made under this clause shall be reduced proportionately when the need for the increase has diminished or no longer exists. The commissioner, in the exercise of his discretion, may authorize an increase in the percentages with respect to all loans or just with respect to a certain class or classes of loans;

(8) "Open-end line of credit" means a mortgage extended by a lender under a plan in which: (A) The lender reasonably contemplates repeated transactions; (B) the lender may impose a finance charge from time to time on an outstanding unpaid balance; (C) the amount of credit that may be extended to the consumer during the term of the plan, up to any limit set by the lender, is generally made available to the extent that any outstanding balance is repaid; and (D) none of the proceeds of the open-end line of credit are used at closing to (i) purchase the borrower's primary residence, or (ii) refinance a mortgage loan that had been used by the borrower to purchase the borrower's primary residence;
(9) "Secondary mortgage loan" has the same meaning as provided in section 36a-485, as amended by this act.

(b) The provisions of sections 36a-760a to 36a-760i, inclusive, shall be applicable to nonprime home loans and mortgages, as appropriate, for which applications have been received on or after August 1, 2008.

Sec. 20. Section 36a-308 of the 2014 supplement to the general statutes is repealed and the following is substituted in lieu thereof (Effective from passage):

(a) For purposes of this section, "savings promotion raffle" means a raffle conducted by a Connecticut credit union [as defined in section 36a-2], or a [community] Connecticut bank, as such terms are defined in section [36a-70] 36a-2, where the sole consideration required for a chance of winning designated prizes is the deposit of a minimum specified amount of money in a savings account or other savings program offered by such Connecticut credit union or [community] Connecticut bank.

(b) Any Connecticut credit union or [community] Connecticut bank [that has secure financial integrity, as determined by the Banking Commissioner,] may conduct a savings promotion raffle, provided the Connecticut credit union or [community] Connecticut bank (1) conducts the savings promotion raffle in a manner that (A) ensures that each entry has an equal chance of winning the designated prize, [and] (B) does not jeopardize the safety and soundness of the Connecticut credit union or Connecticut bank, and (C) complies with applicable consumer protection laws, (2) fully discloses the terms and conditions of the savings promotion raffle to each of its [share] account holders, [as defined in section 36a-2, or account holders, and] (3) maintains records sufficient to facilitate an audit of such savings promotion raffle, and (4) submits written notice to the commissioner not less than thirty days prior to conducting the savings promotion.
raffle. Only [a share account holder or] an account holder who is eighteen years of age or older may participate in a savings promotion raffle under this section.

(c) The Banking Commissioner may adopt regulations, in accordance with the provisions of chapter 54, to carry out the provisions of this section.

Sec. 21. (NEW) (Effective July 1, 2014) A mortgagee, as defined in section 49-31k of the general statutes, shall provide a mortgagor, as defined in said section, with a certificate of good standing, at the request of such mortgagor, if such mortgagor has successfully completed the foreclosure mediation program established pursuant to section 49-31m of the general statutes and has remained current on mortgage payments for a period of three or more years following the completion of such program. For purposes of this section, "certificate of good standing" means a letter stating that the mortgagor has paid each mortgage payment in a timely fashion, as determined by the mortgagee.

Approved May 8, 2014