



House of Representatives

General Assembly

File No. 339

February Session, 2014

House Bill No. 5160

House of Representatives, April 3, 2014

The Committee on Banks reported through REP. TONG of the 147th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING SECURED AND UNSECURED LENDING.

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

1 Section 1. Subdivision (21) of subsection (a) of section 36a-250 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2014*):

4 (21) Make secured and unsecured loans and issue letters of credit,
5 [as authorized by and subject to section 36a-260] except as otherwise
6 expressly limited by sections 36a-261 to 36a-265, inclusive;

7 Sec. 2. Section 36a-260 of the general statutes is repealed. (*Effective*
8 *October 1, 2014*)

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

Section 1	<i>October 1, 2014</i>	36a-250(a)(21)
Sec. 2	<i>October 1, 2014</i>	Repealer section

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

There is no fiscal impact to the Department of Banking from the repeal of a duplicative provision.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 5160*****AN ACT CONCERNING SECURED AND UNSECURED LENDING.*****SUMMARY:**

This bill eliminates the requirement that each Connecticut bank's governing board (1) adopt a loan and loan review policy for secured and unsecured loans and (2) develop and implement reasonable internal controls to ensure compliance with the policy. It also eliminates the required (1) bank's semiannual loan review policy assessment and (2) banking commissioner's examination of the loan policy and any loan made under it. The banks continue to be subject to any existing limitations under the banking statutes in making these loans.

Under current law, the loan policy must require written applications for all loans and, among other things, address (1) the types of loans offered, including underwriting guidelines and collateral requirements; (2) title review and insurance requirements; and (3) an evaluation and appraisal process.

Also under current law, the loan review policy must establish standards to (1) determine which loans are included in the review and (2) ensure the bank's compliance with its loan policy. It must also be appropriate to the bank's size, financial condition, and the nature and scope of its activities.

EFFECTIVE DATE: October 1, 2014

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 17 Nay 0 (03/18/2014)