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**OLR Bill Analysis**

**SB 221**

***AN ACT CONCERNING CREDIT CHECKS AND FINANCIAL INSTITUTIONS.***

**SUMMARY:**

This bill expands the types of employers who can require a credit check of their employees or prospective employees to include mortgage servicing companies and licensed (1) mortgage brokers, (2) mortgage correspondent lenders, and (3) mortgage lenders. Under the bill, a “mortgage servicing company” is any person who receives payments for a first mortgage, records the payments, and performs other administrative functions to meet the mortgage holder’s obligations.

Current law generally prohibits employers from requiring their employees or prospective employees to submit to a credit check unless (1) the employer is a financial institution, such as a bank, insurance company, or investment advisor; (2) it is required by law; (3) the employer reasonably believes the employee has violated the law; or (4) it is substantially related to the employees current or potential position.

EFFECTIVE DATE: October 1, 2014

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 12 Nay 0 (03/11/2014)