



General Assembly

Amendment

February Session, 2014

LCO No. 4462

HB0535304462HDO

Offered by:

REP. TONG, 147th Dist.
SEN. LEONE, 27th Dist.
REP. LUXENBERG, 12th Dist.
SEN. CRISCO, 17th Dist.

REP. ALBERTS, 50th Dist.
SEN. LINARES, 33rd Dist.
REP. ARESIMOWICZ, 30th Dist.

To: Subst. House Bill No. 5353

File No. 363

Cal. No. 237

**"AN ACT CONCERNING MORTGAGE SERVICERS,
CONNECTICUT FINANCIAL INSTITUTIONS, CONSUMER CREDIT
LICENSES, THE FORECLOSURE MEDIATION PROGRAM AND
MINOR REVISIONS TO THE BANKING STATUTES."**

-
- 1 Strike lines 41 to 48, inclusive, in their entirety
- 2 Strike subsection (b) of section 4 in its entirety and substitute the
- 3 following in lieu thereof:
- 4 "(b) The following persons are exempt from mortgage servicer
- 5 licensing requirements: (1) Any bank, out-of-state bank, Connecticut
- 6 credit union, federal credit union or out-of-state credit union, provided
- 7 such bank or credit union is federally insured; (2) any wholly-owned
- 8 subsidiary of such bank or credit union; (3) any operating subsidiary
- 9 where each owner of such operating subsidiary is wholly-owned by
- 10 the same such bank or credit union; and (4) any person licensed as a
- 11 mortgage lender in this state while acting as a mortgage servicer from

12 a location licensed as a main office or branch office under sections 36a-
13 485 to 36a-498f, inclusive, as amended by this act, 36a-534a and 36a-
14 534b, as amended by this act, provided (A) such person meets the
15 supplemental mortgage servicer surety bond, fidelity bond and errors
16 and omissions coverage requirements under section 8 of this act, and
17 (B) during any period that the license of the mortgage lender in this
18 state has been suspended, such exemption shall not be effective."

19 In line 142, after "conducted" insert the following:

20 ", provided such qualified individual and branch manager have
21 supervisory authority over the mortgage servicer activities at the
22 respective office location and at least three years' experience in the
23 mortgage servicing business within the five years immediately
24 preceding the date of the application for licensure"

25 In line 173, after the period insert the following:

26 "For purposes of subdivision (1) of this subsection, "experience in
27 the mortgage servicing business" means paid experience in the (A)
28 servicing of mortgage loans, (B) accounting, receipt and processing of
29 payments on behalf of mortgagees or creditors, or (C) supervision of
30 such activities, or any other relevant experience as determined by the
31 commissioner."

32 In lines 338, 351, 359, 370, 477, 506 and 513, strike "(2)" and insert in
33 lieu thereof "(4)"

34 Strike lines 421 and 422 in their entirety

35 In line 423, strike "commissioner."

36 In line 464, after "act," insert "and"

37 In line 465, strike "and section 36a-1 of the general statutes, as"

38 In line 466, strike "amended by this act,"

39 In line 770, strike "subdivision (1)" and insert in lieu thereof
40 "subdivisions (1), (2) and (3)"

41 Strike sections 21 and 22 in their entirety and insert the following in
42 lieu thereof:

43 "Sec. 21. Subsection (a) of section 36a-487 of the general statutes is
44 repealed and the following is substituted in lieu thereof (*Effective*
45 *October 1, 2014*):

46 (a) The following are exempt from licensing as a mortgage lender,
47 mortgage correspondent lender or mortgage broker under sections
48 36a-485 to 36a-498f, inclusive, as amended by this act, 36a-534a and
49 36a-534b, as amended by this act: (1) Any bank, out-of-state bank,
50 Connecticut credit union, federal credit union or out-of-state credit
51 union, provided such bank or credit union is federally insured, (2) any
52 [operating] wholly-owned subsidiary of [a federal bank or federally-
53 chartered out-of-state bank or any wholly-owned subsidiary of a
54 Connecticut bank or a Connecticut] any such bank or credit union; [(2)]
55 (3) any operating subsidiary where each owner of such operating
56 subsidiary is wholly-owned by the same such bank or credit union; (4)
57 any person licensed under sections 36a-671 to 36a-671d, inclusive, or
58 exempt from licensure under section 36a-671c, as amended by this act,
59 who is negotiating or offering to negotiate terms of a residential
60 mortgage loan as authorized by said sections 36a-671 to 36a-671d,
61 inclusive; and [(3)] (5) any person engaged solely in providing loan
62 processing or underwriting services to persons (A) licensed as a
63 mortgage lender, mortgage correspondent lender or mortgage broker,
64 or (B) exempt from such licensure under subdivision (1) of this
65 subsection. Each wholly-owned subsidiary of a Connecticut bank or
66 Connecticut credit union that engages in the business of making
67 residential mortgage loans or acts as a mortgage broker in this state
68 shall provide written notification to the commissioner prior to
69 engaging in such activity.

70 Sec. 22. Section 36a-671c of the general statutes is repealed and the

71 following is substituted in lieu thereof (*Effective October 1, 2014*):

72 The provisions of sections 36a-671 to 36a-671d, inclusive, shall not
73 apply to the following: (1) Any attorney admitted to the practice of law
74 in this state who engages or offers to engage in debt negotiation as an
75 ancillary matter to such attorney's representation of a client; (2) any
76 bank, out-of-state bank, Connecticut credit union, federal credit union
77 or out-of-state credit union; [, provided subsidiaries of such
78 institutions other than operating subsidiaries of federal banks and
79 federally-chartered out-of-state banks are not exempt from licensure;]
80 (3) any wholly-owned subsidiary of any such bank or credit union; (4)
81 any operating subsidiary where each owner of such operating
82 subsidiary is wholly-owned by the same such bank or credit union; (5)
83 any person licensed as a debt adjuster pursuant to sections 36a-655 to
84 36a-665, inclusive, while performing debt adjuster services; [(4)] (6)
85 any person acting under the order of a court; or [(5)] (7) any bona fide
86 nonprofit organization organized under Section 501(c)(3) of the
87 Internal Revenue Code of 1986, or any subsequent corresponding
88 internal revenue code of the United States, as amended from time to
89 time."

90 Strike sections 37 and 38 in their entirety and insert the following in
91 lieu thereof:

92 "Sec. 37. Section 49-311 of the 2014 supplement to the general
93 statutes is repealed and the following is substituted in lieu thereof
94 (*Effective from passage*):

95 (a) Prior to July 1, [2014] 2016: (1) Any action for the foreclosure of a
96 mortgage on residential real property with a return date during the
97 period from July 1, 2008, to June 30, 2009, inclusive, shall be subject to
98 the provisions of subsection (b) of this section, and (2) any action for
99 the foreclosure of a mortgage on (A) residential real property with a
100 return date during the period from July 1, 2009, to June 30, [2014] 2016,
101 inclusive, or (B) real property owned by a religious organization with a
102 return date during the period from October 1, 2011, to June 30, [2014]

103 2016, inclusive, shall be subject to the provisions of subsection (c) of
104 this section.

105 (b) (1) Prior to July 1, [2014] 2016, when a mortgagee commences an
106 action for the foreclosure of a mortgage on residential real property
107 with a return date during the period from July 1, 2008, to June 30, 2009,
108 inclusive, the mortgagee shall give notice to the mortgagor of the
109 foreclosure mediation program established in section 49-31m by
110 attaching to the front of the foreclosure complaint that is served on the
111 mortgagor: (A) A copy of the notice of the availability of foreclosure
112 mediation, in such form as the Chief Court Administrator prescribes,
113 and (B) a foreclosure mediation request form, in such form as the Chief
114 Court Administrator prescribes.

115 (2) Except as provided in subdivision (3) of this subsection, a
116 mortgagor may request foreclosure mediation by submitting the
117 foreclosure mediation request form to the court and filing an
118 appearance not more than fifteen days after the return date for the
119 foreclosure action. Upon receipt of the foreclosure mediation request
120 form, the court shall notify each appearing party that a foreclosure
121 mediation request form has been submitted by the mortgagor.

122 (3) The court may grant a mortgagor permission to submit a
123 foreclosure mediation request form and file an appearance after the
124 fifteen-day period established in subdivision (2) of this subsection, for
125 good cause shown.

126 (4) No foreclosure mediation request form may be submitted to the
127 court under this subsection on or after July 1, [2014] 2016.

128 (5) If at any time on or after July 1, 2008, but prior to July 1, [2014]
129 2016, the court determines that the notice requirement of subdivision
130 (1) of this subsection has not been met, the court may, upon its own
131 motion or upon the written motion of the mortgagor, issue an order
132 that no judgment may enter for fifteen days during which period the
133 mortgagor may submit a foreclosure mediation request form to the

134 court.

135 (6) Notwithstanding any provision of the general statutes or any
136 rule of law to the contrary, prior to July 1, [2014] 2016, no judgment of
137 strict foreclosure nor any judgment ordering a foreclosure sale shall be
138 entered in any action subject to the provisions of this subsection and
139 instituted by the mortgagee to foreclose a mortgage on residential real
140 property unless: (A) Notice to the mortgagor has been given by the
141 mortgagee in accordance with subdivision (1) of this subsection and
142 the time for submitting a foreclosure mediation request form has
143 expired and no foreclosure mediation request form has been
144 submitted, or if such notice has not been given, the time for submitting
145 a foreclosure mediation request form pursuant to subdivision (2) or (3)
146 of this subsection has expired and no foreclosure mediation request
147 form has been submitted, or (B) the mediation period set forth in
148 [subdivision] subsection (b) of section 49-31n, as amended by this act,
149 has expired or has otherwise terminated, whichever is earlier.

150 (7) None of the mortgagor's or mortgagee's rights in the foreclosure
151 action shall be waived by the mortgagor's submission of a foreclosure
152 mediation request form to the court.

153 (c) (1) Prior to July 1, [2014] 2016, when a mortgagee commences an
154 action for the foreclosure of a mortgage on residential real property
155 with a return date on or after July 1, 2009, or, with respect to real
156 property owned by a religious organization, a return date on or after
157 October 1, 2011, the mortgagee shall give notice to the mortgagor of
158 the foreclosure mediation program established in section 49-31m by
159 attaching to the front of the writ, summons and complaint that is
160 served on the mortgagor: (A) A copy of the notice of foreclosure
161 mediation, in such form as the Chief Court Administrator prescribes,
162 (B) a copy of the foreclosure mediation certificate form described in
163 subdivision (3) of this subsection, in such form as the Chief Court
164 Administrator prescribes, (C) a blank appearance form, in such form as
165 the Chief Court Administrator prescribes, (D) with respect to an action
166 for the foreclosure of a mortgage on residential real property with a

167 return date on or after October 1, 2011, to September 30, 2013,
168 inclusive, a mediation information form and a notice containing
169 contact information for authority-approved consumer credit
170 counseling agencies, which form and notice shall be in such form as
171 the Chief Court Administrator prescribes, and which form shall be
172 designed to elicit current financial information and such other
173 nonfinancial information from the mortgagor as the Chief Court
174 Administrator, in consultation with representatives from the banking
175 industry and consumer advocates, determines will further the
176 objectives of the mediation program. The Chief Court Administrator
177 shall develop a premediation review protocol pursuant to which the
178 mediator shall request that any documents submitted to the mediator
179 for initial review that are incomplete, contain errors or are likely to be
180 found unacceptable by the mortgagee be completed or corrected and
181 that the completed or corrected documents be resubmitted to the
182 mediator for review. Such premediation review, including any
183 recommendations to complete or correct documents, shall not be
184 construed to be the practice of law on behalf of any party to the
185 mediation or the provision of legal advice by the mediator. The
186 instructions to the mediation information form shall explain that the
187 completed mediation information form, along with accompanying
188 documentation reasonably requested from the mortgagor by way of
189 such instructions, shall be delivered to the mortgagee's counsel not
190 later than fifteen business days prior to the date of the initial mediation
191 session, as identified in the notice provided pursuant to subdivision (2)
192 of subsection (c) of section 49-31n, as amended by this act, and (E) for
193 an action to foreclose a mortgage on residential real property with a
194 return date on or after October 1, 2013, the mediation information form
195 shall instruct the mortgagor as to the objectives of the mediation
196 program, explain the preliminary process of meeting with the
197 mediator as described in subdivision (4) of this subsection, instruct the
198 mortgagor to begin gathering financial documentation commonly used
199 in foreclosure mediation for use in meeting with the mediator and in
200 mediation, and include a notice containing contact information for
201 authority-approved consumer counseling agencies, which shall be in

202 such form as the Chief Court Administrator prescribes. The content of
203 the mediation information form shall be designed by the Chief Court
204 Administrator in consultation with representatives from the banking
205 industry and consumer advocates.

206 (2) The court shall issue a notice of foreclosure mediation described
207 in subdivision (3) of this subsection to the mortgagor not later than the
208 date three business days after the date the mortgagee returns the writ
209 to the court.

210 (3) The notice of foreclosure mediation shall instruct the mortgagor
211 to file the appearance and foreclosure mediation certificate forms with
212 the court not later than the date fifteen days from the return date for
213 the foreclosure action. With respect to actions with a return date on or
214 after October 1, 2011, to September 30, 2013, inclusive, such notice shall
215 remind the mortgagor to deliver the completed mediation information
216 form and the accompanying documentation described in subdivision
217 (1) of this subsection and encourage such delivery in advance of the
218 required date. With respect to actions with a return date on or after
219 October 1, 2013, to June 30, [2014] 2016, inclusive, such notice shall
220 instruct the mortgagor to begin gathering financial information
221 commonly used in foreclosure mediation for use in meeting with the
222 mediator and in mediation. The mediation information form and
223 accompanying documentation shall not, without the explicit written
224 instruction of the mortgagor, be publicly available. Such notice of
225 foreclosure mediation shall be accompanied by materials from the
226 Department of Banking, as prescribed by the Chief Court
227 Administrator, which shall describe the community-based resources
228 available to the mortgagor, including authority-approved housing
229 counseling agencies that may assist with preparation for mediation
230 and application for mortgage assistance programs. The foreclosure
231 mediation certificate form shall require the mortgagor to provide
232 sufficient information to permit the court to confirm that the defendant
233 in the foreclosure action is a mortgagor, and to certify that said
234 mortgagor has sent a copy of the mediation certificate form to the

235 plaintiff in the action.

236 (4) Upon receipt of the mortgagor's appearance and foreclosure
237 mediation certificate forms, and provided the court confirms the
238 defendant in the foreclosure action is a mortgagor and that said
239 mortgagor has sent a copy of the mediation certificate form to the
240 plaintiff, the court shall assign the case to mediation and issue notice of
241 such assignment to all appearing parties, which notice shall include an
242 electronic mail address for all communications related to the
243 mediation. The court shall issue such notice not earlier than the date
244 five business days after the return date or by the date three business
245 days after the date on which the court receives the mortgagor's
246 appearance and foreclosure mediation certificate forms, whichever is
247 later, except that if the court does not receive the appearance and
248 foreclosure mediation certificate forms from the mortgagor by the date
249 fifteen days after the return date for the foreclosure action, the court
250 shall not assign the case to mediation. Promptly upon receipt of the
251 notice of assignment, but not later than the thirty-fifth day following
252 the return date, the mortgagee or its counsel shall deliver to the
253 mediator, via the electronic mail address provided for communications
254 related to the mediation, and to the mortgagor, via first class, priority
255 or overnight mail, (A) an account history identifying all credits and
256 debits assessed to the loan account and any related escrow account in
257 the immediately preceding twelve-month period and an itemized
258 statement of the amount required to reinstate the mortgage loan with
259 accompanying information, written in plain language, to explain any
260 codes used in the history and statement which are not otherwise self-
261 explanatory, (B) the name, business mailing address, electronic mail
262 address, facsimile number and direct telephone number of an
263 individual able to respond with reasonable adequacy and promptness
264 to questions relative to the information submitted to the mediator
265 pursuant to this subdivision, and any subsequent updates to such
266 contact information, which shall be provided reasonably promptly to
267 the mediator via the electronic mail address provided for
268 communication related to the mediation, (C) all reasonably necessary

269 forms and a list of all documentation reasonably necessary for the
270 mortgagee to evaluate the mortgagor for common alternatives to
271 foreclosure that are available through the mortgagee, if any, (D) a copy
272 of the note and mortgage, (E) summary information regarding the
273 status of any pending foreclosure avoidance efforts being undertaken
274 by the mortgagee, (F) a copy of any loss mitigation affidavit filed with
275 the court, and (G) at the mortgagee's option, (i) the history of
276 foreclosure avoidance efforts with respect to the mortgagor, (ii)
277 information regarding the condition of mortgaged property, and (iii)
278 such other information as the mortgagee may determine is relevant to
279 meeting the objectives of the mediation program. Following the
280 mediator's receipt of such information, the court shall assign a
281 mediator to the mediation and schedule a meeting with the mediator
282 and the mortgagor and shall endeavor to schedule such meeting on or
283 prior to the forty-ninth day following the return date. The notice of
284 such meeting shall instruct the mortgagor to complete the forms prior
285 to the meeting and to furnish such forms together with the
286 documentation contained in the list, as provided by the mortgagee
287 following the filing of the foreclosure mediation certificate, at the
288 meeting. At such meeting, the mediator shall review such forms and
289 documentation with the mortgagor, along with the information
290 supplied by the mortgagee, in order to discuss the options that may be
291 available to the mortgagor, including any community-based resources,
292 and assist the mortgagor in completing the forms and furnishing the
293 documentation necessary for the mortgagee to evaluate the mortgagor
294 for alternatives to foreclosure. The mediator may elect to schedule
295 subsequent meetings with the mortgagor and determine whether any
296 mortgagor may be excused from an in-person appearance at such
297 subsequent meeting. As soon as practicable, but in no case later than
298 the eighty-fourth day following the return date, the mediator shall
299 facilitate and confirm the submission by the mortgagor of the forms
300 and documentation to the mortgagee's counsel via electronic means
301 and, at the mortgagee's election, directly to the mortgagee per the
302 mortgagee's instruction, and determine, based on the mortgagor's
303 attendance at the meetings and the extent the mortgagor completed the

304 forms and furnished the documentation contemplated in this
305 subdivision, or failed to perform such tasks through no material fault
306 of the mortgagee, and file a report with the court indicating, (I)
307 whether mediation shall be scheduled with the mortgagee, (II) whether
308 the mortgagor attended scheduled meetings with the mediator, (III)
309 whether the mortgagor fully or substantially completed the forms and
310 furnished the documentation requested by the mortgagee, (IV) the
311 date on which the mortgagee supplied the forms and documentation,
312 and (V) any other information the mediator determines to be relevant
313 to the objectives of the mediation program. No meeting or
314 communication between the mediator and mortgagor under this
315 subdivision shall be treated as an impermissible ex parte
316 communication. If the mediator determines that the mortgagee shall
317 participate in mediation, the court shall promptly issue notice to all
318 parties of such determination and schedule a mediation session
319 between the mortgagee and mortgagor in accordance with subsection
320 (c) of section 49-31n, as amended by this act, to be held not later than
321 five weeks following the submission to the mortgagee of the forms and
322 documentation contemplated in this subdivision. If the mediator
323 determines that no sessions between the mortgagee and mortgagor
324 shall be scheduled, the court shall promptly issue notice to all parties
325 regarding such determination and mediation shall be terminated. Any
326 mortgagor wishing to contest such determination shall petition the
327 court and show good cause for reinclusion in the mediation program,
328 including, but not limited to, a material change in financial
329 circumstances or a mistake or misunderstanding of the facts by the
330 mediator.

331 (5) Notwithstanding the provisions of this subsection, the court may
332 refer a foreclosure action brought by a mortgagee to the foreclosure
333 mediation program at any time, for good cause shown, provided the
334 mortgagor has filed an appearance in said action and further provided
335 the court shall, not later than the date three business days after the date
336 on which it makes such referral, send a notice to each appearing party
337 assigning the case to mediation and requiring the parties to participate

338 in the premediation process described in subdivision (4) of this
339 subsection, with the court establishing deadlines to ensure that the
340 premediation process is to be completed by the parties as
341 expeditiously as the circumstances warrant and permit. When
342 determining whether good cause exists, the court shall consider
343 whether the parties are likely to benefit from mediation and, in the
344 case of a referral after prior attempts at mediation have been
345 terminated, whether there has been a material change in
346 circumstances.

347 (6) Notwithstanding any provision of the general statutes or any
348 rule of law, prior to July 1, [2014] 2016, (A) for the period of time which
349 shall not exceed eight months from the return date, the mortgagor
350 shall be permitted to file an answer, special defenses or counterclaims,
351 but no mortgagee or mortgagor shall make any motion, request or
352 demand with respect to the other, except those motions, requests or
353 demands that relate to the mediation program described in section 49-
354 31m and the mediation sessions held pursuant to such program,
355 provided (i) a mortgagor seeking to contest the court's jurisdiction may
356 file a motion to dismiss and the mortgagee may object to such motion
357 to dismiss in accordance with applicable law and the rules of the
358 courts, and (ii) if the mortgagor elects to make any other motion,
359 request or demand with respect to the mortgagee, the eight-month
360 limit shall no longer apply to either party; and (B) no judgment of strict
361 foreclosure nor any judgment ordering a foreclosure sale shall be
362 entered in any action subject to the provisions of this subsection and
363 instituted by the mortgagee to foreclose a mortgage on residential real
364 property or real property owned by a religious organization unless: (i)
365 The mediation period set forth in subsection (c) of section 49-31n, as
366 amended by this act, has expired or has otherwise terminated,
367 whichever is earlier, and, if fewer than eight months has elapsed from
368 the return date at the time of termination, fifteen days have elapsed
369 since such termination and any pending motion or request to extend
370 the mediation period has been heard and denied by the court, or (ii)
371 the mediation program is not otherwise required or available. Nothing

372 in this subdivision shall affect any motion made or any default or
373 judgment entered on or before June 30, 2011.

374 (7) With respect to foreclosure actions with a return date on or after
375 July 1, 2011, to June 30, [2014] 2016, inclusive, notwithstanding any
376 provision of the general statutes or any rule of law to the contrary, the
377 mortgagee shall be permitted following the eight-month or fifteen-day
378 period described in subdivision (6) of this subsection, to
379 simultaneously file, as applicable, (A) a motion for default, and (B) a
380 motion for judgment of strict foreclosure or a motion for judgment of
381 foreclosure by sale with respect to the mortgagor in the foreclosure
382 action.

383 (8) None of the mortgagor's or mortgagee's rights in the foreclosure
384 action shall be waived by participation in the foreclosure mediation
385 program.

386 Sec. 38. Section 49-31n of the 2014 supplement to the general statutes
387 is repealed and the following is substituted in lieu thereof (*Effective*
388 *from passage*):

389 (a) Prior to July 1, [2014] 2016: (1) Any action for the foreclosure of a
390 mortgage on residential real property with a return date during the
391 period from July 1, 2008, to June 30, 2009, inclusive, shall be subject to
392 the provisions of subsection (b) of this section, and (2) any action for
393 the foreclosure of a mortgage on (A) residential real property with a
394 return date during the period from July 1, 2009, to June 30, [2014] 2016,
395 inclusive, or (B) real property owned by a religious organization with a
396 return date during the period from October 1, 2011, to June 30, [2014]
397 2016, inclusive, shall be subject to the provisions of subsection (c) of
398 this section.

399 (b) (1) For any action for the foreclosure of a mortgage on residential
400 real property with a return date during the period from July 1, 2008, to
401 June 30, 2009, inclusive, the mediation period under the foreclosure
402 mediation program established in section 49-31m shall commence

403 when the court sends notice to each appearing party that a foreclosure
404 mediation request form has been submitted by a mortgagor to the
405 court, which notice shall be sent not later than three business days after
406 the court receives a completed foreclosure mediation request form. The
407 mediation period shall conclude not later than the conclusion of the
408 third mediation session between the mortgagor and mortgagee or
409 seven months after the return date, whichever is earlier, except that the
410 court may, in its discretion, for good cause shown, upon the motion of
411 any party or the mediator, (A) extend the mediation period subject to
412 the provisions of subdivision (9) of this subsection or shorten the
413 mediation period.

414 (2) The first mediation session shall be held not later than fifteen
415 business days after the court sends notice to all parties that a
416 foreclosure mediation request form has been submitted to the court.
417 The mortgagor and mortgagee shall appear in person at each
418 mediation session and shall have the ability to mediate, except that (A)
419 if a party is represented by counsel, the party's counsel may appear in
420 lieu of the party to represent the party's interests at the mediation,
421 provided the party has the ability to mediate, the mortgagor attends
422 the first mediation session in person, and the party is available (i)
423 during the mediation session by telephone, and (ii) to participate in the
424 mediation session by speakerphone, provided an opportunity is
425 afforded for confidential discussions between the party and party's
426 counsel, (B) following the initial mediation session, if there are two or
427 more mortgagors who are self-represented, only one mortgagor shall
428 be required to appear in person at each subsequent mediation session
429 unless good cause is shown, provided the other mortgagors are
430 available (i) during the mediation session, and (ii) to participate in the
431 mediation session by speakerphone, and (C) if a party suffers from a
432 disability or other significant hardship that imposes an undue burden
433 on such party to appear in person, the mediator may grant permission
434 to such party to participate in the mediation session by telephone. A
435 mortgagor's spouse, who is not a mortgagor but who lives in the
436 subject property, may appear at each mediation session, provided all

437 appearing mortgagors consent, in writing, to such spouse's appearance
438 or such spouse shows good cause for his or her appearance and the
439 mortgagors consent in writing to the disclosure of nonpublic personal
440 information to such spouse. If the mortgagor has submitted a complete
441 package of financial documentation in connection with a request for a
442 particular foreclosure alternative, the mortgagee shall have thirty-five
443 days from the receipt of the completed package to respond with a
444 decision and, if the decision is a denial of the request, provide the
445 reasons for such denial. If the mortgagor has, in connection with a
446 request for a foreclosure alternative, submitted a financial package that
447 is not complete, or if the mortgagee's evaluation of a complete package
448 reveals that additional information is necessary to underwrite the
449 request, the mortgagee shall request the missing or additional
450 information within a reasonable period of time of such evaluation. If
451 the mortgagee's evaluation of a complete package reveals that
452 additional information is necessary to underwrite the request, the
453 thirty-five-day deadline for a response shall be extended but only for
454 so long as is reasonable given the timing of the mortgagor's submission
455 of such additional information and the nature and context of the
456 required underwriting. Not later than the third business day after each
457 mediation session held on or after June 18, 2013, the mediator shall file
458 with the court a report indicating, to the extent applicable, (i) the
459 extent to which each of the parties complied with the requirements set
460 forth in this subdivision, including the requirement to engage in
461 conduct that is consistent with the objectives of the mediation program
462 and to possess the ability to mediate, (ii) whether the mortgagor
463 submitted a complete package of financial documentation to the
464 mortgagee, (iii) a general description of the foreclosure alternative
465 being requested by the mortgagor, (iv) whether the mortgagor has
466 previously been evaluated for similar requests, whether prior to
467 mediation or in mediation, and, if so, whether there has been any
468 apparent change in circumstances since a decision was made with
469 respect to that prior evaluation, (v) whether the mortgagee has
470 responded to the mortgagor's request for a foreclosure alternative and,
471 if so, a description of the response and whether the mediator is aware

472 of any material reason not to agree with the response, (vi) whether the
473 mortgagor has responded to an offer made by the mortgagee on a
474 reasonably timely basis, and if so, an explanation of the response, (vii)
475 whether the mortgagee has requested additional information from the
476 mortgagor and, if so, the stated reasons for the request and the date by
477 which such additional information shall be submitted so that
478 information previously submitted by the mortgagor, to the extent
479 possible, may still be used by the mortgagee in conducting its review,
480 (viii) whether the mortgagor has supplied, on a reasonably timely
481 basis, any additional information that was reasonably requested by the
482 mortgagee, and, if not, the stated reason for not doing so, (ix) if
483 information provided by the mortgagor is no longer current for
484 purposes of evaluating a foreclosure alternative, a description of the
485 out-of-date information and an explanation as to how and why such
486 information is no longer current, (x) whether the mortgagee has
487 provided a reasonable explanation of the basis for a decision to deny a
488 request for a loss mitigation option or foreclosure alternative and
489 whether the mediator is aware of any material reason not to agree with
490 that decision, (xi) whether the mortgagee has complied with the time
491 frames set forth in this subdivision for responding to requests for
492 decisions, (xii) if a subsequent mediation session is expected to occur, a
493 general description of the expectations for such subsequent session
494 and for the parties prior to such subsequent session and, if not
495 otherwise addressed in the report, whether the parties satisfied the
496 expectations set forth in previous reports, and (xiii) a determination of
497 whether the parties will benefit from further mediation. The mediator
498 shall deliver a copy of such report to each party to the mediation when
499 the mediator files the report. The parties shall have the opportunity to
500 submit their own supplemental information following the filing of the
501 report, provided such supplemental information shall be submitted
502 not later than five business days following the receipt of the mediator's
503 report. Any request by the mortgagee to the mortgagor for additional
504 or updated financial documentation shall be made in writing. The
505 court may impose sanctions on any party or on counsel to a party if
506 such party or such counsel engages in intentional or a pattern or

507 practice of conduct during the mediation process that is contrary to the
508 objectives of the mediation program. Any sanction that is imposed
509 shall be proportional to the conduct and consistent with the objectives
510 of the mediation program. Available sanctions shall include, but not be
511 limited to, terminating mediation, ordering the mortgagor or
512 mortgagee to mediate in person, forbidding the mortgagee from
513 charging the mortgagor for the mortgagee's attorney's fees, awarding
514 attorney's fees, and imposing fines. In the case of egregious
515 misconduct, the sanctions shall be heightened. The court shall not
516 award attorney's fees to any mortgagee for time spent in any
517 mediation session if the court finds that such mortgagee has failed to
518 comply with this subdivision, unless the court finds reasonable cause
519 for such failure.

520 (3) If the mediator reports to the court that the parties will not
521 benefit from further mediation, the mediation period shall terminate
522 automatically. If the mediator reports to the court after the first or
523 second mediation session that the parties may benefit from further
524 mediation, the mediation period shall continue.

525 (4) If the mediation period concludes and certain issues have not
526 been resolved pursuant to the mediation, the mediator may refer the
527 mortgagor to any appropriate community-based services that are
528 available.

529 (5) The Chief Court Administrator shall establish policies and
530 procedures to implement this subsection. Such policies and procedures
531 shall, at a minimum, provide that the mediator shall advise the
532 mortgagor at the first meeting required by subdivision (4) of
533 subsection (c) of section 49-311, as amended by this act, that a judgment
534 of strict foreclosure or foreclosure by sale may cause the mortgagor to
535 lose the residential real property to foreclosure.

536 (6) In no event shall any determination issued by a mediator under
537 this program form the basis of an appeal of any foreclosure judgment.

538 (7) Foreclosure mediation request forms shall not be accepted by the
539 court under this subsection on or after July 1, [2014] 2016, and the
540 foreclosure mediation program shall terminate when all mediation has
541 concluded with respect to any applications submitted to the court prior
542 to July 1, [2014] 2016.

543 (8) At any time during the mediation period, the mediator may refer
544 a mortgagor who is the owner-occupant of one-to-four family
545 residential real property to the mortgage assistance programs, except
546 that any such referral shall not prevent a mortgagee from proceeding
547 to judgment when the conditions specified in subdivision (6) of
548 subsection (b) of section 49-311, as amended by this act, have been
549 satisfied.

550 (9) (A) The mediation period shall conclude following the third
551 mediation session or if more than seven months have elapsed since the
552 return date. Not later than fifteen days following the conclusion of the
553 mediation period, and any extended mediation sessions held in
554 accordance with this subdivision, any party may move for, or the
555 mediator may request, an extension of the mediation period. The court
556 shall grant only one additional mediation session per motion or
557 request upon a finding that it is highly probable the parties will reach
558 an agreement through mediation. The court may also grant one
559 additional mediation session per motion or request upon a finding that
560 any party has engaged, either intentionally or by a pattern or practice,
561 in conduct that is contrary to the objectives of the mediation program.
562 The court shall make its ruling not later than twenty days after the
563 filing of such motion or request, and no judgment of strict foreclosure
564 or any judgment ordering a foreclosure sale shall be entered until (i)
565 the court denies the motion or request, or (ii) the conclusion of the
566 extended mediation session, except as provided in subparagraph (B) of
567 this subdivision. Upon the grant of an additional mediation session
568 following the proper finding, the court shall establish an expeditious
569 deadline for such extended mediation session to occur. Such extended
570 mediation period shall conclude following such extended mediation

571 session.

572 (B) The mediation period may be extended for one additional
573 mediation session without a hearing held pursuant to this subdivision
574 provided all parties to the mediation agree that such parties would
575 benefit from such a session and, in consultation with the mediator,
576 establish an expeditious deadline for such session to take place.

577 (C) To determine whether to extend mediation, the court may
578 consider all matters that have arisen in the mediation, including, but
579 not limited to, the number of motions to extend mediation, the reasons
580 for which an agreement has not been reached, the objectives of the
581 mediation program, the extent to which the parties will benefit from
582 further mediation, the reports submitted by the mediator, papers
583 submitted in connection with any motion, and any supplemental
584 reports submitted by a party. The court shall articulate its reasons in
585 the order granting or denying any such motion or request to extend
586 mediation.

587 (10) For any case pending as of October 1, 2013, in which mediation
588 is ongoing, (A) if three or fewer sessions have been held, such case
589 shall be treated as if no sessions have been held as of said date for
590 purposes of subdivision (9) of this subsection, and (B) if four or more
591 sessions have been held, then any party or the mediator may move to
592 terminate the mediation period or extend such period in accordance
593 with subdivision (9) of this subsection and, if no such motion to extend
594 is made, the mediation period shall conclude after the third mediation
595 session occurring after October 1, 2013.

596 (c) (1) For any action for the foreclosure of a mortgage on residential
597 real property with a return date during the period from July 1, 2009, to
598 June 30, [2014] 2016, inclusive, or for any action for the foreclosure of a
599 mortgage on real property owned by a religious organization with a
600 return date during the period from October 1, 2011, to June 30, [2014]
601 2016, inclusive, the mediation period under the foreclosure mediation
602 program established in section 49-31m shall commence when the court

603 sends notice to each appearing party scheduling the first foreclosure
604 mediation session. The mediation period shall conclude not later than
605 the conclusion of the third mediation session between the mortgagor
606 and mortgagee or seven months after the return date, whichever is
607 earlier, except that the court may, in its discretion, for good cause
608 shown, upon the motion of any party or request by the mediator,
609 extend the mediation period subject to the provisions of subdivision
610 (9) of this subsection or shorten the mediation period.

611 (2) The mortgagor and mortgagee shall appear in person at each
612 mediation session and shall have the ability to mediate, except that (A)
613 if a party is represented by counsel, the party's counsel may appear in
614 lieu of the party to represent the party's interests at the mediation,
615 provided the party has the ability to mediate, the mortgagor attends
616 the first mediation session in person and the party is available (i)
617 during the mediation session by telephone, and (ii) to participate in the
618 mediation session by speakerphone, provided an opportunity is
619 afforded for confidential discussions between the party and party's
620 counsel, (B) following the initial mediation session, if there are two or
621 more mortgagors who are self-represented, only one mortgagor shall
622 be required to appear in person at each subsequent mediation session
623 unless good cause is shown, provided the other mortgagors are
624 available (i) during the mediation session, and (ii) to participate in the
625 mediation session by speakerphone, and (C) if a party suffers from a
626 disability or other significant hardship that imposes an undue burden
627 on such party to appear in person, the mediator may grant permission
628 to such party to participate in the mediation session by telephone. A
629 mortgagor's spouse, who is not a mortgagor but who lives in the
630 subject property, may appear at each mediation session, provided all
631 appearing mortgagors consent, in writing, to such spouse's appearance
632 or such spouse shows good cause for his or her appearance and the
633 mortgagors consent, in writing, to the disclosure of nonpublic personal
634 information to such spouse. If the mortgagor has submitted a complete
635 package of financial documentation in connection with a request for a
636 particular foreclosure alternative, the mortgagee shall have thirty-five

637 days from the receipt of the completed package to respond with a
638 decision and, if the decision is a denial of the request, provide the
639 reasons for such denial. If the mortgagor has, in connection with a
640 request for a foreclosure alternative, submitted a financial package that
641 is not complete, or if the mortgagee's evaluation of a complete package
642 reveals that additional information is necessary to underwrite the
643 request, the mortgagee shall request the missing or additional
644 information within a reasonable period of time of such evaluation. If
645 the mortgagee's evaluation of a complete package reveals that
646 additional information is necessary to underwrite the request, the
647 thirty-five-day deadline for a response shall be extended but only for
648 so long as is reasonable given the timing of the mortgagor's submission
649 of such additional information and the nature and context of the
650 required underwriting. Not later than the third business day after each
651 mediation session, the mediator shall file with the court a report
652 indicating, to the extent applicable, (i) the extent to which each of the
653 parties complied with the requirements set forth in this subdivision,
654 including the requirement to engage in conduct that is consistent with
655 the objectives of the mediation program and to possess the ability to
656 mediate, (ii) whether the mortgagor submitted a complete package of
657 financial documentation to the mortgagee, (iii) a general description of
658 the foreclosure alternative being requested by the mortgagor, (iv)
659 whether the mortgagor has previously been evaluated for similar
660 requests, whether prior to mediation or in mediation, and, if so,
661 whether there has been any apparent change in circumstances since a
662 decision was made with respect to that prior evaluation, (v) whether
663 the mortgagee has responded to the mortgagor's request for a
664 foreclosure alternative and, if so, a description of the response and
665 whether the mediator is aware of any material reason not to agree with
666 the response, (vi) whether the mortgagor has responded to an offer
667 made by the mortgagee on a reasonably timely basis, and if so, an
668 explanation of the response, (vii) whether the mortgagee has requested
669 additional information from the mortgagor and, if so, the stated
670 reasons for the request and the date by which such additional
671 information shall be submitted so that information previously

672 submitted by the mortgagor, to the extent possible, may still be used
673 by the mortgagee in conducting its review, (viii) whether the
674 mortgagor has supplied, on a reasonably timely basis, any additional
675 information that was reasonably requested by the mortgagee, and, if
676 not, the stated reason for not doing so, (ix) if information provided by
677 the mortgagor is no longer current for purposes of evaluating a
678 foreclosure alternative, a description of the out-of-date information
679 and an explanation as to how and why such information is no longer
680 current, (x) whether the mortgagee has provided a reasonable
681 explanation of the basis for a decision to deny a request for a loss
682 mitigation option or foreclosure alternative and whether the mediator
683 is aware of any material reason not to agree with that decision, (xi)
684 whether the mortgagee has complied with the time frames set forth in
685 this subdivision for responding to requests for decisions, (xii) if a
686 subsequent mediation session is expected to occur, a general
687 description of the expectations for such subsequent session and for the
688 parties prior to such subsequent session and, if not otherwise
689 addressed in the report, whether the parties satisfied the expectations
690 set forth in previous reports, and (xiii) a determination of whether the
691 parties will benefit from further mediation. The mediator shall deliver
692 a copy of such report to each party to the mediation when the mediator
693 files the report. The parties shall have the opportunity to submit their
694 own supplemental information following the filing of the report,
695 provided such supplemental information shall be submitted not later
696 than five business days following the receipt of the mediator's report.
697 Any request by the mortgagee to the mortgagor for additional or
698 updated financial documentation shall be made in writing. The court
699 may impose sanctions on any party or on counsel to a party if such
700 party or such counsel engages in intentional or a pattern or practice of
701 conduct during the mediation process that is contrary to the objectives
702 of the mediation program. Any sanction that is imposed shall be
703 proportional to the conduct and consistent with the objectives of the
704 mediation program. Available sanctions shall include, but not be
705 limited to, terminating mediation, ordering the mortgagor or
706 mortgagee to mediate in person, forbidding the mortgagee from

707 charging the mortgagor for the mortgagee's attorney's fees, awarding
708 attorney's fees, and imposing fines. In the case of egregious
709 misconduct, the sanctions shall be heightened. The court shall not
710 award attorney's fees to any mortgagee for time spent in any
711 mediation session if the court finds that such mortgagee has failed to
712 comply with this subdivision, unless the court finds reasonable cause
713 for such failure.

714 (3) If the mediator reports to the court that the parties will not
715 benefit from further mediation, the mediation period shall terminate
716 automatically. If the mediator reports to the court after the first or
717 second mediation session that the parties may benefit from further
718 mediation, the mediation period shall continue.

719 (4) If the mediation period concludes and certain issues have not
720 been resolved pursuant to the mediation, the mediator may refer the
721 mortgagor to any appropriate community-based services that are
722 available in the judicial district, but any such referral shall not cause a
723 delay in the mediation process.

724 (5) The Chief Court Administrator shall establish policies and
725 procedures to implement this subsection. Such policies and procedures
726 shall, at a minimum, provide that the mediator shall advise the
727 mortgagor at the first meeting required by subdivision (4) of
728 subsection (c) of section 49-31l, as amended by this act, that: (A) Such
729 mediation does not suspend the mortgagor's obligation to respond to
730 the foreclosure action beyond the limited time frame described in
731 subdivision (6) of subsection (c) of section 49-31l, as amended by this
732 act; and (B) a judgment of strict foreclosure or foreclosure by sale may
733 cause the mortgagor to lose the residential real property or real
734 property owned by a religious organization to foreclosure.

735 (6) In no event shall any determination issued by a mediator under
736 this program form the basis of an appeal of any foreclosure judgment.

737 (7) The foreclosure mediation program shall terminate when all

738 mediation has concluded with respect to any foreclosure action with a
739 return date during the period from July 1, 2009, to June 30, [2014] 2016,
740 inclusive.

741 (8) At any time during the mediation period, the mediator may refer
742 a mortgagor who is the owner-occupant of one-to-four family
743 residential real property to the mortgage assistance programs, except
744 that any such referral shall not prevent a mortgagee from proceeding
745 to judgment when the conditions specified in subdivision (6) of
746 subsection (c) of section 49-311, as amended by this act, have been
747 satisfied.

748 (9) (A) The mediation period shall conclude following the third
749 mediation session or if more than seven months have elapsed since the
750 return date. Not later than fifteen days following the conclusion of the
751 mediation period, and any subsequent extended mediation sessions
752 held in accordance with this subdivision, any party may move for, or
753 the mediator may request, an extension of the mediation period. The
754 court shall grant only one additional mediation session per motion or
755 request upon a finding that it is highly probable the parties will reach
756 an agreement through mediation. The court may also grant one
757 additional mediation session per motion or request upon a finding that
758 any party has engaged, either intentionally or by a pattern or practice,
759 in conduct that is contrary to the objectives of the mediation program.
760 The court shall make its ruling not later than twenty days after the
761 filing of such motion or request, and no judgment of strict foreclosure
762 or any judgment ordering a foreclosure sale shall be entered until (i)
763 the court denies the motion or request, or (ii) the conclusion of the
764 subsequent extended mediation session, except as provided in
765 subparagraph (B) of this subdivision. Upon the grant of an additional
766 mediation session following the proper finding, the court shall
767 establish a reasonably expeditious deadline for such subsequent
768 extended mediation session to occur. Such extended mediation period
769 shall conclude following such subsequent extended mediation session.

770 (B) The mediation period may be extended for one additional

771 mediation session without a hearing held pursuant to this subdivision
772 provided all parties to the mediation agree that such parties would
773 benefit from such a session and, in consultation with the mediator,
774 establish a reasonably expeditious deadline for such session to take
775 place.

776 (C) To determine whether to extend mediation, the court may
777 consider all matters that have arisen in the mediation, including, but
778 not limited to, the number of motions to extend mediation, the reasons
779 for which an agreement has not been reached, the objectives of the
780 mediation program, the extent to which the parties will benefit from
781 further mediation, the reports submitted by the mediator, papers
782 submitted in connection with any motion, and any supplemental
783 reports submitted by a party. The court shall articulate its reasons in
784 the order granting or denying any such motion or request to extend
785 mediation.

786 (10) For any case pending as of October 1, 2013, in which mediation
787 is ongoing, (A) if three or fewer sessions have been held, such case
788 shall be treated as if no sessions have been held as of said date for
789 purposes of subdivision (9) of this subsection, and (B) if four or more
790 sessions have been held, then any party or the mediator may move to
791 terminate the mediation period or extend such period in accordance
792 with subdivision (9) of this subsection and, if no such motion to extend
793 is made, the mediation period shall conclude after the third mediation
794 session occurring after October 1, 2013.

795 (d) (1) Not later than February 14, 2014, the Chief Court
796 Administrator shall submit, in accordance with the provisions of
797 section 11-4a, to the joint standing committee of the General Assembly
798 having cognizance of matters relating to banks, a summary regarding
799 the mediation program and a general summary of the data collected in
800 the reports submitted pursuant to subdivision (2) of subsections (b)
801 and (c) of this section from July 1, 2013, to December 31, 2013,
802 inclusive. Such summaries shall include, but not be limited to, the
803 aggregate data regarding the number of cases in mediation, the

804 number of mediation sessions held, the number of agreements reached
805 before the conclusion of the mediation period, the number of motions
806 or requests for an extension or continuance and the identity of the
807 party that made such a motion or request, whether the loan at issue
808 was serviced by a third party, the judicial district in which the
809 mediation took place and whether the mortgagor was self-represented.

810 (2) Not later than February 14, 2015, the Chief Court Administrator
811 shall submit, in accordance with the provisions of section 11-4a, to the
812 joint standing committee of the General Assembly having cognizance
813 of matters relating to banks, a summary of the reports submitted from
814 July 1, 2013, to December 31, 2014, inclusive, pursuant to subdivision
815 (2) of subsections (b) and (c) of this section. The detailed data points for
816 such summary, including data to be collected but not reported, shall be
817 developed by the Chief Court Administrator in consultation with
818 representatives from the Governor's office, the banking industry and
819 consumer advocates."

820 After the last section, add the following and renumber sections and
821 internal references accordingly:

822 "Sec. 501. (NEW) (*Effective July 1, 2014*) The foreclosure mediation
823 program established pursuant to section 49-31m of the general statutes
824 shall be funded within available appropriations, but in no event shall
825 such program be available after July 1, 2016. The size of such program
826 shall be determined by available funding and the number and need of
827 participants in such program.

828 Sec. 502. Section 36a-492 of the general statutes is repealed and the
829 following is substituted in lieu thereof (*Effective October 1, 2014*):

830 (a) (1) Each licensed mortgage lender, mortgage correspondent
831 lender and mortgage broker shall file with the commissioner a single
832 surety bond, written by a surety authorized to write such bonds in this
833 state, covering its main office and file an addendum to such bond to
834 cover any branch office, in a penal sum determined in accordance with

835 subsection (d) of this section, provided the penal sum of the bond for
836 licensed mortgage lenders and mortgage correspondent lenders shall
837 be not less than one hundred thousand dollars and the penal sum of
838 the bond for mortgage brokers shall be not less than fifty thousand
839 dollars. The bond shall cover all mortgage loan originators sponsored
840 by such licensee.

841 (2) Each mortgage loan originator licensee shall be covered by a
842 surety bond with a penal sum in an amount that reflects the dollar
843 amount of loans originated by such mortgage loan originator in
844 accordance with subsection (d) of this section, provided such coverage
845 shall be provided through a single surety bond filed with the
846 commissioner by the person who sponsors such mortgage loan
847 originator.

848 (3) Effective October 1, 2011, (A) in the case of an exempt registrant
849 under subdivision (1), ~~(2) or (3)~~ of subsection (a) of section 36a-487, as
850 amended by this act, (i) the surety bond shall cover all mortgage loan
851 originators sponsored by such exempt registrant and comply with the
852 requirements set forth in this section, and (ii) the penal sum of such
853 bond shall be in an amount determined in accordance with subsection
854 (d) of this section, provided the penal sum of the bond shall be not less
855 than one hundred thousand dollars; (B) in the case of an exempt
856 registrant under subsection (b) of section 36a-487, (i) the surety bond
857 shall cover all mortgage loan originators sponsored by such exempt
858 registrant and comply with the requirements set forth in this section,
859 and (ii) the penal sum of the bond shall be in an amount determined in
860 accordance with subsection (d) of this section, provided the penal sum
861 shall be not less than fifty thousand dollars; and (C) in the case of an
862 exempt registrant under subdivision [(2)] ~~(4)~~ of subsection (a) of
863 section 36a-487, as amended by this act, the surety bond shall cover all
864 mortgage loan originators sponsored by such exempt registrant and
865 comply with the requirements set forth in section 36a-671d.

866 (4) (A) The principal on a bond required by subdivisions (1) and (2)
867 of this subsection shall annually confirm that it maintains the required

868 penal sum in an amount required by subsection (d) of this section. Not
869 later than September 1, 2011, and every September first thereafter, such
870 principal shall file such information as the commissioner may require
871 under subsection (d) of this section and shall file, not later than
872 September first of the applicable year, or on such other date as the
873 commissioner may require, pursuant to subdivision (d) of this section,
874 any bond rider or endorsement to the surety bond on file with the
875 commissioner to reflect any changes necessary to maintain the surety
876 bond coverage required by this section.

877 (B) Effective October 1, 2011, the principal on a bond required by
878 subdivision (3) of this section shall annually confirm that it maintains
879 the required penal sum in an amount required by subsection (d) of this
880 section. Not later than September 1, 2012, and every September first
881 thereafter, such principal shall file such information as the
882 commissioner may require under subsection (d) of this section and
883 shall file, not later than September first of the applicable year, or on
884 such other date as the commissioner may require pursuant to
885 subdivision (d) of this section, any bond rider or endorsement to the
886 surety bond on file with the commissioner to reflect any changes
887 necessary to maintain the surety bond coverage required by this
888 section.

889 (5) The commissioner may adopt regulations in accordance with
890 chapter 54 with respect to the requirements for such surety bonds.

891 (b) The bond required by subsection (a) of this section shall be (1) in
892 a form approved by the Attorney General, and (2) conditioned upon
893 the mortgage lender, mortgage correspondent lender or mortgage
894 broker licensee and any mortgage loan originator licensee sponsored
895 by such mortgage lender, mortgage correspondent lender or mortgage
896 broker or, in the case of a mortgage loan originator licensee sponsored
897 after October 1, 2011, by an exempt registrant, upon such mortgage
898 loan originator licensee faithfully performing any and all written
899 agreements or commitments with or for the benefit of borrowers and
900 prospective borrowers, truly and faithfully accounting for all funds

901 received from a borrower or prospective borrower by the licensee in
902 the licensee's capacity as a mortgage lender, mortgage correspondent
903 lender, mortgage broker or mortgage loan originator, and conducting
904 such mortgage business consistent with the provisions of sections 36a-
905 485 to 36a-498f, inclusive, as amended by this act, 36a-534a and 36a-
906 534b, as amended by this act. Any borrower or prospective borrower
907 who may be damaged by failure to perform any written agreements or
908 commitments, or by the wrongful conversion of funds paid by a
909 borrower or prospective borrower to a licensee, may proceed on such
910 bond against the principal or surety thereon, or both, to recover
911 damages. Commencing August 1, 2009, any borrower or prospective
912 borrower who may be damaged by a mortgage lender, mortgage
913 correspondent lender, mortgage broker or mortgage loan originator
914 licensee's failure to satisfy a judgment against the licensee arising from
915 the making or brokering of a nonprime home loan, as defined in
916 section 36a-760, may proceed on such bond against the principal or
917 surety thereon, or both, to recover the amount of the judgment. The
918 commissioner may proceed on such bond against the principal or
919 surety thereon, or both, to collect any civil penalty imposed upon a
920 licensee pursuant to subsection (a) of section 36a-50 and any unpaid
921 costs of examination of a licensee as determined pursuant to section
922 36a-65, as amended by this act. The proceeds of the bond, even if
923 commingled with other assets of the principal, shall be deemed by
924 operation of law to be held in trust for the benefit of such claimants
925 against the principal in the event of bankruptcy of the principal and
926 shall be immune from attachment by creditors and judgment creditors.
927 The bond shall run concurrently with the period of the license for the
928 main office and the aggregate liability under the bond shall not exceed
929 the penal sum of the bond. The principal shall notify the commissioner
930 of the commencement of an action on the bond. When an action is
931 commenced on a principal's bond, the commissioner may require the
932 filing of a new bond and immediately on recovery on any action on the
933 bond, the principal shall file a new bond.

934 (c) The surety company shall have the right to cancel the bond at

935 any time by a written notice to the principal stating the date
936 cancellation shall take effect. Such notice shall be sent by certified mail
937 to the principal at least thirty days prior to the date of cancellation. A
938 surety bond shall not be cancelled unless the surety company notifies
939 the commissioner in writing not less than thirty days prior to the
940 effective date of cancellation. After receipt of such notification from the
941 surety company, the commissioner shall give written notice to the
942 principal of the date such bond cancellation shall take effect and such
943 notice shall be deemed notice to each mortgage loan originator licensee
944 sponsored by such principal. The commissioner shall automatically
945 suspend the licenses of a mortgage lender, mortgage correspondent
946 lender or mortgage broker on such date and inactivate the licenses of
947 the mortgage loan originators sponsored by such lender,
948 correspondent lender or broker. On and after October 1, 2011, in the
949 case of a cancellation of an exempt registrant's bond, the commissioner
950 shall inactivate the licenses of the mortgage loan originators sponsored
951 by such exempt registrant. No automatic suspension or inactivation
952 shall occur if, prior to the date that the bond cancellation shall take
953 effect, (1) the principal submits a letter of reinstatement of the bond
954 from the surety company or a new bond, (2) the mortgage lender,
955 mortgage correspondent lender or mortgage broker licensee has
956 ceased business and has surrendered all licenses in accordance with
957 subsection (a) of section 36a-490, or (3) in the case of a mortgage loan
958 originator licensee, the sponsorship with the mortgage lender,
959 mortgage correspondent lender or mortgage broker who was
960 automatically suspended pursuant to this section or, after October 1,
961 2011, with the exempt registrant who failed to provide the bond
962 required by this section, has been terminated and a new sponsor has
963 been requested and approved. After a mortgage lender, mortgage
964 correspondent lender or mortgage broker license has been
965 automatically suspended pursuant to this section, the commissioner
966 shall give such licensee notice of the automatic suspension, pending
967 proceedings for revocation or refusal to renew pursuant to section 36a-
968 494 and an opportunity for a hearing on such action in accordance
969 with section 36a-51 and require such licensee to take or refrain from

970 taking such action as in the opinion of the commissioner will effectuate
971 the purposes of this section. Effective October 1, 2011, the
972 commissioner may provide information to an exempt registrant
973 concerning actions taken by the commissioner pursuant to this
974 subsection against any mortgage loan originator licensee that was
975 sponsored and bonded by such exempt registrant.

976 (d) The penal sum of the bond required by subdivisions (1) to (3),
977 inclusive, of subsection (a) of this section shall be determined as
978 follows:

979 (1) An applicant for an initial mortgage lender license or mortgage
980 correspondent lender license shall file a bond in a penal sum of one
981 hundred thousand dollars in connection with its application for the
982 main office.

983 (2) An applicant for an initial mortgage broker license shall file a
984 bond in a penal sum of fifty thousand dollars in connection with its
985 application for the main office.

986 (3) Effective October 1, 2011, an exempt registrant under subsection
987 (c) of section 36a-487 who is exempt from licensing under subdivision
988 (1), ~~(2) or (3)~~ of subsection (a) of section 36a-487, as amended by this
989 act, shall file a bond in a penal sum of one hundred thousand dollars
990 the first time such exempt registrant sponsors a mortgage loan
991 originator.

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

997 (5) Effective October 1, 2011, an exempt registrant under subsection
998 (c) of section 36a-487, as who is exempt from licensure under
999 subdivision [(2)] ~~(4)~~ of subsection (a) of section 36a-487, as amended by
1000 this act, shall file a bond in a penal sum as set forth in section 36a-671d.

1001 (6) (A) For mortgage lender and mortgage correspondent lender
1002 licensees, and, after October 1, 2011, persons sponsoring and bonding
1003 at least one mortgage loan originator as an exempt registrant under
1004 subsection (c) of section 36a-487 and who are exempt from licensing
1005 under subdivision (1), (2) or (3) of subsection (a) of section 36a-487, as
1006 amended by this act, if (i) the aggregate dollar amount of all residential
1007 mortgage loans originated by such licensee at all licensed locations or
1008 by the exempt registrant during the preceding twelve-month period
1009 ending July thirty-first of the current year is less than thirty million
1010 dollars, the penal sum of the bond shall be one hundred thousand
1011 dollars; (ii) the aggregate dollar amount of all residential mortgage
1012 loans originated by such licensee at all licensed locations or by the
1013 exempt registrant during the preceding twelve-month period ending
1014 July thirty-first of the current year is thirty million dollars or more but
1015 less than one hundred million dollars, the penal sum of the bond shall
1016 be two hundred thousand dollars; (iii) the aggregate dollar amount of
1017 all residential mortgage loans originated by such licensee at all
1018 licensed locations or by the exempt registrant during the preceding
1019 twelve-month period ending July thirty-first of the current year is one
1020 hundred million dollars or more but less than two hundred fifty
1021 million dollars, the penal sum of the bond shall be three hundred
1022 thousand dollars; and (iv) the aggregate dollar amount of all
1023 residential mortgage loans originated by such licensee at all licensed
1024 locations or by the exempt registrant during the preceding twelve-
1025 month period ending July thirty-first of the current year is two
1026 hundred fifty million dollars or more, the penal sum of the bond shall
1027 be five hundred thousand dollars.

1028 (B) For mortgage broker licensees and, after October 1, 2011, persons
1029 who are sponsoring and bonding at least one mortgage loan originator
1030 as an exempt registrant under subsection (c) of section 36a-487 and
1031 who are exempt from licensing under subsection (b) of section 36a-487
1032 if (i) the aggregate dollar amount of all residential mortgage loans
1033 originated by such licensee at all licensed locations or by the exempt
1034 registrant during the preceding twelve-month period ending July

1035 thirty-first of the current year is less than thirty million dollars, the
1036 penal sum of the bond shall be fifty thousand dollars; (ii) the aggregate
1037 dollar amount of all residential mortgage loans originated by such
1038 licensee at all licensed locations or by the exempt registrant during the
1039 preceding twelve-month period ending July thirty-first of the current
1040 year is thirty million dollars or more but less than fifty million dollars,
1041 the penal sum of the bond shall be one hundred thousand dollars; and
1042 (iii) the aggregate dollar amount of all residential mortgage loans
1043 originated by such licensee at all licensed locations or by the exempt
1044 registrant during the preceding twelve-month period ending July
1045 thirty-first of the current year is fifty million dollars or more, the penal
1046 sum of the bond shall be one hundred fifty thousand dollars.

1047 (7) For purposes of this subsection, the aggregate dollar amount of
1048 all residential mortgage loans originated by such licensee or, after
1049 October 1, 2011, such exempt registrant, includes the aggregate dollar
1050 amount of all closed residential mortgage loans that the licensee or
1051 exempt registrant originated, brokered or made, as applicable.

1052 (8) Financial information necessary to verify the aggregate dollar
1053 amount of residential mortgage loans originated shall be filed with the
1054 commissioner, as the commissioner may require, and shall be reported
1055 on the system at such time and in such form as the system may
1056 require.

1057 (9) The commissioner may require a change in the penal sum of the
1058 bond if the commissioner determines at any time that the aggregate
1059 dollar amount of all residential mortgage loans originated warrants a
1060 change in the penal sum of the bond.

1061 Sec. 503. Subdivision (3) of subsection (b) of section 36a-486 of the
1062 general statutes is repealed and the following is substituted in lieu
1063 thereof (*Effective October 1, 2014*):

1064 (3) No individual shall engage in the activities of a loan processor or
1065 underwriter unless such individual obtains and maintains a license as

1066 a loan processor or underwriter under section 36a-489. The following
1067 individuals are exempt from the foregoing license requirement:

1068 (A) An employee of a licensed mortgage lender, mortgage
1069 correspondent lender or mortgage broker who engages in loan
1070 processor or underwriter activities (i) in connection with residential
1071 mortgage loans either originated or made by such licensee, and (ii) at
1072 the direction of and subject to the supervision of a licensed mortgage
1073 loan originator of such licensee;

1074 (B) An employee of a person exempt from licensure under
1075 subdivision (1), ~~(2)~~ or ~~(3)~~ of subsection (a) of section 36a-487, as
1076 amended by this act, who engages in loan processor or underwriter
1077 activities at the direction of and subject to the supervision of either a
1078 licensed mortgage loan originator or a registered mortgage loan
1079 originator of such exempt person; or

1080 (C) Any individual engaged, in any capacity in loan processor or
1081 underwriter activities in connection with a residential mortgage loan
1082 originated by an individual not required to be licensed or registered as
1083 a mortgage loan originator under this part.

1084 Sec. 504. Subsection (b) of section 36b-21 of the 2014 supplement to
1085 the general statutes is repealed and the following is substituted in lieu
1086 thereof (*Effective from passage*):

1087 (b) The following transactions are exempted from sections 36b-16
1088 and 36b-22: (1) Any isolated nonissuer transaction, whether effected
1089 through a broker-dealer or not; (2) any nonissuer transaction by a
1090 registered agent of a registered broker-dealer in a security of a class
1091 that has been outstanding in the hands of the public for at least ninety
1092 days provided, at the time of the transaction: (A) The security is sold at
1093 a price reasonably related to the current market price of the security;
1094 (B) the security does not constitute the whole or part of an unsold
1095 allotment to, or a subscription or participation by, the broker-dealer as
1096 an underwriter of the security; (C) a nationally recognized securities

1097 manual contains (i) a description of the business and operations of the
1098 issuer; (ii) the names of the issuer's officers and directors or, in the case
1099 of a non-United States issuer, the corporate equivalents of such
1100 persons in the issuer's country of domicile; (iii) an audited balance
1101 sheet of the issuer as of a date within eighteen months, or in the case of
1102 a reorganization or merger where the parties to the reorganization or
1103 merger had such audited balance sheet, a pro forma balance sheet; and
1104 (iv) an audited income statement for each of the issuer's immediately
1105 preceding two fiscal years, or for the period of existence of the issuer, if
1106 in existence for less than two years, or in the case of a reorganization or
1107 merger where the parties to the reorganization or merger had such
1108 audited income statement, a pro forma income statement; and (D) the
1109 issuer of the security has a class of equity securities listed on a national
1110 securities exchange registered under the Securities Exchange Act of
1111 1934, or designated for trading on the National Association of
1112 Securities Dealers Automated Quotation System, unless the issuer,
1113 including any predecessors of the issuer (i) has been engaged in
1114 continuous business for at least three years or (ii) has total assets of at
1115 least two million dollars based on an audited balance sheet of the
1116 issuer as of a date within eighteen months, or in the case of a
1117 reorganization or merger where the parties to the reorganization or
1118 merger had such audited balance sheet, a pro forma balance sheet. The
1119 exemption in this subdivision shall not be available for any
1120 distribution of securities issued by a blank check company, shell
1121 company, dormant company or any issuer that has been merged or
1122 consolidated with or has bought out a blank check company, shell
1123 company or dormant company unless the issuer or any predecessor
1124 has continuously operated its business for at least the preceding five
1125 years and has had gross operating revenue in each of the preceding
1126 five years, including gross operating revenue of at least five hundred
1127 thousand dollars per year in three of the preceding five years; (3) any
1128 nonissuer distribution of an outstanding security if the security has a
1129 fixed maturity or a fixed interest or dividend provision and there has
1130 been no default during the current fiscal year or within the three
1131 preceding fiscal years, or during the existence of the issuer and any

1132 predecessors if less than three years, in the payment of principal,
1133 interest or dividends on the security; (4) any nonissuer transaction
1134 effected by or through a registered broker-dealer pursuant to an
1135 unsolicited order or offer to buy; but the commissioner may by
1136 regulation require that the customer acknowledge upon a specified
1137 form that the sale was unsolicited, and that a signed copy of each such
1138 form be preserved by the broker-dealer for a specified period or that
1139 the confirmation delivered to the purchaser or a memorandum
1140 delivered in connection therewith shall confirm that such purchase
1141 was unsolicited by the broker-dealer or any agent of the broker-dealer;
1142 (5) any transaction between the issuer or other person on whose behalf
1143 the offering is made and an underwriter, or among underwriters; (6)
1144 any transaction in a bond or other evidence of indebtedness secured by
1145 a real or chattel mortgage or deed of trust or by an agreement for the
1146 sale of real estate or chattels, if the entire mortgage, deed of trust or
1147 agreement, together with all the bonds or other evidences of
1148 indebtedness secured thereby, is offered and sold as a unit; (7) any
1149 transaction by an executor, administrator, state marshal, marshal,
1150 receiver, trustee in bankruptcy, creditors' committee in a proceeding
1151 under the Bankruptcy Act, guardian or conservator; (8) any transaction
1152 executed by a bona fide pledgee without any purpose of evading
1153 sections 36b-2 to 36b-34, inclusive; (9) any offer or sale to a bank and
1154 trust company, a national banking association, a savings bank, a
1155 savings and loan association, a federal savings and loan association, a
1156 federal savings bank, a credit union, a federal credit union, trust
1157 company, insurance company, investment company as defined in the
1158 Investment Company Act of 1940, pension or profit-sharing trust, or
1159 other financial institution or institutional buyer, or to a broker-dealer,
1160 whether the purchaser is acting for itself or in some fiduciary capacity;
1161 (10) (A) subject to the provisions of this subdivision, any transaction
1162 not involving a public offering within the meaning of [Section 4(2)]
1163 Section 4(a)(2) of the Securities Act of 1933, but not including any
1164 transaction specified in the rules and regulations thereunder. (B)
1165 Subject to the provisions of this subdivision, any transaction made in
1166 accordance with the uniform exemption from registration for small

1167 issuers authorized in Section 19(d)(3)(C) of the Securities Act of 1933.
1168 (C) The exemptions set forth in subparagraphs (A) and (B) of this
1169 subdivision shall not be available for transactions in securities issued
1170 by any blank check company, shell company or dormant company. (D)
1171 The exemptions set forth in subparagraphs (A) and (B) of this
1172 subdivision may, with respect to any security or transaction or any
1173 type of security or transaction, be modified, withdrawn, further
1174 conditioned or waived as to conditions, in whole or in part,
1175 conditionally or unconditionally, by the commissioner, acting by
1176 regulation, rule or order, on a finding that such regulation, rule or
1177 order is necessary or appropriate in the public interest or for the
1178 protection of investors. (E) A nonrefundable fee of one hundred fifty
1179 dollars shall accompany any filing made with the commissioner
1180 pursuant to this subdivision; (11) any offer or sale of a preorganization
1181 certificate or subscription if (A) no commission or other remuneration
1182 is paid or given directly or indirectly for soliciting any prospective
1183 subscriber, (B) the number of subscribers does not exceed ten, and (C)
1184 no payment is made by any subscriber; (12) any transaction pursuant
1185 to an offer to existing security holders of the issuer, including persons
1186 who at the time of the transaction are holders of convertible securities,
1187 nontransferable warrants or transferable warrants exercisable within
1188 not more than ninety days of their issuance, if (A) no commission or
1189 other remuneration other than a standby commission is paid or given
1190 directly or indirectly for soliciting any security holder in this state, or
1191 (B) the issuer first files a notice, in such form and containing such
1192 information as the commissioner may by regulation prescribe,
1193 specifying the terms of the offer and the commissioner does not by
1194 order disallow the exemption within the next ten full business days;
1195 (13) any offer, but not a sale, of a security for which registration
1196 statements have been filed under both sections 36b-2 to 36b-34,
1197 inclusive, and the Securities Act of 1933, if no stop order or refusal
1198 order is in effect and no public proceeding or examination looking
1199 toward such an order is pending under either said sections or the
1200 Securities Act of 1933; (14) any transaction exempt under Section
1201 4(a)(5) of the Securities Act of 1933, and the rules and regulations

1202 thereunder. The issuer shall, prior to the first sale, file with the
1203 commissioner a notice, in such form and containing such information
1204 as the commissioner may by regulation, rule or order prescribe. A
1205 nonrefundable fee of one hundred fifty dollars shall accompany any
1206 such filing made pursuant to this subdivision; (15) any transaction if
1207 all the following conditions are satisfied: (A) The offer and sale is
1208 effectuated by the issuer of the security; (B) the total number of
1209 purchasers of all securities of the issuer does not exceed ten. A
1210 subsequent sale of securities that (i) is registered under sections 36b-2
1211 to 36b-34, inclusive, (ii) is sold pursuant to an exemption under said
1212 sections other than this subdivision, or (iii) involves covered securities,
1213 shall not be integrated with a sale pursuant to this exemption in
1214 computing the number of purchasers hereunder. For the purpose of
1215 this subdivision, each of the following is deemed to be a single
1216 purchaser of a security: A husband and wife, a child and the parent or
1217 guardian of such child when the parent or guardian holds the security
1218 for the benefit of the child, a corporation, a partnership, an association
1219 or other unincorporated entity, a joint stock company or a trust, but
1220 only if the corporation, partnership, association, unincorporated entity,
1221 joint stock company or trust was not formed for the purpose of
1222 purchasing the security; (C) no advertisement, article, notice or other
1223 communication published in any newspaper, magazine or similar
1224 medium, broadcast over television or radio or communicated by other
1225 electronic means or any other general solicitation is used in connection
1226 with the sale; and (D) no commission, discount or other remuneration
1227 is paid or given directly or indirectly in connection with the offer and
1228 sale, and the total expenses, excluding legal and accounting fees, in
1229 connection with the offer and sale do not exceed one per cent of the
1230 total sales price of the securities. For purposes of this subdivision, a
1231 difference in the purchase price among the purchasers shall not, in and
1232 of itself, be deemed to constitute indirect remuneration; (16) any
1233 transaction exempt under Rule 701, 17 CFR Section 230.701
1234 promulgated under Section 3(b) of the Securities Act of 1933; and (17)
1235 any other transaction that the commissioner may exempt,
1236 conditionally or unconditionally, on a finding that registration is not

1237 necessary or appropriate in the public interest or for the protection of
1238 investors.

1239 Sec. 505. (NEW) (*Effective October 1, 2014*) (a) There is established a
1240 Commission on Connecticut's Leadership in Corporation and Business
1241 Law, which shall be part of the Legislative Department.

1242 (b) The commission shall consist of:

1243 (1) The chairperson of the business law section of the Connecticut
1244 Bar Association;

1245 (2) The Commissioner of Economic and Community Development,
1246 or a designee;

1247 (3) The Chief Court Administrator, or a designee;

1248 (4) The chairpersons of the joint standing committee of the General
1249 Assembly having cognizance of matters relating to banks, or their
1250 designees chosen from among the members of such committee;

1251 (5) The chairpersons of the joint standing committee of the General
1252 Assembly having cognizance of matters relating to the judiciary, or
1253 their designees chosen from among the members of such committee;

1254 (6) The chairpersons of the joint standing committee of the General
1255 Assembly having cognizance of matters relating to commerce, or their
1256 designees chosen from among the members of such committee;

1257 (7) Six members appointed one each by the president pro tempore
1258 of the Senate, the speaker of the House of Representatives, the majority
1259 leader of the Senate, the majority leader of the House of
1260 Representatives, the minority leader of the Senate and the minority
1261 leader of the House of Representatives; and

1262 (8) Two members appointed by the Governor.

1263 (c) The members of the commission shall elect a chairperson of the

1264 commission from among its members. The commission shall meet at
1265 such times as it deems necessary.

1266 (d) The commission shall:

1267 (1) Develop and recommend policies to establish the state as a
1268 leading and highly desirable jurisdiction in which to (A) organize a
1269 business entity, and (B) adjudicate matters related to corporation and
1270 business law;

1271 (2) Develop and recommend policies to attract and encourage
1272 business entities to organize under Connecticut law and establish and
1273 maintain their headquarters and significant business operations in
1274 Connecticut;

1275 (3) Examine the impact of statutory and common law in this state,
1276 the state of Delaware, the state of New York and other states on the
1277 organization of business entities and the retention of such business
1278 entities in this state and recommend legislation or other administrative
1279 or policy changes to the Governor and the General Assembly to
1280 achieve the purposes set forth in subdivisions (1) and (2) of this
1281 subsection. In conducting such examination, the commission shall
1282 consider, but not limit consideration to, the following:

1283 (A) The impact of the Connecticut Business Corporation Act, section
1284 33-600, et seq., of the general statutes;

1285 (B) The impact of state business taxes, including, but not limited to,
1286 the franchise tax and the corporation business tax;

1287 (C) The impact of Judicial Branch operations on business entity
1288 organization, including, but not limited to, the rules of the Superior
1289 Court, the complex litigation docket and the composition of the
1290 Judicial Branch in general;

1291 (D) The impact of the office of the Secretary of the State and the
1292 state's procedures for business entity organization and filing,

1293 including, but not limited to, the state's electronic and accelerated
1294 formation and filing capabilities;

1295 (E) The impact of the Delaware General Corporation Law, Title 8 of
1296 the Delaware Code, the Delaware Court of Chancery and other
1297 statutory and administrative provisions in Delaware law on the
1298 economy and economic development in the state of Delaware, and the
1299 influence of Delaware law on the adjudication of corporate and
1300 business disputes in Connecticut courts; and

1301 (F) The impact of the New York Business Corporation Law, the
1302 commercial division of the Supreme Court of the state of New York,
1303 and other statutory and administrative provisions in New York law on
1304 the economy and economic development of the state of New York and
1305 the influence of New York law on the adjudication of corporate and
1306 business disputes in Connecticut courts.

1307 (4) Develop and recommend policies to enhance and improve the
1308 Connecticut Business Corporation Act to achieve the purposes set forth
1309 in subdivisions (1) and (2) of this subsection;

1310 (5) Develop and recommend policies to establish a docket in the
1311 Judicial Branch with exclusive jurisdiction over all matters concerning
1312 business entity organization, shareholders, securities, and business
1313 combinations or transactions involving the sale or transfer of
1314 ownership interests or assets, to achieve the purposes set forth in
1315 subdivisions (1) and (2) of this subsection; and

1316 (6) Develop and recommend policies to assist the Secretary of the
1317 State to develop best-in-the-nation business services and support,
1318 including, but not limited to, a state-of-the-art business entity
1319 organization and filing system that enables accelerated access to
1320 business services twenty-four hours a day, to achieve the purposes set
1321 forth in subdivisions (1) and (2) of this subsection.

1322 For purposes of this subsection, "business entity" means a corporation,
1323 association, partnership, limited liability company or any other similar

1324 form of business organization.

1325 (e) Not later than October 1, 2015, the commission shall develop and
1326 submit to the General Assembly a ten-year plan of action to establish
1327 Connecticut's leadership in corporation and business organizations
1328 law and to achieve the purposes set forth in subdivisions (1) and (2) of
1329 this subsection.

1330 Sec. 506. (*Effective from passage*) (a) There is established a task force to
1331 study the reverse mortgage industry. Such study shall include, but not
1332 be limited to, an examination of (1) state-wide best practices of the
1333 reverse mortgage industry, including, but not limited to, such practices
1334 concerning consumer protection, (2) existing federal regulations and
1335 any proposed new or revised federal regulations governing consumer
1336 protection requirements in the context of reverse mortgage
1337 transactions, and (3) any decisions rendered by a federal court,
1338 Connecticut court or other state court that impact the reverse mortgage
1339 industry and reverse mortgage transactions in this state.

1340 (b) The task force shall consist of the following members:

1341 (1) One appointed by the speaker of the House of Representatives,
1342 who shall be a member of the House of Representatives;

1343 (2) One appointed by the president pro tempore of the Senate, who
1344 shall be a representative from a nonprofit, nonpartisan organization
1345 that provides information, support, security, protection and
1346 empowerment to older persons;

1347 (3) One appointed by the majority leader of the House of
1348 Representatives, who shall have expertise in the reverse mortgage
1349 industry;

1350 (4) One appointed by the majority leader of the Senate, who shall be
1351 a representative of the Department of Consumer Protection;

1352 (5) One appointed by the minority leader of the House of

1353 Representatives, who shall be a representative of the Commission on
1354 Aging; and

1355 (6) One appointed by the minority leader of the Senate, who shall be
1356 a member of the Senate.

1357 (c) All appointments to the task force shall be made not later than
1358 thirty days after the effective date of this section. Any vacancy shall be
1359 filled by the appointing authority.

1360 (d) The speaker of the House of Representatives and the president
1361 pro tempore of the Senate shall select the chairpersons of the task force
1362 from among the members of the task force. Such chairpersons shall
1363 schedule the first meeting of the task force, which shall be held not
1364 later than sixty days after the effective date of this section.

1365 (e) The administrative staff of the joint standing committee of the
1366 General Assembly having cognizance of matters relating to banks shall
1367 serve as administrative staff of the task force.

1368 (f) Not later than January 1, 2015, the task force shall submit a report
1369 on its findings and recommendations to the joint standing committees
1370 of the General Assembly having cognizance of matters relating to
1371 banks and aging, in accordance with the provisions of section 11-4a of
1372 the general statutes. The task force shall terminate on the date that it
1373 submits such report or January 1, 2015, whichever is later."

This act shall take effect as follows and shall amend the following sections:		
Sec. 21	<i>October 1, 2014</i>	36a-487(a)
Sec. 22	<i>October 1, 2014</i>	36a-671c
Sec. 37	<i>from passage</i>	49-31l
Sec. 38	<i>from passage</i>	49-31n
Sec. 501	<i>July 1, 2014</i>	New section
Sec. 502	<i>October 1, 2014</i>	36a-492
Sec. 503	<i>October 1, 2014</i>	36a-486(b)(3)
Sec. 504	<i>from passage</i>	36b-21(b)

Sec. 505	<i>October 1, 2014</i>	New section
Sec. 506	<i>from passage</i>	New section