



General Assembly

January Session, 2015

Raised Bill No. 921

LCO No. 3522



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT CONCERNING REVISIONS TO THE CONNECTICUT TRUTH-
IN-LENDING ACT.***

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

1 Section 1. Section 36a-675 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 Sections 36a-675 to 36a-685, inclusive, as amended by this act, and
4 section 11 of this act shall be known and may be cited as the ["Truth-in-
5 Lending Act"] "Connecticut Truth-in-Lending Act".

6 Sec. 2. Section 36a-676 of the general statutes is repealed and the
7 following is substituted in lieu thereof (*Effective October 1, 2015*):

8 (a) As used in part II of chapter 668, [sections 36a-675 to 36a-685,
9 inclusive,] the Connecticut Truth-in-Lending Act, sections 36a-770 to
10 36a-788, inclusive, as amended by this act, 42-100b and 42-100c, unless
11 the context otherwise requires:

12 [(1) "Consumer" means "consumer" as defined in Section 103 of the
13 Consumer Credit Protection Act (15 USC 1602);]

14 [(2)] (1) "Consumer Credit Protection Act" means [Title I of the
15 Consumer Credit Protection Act, 15 USC 1601 et seq.] 15 USC Chapter
16 41, Subchapter I, as from time to time amended, and includes
17 regulations adopted by the Federal Reserve Board or the Bureau of
18 Consumer Financial Protection pursuant to said act;

19 [(3) "Credit" means "credit" as defined in Section 103 of the
20 Consumer Credit Protection Act (15 USC 1602);

21 (4) "Credit card", "cardholder" and "card issuer" mean "credit card",
22 "cardholder" and "card issuer" as defined in Section 103 of the
23 Consumer Credit Protection Act (15 USC 1602);]

24 [(5)] (2) "Creditor" means "creditor" as defined in [Section 103 of the
25 Consumer Credit Protection Act (15 USC 1602)] 15 USC 1602, as
26 amended from time to time, but does not include any department or
27 agency of the United States; and

28 [(6) "Credit sale" means "credit sale" as defined in Section 103 of the
29 Consumer Credit Protection Act (15 USC 1602);]

30 [(7)] (3) "Lessor" means "lessor" as defined in [Section 181 of the
31 Consumer Credit Protection Act (15 USC 1667)] 15 USC 1667, as
32 amended from time to time, but does not include any department or
33 agency of the United States. [; and]

34 [(8) "Open-end credit plan" means "open-end credit plan" as defined
35 in Section 103 of the Consumer Credit Protection Act (15 USC 1602).]

36 (b) Any word or phrase in [sections 36a-675 to 36a-685, inclusive,
37 which] the Connecticut Truth-in-Lending Act that is not defined in
38 said [sections] act but [which] is defined in the Consumer Credit
39 Protection Act [(15 USC 1601 et seq.)] has the meaning set forth in the
40 Consumer Credit Protection Act.

41 Sec. 3. Section 36a-677 of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective October 1, 2015*):

43 (a) It is the policy of this state to [promote increased] (1) enhance
44 economic stabilization and strengthen competition among the various
45 businesses engaged in the extension of consumer credit or in the
46 leasing of consumer goods and to serve the interests of consumers of
47 credit and leased goods by requiring meaningful disclosure of credit
48 and lease terms so that prospective debtors and lessees have the
49 opportunity to compare more readily the various credit and lease
50 terms available to them and the opportunity to avoid the uninformed
51 use of credit and leases, and (2) protect consumers against inaccurate
52 and unfair credit billing practices.

53 (b) It is also the policy of this state to provide that [this state] the
54 commissioner administer and enforce the requirements for such
55 disclosures of credit and lease terms for transactions in this state.

56 (c) It is also the policy of this state to avoid duplication between the
57 federal government and the government of this state in the
58 administration and enforcement of statutes which are designed to
59 accomplish an identical purpose, and therefore to obtain an exemption
60 from the Consumer Credit Protection Act by subjecting various classes
61 of credit and lease transactions in this state to requirements which are
62 substantially similar to those imposed under said federal act.

63 Sec. 4. Section 36a-678 of the general statutes is repealed and the
64 following is substituted in lieu thereof (*Effective October 1, 2015*):

65 (a) Except as otherwise provided in [sections 36a-675 to 36a-685,
66 inclusive,] the Connecticut Truth-in-Lending Act or regulations
67 adopted by the commissioner, each person shall comply with all
68 provisions of the Consumer Credit Protection Act [(15 USC 1601 et
69 seq.) which] that apply to such person.

70 (b) Any transaction [which] that is exempt from the provisions of
71 the Consumer Credit Protection Act, [as provided in Section 104 of
72 said act, (15 USC 1603)] pursuant to 15 USC 1603, as amended from
73 time to time, is exempt from the provisions of [sections 36a-675 to 36a-

74 685, inclusive] the Connecticut Truth-in-Lending Act.

75 (c) Notwithstanding subsection (b) of this section, each person shall
76 comply with all provisions of the Real Estate Settlement Procedures
77 Act of 1974 (12 USC Chapter 27), as amended from time to time, and
78 the regulations promulgated thereunder that apply to such person.

79 Sec. 5. Section 36a-679 of the general statutes is repealed and the
80 following is substituted in lieu thereof (*Effective October 1, 2015*):

81 (a) The commissioner [may adopt substantive regulations when
82 authorized by sections 36a-675 to 36a-685, inclusive, and] may adopt
83 [procedural] regulations, in accordance with chapter 54, to carry out
84 the provisions of [said sections] the Connecticut Truth-in-Lending Act,
85 sections 36a-567, 36a-568, subdivision (13) of subsection (c) of section
86 36a-770, as amended by this act, and sections 36a-771, as amended by
87 this act, 36a-774, as amended by this act, and 36a-777. Such regulations
88 shall be consistent with the policy of this state as provided in section
89 36a-677, as amended by this act, and the Consumer Credit Protection
90 Act. [The commissioner may adopt regulations to carry out the
91 provisions of sections 36a-567 and 36a-568, subdivision (13) of
92 subsection (c) of section 36a-770, and sections 36a-771, 36a-774 and 36a-
93 777. Such regulations shall be adopted in accordance with chapter 54
94 and shall not be inconsistent with the Consumer Credit Protection Act
95 (15 USC 1601 et seq.).]

96 (b) No liability shall be imposed under [sections 36a-675 to 36a-685,
97 inclusive,] the Connecticut Truth-in-Lending Act for an act done or
98 omitted in conformity with any provision of said [sections] act, the
99 Consumer Credit Protection Act [(15 USC 1601 et seq.)] or a regulation
100 of the commissioner notwithstanding that after the act or omission the
101 provision may be amended, repealed or determined to be invalid for
102 any reason.

103 Sec. 6. Section 36a-680 of the general statutes is repealed and the
104 following is substituted in lieu thereof (*Effective October 1, 2015*):

105 (a) If the commissioner finds that the requirements of any other law
106 of this state relating to the disclosure of information in connection with
107 consumer credit transactions are inconsistent with the provisions of
108 [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-
109 Lending Act or regulations adopted thereunder, [the commissioner
110 may exempt creditors who comply with said sections from compliance
111 with such inconsistent law] creditors may not make disclosures using
112 the inconsistent term or form, and shall incur no liability under the
113 other law of this state for failure to use such term or form,
114 notwithstanding that such finding is subsequently amended, rescinded
115 or determined by judicial or other authority to be invalid for any
116 reason. For purposes of this subsection, disclosure statutes are
117 inconsistent if both require disclosure of the same information even
118 though the prescribed definition, method of calculation or manner of
119 expression is different and, in case of such conflict or inconsistency, the
120 provisions of [sections 36a-675 to 36a-685, inclusive,] the Connecticut
121 Truth-in-Lending Act shall control, provided sections 36a-746b to 36a-
122 746g, inclusive, shall not be deemed inconsistent with the provisions of
123 [sections 36a-675 to 36a-685, inclusive, and shall control where
124 applicable] the Connecticut Truth-in-Lending Act.

125 (b) Except as provided in this section, the provisions of 15 USC 1639,
126 as amended from time to time, do not annul, alter or affect the
127 applicability of the laws of this state imposing requirements on high-
128 cost mortgages as defined in 15 USC 1602(bb), as amended from time
129 to time, or exempt any person subject to the provisions of 15 USC 1639,
130 as amended from time to time, from complying with such laws. If any
131 such law is inconsistent with any provision of 15 USC 1639, as
132 amended from time to time, such provision shall prevail to the extent
133 of such inconsistency.

134 [(b)] (c) In any action or proceeding in any court involving a
135 consumer credit sale, the disclosure of an annual percentage rate
136 required by [sections 36a-675 to 36a-685, inclusive,] the Connecticut
137 Truth-in-Lending Act may not be received as evidence that the sale

138 was a loan or any type of transaction other than a credit sale, and in
139 any consumer credit transaction, the disclosure of an annual
140 percentage rate required by said sections shall not in itself indicate that
141 a transaction is usurious or that the rate of charge exceeds a statutory
142 ceiling.

143 (d) Except as provided in 15 USC 1635, 15 USC 1640 and 15 USC
144 1666e, as amended from time to time, the Connecticut Truth-in-
145 Lending Act and any regulations adopted thereunder do not affect the
146 validity or enforceability of any contract or obligation under state or
147 federal law.

148 (e) The provisions of 15 USC 1632(c) and 15 USC 1637(c), (d), (e) and
149 (f), as amended from time to time, shall supersede any law of this state
150 relating to the disclosure of information in any credit or charge card
151 application or solicitation that is subject to the requirements of 15 USC
152 1637(c), as amended from time to time, or any renewal notice that is
153 subject to the requirements of 15 USC 1637(d), as amended from time
154 to time, except the laws of this state employed or established for the
155 purpose of enforcing the requirements of said sections.

156 Sec. 7. Section 36a-681 of the general statutes is repealed and the
157 following is substituted in lieu thereof (*Effective October 1, 2015*):

158 Any person who wilfully and knowingly (1) gives false or
159 inaccurate information or fails to provide information which such
160 person is required to disclose under the provisions of sections 36a-567,
161 36a-568 and [36a-675 to 36a-685, inclusive] the Connecticut Truth-in-
162 Lending Act, subdivision (13) of subsection (c) of section 36a-770, as
163 amended by this act, and sections 36a-771, as amended by this act, 36a-
164 774, as amended by this act, 36a-777 and 36a-786, or any regulation
165 adopted thereunder, (2) uses any chart or table authorized by the
166 Federal Reserve Board or the Bureau of Consumer Financial Protection
167 under [Section 107 of the Consumer Credit Protection Act (15 USC
168 1606)] 15 USC 1606, as amended from time to time, in such manner as

169 to consistently understate the annual percentage rate determined
170 under said sections, or (3) otherwise fails to comply with any
171 requirement imposed under said sections shall be fined not more than
172 five thousand dollars or imprisoned not more than one year or both.

173 Sec. 8. Section 36a-682 of the general statutes is repealed and the
174 following is substituted in lieu thereof (*Effective October 1, 2015*):

175 (a) Any department or agency of the state or any political
176 subdivision thereof which administers a credit program in which it
177 extends, insures or guarantees consumer credit and in which it
178 provides instruments to a creditor which contain any disclosures
179 required by [sections 36a-675 to 36a-685, inclusive,] the Connecticut
180 Truth-in-Lending Act shall, prior to the issuance or continued use of
181 such instruments, consult with the commissioner to assure that such
182 instruments comply with said sections.

183 (b) No civil or criminal penalty provided under [sections 36a-675 to
184 36a-685, inclusive,] the Connecticut Truth-in-Lending Act for any
185 violation thereof may be imposed upon the United States or any
186 department or agency thereof, or upon this state or any other state, or
187 any political subdivision thereof, or any department or agency of any
188 such state or political subdivision.

189 (c) A creditor shall not be held liable for a civil or criminal penalty
190 under [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-
191 in-Lending Act in any case in which the violation results from the use
192 of an instrument required by any department or agency of: (1) The
193 United States, with regard to any transaction which is part of a credit
194 program administered, insured or guaranteed by such department or
195 agency; or (2) this state or of any political subdivision of this state, with
196 regard to any transaction which is part of a credit program
197 administered, insured or guaranteed by such department or agency,
198 provided [that] such department or agency has consulted with the
199 commissioner to assure that such instrument complies with said

200 [sections] act as provided in subsection (a) of this section.

201 (d) A creditor shall not be held liable for a civil or criminal penalty
202 under the laws of this state for any technical or procedural failure,
203 such as a failure to use a specific form, to make information available
204 at a specific place on an instrument, or to use a specific typeface, as
205 required by the laws of this state, which is caused by the use of an
206 instrument required to be used by any department or agency of: (1)
207 The United States with regard to any transaction which is part of a
208 credit program administered, insured or guaranteed by such
209 department or agency; or (2) this state or any political subdivision of
210 this state, with regard to any transaction which is part of a credit
211 program administered, insured or guaranteed by such department or
212 agency, provided that such department or agency has consulted with
213 the commissioner to assure that such instrument complies with
214 [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-
215 Lending Act as provided in subsection (a) of this section.

216 Sec. 9. Section 36a-683 of the general statutes is repealed and the
217 following is substituted in lieu thereof (*Effective October 1, 2015*):

218 (a) Except as otherwise provided in this section, any creditor who
219 fails to comply with any requirement of [sections 36a-675 to 36a-685,
220 inclusive, including Section 125 of the Consumer Credit Protection Act
221 (15 USC 1635)] the Connecticut Truth-in-Lending Act, or of section
222 36a-771, as amended by this act, or 36a-774, as amended by this act,
223 with respect to any person is liable to that person [in an amount equal
224 to the sum of (1) any actual damage sustained by such person as a
225 result of the failure; (2) (A) (i) in the case of an individual action other
226 than as provided in this subparagraph (A) (ii) and (iii) twice the
227 amount of any finance charge in connection with the transaction, (ii) in
228 the case of an individual action relating to a consumer lease under
229 Chapter 5 of the Consumer Credit Protection Act (15 USC Sections
230 1667 to 1667E, inclusive) twenty-five per cent of the total amount of
231 monthly payments under the lease, except that the liability under this

232 subparagraph (A) (i) or (ii) shall not be less than one hundred dollars
233 nor greater than one thousand dollars, or (iii) in the case of an
234 individual action related to a credit transaction not under an open end
235 credit plan that is secured by real property or a dwelling, not less than
236 two hundred dollars nor more than two thousand dollars; (B) in the
237 case of a class action, such amount as the court may allow, except that
238 as to each member of the class no minimum recovery shall be
239 applicable, and the total recovery under this subparagraph in any class
240 action or series of class actions arising out of the same failure to
241 comply by the same creditor shall not be more than the lesser of five
242 hundred thousand dollars or one per cent of the net worth of the
243 creditor; and (3) in the case of any successful action to enforce the
244 foregoing liability, or in any action in which a person is determined to
245 have a right of rescission under Section 125 of the Consumer Credit
246 Protection Act (15 USC 1635), the costs of the action, together with a
247 reasonable attorney's fee as determined by the court. In determining
248 the amount of award in any class action, the court shall consider,
249 among other relevant factors, the amount of any actual damages
250 awarded, the frequency and persistence of failures of compliance by
251 the creditor, the resources of the creditor, the number of persons
252 adversely affected, and the extent to which the creditor's failure of
253 compliance was intentional. In connection with the disclosures
254 referred to in Section 127 of the Consumer Credit Protection Act (15
255 USC 1637) a creditor shall have a liability determined under
256 subdivision (2) of this subsection only for failing to comply with the
257 requirements of Section 125 or 127(a) of said act (15 USC 1635) or (15
258 USC 1637(a)) or of paragraph (4), (5), (6), (7), (8), (9) or (10) of Section
259 127(b) of said act (15 USC 1637(b)). In connection with the disclosures
260 referred to in Section 128 of said act (15 USC 1638) a creditor shall have
261 a liability determined under subdivision (2) of this subsection only for
262 failing to comply with the requirements of Section 125 of said act (15
263 USC 1635) or of paragraph (2), insofar as it requires a disclosure of the
264 "amount financed", or paragraph (3), (4), (5), (6) or (9) of Section 128 (a)
265 of said act (15 USC 1638(a)). With respect to any failure to make

266 disclosures required under Chapter 2, 4 or 5 of said act, liability shall
267 be imposed only upon the creditor required to make disclosure, except
268 as provided in Section 131 of said act (15 USC 1641)] as provided for in
269 15 USC 1640, as amended from time to time.

270 [(b) A creditor or assignee has no liability under this section or
271 section 36a-681 or 36a-684 for any failure to comply with any
272 requirement imposed under sections 36a-675 to 36a-685, inclusive, if
273 within sixty days after discovering an error, whether pursuant to a
274 final written examination report or notice issued under subsection (d)
275 of section 36a-684, or through the creditor's or assignee's own
276 procedures, and prior to the institution of an action under this section
277 or the receipt of written notice of the error from the obligor, the
278 creditor or assignee notifies the person concerned of the error and
279 makes whatever adjustments in the appropriate account are necessary
280 to insure that the person will not be required to pay an amount in
281 excess of the charge actually disclosed, or the dollar equivalent of the
282 annual percentage rate actually disclosed, whichever is lower.

283 (c) A creditor or assignee may not be held liable in any action
284 brought under this section for a violation of sections 36a-675 to 36a-
285 685, inclusive, if the creditor or assignee shows by a preponderance of
286 evidence that the violation was not intentional and resulted from a
287 bona fide error notwithstanding the maintenance of procedures
288 reasonably adapted to avoid any such error. Examples of a bona fide
289 error include, but are not limited to, clerical, calculation, computer
290 malfunction and programming, and printing errors, except that an
291 error of legal judgment with respect to a person's obligations under
292 said sections is not a bona fide error.

293 (d) When there are multiple obligors in a consumer credit
294 transaction or consumer lease, there shall be no more than one
295 recovery of damages under subdivision (2) of subsection (a) of this
296 section for a violation of sections 36a-675 to 36a-685, inclusive.]

297 [(e)] (b) Any action under this section shall be brought in any court
298 of competent jurisdiction [within one year from the date of the
299 occurrence of the violation. This subsection does not bar a person from
300 asserting] pursuant to the time frames established in 15 USC 1640(e),
301 as amended from time to time, provided a person may assert a
302 violation of [sections 36a-675 to 36a-685, inclusive,] the Connecticut
303 Truth-in-Lending Act in an action to collect the debt [which was
304 brought more than one year from the date of the occurrence of the
305 violation as a matter of defense by recoupment or set-off in such
306 action] in accordance with the provisions of 15 USC 1640(e), as
307 amended from time to time.

308 [(f)] (c) No provision of this section, subsection (d) of section 36a-
309 684, as amended by this act, or section 36a-681, as amended by this act,
310 imposing any liability shall apply to any act done or omitted in good
311 faith in conformity with any [provision of sections 36a-675 to 36a-685,
312 inclusive, or with any rule, regulation, approval or formal
313 interpretation thereof] advisory opinion, final decision or order
314 adopted by the commissioner, [or in conformity with the Consumer
315 Credit Protection Act (15 USC 1601 et seq.), including] any rule, [or]
316 regulation or interpretation adopted by [the Federal Reserve Board or]
317 the Bureau of Consumer Financial Protection pursuant to [said act, or
318 in conformity with any interpretation of said act by the Federal
319 Reserve Board or the Bureau of Consumer Financial Protection or in
320 conformity with any interpretation or approval by an official or
321 employee of the Federal Reserve System or the Bureau of Consumer
322 Financial Protection duly authorized by the Federal Reserve Board or
323 the Bureau of Consumer Financial Protection to issue such
324 interpretations or approvals under such procedures as said board or
325 bureau may prescribe therefor] the Consumer Credit Protection Act, or
326 any interpretation or approval by an official or employee of the Federal
327 Reserve System as provided in 15 USC 1640(f), as amended from time
328 to time, notwithstanding that after such act or omission has occurred,
329 such [statute,] rule, regulation, approval, opinion, decision, order or

330 interpretation is amended, rescinded or determined by judicial or
331 other authority to be invalid for any reason.

332 [(g) The multiple failure to disclose to any person any information
333 required under sections 36a-675 to 36a-685, inclusive, to be disclosed in
334 connection with a single account under an open-end consumer credit
335 plan, other single consumer credit sale, consumer loan, other extension
336 of consumer credit or consumer lease, shall entitle the person to a
337 single recovery under this section but continued failure to disclose
338 after a recovery has been granted shall give rise to rights to additional
339 recoveries. This subsection does not bar any remedy permitted by
340 subsection (j) of this section.

341 (h) A person may not take any action to offset any amount for which
342 a creditor or assignee is potentially liable to such person under
343 subdivision (2) of subsection (a) of this section against any amount
344 owed by such person, unless the amount of the creditor's or assignee's
345 liability under sections 36a-675 to 36a-685, inclusive, has been
346 determined by judgment of a court of competent jurisdiction in an
347 action to which such person was a party. This subsection does not bar
348 a consumer then in default on the obligation from asserting a violation
349 of said sections as an original action, or as a defense or counterclaim to
350 an action to collect amounts owed by the consumer brought by a
351 person liable under said sections.]

352 [(i) (d) Notwithstanding any other provision of [sections 36a-675 to
353 36a-685, inclusive] the Connecticut Truth-in-Lending Act, (1) no person
354 shall be entitled in any action to a recovery under this section for the
355 failure to disclose any information required under said sections if a
356 recovery is awarded in the same action under [Section 130 of the
357 Consumer Credit Protection Act (15 USC 1640)] 15 USC 1640, as
358 amended from time to time, for the failure to disclose any information
359 required under said sections; and (2) no person shall be entitled in any
360 action brought under this section to a recovery if, prior to an award in
361 any such action, a recovery has been awarded to such person in any

362 action brought under [Section 130 of the Consumer Credit Protection
363 Act (15 USC 1640)] 15 USC 1640, as amended from time to time, in
364 which the same act or omission was the basis of that action.

365 [(j)] (e) (1) [When an obligor exercises his right to rescind under
366 Section 125 of the Consumer Credit Protection Act (15 USC 1635), he is
367 not liable for any finance or other charge, and any security interest
368 given by the obligor, including any such interest arising by operation
369 of law, becomes void upon such a rescission. Within twenty days after
370 receipt of a notice of rescission, the creditor shall return to the obligor
371 any money or property given as earnest money, down payment or
372 otherwise, and shall take any action necessary or appropriate to reflect
373 the termination of any security interest created under the transaction.
374 If the creditor has delivered any property to the obligor, the obligor
375 may retain possession of it. Upon the performance of the creditor's
376 obligations under this subsection and Section 125 of the Consumer
377 Credit Protection Act (15 USC 1635), the obligor shall tender the
378 property to the creditor, except that if return of the property in kind
379 would be impracticable or inequitable, the obligor shall tender its
380 reasonable value. Tender shall be made at the location of the property
381 or at the residence of the obligor, at the option of the obligor. If the
382 creditor does not take possession of the property within twenty days
383 after tender by the obligor, ownership of the property vests in the
384 obligor without obligation on his part to pay for it. The procedures
385 described by this subdivision shall apply except when otherwise
386 ordered by a court.] Except as otherwise provided in this subsection,
387 an obligor shall have the right to rescind as provided in 15 USC 1635,
388 as amended from time to time.

389 [(2) Notwithstanding any rule of evidence, written acknowledgment
390 of receipt of any disclosures required under sections 36a-675 to 36a-
391 685, inclusive, by a person to whom information, forms and a
392 statement is required to be given pursuant to this subsection and
393 Section 125 of the Consumer Credit Protection Act (15 USC 1635), does
394 no more than create a rebuttable presumption of delivery thereof.]

395 [(3)] (2) An obligor's right of rescission shall expire three years after
396 the date of consummation of the transaction or upon the sale of the
397 property, whichever occurs earlier, notwithstanding the fact that the
398 information and forms required under this section and [Section 125 of
399 the Consumer Credit Protection Act (15 USC 1635)] 15 USC 1635, as
400 amended from time to time, or any other disclosures required under
401 [sections 36a-675 to 36a-685, inclusive] the Connecticut Truth-in-
402 Lending Act, have not been delivered to the obligor, except that if (A)
403 the commissioner institutes a proceeding to enforce the provisions of
404 this section, or [Section 125 of the Consumer Credit Protection Act (15
405 USC 1635)] 15 USC 1635, as amended from time to time, made a part of
406 said sections as provided in section 36a-678, as amended by this act,
407 within three years after the date of consummation of the transaction,
408 (B) the commissioner finds a violation of this subsection or [Section 125
409 of the Consumer Credit Protection Act (15 USC 1635)] 15 USC 1635, as
410 amended from time to time, and (C) the obligor's right to rescind is
411 based in whole or in part on any matter involved in such proceeding,
412 then the obligor's right of rescission shall expire three years after the
413 date of consummation of the transaction or upon the earlier sale of the
414 property, or upon the expiration of one year following the conclusion
415 of the proceeding or any judicial review or period for judicial review
416 thereof, whichever is later.

417 [(4)] (3) (A) In any credit transaction in which an obligor has the
418 right to rescind under [Section 125 of the Consumer Credit Protection
419 Act (15 USC 1635)] 15 USC 1635, as amended from time to time, and
420 the obligor does not exercise that right, a finance charge may not begin
421 to accrue in connection with such transaction until after midnight of
422 the third business day following the consummation of the transaction.
423 (B) Any obligor required to pay a finance charge, in violation of the
424 provisions of this subdivision, may recover from the creditor twice the
425 amount of such finance charge, costs and reasonable attorney's fees.

426 [(5)] In any action in which it is determined that a creditor has
427 violated subdivision (1), (2) or (3) of this subsection, in addition to

428 rescission the court may award relief under other subsections of this
429 section for violations of sections 36a-675 to 36a-685, inclusive, not
430 relating to the right to rescind.

431 (6) An obligor shall have no rescission rights arising solely from the
432 form of written notice used by the creditor to inform the obligor of the
433 rights of the obligor under this subsection and Section 125 of the
434 Consumer Credit Protection Act (15 USC 1635), if the creditor
435 provided the obligor the appropriate form of written notice published
436 and adopted by the Federal Reserve Board or the Bureau of Consumer
437 Financial Protection, or a comparable written notice of the rights of the
438 obligor, that was properly completed by the creditor, and otherwise
439 complied with all other requirements of this subsection and Section
440 125 of the Consumer Credit Protection Act (15 USC 1635) regarding
441 notice.

442 (7) Notwithstanding the provisions of subsection (n) of this section,
443 and subject to the time period provided in subdivision (3) of this
444 subsection, an obligor shall have the rescission rights in foreclosure set
445 forth in Subsection (i) of Section 125 of the Consumer Credit Protection
446 Act (15 USC 1635(i)). This subdivision shall apply to all consumer
447 credit transactions in existence or consummated on or after September
448 30, 1995.]

449 [(k)] (f) (1) Except as otherwise specifically provided in [sections
450 36a-675 to 36a-685, inclusive] the Connecticut Truth-in-Lending Act,
451 any civil action for a violation of said [sections] act or proceeding by
452 the commissioner which may be brought against a creditor [, other
453 than with respect to a consumer credit transaction secured by real
454 property.] may be maintained against any assignee of that creditor
455 [only if the violation for which such action or proceeding is brought is
456 apparent on the face of the disclosure statement, except where the
457 assignment was involuntary. For the purpose of this subdivision, a
458 violation apparent on the face of the disclosure statement includes, but
459 is not limited to, (A) a disclosure which can be determined to be

460 incomplete or inaccurate from the face of the disclosure statement or
461 other documents assigned, or (B) a disclosure not made in the terms
462 required to be used by said sections] as provided in 15 USC 1641, as
463 amended from time to time, and creditors and assignees shall comply
464 with the notice requirements of said section.

465 [(2) Except as provided in subdivision (2) of subsection (j) of this
466 section, in any action or proceeding by or against any subsequent
467 assignee of the original creditor without knowledge to the contrary by
468 the assignee when he acquires the obligation, written acknowledgment
469 of receipt by a person to whom a statement is required to be given
470 pursuant to sections 36a-675 to 36a-685, inclusive, shall be conclusive
471 proof of the delivery thereof and, except as provided in subdivision (1)
472 of this subsection, of compliance with Chapter 2 of the Consumer
473 Credit Protection Act. This subsection does not affect the rights of the
474 obligor in any action against the original creditor.]

475 [(3)] (2) Any consumer who has the right to rescind a transaction
476 under subsection [(j)] (e) of this section or [Section 125 of the Consumer
477 Credit Protection Act (15 USC 1635)] 15 USC 1635, as amended from
478 time to time, may rescind the transaction as against any assignee of the
479 obligation.

480 [(4) (A) Except as otherwise specifically provided in sections 36a-675
481 to 36a-685, inclusive, any civil action against a creditor for a violation
482 of said sections and any proceeding brought by the commissioner
483 against a creditor, with respect to a consumer credit transaction
484 secured by real property, may be maintained against any assignee of
485 such creditor only if (i) the violation for which such action or
486 proceeding was brought is apparent on the face of the disclosure
487 statement provided in connection with such transaction pursuant to
488 sections 36a-675 to 36a-685, inclusive, and the Consumer Credit
489 Protection Act (15 USC 1601 et seq.), and (ii) the assignment to the
490 assignee was voluntary. (B) For purposes of this subdivision, a
491 violation is "apparent on the face of the disclosure statement" if (i) the

492 disclosure can be determined to be incomplete or inaccurate by a
493 comparison among the disclosure statement, any itemization of the
494 amount financed, the note, or any other disclosure of disbursement, or
495 (ii) the disclosure statement does not use the terms or format required
496 to be used by sections 36a-675 to 36a-685, inclusive, and the Consumer
497 Credit Protection Act (15 USC 1601 et seq.).

498 (5) A servicer of a consumer obligation arising from a consumer
499 credit transaction shall be treated as an assignee of such obligation to
500 the extent provided in Subsection (f) of Section 131 of the Consumer
501 Credit Protection Act (15 USC 1641(f)). This subdivision applies to all
502 consumer credit transactions in existence or consummated on or after
503 September 30, 1995.]

504 [(l) (1) Subject to the limitation contained in subdivision (2) of this
505 subsection, a]

506 (g) A card issuer who has issued a credit card to a cardholder
507 pursuant to an open-end consumer credit plan shall be subject to all
508 claims, other than tort claims, and defenses arising out of any
509 transaction in which the credit card is used as a method of payment or
510 extension of credit [if (A) the obligor has made a good faith attempt to
511 obtain satisfactory resolution of a disagreement or problem relative to
512 the transaction from the person honoring the credit card; (B) the
513 amount of the transaction exceeds fifty dollars; and (C) the transaction
514 took place wholly within this state, provided the mailing address
515 previously provided by the cardholder was within this state and
516 provided the state of billing of the transaction shall not be considered
517 in determining where the transaction took place, or the transaction
518 took place within one hundred miles from the mailing address within
519 this state previously provided by the cardholder, except that the
520 limitations set forth in subparagraphs (B) and (C) of this subdivision
521 with respect to an obligor's right to assert claims and defenses against
522 a card issuer shall not be applicable to any transaction in which the
523 person honoring the credit card (i) is the same person as the card

524 issuer, (ii) is controlled by the card issuer, (iii) is under direct or
525 indirect common control with the card issuer, (iv) is a franchised
526 dealer in the card issuer's products or services, or (v) has obtained the
527 order for such transaction through a mail solicitation made by or
528 participated in by the card issuer in which the cardholder is solicited to
529 enter into such transaction by using the credit card issued by the card
530 issuer] as provided in 15 USC 1666i, as amended from time to time.

531 [(2) The amount of claims or defenses asserted by the cardholder
532 may not exceed the amount of credit outstanding with respect to such
533 transaction at the time the cardholder first notifies the card issuer or
534 the person honoring the credit card of such claim or defense. For the
535 purpose of determining the amount of credit outstanding in this
536 subdivision, payments and credits to the cardholder's account are
537 deemed to have been applied, in the order indicated, to the payment
538 of: (A) Late charges in the order of their entry to the account; (B)
539 finance charges in order of their entry to the account; and (C) debits to
540 the account other than those set forth in subparagraphs (A) and (B) of
541 this subdivision, in the order in which each debit entry to the account
542 was made.]

543 [(m) (1) For the purpose of this subsection, the term "creditor" in this
544 section shall include a lessor.]

545 [(2)] (h) (1) Any lessor who fails to comply with any requirement
546 imposed under [Section 182 or 183 of the Consumer Credit Protection
547 Act (15 USC 1667a or 1667b)] 15 USC 1667a or 1667b, as amended from
548 time to time, with respect to any person is liable to such person as
549 provided in this section as if such lessor is a creditor.

550 [(3)] (2) Any lessor who fails to comply with any requirement
551 imposed under [Section 184 of the Consumer Credit Protection Act (15
552 USC 1667c)] 15 USC 1667c, as amended from time to time, with respect
553 to any person who suffers actual damage from the violation is liable to
554 such person as provided in this section as if such lessor is a creditor.

555 (i) Any mortgage originator who fails to comply with any
556 requirement imposed by 15 USC 1639b, as amended from time to time,
557 or any regulation promulgated thereunder shall be liable as provided
558 in 15 USC 1639b(d), as amended from time to time.

559 [(n)] (j) In the case of any consumer credit transaction subject to the
560 provisions of [sections 36a-675 to 36a-685, inclusive,] the Connecticut
561 Truth-in-Lending Act that is consummated before September 30, 1995,
562 the civil, administrative and criminal liability of a creditor or any
563 assignee of a creditor under [sections 36a-675 to 36a-685, inclusive,]
564 said act and a consumer's extended rescission rights under subdivision
565 [(3)] (2) of subsection [(j)] (e) of this section, shall be limited to the
566 extent provided in and subject to the exceptions contained in [Section
567 139 of the Consumer Credit Protection Act (15 USC 1649)] 15 USC
568 1649, as amended from time to time.

569 Sec. 10. Section 36a-684 of the general statutes is repealed and the
570 following is substituted in lieu thereof (*Effective October 1, 2015*):

571 (a) [Compliance with] The commissioner shall enforce the
572 requirements of sections 36a-567, 36a-568, [and 36a-675 to 36a-685,
573 inclusive] the Connecticut Truth-in-Lending Act, subdivision (13) of
574 subsection (c) of section 36a-770, as amended by this act, and sections
575 36a-771, as amended by this act, 36a-774, as amended by this act, and
576 36a-777. [shall be enforced by the commissioner and the] The
577 commissioner shall, in addition to other powers granted by said
578 sections or by other provisions of law, receive and act on complaints,
579 take action designed to obtain voluntary compliance with said sections
580 or commence proceedings on the commissioner's own initiative
581 pursuant to sections 36a-50 to 36a-53, inclusive.

582 (b) In order to accomplish the purposes of [sections 36a-675 to 36a-
583 685, inclusive,] the Connecticut Truth-in-Lending Act and the
584 provisions of the general statutes referred to in subsection (a) of this
585 section, the commissioner may (1) counsel persons and groups on their

586 rights and duties under said [sections] act and provisions, (2) establish
587 programs for the education of consumers with respect to credit and
588 leasing practices and problems, and (3) make studies appropriate to
589 effectuate the purposes and policies of said [sections] act and
590 provisions and make the results available to the public.

591 (c) The commissioner may by regulation require the maintenance of
592 records related to consumer credit sales, loans and leases sufficient to
593 evidence the adoption of policies calculated to produce compliance
594 with [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-
595 Lending Act and the provisions of the general statutes referred to in
596 subsection (a) of this section which shall be in addition to the record
597 retention requirements imposed under the Consumer Credit
598 Protection Act. [(15 USC 1601 et seq.).]

599 (d) (1) In carrying out enforcement activities under this section, the
600 commissioner, in cases where an annual percentage rate or finance
601 charge was inaccurately disclosed, shall notify the creditor of such
602 disclosure error and may require the creditor to make an adjustment to
603 the account of the person to whom credit was extended, to assure that
604 such person will not be required to pay a finance charge in excess of
605 the finance charge actually disclosed or the dollar equivalent of the
606 annual percentage rate actually disclosed, whichever is lower. For the
607 purposes of this subsection, except where such disclosure error
608 resulted from a wilful violation which was intended to mislead the
609 person to whom credit was extended, in determining whether a
610 disclosure error has occurred and in calculating any adjustment, [(A)]
611 the commissioner shall apply [(i) with respect to the annual percentage
612 rate, a tolerance of one-quarter of one per cent more or less than the
613 actual rate, determined without regard to Section 107(c) of the
614 Consumer Credit Protection Act (15 USC 1606(c)), and (ii) with respect
615 to the finance charge, a corresponding numerical tolerance as
616 generated by the tolerance provided under this subsection for the
617 annual percentage rate; except that (B) with respect to transactions
618 consummated after March 31, 1982, the commissioner shall apply (i)

619 for transactions that have a scheduled amortization of ten years or less,
620 with respect to the annual percentage rate, a tolerance not to exceed
621 one-quarter of one per cent more or less than the actual rate,
622 determined without regard to Section 107(c) of the Consumer Credit
623 Protection Act (15 USC 1606(c)), but in no event a tolerance of less than
624 the tolerances allowed under Section 107(c) (15 USC 1606(c)), (ii) for
625 transactions that have a scheduled amortization of more than ten
626 years, with respect to the annual percentage rate, only such tolerances
627 as are allowed under Section 107(c) of the Consumer Credit Protection
628 Act (15 USC 1606(c)), and (iii) for all transactions, with respect to the
629 finance charge, a corresponding numerical tolerance as generated by
630 the tolerances provided under this subsection for the annual
631 percentage rate] the tolerances set forth in 15 USC 1607(e)(1), as
632 amended from time to time.

633 (2) The commissioner shall require such an adjustment when the
634 commissioner determines that such disclosure error resulted from a
635 clear and consistent pattern or practice of violations, from gross
636 negligence, or from a wilful violation which was intended to mislead
637 the person to whom the credit was extended. Notwithstanding the
638 preceding sentence, except where such disclosure error resulted from a
639 wilful violation which was intended to mislead the person to whom
640 credit was extended, the commissioner need not require such an
641 adjustment if the commissioner determines that such disclosure error:
642 (A) Resulted from an error involving the disclosure of a fee or charge
643 that would otherwise be excludable in computing the finance charge,
644 including but not limited to, violations involving the disclosures
645 described in [Sections 106(b), (c) and (d) of the Consumer Credit
646 Protection Act (15 USC 1605(b), (c) and (d))] 15 USC 1605(b), (c) and
647 (d), as amended from time to time, in which event the commissioner
648 may require such remedial action as the commissioner determines to
649 be equitable, except that for transactions consummated after March 31,
650 1982, such an adjustment shall be ordered for violations of [Section
651 106(b) (15 USC 1605(b))] 15 USC 1605(b), as amended from time to

652 time; (B) involved a disclosed amount which was ten per cent or less of
653 the amount that should have been disclosed and (i) in cases where the
654 error involved a disclosed finance charge, the annual percentage rate
655 was disclosed correctly, and (ii) in cases where the error involved a
656 disclosed annual percentage rate, the finance charge was disclosed
657 correctly; in which event the commissioner may require such
658 adjustment as the commissioner determines to be equitable; (C)
659 involved a total failure to disclose either the annual percentage rate or
660 the finance charge, in which event the commissioner may require such
661 adjustment as the commissioner determines to be equitable; or (D)
662 resulted from any other unique circumstance involving clearly
663 technical and nonsubstantive disclosure violations that do not
664 adversely affect information provided to the consumer and that have
665 not misled or otherwise deceived the consumer. In the case of other
666 such disclosure errors, the commissioner may require such an
667 adjustment.

668 (3) Notwithstanding subdivision (2) of this subsection, no
669 adjustment shall be ordered: (A) If it would have a significantly
670 adverse impact upon the safety or soundness of the creditor, but in any
671 such case, the commissioner may require a partial adjustment in an
672 amount which does not have such an impact except that with respect
673 to any transaction consummated after May 18, 1981, the commissioner
674 shall require the full adjustment, but permit the creditor to make the
675 required adjustment in partial payments over an extended period of
676 time which the commissioner considers to be reasonable, if the
677 commissioner determines that a partial adjustment or making partial
678 adjustments over an extended period is necessary to avoid causing the
679 creditor to become undercapitalized pursuant to 12 USC 1831o, as
680 amended from time to time, (B) if the amount of the adjustment would
681 be less than one dollar, except that if more than one year has elapsed
682 since the date of the violation, the commissioner may require that such
683 amount be paid to the commissioner, or (C) except where such
684 disclosure error resulted from a wilful violation which was intended to

685 mislead the person to whom credit was extended, in the case of an
686 open-end credit plan, more than two years after the violation, or in the
687 case of any other extension of credit, as follows: (i) With respect to
688 creditors that have been examined by the commissioner, except in
689 connection with violations arising from practices identified in the
690 current examination and only in connection with transactions that are
691 consummated after the date of the immediately preceding
692 examination, except that where practices giving rise to violations
693 identified in earlier examinations have not been corrected, adjustments
694 for those violations shall be required in connection with transactions
695 consummated after the date of the examination in which such practices
696 were first identified; (ii) with respect to creditors that have not been
697 examined by the commissioner, except in connection with transactions
698 that are consummated after May 10, 1978; and (iii) in no event after the
699 later of (I) the expiration of the life of the credit extension, or (II) two
700 years after the agreement to extend credit was consummated.

701 (4) In addition to the enforcement powers authorized by the
702 provisions of this section [and section 36a-50,] the commissioner may
703 order any creditor to make an adjustment as provided in [subdivision
704 (1) of] this subsection. After such an order is issued, the persons named
705 therein may, within fourteen days after receipt of the order, file a
706 written request for a hearing. The hearing shall be held in accordance
707 with the provisions of chapter 54.

708 (5) Except as otherwise specifically provided in this subsection and
709 notwithstanding any other provision of law, the commissioner may
710 not require a creditor to make dollar adjustments for errors in any
711 requirements under the Consumer Credit Protection Act, [(15 USC
712 1601 et seq.),] except with regard to the requirements of [Section 165 of
713 the Consumer Credit Protection Act (15 USC 1666d)] 15 USC 1666d, as
714 amended from time to time.

715 (6) A creditor shall not be subject to an order to make an adjustment,
716 if within sixty days after discovering a disclosure error, whether

717 pursuant to a final written examination report or through the creditor's
718 own procedures, the creditor notifies the person concerned of the error
719 and adjusts the account so as to assure that such person will not be
720 required to pay a finance charge in excess of the finance charge
721 actually disclosed or the dollar equivalent of the annual percentage
722 rate actually disclosed, whichever is lower.

723 Sec. 11. (NEW) (*Effective October 1, 2015*) (a) In addition to the
724 enforcement provisions in the Connecticut Truth-in-Lending Act, the
725 Banking Commissioner may order any person who violates 15 USC
726 1639e, as amended from time to time, to pay a civil penalty as
727 provided in subsection (k) of said section. Such order shall be issued in
728 accordance with section 36a-50 of the general statutes, provided the
729 amount of any civil penalty imposed shall be determined in
730 accordance with 15 USC 1639e(k), as amended from time to time.

731 (b) In addition to any other liability allowed by the Connecticut
732 Truth-in-Lending Act, a creditor found to have wilfully failed to obtain
733 an appraisal as required by 15 USC 1639h, as amended from time to
734 time, shall be liable to the applicant or borrower as provided in
735 subsection (e) of said section.

736 Sec. 12. Section 36a-3 of the general statutes is repealed and the
737 following is substituted in lieu thereof (*Effective October 1, 2015*):

738 Other definitions applying to this title or to specified parts thereof
739 and the sections in which they appear are:

- T1 "Account". Sections 36a-155 and 36a-365.
- T2 "Additional proceeds". Section 36a-746e.
- T3 "Administrative expense". Section 36a-237.
- T4 "Advance fee". Sections 36a-485 and 36a-615.
- T5 "Advertise", "advertisement" or "advertising". Section 36a-485.
- T6 "Agency bank". Section 36a-285.
- T7 "Agent". Section 36a-494.

- T8 "Alternative mortgage loan". Section 36a-265.
- T9 "Amount financed". Section 36a-690, as amended by this act.
- T10 "Annual percentage rate". Section 36a-690, as amended by this act.
- T11 "Annual percentage yield". Section 36a-316.
- T12 "Annuities". Section 36a-455a.
- T13 "Applicant". Section 36a-736.
- T14 "APR". Section 36a-746a, as amended by this act.
- T15 "Assessment area". Section 36a-37.
- T16 "Assets". Section 36a-70.
- T17 "Associate". Section 36a-184.
- T18 "Associated member". Section 36a-458a.
- T19 "Authorized delegate". Section 36a-596.
- T20 "Bank". Section 36a-30.
- T21 "Bankers' bank". Section 36a-70.
- T22 "Banking business". Section 36a-425.
- T23 "Basic services". Section 36a-437a.
- T24 "Billing cycle". Section 36a-565.
- T25 "Bona fide nonprofit organization". Sections 36a-487 and 36a-655.
- T26 "Branch". Sections 36a-145, 36a-410 and 36a-435b.
- T27 "Branch office". Sections 36a-485 and 36a-715.
- T28 "Branch or agency net payment entitlement". Section 36a-428n.
- T29 "Branch or agency net payment obligation". Section 36a-428n.
- T30 "Broker". Section 36a-746a, as amended by this act.
- T31 "Business and industrial development corporation". Section 36a-626.
- T32 "Business and property in this state". Section 36a-428n.
- T33 "Capital". Section 36a-435b.
- T34 "Cash advance". Section 36a-564.
- T35 "Cash price". Section 36a-770, as amended by this act.
- T36 "Certificate of incorporation". Section 36a-435b.
- T37 "CHFA loan". Section 36a-760, as amended by this act.
- T38 "Clerical or support duties". Section 36a-485.
- T39 "Closely related activities". Sections 36a-250 and 36a-455a.
- T40 "Collective managing agency account". Section 36a-365.
- T41 "Commercial vehicle". Section 36a-770, as amended by this act.

- T42 "Community bank". Section 36a-70.
- T43 "Community credit union". Section 36a-37.
- T44 "Community development bank". Section 36a-70.
- T45 "Community reinvestment performance". Section 36a-37.
- T46 "Connecticut holding company". Sections 36a-53 and 36a-410.
- T47 "Consolidate". Section 36a-145.
- T48 "Construction loan". Section 36a-458a.
- T49 "Consumer". Sections 36a-155, 36a-676, as amended by this act, and
- T50 36a-695.
- T51 "Consumer Credit Protection Act". Section 36a-676, as amended by this
- T52 act.
- T53 "Consumer debtor" and "debtor". Sections 36a-645 and 36a-800.
- T54 "Consumer collection agency". Section 36a-800.
- T55 "Consummation". Section 36a-746a, as amended by this act.
- T56 "Control person". Section 36a-485.
- T57 "Controlling interest". Section 36a-276.
- T58 "Conventional mortgage rate". Section 36a-760, as amended by this act.
- T59 "Corporate". Section 36a-435b.
- T60 "Credit". [Sections] Section 36a-645. [and 36a-676.]
- T61 "Credit manager". Section 36a-435b.
- T62 "Creditor". Sections 36a-676, as amended by this act, 36a-695 and
- T63 36a-800.
- T64 ["Credit card", "cardholder" and "card issuer". Section 36a-676.]
- T65 "Credit clinic". Section 36a-700.
- T66 "Credit rating agency". Section 36a-695.
- T67 "Credit report". Section 36a-695.
- T68 ["Credit sale". Section 36a-676.]
- T69 "Credit union service organization". Section 36a-435b.
- T70 "Credit union service organization services". Section 36a-435b.
- T71 "De novo branch". Section 36a-410.
- T72 "Debt". Section 36a-645.
- T73 "Debt adjustment". Section 36a-655.
- T74 "Debt mutual fund". Sections 36a-275 and 36a-459a.
- T75 "Debt securities". Sections 36a-275 and 36a-459a.

- T76 "Debtor". Section 36a-655.
- T77 "Deliver". Section 36a-316.
- T78 "Deposit". Section 36a-316.
- T79 "Deposit account". Section 36a-316.
- T80 "Deposit account charge". Section 36a-316.
- T81 "Deposit account disclosures". Section 36a-316.
- T82 "Deposit contract". Section 36a-316.
- T83 "Deposit services". Section 36a-425.
- T84 "Depositor". Section 36a-316.
- T85 "Depository institution". Section 36a-485.
- T86 "Derivative transaction". Section 36a-262.
- T87 "Director". Section 36a-435b.
- T88 "Dwelling". Section 36a-485.
- T89 "Earning period". Section 36a-316.
- T90 "Electronic payment instrument". Section 36a-596.
- T91 "Eligible collateral". Section 36a-330.
- T92 "Eligible entity". Section 36a-34.
- T93 "Employee". Section 36a-485.
- T94 "Entity". Section 36a-380.
- T95 "Equity mutual fund". Sections 36a-276 and 36a-459a.
- T96 "Equity security". Sections 36a-276 and 36a-459a.
- T97 "Executive officer". Sections 36a-263 and 36a-469c.
- T98 "Expedited Connecticut bank". Section 36a-70.
- T99 "Experience in the mortgage business". Section 36a-488.
- T100 "Federal banking agency". Section 36a-485.
- T101 "Federal Credit Union Act". Section 36a-435b.
- T102 "Federal Home Mortgage Disclosure Act". Section 36a-736.
- T103 "FHA loan". Section 36a-760, as amended by this act.
- T104 "Fiduciary". Section 36a-365.
- T105 "Filing fee". Section 36a-770, as amended by this act.
- T106 "Finance charge". Sections 36a-690, as amended by this act, and 36a-
- T107 770, as amended by this act.
- T108 "Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316,
- T109 36a-330, 36a-435b, 36a-736 and 36a-755.

- T110 "Financial records". Section 36a-41.
- T111 "First mortgage loan". Sections 36a-485, 36a-705 and 36a-725.
- T112 "Foreign banking corporation". Section 36a-425.
- T113 "Fully indexed rate". Section 36a-760b.
- T114 "General facility". Section 36a-580.
- T115 "Global net payment entitlement". Section 36a-428n.
- T116 "Global net payment obligation". Section 36a-428n.
- T117 "Goods". Sections 36a-535 and 36a-770, as amended by this act.
- T118 "Graduated payment mortgage loan". Section 36a-265.
- T119 "Guardian". Section 36a-365.
- T120 "High cost home loan". Section 36a-746a, as amended by this act.
- T121 "Holder". Section 36a-596.
- T122 "Home banking services". Section 36a-170.
- T123 "Home banking terminal". Section 36a-170.
- T124 "Home improvement loan". Section 36a-736.
- T125 "Home purchase loan". Section 36a-736.
- T126 "Home state". Section 36a-410.
- T127 "Housing finance agency". Section 36a-487.
- T128 "Immediate family member". Sections 36a-435b and 36a-485.
- T129 "Independent contractor". Section 36a-485.
- T130 "Individual". Section 36a-485.
- T131 "Insider". Section 36a-454b.
- T132 "Installment loan contract". Sections 36a-535 and 36a-770, as amended
- T133 by this act.
- T134 "Insurance". Section 36a-455a.
- T135 "Insurance bank". Section 36a-285.
- T136 "Insurance department". Section 36a-285.
- T137 "Interest". Section 36a-316.
- T138 "Interest rate". Section 36a-316.
- T139 "Interim interest". Section 36a-746a, as amended by this act.
- T140 "Investments". Section 36a-602.
- T141 "Lender". Sections 36a-746a, as amended by this act, 36a-760, as
- T142 amended by this act, and 36a-770, as amended by this act.
- T143 "Lessor". Section 36a-676, as amended by this act.

- T144 "License". Section 36a-626.
- T145 "Licensee". Sections 36a-596, 36a-607 and 36a-626.
- T146 "Limited branch". Section 36a-145.
- T147 "Limited facility". Section 36a-580.
- T148 "Loan broker". Section 36a-615.
- T149 "Loan processor or underwriter". Section 36a-485.
- T150 "Loss". Section 36a-330.
- T151 "Made in this state". Section 36a-770, as amended by this act.
- T152 "Main office". Section 36a-485.
- T153 "Managing agent". Section 36a-365.
- T154 "Manufactured home". Section 36a-457b.
- T155 "Material litigation". Section 36a-598.
- T156 "Member". Section 36a-435b.
- T157 "Member business loan". Section 36a-458a.
- T158 "Member in good standing". Section 36a-435b.
- T159 "Membership share". Section 36a-435b.
- T160 "Mobile branch". Sections 36a-145 and 36a-435b.
- T161 "Monetary value". Section 36a-596.
- T162 "Money transmission". Section 36a-596.
- T163 "Mortgage". Section 36a-760g.
- T164 "Mortgage broker". Sections 36a-485, 36a-705 and 36a-760, as amended
- T165 by this act.
- T166 "Mortgage correspondent lender". Section 36a-485.
- T167 "Mortgage insurance". Section 36a-725.
- T168 "Mortgage lender". Sections 36a-485, 36a-705 and 36a-725.
- T169 "Mortgage loan". Sections 36a-261, 36a-265, 36a-457b and 36a-736.
- T170 "Mortgage loan originator". Section 36a-485.
- T171 "Mortgage rate lock-in". Section 36a-705.
- T172 "Mortgage servicer". Section 36a-715.
- T173 "Mortgagee". Section 36a-715.
- T174 "Mortgagor". Section 36a-715.
- T175 "Motor vehicle". Section 36a-770, as amended by this act.
- T176 "Multiple common bond membership". Section 36a-435b.
- T177 "Municipality". Section 36a-800.

- T178 "Net outstanding member business loan balance". Section 36a-458a.
- T179 "Net worth". Sections 36a-441a and 36a-458a.
- T180 "Network". Section 36a-155.
- T181 "Nonprime home loan". Section 36a-760, as amended by this act.
- T182 "Nonrefundable". Section 36a-498.
- T183 "Nontraditional mortgage product". Section 36a-489a.
- T184 "Note account". Sections 36a-301 and 36a-456b.
- T185 "Office". Sections 36a-23, 36a-316 and 36a-485.
- T186 "Officer". Section 36a-435b.
- T187 ["Open-end credit plan". Section 36a-676.]
- T188 "Open-end line of credit". Section 36a-760, as amended by this act.
- T189 "Open-end loan". Section 36a-565.
- T190 "Organization". Section 36a-800.
- T191 "Out-of-state holding company". Section 36a-410.
- T192 "Outstanding". Section 36a-596.
- T193 "Passbook savings account". Section 36a-316.
- T194 "Payment instrument". Section 36a-596.
- T195 "Periodic statement". Section 36a-316.
- T196 "Permissible investment". Section 36a-596.
- T197 "Person". Sections 36a-184 and 36a-485.
- T198 "Post". Section 36a-316.
- T199 "Prepaid finance charge". Section 36a-746a, as amended by this act.
- T200 "Prime quality". Section 36a-596.
- T201 "Principal amount of the loan". Section 36a-485.
- T202 "Processor". Section 36a-155.
- T203 "Public deposit". Section 36a-330.
- T204 "Purchaser". Section 36a-596.
- T205 "Qualified financial contract". Section 36a-428n.
- T206 "Qualified public depository" and "depository". Section 36a-330.
- T207 "Real estate". Section 36a-457b.
- T208 "Real estate brokerage activity". Section 36a-485.
- T209 "Records". Section 36a-17.
- T210 "Registered mortgage loan originator". Section 36a-485.
- T211 "Related person". Section 36a-53.

- T212 "Relocate". Sections 36a-145 and 36a-462a.
- T213 "Residential mortgage loan". Section 36a-485.
- T214 "Residential real estate". Section 36a-485.
- T215 "Resulting entity". Section 36a-34.
- T216 "Retail buyer". Sections 36a-535 and 36a-770, as amended by this act.
- T217 "Retail credit transaction". Section 42-100b.
- T218 "Retail installment contract". Sections 36a-535 and 36a-770, as amended
- T219 by this act.
- T220 "Retail installment sale". Sections 36a-535 and 36a-770, as amended by
- T221 this act.
- T222 "Retail seller". Sections 36a-535 and 36a-770, as amended by this act.
- T223 "Reverse annuity mortgage loan". Section 36a-265.
- T224 "Sales finance company". Sections 36a-535 and 36a-770, as amended by
- T225 this act.
- T226 "Savings department". Section 36a-285.
- T227 "Savings deposit". Section 36a-316.
- T228 "Secondary mortgage loan". Section 36a-485.
- T229 "Security convertible into a voting security". Section 36a-184.
- T230 "Senior management". Section 36a-435b.
- T231 "Settlement agent". Section 36a-494.
- T232 "Share". Section 36a-435b.
- T233 "Simulated check". Section 36a-485.
- T234 "Single common bond membership". Section 36a-435b.
- T235 "Special mortgage". Section 36a-760c.
- T236 "Social purpose investment". Section 36a-277.
- T237 "Sponsored". Section 36a-485.
- T238 "Standard mortgage loan". Section 36a-265.
- T239 "Stored value". Section 36a-596.
- T240 "Table funding agreement". Section 36a-485.
- T241 "Tax and loan account". Sections 36a-301 and 36a-456b.
- T242 "The Savings Bank Life Insurance Company". Section 36a-285.
- T243 "Time account". Section 36a-316.
- T244 "Travelers check". Section 36a-596.
- T245 "Troubled Connecticut credit union". Section 36a-448a.

- T246 "Unique identifier". Section 36a-485.
- T247 "Unsecured loan". Section 36a-615.
- T248 "Value". Section 36a-603.
- T249 "Warehouse agreement". Section 36a-485.

740 Sec. 13. Section 36a-555 of the general statutes is repealed and the
741 following is substituted in lieu thereof (*Effective October 1, 2015*):

742 No person shall (1) engage in the business of making loans of
743 money or credit; (2) make, offer, broker or assist a borrower in
744 Connecticut to obtain such a loan; or (3) in whole or in part, arrange
745 such loans through a third party or act as an agent for a third party,
746 regardless of whether approval, acceptance or ratification by the third
747 party is necessary to create a legal obligation for the third party,
748 through any method, including, but not limited to, mail, telephone,
749 Internet or any electronic means, in the amount or to the value of
750 fifteen thousand dollars or less for loans made under section 36a-563,
751 as amended by this act, or section 36a-565, and charge, contract for or
752 receive a greater rate of interest, charge or consideration than twelve
753 per cent per annum therefor, unless licensed to do so by the
754 commissioner pursuant to sections 36a-555 to 36a-573, inclusive, as
755 amended by this act. The provisions of this section shall not apply to
756 (A) a bank, (B) an out-of-state bank, (C) a Connecticut credit union, (D)
757 a federal credit union, (E) an out-of-state credit union, (F) a savings
758 and loan association wholly owned subsidiary service corporation, (G)
759 a person to the extent that such person makes loans for agricultural,
760 commercial, industrial or governmental use or extends credit through
761 an open-end credit plan, as defined in [subdivision (8) of subsection (a)
762 of section 36a-676] 15 USC 1602, as amended from time to time, for the
763 retail purchase of consumer goods or services, (H) a mortgage lender
764 or mortgage correspondent lender licensed pursuant to section 36a-489
765 when making residential mortgage loans, as defined in section 36a-485,
766 or (I) a licensed pawnbroker.

767 Sec. 14. Subsection (a) of section 42-133c of the general statutes is

768 repealed and the following is substituted in lieu thereof (*Effective*
769 *October 1, 2015*):

770 (a) Except as provided in subsection (b) of this section,
771 notwithstanding any contrary provision of law, a retail seller under an
772 open-end credit plan, as defined in [subdivision (8) of subsection (a) of
773 section 36a-676] 15 USC 1602, as amended from time to time, in
774 connection with a transaction arising out of the retail sale of consumer
775 goods or services on sales made on or after October 1, 1993, may
776 contract for and, if so contracted for, the retail seller or holder may
777 charge and collect a finance charge under the plan and may calculate
778 such finance charge in the manner and at the rate or rates agreed to by
779 the retail buyer. For purposes of this section, (1) "retail seller" means a
780 person who (A) sells or agrees to sell one or more articles of goods or
781 furnishes services under an open-end credit plan and (B) is the creditor
782 to whom the debt is initially payable on the face of the agreement of
783 indebtedness, and (2) "holder" means a finance agency or other
784 assignee who has purchased the open-end credit plan agreement or
785 obligation. Regardless of any agreement to the contrary, a transaction
786 under an open-end credit plan is subject to this section whenever a
787 solicitation for the extension of credit is made by a retail seller whose
788 primary activity in Connecticut is soliciting Connecticut customers
789 through the mails, and such solicitation originates outside Connecticut
790 but is directed to and received by a customer who resides, and
791 responds to such solicitation, in Connecticut.

792 Sec. 15. Section 42-133d of the general statutes is repealed and the
793 following is substituted in lieu thereof (*Effective October 1, 2015*):

794 The creditor of any account under an open-end credit plan, as
795 defined in [subdivision (8) of subsection (a) of section 36a-676] 15 USC
796 1602, as amended from time to time, on which interest aggregating ten
797 dollars or more has been imposed in any calendar year, shall furnish to
798 the obligor of such account, on or before January thirty-first of the
799 following year, a statement of the interest charges so imposed and the

800 aggregate amount paid by such obligor.

801 Sec. 16. Section 36a-746a of the general statutes is repealed and the
802 following is substituted in lieu thereof (*Effective October 1, 2015*):

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

804 (1) "APR" means the annual percentage rate for the loan calculated
805 according to the provisions of the federal Truth-in-Lending Act, 15
806 USC Section 1601 et seq., as amended from time to time, and the
807 regulations promulgated thereunder. [For open-end lines of credit,
808 "APR" means the highest corresponding annual percentage rate
809 required to be disclosed under 12 CFR 1026.6(a)(2) and 1026.14(b), as
810 amended from time to time, excluding any maximum rates required to
811 be disclosed or stated pursuant to 12 CFR 1026.6(a)(2) or 1026.30, as
812 amended from time to time. For closed-end loans, "APR" means the
813 annual percentage rate required to be disclosed under 12 CFR
814 1026.18(e), as amended from time to time, excluding any maximum
815 rates required to be disclosed or stated pursuant to 12 CFR 1026.18(f)
816 or 1026.30, as amended from time to time.] For purposes of this
817 subdivision, any variable rate calculation shall use an index value in
818 effect within forty-five days prior to consummation;

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

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

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

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

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

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

835 (D) In which the APR [at consummation is greater than the yield on
836 Treasury securities having comparable periods of maturity to the loan
837 maturity as of the fifteenth day of the month immediately preceding
838 the month in which the application for the loan or extension of credit is
839 received by the lender] applicable to the transaction determined in
840 accordance with 12 CFR 1026.32(a)(3), as amended from time to time,
841 will exceed the average prime offer rate, as defined in 12 CFR
842 1026.35(a)(2) as amended from time to time, by more than the number
843 of percentage points specified in 12 CFR 1026.32(a)(1)(i), as amended
844 from time to time;

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

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

851 (7) "Prepaid finance charge" means any finance charge determined
852 in accordance with 12 CFR 1026.4, as amended from time to time, that
853 is paid separately in cash or by check before or at consummation of a
854 loan or extension of credit or withheld from the proceeds of such
855 transaction at any time, except the term includes any fees or
856 commissions payable to the lender or broker in connection with the
857 sale of credit life, accident, health, disability or unemployment
858 insurance products or unrelated goods or services sold in conjunction
859 with the loan or extension of credit when the cost of such insurance

860 products or goods or services is prepaid with the proceeds of the loan
861 or extension of credit and financed as part of the principal amount of
862 the loan or extension of credit, and excludes premiums, fees and any
863 other amounts paid to a governmental agency, any amounts required
864 to be escrowed by a governmental agency and interim interest.

865 Sec. 17. Subsection (a) of section 36a-760 of the general statutes is
866 repealed and the following is substituted in lieu thereof (*Effective*
867 *October 1, 2015*):

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

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

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

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

876 (4) "First mortgage loan" has the same meaning as provided in
877 section 36a-485;

878 (5) "Lender" means any person engaged in the business of the
879 making of mortgage loans who is (A) required to be licensed by the
880 [Department of Banking] commissioner under chapter 668, or such
881 person's successors or assigns, [and also means any bank, out-of-state
882 bank, Connecticut credit union, federal credit union, out-of-state credit
883 union, or an operating subsidiary of a federal bank or a federally
884 chartered out-of-state bank where such subsidiary engages in the
885 business of making mortgage loans] or (B) exempt from licensing
886 pursuant to subdivisions (1) to (3), inclusive, of subsection (a) of
887 section 36a-487, and their successors and assigns, but does not include
888 any mortgage broker, as defined in this section, or any mortgage loan

889 originator, as defined in section 36a-485;

890 (6) "Mortgage broker" means [any person, other than a lender, who
891 (A) for a fee, commission or other valuable consideration, negotiates,
892 solicits, arranges, places or finds a mortgage, and (B)] a "mortgage
893 broker", as defined in section 36a-485, who is required to be licensed
894 by the [Department of Banking] commissioner under chapter 668, or
895 such person's successors or assigns;

896 (7) "Nonprime home loan" means any loan or extension of credit,
897 excluding an open-end line of credit, any mortgage insured under Title
898 II of the National Housing Act, 12 USC 1701 et seq., as amended from
899 time to time, that satisfies the requirements for a qualified mortgage
900 set forth in [78 Federal Register 75215 (December 11, 2013)] 24 CFR
901 203.19(b), as amended from time to time, and a reverse mortgage
902 transaction, as defined in 12 CFR 1026.33, as amended from time to
903 time:

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

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

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

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

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

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

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

933 [(ii)] (i) The difference, at the time of consummation, between the
934 APR for the loan or extension of credit and the average prime offer rate
935 for a comparable transaction, as of the date the interest rate is set, is
936 greater than one and one-half percentage points if the loan is a first
937 mortgage loan or three and one-half percentage points if the loan is a
938 secondary mortgage loan. For purposes of this subparagraph, "average
939 prime offer rate" has the meaning as provided in 12 CFR [226.35]
940 1026.35, as amended from time to time. For purposes of
941 [subparagraphs (F)(i) and (F)(ii) of this subdivision] this clause, the
942 date the interest rate is set is the last date the interest rate is set,
943 provided the rate is adjusted on or before consummation.

944 [(iii)] (ii) The commissioner shall have the authority, after
945 consideration of the relevant factors, to increase the percentages set
946 forth in [clauses (i) and (ii) of this subparagraph] subparagraph (F)(i)
947 of this subdivision. For purposes of this clause, the relevant factors to
948 be considered by the commissioner shall include, but not be limited to,
949 the existence and amount of increases in fees or charges in connection
950 with purchases of mortgages by the Federal National Mortgage

951 Association or the Federal Home Loan Mortgage Corporation and
952 increases in fees or charges imposed by mortgage insurers and the
953 impact, including the magnitude of the impact, that such increases
954 have had, or will likely have, on APRs for mortgage loans in this state.
955 When considering such factors, the commissioner shall focus on those
956 increases that are related to the deterioration in the housing market
957 and credit conditions. The commissioner may refrain from increasing
958 such percentages if it appears that lenders are increasing interest rates
959 or fees in bad faith or if increasing the percentages would be contrary
960 to the purposes of sections 36a-760 to 36a-760f, inclusive, as amended
961 by this act. No increase authorized by the commissioner to a particular
962 percentage shall exceed one-quarter of one percentage point, and the
963 total of all increases to a particular percentage under this clause shall
964 not exceed one-half of one percentage point. No increase shall be made
965 unless: (I) The increase is noticed in the Banking Department Bulletin
966 and the Connecticut Law Journal, and (II) a public comment period of
967 twenty days is provided. Any increase made under this clause shall be
968 reduced proportionately when the need for the increase has
969 diminished or no longer exists. The commissioner, in the exercise of his
970 discretion, may authorize an increase in the percentages with respect
971 to all loans or just with respect to a certain class or classes of loans;

972 (8) "Open-end line of credit" means a mortgage extended by a
973 lender under a plan in which: (A) The lender reasonably contemplates
974 repeated transactions; (B) the lender may impose a finance charge from
975 time to time on an outstanding unpaid balance; (C) the amount of
976 credit that may be extended to the consumer during the term of the
977 plan, up to any limit set by the lender, is generally made available to
978 the extent that any outstanding balance is repaid; and (D) none of the
979 proceeds of the open-end line of credit are used at closing to (i)
980 purchase the borrower's primary residence, or (ii) refinance a
981 mortgage loan that had been used by the borrower to purchase the
982 borrower's primary residence;

983 (9) "Secondary mortgage loan" has the same meaning as provided in

984 section 36a-485.

985 Sec. 18. Subsection (b) of section 36a-563 of the general statutes is
986 repealed and the following is substituted in lieu thereof (*Effective*
987 *October 1, 2015*):

988 (b) For the purpose of computations, whether at the maximum rate
989 or less, a month shall be that period of time from any date in one
990 month to the corresponding date in the next month, but if there is no
991 such corresponding date, then to the last day of the next month, and a
992 day shall be considered one-thirtieth of a month when such
993 computation is made for a fraction of a month. For loans originally
994 scheduled to be repaid over a period of forty-eight months and fifteen
995 days or less, the portion of the charges applicable to any particular
996 monthly installment period, as originally scheduled or following a
997 deferment, shall bear the same ratio to the total charges, excluding any
998 adjustment made under subsection (c) of this section, as the balance
999 scheduled to be outstanding during that monthly period bears to the
1000 sum of all the monthly balances scheduled originally by the contract of
1001 loan. For loans originally scheduled to be repaid over a period in
1002 excess of forty-eight months and fifteen days, the portion of the
1003 charges applicable to any particular monthly installment period, as
1004 originally scheduled or following a deferment, shall be the charges
1005 which would be incurred for that monthly installment period if the
1006 annual percentage rate disclosed to the borrower pursuant to sections
1007 36a-675 to 36a-685, inclusive, as amended by this act, and section 11 of
1008 this act were charged, by the actuarial method, on the disclosed
1009 amount financed and all payments were made according to schedule.

1010 Sec. 19. Section 36a-690 of the general statutes is repealed and the
1011 following is substituted in lieu thereof (*Effective October 1, 2015*):

1012 (a) As used in this section:

1013 (1) "Amount financed" means the amount of credit a borrower will
1014 actually be able to use as determined in accordance with sections 36a-

1015 675 to 36a-685, inclusive, as amended by this act, and section 11 of this
1016 act.

1017 (2) "Annual percentage rate" means the annual percentage rate of
1018 finance charge determined in accordance with sections 36a-675 to 36a-
1019 685, inclusive, as amended by this act, and section 11 of this act.

1020 (3) "Finance charge" means the cost of credit determined in
1021 accordance with sections 36a-675 to 36a-685, inclusive, as amended by
1022 this act, and section 11 of this act.

1023 (b) Except as provided in this section, no creditor shall use any
1024 method of calculating interest rebates or finance charge rebates in any
1025 transaction described in subsection (c) of this section which originated
1026 on or after December 1, 1980, if such method would cause the actual
1027 interest or finance charge earned for the period during which the
1028 indebtedness is outstanding after deduction of an acquisition charge of
1029 twenty-five dollars to exceed the finance charge which would be
1030 earned if the annual percentage rate were calculated by the actuarial
1031 method on the amount financed in accordance with the disclosed
1032 schedule of payments. When such rebate is less than one dollar, no
1033 rebate need be made.

1034 (c) Notwithstanding any section of the general statutes to the
1035 contrary, this section shall apply to any transaction which is subject to
1036 sections 36a-675 to 36a-685, inclusive, as amended by this act, and
1037 section 11 of this act and which originated on or after December 1,
1038 1980, but before October 1, 1987, if in such transaction: (1) The finance
1039 charge is precomputed; (2) the annual percentage rate is greater than
1040 fourteen per cent; and (3) the original term of the contract exceeds
1041 forty-eight months and fifteen days; and to any such transaction which
1042 originated on or after October 1, 1987, if in such transaction: (A) The
1043 finance charge is precomputed; and (B) the original term of the
1044 contract exceeds forty-eight months and fifteen days.

1045 Sec. 20. Subdivision (13) of subsection (c) of section 36a-770 of the

1046 general statutes is repealed and the following is substituted in lieu
1047 thereof (*Effective October 1, 2015*):

1048 (13) "Retail installment sale" means any sale evidenced by a retail
1049 installment contract or installment loan contract wherein a retail buyer
1050 buys goods from a retail seller at a time sale price payable in two or
1051 more installments. The cash price of the goods, the amount, if any,
1052 included for other itemized charges which are included in the amount
1053 of the credit extended but which are not part of the finance charge
1054 under sections 36a-675 to 36a-685, inclusive, as amended by this act,
1055 and section 11 of this act and the finance charge shall together
1056 constitute the time sale price. For purposes of this subdivision, "retail
1057 installment sale" does not include a rent-to-own agreement, as defined
1058 in section 42-240.

1059 Sec. 21. Subsection (b) of section 36a-771 of the general statutes is
1060 repealed and the following is substituted in lieu thereof (*Effective*
1061 *October 1, 2015*):

1062 (b) Every retail installment contract for the purchase of consumer
1063 goods subject to section 36a-774, as amended by this act, and this
1064 section shall set forth the information required to be disclosed under
1065 sections 36a-675 to 36a-685, inclusive, as amended by this act, and
1066 section 11 of this act and the regulations thereunder, using the form,
1067 content and terminology provided therein.

1068 Sec. 22. Subsection (c) of section 36a-772 of the general statutes is
1069 repealed and the following is substituted in lieu thereof (*Effective*
1070 *October 1, 2015*):

1071 (c) The finance charge under subsections (a) and (b) of this section
1072 shall be computed on the principal amount financed as determined
1073 under sections 36a-675 to 36a-685, inclusive, as amended by this act,
1074 and section 11 of this act and the regulations adopted under said
1075 sections. On contracts providing for installment payments extending
1076 for a period which is less than or greater than one year, the finance

1077 charge shall be computed proportionately. The finance charge may be
 1078 computed on the basis of a full month for any fractional month period
 1079 in excess of ten days. A minimum finance charge of fifteen dollars may
 1080 be charged on any retail installment contract in which the finance
 1081 charge, when computed at the rates indicated, results in a total charge
 1082 of less than that amount. Nothing contained in sections 36a-770 to 36a-
 1083 788, inclusive, as amended by this act, 42-100b and 42-100c shall be
 1084 construed to prohibit the computation of the interest component of the
 1085 finance charge by application of an interest rate to the actual balance of
 1086 such principal amount financed as may be outstanding from time to
 1087 time.

1088 Sec. 23. Section 36a-774 of the general statutes is repealed and the
 1089 following is substituted in lieu thereof (*Effective October 1, 2015*):

1090 Every installment loan contract shall be in writing executed by the
 1091 retail buyer and a copy thereof shall be delivered to such retail buyer
 1092 at the time of the execution thereof. Within fifteen days after the
 1093 execution of such installment loan contract, the holder thereof shall
 1094 send or cause to be sent to the retail buyer a policy or policies or
 1095 certificates of insurance clearly setting forth the amount of the
 1096 premium, the kind or kinds of insurance and the scope of the coverage
 1097 and all of the terms, exceptions, limitations, restrictions and conditions
 1098 of the contract or contracts of the insurance. Every installment loan
 1099 contract for the purchase of consumer goods subject to section 36a-771,
 1100 as amended by this act, and this section shall set forth the information
 1101 required to be disclosed under sections 36a-675 to 36a-685, inclusive, as
 1102 amended by this act, and section 11 of this act and the regulations
 1103 thereunder, using the form, content and terminology provided therein.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	36a-675
Sec. 2	<i>October 1, 2015</i>	36a-676
Sec. 3	<i>October 1, 2015</i>	36a-677

Sec. 4	<i>October 1, 2015</i>	36a-678
Sec. 5	<i>October 1, 2015</i>	36a-679
Sec. 6	<i>October 1, 2015</i>	36a-680
Sec. 7	<i>October 1, 2015</i>	36a-681
Sec. 8	<i>October 1, 2015</i>	36a-682
Sec. 9	<i>October 1, 2015</i>	36a-683
Sec. 10	<i>October 1, 2015</i>	36a-684
Sec. 11	<i>October 1, 2015</i>	New section
Sec. 12	<i>October 1, 2015</i>	36a-3
Sec. 13	<i>October 1, 2015</i>	36a-555
Sec. 14	<i>October 1, 2015</i>	42-133c(a)
Sec. 15	<i>October 1, 2015</i>	42-133d
Sec. 16	<i>October 1, 2015</i>	36a-746a
Sec. 17	<i>October 1, 2015</i>	36a-760(a)
Sec. 18	<i>October 1, 2015</i>	36a-563(b)
Sec. 19	<i>October 1, 2015</i>	36a-690
Sec. 20	<i>October 1, 2015</i>	36a-770(c)(13)
Sec. 21	<i>October 1, 2015</i>	36a-771(b)
Sec. 22	<i>October 1, 2015</i>	36a-772(c)
Sec. 23	<i>October 1, 2015</i>	36a-774

Statement of Purpose:

To ensure the Connecticut Truth-in-Lending Act incorporates all required substantive provisions of the federal Truth-in-Lending Act and regulations adopted thereunder, and to make various technical and conforming changes to related statutes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]