



General Assembly

January Session, 2015

Raised Bill No. 922

LCO No. 3356



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT CONCERNING MINOR REVISIONS TO CONNECTICUT'S
FINANCIAL INSTITUTIONS STATUTES.***

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

1 Section 1. Subsection (a) of section 36a-440b of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2015*):

4 (a) A Connecticut credit union shall [submit a written report to the
5 commissioner annually on February first and August first and
6 otherwise as often as the commissioner deems necessary. The report
7 shall be in the form prescribed by the commissioner, list the assets and
8 liabilities of the Connecticut credit union and contain any other
9 information the commissioner may require. The Connecticut credit
10 union shall also provide the commissioner with] file (1) financial and
11 statistical reports with the National Credit Union Administration or its
12 successor agency in accordance with and at such times as required by
13 12 CFR 741.6, as amended from time to time, and (2) such other reports
14 and information as may be required by the commissioner. Each
15 Connecticut credit union that fails to file any report or information

16 required by this section shall pay to the commissioner one hundred
17 dollars for each day that it fails to file such report or information.

18 Sec. 2. Subsection (c) of section 36a-82 of the general statutes is
19 repealed and the following is substituted in lieu thereof (*Effective*
20 *October 1, 2015*):

21 (c) Upon receiving such application, the commissioner shall cause
22 notice of its submission to be published in the department's weekly
23 bulletin. The notice shall state that written objections to such
24 application may be made, for a period of thirty days from the date of
25 publication of the bulletin, on the grounds that the name selected will
26 tend to confuse the public. At least ten days prior to the date by which
27 objections may be made, the applicant shall [mail] send a copy of the
28 application and a notice of the date by a means that provides
29 confirmation of delivery, including, but not limited to, registered or
30 certified mail, return receipt requested, to each bank or out-of-state
31 bank having its main office or a branch in the town or towns in which
32 the applicant has its main office or a branch.

33 Sec. 3. Subsection (a) of section 36a-86 of the general statutes is
34 repealed and the following is substituted in lieu thereof (*Effective*
35 *October 1, 2015*):

36 (a) The governing board of each Connecticut bank shall annually
37 procure an audit or examination by certified public accountants or
38 holders of certificates of authority as public accountants selected by
39 vote of the governing board or a duly authorized committee thereof,
40 and such accountants shall agree to provide related working papers,
41 policies and procedures to the commissioner, if requested. The
42 accountants shall thoroughly examine the books, records, accounts and
43 affairs of such bank and submit a signed report of the audit or
44 examination showing the condition of the bank to the governing board
45 of such bank within a reasonable period of time following the
46 conclusion of the audit or examination. The signed report shall be kept

47 on file in such bank and a copy shall be filed with the commissioner
48 not later than the earlier of (1) one hundred twenty days following the
49 close of such bank's fiscal year, or (2) the date prescribed by federal
50 law for such bank to file such audit or examination with the applicable
51 federal banking regulator, unless the commissioner extends such
52 deadline for good cause shown. Members of the governing board of
53 such Connecticut bank shall not be personally liable for any loss
54 suffered by such bank through the wrongdoing or negligence of any
55 officer or employee, which wrongdoing or negligence should have
56 been discovered by the accountants in the performance of their duties,
57 provided such members shall have exercised due care to procure
58 thorough and substantial audits by the accountants.

59 Sec. 4. Section 36a-170 of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective from passage*):

61 [(a) As used in this section, "home banking services" means the
62 electronic transfer of funds or information, or the performance of other
63 permissible banking services or transactions for a customer by means
64 of a home banking terminal; and "home banking terminal" means any
65 electronic home or office terminal, including, but not limited to, a
66 computer terminal, television, telephone, facsimile machine or other
67 electronic device, that is not accessible to the public and does not
68 accept deposits.

69 (b) Any bank or out-of-state bank, and any Connecticut credit union
70 or federal credit union may provide home banking services to
71 customers.]

72 (a) As used in this section, "virtual banking" means the provision of
73 banking services by any bank, out-of-state bank, Connecticut credit
74 union or federal credit union pursuant to its charter that are made
75 available to a customer through telecommunication or by the customer
76 accessing the Internet.

77 [(c)] (b) Any electronic transfer of funds [by means of a home

78 banking terminal authorized under this section] initiated through
79 virtual banking shall be subject to the Electronic Fund Transfer Act, 15
80 USC Section 1693, et seq., as amended from time to time, and
81 Regulation E, 12 CFR Part 205, as amended from time to time.

82 [(d) Home banking terminals are not automated teller machines,
83 satellite devices, branches or offices for any purpose under this title.]

84 (c) The means by which virtual banking is made available to a
85 customer through telecommunication or the Internet, including, but
86 not limited to, television, telephone, facsimile or computer, shall not, in
87 and of itself, be deemed to be an automated teller machine, satellite
88 device, branch or office for any purpose under this title.

89 Sec. 5. Subsection (c) of section 36a-185 of the general statutes is
90 repealed and the following is substituted in lieu thereof (*Effective from*
91 *passage*):

92 (c) The commissioner shall disapprove such offer, invitation,
93 request, agreement or acquisition if: (1) It involves the acquisition of
94 the voting securities or securities convertible into voting securities of a
95 bank that has not been in existence and continuously operating for at
96 least five years, or a holding company, the subsidiary banks of which
97 have not been in existence and continuously operating for at least five
98 years, unless the commissioner waives this requirement; (2) the
99 acquiring person, including all insured depository institutions [which]
100 that are affiliates of the person, upon consummation of the acquisition,
101 would control thirty per cent or more of the total amount of deposits of
102 insured depository institutions in this state, unless the commissioner
103 permits a greater percentage of such deposits; (3) the commissioner
104 cannot make the findings required by section 36a-34; or (4) to the
105 extent the acquiring person is subject to anti-money-laundering laws
106 and regulations, the programs, policies and procedures of the
107 acquiring person relating to anti-money-laundering activity are
108 inadequate, and the acquiring person does not have a record of

109 compliance with anti-money-laundering laws and regulations. In
 110 making the determination to disapprove or not to disapprove such
 111 offer, invitation, request, agreement or acquisition, the commissioner
 112 shall consider whether: (A) The investment and lending policies of the
 113 bank referred to in the acquisition statement are consistent with safe
 114 and sound banking practices and will benefit the economy of this state;
 115 (B) the services or proposed services of the bank referred to in the
 116 acquisition statement are consistent with safe and sound banking
 117 practices and will benefit the economy of this state; (C) the proposed
 118 acquisition will not substantially lessen competition in the banking
 119 industry of this state; and (D) the acquiring person, if such person
 120 would be the beneficial owner of twenty-five per cent or more of any
 121 class of voting securities of the bank or holding company referred to in
 122 the acquisition statement, (i) has sufficient capital to ensure, and agrees
 123 to ensure, that the bank referred to in the acquisition statement will
 124 comply with applicable minimum capital requirements, and (ii) has
 125 sufficient managerial resources to operate the bank or holding
 126 company referred to in the acquisition statement in a safe and sound
 127 manner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	36a-440b(a)
Sec. 2	<i>October 1, 2015</i>	36a-82(c)
Sec. 3	<i>October 1, 2015</i>	36a-86(a)
Sec. 4	<i>from passage</i>	36a-170
Sec. 5	<i>from passage</i>	36a-185(c)

Statement of Purpose:

To clarify reporting obligations of Connecticut credit unions, to permit mailing methods other than registered or certified mail, to establish deadlines for the submission of annual audits, and to update the "home banking" statute to reflect technological changes in the provision of banking services.

[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.]