



**Substitute Senate Bill No. 924**

**Public Act No. 15-235**

**AN ACT CONCERNING REVISIONS TO VARIOUS CONNECTICUT BANKING STATUTES.**

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

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 Section 36a-675 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

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

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 Section 36a-676 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

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

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

[(2)] (1) "Consumer Credit Protection Act" means [Title I of the Consumer Credit Protection Act, 15 USC 1601 et seq.] 15 USC Chapter

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41, Subchapter I, as from time to time amended, and includes regulations adopted by the Federal Reserve Board or the Bureau of Consumer Financial Protection pursuant to said act;

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

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

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

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

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

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

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

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

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

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

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

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

(a) Except as otherwise provided in [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-Lending Act or regulations adopted by the commissioner, each person shall comply with all provisions of the Consumer Credit Protection Act [(15 USC 1601 et seq.) which] that apply to such person, including the delivery of integrated disclosures required by 12 USC 5301 et seq. and implemented through regulations adopted by the Bureau of Consumer Financial Protection.

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(b) Any transaction [which] that is exempt from the provisions of the Consumer Credit Protection Act, [as provided in Section 104 of said act, (15 USC 1603)] pursuant to 15 USC 1603, as amended from time to time, or by regulation promulgated pursuant to 15 USC 1604, as amended from time to time, is exempt from the provisions of [sections 36a-675 to 36a-685, inclusive] the Connecticut Truth-in-Lending Act.

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

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

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

(b) No liability shall be imposed under [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-Lending Act for an act done or

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omitted in conformity with any provision of said [sections] act, the Consumer Credit Protection Act [(15 USC 1601 et seq.)] or a regulation of the commissioner notwithstanding that after the act or omission the provision may be amended, repealed or determined to be invalid for any reason.

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

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

(b) Except as provided in this section, the provisions of 15 USC 1639, as amended from time to time, do not annul, alter or affect the applicability of the laws of this state imposing requirements on high-cost mortgages as defined in 15 USC 1602(bb), as amended from time

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to time, or exempt any person subject to the provisions of 15 USC 1639, as amended from time to time, from complying with such laws. If any such law is inconsistent with any provision of 15 USC 1639, as amended from time to time, such provision shall prevail to the extent of such inconsistency.

[(b)] (c) In any action or proceeding in any court involving a consumer credit sale, the disclosure of an annual percentage rate required by [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-Lending Act may not be received as evidence that the sale was a loan or any type of transaction other than a credit sale, and in any consumer credit transaction, the disclosure of an annual percentage rate required by said sections shall not in itself indicate that a transaction is usurious or that the rate of charge exceeds a statutory ceiling.

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

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

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

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Any person who wilfully and knowingly (1) gives false or inaccurate information or fails to provide information which such person is required to disclose under the provisions of sections 36a-567, 36a-568 and [36a-675 to 36a-685, inclusive] the Connecticut Truth-in-Lending Act, subdivision (13) of subsection (c) of section 36a-770, as amended by this act, and sections 36a-771, as amended by this act, 36a-774, as amended by this act, 36a-777 and 36a-786, or any regulation adopted thereunder, (2) uses any chart or table authorized by the Federal Reserve Board or the Bureau of Consumer Financial Protection under [Section 107 of the Consumer Credit Protection Act (15 USC 1606)] 15 USC 1606, as amended from time to time, in such manner as to consistently understate the annual percentage rate determined under said sections, or (3) otherwise fails to comply with any requirement imposed under said sections shall be fined not more than five thousand dollars or imprisoned not more than one year or both.

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

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

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

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

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

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

(a) Except as otherwise provided in this section, any creditor who fails to comply with any requirement of [sections 36a-675 to 36a-685,

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inclusive, including Section 125 of the Consumer Credit Protection Act (15 USC 1635)] the Connecticut Truth-in-Lending Act, or of section 36a-771, as amended by this act, or 36a-774, as amended by this act, with respect to any person is liable to that person [in an amount equal to the sum of (1) any actual damage sustained by such person as a result of the failure; (2) (A) (i) in the case of an individual action other than as provided in this subparagraph (A) (ii) and (iii) twice the amount of any finance charge in connection with the transaction, (ii) in the case of an individual action relating to a consumer lease under Chapter 5 of the Consumer Credit Protection Act (15 USC Sections 1667 to 1667E, inclusive) twenty-five per cent of the total amount of monthly payments under the lease, except that the liability under this subparagraph (A) (i) or (ii) shall not be less than one hundred dollars nor greater than one thousand dollars, or (iii) in the case of an individual action related to a credit transaction not under an open end credit plan that is secured by real property or a dwelling, not less than two hundred dollars nor more than two thousand dollars; (B) in the case of a class action, such amount as the court may allow, except that as to each member of the class no minimum recovery shall be applicable, and the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor shall not be more than the lesser of five hundred thousand dollars or one per cent of the net worth of the creditor; and (3) in the case of any successful action to enforce the foregoing liability, or in any action in which a person is determined to have a right of rescission under Section 125 of the Consumer Credit Protection Act (15 USC 1635), the costs of the action, together with a reasonable attorney's fee as determined by the court. In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of

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compliance was intentional. In connection with the disclosures referred to in Section 127 of the Consumer Credit Protection Act (15 USC 1637) a creditor shall have a liability determined under subdivision (2) of this subsection only for failing to comply with the requirements of Section 125 or 127(a) of said act (15 USC 1635) or (15 USC 1637(a)) or of paragraph (4), (5), (6), (7), (8), (9) or (10) of Section 127(b) of said act (15 USC 1637(b)). In connection with the disclosures referred to in Section 128 of said act (15 USC 1638) a creditor shall have a liability determined under subdivision (2) of this subsection only for failing to comply with the requirements of Section 125 of said act (15 USC 1635) or of paragraph (2), insofar as it requires a disclosure of the "amount financed", or paragraph (3), (4), (5), (6) or (9) of Section 128 (a) of said act (15 USC 1638(a)). With respect to any failure to make disclosures required under Chapter 2, 4 or 5 of said act, liability shall be imposed only upon the creditor required to make disclosure, except as provided in Section 131 of said act (15 USC 1641)] as provided for in 15 USC 1640, as amended from time to time.

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

(c) A creditor or assignee may not be held liable in any action

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brought under this section for a violation of sections 36a-675 to 36a-685, inclusive, if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of a bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programming, and printing errors, except that an error of legal judgment with respect to a person's obligations under said sections is not a bona fide error.

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

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

[(f)] (c) No provision of this section, subsection (d) of section 36a-684, as amended by this act, or section 36a-681, as amended by this act, imposing any liability shall apply to any act done or omitted in good faith in conformity with any [provision of sections 36a-675 to 36a-685, inclusive, or with any rule, regulation, approval or formal interpretation thereof] advisory opinion, final decision or order adopted by the commissioner, [or in conformity with the Consumer

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Credit Protection Act (15 USC 1601 et seq.), including] any rule, [or regulation or interpretation adopted by [the Federal Reserve Board or the Bureau of Consumer Financial Protection pursuant to [said act, or in conformity with any interpretation of said act by the Federal Reserve Board or the Bureau of Consumer Financial Protection or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System or the Bureau of Consumer Financial Protection duly authorized by the Federal Reserve Board or the Bureau of Consumer Financial Protection to issue such interpretations or approvals under such procedures as said board or bureau may prescribe therefor] the Consumer Credit Protection Act, or any interpretation or approval by an official or employee of the Federal Reserve System as provided in 15 USC 1640(f), as amended from time to time, notwithstanding that after such act or omission has occurred, such [statute,] rule, regulation, approval, opinion, decision, order or interpretation is amended, rescinded or determined by judicial or other authority to be invalid for any reason.

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

(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subdivision (2) of subsection (a) of this section against any amount owed by such person, unless the amount of the creditor's or assignee's liability under sections 36a-675 to 36a-685, inclusive, has been

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determined by judgment of a court of competent jurisdiction in an action to which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of said sections as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under said sections.]

[(i)] (d) Notwithstanding any other provision of [sections 36a-675 to 36a-685, inclusive] the Connecticut Truth-in-Lending Act, (1) no person shall be entitled in any action to a recovery under this section for the failure to disclose any information required under said sections if a recovery is awarded in the same action under [Section 130 of the Consumer Credit Protection Act (15 USC 1640)] 15 USC 1640, as amended from time to time, for the failure to disclose any information required under said sections; and (2) no person shall be entitled in any action brought under this section to a recovery if, prior to an award in any such action, a recovery has been awarded to such person in any action brought under [Section 130 of the Consumer Credit Protection Act (15 USC 1640)] 15 USC 1640, as amended from time to time, in which the same act or omission was the basis of that action.

[(j)] (e) (1) [When an obligor exercises his right to rescind under Section 125 of the Consumer Credit Protection Act (15 USC 1635), he is not liable for any finance or other charge, and any security interest given by the obligor, including any such interest arising by operation of law, becomes void upon such a rescission. Within twenty days after receipt of a notice of rescission, the creditor shall return to the obligor any money or property given as earnest money, down payment or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the obligor, the obligor may retain possession of it. Upon the performance of the creditor's obligations under this subsection and Section 125 of the Consumer

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Credit Protection Act (15 USC 1635), the obligor shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the obligor shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the obligor, at the option of the obligor. If the creditor does not take possession of the property within twenty days after tender by the obligor, ownership of the property vests in the obligor without obligation on his part to pay for it. The procedures described by this subdivision shall apply except when otherwise ordered by a court.] Except as otherwise provided in this subsection, an obligor shall have the right to rescind as provided in 15 USC 1635, as amended from time to time.

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

[(3)] (2) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the information and forms required under this section and [Section 125 of the Consumer Credit Protection Act (15 USC 1635)] 15 USC 1635, as amended from time to time, or any other disclosures required under [sections 36a-675 to 36a-685, inclusive] the Connecticut Truth-in-Lending Act, have not been delivered to the obligor, except that if (A) the commissioner institutes a proceeding to enforce the provisions of this section, or [Section 125 of the Consumer Credit Protection Act (15 USC 1635)] 15 USC 1635, as amended from time to time, made a part of said sections as provided in section 36a-678, as amended by this act, within three years after the date of consummation of the transaction,

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(B) the commissioner finds a violation of this subsection or [Section 125 of the Consumer Credit Protection Act (15 USC 1635)] 15 USC 1635, as amended from time to time, and (C) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding or any judicial review or period for judicial review thereof, whichever is later.

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

[(5)] In any action in which it is determined that a creditor has violated subdivision (1), (2) or (3) of this subsection, in addition to rescission the court may award relief under other subsections of this section for violations of sections 36a-675 to 36a-685, inclusive, not relating to the right to rescind.

(6) An obligor shall have no rescission rights arising solely from the form of written notice used by the creditor to inform the obligor of the rights of the obligor under this subsection and Section 125 of the Consumer Credit Protection Act (15 USC 1635), if the creditor provided the obligor the appropriate form of written notice published and adopted by the Federal Reserve Board or the Bureau of Consumer Financial Protection, or a comparable written notice of the rights of the obligor, that was properly completed by the creditor, and otherwise

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complied with all other requirements of this subsection and Section 125 of the Consumer Credit Protection Act (15 USC 1635) regarding notice.

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

[(k)] (f) (1) Except as otherwise specifically provided in [sections 36a-675 to 36a-685, inclusive] the Connecticut Truth-in-Lending Act, any civil action for a violation of said [sections] act or proceeding by the commissioner which may be brought against a creditor [, other than with respect to a consumer credit transaction secured by real property,] may be maintained against any assignee of that creditor [only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the purpose of this subdivision, a violation apparent on the face of the disclosure statement includes, but is not limited to, (A) a disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (B) a disclosure not made in the terms required to be used by said sections] as provided in 15 USC 1641, as amended from time to time, and creditors and assignees shall comply with the notice requirements of said section.

[(2) Except as provided in subdivision (2) of subsection (j) of this section, in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgment of receipt by a person to whom a statement is required to be given

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pursuant to sections 36a-675 to 36a-685, inclusive, shall be conclusive proof of the delivery thereof and, except as provided in subdivision (1) of this subsection, of compliance with Chapter 2 of the Consumer Credit Protection Act. This subsection does not affect the rights of the obligor in any action against the original creditor.]

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

[(4)] (A) Except as otherwise specifically provided in sections 36a-675 to 36a-685, inclusive, any civil action against a creditor for a violation of said sections and any proceeding brought by the commissioner against a creditor, with respect to a consumer credit transaction secured by real property, may be maintained against any assignee of such creditor only if (i) the violation for which such action or proceeding was brought is apparent on the face of the disclosure statement provided in connection with such transaction pursuant to sections 36a-675 to 36a-685, inclusive, and the Consumer Credit Protection Act (15 USC 1601 et seq.), and (ii) the assignment to the assignee was voluntary. (B) For purposes of this subdivision, a violation is "apparent on the face of the disclosure statement" if (i) the disclosure can be determined to be incomplete or inaccurate by a comparison among the disclosure statement, any itemization of the amount financed, the note, or any other disclosure of disbursement, or (ii) the disclosure statement does not use the terms or format required to be used by sections 36a-675 to 36a-685, inclusive, and the Consumer Credit Protection Act (15 USC 1601 et seq.).

(5) A servicer of a consumer obligation arising from a consumer credit transaction shall be treated as an assignee of such obligation to the extent provided in Subsection (f) of Section 131 of the Consumer

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Credit Protection Act (15 USC 1641(f)). This subdivision applies to all consumer credit transactions in existence or consummated on or after September 30, 1995.]

[(1)] (g) [(1) Subject to the limitation contained in subdivision (2) of this subsection, a] A card issuer who has issued a credit card to a cardholder pursuant to an open-end consumer credit plan shall be subject to all claims, other than tort claims, and defenses arising out of any transaction in which the credit card is used as a method of payment or extension of credit [if (A) the obligor has made a good faith attempt to obtain satisfactory resolution of a disagreement or problem relative to the transaction from the person honoring the credit card; (B) the amount of the transaction exceeds fifty dollars; and (C) the transaction took place wholly within this state, provided the mailing address previously provided by the cardholder was within this state and provided the state of billing of the transaction shall not be considered in determining where the transaction took place, or the transaction took place within one hundred miles from the mailing address within this state previously provided by the cardholder, except that the limitations set forth in subparagraphs (B) and (C) of this subdivision with respect to an obligor's right to assert claims and defenses against a card issuer shall not be applicable to any transaction in which the person honoring the credit card (i) is the same person as the card issuer, (ii) is controlled by the card issuer, (iii) is under direct or indirect common control with the card issuer, (iv) is a franchised dealer in the card issuer's products or services, or (v) has obtained the order for such transaction through a mail solicitation made by or participated in by the card issuer in which the cardholder is solicited to enter into such transaction by using the credit card issued by the card issuer] as provided in 15 USC 1666i, as amended from time to time.

[(2) The amount of claims or defenses asserted by the cardholder may not exceed the amount of credit outstanding with respect to such

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transaction at the time the cardholder first notifies the card issuer or the person honoring the credit card of such claim or defense. For the purpose of determining the amount of credit outstanding in this subdivision, payments and credits to the cardholder's account are deemed to have been applied, in the order indicated, to the payment of: (A) Late charges in the order of their entry to the account; (B) finance charges in order of their entry to the account; and (C) debits to the account other than those set forth in subparagraphs (A) and (B) of this subdivision, in the order in which each debit entry to the account was made.

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

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

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

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

[(n)] (j) In the case of any consumer credit transaction subject to the provisions of [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-Lending Act that is consummated before September 30, 1995,

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the civil, administrative and criminal liability of a creditor or any assignee of a creditor under [sections 36a-675 to 36a-685, inclusive,] said act and a consumer's extended rescission rights under subdivision [(3)] (2) of subsection [(j)] (e) of this section, shall be limited to the extent provided in and subject to the exceptions contained in [Section 139 of the Consumer Credit Protection Act (15 USC 1649)] 15 USC 1649, as amended from time to time.

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

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

(b) In order to accomplish the purposes of [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-Lending Act and the provisions of the general statutes referred to in subsection (a) of this section, the commissioner may (1) counsel persons and groups on their rights and duties under said [sections] act and provisions, (2) establish programs for the education of consumers with respect to credit and leasing practices and problems, and (3) make studies appropriate to effectuate the purposes and policies of said [sections] act and provisions and make the results available to the public.

(c) The commissioner may by regulation require the maintenance of

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records related to consumer credit sales, loans and leases sufficient to evidence the adoption of policies calculated to produce compliance with [sections 36a-675 to 36a-685, inclusive,] the Connecticut Truth-in-Lending Act and the provisions of the general statutes referred to in subsection (a) of this section which shall be in addition to the record retention requirements imposed under the Consumer Credit Protection Act. [(15 USC 1601 et seq.).]

(d) (1) In carrying out enforcement activities under this section, the commissioner, in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and may require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower. For the purposes of this subsection, except where such disclosure error resulted from a wilful violation which was intended to mislead the person to whom credit was extended, in determining whether a disclosure error has occurred and in calculating any adjustment, [(A)] the commissioner shall apply [(i) with respect to the annual percentage rate, a tolerance of one-quarter of one per cent more or less than the actual rate, determined without regard to Section 107(c) of the Consumer Credit Protection Act (15 USC 1606(c)), and (ii) with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerance provided under this subsection for the annual percentage rate; except that (B) with respect to transactions consummated after March 31, 1982, the commissioner shall apply (i) for transactions that have a scheduled amortization of ten years or less, with respect to the annual percentage rate, a tolerance not to exceed one-quarter of one per cent more or less than the actual rate, determined without regard to Section 107(c) of the Consumer Credit Protection Act (15 USC 1606(c)), but in no event a tolerance of less than

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the tolerances allowed under Section 107(c) (15 USC 1606(c)), (ii) for transactions that have a scheduled amortization of more than ten years, with respect to the annual percentage rate, only such tolerances as are allowed under Section 107(c) of the Consumer Credit Protection Act (15 USC 1606(c)), and (iii) for all transactions, with respect to the finance charge, a corresponding numerical tolerance as generated by the tolerances provided under this subsection for the annual percentage rate] the tolerances set forth in 15 USC 1607(e)(1), as amended from time to time.

(2) The commissioner shall require such an adjustment when the commissioner determines that such disclosure error resulted from a clear and consistent pattern or practice of violations, from gross negligence, or from a wilful violation which was intended to mislead the person to whom the credit was extended. Notwithstanding the preceding sentence, except where such disclosure error resulted from a wilful violation which was intended to mislead the person to whom credit was extended, the commissioner need not require such an adjustment if the commissioner determines that such disclosure error:

(A) Resulted from an error involving the disclosure of a fee or charge that would otherwise be excludable in computing the finance charge, including but not limited to, violations involving the disclosures described in [Sections 106(b), (c) and (d) of the Consumer Credit Protection Act (15 USC 1605(b), (c) and (d))] 15 USC 1605(b), (c) and (d), as amended from time to time, in which event the commissioner may require such remedial action as the commissioner determines to be equitable, except that for transactions consummated after March 31, 1982, such an adjustment shall be ordered for violations of [Section 106(b) (15 USC 1605(b))] 15 USC 1605(b), as amended from time to time;

(B) involved a disclosed amount which was ten per cent or less of the amount that should have been disclosed and (i) in cases where the error involved a disclosed finance charge, the annual percentage rate was disclosed correctly, and (ii) in cases where the error involved a

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disclosed annual percentage rate, the finance charge was disclosed correctly; in which event the commissioner may require such adjustment as the commissioner determines to be equitable; (C) involved a total failure to disclose either the annual percentage rate or the finance charge, in which event the commissioner may require such adjustment as the commissioner determines to be equitable; or (D) resulted from any other unique circumstance involving clearly technical and nonsubstantive disclosure violations that do not adversely affect information provided to the consumer and that have not misled or otherwise deceived the consumer. In the case of other such disclosure errors, the commissioner may require such an adjustment.

(3) Notwithstanding subdivision (2) of this subsection, no adjustment shall be ordered: (A) If it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the commissioner may require a partial adjustment in an amount which does not have such an impact except that with respect to any transaction consummated after May 18, 1981, the commissioner shall require the full adjustment, but permit the creditor to make the required adjustment in partial payments over an extended period of time which the commissioner considers to be reasonable, if the commissioner determines that a partial adjustment or making partial adjustments over an extended period is necessary to avoid causing the creditor to become undercapitalized pursuant to 12 USC 1831o, as amended from time to time, (B) if the amount of the adjustment would be less than one dollar, except that if more than one year has elapsed since the date of the violation, the commissioner may require that such amount be paid to the commissioner, or (C) except where such disclosure error resulted from a wilful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, as follows: (i) With respect to

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creditors that have been examined by the commissioner, except in connection with violations arising from practices identified in the current examination and only in connection with transactions that are consummated after the date of the immediately preceding examination, except that where practices giving rise to violations identified in earlier examinations have not been corrected, adjustments for those violations shall be required in connection with transactions consummated after the date of the examination in which such practices were first identified; (ii) with respect to creditors that have not been examined by the commissioner, except in connection with transactions that are consummated after May 10, 1978; and (iii) in no event after the later of (I) the expiration of the life of the credit extension, or (II) two years after the agreement to extend credit was consummated.

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

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

(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error

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and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

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

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

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

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

"Account". Sections 36a-155, as amended by this act, and 36a-365.

"Additional proceeds". Section 36a-746e.

"Administrative expense". Section 36a-237.

"Advance fee". Sections 36a-485 and 36a-615, as amended by this act.

"Advertise", "advertisement" or "advertising". Section 36a-485.

"Agency bank". Section 36a-285.

"Agent". Section 36a-494, as amended by this act.

"Alternative mortgage loan". Section 36a-265.

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- "Amount financed". Section 36a-690, as amended by this act.
- "Annual percentage rate". Section 36a-690, as amended by this act.
- "Annual percentage yield". Section 36a-316.
- "Annuities". Section 36a-455a.
- "Applicant". Section 36a-736.
- "APR". Section 36a-746a, as amended by this act.
- "Assessment area". Section 36a-37.
- "Assets". Section 36a-70.
- "Associate". Section 36a-184.
- "Associated member". Section 36a-458a.
- "Authorized delegate". Section 36a-596.
- "Bank". Section 36a-30.
- "Bankers' bank". Section 36a-70.
- "Banking business". Section 36a-425.
- "Basic services". Section 36a-437a.
- "Billing cycle". Section 36a-565.
- "Bona fide nonprofit organization". Sections 36a-487, as amended by this act, and 36a-655.
- "Branch". Sections 36a-145, 36a-410 and 36a-435b.
- "Branch office". Sections 36a-485 and 36a-715.
- "Branch or agency net payment entitlement". Section 36a-428n.
- "Branch or agency net payment obligation". Section 36a-428n.
- "Broker". Section 36a-746a, as amended by this act.
- "Business and industrial development corporation". Section 36a-626.
- "Business and property in this state". Section 36a-428n.
- "Capital". Section 36a-435b.
- "Cash advance". Section 36a-564.
- "Cash price". Section 36a-770, as amended by this act.
- "Certificate of incorporation". Section 36a-435b.
- "CHFA loan". Section 36a-760, as amended by this act.
- "Clerical or support duties". Section 36a-485.
- "Closely related activities". Sections 36a-250, as amended by this act, and

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36a-455a.

"Collective managing agency account". Section 36a-365.

"Commercial vehicle". Section 36a-770, as amended by this act.

"Community bank". Section 36a-70.

"Community credit union". Section 36a-37.

"Community development bank". Section 36a-70.

"Community reinvestment performance". Section 36a-37.

"Connecticut holding company". Sections 36a-53 and 36a-410.

"Consolidate". Section 36a-145.

"Construction loan". Section 36a-458a.

"Consumer". Sections 36a-155, as amended by this act, [36a-676] and 36a-695.

"Consumer Credit Protection Act". Section 36a-676, as amended by this act.

"Consumer debtor" and "debtor". Sections 36a-645 and 36a-800, as amended by this act.

"Consumer collection agency". Section 36a-800, as amended by this act.

"Consummation". Section 36a-746a, as amended by this act.

"Control person". Section 36a-485.

"Controlling interest". Section 36a-276.

"Conventional mortgage rate". Section 36a-760, as amended by this act.

"Corporate". Section 36a-435b.

"Credit". [Sections] Section 36a-645. [and 36a-676.]

"Credit manager". Section 36a-435b.

"Creditor". Sections 36a-676, as amended by this act, 36a-695 and 36a-800, as amended by this act.

["Credit card", "cardholder" and "card issuer". Section 36a-676.]

"Credit clinic". Section 36a-700.

"Credit rating agency". Section 36a-695.

"Credit report". Section 36a-695.

["Credit sale". Section 36a-676.]

"Credit union service organization". Section 36a-435b.

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"Credit union service organization services". Section 36a-435b.  
"De novo branch". Section 36a-410.  
"Debt". Section 36a-645.  
"Debt adjustment". Section 36a-655.  
"Debt mutual fund". Sections 36a-275 and 36a-459a.  
"Debt securities". Sections 36a-275 and 36a-459a.  
"Debtor". Section 36a-655.  
"Deliver". Section 36a-316.  
"Deposit". Section 36a-316.  
"Deposit account". Section 36a-316.  
"Deposit account charge". Section 36a-316.  
"Deposit account disclosures". Section 36a-316.  
"Deposit contract". Section 36a-316.  
"Deposit services". Section 36a-425.  
"Depositor". Section 36a-316.  
"Depository institution". Section 36a-485.  
"Derivative transaction". Section 36a-262.  
"Director". Section 36a-435b.  
"Dwelling". Section 36a-485.  
"Earning period". Section 36a-316.  
"Electronic payment instrument". Section 36a-596.  
"Eligible collateral". Section 36a-330.  
"Eligible entity". Section 36a-34.  
"Employee". Section 36a-485.  
"Entity". Section 36a-380.  
"Equity mutual fund". Sections 36a-276 and 36a-459a.  
"Equity security". Sections 36a-276 and 36a-459a.  
"Executive officer". Sections 36a-263 and 36a-469c.  
"Expedited Connecticut bank". Section 36a-70.  
"Experience in the mortgage business". Section 36a-488.  
"Federal banking agency". Section 36a-485.  
"Federal Credit Union Act". Section 36a-435b.

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- "Federal Home Mortgage Disclosure Act". Section 36a-736.
- "FHA loan". Section 36a-760, as amended by this act.
- "Fiduciary". Section 36a-365.
- "Filing fee". Section 36a-770, as amended by this act.
- "Finance charge". Sections 36a-690, as amended by this act, and 36a-770, as amended by this act.
- "Financial institution". Sections 36a-41, 36a-44a, 36a-155, as amended by this act, 36a-316, 36a-330, 36a-435b, 36a-736 and 36a-755.
- "Financial records". Section 36a-41.
- "First mortgage loan". Sections 36a-485, 36a-705 and 36a-725.
- "Foreign banking corporation". Section 36a-425.
- "Fully indexed rate". Section 36a-760b.
- "General facility". Section 36a-580.
- "Global net payment entitlement". Section 36a-428n.
- "Global net payment obligation". Section 36a-428n.
- "Goods". Sections 36a-535 and 36a-770, as amended by this act.
- "Graduated payment mortgage loan". Section 36a-265.
- "Guardian". Section 36a-365.
- "High cost home loan". Section 36a-746a, as amended by this act.
- "Holder". Section 36a-596.
- ["Home banking services". Section 36a-170.
- "Home banking terminal". Section 36a-170.]
- "Home improvement loan". Section 36a-736.
- "Home purchase loan". Section 36a-736.
- "Home state". Section 36a-410.
- "Housing finance agency". Section 36a-487, as amended by this act.
- "Immediate family member". Sections 36a-435b and 36a-485.
- "Independent contractor". Section 36a-485.
- "Individual". Section 36a-485.
- "Insider". Section 36a-454b.
- "Installment loan contract". Sections 36a-535 and 36a-770, as amended by this act.

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- "Insurance". Section 36a-455a.
- "Insurance bank". Section 36a-285.
- "Insurance department". Section 36a-285.
- "Interest". Section 36a-316.
- "Interest rate". Section 36a-316.
- "Interim interest". Section 36a-746a, as amended by this act.
- "Investments". Section 36a-602.
- "Lender". Sections 36a-746a, as amended by this act, 36a-760, as amended by this act, and 36a-770, as amended by this act.
- "Lessor". Section 36a-676, as amended by this act.
- "License". Section 36a-626.
- "Licensee". Sections 36a-596, 36a-607 and 36a-626.
- "Limited branch". Section 36a-145.
- "Limited facility". Section 36a-580.
- "Loan broker". Section 36a-615, as amended by this act.
- "Loan processor or underwriter". Section 36a-485.
- "Loss". Section 36a-330.
- "Made in this state". Section 36a-770, as amended by this act.
- "Main office". Section 36a-485.
- "Managing agent". Section 36a-365.
- "Manufactured home". Section 36a-457b.
- "Material litigation". Section 36a-598.
- "Member". Section 36a-435b.
- "Member business loan". Section 36a-458a.
- "Member in good standing". Section 36a-435b.
- "Membership share". Section 36a-435b.
- "Mobile branch". Sections 36a-145 and 36a-435b.
- "Monetary value". Section 36a-596.
- "Money transmission". Section 36a-596.
- "Mortgage". Section 36a-760g.
- "Mortgage broker". Sections 36a-485, 36a-705 and 36a-760, as amended by this act.

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"Mortgage correspondent lender". Section 36a-485.  
"Mortgage insurance". Section 36a-725.  
"Mortgage lender". Sections 36a-485, 36a-705 and 36a-725.  
"Mortgage loan". Sections 36a-261, 36a-265, 36a-457b and 36a-736.  
"Mortgage loan originator". Section 36a-485.  
"Mortgage rate lock-in". Section 36a-705.  
"Mortgage servicer". Section 36a-715.  
"Mortgagee". Section 36a-715.  
"Mortgagor". Section 36a-715.  
"Motor vehicle". Section 36a-770, as amended by this act.  
"Multiple common bond membership". Section 36a-435b.  
"Municipality". Section 36a-800, as amended by this act.  
"Net outstanding member business loan balance". Section 36a-458a.  
"Net worth". Sections 36a-441a and 36a-458a.  
"Network". Section 36a-155, as amended by this act.  
"Nonprime home loan". Section 36a-760, as amended by this act.  
"Nonrefundable". Section 36a-498.  
"Nontraditional mortgage product". Section 36a-489a.  
"Note account". Sections 36a-301 and 36a-456b.  
"Office". Sections 36a-23, 36a-316 and 36a-485.  
"Officer". Section 36a-435b.  
["Open-end credit plan". Section 36a-676.]  
"Open-end line of credit". Section 36a-760, as amended by this act.  
"Open-end loan". Section 36a-565.  
"Organization". Section 36a-800, as amended by this act.  
"Out-of-state holding company". Section 36a-410.  
"Outstanding". Section 36a-596.  
"Passbook savings account". Section 36a-316.  
"Payment instrument". Section 36a-596.  
"Periodic statement". Section 36a-316.  
"Permissible investment". Section 36a-596.  
"Person". Sections 36a-184 and 36a-485.

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- "Post". Section 36a-316.
- "Prepaid finance charge". Section 36a-746a, as amended by this act.
- "Prime quality". Section 36a-596.
- "Principal amount of the loan". Section 36a-485.
- "Processor". Section 36a-155, as amended by this act.
- "Public deposit". Section 36a-330.
- "Purchaser". Section 36a-596.
- "Qualified financial contract". Section 36a-428n.
- "Qualified public depository" and "depository". Section 36a-330.
- "Real estate". Section 36a-457b.
- "Real estate brokerage activity". Section 36a-485.
- "Records". Section 36a-17.
- "Registered mortgage loan originator". Section 36a-485.
- "Related person". Section 36a-53.
- "Relocate". Sections 36a-145 and 36a-462a.
- "Residential mortgage loan". Section 36a-485.
- "Residential real estate". Section 36a-485.
- "Resulting entity". Section 36a-34.
- "Retail buyer". Sections 36a-535 and 36a-770, as amended by this act.
- "Retail credit transaction". Section 42-100b.
- "Retail installment contract". Sections 36a-535 and 36a-770, as amended by this act.
- "Retail installment sale". Sections 36a-535 and 36a-770, as amended by this act.
- "Retail seller". Sections 36a-535 and 36a-770, as amended by this act.
- "Reverse annuity mortgage loan". Section 36a-265.
- "Sales finance company". Sections 36a-535 and 36a-770, as amended by this act.
- "Savings department". Section 36a-285.
- "Savings deposit". Section 36a-316.
- "Secondary mortgage loan". Section 36a-485.
- "Security convertible into a voting security". Section 36a-184.

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"Senior management". Section 36a-435b.  
"Settlement agent". Section 36a-494, as amended by this act.  
"Share". Section 36a-435b.  
"Simulated check". Section 36a-485.  
"Single common bond membership". Section 36a-435b.  
"Special mortgage". Section 36a-760c.  
"Social purpose investment". Section 36a-277.  
"Sponsored". Section 36a-485.  
"Standard mortgage loan". Section 36a-265.  
"Stored value". Section 36a-596.  
"Table funding agreement". Section 36a-485.  
"Tax and loan account". Sections 36a-301 and 36a-456b.  
"The Savings Bank Life Insurance Company". Section 36a-285.  
"Time account". Section 36a-316.  
"Travelers check". Section 36a-596.  
"Troubled Connecticut credit union". Section 36a-448a.  
"Unique identifier". Section 36a-485.  
"Unsecured loan". Section 36a-615, as amended by this act.  
"Value". Section 36a-603.  
"Virtual Banking". Section 36a-170, as amended by this act.  
"Warehouse agreement". Section 36a-485.

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

No person shall (1) engage in the business of making loans of money or credit; (2) make, offer, broker or assist a borrower in Connecticut to obtain such a loan; or (3) in whole or in part, arrange such loans through a third party or act as an agent for a third party, regardless of whether approval, acceptance or ratification by the third party is necessary to create a legal obligation for the third party, through any method, including, but not limited to, mail, telephone, Internet or any electronic means, in the amount or to the value of

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fifteen thousand dollars or less for loans made under section 36a-563, as amended by this act, or section 36a-565, and charge, contract for or receive a greater rate of interest, charge or consideration than twelve per cent per annum therefor, unless licensed to do so by the commissioner pursuant to sections 36a-555 to 36a-573, inclusive, as amended by this act. The provisions of this section shall not apply to (A) a bank, (B) an out-of-state bank, (C) a Connecticut credit union, (D) a federal credit union, (E) an out-of-state credit union, (F) a savings and loan association wholly owned subsidiary service corporation, (G) a person to the extent that such person makes loans for agricultural, commercial, industrial or governmental use or extends credit through an open-end credit plan, as defined in [subdivision (8) of subsection (a) of section 36a-676] 15 USC 1602, as amended from time to time, for the retail purchase of consumer goods or services, (H) a mortgage lender or mortgage correspondent lender licensed pursuant to section 36a-489 when making residential mortgage loans, as defined in section 36a-485, or (I) a licensed pawnbroker.

Sec. 14. Subsection (a) of section 42-133c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

(a) Except as provided in subsection (b) of this section, notwithstanding any contrary provision of law, a retail seller under an open-end credit plan, as defined in [subdivision (8) of subsection (a) of section 36a-676] 15 USC 1602, as amended from time to time, in connection with a transaction arising out of the retail sale of consumer goods or services on sales made on or after October 1, 1993, may contract for and, if so contracted for, the retail seller or holder may charge and collect a finance charge under the plan and may calculate such finance charge in the manner and at the rate or rates agreed to by the retail buyer. For purposes of this section, (1) "retail seller" means a person who (A) sells or agrees to sell one or more articles of goods or

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furnishes services under an open-end credit plan and (B) is the creditor to whom the debt is initially payable on the face of the agreement of indebtedness, and (2) "holder" means a finance agency or other assignee who has purchased the open-end credit plan agreement or obligation. Regardless of any agreement to the contrary, a transaction under an open-end credit plan is subject to this section whenever a solicitation for the extension of credit is made by a retail seller whose primary activity in Connecticut is soliciting Connecticut customers through the mails, and such solicitation originates outside Connecticut but is directed to and received by a customer who resides, and responds to such solicitation, in Connecticut.

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

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

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

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

(1) "APR" means the annual percentage rate for the loan calculated according to the provisions of the federal Truth-in-Lending Act, 15 USC Section 1601 et seq., as amended from time to time, and the regulations promulgated thereunder. [For open-end lines of credit, "APR" means the highest corresponding annual percentage rate required to be disclosed under 12 CFR 1026.6(a)(2) and 1026.14(b), as

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amended from time to time, excluding any maximum rates required to be disclosed or stated pursuant to 12 CFR 1026.6(a)(2) or 1026.30, as amended from time to time. For closed-end loans, "APR" means the annual percentage rate required to be disclosed under 12 CFR 1026.18(e), as amended from time to time, excluding any maximum rates required to be disclosed or stated pursuant to 12 CFR 1026.18(f) or 1026.30, as amended from time to time.] For purposes of this subdivision, any variable rate calculation shall use an index value in effect within forty-five days prior to consummation;

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

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

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

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

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

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

(D) In which the APR [at consummation is greater than the yield on Treasury securities having comparable periods of maturity to the loan maturity as of the fifteenth day of the month immediately preceding

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the month in which the application for the loan or extension of credit is received by the lender] applicable to the transaction determined in accordance with 12 CFR 1026.32(a)(3), as amended from time to time, will exceed the average prime offer rate, as defined in 12 CFR 1026.35(a)(2) as amended from time to time, by more than the number of percentage points specified in 12 CFR 1026.32(a)(1)(i), as amended from time to time;

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

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

(7) "Prepaid finance charge" means any finance charge determined in accordance with 12 CFR 1026.4, as amended from time to time, that is paid separately in cash or by check before or at consummation of a loan or extension of credit or withheld from the proceeds of such transaction at any time, except the term includes any fees or commissions payable to the lender or broker in connection with the sale of credit life, accident, health, disability or unemployment insurance products or unrelated goods or services sold in conjunction with the loan or extension of credit when the cost of such insurance products or goods or services is prepaid with the proceeds of the loan or extension of credit and financed as part of the principal amount of the loan or extension of credit, and excludes premiums, fees and any other amounts paid to a governmental agency, any amounts required to be escrowed by a governmental agency and interim interest.

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

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

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

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

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

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

(5) "Lender" means any person engaged in the business of the making of mortgage loans who is (A) required to be licensed by the [Department of Banking] commissioner under chapter 668, or such person's successors or assigns, [and also means any bank, out-of-state bank, Connecticut credit union, federal credit union, out-of-state credit union, or an operating subsidiary of a federal bank or a federally chartered out-of-state bank where such subsidiary engages in the business of making mortgage loans] or (B) exempt from licensing pursuant to subdivisions (1) to (3), inclusive, of subsection (a) of section 36a-487, and their successors and assigns, but does not include any mortgage broker, as defined in this section, or any mortgage loan originator, as defined in section 36a-485;

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

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

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

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

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

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

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

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

[(i) The difference, at the time of consummation, between the APR for the loan and the conventional mortgage rate is either equal to or greater than (I) one and three-quarters percentage points, if the loan is a first mortgage loan, or (II) three and three-quarters percentage points, if the loan is a secondary mortgage loan. For purposes of such calculation, "conventional mortgage rate" means the most recent

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contract interest rate on commitments for fixed-rate mortgages published by the Board of Governors of the Federal Reserve System in its statistical release H.15, or any publication that may supersede it, during the week preceding the week in which the interest rate for the loan is set. For purposes of determining the beginning of each weekly period, the first day of each week shall be the effective date for the applicable prime offer rate, as of the date the interest rate is set, as determined in accordance with subparagraph (F)(ii) of this subdivision.]

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

[(iii)] (ii) The commissioner shall have the authority, after consideration of the relevant factors, to increase the percentages set forth in [clauses (i) and (ii) of this subparagraph] subparagraph (F)(i) of this subdivision. For purposes of this clause, the relevant factors to be considered by the commissioner shall include, but not be limited to, the existence and amount of increases in fees or charges in connection with purchases of mortgages by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and increases in fees or charges imposed by mortgage insurers and the impact, including the magnitude of the impact, that such increases have had, or will likely have, on APRs for mortgage loans in this state.

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When considering such factors, the commissioner shall focus on those increases that are related to the deterioration in the housing market and credit conditions. The commissioner may refrain from increasing such percentages if it appears that lenders are increasing interest rates or fees in bad faith or if increasing the percentages would be contrary to the purposes of sections 36a-760 to 36a-760f, inclusive, as amended by this act. No increase authorized by the commissioner to a particular percentage shall exceed one-quarter of one percentage point, and the total of all increases to a particular percentage under this clause shall not exceed one-half of one percentage point. No increase shall be made unless: (I) The increase is noticed in the Banking Department Bulletin and the Connecticut Law Journal, and (II) a public comment period of twenty days is provided. Any increase made under this clause shall be reduced proportionately when the need for the increase has diminished or no longer exists. The commissioner, in the exercise of his discretion, may authorize an increase in the percentages with respect to all loans or just with respect to a certain class or classes of loans;

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

(9) "Secondary mortgage loan" has the same meaning as provided in section 36a-485.

Sec. 18. Subsection (b) of section 36a-563 of the general statutes is

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

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

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

(a) As used in this section:

(1) "Amount financed" means the amount of credit a borrower will actually be able to use as determined in accordance with sections 36a-675 to 36a-685, inclusive, as amended by this act, and section 11 of this

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act.

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

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

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

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

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Sec. 20. Subdivision (13) of subsection (c) of section 36a-770 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

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

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

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

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

(c) The finance charge under subsections (a) and (b) of this section shall be computed on the principal amount financed as determined under sections 36a-675 to 36a-685, inclusive, as amended by this act,

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and section 11 of this act and the regulations adopted under said sections. On contracts providing for installment payments extending for a period which is less than or greater than one year, the finance charge shall be computed proportionately. The finance charge may be computed on the basis of a full month for any fractional month period in excess of ten days. A minimum finance charge of fifteen dollars may be charged on any retail installment contract in which the finance charge, when computed at the rates indicated, results in a total charge of less than that amount. Nothing contained in sections 36a-770 to 36a-788, inclusive, as amended by this act, 42-100b and 42-100c shall be construed to prohibit the computation of the interest component of the finance charge by application of an interest rate to the actual balance of such principal amount financed as may be outstanding from time to time.

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

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

Sec. 24. Subsection (a) of section 36a-440b of the general statutes is

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

(a) A Connecticut credit union shall [submit a written report to the commissioner annually on February first and August first and otherwise as often as the commissioner deems necessary. The report shall be in the form prescribed by the commissioner, list the assets and liabilities of the Connecticut credit union and contain any other information the commissioner may require. The Connecticut credit union shall also provide the commissioner with] file (1) financial and statistical reports with the National Credit Union Administration or its successor agency in accordance with and at such times as required by 12 CFR 741.6, as amended from time to time, and (2) such other reports and information as may be required by the commissioner. Each Connecticut credit union that fails to file any report or information required by this section shall pay to the commissioner one hundred dollars for each day that it fails to file such report or information.

Sec. 25. Subsection (c) of section 36a-82 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

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

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Sec. 26. Subsection (a) of section 36a-86 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) The governing board of each Connecticut bank shall annually procure an audit or examination by certified public accountants or holders of certificates of authority as public accountants selected by vote of the governing board or a duly authorized committee thereof, and such accountants shall agree to provide related working papers, policies and procedures to the commissioner, if requested. The accountants shall thoroughly examine the books, records, accounts and affairs of such bank and submit a signed report of the audit or examination showing the condition of the bank to the governing board of such bank within a reasonable period of time following the conclusion of the audit or examination. The signed report shall be kept on file in such bank and a copy shall be filed with the commissioner not later than the earlier of (1) one hundred twenty days following the close of such bank's fiscal year, or (2) the date prescribed by federal law for such bank to file such audit or examination with the applicable federal banking regulator, unless the commissioner extends such deadline for good cause shown. Members of the governing board of such Connecticut bank shall not be personally liable for any loss suffered by such bank through the wrongdoing or negligence of any officer or employee, which wrongdoing or negligence should have been discovered by the accountants in the performance of their duties, provided such members shall have exercised due care to procure thorough and substantial audits by the accountants.

Sec. 27. Section 36a-170 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a) As used in this section, "home banking services" means the electronic transfer of funds or information, or the performance of other permissible banking services or transactions for a customer by means

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of a home banking terminal; and "home banking terminal" means any electronic home or office terminal, including, but not limited to, a computer terminal, television, telephone, facsimile machine or other electronic device, that is not accessible to the public and does not accept deposits.

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

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

[(c) Any electronic transfer of funds by means of a home banking terminal authorized under this section shall be subject to the Electronic Fund Transfer Act, 15 USC Section 1693, et seq., as from time to time amended, and Regulation E, 12 CFR Part 205, as from time to time amended.]

(b) Any bank, out-of-state bank, Connecticut credit union or federal credit union may engage in virtual banking. Any such bank or credit union shall comply with the Electronic Fund Transfer Act, 15 USC Section 1693, et seq., as amended from time to time, and Regulation E, 12 CFR Part 1005, as amended from time to time, when processing transactions through virtual banking to the extent such transactions are subject to said act and said regulation.

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

(c) The means by which a customer accesses a telecommunication system or the Internet to engage in virtual banking, including, but not

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limited to, a television, telephone, mobile device, facsimile or computer, shall not, in and of itself, be deemed to be an automated teller machine, satellite device, branch or office for any purpose under this title.

Sec. 28. Subsection (c) of section 36a-185 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) The commissioner shall disapprove such offer, invitation, request, agreement or acquisition if: (1) It involves the acquisition of the voting securities or securities convertible into voting securities of a bank that has not been in existence and continuously operating for at least five years, or a holding company, the subsidiary banks of which have not been in existence and continuously operating for at least five years, unless the commissioner waives this requirement; (2) the acquiring person, including all insured depository institutions [which] that are affiliates of the person, upon consummation of the acquisition, would control thirty per cent or more of the total amount of deposits of insured depository institutions in this state, unless the commissioner permits a greater percentage of such deposits; (3) the commissioner cannot make the findings required by section 36a-34; or (4) to the extent the acquiring person is subject to anti-money-laundering laws and regulations, the programs, policies and procedures of the acquiring person relating to anti-money-laundering activity are inadequate, and the acquiring person does not have a record of compliance with anti-money-laundering laws and regulations. In making the determination to disapprove or not to disapprove such offer, invitation, request, agreement or acquisition, the commissioner shall consider whether: (A) The investment and lending policies of the bank referred to in the acquisition statement are consistent with safe and sound banking practices and will benefit the economy of this state; (B) the services or proposed services of the bank referred to in the

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acquisition statement are consistent with safe and sound banking practices and will benefit the economy of this state; (C) the proposed acquisition will not substantially lessen competition in the banking industry of this state; and (D) the acquiring person, if such person would be the beneficial owner of twenty-five per cent or more of any class of voting securities of the bank or holding company referred to in the acquisition statement, (i) has sufficient capital to ensure, and agrees to ensure, that the bank referred to in the acquisition statement will comply with applicable minimum capital requirements, and (ii) has sufficient managerial resources to operate the bank or holding company referred to in the acquisition statement in a safe and sound manner.

Sec. 29. Section 36a-492 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) (1) Each licensed mortgage lender, mortgage correspondent lender and mortgage broker shall file with the commissioner a single surety bond, written by a surety authorized to write such bonds in this state, covering its main office and file an addendum to such bond to cover any branch office, in a penal sum determined in accordance with subsection (d) of this section, provided the penal sum of the bond for licensed mortgage lenders and mortgage correspondent lenders shall be not less than one hundred thousand dollars and the penal sum of the bond for mortgage brokers shall be not less than fifty thousand dollars. The bond shall cover all mortgage loan originators sponsored by such licensee.

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

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originator.

(3) Effective October 1, 2011, (A) in the case of an exempt registrant under subdivision (1), (2) or (3) of subsection (a) of section 36a-487: [~~(i) the~~] (i) The surety bond shall cover all mortgage loan originators sponsored by such exempt registrant and comply with the requirements set forth in this section, and (ii) the penal sum of such bond shall be in an amount determined in accordance with subsection (d) of this section, provided the penal sum of the bond shall be not less than one hundred thousand dollars; (B) in the case of an exempt registrant under subsection (b) of section 36a-487: [~~(i) the~~] (i) The surety bond shall cover all mortgage loan originators sponsored by such exempt registrant and comply with the requirements set forth in this section, and (ii) the penal sum of the bond shall be in an amount determined in accordance with subsection (d) of this section, provided the penal sum shall be not less than fifty thousand dollars; and (C) in the case of an exempt registrant under subdivision (4) of subsection (a) of section 36a-487, the surety bond shall cover all mortgage loan originators sponsored by such exempt registrant and comply with the requirements set forth in section 36a-671d.

(4) (A) The principal on a bond required by subdivisions (1) and (2) of this subsection shall annually confirm, in connection with any renewal request, that it maintains the required penal sum in an amount required by subsection (d) of this section [~~]. Not later than September 1, 2011, and every September first thereafter, such~~] after review of the preceding four quarter period ending June thirtieth. The principal shall file such information as the commissioner may require under subsection (d) of this section and shall file, [~~not later than September first of the applicable year, or on such other date~~] as the commissioner may require, pursuant to subdivision (d) of this section, any bond rider or endorsement to the surety bond on file with the commissioner to reflect any changes necessary to maintain the surety

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bond coverage required by this section.

(B) Effective October 1, 2011, the principal on a bond required by subdivision (3) of this [section] subsection shall annually confirm, in connection with any renewal request, that it maintains the required penal sum in an amount required by subsection (d) of this section [. Not later than September 1, 2012, and every September first thereafter, such] after review of the preceding four quarter period ending June thirtieth. The principal shall file such information as the commissioner may require under subsection (d) of this section and shall file, [not later than September first of the applicable year, or on such other date] as the commissioner may require pursuant to [subdivision] subsection (d) of this section, any bond rider or endorsement to the surety bond on file with the commissioner to reflect any changes necessary to maintain the surety bond coverage required by this section.

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

(b) The bond required by subsection (a) of this section shall be (1) in a form approved by the Attorney General, and (2) conditioned upon the mortgage lender, mortgage correspondent lender or mortgage broker licensee and any mortgage loan originator licensee sponsored by such mortgage lender, mortgage correspondent lender or mortgage broker or, in the case of a mortgage loan originator licensee sponsored after October 1, 2011, by an exempt registrant, upon such mortgage loan originator licensee faithfully performing any and all written agreements or commitments with or for the benefit of borrowers and prospective borrowers, truly and faithfully accounting for all funds received from a borrower or prospective borrower by the licensee in the licensee's capacity as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator, and conducting such mortgage business consistent with the provisions of sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b. Any borrower or

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prospective borrower who may be damaged by failure to perform any written agreements or commitments, or by the wrongful conversion of funds paid by a borrower or prospective borrower to a licensee, may proceed on such bond against the principal or surety thereon, or both, to recover damages. Commencing August 1, 2009, any borrower or prospective borrower who may be damaged by a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator licensee's failure to satisfy a judgment against the licensee arising from the making or brokering of a nonprime home loan, as defined in section 36a-760, as amended by this act, may proceed on such bond against the principal or surety thereon, or both, to recover the amount of the judgment. The commissioner may proceed on such bond against the principal or surety thereon, or both, to collect any civil penalty imposed upon a licensee pursuant to subsection (a) of section 36a-50 and any unpaid costs of examination of a licensee as determined pursuant to section 36a-65. The proceeds of the bond, even if commingled with other assets of the principal, shall be deemed by operation of law to be held in trust for the benefit of such claimants against the principal in the event of bankruptcy of the principal and shall be immune from attachment by creditors and judgment creditors. The bond shall run concurrently with the period of the license for the main office and the aggregate liability under the bond shall not exceed the penal sum of the bond. The principal shall notify the commissioner of the commencement of an action on the bond. When an action is commenced on a principal's bond, the commissioner may require the filing of a new bond and immediately on recovery on any action on the bond, the principal shall file a new bond.

(c) The surety company shall have the right to cancel the bond at any time by a written notice to the principal stating the date cancellation shall take effect. Such notice shall be sent by certified mail to the principal at least thirty days prior to the date of cancellation. A surety bond shall not be cancelled unless the surety company notifies

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the commissioner in writing not less than thirty days prior to the effective date of cancellation. After receipt of such notification from the surety company, the commissioner shall give written notice to the principal of the date such bond cancellation shall take effect and such notice shall be deemed notice to each mortgage loan originator licensee sponsored by such principal. The commissioner shall automatically suspend the licenses of a mortgage lender, mortgage correspondent lender or mortgage broker on such date and inactivate the licenses of the mortgage loan originators sponsored by such lender, correspondent lender or broker. On and after October 1, 2011, in the case of a cancellation of an exempt registrant's bond, the commissioner shall inactivate the licenses of the mortgage loan originators sponsored by such exempt registrant. No automatic suspension or inactivation shall occur if, prior to the date that the bond cancellation shall take effect, (1) the principal submits a letter of reinstatement of the bond from the surety company or a new bond, (2) the mortgage lender, mortgage correspondent lender or mortgage broker licensee has ceased business and has surrendered all licenses in accordance with subsection (a) of section 36a-490, or (3) in the case of a mortgage loan originator licensee, the sponsorship with the mortgage lender, mortgage correspondent lender or mortgage broker who was automatically suspended pursuant to this section or, after October 1, 2011, with the exempt registrant who failed to provide the bond required by this section, has been terminated and a new sponsor has been requested and approved. After a mortgage lender, mortgage correspondent lender or mortgage broker license has been automatically suspended pursuant to this section, the commissioner shall give such licensee notice of the automatic suspension, pending proceedings for revocation or refusal to renew pursuant to section 36a-494, as amended by this act, and an opportunity for a hearing on such action in accordance with section 36a-51 and require such licensee to take or refrain from taking such action as in the opinion of the commissioner will effectuate the purposes of this section. Effective

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October 1, 2011, the commissioner may provide information to an exempt registrant concerning actions taken by the commissioner pursuant to this subsection against any mortgage loan originator licensee that was sponsored and bonded by such exempt registrant.

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

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

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

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

(4) Effective October 1, 2011, an exempt registrant under subsection (d) of section 36a-487, as amended by this act, who is exempt from licensure under subsection (b) of section 36a-487 shall file a bond in a penal sum of fifty thousand dollars the first time such exempt registrant sponsors a mortgage loan originator.

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

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(6) (A) For mortgage lender and mortgage correspondent lender licensees, and, after October 1, 2011, persons sponsoring and bonding at least one mortgage loan originator as an exempt registrant under subsection (d) of section 36a-487, as amended by this act, and who are exempt from licensing under subdivision (1), (2) or (3) of subsection (a) of section 36a-487 if: (i) The aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding [twelve-month period ending July thirty-first of the current year] four quarters ending June thirtieth is less than thirty million dollars, the penal sum of the bond shall be one hundred thousand dollars; (ii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding [twelve-month period ending July thirty-first of the current year] four quarters ending June thirtieth is thirty million dollars or more but less than one hundred million dollars, the penal sum of the bond shall be two hundred thousand dollars; (iii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding [twelve-month period ending July thirty-first of the current year] four quarters ending June thirtieth is one hundred million dollars or more but less than two hundred fifty million dollars, the penal sum of the bond shall be three hundred thousand dollars; and (iv) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding [twelve-month period ending July thirty-first of the current year] four quarters ending June thirtieth is two hundred fifty million dollars or more, the penal sum of the bond shall be five hundred thousand dollars.

(B) For mortgage broker licensees and, after October 1, 2011, persons who are sponsoring and bonding at least one mortgage loan originator as an exempt registrant under subsection (d) of section 36a-487, as

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amended by this act, and who are exempt from licensing under subsection (b) or (c) of section 36a-487; if (i) ~~the~~ The aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding ~~[twelve-month period ending July thirty-first of the current year]~~ four quarters ending June thirtieth is less than thirty million dollars, the penal sum of the bond shall be fifty thousand dollars; (ii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding ~~[twelve-month period ending July thirty-first of the current year]~~ four quarters ending June thirtieth is thirty million dollars or more but less than fifty million dollars, the penal sum of the bond shall be one hundred thousand dollars; and (iii) the aggregate dollar amount of all residential mortgage loans originated by such licensee at all licensed locations or by the exempt registrant during the preceding ~~[twelve-month period ending July thirty-first of the current year]~~ four quarters ending June thirtieth is fifty million dollars or more, the penal sum of the bond shall be one hundred fifty thousand dollars.

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

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

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

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change in the penal sum of the bond.

Sec. 30. Subsection (d) of section 36a-487 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(d) Any person [exempt] claiming exemption from licensure under this section may register on the system as an exempt registrant for purposes of sponsoring a mortgage loan originator or a loan processor or underwriter pursuant to subdivision (1) of subsection (b) of section 36a-486. Such registration shall not affect the exempt status of such person. Any approval of such registration, or any approval of any renewal of such registration, shall not constitute a determination by the commissioner that such entity is exempt, but rather shall evidence the commissioner's approval to use the system for purposes of sponsoring and bonding.

Sec. 31. Subsection (b) of section 36a-59 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The commissioner may enter into cooperative, coordinating or information-sharing agreements with any other state or federal supervisory agency or any organization affiliated with or representing such supervisory agency with respect to the examination, examination fees or other supervision of any person subject to the provisions of sections 36a-485 to [36a-810] 36a-812, inclusive. Any such agreement may include provisions concerning the assessment or sharing of fees for such examination or supervision.

Sec. 32. Subparagraph (A) of subdivision (4) of subsection (a) of section 36a-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) (A) The laws of this state, including laws regarding (i)

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community reinvestment pursuant to sections 36a-30 to 36a-33, inclusive; (ii) consumer protection pursuant to sections 36a-41 to 36a-45, inclusive, 36a-290 to 36a-304, inclusive, 36a-306, 36a-307, 36a-315 to 36a-323, inclusive, 36a-645 to 36a-647, inclusive, 36a-690, as amended by this act, 36a-695 to 36a-700, inclusive, 36a-705 to 36a-707, inclusive, 36a-715 to 36a-719~~l~~, inclusive, 36a-725, 36a-726, as amended by this act, 36a-755 to 36a-759, inclusive, 36a-770 to 36a-788, inclusive, as amended by this act, and 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act; (iii) fair lending pursuant to sections 36a-737, 36a-740 and 36a-741; and (iv) establishment of interstate branches pursuant to section 36a-145 shall apply to any branch in this state of an out-of-state bank, other than a federally chartered out-of-state bank, to the same extent as such laws apply to a branch in this state of an out-of-state national banking association.

Sec. 33. Section 36a-800 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, unless the context otherwise requires:

(1) "Branch office" means a location other than the main office at which a licensee or any person on behalf of a licensee acts as a consumer collection agency;

(2) "Consumer collection agency" means any person (A) engaged as a third party in the business of collecting or receiving for payment for others of any account, bill or other indebtedness from a consumer debtor, (B) engaged directly or indirectly in the business of collecting any account, bill or other indebtedness from a consumer debtor for such person's own account if the indebtedness was acquired from another person and if the indebtedness was either delinquent or in default at the time it was acquired, or (C) engaged in the business of collecting or receiving for payment property tax from a property tax

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debtor on behalf of a municipality, including any person who, by any device, subterfuge or pretense, makes a pretended purchase or takes a pretended assignment of accounts from any other person or municipality of such indebtedness for the purpose of evading the provisions of sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act. It includes persons who furnish collection systems carrying a name which simulates the name of a consumer collection agency and who supply forms or form letters to be used by the creditor, even though such forms direct the consumer debtor or property tax debtor to make payments directly to the creditor rather than to such fictitious agency. "Consumer collection agency" further includes any person who, in attempting to collect or in collecting such person's own accounts or claims from a consumer debtor, uses a fictitious name or any name other than such person's own name which would indicate to the consumer debtor that a third person is collecting or attempting to collect such account or claim. "Consumer collection agency" does not include (i) an individual employed on the staff of a licensed consumer collection agency, or by a creditor who is exempt from licensing, when attempting to collect on behalf of such consumer collection agency, (ii) persons not primarily engaged in the collection of debts from consumer debtors who receive funds in escrow for subsequent distribution to others, including, but not limited to, real estate brokers and lenders holding funds of borrowers for payment of taxes or insurance, (iii) any public officer or a person acting under the order of any court, (iv) any member of the bar of this state, (v) a person who services loans or accounts for the owners thereof when the arrangement includes, in addition to requesting payment from delinquent consumer debtors, the providing of other services such as receipt of payment, accounting, record-keeping, data processing services and remitting, for loans or accounts which are current as well as those which are delinquent, (vi) a bank or out-of-state bank, as defined in section 36a-2, and (vii) a subsidiary or affiliate of a bank or out-of-state bank, provided such affiliate or subsidiary is not primarily

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engaged in the business of purchasing and collecting upon delinquent debt, other than delinquent debt secured by real property. Any person not included in the definition contained in this subdivision is, for purposes of sections 36a-645 to 36a-647, inclusive, a "creditor", as defined in section 36a-645;

(3) "Consumer debtor" means any natural person, not an organization, who has incurred indebtedness or owes a debt for personal, family or household purposes, including current or past due child support, or who has incurred indebtedness or owes a debt to a municipality due to a levy by such municipality of a personal property tax;

(4) "Creditor" means a person, including a municipality, that retains, hires, or engages the services of a consumer collection agency;

(5) "Main office" means the main address designated on the application;

(6) "Municipality" means any town, city or borough, consolidated town and city, consolidated town and borough, district as defined in section 7-324 or municipal special services district established under chapter 105a;

(7) "Organization" means a corporation, partnership, association, trust or any other legal entity or an individual operating under a trade name or a name having appended to it a commercial, occupational or professional designation;

(8) "Property tax" has the meaning given to the term in section 7-560;

(9) "Property tax debtor" means any natural person or organization who has incurred indebtedness or owes a debt to a municipality due to a levy by such municipality of a property tax.

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Sec. 34. Section 36a-801 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No person shall act within this state as a consumer collection agency unless such person has first obtained a consumer collection agency license for such person's main office and each branch office where such person's business is conducted. A consumer collection agency is acting within this state if it (1) has its place of business located within this state; (2) has its place of business located outside this state and (A) collects from consumer debtors or property tax debtors who reside within this state for creditors who are located within this state, or (B) collects from consumer debtors or property tax debtors who reside within this state for such consumer collection agency's own account; (3) has its place of business located outside this state and regularly collects from consumer debtors or property tax debtors who reside within this state for creditors who are located outside this state; or (4) has its place of business located outside this state and is engaged in the business of collecting child support for creditors located within this state from consumer debtors who are located outside this state.

(b) Any person desiring to act within this state as a consumer collection agency shall make a written application to the commissioner for such license in such form as the commissioner prescribes. Such application shall be accompanied by (1) a financial statement prepared by a certified public accountant or a public accountant, the accuracy of which is sworn to under oath before a notary public by the proprietor, a general partner or a corporate officer or a member duly authorized to execute such documents, (2) (A) the history of criminal convictions of the (i) applicant; (ii) partners, if the applicant is a partnership; (iii) members, if the applicant is a limited liability company or association; or (iv) officers, directors and principal employees, if the applicant is a corporation, and (B) sufficient information pertaining to the history of

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criminal convictions of such applicant, partners, members, officers, directors and principal employees as the commissioner deems necessary to make the findings under subsection (c) of this section, (3) a license fee of eight hundred dollars, or in the case of an initial application that is filed not earlier than one year before the date such license will expire, a license fee of four hundred dollars, and (4) an investigation fee of one hundred dollars. The commissioner shall cause to be made such inquiry and examination as to the qualifications of each such applicant or any partner, member, officer, director or principal employee of the applicant as the commissioner deems necessary. The commissioner, in accordance with section 29-17a, may conduct a state and national criminal history records check of the applicant and of each partner, member, officer, director and principal employee of such applicant. Each applicant shall furnish satisfactory evidence to the commissioner that the applicant is a person of good moral character and is financially responsible.

(c) If the commissioner finds, upon the filing of an application for a consumer collection agency, that (1) the financial responsibility, character, reputation, integrity and general fitness of the applicant and the partners of such applicant if the applicant is a partnership, of the members if the applicant is a limited liability company or association, and of the officers, directors and principal employees if the applicant is a corporation, are such to warrant belief that the business will be operated soundly and efficiently, in the public interest and consistent with the purposes of sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, and (2) the applicant is solvent and no proceeding in bankruptcy, receivership or assignment for the benefit of creditors has been commenced against the applicant, the commissioner may, upon such finding, issue the applicant a consumer collection agency license. If the commissioner fails to make such findings, the commissioner shall not issue a license and shall notify the applicant of the reasons for such denial. The commissioner may deny an

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application if the commissioner finds that the applicant or any partner, member, officer, director or principal employee of such applicant has been convicted of any misdemeanor involving any aspect of the consumer collection agency business, or any felony. Any denial of an application by the commissioner shall, when applicable, be subject to the provisions of section 46a-80. Any such license issued by the commissioner shall expire at the close of business on September thirtieth of the odd-numbered year following its issuance, unless such license is renewed. The commissioner may renew such application, in the commissioner's discretion, upon filing of a proper renewal application accompanied by a license fee of eight hundred dollars, and satisfactory proof that such applicant at that time possesses the required qualifications for the license. The commissioner may deny a renewal application if the commissioner finds that the applicant has been convicted of any misdemeanor involving any aspect of the consumer collection agency business, or any felony. Any denial of an application by the commissioner shall, when applicable, be subject to the provisions of section 46a-80. Such renewal application shall be filed with the commissioner on or before September first of the year in which the license expires. Any renewal application filed with the commissioner after September first shall be accompanied by a one-hundred-dollar late fee and any such filing shall be deemed to be timely and sufficient for purposes of subsection (b) of section 4-182. Whenever an application for a license, other than a renewal application, is filed under sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, by any person who was a licensee under said sections 36a-800 to [36a-810] 36a-812, inclusive, and whose license expired less than sixty days prior to the date such application was filed, such application shall be accompanied by a one-hundred-dollar processing fee in addition to the application fee.

(d) To further the enforcement of this section and to determine the eligibility of any person holding a license, the commissioner may, as

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often as the commissioner deems necessary, examine the licensee's books and records, and may, at any time, require the licensee to submit such a financial statement for the examination of the commissioner, so that the commissioner may determine whether the licensee is financially responsible to carry on a consumer collection agency business within the intents and purposes of sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act. Any financial statement submitted by a licensee shall be confidential and shall not be a public record unless introduced in evidence at a hearing conducted by the commissioner.

(e) The applicant or licensee shall notify the commissioner, in writing, of any change in the information provided in its initial application for a license or most recent renewal application for such license, as applicable, not later than ten business days after the occurrence of the event that results in such information becoming inaccurate.

(f) The commissioner may deem an application for a license to act as a consumer collection agency abandoned if the applicant fails to respond to any request for information required under sections 36a-801 to [36a-810] 36a-812, inclusive, as amended by this act, or any regulations adopted pursuant to said sections 36a-801 to [36a-810] 36a-812, inclusive. The commissioner shall notify the applicant, in writing, that if the applicant fails to submit such information not later than sixty days after the date on which such request for information was made, the application shall be deemed abandoned. An application filing fee paid prior to the date an application is deemed abandoned pursuant to this subsection shall not be refunded. Abandonment of an application pursuant to this subsection shall not preclude the applicant from submitting a new application for a license under sections 36a-801 to [36a-810] 36a-812, inclusive, as amended by this act.

(g) If the commissioner determines that a check filed with the

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commissioner to pay a fee under subsection (b) of this section has been dishonored, the commissioner shall automatically suspend the license or a renewal license that has been issued but is not yet effective. The commissioner shall give the licensee notice of the automatic suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing on such actions in accordance with section 36a-51.

(h) No abatement of the license fee shall be made if the license is surrendered, revoked or suspended prior to the expiration of the period for which it was issued. All fees required by this section shall be nonrefundable.

(i) No person licensed to act within this state as a consumer collection agency shall do so under any other name or at any other place of business than that named in the license. Any change of location of a place of business of a licensee shall require prior written notice to the commissioner. Not more than one place of business shall be maintained under the same license but the commissioner may issue more than one license to the same licensee upon compliance with the provisions of sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, as to each new licensee. A license shall not be transferable or assignable. Any licensee holding, applying for, or seeking renewal of more than one license may, at its option, file the bond required under section 36a-802 separately for each place of business licensed, or to be licensed, or a single bond, naming each place of business, in an amount equal to twenty-five thousand dollars for each place of business.

Sec. 35. Section 36a-804 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The commissioner may suspend, revoke or refuse to renew any license or take any other action, in accordance with the provisions of

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section 36a-51, for any reason which would be sufficient grounds for the commissioner to deny an application for a license under sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, or if the commissioner finds that the licensee or any proprietor, director, officer, member, partner, shareholder, trustee, employee or agent of such licensee has done any of the following: (1) Made any material misstatement in the application; (2) committed any fraud or misrepresentation or misappropriated funds; or (3) violated any of the provisions of sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, or of any regulations adopted pursuant thereto, or any other law or regulation applicable to the conduct of its business.

(b) Whenever it appears to the commissioner that any person has violated, is violating or is about to violate any of the provisions of sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, or any regulation adopted pursuant thereto, or the licensee or any proprietor, director, officer, member, partner, shareholder, trustee, employee or agent of such licensee has committed any fraud, made any misrepresentation or misappropriated funds, the commissioner may take action against such person or licensee in accordance with sections 36a-50 and 36a-52.

Sec. 36. Subsection (a) of section 36a-805 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No consumer collection agency shall: (1) Furnish legal advice or perform legal services or represent that it is competent to do so, or institute judicial proceedings on behalf of others; (2) communicate with consumer debtors or property tax debtors in the name of an attorney or upon the stationery of an attorney, or prepare any forms or instruments which only attorneys are authorized to prepare; (3) receive assignments as a third party of claims for the purpose of collection or institute suit thereon in any court; (4) assume authority on behalf of a

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creditor to employ or terminate the services of an attorney unless such creditor has authorized such agency in writing to act as such creditor's agent in the selection of an attorney to collect the creditor's accounts; (5) demand or obtain in any manner a share of the proper compensation for services performed by an attorney in collecting a claim, whether or not such agency has previously attempted collection thereof; (6) solicit claims for collection under an ambiguous or deceptive contract; (7) refuse to return any claim or claims upon written request of the creditor, claimant or forwarder, which claims are not in the process of collection after the tender of such amounts, if any, as may be due and owing to the agency; (8) advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, unless such agency is acting as the assignee for the benefit of creditors; (9) refuse or fail to account for and remit to its clients all money collected which is not in dispute within sixty days from the last day of the month in which said money is collected; (10) refuse or intentionally fail to return to the creditor all valuable papers deposited with a claim when such claim is returned; (11) refuse or fail to furnish at intervals of not less than ninety days, upon the written request of the creditor, claimant or forwarder, a written report upon claims received from such creditor, claimant or forwarder; (12) add any post charge-off charge or fee for cost of collection, unless such cost is a court cost, to the amount of any claim which it receives for collection or knowingly accept for collection any claim to which any such charge or fee has already been added to the amount of the claim unless (A) the consumer debtor is legally liable for such charge or fee as determined by the contract or other evidence of an agreement between the consumer debtor and creditor, a copy of which shall be obtained by or available to the consumer collection agency from the creditor and maintained as part of the records of the consumer collection agency or the creditor, or both, and (B) the total charge or fee for cost of collection does not exceed fifteen per cent of the total amount actually collected and accepted as payment in full satisfaction of the debt; (13) use or

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attempt to use or make reference to the term "bonded by the state of Connecticut", "bonded" or "bonded collection agency" or any combination of such terms or words, except that the word "bonded" may be used on the stationery of any such agency in type not larger than twelve-point; (14) when the debt is beyond the statute of limitations, fail to provide the following disclosure in type not less than ten-point informing the consumer debtor in its initial communication with such consumer debtor that (A) when collecting on debt that is not past the date for obsolescence provided for in Section 605(a) of the Fair Credit Reporting Act, 15 USC 1681c: "The law limits how long you can be sued on a debt. Because of the age of your debt, (INSERT OWNER NAME) will not sue you for it. If you do not pay the debt, (INSERT OWNER NAME) may report or continue to report it to the credit reporting agencies as unpaid"; and (B) when collecting on debt that is past the date for obsolescence provided for in Section 605(a) of the Fair Credit Reporting Act, 15 USC 1681c: "The law limits how long you can be sued on a debt. Because of the age of your debt, (INSERT OWNER NAME) will not sue you for it and (INSERT OWNER NAME) will not report it to any credit reporting agencies."; or (15) engage in any activities prohibited by sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act.

Sec. 37. Section 36a-810 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Any person who operates a consumer collection agency without a license as required by sections 36a-800 to [36a-810] 36a-812, inclusive, as amended by this act, shall be fined not more than one thousand dollars or imprisoned not more than one year, or both. Any person who violates any other provision of said sections shall be fined not more than five hundred dollars, or imprisoned not more than six months, or both. The state's attorney or assistant state's attorney for the superior court having jurisdiction in each town shall diligently inquire

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and make due complaint to the court of all violations of said sections which come to his knowledge, by investigation of report.

Sec. 38. Section 36a-493 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

(a) Each mortgage lender, mortgage correspondent lender and mortgage broker licensee shall maintain adequate records of each residential mortgage loan transaction at the office named in the license, or, if requested by the commissioner, shall make such records available at such office or send such records to the commissioner by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt, not later than five business days after requested by the commissioner to do so. Upon request, the commissioner may grant a licensee additional time to make such records available or send them to the commissioner. Such records shall provide the following information: (1) A copy of any disclosures required under part III of chapter 669; (2) whether the licensee acted as a mortgage lender, a mortgage correspondent lender, a mortgage broker, a mortgage lender and a mortgage broker, or a mortgage correspondent lender and a mortgage broker; (3) if the licensee is acting as a mortgage lender or mortgage correspondent lender, and retains the residential mortgage loan or receives payments thereon, an adequate loan history for those loans retained or upon which payments are received, itemizing the amount and date of each payment and the unpaid balance at all times; (4) the purpose for which the loan was made; (5) the original or an exact copy of the note, loan agreement or other evidence of indebtedness and mortgage deed; (6) a statement signed by the borrower acknowledging the receipt of such statement which discloses the full amount of any fee, commission or consideration paid to the mortgage lender, mortgage correspondent lender and mortgage broker for all services in connection with the origination and settlement of the residential mortgage loan; (7) the

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name and address of the mortgage lender, mortgage correspondent lender and the mortgage broker, if any, involved in the loan transaction; (8) a copy of the initial and a copy of the final residential mortgage loan application taken from the borrower; and (9) a copy of all information used in evaluating the application.

(b) For each loan that is made and serviced by a licensee, the licensee shall retain: (1) The records of such loan transaction for not less than two years following the final payment thereon, or the assignment of such loan, whichever occurs first, or such longer period as may be required by any other provision of law, and (2) copies of the note, [HUD-1 settlement statement] Closing Disclosure or other settlement statement, or such other records as are sufficient to verify the mortgage lender's or mortgage correspondent lender's compliance with section 36a-498a for not less than five years from the date of the transaction.

(c) For each loan transaction in which a licensee acts as a mortgage lender, mortgage correspondent lender or mortgage broker but does not service the loan, the licensee shall retain: (1) The records of such loan transaction for not less than two years from the date of the transaction or such longer period as may be required by any other provision of law, and (2) copies of the note, [HUD-1 settlement statement] Closing Disclosure or other settlement statement, or such other records as are sufficient to verify the mortgage lender's or mortgage correspondent lender's compliance with section 36a-498a for not less than five years from the date of the transaction.

(d) Any person who furnishes to a licensee any records required to be maintained under this section or any information necessary to complete such records may charge a fee to the licensee in an amount not to exceed fifty dollars.

Sec. 39. Subsection (a) of section 36a-494 of the general statutes is

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

(a) (1) The commissioner may suspend, revoke or refuse to renew any mortgage lender, mortgage correspondent lender or mortgage broker license or take any other action, in accordance with the provisions of section 36a-51, for any reason which would be sufficient grounds for the commissioner to deny an application for such license under sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, or if the commissioner finds that the licensee, any control person of the licensee, the qualified individual or branch manager with supervisory authority, trustee, employee or agent of such licensee has done any of the following: (A) Made any material misstatement in the application; (B) committed any fraud, misappropriated funds or misrepresented, concealed, suppressed, intentionally omitted or otherwise intentionally failed to disclose any of the material particulars of any residential mortgage loan transaction, including disclosures required by subdivision (6) of subsection (a) of section 36a-493, as amended by this act, or part III of chapter 669 or regulations adopted pursuant thereto, to anyone entitled to such information; (C) violated any of the provisions of this title or of any regulations adopted pursuant thereto, or any other law or regulation applicable to the conduct of its business; or (D) failed to perform any agreement with a licensee or a borrower. For purposes of this subdivision, "agent" includes any settlement agent used by the licensee and "settlement agent" means the person specified in any [HUD-1 settlement statement] Closing Disclosure or other settlement statement, provided such settlement agent has been selected by the licensee. Any settlement agent whose name appears on the licensee's list of approved settlement agents shall be deemed selected by the licensee even if the settlement agent is selected from such list by the borrower.

(2) The commissioner may suspend, revoke or refuse to renew any

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mortgage loan originator license or any loan processor or underwriter license or take any other action, in accordance with the provisions of section 36a-51, for any reason which would be sufficient grounds for the commissioner to deny an application for such license under sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, or if the commissioner finds that the licensee has committed any fraud, misappropriated funds, misrepresented, concealed, suppressed, intentionally omitted or otherwise intentionally failed to disclose any of the material particulars of any residential mortgage loan transaction or has violated any of the provisions of this title or of any regulations adopted pursuant to such title or any other law or regulation applicable to the conduct of such licensee's business.

Sec. 40. Subdivision (3) of section 36a-615 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

(3) "Unsecured loan" means any loan of money or extension of credit that is not secured by a security interest, as defined in Regulation Z, 12 CFR Section [226.2(a)(25)] 1026.2(a)(25), as from time to time amended.

Sec. 41. Subdivision (3) of subsection (a) of section 36a-726 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

(3) A good faith estimate of the initial cost, if any, and the monthly cost, if any, of the required mortgage insurance. Notwithstanding the foregoing, if the first mortgage loan transaction is subject to the requirements of the federal Real Estate Settlement Procedures Act, the mortgage lender may, in place of the disclosure required under this subdivision, disclose that the cost of mortgage insurance will be disclosed on the good faith estimate of closing costs required to be furnished to the applicant in accordance with the Real Estate

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Settlement Procedures Act and the Truth-in-Lending Act, 15 USC Section 1601 et seq., as amended from time to time, and the regulations promulgated thereunder.

Sec. 42. Subdivision (3) of subsection (b) of section 42-480 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective August 1, 2015*):

(3) The annual percentage rate utilizing the guidelines established by the official staff interpretations of federal Regulation Z to the Truth in Lending Act, 12 CFR Part [226] 1026;

Sec. 43. Subsection (b) of section 36a-155 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) The commissioner may adopt such regulations in accordance with the provisions of chapter 54 as may be necessary to carry out the purpose of sections 36a-155 to 36a-159, inclusive, and section 36a-170, as amended by this act. Such regulations may include, but shall not be limited to: (1) Requirements for the filing of information with the commissioner by any financial institution, network or processor in connection with (A) the establishment or use of automated teller machines, point of sale terminals or similar retail electronic banking facilities in this state, (B) the provision of [home] virtual banking services in this state, and (C) the provision of network or processing services in this state; (2) provisions concerning services that may be provided at automated teller machines, point of sale terminals or similar retail electronic banking facilities located in this state, [or by means of home banking terminals located in this state,] including services that may be offered on a proprietary basis; and (3) provisions concerning the safety of persons using automated teller machines or similar retail electronic banking facilities. As used in this subsection, "financial institution" means any bank, Connecticut credit union,

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federal credit union, out-of-state bank or out-of-state credit union authorized under Connecticut or federal law to accept deposits within this state, or any other person having a place of business in this state who holds an account belonging to a consumer and who agrees with the consumer to provide electronic fund transfer services subject to the provisions of 12 CFR Part 205, as from time to time amended, at automated teller machines, point of sale terminals or similar retail electronic banking facilities in this state; "account" means a demand deposit, savings deposit, share, member or other consumer asset account, held either directly or indirectly, and established primarily for personal, family or household purposes, including a line of credit extended to a consumer, but not including an occasional or incidental credit balance in a credit plan; "consumer" means a natural person residing in this state; "network" means one or more financial institutions or other persons that own and operate one or more network systems or facilities, or provide communications or processing services to one or more automated teller machines, point of sale terminals or similar retail electronic banking facilities located in this state; [, or to one or more home banking terminals located in this state;] and "processor" means one or more persons that provide communications, processing, clearing, settlement or related services to one or more financial institutions in connection with the operation of one or more automated teller machines, point of sale terminals or similar retail electronic banking facilities located in this state. [, or one or more home banking terminals located in this state.]

Sec. 44. Subdivision (23) of subsection (a) of section 36a-250 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(23) Provide [home] virtual banking services to customers as provided in section 36a-170, as amended by this act;

Approved July 7, 2015