



Substitute House Bill No. 6800

Public Act No. 15-53

**AN ACT CONCERNING MORTGAGE CORRESPONDENT
LENDERS, THE SMALL LOAN ACT, VIRTUAL CURRENCIES AND
SECURITY FREEZES ON CONSUMER CREDIT REPORTS.**

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

Section 1. Section 36a-718 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) On and after January 1, 2015, no person shall act as a mortgage servicer, directly or indirectly, without first obtaining a license under section 36a-719 from the commissioner for its main office and each branch office where such business is conducted, unless such person is exempt from licensure pursuant to subsection (b) of this section.

(b) The following persons are exempt from mortgage servicer licensing requirements: (1) Any bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, provided such bank or credit union is federally insured; (2) any wholly-owned subsidiary of such bank or credit union; (3) any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same such bank or credit union; [and] (4) any person licensed as a mortgage lender in this state while acting as a mortgage servicer from a location licensed as a main office or branch office under sections 36a-

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485 to 36a-498f, inclusive, 36a-534a and 36a-534b, provided (A) such person meets the supplemental mortgage servicer surety bond, fidelity bond and errors and omissions coverage requirements under section 36a-719c, as amended by this act, and (B) during any period that the license of the mortgage lender in this state has been suspended, such exemption shall not be effective; and (5) any person licensed as a mortgage correspondent lender in this state while acting as a mortgage servicer with respect to any residential mortgage loan it has made and during the permitted ninety-day holding period for such loan from a location licensed as a main office or branch office under sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, provided during any period the license of the mortgage correspondent lender in this state has been suspended, such exemption shall not be effective.

(c) The provisions of sections 36a-719e to 36a-719h, inclusive, shall apply to any person, including a person exempt from licensure pursuant to subsection (b) of this section, who acts as a mortgage servicer in this state on or after January 1, 2015.

Sec. 2. Subsection (c) of section 36a-719c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(c) The fidelity bond and errors and omissions coverage required by subsection (a) of this section shall name the commissioner as an additional loss payee on drafts the surety issues to pay for covered losses directly or indirectly incurred by mortgagors of residential mortgage loans serviced by the mortgage servicer. The fidelity bond shall cover losses arising from dishonest and fraudulent acts, embezzlement, misplacement, forgery and similar events committed by employees of the mortgage servicer. The errors and omissions coverage shall cover losses arising from negligence, errors and omissions by the mortgage servicer with respect to the payment of real estate taxes and special assessments, hazard and flood insurance or the

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maintenance of mortgage and guaranty insurance. The fidelity bond and errors and omissions coverage shall each be in the following principal amounts based on the mortgage servicer's volume of servicing activity most recently reported to the commissioner:

(1) If the amount of the residential mortgage loans serviced is one hundred million dollars or less, the principal amount shall be at least three hundred thousand dollars; or

(2) If the amount of such loans exceeds one hundred million dollars, the principal amount shall be at least three hundred thousand dollars plus (A) three-twentieths of one per cent of the amount of residential mortgage loans serviced greater than one hundred million dollars but less than or equal to five hundred million dollars; (B) plus one-eighth of one per cent of the amount of residential mortgage loans serviced greater than five hundred million dollars but less than or equal to one billion dollars; and (C) plus one-tenth of one per cent of the amount of residential mortgage loans serviced greater than one billion dollars.

The fidelity bond and errors and omissions coverage may provide for a deductible amount not to exceed the greater of one hundred thousand dollars or five per cent of the [principal amount] face amount of such bond or coverage.

Sec. 3. Section 36a-719d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Each mortgage servicer licensee and person exempt from licensure pursuant to subdivision (4) or (5) of subsection (b) of section 36a-718, as amended by this act, shall maintain adequate records of each residential mortgage loan transaction at the office named in the mortgage servicer or mortgage lender license, or, if requested by the [Banking Commissioner] commissioner, shall make such records available at such office or send such records to the commissioner by

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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 loan history for residential mortgage loans upon which payments are received or made by the mortgage servicer, itemizing the amount and date of each payment and the unpaid balance at all times; (2) the original or an exact copy of the note, residential mortgage or other evidence of indebtedness and mortgage deed; (3) the name and address of the mortgage lender, mortgage correspondent lender and mortgage broker, if any, involved in the residential mortgage loan transaction; (4) copies of any disclosures or notifications provided to the mortgagor required by state or federal law; (5) a copy of any bankruptcy plan approved in a proceeding filed by the mortgagor or a co-owner of the property subject to the residential mortgage loan; (6) a communications log that documents all verbal communications with the mortgagor or the mortgagor's representative; and (7) a copy of all notices sent to the mortgagor related to any foreclosure proceeding filed against the encumbered property.

(b) Every mortgage servicer licensee and person exempt from licensure pursuant to subdivision (4) or (5) of subsection (b) of section 36a-718, as amended by this act, shall retain the records of each residential mortgage loan serviced for not less than two years following the final payment on such residential mortgage loan, or the assignment of such residential mortgage loan, whichever occurs first, or such longer period as may be required by any other provision of law. Every mortgage servicer licensee and person exempt from licensure pursuant to subdivision (4) or (5) of subsection (b) of section 36a-718, as amended by this act, shall keep and use in its business books, accounts and records that will enable the commissioner to

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determine whether such mortgage servicer is complying with the provisions of sections 36a-715 to 36a-719l, inclusive, and with any regulations adopted pursuant thereto.

Sec. 4. Section 36a-573 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No person, except as authorized by the provisions of sections 36a-555 to 36a-573, inclusive, as amended by this act, shall, directly or indirectly, charge, contract for or receive any interest, charge or consideration greater than twelve per cent per annum upon the loan, use or forbearance of money or credit of the amount or value of (1) five thousand dollars or less for any such transaction entered into before October 1, 1997, and (2) fifteen thousand dollars or less for any such transaction entered into on and after October 1, 1997. The provisions of this section shall apply to any person who, as security for any such loan, use or forbearance of money or credit, makes a pretended purchase of property from any person and permits the owner or pledgor to retain the possession thereof, or who, by any device or pretense of charging for the person's services or otherwise, seeks to obtain a greater compensation than twelve per cent per annum. No loan for which a greater rate of interest or charge than is allowed by the provisions of sections 36a-555 to 36a-573, inclusive, as amended by this act, has been contracted for or received, wherever made, shall be enforced in this state, and any person in any way participating therein in this state shall be subject to the provisions of said sections, provided, a loan lawfully made after June 5, 1986, in compliance with a validly enacted licensed loan law of another state to a borrower who was not, at the time of the making of such loan, a resident of Connecticut but who has become a resident of Connecticut, may be acquired by a licensee and its interest provision shall be enforced in accordance with its terms.

(b) The provisions of subsection (a) of this section shall apply to any

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loan made or renewed in this state if the loan is made to a borrower who resides in or maintains a domicile in this state and such borrower (1) negotiates or agrees to the terms of the loan in person, by mail, by telephone or via the Internet while physically present in this state; (2) enters into or executes a loan agreement with the lender in person, by mail, by telephone or via the Internet while physically present in this state; or (3) makes a payment of the loan in this state. As used in this subsection, "payment of the loan" includes a debit on an account the borrower holds in a branch of a financial institution or the use of a negotiable instrument drawn on an account at a financial institution, and "financial institution" means any bank or credit union chartered or licensed under the laws of this state, any other state or the United States and having its main office or a branch office in this state.

(c) For transactions subject to the provisions of subsection (a) of this section, if any interest, consideration or charges in excess of those permitted are charged, contracted for or received, the contract of loan, use or forbearance of money or credit shall be void and no person shall have the right to collect or receive any principal, interest, charge or other consideration.

(d) No person shall, directly or indirectly, assist or aid and abet any person in conduct prohibited by sections 36a-555 to 36a-573, inclusive, as amended by this act.

[(c)] (e) Whenever it appears to the commissioner that any person has violated the provisions of [subsection (a) of] this section or offered a loan that violates the provisions of [subsection (a) of] this section, the commissioner may investigate, take administrative action or assess civil penalties and restitution in accordance with the provisions of sections 36a-50 and 36a-52.

Sec. 5. Section 36a-596 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

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As used in sections 36a-595 to 36a-612, inclusive:

(1) "Authorized delegate" means a person designated by a person licensed pursuant to sections 36a-595 to 36a-612, inclusive, to provide money transmission services on behalf of such licensed person.

(2) "Electronic payment instrument" means a card or other tangible object for the transmission of money or monetary value or payment of money which contains a microprocessor chip, magnetic stripe, or other means for the storage of information, that is prefunded and for which the value is decremented upon each use, but does not include a card or other tangible object that is redeemable by the issuer in the issuer's goods or services.

(3) "Holder" means a person, other than a purchaser, who is either in possession of a payment instrument and is the named payee thereon or in possession of a payment instrument issued or endorsed to such person or bearer or in blank. "Holder" does not include any person who is in possession of a lost, stolen or forged payment instrument.

(4) "Licensee" means any person licensed or required to be licensed pursuant to sections 36a-595 to 36a-612, inclusive.

(5) "Monetary value" means a medium of exchange, whether or not redeemable in money.

(6) "Money transmission" means engaging in the business of issuing or selling payment instruments or stored value, receiving money or monetary value for current or future transmission or the business of transmitting money or monetary value within the United States or to locations outside the United States by any and all means including, but not limited to, payment instrument, wire, facsimile or electronic transfer.

(7) "Outstanding" means (A) in the case of a payment instrument or

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stored value, that: (i) It is sold or issued in the United States; (ii) a report of it has been received by a licensee from its authorized delegates; and (iii) it has not yet been paid by the issuer, and (B) for all other money transmissions, the value reported to the licensee for which the licensee or any authorized delegate has received money or its equivalent value from the customer for transmission, but has not yet completed the money transmission by delivering the money or monetary value to the person designated by the customer.

(8) "Payment instrument" means a check, draft, money order, travelers check or electronic payment instrument that evidences either an obligation for the transmission of money or monetary value or payment of money, or the purchase or the deposit of funds for the purchase of such check, draft, money order, travelers check or electronic payment instrument.

(9) "Permissible investment" means: (A) Cash in United States currency; (B) time deposits, as defined in section 36a-2, or other debt instruments of a bank; (C) bills of exchange or bankers acceptances which are eligible for purchase by member banks of the Federal Reserve System; (D) commercial paper of prime quality; (E) interest-bearing bills, notes, bonds, debentures or other obligations issued or guaranteed by: (i) The United States or any of its agencies or instrumentalities, or (ii) any state, or any agency, instrumentality, political subdivision, school district or legally constituted authority of any state if such investment is of prime quality; (F) interest-bearing bills or notes, or bonds, debentures or preferred stocks, traded on any national securities exchange or on a national over-the-counter market, if such debt or equity investments are of prime quality; (G) receivables due from authorized delegates consisting of the proceeds of the sale of payment instruments which are not past due or doubtful of collection; (H) gold; and (I) any other investments approved by the commissioner. Notwithstanding the provisions of this subdivision, if

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the commissioner at any time finds that an investment of a licensee is unsatisfactory for investment purposes, the investment shall not qualify as a permissible investment.

(10) "Prime quality" of an investment means that it is within the top four rating categories in any rating service recognized by the commissioner unless the commissioner determines for any licensee that only those investments in the top three rating categories qualify as "prime quality".

(11) "Purchaser" means a person who buys or has bought a payment instrument or who has given money or monetary value for current or future transmission.

(12) "Stored value" means monetary value that is evidenced by an electronic record. For the purposes of this subdivision, "electronic record" means information that is stored in an electronic medium and is retrievable in perceivable form.

(13) "Travelers check" means a payment instrument for the payment of money that contains a provision for a specimen signature of the purchaser to be completed at the time of a purchase of the instrument and a provision for a countersignature of the purchaser to be completed at the time of negotiation.

(14) "Virtual currency" means any type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology. Virtual currency shall be construed to include digital units of exchange that (A) have a centralized repository or administrator; (B) are decentralized and have no centralized repository or administrator; or (C) may be created or obtained by computing or manufacturing effort. Virtual currency shall not be construed to include digital units that are used (i) solely within online gaming platforms with no market or application outside such

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gaming platforms, or (ii) exclusively as part of a consumer affinity or rewards program, and can be applied solely as payment for purchases with the issuer or other designated merchants, but cannot be converted into or redeemed for fiat currency.

Sec. 6. Subsection (a) of section 36a-598 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) Each application for an initial or renewal license required under sections 36a-595 to 36a-612, inclusive, shall be made in writing and under oath to the commissioner in such form as the commissioner may prescribe. The application shall include:

(1) The exact name of the applicant and, if incorporated, the date of incorporation and the state where incorporated;

(2) The complete address of the principal office from which the business is to be conducted and of the office where the books and records of the applicant are to be maintained;

(3) The complete name and address of each of the applicant's locations and authorized delegates, if any, through which the applicant intends to engage in the business of money transmission in this state;

(4) The name, title, address and telephone number of the person to whom notice of the commissioner's approval or disapproval of the application shall be sent and to whom any inquiries by the commissioner concerning the application shall be directed;

(5) The name and residence address of the individual, if the applicant is an individual; the partners, if the applicant is a partnership; the directors, trustees, principal officers, and any shareholder owning ten per cent or more of each class of its securities, if the applicant is a corporation or association; or the members, if the

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applicant is a limited liability company;

(6) (A) A copy of the applicant's audited financial statements for the most recent fiscal year, (B) if the applicant is a wholly-owned subsidiary of another corporation, (i) the most recent audited consolidated annual financial statements of the parent corporation or the applicant's most recent audited consolidated annual financial statement, and (ii) the most recent audited unconsolidated financial statement of the applicant, including its balance sheet and receipts and disbursements for the preceding year, (C) if the applicant is publicly traded, a copy of the most recent 10-K report that such applicant filed with the Securities Exchange Commission or, if the applicant is a wholly-owned subsidiary of a publicly traded company, a copy of the parent company's most recent 10-K report that was filed with the Securities and Exchange Commission, and (D) if the applicant or parent company of a wholly-owned subsidiary applicant is publicly traded on a foreign exchange, a copy of documentation similar to the report filed pursuant to subparagraph (C) of this subdivision that was filed with the applicable securities regulator;

(7) A list of the applicant's permissible investments, the book and market values of such investments, and the dollar amount of the applicant's aggregate outstanding money transmissions (A) as of the date of the financial statement filed in accordance with subdivision (6) of this subsection; and (B) as of a date no earlier than thirty business days prior to the filing of the application;

(8) The history of material litigation for the five-year period prior to the date of the application of the individual, if the applicant is an individual; the partners, if the applicant is a partnership; the directors, trustees, principal officers and any shareholder owning ten per cent or more of each class of its securities, if the applicant is a corporation or association; or the members, if the applicant is a limited liability company, and sufficient information pertaining to the history of

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material litigation, in a form acceptable to the commissioner, on such individual or the partners, directors, trustees, principal officers, members and any shareholder owning ten per cent or more of each class of the applicant's securities. For purposes of this section, "material litigation" means any litigation that, according to generally accepted accounting principles, is deemed significant to a person's financial health and that such person is required to reference in an annual audited financial statement, a report to shareholders or a similar document;

(9) (A) The history of criminal convictions of the individual, if the applicant is an individual; the partners, if the applicant is a partnership; the directors, trustees, principal officers and any shareholder owning ten per cent or more of each class of its securities if the applicant is a corporation or association; or the members, if the applicant is a limited liability company, and (B) sufficient information pertaining to the history of criminal convictions, in a form acceptable to the commissioner, on such individual or the partners, directors, trustees, principal officers, members and any shareholder owning ten per cent or more of each class of the applicant's securities;

(10) (A) The surety bond required by subsection (a) of section 36a-602, as amended by this act, if applicable;

(B) A list of the investments maintained in accordance with subsection (d) of section 36a-602, if applicable, and the book and market values of any such investments (i) as of the date of the financial statement filed in accordance with subdivision (6) of this subsection; and (ii) as of a date no earlier than thirty business days prior to the filing of the application;

(11) A statement describing the type of money transmission business that will be conducted by the applicant in this state and whether such money transmission will include the transmission of

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monetary value in the form of virtual currency;

(12) The name and address of any financial institution used by the applicant for its money transmission business in this state;

(13) For each authorized delegate, a sample of the contract evidencing the proposed arrangement between the applicant and the authorized delegate; and

(14) Any other information the commissioner may require.

Sec. 7. Section 36a-600 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) Upon the filing of an application for an initial license, and the payment of the fees for investigation and license, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character and general fitness of the applicant. The commissioner may issue a license if the commissioner finds that:

(1) The applicant's financial condition is sound;

(2) The applicant's business will be conducted honestly, fairly, equitably, carefully and efficiently within the purposes and intent of sections 36a-595 to 36a-612, inclusive, and in a manner commanding the confidence and trust of the community;

(3) (A) If the applicant is an individual, such individual is in all respects properly qualified and of good character, (B) if the applicant is a partnership, each partner is in all respects properly qualified and of good character, (C) if the applicant is a corporation or association, each president, chairperson of the executive committee, senior officer responsible for the corporation's business, chief financial officer or any other person who performs similar functions as determined by the commissioner, director, trustee and each shareholder owning ten per

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cent or more of each class of the securities of such corporation is in all respects properly qualified and of good character, or (D) if the applicant is a limited liability company, each member is in all respects properly qualified and of good character;

(4) The applicant is in compliance with the provisions of sections 36a-602 to 36a-604, inclusive, as amended by this act;

(5) No person on behalf of the applicant knowingly has made any incorrect statement of a material fact in the application, or in any report or statement made pursuant to sections 36a-595 to 36a-612, inclusive;

(6) No person on behalf of the applicant knowingly has omitted to state any material fact necessary to give the commissioner any information lawfully required by the commissioner; and

(7) The applicant has paid the investigation fee and license fee required under section 36a-599.

(b) The commissioner may deny an application if the commissioner finds that the applicant or any of its partners, directors, trustees, principal officers or shareholders owning ten per cent or more of the shares of the applicant or members (1) are listed on the specially designated nationals and blocked persons list prepared by the United States Department of the Treasury, or (2) have been convicted of any misdemeanor involving any aspect of the money transmission business or any felony. Any denial of an application by the commissioner shall, when applicable, be subject to the provisions of section 46a-80.

(c) Notwithstanding the provisions of this section, the commissioner may deny any application of a person who will or may engage in the business of transmitting monetary value in the form of virtual currency if, in the commissioner's discretion, the issuance of such a

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license would represent undue risk of financial loss to consumers, considering the applicant's proposed business model.

(d) The commissioner may, in the commissioner's discretion, place additional requirements, restrictions or conditions upon the license of any applicant who will or may engage in the business of transmitting monetary value in the form of virtual currency, including the amount of surety bond required by section 36a-602, as amended by this act.

Sec. 8. Subsection (a) of section 36a-602 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) As a condition for the issuance and retention of the license, applicants for a license and licensees shall file with the commissioner a surety bond, the form of which shall be approved by the Attorney General, issued by a bonding company or insurance company authorized to do business in this state. The bond shall be conditioned upon the licensee and the licensee's authorized delegates faithfully performing all obligations with respect to the licensee's money transmission business in this state and conducting such business in this state consistent with the provisions of sections 36a-595 to 36a-612, inclusive. The bond shall be in favor of the commissioner [,] and run concurrently with the period of the license. [and] For applicants and licensees who will not be engaged in the business of transmitting monetary value in the form of virtual currency, such bond shall be in the principal sum of not less than: (1) Three hundred thousand dollars for any applicant and any licensee with an average weekly amount of money transmissions in this state of less than three hundred thousand dollars for the most recent twelve-month period ending June thirtieth, (2) five hundred thousand dollars for any licensee with an average weekly amount of money transmissions in this state equal to or greater than three hundred thousand dollars but less than or equal to five hundred thousand dollars for the most recent twelve-month period

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ending June thirtieth, or (3) one million dollars for any licensee with an average weekly amount of money transmissions in this state exceeding five hundred thousand dollars for the most recent twelve-month period ending June thirtieth. For purposes of this section, "money transmissions" includes (A) money or monetary value received or transmitted in this state, and (B) stored value and payment instruments issued or sold in this state. For applicants and licensees who will or may engage in the business of transmitting monetary value in the form of virtual currency, such bond shall be in a principal sum as determined by the commissioner and shall be calculated reasonably to address the current and prospective volatility of the market in such currency or currencies.

Sec. 9. Section 36a-701a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any consumer may submit a written request, by certified mail or such other secure method as authorized by a credit rating agency, to a credit rating agency to place a security freeze on such consumer's credit report. Such credit rating agency shall place a security freeze on a consumer's credit report not later than five business days after receipt of such request. Not later than ten business days after placing a security freeze on a consumer's credit report, such credit rating agency shall send a written confirmation of such security freeze to such consumer that provides the consumer with a unique personal identification number or password to be used by the consumer when providing authorization for the release of such consumer's report to a third party or for a period of time.

(b) In the event such consumer wishes to authorize the disclosure of such consumer's credit report to a third party, or for a period of time, while such security freeze is in effect, such consumer shall contact such credit rating agency and provide: (1) Proper identification, (2) the unique personal identification number or password described in

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subsection (a) of this section, and (3) proper information regarding the third party who is to receive the credit report or the time period for which the credit report shall be available. Any credit rating agency that receives a request from a consumer pursuant to this section shall lift such security freeze not later than three business days after receipt of such request.

(c) Except for the temporary lifting of a security freeze as provided in subsection (b) of this section, any security freeze authorized pursuant to the provisions of this section shall remain in effect until such time as such consumer requests such security freeze to be removed. A credit rating agency shall remove such security freeze not later than three business days after receipt of such request provided such consumer provides proper identification to such credit rating agency and the unique personal identification number or password described in subsection (a) of this section at the time of such request for removal of the security freeze.

(d) Any credit rating agency may develop procedures to receive and process such request from a consumer to temporarily lift or remove a security freeze on a credit report pursuant to subsection (b) of this section. Such procedures, at a minimum, shall include, but not be limited to, the ability of a consumer to send such temporary lift or removal request by electronic mail, letter or facsimile.

(e) In the event that a third party requests access to a consumer's credit report that has such a security freeze in place and such third party request is made in connection with an application for credit or any other use and such consumer has not authorized the disclosure of such consumer's credit report to such third party, such third party may deem such credit application as incomplete.

(f) Any credit rating agency may refuse to implement or may remove such security freeze if such agency believes, in good faith, that:

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(1) The request for a security freeze was made as part of a fraud that the consumer participated in, had knowledge of, or that can be demonstrated by circumstantial evidence, or (2) the consumer credit report was frozen due to a material misrepresentation of fact by the consumer. In the event any such credit rating agency refuses to implement or removes a security freeze pursuant to this subsection, such credit rating agency shall promptly notify such consumer in writing of such refusal not later than five business days after such refusal or, in the case of a removal of a security freeze, prior to removing the freeze on the consumer's credit report.

(g) Nothing in this section shall be construed to prohibit disclosure of a consumer's credit report to: (1) A person, or the person's subsidiary, affiliate, agent or assignee with which the consumer has or, prior to assignment, had an account, contract or debtor-creditor relationship for the purpose of reviewing the account or collecting the financial obligation owing for the account, contract or debt; (2) a subsidiary, affiliate, agent, assignee or prospective assignee of a person to whom access has been granted under subsection (b) of this section for the purpose of facilitating the extension of credit or other permissible use; (3) any person acting pursuant to a court order, warrant or subpoena; (4) any person for the purpose of using such credit information to prescreen as provided by the federal Fair Credit Reporting Act; (5) any person for the sole purpose of providing a credit file monitoring subscription service to which the consumer has subscribed; (6) a credit rating agency for the sole purpose of providing a consumer with a copy of his or her credit report upon the consumer's request; or (7) a federal, state or local governmental entity, including a law enforcement agency, or court, or their agents or assignees pursuant to their statutory or regulatory duties. For purposes of this subsection, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases and account upgrades and enhancements.

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(h) The following persons shall not be required to place a security freeze on a consumer's credit report, provided such persons shall be subject to any security freeze placed on a credit report by another credit rating agency: (1) A check services or fraud prevention services company that reports on incidents of fraud or issues authorizations for the purpose of approving or processing negotiable instruments, electronic fund transfers or similar methods of payment; (2) a deposit account information service company that issues reports regarding account closures due to fraud, substantial overdrafts, automated teller machine abuse, or similar information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution; or (3) a credit rating agency that: (A) Acts only to resell credit information by assembling and merging information contained in a database of one or more credit reporting agencies; and (B) does not maintain a permanent database of credit information from which new credit reports are produced.

(i) [A] (1) Except as provided in subdivision (2) of this subsection, a credit rating agency may charge a fee of not more than ten dollars to a consumer for each security freeze, removal of such freeze or temporary lift of such freeze for a period of time, and a fee of not more than twelve dollars for a temporary lift of such freeze for a specific party.

(2) A credit rating agency shall not charge the fees authorized by subdivision (1) of this subsection to: (A) A victim of identity theft or the spouse of any victim of identity theft, who has submitted a copy of a police report prepared pursuant to section 54-1n to the credit rating agency; (B) any person who is covered under the victim of identity theft's individual or group health insurance policy providing coverage of the type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469, who has submitted a copy of a police report prepared pursuant to section 54-1n to the credit rating agency; (C) a person

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sixty-two years of age or older; (D) a person under eighteen years of age; (E) a person for whom a guardian or conservator has been appointed by a court; and (F) a victim of domestic violence, as defined in subdivision (1) of subsection (a) of section 17b-112a, who has provided evidence of such domestic violence as specified in subsection (b) of section 17b-112a to the credit rating agency. No credit rating agency shall charge a fee to a consumer for a replacement personal identification number when such replacement is the first one requested by the consumer.

(j) An insurer, as defined in section 38a-1, may deny an application for insurance if an applicant has placed a security freeze on such applicant's credit report and fails to authorize the disclosure of such applicant's credit report to such insurer pursuant to the provisions of subsection (b) of this section.

Approved June 19, 2015