



General Assembly

Amendment

January Session, 2015

LCO No. 6472



Offered by:

SEN. WINFIELD, 10th Dist.

REP. LESSER, 100th Dist.

To: Subst. Senate Bill No. 924

File No. 143

Cal. No. 147

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

1 Change the effective date of sections 1 to 23, inclusive, to "Effective
2 August 1, 2015"

3 In line 69, after "person" insert ", including the delivery of integrated
4 disclosures required by 12 USC 5301 et seq. and implemented through
5 regulations adopted by the Bureau of Consumer Financial Protection"

6 In line 73, after "time," insert "or by regulation promulgated
7 pursuant to 15 USC 1604, as amended from time to time,"

8 In line T123, before ""Home" insert an opening bracket, strike ", as
9 amended by this act" and after the second period insert a closing
10 bracket

11 In line T124, before ""Home" insert an opening bracket, strike ", as
12 amended by this act" and after the second period insert a closing

13 bracket

14 After line T249, insert "Virtual Banking". Section 36a-170, as
15 amended by this act."

16 In line 1179, strike "[~~(c)~~] (~~b~~)" and insert "[~~(c)~~" in lieu thereof

17 In line 1179, before "by" strike the opening bracket

18 In line 1180, strike the closing bracket and "initiated through"

19 In line 1181, strike "virtual banking"

20 In line 1183, insert a closing bracket after "time."

21 After line 1183, insert the following:

22 "(b) Any bank, out-of-state bank, Connecticut credit union or federal
23 credit union may engage in virtual banking. Any such bank or credit
24 union shall comply with the Electronic Fund Transfer Act, 15 USC
25 Section 1693, et seq., as amended from time to time, and Regulation E,
26 12 CFR Part 1005, as amended from time to time, when processing
27 transactions through virtual banking to the extent such transactions
28 are subject to said act and said regulation."

29 In line 1188, after "telephone," insert "mobile device,"

30 After the last section, add the following and renumber sections and
31 internal references accordingly:

32 "Sec. 501. Section 36a-493 of the general statutes is repealed and the
33 following is substituted in lieu thereof (*Effective August 1, 2015*):

34 (a) Each mortgage lender, mortgage correspondent lender and
35 mortgage broker licensee shall maintain adequate records of each
36 residential mortgage loan transaction at the office named in the license,
37 or, if requested by the commissioner, shall make such records available
38 at such office or send such records to the commissioner by registered

39 or certified mail, return receipt requested, or by any express delivery
40 carrier that provides a dated delivery receipt, not later than five
41 business days after requested by the commissioner to do so. Upon
42 request, the commissioner may grant a licensee additional time to
43 make such records available or send them to the commissioner. Such
44 records shall provide the following information: (1) A copy of any
45 disclosures required under part III of chapter 669; (2) whether the
46 licensee acted as a mortgage lender, a mortgage correspondent lender,
47 a mortgage broker, a mortgage lender and a mortgage broker, or a
48 mortgage correspondent lender and a mortgage broker; (3) if the
49 licensee is acting as a mortgage lender or mortgage correspondent
50 lender, and retains the residential mortgage loan or receives payments
51 thereon, an adequate loan history for those loans retained or upon
52 which payments are received, itemizing the amount and date of each
53 payment and the unpaid balance at all times; (4) the purpose for which
54 the loan was made; (5) the original or an exact copy of the note, loan
55 agreement or other evidence of indebtedness and mortgage deed; (6) a
56 statement signed by the borrower acknowledging the receipt of such
57 statement which discloses the full amount of any fee, commission or
58 consideration paid to the mortgage lender, mortgage correspondent
59 lender and mortgage broker for all services in connection with the
60 origination and settlement of the residential mortgage loan; (7) the
61 name and address of the mortgage lender, mortgage correspondent
62 lender and the mortgage broker, if any, involved in the loan
63 transaction; (8) a copy of the initial and a copy of the final residential
64 mortgage loan application taken from the borrower; and (9) a copy of
65 all information used in evaluating the application.

66 (b) For each loan that is made and serviced by a licensee, the
67 licensee shall retain: (1) The records of such loan transaction for not
68 less than two years following the final payment thereon, or the
69 assignment of such loan, whichever occurs first, or such longer period
70 as may be required by any other provision of law, and (2) copies of the
71 note, [HUD-1 settlement statement] Closing Disclosure or other
72 settlement statement, or such other records as are sufficient to verify

73 the mortgage lender's or mortgage correspondent lender's compliance
74 with section 36a-498a for not less than five years from the date of the
75 transaction.

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

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

90 Sec. 502. Subsection (a) of section 36a-494 of the general statutes is
91 repealed and the following is substituted in lieu thereof (*Effective*
92 *August 1, 2015*):

93 (a) (1) The commissioner may suspend, revoke or refuse to renew
94 any mortgage lender, mortgage correspondent lender or mortgage
95 broker license or take any other action, in accordance with the
96 provisions of section 36a-51, for any reason which would be sufficient
97 grounds for the commissioner to deny an application for such license
98 under sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, or
99 if the commissioner finds that the licensee, any control person of the
100 licensee, the qualified individual or branch manager with supervisory
101 authority, trustee, employee or agent of such licensee has done any of
102 the following: (A) Made any material misstatement in the application;
103 (B) committed any fraud, misappropriated funds or misrepresented,
104 concealed, suppressed, intentionally omitted or otherwise intentionally

105 failed to disclose any of the material particulars of any residential
106 mortgage loan transaction, including disclosures required by
107 subdivision (6) of subsection (a) of section 36a-493, or part III of
108 chapter 669 or regulations adopted pursuant thereto, to anyone
109 entitled to such information; (C) violated any of the provisions of this
110 title or of any regulations adopted pursuant thereto, or any other law
111 or regulation applicable to the conduct of its business; or (D) failed to
112 perform any agreement with a licensee or a borrower. For purposes of
113 this subdivision, "agent" includes any settlement agent used by the
114 licensee and "settlement agent" means the person specified in any
115 [HUD-1 settlement statement] Closing Disclosure or other settlement
116 statement, provided such settlement agent has been selected by the
117 licensee. Any settlement agent whose name appears on the licensee's
118 list of approved settlement agents shall be deemed selected by the
119 licensee even if the settlement agent is selected from such list by the
120 borrower.

121 (2) The commissioner may suspend, revoke or refuse to renew any
122 mortgage loan originator license or any loan processor or underwriter
123 license or take any other action, in accordance with the provisions of
124 section 36a-51, for any reason which would be sufficient grounds for
125 the commissioner to deny an application for such license under
126 sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b, or if the
127 commissioner finds that the licensee has committed any fraud,
128 misappropriated funds, misrepresented, concealed, suppressed,
129 intentionally omitted or otherwise intentionally failed to disclose any
130 of the material particulars of any residential mortgage loan transaction
131 or has violated any of the provisions of this title or of any regulations
132 adopted pursuant to such title or any other law or regulation
133 applicable to the conduct of such licensee's business.

134 Sec. 503. Subdivision (3) of section 36a-615 of the general statutes is
135 repealed and the following is substituted in lieu thereof (*Effective*
136 *August 1, 2015*):

137 (3) "Unsecured loan" means any loan of money or extension of

138 credit that is not secured by a security interest, as defined in
139 Regulation Z, 12 CFR Section [226.2(a)(25)] 1026.2(a)(25), as from time
140 to time amended.

141 Sec. 504. Subdivision (3) of subsection (a) of section 36a-726 of the
142 general statutes is repealed and the following is substituted in lieu
143 thereof (*Effective August 1, 2015*):

144 (3) A good faith estimate of the initial cost, if any, and the monthly
145 cost, if any, of the required mortgage insurance. Notwithstanding the
146 foregoing, if the first mortgage loan transaction is subject to the
147 requirements of the federal Real Estate Settlement Procedures Act, the
148 mortgage lender may, in place of the disclosure required under this
149 subdivision, disclose that the cost of mortgage insurance will be
150 disclosed on the good faith estimate of closing costs required to be
151 furnished to the applicant in accordance with the Real Estate
152 Settlement Procedures Act and the Truth-in-Lending Act, 15 USC
153 Section 1601 et seq., as amended from time to time, and the regulations
154 promulgated thereunder.

155 Sec. 505. Subdivision (3) of subsection (b) of section 42-480 of the
156 general statutes is repealed and the following is substituted in lieu
157 thereof (*Effective August 1, 2015*):

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

161 Sec. 506. Subsection (b) of section 36a-155 of the general statutes is
162 repealed and the following is substituted in lieu thereof (*Effective from*
163 *passage*):

164 (b) The commissioner may adopt such regulations in accordance
165 with the provisions of chapter 54 as may be necessary to carry out the
166 purpose of sections 36a-155 to 36a-159, inclusive, and section 36a-170,
167 as amended by this act. Such regulations may include, but shall not be
168 limited to: (1) Requirements for the filing of information with the

169 commissioner by any financial institution, network or processor in
170 connection with (A) the establishment or use of automated teller
171 machines, point of sale terminals or similar retail electronic banking
172 facilities in this state, (B) the provision of [home] virtual banking
173 services in this state, and (C) the provision of network or processing
174 services in this state; (2) provisions concerning services that may be
175 provided at automated teller machines, point of sale terminals or
176 similar retail electronic banking facilities located in this state, [or by
177 means of home banking terminals located in this state,] including
178 services that may be offered on a proprietary basis; and (3) provisions
179 concerning the safety of persons using automated teller machines or
180 similar retail electronic banking facilities. As used in this subsection,
181 "financial institution" means any bank, Connecticut credit union,
182 federal credit union, out-of-state bank or out-of-state credit union
183 authorized under Connecticut or federal law to accept deposits within
184 this state, or any other person having a place of business in this state
185 who holds an account belonging to a consumer and who agrees with
186 the consumer to provide electronic fund transfer services subject to the
187 provisions of 12 CFR Part 205, as from time to time amended, at
188 automated teller machines, point of sale terminals or similar retail
189 electronic banking facilities in this state; "account" means a demand
190 deposit, savings deposit, share, member or other consumer asset
191 account, held either directly or indirectly, and established primarily for
192 personal, family or household purposes, including a line of credit
193 extended to a consumer, but not including an occasional or incidental
194 credit balance in a credit plan; "consumer" means a natural person
195 residing in this state; "network" means one or more financial
196 institutions or other persons that own and operate one or more
197 network systems or facilities, or provide communications or
198 processing services to one or more automated teller machines, point of
199 sale terminals or similar retail electronic banking facilities located in
200 this state; [, or to one or more home banking terminals located in this
201 state;] and "processor" means one or more persons that provide
202 communications, processing, clearing, settlement or related services to
203 one or more financial institutions in connection with the operation of

204 one or more automated teller machines, point of sale terminals or
 205 similar retail electronic banking facilities located in this state. [, or one
 206 or more home banking terminals located in this state.]

207 Sec. 507. Subdivision (23) of subsection (a) of section 36a-250 of the
 208 general statutes is repealed and the following is substituted in lieu
 209 thereof (*Effective from passage*):

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

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>August 1, 2015</i>	36a-493
Sec. 502	<i>August 1, 2015</i>	36a-494(a)
Sec. 503	<i>August 1, 2015</i>	36a-615(3)
Sec. 504	<i>August 1, 2015</i>	36a-726(a)(3)
Sec. 505	<i>August 1, 2015</i>	42-480(b)(3)
Sec. 506	<i>from passage</i>	36a-155(b)
Sec. 507	<i>from passage</i>	36a-250(a)(23)