



General Assembly

Amendment

January Session, 2015

LCO No. 6323



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, strike "telephone" and insert in lieu thereof "mobile
30 telephone device"

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

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 Section 36a-493 of the general statutes is repealed and the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

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

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

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

73 settlement statement, or such other records as are sufficient to verify
74 the mortgage lender's or mortgage correspondent lender's compliance
75 with section 36a-498a for not less than five years from the date of the
76 transaction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

169 limited to: (1) Requirements for the filing of information with the
170 commissioner by any financial institution, network or processor in
171 connection with (A) the establishment or use of automated teller
172 machines, point of sale terminals or similar retail electronic banking
173 facilities in this state, (B) the provision of [home] virtual banking
174 services in this state, and (C) the provision of network or processing
175 services in this state; (2) provisions concerning services that may be
176 provided at automated teller machines, point of sale terminals or
177 similar retail electronic banking facilities located in this state, [or by
178 means of home banking terminals located in this state,] including
179 services that may be offered on a proprietary basis; and (3) provisions
180 concerning the safety of persons using automated teller machines or
181 similar retail electronic banking facilities. As used in this subsection,
182 "financial institution" means any bank, Connecticut credit union,
183 federal credit union, out-of-state bank or out-of-state credit union
184 authorized under Connecticut or federal law to accept deposits within
185 this state, or any other person having a place of business in this state
186 who holds an account belonging to a consumer and who agrees with
187 the consumer to provide electronic fund transfer services subject to the
188 provisions of 12 CFR Part 205, as from time to time amended, at
189 automated teller machines, point of sale terminals or similar retail
190 electronic banking facilities in this state; "account" means a demand
191 deposit, savings deposit, share, member or other consumer asset
192 account, held either directly or indirectly, and established primarily for
193 personal, family or household purposes, including a line of credit
194 extended to a consumer, but not including an occasional or incidental
195 credit balance in a credit plan; "consumer" means a natural person
196 residing in this state; "network" means one or more financial
197 institutions or other persons that own and operate one or more
198 network systems or facilities, or provide communications or
199 processing services to one or more automated teller machines, point of
200 sale terminals or similar retail electronic banking facilities located in
201 this state; [, or to one or more home banking terminals located in this
202 state;] and "processor" means one or more persons that provide
203 communications, processing, clearing, settlement or related services to

204 one or more financial institutions in connection with the operation of
 205 one or more automated teller machines, point of sale terminals or
 206 similar retail electronic banking facilities located in this state. [, or one
 207 or more home banking terminals located in this state.]

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

211 (23) Provide [home] virtual banking services to customers as
 212 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)