



General Assembly

February Session, 2016

Raised Bill No. 5570

LCO No. 2473



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING PENSION LOANS.

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

1 Section 1. Section 36a-555 of the 2016 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2016*):

4 (a) No person shall (1) engage in the business of making loans of
5 money or credit; (2) make, offer, broker or assist a borrower in
6 Connecticut to obtain such a loan; or (3) in whole or in part, arrange
7 such loans through a third party or act as an agent for a third party,
8 regardless of whether approval, acceptance or ratification by the third
9 party is necessary to create a legal obligation for the third party,
10 through any method, including, but not limited to, mail, telephone,
11 Internet or any electronic means, in the amount or to the value of
12 fifteen thousand dollars or less for loans made under section 36a-563 or
13 section 36a-565, and charge, contract for or receive a greater rate of
14 interest, charge or consideration than twelve per cent per annum
15 therefor, unless licensed to do so by the commissioner pursuant to
16 sections 36a-555 to 36a-573, inclusive. The provisions of this section

17 shall not apply to (A) a bank, (B) an out-of-state bank, (C) a
18 Connecticut credit union, (D) a federal credit union, (E) an out-of-state
19 credit union, (F) a savings and loan association wholly owned
20 subsidiary service corporation, (G) a person to the extent that such
21 person makes loans for agricultural, commercial, industrial or
22 governmental use or extends credit through an open-end credit plan,
23 as defined in 15 USC 1602, as amended from time to time, for the retail
24 purchase of consumer goods or services, (H) a mortgage lender or
25 mortgage correspondent lender licensed pursuant to section 36a-489
26 when making residential mortgage loans, as defined in section 36a-485,
27 or (I) a licensed pawnbroker.

28 (b) Any person who engages in the business of offering
29 consideration in exchange for a secured interest in all or part of the
30 proceeds from a pension fund or retirement fund, as defined in section
31 12-218b, in the possession of a participant, beneficiary or member of a
32 pension fund or retirement fund, shall be deemed to be engaged in the
33 business of making loans of money pursuant to this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	36a-555

Statement of Purpose:

To subject pension loans to applicable state lending laws.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]