



General Assembly

Amendment

February Session, 2016

LCO No. 5426



Offered by:

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To: Subst. House Bill No. 5571

File No. 417

Cal. No. 281

**"AN ACT CONCERNING CONSUMER COLLECTION AGENCIES
AND DEBT COLLECTION ACTIONS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (b) of section 36a-448a of the general statutes
4 is repealed and the following is substituted in lieu thereof (*Effective*
5 *from passage*):

6 (b) The governing board of a Connecticut credit union shall consist
7 of an odd number of directors, at least five in number. The initial
8 governing board shall be elected at the organization meeting of the
9 Connecticut credit union as provided in subsection (e) of section 36a-
10 437a, and thereafter by the members of the Connecticut credit union at
11 the annual meeting as provided in section 36a-440a. [Any director
12 elected or appointed to serve on the governing board of a troubled
13 Connecticut credit union shall be approved by the commissioner prior

14 to any such service.] The commissioner shall approve the election,
15 appointment or employment of any director or potential member of
16 the senior management of a troubled Connecticut credit union prior to
17 such director or member taking such position. For the purposes of this
18 subsection, "troubled Connecticut credit union" means any
19 Connecticut credit union that, in the written opinion of the
20 commissioner is (1) in danger of becoming insolvent, (2) not likely to
21 be able to meet the demands of its members, or pay its obligations in
22 the normal course of business or is likely to incur losses that may
23 deplete all or substantially all of its capital, or (3) being operated in an
24 unsafe and unsound manner.

25 Sec. 2. Subdivision (1) of subsection (a) of section 36a-34 of the
26 general statutes is repealed and the following is substituted in lieu
27 thereof (*Effective from passage*):

28 (1) "Eligible entity" means any entity that (A) received a composite
29 rating of one or two under the Uniform Financial Institutions Rating
30 System as a result of its most recent safety and soundness examination;
31 (B) received a compliance rating of one or two on its most recent
32 compliance examination; (C) received a satisfactory or better rating on
33 its most recent community reinvestment performance evaluation; (D)
34 is well capitalized, [in that it (i) has a total risk-based capital ratio of
35 ten per cent or greater; (ii) has a tier one risk-based capital ratio of six
36 per cent or greater; (iii) has a tier one leverage capital ratio of five per
37 cent or greater; and (iv) is not subject to any written agreement, order,
38 capital directive or prompt corrective action directive issued pursuant
39 to Section 8 or 38 of the Federal Deposit Insurance Act, 12 USC 1818
40 and 12 USC 1831o, respectively, as amended from time to time, the
41 International Lending Supervision Act, 12 USC 3907, as amended from
42 time to time, the Home Owners' Loan Act, 12 USC 1461, as amended
43 from time to time, or any regulation thereunder, to meet and maintain
44 a specific capital level for any capital measure] as defined in 12 CFR
45 324.403(b)(1), as amended from time to time; (E) is not subject to a
46 cease and desist order, consent order, prompt correction action
47 directive, written agreement, memorandum of understanding or other

48 administrative agreement with its primary state or federal banking
49 regulator; and (F) is not subject to any formal or informal
50 administrative action by its primary state or federal banking regulator.

51 Sec. 3. Subdivision (1) of subsection (b) of section 36a-333 of the
52 general statutes is repealed and the following is substituted in lieu
53 thereof (*Effective from passage*):

54 (b) (1) Each qualified public depository that is a bank or out-of-state
55 bank having a tier one leverage ratio of five per cent or greater or a
56 risk-based capital ratio of ten per cent or greater shall transfer eligible
57 collateral maintained under subsection (a) of this section to its own
58 trust department, provided such trust department is located in this
59 state unless the commissioner approves otherwise, to the trust
60 department of another financial institution, provided such eligible
61 collateral shall be maintained in such other financial institution's trust
62 department located in this state unless the commissioner approves
63 otherwise, or to a federal reserve bank or federal home loan bank. Each
64 qualified public depository that is a bank or out-of-state bank having a
65 tier one leverage ratio of less than five per cent or a risk-based capital
66 ratio of less than ten per cent and each qualified public depository that
67 is a credit union or federal credit union shall transfer eligible collateral
68 maintained under subsection (a) of this section to the trust department
69 of a financial institution that is not owned or controlled by the
70 depository or by a holding company owning or controlling the
71 depository, provided such eligible collateral shall be maintained in
72 such other financial institution's trust department located in this state
73 unless the commissioner approves otherwise, or to a federal reserve
74 bank or federal home loan bank. Such transfers of eligible collateral
75 shall be made in a manner prescribed by the commissioner. The
76 qualified public depository shall determine and adjust the market
77 value of such eligible collateral on a monthly basis. Without the
78 requirement of any further action, the commissioner shall have, for the
79 benefit of public depositors, a perfected security interest in all such
80 eligible collateral held in such segregated trust accounts, [granted
81 pursuant to and in accordance with the terms of the agreement

82 between the public depositor and the qualified public depository.]
83 Such security interest shall have priority over all other perfected
84 security interests and liens. The commissioner may, at any time,
85 require the depository to value the collateral more frequently than
86 monthly if the commissioner reasonably determines that such
87 valuation is necessary for the protection of public deposits. Each
88 holder of eligible collateral shall file with the commissioner, at the end
89 of each calendar quarter, a report with the CUSIP number, description
90 and par value of each investment it holds as eligible collateral.

91 Sec. 4. Subsection (q) of section 36a-70 of the general statutes is
92 repealed and the following is substituted in lieu thereof (*Effective from*
93 *passage*):

94 (q) (1) As used in this subsection, "bankers' bank" means a
95 Connecticut bank that is (A) owned exclusively by (i) any combination
96 of banks, out-of-state banks, Connecticut credit unions, federal credit
97 unions, or out-of-state credit unions, [having their principal office in
98 Connecticut, Maine, Massachusetts, New Hampshire, New Jersey,
99 New York, Pennsylvania, Rhode Island or Vermont] or (ii) a bank
100 holding company that is owned exclusively by any such combination,
101 and (B) [organized to engage] engaged exclusively in providing
102 services for, or that indirectly benefit, other banks, out-of-state banks,
103 Connecticut credit unions, federal credit unions, or out-of-state credit
104 unions and their directors, officers and employees.

105 (2) One or more persons may organize a bankers' bank in
106 accordance with the provisions of this section, except that subsections
107 (g) and (h) of this section shall not apply. The approving authority for
108 a bankers' bank shall be the commissioner acting alone. Before
109 granting a temporary certificate of authority in the case of an
110 application to organize a bankers' bank, the approving authority shall
111 consider (A) whether the proposed bankers' bank will facilitate the
112 provision of services that such banks, out-of-state banks, Connecticut
113 credit unions, federal credit unions, or out-of-state credit unions would
114 not otherwise be able to readily obtain, and (B) the character and

115 experience of the proposed directors and officers. The application to
116 organize a bankers' bank shall be approved if the approving authority
117 determines that the interest of the public will be directly or indirectly
118 served to advantage by the establishment of the proposed bankers'
119 bank, and the proposed directors possess capacity and fitness for the
120 duties and responsibilities with which they will be charged.

121 (3) A bankers' bank shall have all of the powers of and be subject to
122 all of the requirements applicable to a Connecticut bank under this title
123 which are not inconsistent with this subsection, except [:(A) A
124 bankers' bank may only provide services for, or that indirectly benefit,
125 other banks, out-of-state banks, Connecticut credit unions, federal
126 credit unions, or out-of-state credit unions and for the directors,
127 officers and employees of such banks, out-of-state banks, Connecticut
128 credit unions, federal credit unions, or out-of-state credit unions; (B)
129 only banks, out-of-state banks, Connecticut credit unions, federal
130 credit unions, or out-of-state credit unions having their principal office
131 in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey,
132 New York, Pennsylvania, Rhode Island or Vermont may own the
133 capital stock of or otherwise invest in a bankers' bank; (C) upon] to the
134 extent the commissioner limits such powers by regulation. Upon the
135 written request of a bankers' bank, the commissioner may waive
136 specific requirements of this title and the regulations adopted
137 thereunder if the commissioner finds that [(i)] (A) the requirement
138 pertains primarily to banks that provide retail or consumer banking
139 services and is inconsistent with this subsection, and [(ii)] (B) the
140 requirement may impede the ability of the bankers' bank to compete or
141 to provide desired services to its market provided, any such waiver
142 and the commissioner's findings shall be in writing and shall be made
143 available for public inspection. [; and (D) the commissioner may, by
144 regulation, limit the powers that may be exercised by a bankers' bank.]

145 (4) The commissioner may adopt regulations, in accordance with
146 chapter 54, to administer the provisions of this subsection.

147 Sec. 5. Subsection (a) of section 36a-21 of the general statutes is

148 repealed and the following is substituted in lieu thereof (*Effective from*
149 *passage*):

150 (a) Notwithstanding any provision of state law and except as
151 provided in subsections (b) and (d) of this section and subdivision (2)
152 of subsection (a) of section 36a-534b, the following records of the
153 Department of Banking shall not be disclosed by the commissioner or
154 any employee of the Department of Banking, or be subject to public
155 inspection or discovery:

156 (1) Examination and investigation reports and information
157 contained in or derived from such reports, including examination
158 reports prepared by the commissioner or prepared on behalf of or for
159 the use of the commissioner;

160 (2) Confidential supervisory or investigative information and
161 records obtained [from] or collected by a state, federal or foreign
162 regulatory or law enforcement agency;

163 (3) Information obtained, collected or prepared in connection with
164 examinations, inspections or investigations, and complaints from the
165 public received by the Department of Banking, if such records are
166 protected from disclosure under federal or state law or, in the opinion
167 of the commissioner, such records would disclose, or would
168 reasonably lead to the disclosure of: (A) Investigative information the
169 disclosure of which would be prejudicial to such investigation, until
170 such time as the investigation and all related administrative and legal
171 actions are concluded; (B) personal or financial information, including
172 account or loan information, without the written consent of the person
173 or persons to whom the information pertains; or (C) information that
174 would harm the reputation of any person or affect the safety and
175 soundness of any person whose activities in this state are subject to the
176 supervision of the commissioner, and the disclosure of such
177 information under this subparagraph would not be in the public
178 interest; and

179 (4) Information obtained, collected or prepared in connection with

180 the organization of an expedited Connecticut bank prior to the
181 issuance of a final certificate of authority to commence the business of
182 a Connecticut bank pursuant to section 36a-70, as amended by this act.

183 Sec. 6. (NEW) (*Effective October 1, 2016*) The Banking Commissioner
184 shall designate three Martin Luther King, Jr. Corridors to promote
185 secured and unsecured lending in the state.

186 Sec. 7. Subsection (a) of section 36a-597 of the general statutes is
187 repealed and the following is substituted in lieu thereof (*Effective July*
188 *1, 2016*):

189 (a) No person shall engage in the business of money transmission in
190 this state, or advertise or solicit such services, without a license issued
191 by the commissioner as provided in sections 36a-595 to 36a-612,
192 inclusive, except as an authorized delegate of a person that has been
193 issued a license by the commissioner and in accordance with section
194 36a-607. A person [shall be deemed to be] engaged in the business of
195 money transmission is acting in this state under this section if such
196 person: (1) Has a place of business located in this state, (2) receives
197 money or monetary value in this state or from a person located in this
198 state, (3) transmits money or monetary value from a location in this
199 state or to a person located in this state, (4) issues stored value or
200 payment instruments that are sold in this state, or (5) sells stored value
201 or payment instruments in this state. The licensee shall promptly
202 notify the commissioner, in writing, of the termination of the contract
203 between such licensee and authorized delegate.

204 Sec. 8. Section 36a-716 of the general statutes is repealed and the
205 following is substituted in lieu thereof (*Effective July 1, 2016*):

206 (a) Any mortgage servicer who receives funds from a mortgagor to
207 be held in escrow for payment of taxes and insurance premiums shall;
208 [pay]

209 (1) Keep records that (A) reflect the mortgage servicer's handling of
210 each mortgagor's escrow account, which may involve electronic

211 storage, microfiche storage or any method of computerized storage of
212 information, provided the information is readily retrievable, and (B)
213 shall include, but need not be limited to, the payment of amounts into
214 and from the escrow account and the submission of initial and annual
215 escrow account statements to the mortgagor in accordance with
216 subsections (g) and (i) of 12 CFR 1024.17. Such records shall be
217 maintained for each such account for a period of at least five years
218 after the mortgage servicer last serviced the escrow account.

219 (2) Pay the taxes and insurance premiums of the mortgagor to the
220 appropriate taxing authority and insurance company in the amount
221 required and at the time such taxes and insurance premiums are due,
222 provided [(1)] (A) the mortgage servicer has been provided with the
223 tax or insurance bills at least fifteen days prior to the date such taxes
224 and insurance premiums are due, and [(2)] (B) the mortgagor has paid
225 to the mortgage servicer the amounts required to be paid into the
226 escrow account, as determined by the mortgage servicer, for all
227 amounts scheduled to be paid to the mortgage servicer prior to the
228 date such taxes and insurance premiums are due.

229 (b) Each mortgage servicer shall, through its own effort and
230 expense, determine and notify the mortgagor of the amounts necessary
231 to be paid into the escrow account to assure that sufficient funds will
232 be available for the payment of such taxes and insurance premiums as
233 of the date such payment is due.

234 (c) If the amount held in the escrow account as of the date such
235 taxes and insurance premiums are due is insufficient to pay the taxes
236 and insurance premiums despite compliance by the mortgagor with
237 [subdivision (2)] subparagraph (B) of subdivision (2) of subsection (a)
238 of this section, the mortgage servicer shall pay such taxes and
239 insurance premiums from its own funds. The mortgage servicer shall
240 then give the mortgagor the option of paying the shortage over a
241 period of not less than one year. The mortgage servicer shall not
242 charge or collect interest on such shortage during the one-year period.

243 (d) Whenever a mortgage servicer licensee receives funds from a
244 mortgagor to be held in escrow for the payment of taxes and
245 insurance, the mortgage servicer licensee shall deposit or invest such
246 funds in one or more segregated deposit or trust accounts maintained
247 at a federally insured bank, Connecticut credit union, federal credit
248 union or out-of-state bank, which account or accounts shall be
249 reconciled monthly. Such reconciliation may be evidenced by a
250 monthly account statement or statements furnished by the depository
251 institution, provided (1) such account or accounts shall be maintained
252 with the depository institution in a manner that reasonably reflects the
253 fact that the funds held therein are being maintained for escrow
254 purposes, (2) such funds shall not be commingled with funds
255 belonging to the mortgage servicer licensee and may not be used to
256 pay business operating expenses of the mortgage servicer licensee, and
257 (3) the mortgage servicer licensee shall adopt, implement and maintain
258 internal accounting controls that are reasonably designed to ensure
259 compliance with this section. For purposes of this subsection,
260 "mortgage servicer licensee" means a person who is licensed pursuant
261 to section 36a-719 or exempt from licensure pursuant to subdivision (4)
262 or (5) of subsection (b) of section 36a-718.

263 Sec. 9. Subdivision (1) of section 36b-3 of the general statutes is
264 repealed and the following is substituted in lieu thereof (*Effective July*
265 *1, 2016*):

266 (1) "Agent" means any individual, other than a broker-dealer, who
267 represents a broker-dealer or issuer in effecting or attempting to effect
268 purchases or sales of securities. "Agent" does not include an individual
269 who represents an issuer in (A) effecting transactions in a security
270 exempted by subdivision (1), (2), (3), (4), (6), (9), (10), (11) or (22) of
271 subsection (a) of section 36b-21, (B) effecting transactions exempted by
272 subsection (b) of section 36b-21, except for transactions exempted by
273 subdivisions (10), (13) or (14) of said subsection, (C) effecting
274 transactions with existing employees, partners or directors of the
275 issuer if no commission or other remuneration is paid or given directly
276 or indirectly for soliciting any person in this state, or (D) effecting

277 transactions in any covered security, except for covered securities
278 within the meaning of Sections 18(b)(2) or [18(b)(4)(D)] 18(b)(4)(E) of
279 the Securities Act of 1933. "Agent" does not include such other persons
280 not within the intent of this subdivision as the commissioner may by
281 regulation or order determine. A general partner, officer or director of
282 a broker-dealer or issuer, or a person occupying a similar status or
283 performing similar functions, is an agent only if such person otherwise
284 comes within this definition and any compensation that such person
285 receives is directly or indirectly related to purchases or sales of
286 securities.

287 Sec. 10. Subsection (a) of section 36b-6 of the general statutes is
288 repealed and the following is substituted in lieu thereof (*Effective from*
289 *passage*):

290 (a) No person shall transact business in this state as a broker-dealer
291 unless such person is registered under sections 36b-2 to 36b-34,
292 inclusive. No person shall transact business in this state as a broker-
293 dealer in contravention of a sanction that is currently effective imposed
294 by the Securities and Exchange Commission or by a self-regulatory
295 organization of which such person is a member if the sanction would
296 prohibit such person from effecting transactions in securities in this
297 state. No individual shall transact business as an agent in this state
298 unless such individual is (1) registered as an agent of the broker-dealer
299 or issuer whom such individual represents in transacting such
300 business, or (2) an associated person who represents a broker-dealer in
301 effecting transactions described in subdivisions [(2) and (3) of Section
302 15(h)] (3) and (4) of Section 15(i) of the Securities Exchange Act of 1934.
303 No individual shall transact business in this state as an agent of a
304 broker-dealer in contravention of a sanction that is currently effective
305 imposed by the Securities and Exchange Commission or a self-
306 regulatory organization of which the employing broker-dealer is a
307 member if the sanction would prohibit the individual employed by
308 such broker-dealer from effecting transactions in securities in this state.

309 Sec. 11. Section 36b-14 of the general statutes is repealed and the

310 following is substituted in lieu thereof (*Effective from passage*):

311 (a) (1) Every registered investment adviser shall make, keep and
312 preserve such accounts, correspondence, memoranda, papers, books
313 and other records as the commissioner by regulation adopted, in
314 accordance with chapter 54, or order prescribes. All such records shall
315 be preserved for such period as the commissioner by regulation or
316 order prescribes.

317 (2) Every investment adviser that is registered with the Securities
318 and Exchange Commission or excepted from the definition of
319 investment adviser under Section 202(a)(11) of the Investment
320 Advisers Act of 1940, and every registered broker-dealer, shall make,
321 keep and preserve such accounts, correspondence, memoranda,
322 papers, books and other records as the Securities and Exchange
323 Commission requires. All such records shall be preserved for such
324 period as the Securities and Exchange Commission requires.

325 (3) Broker-dealer records required to be maintained under
326 subdivision (2) of this subsection may be maintained in any form of
327 data storage acceptable under Section 17(a) of the Securities Exchange
328 Act of 1934 if they are readily accessible to the commissioner.
329 Investment adviser records required to be maintained under this
330 section may be stored on microfilm, microfiche or on an electronic data
331 processing system or similar system utilizing an internal memory
332 device provided that a printed copy of any such record is immediately
333 accessible.

334 (b) (1) Every registered investment adviser shall file such financial
335 reports as the commissioner by regulation prescribes.

336 (2) Every investment adviser that is registered with the Securities
337 and Exchange Commission or excepted from the definition of
338 investment adviser under Section 202(a)(11) of the Investment
339 Advisers Act of 1940, and, subject to Section [15(h)] 15(i) of the
340 Securities Exchange Act of 1934, every registered broker-dealer shall
341 file such financial reports as the commissioner by regulation

342 prescribes, except that the commissioner shall not require the filing of
343 financial reports that are not required to be filed with the Securities
344 and Exchange Commission.

345 (c) If the information contained in any document filed with the
346 commissioner under this section is or becomes inaccurate or
347 incomplete in any material respect, the person making the filing shall
348 promptly file a correcting amendment unless notification of the
349 correction has been given under sections 36b-2 to 36b-34, inclusive.

350 (d) All the records of a registered investment adviser and a
351 registered broker-dealer referred to in subsection (a) of this section are
352 subject at any time or from time to time to such reasonable periodic,
353 special or other examinations by the commissioner, within or without
354 this state, as the commissioner deems necessary or appropriate in the
355 public interest or for the protection of investors. Every registered
356 investment adviser and every registered broker-dealer shall keep such
357 records open to examination by the commissioner and, upon the
358 commissioner's request, shall provide copies of any such records to the
359 commissioner. For the purpose of avoiding unnecessary duplication of
360 examinations, the commissioner, insofar as the commissioner deems it
361 practicable in administering this subsection, may cooperate with the
362 securities administrators of other states, the Securities and Exchange
363 Commission, and any self-regulatory organization.

364 (e) Subject to Section [15(h)] 15(i) of the Securities Exchange Act of
365 1934 or Section 222 of the Investment Advisers Act of 1940, an agent
366 may not have custody of funds or securities of a customer except
367 under the supervision of a broker-dealer and an investment adviser
368 agent may not have custody of funds or securities of a client except
369 under the supervision of an investment adviser. Subject to Section
370 [15(h)] 15(i) of the Securities Exchange Act of 1934 or Section 222 of the
371 Investment Advisers Act of 1940, the commissioner may, by regulation
372 adopted, in accordance with chapter 54, or order, prohibit, limit or
373 impose conditions on a broker-dealer regarding custody of funds or
374 securities of a customer and on an investment adviser regarding

375 custody of funds or securities of a client.

376 Sec. 12. Subsection (e) of section 36b-21 of the general statutes is
377 repealed and the following is substituted in lieu thereof (*Effective from*
378 *passage*):

379 (e) Any person who offers or sells a security that is a covered
380 security under Section [18(b)(4)(D)] 18(b)(4)(E) of the Securities Act of
381 1933 shall file a notice with the commissioner within fifteen days after
382 the first sale of such a security in this state. Such notice shall contain
383 such information as the commissioner may require and shall be
384 accompanied by a consent to service of process as required by
385 subsection (g) of section 36b-33 and a nonrefundable fee of one
386 hundred fifty dollars.

387 Sec. 13. Subsection (d) of section 36b-31 of the general statutes is
388 repealed and the following is substituted in lieu thereof (*Effective from*
389 *passage*):

390 (d) Subject to Section [15(h)] 15(i) of the Securities Exchange Act of
391 1934 and Section 222 of the Investment Advisers Act of 1940, the
392 commissioner may, by regulation or order, prescribe: (1) The form and
393 content of financial statements required under sections 36b-2 to 36b-34,
394 inclusive; (2) the circumstances under which consolidated financial
395 statements shall be filed; and (3) whether any required financial
396 statements shall be certified by independent certified public
397 accountants. All financial statements shall be prepared in accordance
398 with generally accepted accounting principles.

399 Sec. 14. Section 36a-773 of the general statutes is repealed and the
400 following is substituted in lieu thereof (*Effective October 1, 2016*):

401 Every retail seller or sales finance company, if insurance is included
402 in a retail installment contract, shall, within fifteen days after execution
403 of the retail installment contract, send or cause to be sent to the retail
404 buyer a policy or policies or certificate of insurance clearly setting forth
405 the amount of the premium, the kind or kinds of insurance and the

406 scope of the coverage and all of the terms, exceptions, limitations,
407 restrictions and conditions of the insurance contract or contracts. [of
408 the insurance.] In the event of repossession of goods under section 36a-
409 785, as amended by this act, where the holder of the retail installment
410 contract has received a refund of all or part of the unearned insurance
411 premiums paid by the retail buyer in connection with the retail
412 installment contract, the holder shall apply such amount toward the
413 balance of the retail buyer's obligations under the retail installment
414 contract. For purposes of this section, "unearned insurance premiums"
415 means the premiums that are collected by an insurer in advance, but
416 subject to return if the coverage under the insurance contract or
417 contracts ends before the term covered by the premiums is complete.

418 Sec. 15. (NEW) (*Effective from passage*) On and after October 1, 2016, a
419 sales finance company, as defined in section 36a-535 of the general
420 statutes, shall acquire and maintain adequate records in the form and
421 manner as the commissioner shall direct in each retail installment
422 contract acquired by purchase, discount, pledge, loan, advance or
423 otherwise, and any application for a retail installment contract,
424 covering the retail sale of a motor vehicle in the state that has been
425 reviewed by the sales finance company or relates to a retail installment
426 contract acquired by the sales finance company, including, but not
427 limited, the: (1) Name, address, income and credit score of the
428 applicant and any coapplicants and, if known, the ethnicity, race and
429 sex of such individuals; (2) type, amount and annual percentage rate of
430 the loan; and (3) disposition of the application. Such records shall be
431 made available to the Banking Commissioner not later than five
432 business days after a request for such records by the commissioner.
433 Each sales finance company shall retain such records for not less than
434 two years after the date of the application for applications that were
435 denied or, for any retail installment contract that was acquired, for not
436 less than two years after the date of final payment or sale or
437 assignment of such contract, whichever occurs first, or such longer
438 period as may be required by any other provision of law. On or before
439 January 30, 2017, each licensee shall provide to the commissioner the

440 records collected between October 1, 2016, and to December 31, 2016,
441 inclusive.

442 Sec. 16. Section 36a-774 of the 2016 supplement to the general
443 statutes is repealed and the following is substituted in lieu thereof
444 (*Effective October 1, 2016*):

445 Every installment loan contract shall be in writing executed by the
446 retail buyer and a copy thereof shall be delivered to such retail buyer
447 at the time of the execution thereof. Within fifteen days after the
448 execution of such installment loan contract, the holder thereof shall
449 send or cause to be sent to the retail buyer a policy or policies or
450 certificates of insurance clearly setting forth the amount of the
451 premium, the kind or kinds of insurance and the scope of the coverage
452 and all of the terms, exceptions, limitations, restrictions and conditions
453 of the insurance contract or contracts. [of the insurance.] Every
454 installment loan contract for the purchase of consumer goods subject to
455 section 36a-771 and this section shall set forth the information required
456 to be disclosed under sections 36a-675 to 36a-686, inclusive, and the
457 regulations thereunder, using the form, content and terminology
458 provided therein.

459 Sec. 17. Section 36a-778 of the general statutes is repealed and the
460 following is substituted in lieu thereof (*Effective October 1, 2016*):

461 The holder of any retail installment contract or any installment loan
462 contract shall not receive or collect any charges or expenses for
463 [delinquency and collection] collecting any delinquent payment,
464 including, but not limited to, any service fees for accepting delinquent
465 payments over the telephone or Internet, except as follows: The holder
466 of a retail installment contract or installment loan contract, [other than]
467 except a contract for the purchase of a commercial vehicle or an
468 installment loan contract regulated by sections 36a-555 to 36a-573,
469 inclusive, as amended by this act, may collect a delinquency and
470 collection charge for default in the payment of any such contract or
471 installment [thereof] of such contract, when such default has continued

472 for a period of ten days, such charge not to exceed five per cent of the
473 amount of the installments in default or the sum of ten dollars,
474 whichever is the lesser. [; provided this provision shall have no
475 application to installment loan contracts regulated by sections 36a-555
476 to 36a-573, inclusive.] The holder of any retail installment contract or
477 any installment loan contract for the purchase of a commercial vehicle,
478 as defined in section 36a-770, except an installment loan contract
479 regulated by sections 36a-555 to 36a-573, inclusive, as amended by this
480 act, may collect a delinquency and collection charge for default in the
481 payment of any such contract or installment [thereof] of such contract,
482 when such default has continued for a period of ten days, such charge
483 not to exceed five per cent of the amount of the installments in default.
484 [, provided this provision shall have no application to installment loan
485 contracts regulated by sections 36a-555 to 36a-573, inclusive.] In
486 addition to any such delinquency and collection charge, the retail
487 installment contract or the installment loan contract may provide for
488 the payment of attorney's fees not exceeding fifteen per cent of the
489 amount due and payable under such contract when such contract is
490 referred to an attorney, who is not a salaried employee of the holder of
491 the contract, for collection, plus the court costs. The restriction on
492 charges [herein provided] under this section shall not apply to any
493 expenses permitted under section 36a-785, as amended by this act.

494 Sec. 18. Section 36a-785 of the 2016 supplement to the general
495 statutes is repealed and the following is substituted in lieu thereof
496 (*Effective October 1, 2016*):

497 (a) When the retail buyer is in default in the payment of any sum
498 due under the retail installment contract or installment loan contract,
499 or in the performance of any other condition that such contract
500 requires [him] the retail buyer to perform, or in the performance of any
501 promise, the breach of which is by such contract expressly made a
502 ground for the retaking of the goods, the holder of the contract may
503 retake possession [thereof] of such goods, provided the filing of a
504 petition in bankruptcy under 11 USC Chapter 7 by a retail buyer of a
505 motor vehicle, or such retail buyer's status as a debtor in bankruptcy,

506 shall not be considered a default of a retail installment contract or
507 ground for repossession of such motor vehicle. Unless the goods can
508 be retaken without breach of the peace, [it] the goods shall be retaken
509 by legal process, [but nothing herein contained] provided nothing
510 contained in this section shall be construed to authorize a violation of
511 the criminal law. In the case of repossession of any motor vehicle
512 without the knowledge of the retail buyer, the local police department
513 shall be notified of such repossession [within] not later than two hours
514 after repossession. In the absence of a local police department or if the
515 local police department cannot be reached for notification, the state
516 police shall be promptly notified of such repossession.

517 (b) Not less than ten days prior to the retaking, the holder of such
518 contract [, if he so desires,] may serve upon the retail buyer, personally
519 or by registered or certified mail, a notice of intention to retake the
520 goods on account of the retail buyer's default. The notice shall state
521 [the] that the retail buyer is in default and the period at the end of
522 which such goods will be retaken and designate (1) the obligations
523 required to be performed in order to cure the default, including the
524 dollar amount of any required payment, and (2) the date by which
525 such obligations must be performed. The notice shall briefly and
526 clearly state [what] the retail buyer's rights under this subsection [will
527 be] in [case] the event such goods are retaken. If the notice is so served
528 and the retail buyer does not perform the conditions and provisions [as
529 to which he is in] required under the contract to cure the default before
530 the day set for retaking, the holder of the contract may retake [said]
531 such goods and hold such goods subject to the provisions of
532 subsections (d), (e), (f), (g) and (h) of this section regarding resale, but
533 without any right of redemption.

534 (c) If the holder of such contract does not give the notice of intention
535 to retake, described in subsection (b) [, he] of this section, the holder
536 shall retain such goods for fifteen days after the retaking within the
537 state in which [they] such goods were located when retaken. During
538 such period the retail buyer, upon payment or tender of the
539 unaccelerated amount due under such contract at the time of retaking

540 and interest, or upon performance or tender of performance of such
541 other condition as may be named in such contract as precedent to the
542 retail buyer's continued possession of such goods, or upon
543 performance or tender of performance of any other promise for the
544 breach of which such goods were retaken, and upon payment of the
545 actual and reasonable expenses of any retaking and storing, may
546 redeem such goods and become entitled to take possession of [the
547 same] such goods and to continue in the performance of such contract
548 as if no default had occurred. The holder of such contract shall, [within
549 three days of] not later than three days after the retaking, furnish or
550 mail, by registered or certified mail, to the last known address of the
551 retail buyer, a written statement of the unaccelerated sum due under
552 such contract and the actual and reasonable expense of any retaking
553 and storing. [For failure] Failure to furnish or mail such statement as
554 required by this section [, the holder of the contract shall forfeit the]
555 shall result in forfeiture of the holder's right to claim payment for the
556 actual and reasonable expenses of retaking and storage, and [also] the
557 holder shall be liable for the actual damages suffered because of such
558 failure. If such goods are perishable so that retention for fifteen days
559 [as herein prescribed] under this subsection would result in their
560 destruction or substantial injury, the provisions of this subsection shall
561 not apply and the holder of the contract may resell the goods
562 immediately upon such retaking.

563 (d) If the retail buyer does not redeem such goods within fifteen
564 days after the holder of the contract has retaken possession, the holder
565 of the contract shall sell such goods at public or private sale [which
566 sale may be held] not less than fifteen days and [shall be held] not
567 more than one hundred eighty days after the retaking. When the
568 holder of the contract retakes possession by legal process, and an
569 answer is interposed, the holder of the contract may, at [his] the
570 holder's election, hold such retaken goods for a period not to exceed
571 thirty days after the entry of final judgment by a court of competent
572 jurisdiction entitling the holder of the contract to possession of such
573 goods before holding such resale. The holder of the contract shall give

574 the retail buyer not less than ten days' written notice of the time and
575 place of any public sale, or the time after which any private sale or
576 other intended disposition is to be made, either personally or by
577 registered mail or by certified mail, [receipted for on mailing] return
578 receipt requested, directed to the retail buyer at [his] such retail buyer's
579 last-known place of business or residence. The holder of the contract
580 may bid for such goods at any public sale. The proceeds of the resale
581 shall be considered to be either the amount paid for such goods at such
582 sale or the fair cash retail market value of such goods at the time of
583 repossession, whichever is the greater, except as otherwise provided in
584 subsection (g) of this section.

585 (e) Proceeds of the resale shall be applied [(1)] in the following order
586 of priority: (1) First, to the payment of the actual and reasonable
587 expenses [thereof, (2)] of such resale, (2) if, after application pursuant
588 to subdivision (1) of this subsection, there are proceeds remaining,
589 then to the payment of the actual and reasonable expenses of any
590 retaking and storing of said goods, and (3) if, after application
591 pursuant to subdivisions (1) and (2) of this subsection, there are
592 proceeds remaining, then to the satisfaction of the balance due under
593 the contract. [Within thirty days of] Not later than thirty days after the
594 resale, the holder of the contract shall give the retail buyer a written
595 statement itemizing the disposition of the proceeds. Any sum
596 remaining after the satisfaction of such claims shall be paid to the retail
597 buyer.

598 (f) [Notwithstanding that] Even if the proceeds of the resale are [not
599 sufficient] insufficient to defray the actual and reasonable expenses
600 [thereof] of such resale, and [also] such actual and reasonable expenses
601 of any retaking and storing of such goods and the balance due under
602 the contract, the holder of the contract may not recover the deficiency
603 from the retail buyer or any surety or guarantor for [him] the retail
604 buyer, or from [any one] anyone who has succeeded to the obligations
605 of such retail buyer, except as provided in subsection (g) of this
606 section.

607 (g) If the goods retaken consist of a motor vehicle the aggregate cash
608 price of which was more than [two] four thousand dollars, the prima
609 facie fair market value of such motor vehicle shall be calculated by
610 adding together the average trade-in value for [that] such motor
611 vehicle and the [average] highest-stated retail value for [that] such
612 motor vehicle and dividing [that] the sum of such values by two. Such
613 average trade-in value and [average] highest-stated retail value shall
614 be determined by the values as stated in the National Automobile
615 Dealers Association Used Car Guide, Eastern Edition, as of the date of
616 repossession. If an average trade-in value is not stated in said guide,
617 the highest-stated trade-in value stated in said guide for the motor
618 vehicle shall be used. If the goods retaken consist of a boat the
619 aggregate cash price of which was more than [two] four thousand
620 dollars, the prima facie fair market value of such boat shall be
621 calculated by adding together the average trade-in value for [that] such
622 boat and the [average] highest-stated retail value for [that] such boat
623 and dividing [that] the sum of such values by two. Such average trade-
624 in value and [average] highest-stated retail value shall be determined
625 by the values as stated in the National Automobile Dealers Association
626 Appraisal Guide for Boats, Eastern Edition, as of the date of
627 repossession. If an average trade-in value is not stated in said guide,
628 the highest-stated trade-in value stated in said guide for the boat shall
629 be used. In the event that the value of such motor vehicle or boat is not
630 stated in such publication, [then] the fair market value at retail minus
631 the reasonable costs of resale shall be determined by the court. The
632 prima facie evidence of fair market value of such motor vehicle or boat
633 so determined may be rebutted only by direct in-court testimony. If
634 such value of the motor vehicle or boat is less than the balance due
635 under the contract, plus the actual and reasonable expenses of the
636 retaking of possession, the holder of the contract may recover from the
637 retail buyer, or from anyone who has succeeded to [his] such retail
638 buyer's obligations, as a deficiency, the amount by which such liability
639 exceeds such fair market value, as defined in this subsection. If the
640 actual resale price received by the holder exceeds such fair market
641 value, as defined in this subsection, the actual resale price shall govern.

642 (h) After the holder retakes possession as provided in subsection (a)
643 of this section, or if the holder obtains a prejudgment remedy against
644 the goods under chapter 903a, the retail buyer or anyone who has
645 succeeded to [his] such retail buyer's obligations shall not be liable for
646 any balance due, except to the extent permitted by subsection (g) of
647 this section. The holder may seek a monetary judgment on the contract
648 against the retail buyer unless the goods have been repossessed, with
649 or without judicial process. Goods purchased under the contract shall
650 not be executed upon to satisfy such judgment. When such judgment
651 becomes final, the holder's security interest in the goods shall be
652 extinguished. If the contract covers a retail sale of a motor vehicle
653 required to be registered, the holder shall comply with section 14-188.

654 (i) If the holder of the contract fails to comply with the provisions of
655 subsections (c), (d), (e), (f), (g) and (h) of this section, after retaking the
656 goods, the retail buyer may recover from the holder of the contract
657 [his] such retail buyer's actual damages, if any, and in no event less
658 than one-fourth of the sum of all payments which have been made
659 under the contract.

660 (j) No act or agreement of the retail buyer before or at the time of the
661 making of a retail installment contract or installment loan contract nor
662 any agreement or statement by the retail buyer in such contract shall
663 constitute a valid waiver of the provisions of subsections (c), (d), (e),
664 (f), (g), (h) and (i) of this section.

665 (k) After the delivery of the goods to the retail buyer and prior to
666 any retaking [thereof] of such goods by the holder of the contract, the
667 risk of injury and loss shall rest upon the retail buyer.

668 Sec. 19. Section 36a-555 of the 2016 supplement to the general
669 statutes is repealed and the following is substituted in lieu thereof
670 (*Effective July 1, 2016*):

671 [No person shall (1) engage in the business of making loans of
672 money or credit; (2) make, offer, broker or assist a borrower in
673 Connecticut to obtain such a loan; or (3) in whole or in part, arrange

674 such loans through a third party or act as an agent for a third party,
675 regardless of whether approval, acceptance or ratification by the third
676 party is necessary to create a legal obligation for the third party,
677 through any method, including, but not limited to, mail, telephone,
678 Internet or any electronic means, in the amount or to the value of
679 fifteen thousand dollars or less for loans made under section 36a-563 or
680 section 36a-565, and charge, contract for or receive a greater rate of
681 interest, charge or consideration than twelve per cent per annum
682 therefor, unless licensed to do so by the commissioner pursuant to
683 sections 36a-555 to 36a-573, inclusive. The provisions of this section
684 shall not apply to (A) a bank, (B) an out-of-state bank, (C) a
685 Connecticut credit union, (D) a federal credit union, (E) an out-of-state
686 credit union, (F) a savings and loan association wholly owned
687 subsidiary service corporation, (G) a person to the extent that such
688 person makes loans for agricultural, commercial, industrial or
689 governmental use or extends credit through an open-end credit plan,
690 as defined in 15 USC 1602, as amended from time to time, for the retail
691 purchase of consumer goods or services, (H) a mortgage lender or
692 mortgage correspondent lender licensed pursuant to section 36a-489
693 when making residential mortgage loans, as defined in section 36a-485,
694 or (I) a licensed pawnbroker.]

695 As used in this section and sections 36a-556 to 36a-573, inclusive, as
696 amended by this act:

697 (1) "Advertise" or "advertising" means any announcement,
698 statement, assertion or representation that is placed before the public
699 in a newspaper, magazine or other publication, in the form of a notice,
700 circular, pamphlet, letter or poster, over any radio or television station,
701 by means of the Internet, by other electronic means of distributing
702 information, by personal contact, or in any other way or medium;

703 (2) "APR" means the annual percentage rate for the loan calculated
704 according to the provisions of the federal Truth-in-Lending Act, 15
705 USC 1601 et seq., as amended from time to time, and the regulations
706 promulgated thereunder, and the "disclosed APR" shall mean the APR

707 disclosed, as applicable, pursuant to 12 CFR Section 1026.6 or 12 CFR
708 Section 1026.18. If more than one APR is disclosed pursuant to 12 CFR
709 Section 1026.6, the "disclosed APR" shall be the highest APR disclosed
710 pursuant to said section;

711 (3) "Branch office" means a location other than the main office where
712 the licensee, or any person on behalf of the licensee, will engage in
713 activities that require a small loan license;

714 (4) "Connecticut borrower" means any borrower who resides in or
715 maintains a domicile in this state and who (A) negotiates or agrees to
716 the terms of the small loan in person, by mail, by telephone or via the
717 Internet while physically present in this state, (B) enters into or
718 executes a small loan agreement with the lender in person, by mail, by
719 telephone or via the Internet while physically present in this state, or
720 (C) makes a payment on the loan in this state. For purposes of this
721 subdivision, "payment on the loan" includes a debit on an account the
722 borrower holds in a branch of a financial institution or the use of a
723 negotiable instrument drawn on an account at a financial institution.
724 For purposes of this subdivision, "financial institution" means any
725 bank or credit union chartered or licensed under the laws of this state,
726 any other state or the United States and having its main office or a
727 branch office in this state;

728 (5) "Control person" means an individual that directly or indirectly
729 exercises control over another person, and includes any person that (A)
730 is a director, general partner or executive officer; (B) in the case of a
731 corporation, directly or indirectly has the right to vote ten per cent or
732 more of a class of any voting security or has the power to sell or direct
733 the sale of ten per cent or more of any class of voting securities; (C) in
734 the case of a limited liability company, is a managing member; or (D)
735 in the case of a partnership, has the right to receive upon dissolution,
736 or has contributed, ten per cent or more of the capital. For purposes of
737 this subdivision, "control" means the power, directly or indirectly, to
738 direct the management or policies of a company, whether through
739 ownership of securities, by contract or otherwise;

740 (6) "Generating leads" means (A) engaging in the business of selling
741 leads for small loans; (B) generating or augmenting leads for small
742 loans for other persons for or with the expectation of compensation or
743 gain; or (C) referring consumers to other persons for a small loan for or
744 with the expectation of compensation or gain for such referral, except
745 "generating leads" shall not include generating or augmenting leads
746 for small loans for an exempt person, as described in subsection (b) of
747 section 36a-557, as amended by this act, using the exempt person's data
748 or customer information;

749 (7) "Lead" means any information identifying a potential consumer
750 of a small loan;

751 (8) "Main office" means the main address designated on the system
752 where the licensee, or any person on behalf of the licensee, will engage
753 in activities that require a small loan license;

754 (9) "Open-end small loan" has the same meaning as "open-end
755 credit", as defined in 12 CFR 1026.2, as amended from time to time;

756 (10) "Person" means a natural person, corporation, company, limited
757 liability company, partnership or association;

758 (11) "Small loan" means any loan of money or extension of credit, or
759 the purchase of, or an advance of money on, a borrower's future
760 income where the following conditions are present: (A) The amount or
761 value is fifteen thousand dollars or less; and (B) the APR is greater
762 than twelve per cent. For purposes of this subdivision, "future income"
763 means any future potential source of money, and expressly includes,
764 but is not limited to, a future pay or salary, pension or tax refund. For
765 purposes of this section and sections 36a-556 to 36a-573, inclusive, as
766 amended by this act, "small loan" shall not include: (i) A retail
767 installment contract made in accordance with section 36a-772; (ii) a
768 loan or extension of credit for agricultural, commercial, industrial or
769 governmental use; (iii) a residential mortgage loan as defined in
770 section 36a-485; or (iv) an open-end credit account that is accessed by a
771 credit card issued by an exempt entity, as described in subdivision (1)

772 of subsection (b) of section 36a-557, as amended by this act;

773 (12) "Trigger lead" means a consumer report obtained pursuant to
774 Section 604(C)(1)(B) of the Fair Credit Reporting Act, 15 USC 1681b,
775 where the issuance of the report is triggered by an inquiry made with a
776 consumer reporting agency in response to an application for credit.
777 "Trigger lead" does not include a consumer report obtained by a small
778 loan lender that holds or services existing indebtedness of the
779 applicant who is the subject of the report; and

780 (13) "Unique identifier" means a number or other identifier assigned
781 by protocols established by the system.

782 Sec. 20. Section 36a-556 of the general statutes is repealed and the
783 following is substituted in lieu thereof (*Effective July 1, 2016*):

784 [Upon the filing of the required application and license fee, the
785 commissioner shall investigate the facts and, if the commissioner finds
786 that (1) the experience, character and general fitness of the applicant,
787 and of the members thereof if the applicant is a partnership, limited
788 liability company or association, and of the officers and directors
789 thereof if the applicant is a corporation, are satisfactory, (2) a license to
790 such applicant will be for the convenience and advantage of the
791 community in which the applicant's business is to be conducted, and
792 (3) the applicant has the capital investment required by this section, the
793 commissioner shall issue a license to the applicant to make loans in
794 accordance with sections 36a-555 to 36a-573, inclusive. If the
795 commissioner fails to make such findings or finds that the applicant
796 made a material misstatement in the application, the commissioner
797 shall not issue a license and shall notify the applicant of the denial and
798 the reasons for such denial. The commissioner may deny an
799 application if the commissioner finds that the applicant or any
800 member, officer, or director of the applicant has been convicted of any
801 misdemeanor involving any aspect of the small loan lender business,
802 or any felony. Any denial of an application by the commissioner shall,
803 when applicable, be subject to the provisions of section 46a-80.

804 Withdrawal of an application for a license shall become effective upon
805 receipt by the commissioner of a notice of intent to withdraw such
806 application. The commissioner may deny a license up to the date one
807 year after the date the withdrawal became effective. The capital
808 investment shall be not less than twenty-five thousand dollars for each
809 licensed location in a city or town with a population of ten thousand or
810 more inhabitants and ten thousand dollars for each licensed location in
811 a city or town with a smaller population. Population shall be
812 determined according to the last United States census at the time a
813 license is granted.]

814 (a) Without having first obtained a small loan license from the
815 commissioner pursuant to section 36a-565, as amended by this act, no
816 person shall, by any method, including, but not limited to, mail,
817 telephone, Internet or other electronic means, unless exempt pursuant
818 to section 36a-557, as amended by this act:

819 (1) Make a small loan to a Connecticut borrower;

820 (2) Offer, solicit, broker, directly or indirectly arrange, place or find
821 a small loan for a prospective Connecticut borrower;

822 (3) Engage in any other activity intended to assist a prospective
823 Connecticut borrower in obtaining a small loan, including, but not
824 limited to, generating leads;

825 (4) Receive payments of principal and interest in connection with a
826 small loan made to a Connecticut borrower;

827 (5) Purchase, acquire or receive assignment of a small loan made to
828 a Connecticut borrower; and

829 (6) Advertise or cause to be advertised in this state a small loan or
830 any of the services described in subdivisions (1) to (5), inclusive, of this
831 subsection.

832 (b) No person shall accept any lead, referral or application for a
833 small loan to a prospective Connecticut borrower from a person who is

834 not (1) licensed pursuant to section 36a-565, as amended by this act, or
835 (2) exempt from licensure pursuant to section 36a-557, as amended by
836 this act.

837 (c) No person shall sell, transfer, pledge, assign or otherwise dispose
838 of any small loan made to a Connecticut borrower to any person who
839 is not (1) licensed pursuant to section 36a-565, as amended by this act,
840 or (2) exempt from licensure pursuant to section 36a-557, as amended
841 by this act.

842 Sec. 21. Section 36a-557 of the general statutes is repealed and the
843 following is substituted in lieu thereof (*Effective July 1, 2016*):

844 [(a) An application for such license shall be in writing, under oath
845 and in the form prescribed by the commissioner, and shall include (1)
846 the history of criminal convictions of the applicant; the members, if the
847 applicant is a partnership, limited liability company or association; or
848 the officers and directors, if the applicant is a corporation, and (2)
849 sufficient information pertaining to the history of criminal convictions,
850 in a form acceptable to the commissioner, on such applicant, members,
851 officers and directors as the commissioner deems necessary to make
852 the findings under section 36a-556. The commissioner, in accordance
853 with section 29-17a, may conduct a state and national criminal history
854 records check of the applicant and of each member, officer and director
855 of the applicant. The commissioner may deem an application for a
856 license as a small loan lender abandoned if the applicant fails to
857 respond to any request for information required under sections 36a-
858 555 to 36a-573, inclusive, or any regulations adopted pursuant to said
859 sections 36a-555 to 36a-573, inclusive. The commissioner shall notify
860 the applicant, in writing, that if such information is not submitted not
861 later than sixty days after such request, the application shall be
862 deemed abandoned. An application filing fee paid prior to the date an
863 application is deemed abandoned pursuant to this subsection shall not
864 be refunded. Abandonment of an application pursuant to this
865 subsection shall not preclude the applicant from submitting a new
866 application for a license under sections 36a-555 to 36a-573, inclusive.

867 (b) Withdrawal of an application for a license filed under subsection
868 (a) of this section shall become effective upon receipt by the
869 commissioner of a notice of intent to withdraw such application. The
870 commissioner may deny a license up to the date one year after the date
871 the withdrawal became effective.]

872 (a) The following persons are exempt from the requirement for
873 licensure set forth in section 36a-556, as amended by this act:

874 (1) A licensed pawnbroker;

875 (2) A person licensed as a consumer collection agency in accordance
876 with section 36a-801, when engaged in the activities of a consumer
877 collection agency in the normal course of business;

878 (3) A person who services small loans for an exempt person
879 described in subsection (b) of this section, when such exempt person
880 owns the small loans, provided the servicing arrangements include, in
881 addition to receiving payments of principal and interest in connection
882 with the small loans, the provision of accounting, recordkeeping and
883 data processing services;

884 (4) A person who is a passive buyer of a small loan. For purposes of
885 this subdivision, "passive buyer" means a person who: (A) Has
886 acquired a small loan for investment purposes from a person who is
887 either licensed or exempt from licensure under subdivisions (1) to (3),
888 inclusive, of this subsection; (B) will receive the principal and interest
889 and any other moneys due under the small loan through a person who
890 is either licensed or exempt from licensure under subdivisions (1) to
891 (3), inclusive, of this subsection; and (C) has had and will have no
892 communications of any kind with the Connecticut borrower regarding
893 the small loan it has acquired;

894 (5) A consumer reporting agency, as defined in Section 603(f) of the
895 Fair Credit Reporting Act, 15 USC 1681a, as amended from time to
896 time, when generating leads; and

897 (6) A retail seller who offers, extends or facilitates credit through an
898 open-end or closed-end credit plan for the purchase of goods or
899 services from such retail seller.

900 (b) The following persons are exempt from the provisions of
901 sections 36a-555 to 36a-573, inclusive, as amended by this act:

902 (1) Any bank, out-of-state bank, Connecticut credit union, federal
903 credit union or out-of-state credit union, provided such bank or credit
904 union is federally insured;

905 (2) Any wholly-owned subsidiary of such bank or credit union; and

906 (3) Any operating subsidiary where each owner of such operating
907 subsidiary is wholly owned by the same bank or credit union.

908 (c) Loans made by an exempt person described in subsection (b) of
909 this section shall be exempt from the provisions of sections 36a-555 to
910 36a-573, inclusive, as amended by this act, including, without
911 limitation, the provisions applicable to licensed persons, even if: (1)
912 The exempt person utilizes the services of a person exempt from
913 licensing, or required to be licensed pursuant to section 36a-556, as
914 amended by this act, in connection with the small loans that are made
915 by the exempt person described in subsection (b) of this section; and
916 (2) a person exempt from licensing or required to be licensed pursuant
917 to section 36a-556, as amended by this act, engages in activities
918 intended to assist a prospective Connecticut borrower or a Connecticut
919 borrower in obtaining a small loan that is made or to be made by an
920 exempt person described in subsection (b) of this section. Nothing in
921 this subsection shall be construed as exempting persons required to be
922 licensed pursuant to section 36a-556, as amended by this act, from the
923 requirements to obtain and maintain a license or from the provisions of
924 sections 36a-562 to 36a-573, inclusive, as amended by this act.
925 Notwithstanding the foregoing, no person licensed or required to be
926 licensed under section 36a-556, as amended by this act, shall engage in
927 any of the activities described in subsection (a) of section 36a-556, as
928 amended by this act, for any small loan that has a disclosed APR in

929 excess of thirty-six per cent if that small loan contains any condition or
930 provision inconsistent with the requirements of subsections (d) to (g),
931 inclusive, of section 36a-558, as amended by this act.

932 Sec. 22. Section 36a-558 of the general statutes is repealed and the
933 following is substituted in lieu thereof (*Effective July 1, 2016*):

934 [(a) Each applicant for a small loan lender license, at the time of
935 making such application, shall pay to the commissioner a license fee of
936 eight hundred dollars, provided if such application is filed not earlier
937 than one year before the date such license will expire, the applicant
938 shall pay to the commissioner a license fee of four hundred dollars.
939 Each such license shall expire at the close of business on September
940 thirtieth of the odd-numbered year following its issuance, unless such
941 license is renewed, provided any license that is renewed effective July
942 1, 2003, shall expire on September 30, 2005. Each licensee shall, on or
943 before September first of the year in which the license expires, or in the
944 case of a license that expires on June 30, 2003, on or before June 1, 2003,
945 file a renewal application and pay to the commissioner a license fee of
946 eight hundred dollars to renew the license, provided if such
947 application is for renewal of a license that expires on June 30, 2003, the
948 applicant shall pay the commissioner a license fee of nine hundred
949 dollars. Any renewal application filed with the commissioner after
950 September first, or in the case of a license that expires on June 30, 2003,
951 after June 1, 2003, shall be accompanied by a one-hundred-dollar late
952 fee and any such filing shall be deemed to be timely and sufficient for
953 purposes of subsection (b) of section 4-182. Whenever an application
954 for a license, other than a renewal application, is filed under this
955 section by any person who was a licensee and whose license expired
956 less than sixty days prior to the date such application was filed, such
957 application shall be accompanied by a one-hundred-dollar processing
958 fee in addition to the application fee. Each applicant shall pay the
959 expenses of any examination or investigation made under sections 36a-
960 555 to 36a-573, inclusive.

961 (b) If the commissioner determines that a check filed with the

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

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

973 (a) Except as provided in subsection (c) of section 36a-557, as
974 amended by this act, no person licensed or required to be licensed
975 under section 36a-556, as amended by this act, shall engage in any of
976 the activities described in subsection (a) of section 36a-556, as amended
977 by this act, for any small loan that contains any condition or provision
978 inconsistent with the requirements in subsections (d) to (g), inclusive,
979 of this section.

980 (b) No person exempt from licensure under section 36a-557, as
981 amended by this act, shall engage in any of the activities described in
982 subdivision (4), (5) or (6) of subsection (a) of section 36a-556, as
983 amended by this act, for any small loan made by a person who was
984 licensed or who was required to be licensed under section 36a-556, as
985 amended by this act, that contains any condition or provision
986 inconsistent with the requirements in subsections (d) to (g), inclusive,
987 of this section.

988 (c) (1) Except as the result of a bona fide error or as set forth in
989 subdivision (2) of this subsection, any small loan described in
990 subsection (a) or (b) of this section that contains any condition or
991 provision inconsistent with the requirements in subsections (d) to (g),
992 inclusive, of this section shall not be enforced in this state. Such small
993 loan shall be void and no person shall have the right to collect or

994 receive any principal, interest, charge or other consideration thereon.
995 Any person attempting to collect or receive principal, interest, charge
996 or other consideration on such small loan shall be subject to the
997 provisions of section 36a-570, as amended by this act.

998 (2) Subdivision (1) of this subsection shall not apply when: (A) The
999 inconsistent condition or provision is the result of a bona fide error; or
1000 (B) the small loan was lawfully made in compliance with a validly
1001 enacted licensed loan law of another state to a borrower who was not,
1002 at the time of the making of such loan, a Connecticut borrower but
1003 who has since become a Connecticut borrower.

1004 (3) For the purposes of this subsection, the term "bona fide error"
1005 includes, but is not limited to, clerical, calculation and computer
1006 malfunction, programming and printing errors, but does not include
1007 an error of legal judgment with respect to a person's obligations under
1008 sections 36a-555 to 36a-573, inclusive, as amended by this act, or under
1009 regulations implemented pursuant to section 36a-573, as amended by
1010 this act.

1011 (d) Small loans that are the subject of the activities set forth in
1012 subsections (a) and (b) of this section shall not contain:

1013 (1) For a small loan that is under five thousand dollars, an annual
1014 percentage rate that exceeds the maximum annual percentage rate for
1015 interest that is permitted with respect to the consumer credit extended
1016 under the Military Lending Act, 10 USC 987 et seq., as amended from
1017 time to time, or for a small loan that is between five thousand and
1018 fifteen thousand dollars, an annual percentage rate that exceeds
1019 twenty-five per cent as calculated under the Military Lending Act, 10
1020 USC 987, et seq., as amended from time to time;

1021 (2) For other than an open-end small loan, a provision that increases
1022 the interest rate due to default;

1023 (3) A payment schedule with regular periodic payments that when
1024 aggregated do not fully amortize the outstanding principal balance;

1025 (4) A payment schedule with regular periodic payments that cause
1026 the principal balance to increase;

1027 (5) A payment schedule that consolidates more than two periodic
1028 payments and pays them in advance from the proceeds, unless such
1029 payments are required to be escrowed by a governmental agency;

1030 (6) A prepayment penalty;

1031 (7) An adjustable rate provision;

1032 (8) A waiver of participation in a class action or a provision
1033 requiring a borrower, whether acting individually or on behalf of
1034 others similarly situated, to assert any claim or defense in a nonjudicial
1035 forum that: (A) Utilizes principles that are inconsistent with the law as
1036 set forth in the general statutes or common law; or (B) limits any claim
1037 or defense the borrower may have;

1038 (9) A call provision that permits the lender, in its sole discretion, to
1039 accelerate the indebtedness, except when repayment of the loan is
1040 accelerated by a bona fide default pursuant to a due-on-sale clause;

1041 (10) A security interest, except as provided in subsection (e) of this
1042 section; or

1043 (11) Fees or charges of any kind, except as expressly permitted by
1044 subsection (e) of this section.

1045 (e) Small loans as described in subsections (a) and (b) of this section
1046 may contain provisions:

1047 (1) For late fees, if: (A) Such fees are assessed after an installment
1048 remains unpaid for ten or more consecutive days, including Sundays
1049 and holidays; (B) such fees do not exceed the lesser of five per cent of
1050 the outstanding installment payment, excluding any previously
1051 assessed late fees, or a total of twenty-five dollars per month,
1052 whichever is less; and (C) no interest is charged on such fees;

1053 (2) Allowing charges for a dishonored check or any other form of
1054 returned payment, provided the total fee for such returned payment
1055 shall not exceed twenty dollars;

1056 (3) Allowing for collection of deferral charges, but only upon the
1057 specific written authorization of the borrower and in a total amount
1058 not to exceed the interest due during the applicable billing cycle;

1059 (4) Allowing for the accrual of interest after the maturity date or the
1060 deferred maturity date, provided such interest shall not exceed twelve
1061 per cent per annum computed on a daily basis on the respective
1062 unpaid balances;

1063 (5) Providing for reasonable attorney's fees subject to the conditions
1064 and restrictions set forth in section 42-150aa;

1065 (6) Including credit life insurance or credit accident and health
1066 insurance subject to the conditions and restrictions set forth in section
1067 36a-559, as amended by this act;

1068 (7) Taking a security interest in a motor vehicle in connection with a
1069 closed-end small loan made solely for the purchase or refinancing of
1070 such motor vehicle, provided the APR of such loan shall not exceed the
1071 rates indicated for the respective classifications of motor vehicles as
1072 follows: (A) New motor vehicles, fifteen per cent; (B) used motor
1073 vehicles of a model designated by the manufacturer by a year not more
1074 than two years prior to the year in which the sale is made, seventeen
1075 per cent; and (C) used motor vehicles of a model designated by the
1076 manufacturer by a year more than two years prior to the year in which
1077 the sale is made, nineteen per cent.

1078 (f) Open-end small loans as described in subsections (a) and (b) of
1079 this section shall, in addition to the requirements set forth in
1080 subsections (d) and (e) of this section:

1081 (1) Not provide for an advance of money exceeding at any one time
1082 an unpaid principal of fifteen thousand dollars;

1083 (2) Provide for payments and credits to be made to the same
1084 borrower's account from which advances, interests, charges and costs
1085 on such loan are debited;

1086 (3) Provide for interest to be computed on any unpaid principal
1087 balance of the account in each billing cycle by one of the following
1088 methods: (A) By converting the APR to a daily rate and multiplying
1089 such daily rate by the daily unpaid principal balance of the account, in
1090 which case the daily rate is determined by dividing the APR by three
1091 hundred sixty-five; or (B) by converting the APR to a monthly rate and
1092 multiplying the monthly rate by the average daily unpaid principal
1093 balance of the account in the billing cycle, in which case (i) the monthly
1094 rate is determined by dividing the APR by twelve, and (ii) the average
1095 daily unpaid principal balance is the sum of the amount unpaid each
1096 day during the cycle divided by the number of days in the cycle. In
1097 either of such computations, the billing cycle shall be monthly and the
1098 unpaid principal balance on any day shall be determined by adding to
1099 any balance unpaid as of the beginning of such day all advances and
1100 other permissible amounts charged to the borrower and deducting all
1101 payments and other credits made or received that day;

1102 (4) Not compound interest or charges by adding any unpaid interest
1103 or charges authorized by sections 36a-555 to 36a-573, inclusive, as
1104 amended by this act, to the unpaid principal balance of the borrower's
1105 account; or

1106 (5) Not include any other fees or charges of any kind, except as
1107 expressly permitted by subsection (g) of this section.

1108 (g) Open-end small loans as described in subsections (a) and (b) of
1109 this section, in addition to the requirements set forth in subsections (d)
1110 to (f), inclusive, of this section, may:

1111 (1) Provide for an annual fee for the privileges made available to the
1112 borrower under the open-end loan agreement, provided such annual
1113 fee shall not exceed fifty dollars; and

1114 (2) Include credit life insurance or credit accident and health
1115 insurance, subject to the conditions and restrictions set forth in section
1116 36a-559, as amended by this act.

1117 (h) No person licensed or required to be licensed under sections 36a-
1118 555 to 36a-573, inclusive, as amended by this act, who is engaged in
1119 generating leads shall in connection with lead generation activities:

1120 (1) Initiate any outbound telephone call using an automatic
1121 telephone dialing system or an artificial or prerecorded voice without
1122 the prior express written consent of the recipient;

1123 (2) Fail to transmit or cause to transmit the lead generator's name
1124 and telephone number to any caller identification service in use by a
1125 consumer;

1126 (3) Initiate an outbound telephone call to a consumer's residence
1127 between nine o'clock p.m. and eight o'clock a.m. local time at the
1128 consumer's location;

1129 (4) Fail to clearly and conspicuously identify the lead generator and
1130 the purpose of the contact in its written and oral communications with
1131 a consumer;

1132 (5) Fail to provide the ability to opt out of any unsolicited
1133 advertisement communicated to a consumer via an electronic mail
1134 address;

1135 (6) Initiate an unsolicited advertisement via electronic mail to a
1136 consumer more than ten business days after the receipt of a request
1137 from such consumer to opt out of such unsolicited advertisements;

1138 (7) Use a subject heading or electronic mail address in a commercial
1139 electronic mail message that would likely mislead a recipient, acting
1140 reasonably under the circumstances, about a material fact regarding
1141 the sender, contents or subject matter of the message;

1142 (8) Sell, lease, exchange or otherwise transfer or release the

1143 electronic mail address or telephone number of a consumer who has
1144 requested to be opted out of future solicitations;

1145 (9) Collect, buy, lease, exchange or otherwise transfer or receive an
1146 individual's Social Security number or bank account number;

1147 (10) Use information from a trigger lead to solicit consumers who
1148 have opted out of firm offers of credit under the federal Fair Credit
1149 Reporting Act;

1150 (11) Initiate a telephone call to a consumer who has placed his or her
1151 contact information on a federal or state Do Not Call list, unless the
1152 consumer has provided express written consent;

1153 (12) Represent to the public, through advertising or other means of
1154 communicating or providing information, including, but not limited
1155 to, the use of business cards or stationery, brochures, signs or other
1156 promotional items, that such lead generator can or will perform any
1157 other activity requiring licensure under title 36a, unless such lead
1158 generator is duly licensed to perform such other activity or exempt
1159 from such licensure requirements;

1160 (13) Refer applicants to, or receive a fee from, any person who is
1161 required to be licensed under title 36a, but was not so licensed as of the
1162 time of the performance of such lead generator's services; or

1163 (14) Assist or aid and abet any person in the conduct of business
1164 requiring licensure under title 36a when such person does not hold the
1165 license required.

1166 Sec. 23. Section 36a-559 of the general statutes is repealed and the
1167 following is substituted in lieu thereof (*Effective July 1, 2016*):

1168 [No license shall be assignable nor shall any license be transferable
1169 to cover a place of business not located in either the same or an
1170 adjacent city or town. Any change in a licensee's place of business
1171 either within the same or to an adjacent city or town shall be in
1172 accordance with section 36a-562. The license shall be kept

1173 conspicuously posted in the place of business of the licensee. Every
1174 license shall remain in force and effect until the same has been
1175 surrendered, revoked or suspended, or has expired in accordance with
1176 the provisions of sections 36a-555 to 36a-573, inclusive. Any license
1177 which is revoked or suspended shall be immediately surrendered to
1178 the commissioner. If any change occurs in the personnel of the
1179 partners, principals, directors, officers or managers of any licensee, the
1180 licensee shall forthwith notify the commissioner, and the commissioner
1181 may require a statement under oath giving such information as the
1182 commissioner may reasonably require with respect to such change.]

1183 (a) Subject to the conditions provided in this section, insurance may
1184 be sold to a Connecticut borrower by a licensee at the request of the
1185 borrower (1) for insuring the life of persons obligated on a small loan
1186 pursuant to sections 38a-645 to 38a-658, inclusive, and (2) providing
1187 accident and health insurance covering one person on a small loan
1188 pursuant to sections 38a-645 to 38a-658, inclusive. In the case of credit
1189 life insurance sold under subdivision (1) of this subsection, the amount
1190 of the insurance shall be sufficient to pay the total balance of the loan
1191 due on the date of the insured's death. Credit accident and health
1192 insurance sold under subdivision (2) of this subsection shall not
1193 provide indemnity against the risk of a borrower becoming disabled
1194 for a period of less than fourteen days, except that it may provide for
1195 retroactive coverage if the disability continues for the period stated in
1196 the policy. Irrespective of the number of obligors, only one obligor
1197 may be insured, except that life insurance may cover both a borrower
1198 and such borrower's spouse where both are obligors on a small loan. A
1199 licensee shall not require the purchase of insurance as a condition
1200 precedent to the making of a small loan. A licensee shall, both verbally
1201 and in writing, inform the borrower prior to entering into any small
1202 loan contract of his or her right not to purchase credit insurance. In
1203 order to be excluded from the APR calculation, the charge for
1204 insurance shall be reasonable, the licensee may not receive any direct
1205 or indirect compensation relating to the sale of the insurance and the
1206 charge for the insurance may not be paid to an affiliate of the licensee.

1207 (b) If a borrower obtains credit accident and health insurance, the
1208 borrower shall have the right to cancel such credit accident and health
1209 insurance at any time by giving written notice of cancellation to the
1210 licensee. Notification of this right shall be made in the borrower's
1211 insurance election. All persons obligated on the loan shall agree, in
1212 writing, to the cancellation and return all certificates of insurance.
1213 Upon cancellation, the licensee shall, at the licensee's option, either
1214 refund the insurance charges to the borrower or apply them to the
1215 unpaid balance of the loan.

1216 (c) For the purposes of this section, in the case of an open-end small
1217 loan, the additional charge for credit life insurance or credit accident
1218 and health insurance shall be calculated in each billing cycle by
1219 applying the current monthly premium rate for such insurance, as
1220 such rate may be determined by the Insurance Commissioner, to the
1221 unpaid balances in the account, using any of the methods for the
1222 calculation of loan charges specified in subdivision (4) of subsection (f)
1223 of section 36a-558, as amended by this act. No credit life insurance or
1224 credit accident and health insurance written in connection with an
1225 open-end small loan shall be cancelled by the licensee because of
1226 delinquency of the borrower in the making of the required minimum
1227 payments on the loan unless (1) one or more of such payments is past
1228 due for a period of ninety days or more, and (2) the licensee advances
1229 to the insurer the amounts required to keep the insurance in force
1230 during such period, which amounts may be debited from the
1231 borrower's account. Any cancellation shall be effective at the end of the
1232 billing cycle in which the notice is received and the licensee shall
1233 discontinue any further charges for credit accident and health
1234 insurance.

1235 Sec. 24. Section 36a-560 of the general statutes is repealed and the
1236 following is substituted in lieu thereof (*Effective July 1, 2016*):

1237 [No licensee shall make any loan provided for by sections 36a-555 to
1238 36a-573, inclusive, under any other name or at any other place of
1239 business than that named in the license. Not more than one place of

1240 business shall be maintained under the same license, but the
1241 commissioner may issue more than one license to the same licensee
1242 upon compliance with the provisions of sections 36a-555 to 36a-573,
1243 inclusive, as to each new license. Not later than fifteen days after a
1244 licensee ceases to engage in this state in the business of a small loan
1245 lender for any reason, including a business decision to terminate
1246 operations in this state, license revocation, bankruptcy or voluntary
1247 dissolution, such licensee shall surrender to the commissioner in
1248 person or by registered or certified mail its license for each location in
1249 which such licensee has ceased to engage in such business.]

1250 No licensee shall:

1251 (1) Cause a borrower, including, but not limited to, a comaker or
1252 guarantor, to owe at any time more than fifteen thousand dollars in
1253 principal on one or more small loans;

1254 (2) Induce or permit a borrower to split or divide any small loan or
1255 loans, or induce or permit a borrower to become obligated, directly or
1256 indirectly, under more than one contract of loan at the same time,
1257 primarily for the purpose of obtaining rates or charges that would
1258 otherwise be prohibited by any applicable provision of sections 36a-
1259 555 to 36a-573, inclusive, as amended by this act;

1260 (3) Take any (A) confession of judgment, (B) power of attorney, (C)
1261 note or promise to pay that does not state the actual amount of the
1262 loan, the time period for which the loan is made of the charges for such
1263 loan, or (D) instrument related to the loan in which blanks are left to be
1264 filled after the loan is made;

1265 (4) Offer the borrower any other product or service for which there
1266 is or will ever be any cost to the borrower in connection with a small
1267 loan unless (A) permitted by sections 36a-555 to 36a-573, inclusive, as
1268 amended by this act, (B) authorized under another license, or by
1269 applicable exemption from any requirement for such licensure, to offer
1270 such product or services, or (C) if no separate license or exemption
1271 therefrom is required to offer such product or services, authorized in

1272 advance, in writing, by the commissioner upon being satisfied that
1273 such other product or service is of such a character that the granting of
1274 such authority would not permit or easily facilitate evasion of the
1275 provisions of sections 36a-555 to 36a-573, inclusive, as amended by this
1276 act, or of any regulations promulgated thereunder; or

1277 (5) Renew or refinance a small loan unless the renewal or
1278 refinancing of the loan will result in a distinct advantage to the
1279 borrower, provided restoration to a contractually up-to-date condition
1280 shall not, in itself, constitute a distinct advantage to the borrower.

1281 Sec. 25. Section 36a-561 of the general statutes is repealed and the
1282 following is substituted in lieu thereof (*Effective July 1, 2016*):

1283 [No licensee shall conduct the business of making loans under the
1284 provisions of sections 36a-555 to 36a-573, inclusive, in association or
1285 conjunction with any other type of business or within any office or
1286 room where any other type of business is solicited or engaged in,
1287 except as may be authorized in writing by the commissioner upon
1288 being satisfied that such other business is of such a character that the
1289 granting of such authority would not permit or easily facilitate
1290 evasions of the provisions of sections 36a-555 to 36a-573, inclusive, or
1291 of any regulations adopted under section 36a-570.]

1292 No person licensed or required to be licensed shall, directly or
1293 indirectly:

1294 (1) Assist or aid and abet any person in conduct prohibited by
1295 sections 36a-555 to 36a-573, inclusive, as amended by this act;

1296 (2) Employ any scheme, device or artifice to defraud or mislead any
1297 person in connection with a small loan;

1298 (3) Make, in any manner, any false, misleading or deceptive
1299 statement or representation in connection with a small loan or engage
1300 in bait and switch advertising; or

1301 (4) Engage in any unfair or deceptive practice toward any person or

1302 misrepresent or omit any material information in connection with a
1303 small loan.

1304 Sec. 26. Section 36a-562 of the general statutes is repealed and the
1305 following is substituted in lieu thereof (*Effective July 1, 2016*):

1306 [Prior to changing a licensee's place of business either within the
1307 same city or town or to an adjacent city or town, the licensee shall
1308 apply to the commissioner, who shall investigate the facts and, if the
1309 commissioner finds (1) that allowing the licensee to engage in business
1310 in the proposed location is not detrimental to the convenience and
1311 advantage of the community, and (2) that the proposed location is
1312 reasonably accessible to borrowers under existing loan contracts, the
1313 commissioner shall approve the change. If the commissioner does not
1314 so find, the commissioner shall deny the application.]

1315 In each case where a license is required by section 36a-556, as
1316 amended by this act, the licensee shall have a main office license and
1317 may have a branch office license. All offices shall be located in the
1318 United States. Each main office shall have a qualified individual, who
1319 shall be responsible for supervising all aspects of the licensee's small
1320 loan business. Each branch shall have a branch manager, who shall be
1321 responsible for supervising all aspects of the branch's small loan
1322 business.

1323 Sec. 27. Section 36a-563 of the 2016 supplement to the general
1324 statutes is repealed and the following is substituted in lieu thereof
1325 (*Effective July 1, 2016*):

1326 [(a) Every licensee under sections 36a-555 to 36a-573, inclusive, may
1327 loan any sum of money not exceeding fifteen thousand dollars,
1328 excluding charges, and may charge, contract for and receive thereon
1329 charges at a rate not to exceed the following: (1) On any loan which
1330 does not exceed one thousand eight hundred dollars, excluding
1331 charges, or on any unsecured loan or on any loan secured only by
1332 credit life insurance, seventeen dollars per one hundred dollars on that
1333 part of the cash advance, not exceeding six hundred dollars, and

1334 eleven dollars per one hundred dollars on any remainder when the
1335 loan is made payable over a period of one year, and proportionately at
1336 those rates over a longer or shorter term of loan; (2) on a loan which
1337 exceeds one thousand eight hundred dollars, excluding charges, and
1338 which is secured by property other than credit life insurance, eleven
1339 dollars per one hundred dollars on the entire cash advance when the
1340 loan is made payable over a period of one year, and proportionately at
1341 that rate over a longer or shorter term of loan. Such charges shall be
1342 computed at the time the loan is made on the full amount of the cash
1343 advance for the full term of the loan contract, notwithstanding any
1344 agreement to repay the loan in installments. Such charges shall be
1345 added to the cash advance and the resulting sum may become the face
1346 amount of the note. All payments made on account of any loan, except
1347 those applied to default and deferment charges, shall be deemed to be
1348 applied to the unpaid installments in the order in which they are due.

1349 (b) For the purpose of computations, whether at the maximum rate
1350 or less, a month shall be that period of time from any date in one
1351 month to the corresponding date in the next month, but if there is no
1352 such corresponding date, then to the last day of the next month, and a
1353 day shall be considered one-thirtieth of a month when such
1354 computation is made for a fraction of a month. For loans originally
1355 scheduled to be repaid over a period of forty-eight months and fifteen
1356 days or less, the portion of the charges applicable to any particular
1357 monthly installment period, as originally scheduled or following a
1358 deferment, shall bear the same ratio to the total charges, excluding any
1359 adjustment made under subsection (c) of this section, as the balance
1360 scheduled to be outstanding during that monthly period bears to the
1361 sum of all the monthly balances scheduled originally by the contract of
1362 loan. For loans originally scheduled to be repaid over a period in
1363 excess of forty-eight months and fifteen days, the portion of the
1364 charges applicable to any particular monthly installment period, as
1365 originally scheduled or following a deferment, shall be the charges
1366 which would be incurred for that monthly installment period if the
1367 annual percentage rate disclosed to the borrower pursuant to sections

1368 36a-675 to 36a-686, inclusive, were charged, by the actuarial method,
1369 on the disclosed amount financed and all payments were made
1370 according to schedule.

1371 (c) Notwithstanding the requirement in subsection (a) of this
1372 section, a borrower and licensee may agree that the first installment
1373 due date may be not more than fifteen days more than one month, and
1374 the charge for each day in excess of one month shall be one-thirtieth of
1375 the portion of the charges applicable to a first installment period of one
1376 month. The charges for the extra days shall be added to the first
1377 installment, but shall be excluded in computing deferment charges and
1378 refunds. When a loan contract provides for extra days in a first
1379 installment period, for the purposes of sections 36a-555 to 36a-573,
1380 inclusive, such extra days shall be treated as the first days in the first
1381 installment period and the due dates of the remaining installments
1382 shall be calculated from the due date of such first installment.

1383 (d) If any installment remains unpaid for ten or more consecutive
1384 days, including Sundays and holidays, after it is due, the licensee may
1385 charge and collect a default charge not exceeding the lesser of seven
1386 dollars and fifty cents or five cents per dollar, or fraction thereof, of
1387 such scheduled installment, except a minimum default charge of three
1388 dollars may be charged and collected. Default charges may be
1389 collected when due or at any time thereafter, but may not be
1390 accumulated until the last payment date.

1391 (e) If, as of an installment due date, the payment date of all wholly
1392 unpaid installments is deferred one or more full months and the
1393 maturity of the contract is extended for a corresponding period, the
1394 licensee may charge and collect a deferment charge not exceeding the
1395 charge applicable to the first of the installments deferred, multiplied
1396 by the number of months in the deferment period. The deferment
1397 period is that period during which no payment is made or required by
1398 reason of such deferment, except that no deferment made pursuant to
1399 this subsection shall extend the maturity of any contract made under
1400 sections 36a-555 to 36a-573, inclusive, for more than (1) three months,

1401 for loans originally repayable in twenty-four months or less, (2) five
1402 months, for loans originally repayable in more than twenty-four
1403 months but not more than forty-eight months, and (3) eight months,
1404 for loans originally repayable in more than forty-eight months. The
1405 deferment charge may be collected at the time of deferment or at any
1406 time thereafter. The portion of the charges contracted for under
1407 subsection (a) of this section applicable to each deferred balance and
1408 installment period following the deferment period shall remain the
1409 same as that applicable to such balance and period under the original
1410 contract of loan. No installment on which a default charge has been
1411 collected, or on account of which any partial payment has been made,
1412 shall be deferred or included in the computation of the deferment
1413 charge unless such default charge or partial payment is refunded to the
1414 borrower or credited to the deferment charge. Any payment received
1415 at the time of deferment may be applied first to the deferment charge
1416 and the remainder, if any, applied to the unpaid balance of the
1417 contract, but if such payment is sufficient to pay, in addition to the
1418 appropriate deferment charge, any installment which is in default and
1419 the applicable default charge, it shall be first so applied and any such
1420 installment shall not be deferred or subject to the deferment charge. If
1421 a loan is prepaid in full during the deferment period, the borrower
1422 shall receive, in addition to the refund required under subsection (f) of
1423 this section, a refund of that portion of the deferment charge applicable
1424 to any unexpired full month or months of such deferment period.

1425 (f) If the contract of loan is prepaid in full by cash, a new loan or
1426 otherwise, before the final installment date, the portion of the charges
1427 applicable to the full installment periods, as scheduled originally in the
1428 loan contract or as rescheduled by reason of any deferment made
1429 pursuant to sections 36a-555 to 36a-573, inclusive, following the date of
1430 prepayment shall be refunded or credited to the borrower. Where
1431 prepayment occurs on other than a monthly installment due date, it
1432 shall be deemed to have occurred on the preceding or succeeding
1433 installment due date nearest to the date of prepayment. Where
1434 prepayment occurs on a date midpoint between the preceding and

1435 succeeding monthly installment due dates, it shall be deemed to have
1436 occurred on the preceding monthly due date. In all cases where
1437 prepayment occurs before the first monthly installment due date, it
1438 shall be deemed to have occurred on the first monthly installment due
1439 date. If judgment is obtained before the final installment date, the
1440 judgment shall reflect the refund which would be required for
1441 prepayment in full as of the date judgment is obtained. No refund of
1442 less than one dollar or for partial prepayments need be made.

1443 (g) If part or all of the consideration for a loan contract is the unpaid
1444 balance, excluding default charges, of a prior loan with the same
1445 licensee, the cash advance under such new loan contract may include
1446 the balance of the prior contract which remains after giving the
1447 required refund.

1448 (h) In addition to the charges provided for by sections 36a-555 to
1449 36a-573, inclusive, and service charges that are imposed for a check
1450 that is dishonored as provided in subsection (i) of section 52-565a, no
1451 further or other charge or amount for any examination, service,
1452 brokerage, commission or other thing, or otherwise, shall be directly or
1453 indirectly charged, contracted for or received. If interest or any other
1454 charges in excess of those permitted by said sections are charged,
1455 contracted for or received, except as the result of a bona fide error, the
1456 contract of loan shall be void and the licensee shall have no right to
1457 collect or receive any principal, interest or charges. No person shall
1458 owe any licensee, as such, at any time more than fifteen thousand
1459 dollars for principal as a borrower, comaker or guarantor for loans
1460 made under said sections. No licensee shall induce or permit any
1461 borrower or borrowers to split or divide any loan or loans made under
1462 said sections, or permit any borrower to become obligated, directly or
1463 indirectly, under more than one contract of loan under said sections at
1464 the same time primarily for the purpose of obtaining a higher rate of
1465 charge than would otherwise be permitted by said sections. No
1466 contract made under said sections, except as deferred in accordance
1467 with subsection (e) of this section, shall provide for a greater rate of
1468 interest than twelve per cent per annum on the balance remaining

1469 unpaid twenty-four months and fifteen days after the date of making
1470 such contract if the original cash advance was one thousand dollars or
1471 less or thirty-six months and fifteen days if the original cash advance
1472 was in excess of one thousand dollars but not in excess of one
1473 thousand eight hundred dollars. No contract made under said sections
1474 with an original cash advance in excess of one thousand eight hundred
1475 dollars, except as deferred in accordance with subsection (e) of this
1476 section, shall provide for a greater rate of interest than twelve per cent
1477 per annum on the balance remaining unpaid on the scheduled
1478 maturity date of said contract. No part of the principal balance
1479 remaining unpaid by a borrower twenty-four months and fifteen days
1480 after making such contract where the original cash advance was one
1481 thousand dollars or less or thirty-six months and fifteen days where
1482 the original cash advance was in excess of one thousand dollars but
1483 not in excess of one thousand eight hundred dollars, shall directly or
1484 indirectly be renewed or refinanced by the lender who made such
1485 loan. If the maturity date of a loan made under said sections has been
1486 extended by deferred payments, the maximum renewal period that
1487 such loan may be extended shall be the number of months such loan is
1488 deferred. When a contract is renewed or refinanced prior to twenty-
1489 four months and fifteen days where the original cash advance was one
1490 thousand dollars or less or thirty-six months and fifteen days where
1491 the original cash advance exceeded one thousand dollars but did not
1492 exceed one thousand eight hundred dollars, from the date of making
1493 such contract, such renewal or refinancing shall, for the purposes of
1494 this section, be deemed a separate loan transaction.

1495 (i) Notwithstanding the provisions of subsection (a) of this section,
1496 on any loan secured by real property a licensee may include in the
1497 amount of the loan the following closing costs, provided such costs are
1498 bona fide, reasonable in amount and not assessed for the purpose of
1499 circumventing or otherwise limiting any applicable provision of
1500 sections 36a-555 to 36a-573, inclusive: (1) Fees or premiums for title
1501 examination, abstract of title, title insurance, surveys, or similar
1502 purposes; (2) appraisals, if made by a person who is not an employee

1503 or affiliated with the licensee, and (3) fees and taxes paid to public
1504 officials for the recording and release of any document related to the
1505 real estate security. A licensee may collect costs incurred in the event
1506 of foreclosure which shall not include any attorney's fee.

1507 (j) No agreement with respect to a loan under sections 36a-555 to
1508 36a-573, inclusive, may provide for charges resulting from default by
1509 the borrower, other than those authorized by said sections.]

1510 (a) An application for a small loan license shall be made and
1511 processed on the system pursuant to section 36a-24b, in the form
1512 prescribed by the commissioner on the system. Each such form shall
1513 contain content as set forth by instruction or procedure of the
1514 commissioner and may be changed or updated as necessary by the
1515 commissioner in order to carry out the purpose of sections 36a-555 to
1516 36a-573, inclusive, as amended by this act. The applicant shall, at a
1517 minimum, furnish to the system, in a form prescribed by the system,
1518 information concerning the identity of the applicant and any control
1519 person of the applicant, the qualified individual and any branch
1520 manager, including personal history and experience in a form
1521 prescribed by the system and information related to any
1522 administrative, civil or criminal findings by any governmental
1523 jurisdiction. The commissioner, in accordance with section 29-17a, may
1524 conduct a state and national criminal history records check of the
1525 applicant and its control persons, qualified individual and branch
1526 manager, and, in accordance with section 36a-24b, may require the
1527 submission of fingerprints to the Federal Bureau of Investigation or
1528 other state, national or international criminal databases and may
1529 require control persons, qualified individuals and branch managers to
1530 furnish authorization for the system and the commissioner to obtain an
1531 independent credit report from a consumer reporting agency described
1532 in Section 603(p) of the Fair Credit Reporting Act, 15 USC 1681a, as
1533 amended from time to time. Applicants may also be required to
1534 upload on the system an audited financial statement prepared by a
1535 certified public accountant in accordance with generally accepted
1536 accounting principles dated not later than ninety days after the end of

1537 the applicant's fiscal year. Such financial statement shall include a
1538 balance sheet, income statement, statement of cash flows and all
1539 relevant notes thereto. If the applicant is a start-up company, only an
1540 initial statement of condition shall be required.

1541 (b) The commissioner may deem an application for a small loan
1542 license abandoned if the applicant fails to respond to any request for
1543 information required under sections 36a-555 to 36a-573, inclusive, as
1544 amended by this act, or any regulation adopted pursuant to section
1545 36a-573, as amended by this act. The commissioner shall notify the
1546 applicant on the system that if such information is not submitted on or
1547 before sixty days after the date of such request, the application shall be
1548 deemed abandoned. An application filing fee paid prior to the date an
1549 application is deemed abandoned pursuant to this subsection shall not
1550 be refunded. Abandonment of an application pursuant to this
1551 subsection shall not preclude the applicant from submitting a new
1552 application for a license under sections 36a-555 to 36a-573, inclusive, as
1553 amended by this act.

1554 Sec. 28. Section 36a-564 of the general statutes is repealed and the
1555 following is substituted in lieu thereof (*Effective July 1, 2016*):

1556 [As used in section 36a-563 and section 36a-568, "cash advance"
1557 means the cash or its equivalent received by the borrower or paid out
1558 on the borrower's behalf or at the borrower's direction or request.]

1559 (a) Each applicant for a small loan license shall pay to the system
1560 any required fees or charges and a license fee of four hundred dollars.
1561 Each such license shall expire at the close of business on December
1562 thirty-first of the year in which the license was approved, unless such
1563 license is renewed, and provided any such license that is approved on
1564 or after November first shall expire at the close of business on
1565 December thirty-first of the year following the year in which it is
1566 approved. An application for renewal of a license shall be filed
1567 between November first and December thirty-first of the year in which
1568 the license expires. Each applicant for renewal of a small loan license

1569 shall pay to the system any required fees or charges and a renewal fee
1570 of four hundred dollars.

1571 (b) In accordance with section 36a-27b, the commissioner shall
1572 automatically suspend any license if such person receives a deficiency
1573 on the system indicating that a required payment was Returned-ACH
1574 or returned pursuant to any other term as may be utilized by the
1575 system to indicate that payment was not accepted. After the license has
1576 been automatically suspended pursuant to this subsection, the
1577 commissioner shall give such licensee notice of the automatic
1578 suspension pending proceedings for revocation or refusal to renew
1579 pursuant to section 36a-570, as amended by this act, and an
1580 opportunity for a hearing on such action in accordance with section
1581 36a-51, and require such licensee to take or refrain from taking such
1582 action that, in the opinion of the commissioner, will effectuate the
1583 purposes of this section.

1584 (c) No abatement of the license fee shall be made if the license is
1585 surrendered, revoked or suspended prior to the expiration of the
1586 period for which the license was issued. All fees required by this
1587 section shall be nonrefundable.

1588 Sec. 29. Section 36a-565 of the general statutes is repealed and the
1589 following is substituted in lieu thereof (*Effective July 1, 2016*):

1590 [(a) "Open-end loan" means a loan made by a licensee under
1591 sections 36a-555 to 36a-573, inclusive, pursuant to an agreement
1592 between the licensee and the borrower whereby: (1) The licensee may
1593 permit the borrower to obtain advances of money from the licensee
1594 from time to time or the licensee may advance money on behalf of the
1595 borrower from time to time as directed by the borrower, not exceeding
1596 at any one time an unpaid principal balance of fifteen thousand
1597 dollars; (2) the amount of each advance and permitted interest, charges
1598 and costs are debited to the borrower's account and payments and
1599 other credits are credited to the same account; (3) the interest is
1600 computed on the unpaid principal balance or balances of the account

1601 from time to time; (4) the borrower has the privilege of paying the
1602 account in full at any time or, if the account is not in default, in
1603 monthly installments of fixed or determinable amounts as provided in
1604 the agreement; and (5) the agreement expressly states that it covers
1605 open-end loans pursuant to said sections.

1606 (b) "Billing cycle" means the time interval between periodic billing
1607 dates. A billing cycle shall be considered monthly if the closing date of
1608 the cycle is the same date each month or does not vary by more than
1609 four days from such date.

1610 (c) A licensee may make open-end loans and may charge, contract
1611 for and receive thereon interest at an annual percentage rate not to
1612 exceed nineteen and eight-tenths per cent for any open-end loan
1613 agreement entered into on and after July 1, 1991. A licensee may also
1614 receive, pursuant to any such agreement entered into on and after July
1615 1, 1991, one or more of the following charges if the agreement so
1616 provides: (1) An annual fee not to exceed fifty dollars for the privileges
1617 made available to the borrower under the open-end loan agreement;
1618 (2) a default charge subject to the conditions and restrictions set forth
1619 in subsection (d) of section 36a-563; (3) service charges that are
1620 imposed for a check that is dishonored as provided in subsection (i) of
1621 section 52-565a; and (4) reasonable attorneys' fees subject to the
1622 conditions and restrictions set forth in section 42-150aa. In addition to
1623 the charges provided for by this section, no further or other charge or
1624 amount for any examination, service, brokerage, commission or other
1625 thing, or otherwise, shall be directly or indirectly charged, contracted
1626 for or received. If interest or any charges in excess of those permitted
1627 by this section are charged, contracted for or received, except as the
1628 result of a bona fide error, the contract of loan shall be void and the
1629 licensee shall have no right to collect or receive any principal, interest
1630 or charges. No person shall owe any licensee, as such, at any time
1631 more than fifteen thousand dollars for principal as a borrower,
1632 comaker or guarantor for loans made under this section. As used in
1633 this section, the term "bona fide error" includes, but shall not be limited
1634 to, clerical, calculation, computer malfunction and programming and

1635 printing errors, but does not include an error of legal judgment with
1636 respect to a person's obligations under sections 36a-555 to 36a-573,
1637 inclusive.

1638 (d) A licensee shall not compound interest or charges by adding any
1639 unpaid interest or charges authorized by this section to the unpaid
1640 principal balance of the borrower's account.

1641 (e) Interest authorized by this section shall be computed in each
1642 billing cycle by any of the following methods: (1) By converting the
1643 annual percentage rate to a daily rate and multiplying such daily rate
1644 by the daily unpaid principal balance of the account, in which case the
1645 daily rate is determined by dividing the annual percentage rate by
1646 three hundred and sixty-five; or (2) by converting the annual
1647 percentage rate to a monthly rate and multiplying the monthly rate by
1648 the average daily unpaid principal balance of the account in the billing
1649 cycle, in which case the monthly rate is determined by dividing the
1650 annual percentage rate by twelve and the average daily unpaid
1651 principal balance is the sum of the amount unpaid each day during the
1652 cycle divided by the number of days in the cycle.

1653 (f) For all of the methods of computation specified in subsection (e)
1654 of this section, the billing cycle shall be monthly and the unpaid
1655 principal balance on any day shall be determined by adding to any
1656 balance unpaid as of the beginning of that day all advances and other
1657 permissible amounts charged to the borrower and deducting all
1658 payments and other credits made or received that day.

1659 (g) Credit life insurance and credit accident and health insurance
1660 may be sold to the borrower on open-end loans subject to the
1661 conditions and restrictions set forth in section 36a-566. In the case of
1662 credit life insurance, the amount of the insurance shall be sufficient to
1663 pay the total balance of the loan due on the date of the insured's death.
1664 The additional charge for credit life insurance and credit accident and
1665 health insurance shall be calculated in each billing cycle by applying
1666 the current monthly premium rate for such insurance, as such rate may

1667 be determined by the Insurance Commissioner, to the unpaid balances
1668 in the account, using any of the methods specified in subsection (e) of
1669 this section for the calculation of loan charges. No credit life insurance
1670 or credit accident and health insurance written in connection with an
1671 open-end loan shall be cancelled by the licensee because of
1672 delinquency of the borrower in the making of the required minimum
1673 payments on the loan unless one or more of such payments is past due
1674 for a period of ninety days or more; and the licensee shall advance to
1675 the insurer the amounts required to keep the insurance in force during
1676 such period, which amounts may be debited to the borrower's account.
1677 The borrower shall have the right to cancel credit accident and health
1678 insurance at any time by giving written notice of cancellation to the
1679 licensee. Such cancellation shall be effective at the end of the billing
1680 cycle in which the notice is received and the licensee shall discontinue
1681 any further charges for credit accident and health insurance.

1682 (h) No licensee shall take any confession of judgment or any power
1683 of attorney. No licensee shall take a mortgage, lien, security interest in
1684 or assignment or pledge of household goods or assignment of wages
1685 as security for any open-end loan made pursuant to this section. No
1686 licensee shall take a security interest in chattels, tangible or intangible
1687 personal property, motor vehicles or real property to secure an open-
1688 end loan made pursuant to this section.

1689 (i) A copy of the open-end loan agreement shall be delivered by the
1690 licensee to the borrower at the time the open-end account is opened.

1691 (j) Sections 36a-563, 36a-567 and 36a-568 shall not apply to open-end
1692 loans made in accordance with the provisions of this section.]

1693 (a) Upon the filing of the required application and license fee under
1694 sections 36a-563 and 36a-564, as amended by this act, the
1695 commissioner shall investigate the facts and no license shall be granted
1696 unless the commissioner finds that: (1) The experience, character and
1697 general fitness of the applicant and its control persons, qualified
1698 individual and any branch manager are satisfactory; (2) the activities to

1699 be conducted by the applicant will be for the convenience and
1700 advantage of the consumers it seeks to serve; (3) the applicant has
1701 available the funds required by subsection (d) of this section; and (4)
1702 the applicant and its control persons and any qualified individual and
1703 branch manager have not made a material misstatement in the
1704 application. If the commissioner fails to make such findings, the
1705 commissioner shall not issue a license and shall notify the applicant of
1706 the denial and the reasons for such denial.

1707 (b) Notwithstanding the provisions of subsection (a) of this section,
1708 the commissioner may deny an application if the applicant or its
1709 control persons or qualified individual or branch manager have
1710 demonstrated a lack of financial responsibility. For purposes of this
1711 subsection, a person has shown that he or she is not financially
1712 responsible when such person has shown a disregard in the
1713 management of such person's own financial condition. A
1714 determination that a person has not shown financial responsibility
1715 may include, but is not limited to: (1) Current outstanding judgments,
1716 except judgments solely as a result of medical expenses; (2) current
1717 outstanding tax liens or other government liens and filings; (3)
1718 foreclosures during the three years preceding the date of application
1719 for an initial license or renewal of a license; or (4) a pattern of seriously
1720 delinquent accounts within the past three years.

1721 (c) Notwithstanding the provision of subsection (a) of this section,
1722 and subject to the provisions of section 46a-80, the commissioner may
1723 deny an application based on the history of criminal convictions of the
1724 applicant or of its control persons or qualified individual or branch
1725 manager.

1726 (d) Applicants shall have a minimum of fifty thousand dollars
1727 continuously available for each licensed location. The requirement of
1728 this subsection may be met by cash on hand, cash in bank or lines of
1729 credit.

1730 (e) The minimum standards for renewal of a small loan license shall

1731 include the following: (1) The applicant continues to meet the
1732 minimum standards under subsection (a) of this section; (2) the
1733 applicant has paid all required fees for renewal of the license; and (3)
1734 the applicant has paid any outstanding examination fees or other
1735 moneys due to the commissioner.

1736 (f) (1) Withdrawal of an application for a license shall become
1737 effective upon the commissioner's acceptance on the system of a
1738 withdrawal request. The commissioner may deny a license up to the
1739 date one year after the date the withdrawal became effective.
1740 Surrender of a license shall be governed by subsection (c) of section
1741 36a-51. Not later than fifteen days after a licensee ceases to engage in
1742 this state in the business of a small loan lender for any reason,
1743 including a business decision to terminate operations in this state,
1744 license revocation, bankruptcy or voluntary dissolution, such licensee
1745 shall request surrender of the license on the system for each location in
1746 which such licensee has ceased to engage in such business.

1747 (2) If the license expires due to the licensee's failure to renew, the
1748 commissioner may institute a revocation or suspension proceeding or
1749 issue an order suspending or revoking such license pursuant to section
1750 36a-570, as amended by this act, not later than one year after the date
1751 of such expiration.

1752 (g) Every license shall remain in force and effect until the license has
1753 been surrendered, revoked or suspended, or has expired in accordance
1754 with the provisions of sections 36a-555 to 36a-573, inclusive, as
1755 amended by this act.

1756 Sec. 30. Section 36a-566 of the general statutes is repealed and the
1757 following is substituted in lieu thereof (*Effective July 1, 2016*):

1758 [(a) Subject to the conditions provided in this section, insurance may
1759 be sold to the borrower at his request (1) for insuring the life of persons
1760 obligated on a loan pursuant to sections 38a-645 to 38a-658, inclusive,
1761 and (2) providing accident and health insurance covering one person
1762 on a loan pursuant to sections 38a-645 to 38a-658, inclusive. Credit

1763 accident and health insurance shall not provide indemnity against the
1764 risk of a borrower becoming disabled for a period of less than fourteen
1765 days, except that it may provide for retroactive coverage if the
1766 disability continues for the period stated in the policy. Irrespective of
1767 the number of obligors only one obligor may be insured, except that
1768 life insurance may cover both a borrower and such borrower's spouse
1769 where both are obligors on a loan. A licensee shall not require the
1770 purchasing of insurance as a condition precedent to the making of a
1771 loan. A licensee shall, both verbally and in writing, inform the
1772 borrower prior to his entering into any loan contract of his right not to
1773 purchase credit insurance. Any gain or benefit to the licensee directly
1774 or indirectly from such insurance or the sale or provision thereof shall
1775 not be deemed to be additional or further charges, interest or
1776 consideration in connection with a loan made under sections 36a-555
1777 to 36a-573, inclusive, nor a charge in excess of that permitted by said
1778 sections.

1779 (b) If a borrower obtains credit accident and health insurance, the
1780 borrower shall have the right for a period of fifteen days after the loan
1781 is made to cancel the entire insurance coverage. Notification of this
1782 right shall be made in the borrower's insurance election. All persons
1783 obligated on the loan must agree in writing to the cancellation and
1784 return all certificates. Upon cancellation, the licensee shall, at his
1785 option, either refund the insurance charges to the borrower or apply
1786 them to the unpaid balance of the loan.]

1787 (a) No license issued under section 36a-556, as amended by this act,
1788 shall be assignable or transferable. Any proposed change in the control
1789 persons shall be the subject of an advance change notice filed on the
1790 system at least thirty days prior to the effective date of such change
1791 and any change to the control persons shall not occur without the
1792 commissioner's approval.

1793 (b) No licensee may use any name other than its legal name or a
1794 fictitious name approved by the commissioner, provided such licensee
1795 may not use its legal name if the commissioner disapproves of such

1796 name. No licensee shall engage in any activity requiring a small loan
1797 license under any other name or at any other place of business than
1798 that named in the license. Any proposed change in a licensee's name or
1799 to the licensee's place of business shall be the subject of an advance
1800 change notice filed on the system at least thirty days prior to the
1801 effective date of such change and any change to the licensee's name or
1802 place of business shall not be made without the commissioner's
1803 approval of such change.

1804 Sec. 31. Section 36a-567 of the general statutes is repealed and the
1805 following is substituted in lieu thereof (*Effective July 1, 2016*):

1806 [Every licensee shall (1) permit payment of the loan in whole or in
1807 part prior to its maturity, and (2) upon repayment of the loan in full,
1808 mark indelibly each paper signed by the borrower with the word
1809 "paid" or "cancelled", and cancel and return any note or, in lieu thereof,
1810 transmit or deliver to the borrower a duplicate of the original
1811 document clearly identifying the loan, showing such loan has been
1812 paid in full and the note cancelled.]

1813 (a) A licensee shall file any change in the information most recently
1814 submitted in connection with the license with the system or, if the
1815 information cannot be filed on the system, directly notify the
1816 commissioner, in writing, of such change in the information not later
1817 than fifteen days after the licensee has reason to know of such change.

1818 (b) A licensee shall file with the system or, if the information cannot
1819 be filed on the system, directly notify the commissioner, in writing, of
1820 the occurrence of any of the following developments not later than
1821 fifteen days after the licensee had reason to know of the occurrence: (1)
1822 Filing for bankruptcy or the consummation of a corporate
1823 restructuring of the licensee; (2) filing of a criminal indictment against
1824 the licensee in any way related to the activities of the licensee or
1825 receiving notification of the filing of any criminal felony indictment or
1826 felony conviction of any of the licensee's control persons or qualified
1827 individual or branch manager; (3) receiving notification of the

1828 institution of a license denial, cease and desist, suspension or
1829 revocation procedures, or other formal or informal action by any
1830 governmental agency against the licensee and the reasons therefor; (4)
1831 receiving notification of the initiation of any action by the Attorney
1832 General or the attorney general of any other state and the reasons
1833 therefor; (5) receiving notification of a material adverse action with
1834 respect to any existing line of credit or warehouse credit agreement; (6)
1835 receiving notification of any of the licensee's control persons or
1836 qualified individual or branch manager filing or having filed for
1837 bankruptcy; or (7) a decrease in the available funds required by section
1838 36a-565, as amended by this act.

1839 Sec. 32. Section 36a-568 of the general statutes is repealed and the
1840 following is substituted in lieu thereof (*Effective July 1, 2016*):

1841 [No licensee shall take any confession of judgment or any power of
1842 attorney, nor shall he take any note or promise to pay that does not
1843 state the actual amount of the loan, the time for which it is made and
1844 the charges, or any instrument in which blanks are left to be filled after
1845 the loan is made. No licensee shall take a mortgage, lien, security
1846 interest in or assignment or pledge of household goods or an
1847 assignment of wages as security for any loan made under sections 36a-
1848 555 to 36a-573, inclusive. A licensee may take a security interest in
1849 chattels or personal property other than household goods, except a
1850 security interest in an automobile may not be taken as security for any
1851 loan where the cash advance is one thousand eight hundred dollars or
1852 less. A licensee may take a security interest in real estate on loans
1853 made under said sections where the cash advance is in excess of one
1854 thousand eight hundred dollars, but may not take such a security
1855 interest in real estate where the cash advance is one thousand eight
1856 hundred dollars or less. A contract for a loan under said sections shall
1857 not originally schedule any repayment of the cash advance over a
1858 period in excess of twenty-four months and fifteen days if the amount
1859 of the original cash advance was one thousand dollars or less or thirty-
1860 six months and fifteen days if the amount of the original cash advance
1861 was more than one thousand dollars but not in excess of one thousand

1862 eight hundred dollars or seventy-two months and fifteen days if the
1863 amount of the original cash advance was in excess of one thousand
1864 eight hundred dollars, and shall be repayable in installments of cash
1865 advance and charges combined which are substantially equal in
1866 amount or so arranged that no installment is substantially greater in
1867 amount than any preceding installment and which are payable at
1868 approximately equal intervals not exceeding one month, except that
1869 the first installment may be payable not more than one month and
1870 fifteen days after the date of such contract. The requirements of section
1871 36a-785 shall apply to any repossession under sections 36a-555 to 36a-
1872 573, inclusive, of property other than real estate.]

1873 (a) The unique identifier of any small loan licensee shall be clearly
1874 shown on the licensee's application forms for a small loan and all of
1875 the licensee's solicitations or advertisements, including business cards
1876 or Internet web sites, and any other documents as established by rule,
1877 regulation or order of the commissioner.

1878 (b) The advertising of a licensee: (1) Shall not include any statement
1879 that it is endorsed in any way by this state, except it may include a
1880 statement that it is licensed in this state; (2) shall not include any
1881 statement or claim which is deceptive, false or misleading; (3) shall be
1882 retained for one year from the date of its use; and (4) shall otherwise
1883 conform to the requirements of sections 36a-555 to 36a-573, inclusive,
1884 as amended by this act, and any regulations issued thereunder.

1885 Sec. 33. Section 36a-569 of the general statutes is repealed and the
1886 following is substituted in lieu thereof (*Effective July 1, 2016*):

1887 [Each licensee shall keep books and records at the place of business
1888 specified in the license in such form and in such manner as the
1889 commissioner prescribes and shall preserve all books, accounts and
1890 records, including cards used in the card system, if any, for at least two
1891 years after making the final entry recorded therein. Each such licensee
1892 shall, annually, on or before January thirtieth, furnish a sworn
1893 statement of the condition of the business of such licensee as of

1894 December thirty-first, together with such other information and
1895 statements as the commissioner may, from time to time, require. Each
1896 licensee which fails to furnish any such sworn statement or required
1897 information in connection with this section, shall pay to the state ten
1898 dollars for each day that such failure continues, unless excused by the
1899 commissioner for cause. The commissioner may, upon the failure of
1900 any such licensee to furnish such sworn statement or other
1901 information, after a hearing thereon, cancel the license of such
1902 licensee.]

1903 (a) Each small loan licensee shall keep adequate books and records
1904 at the place of business specified in the license in such form and in
1905 such manner as the commissioner prescribes and shall preserve all
1906 books, accounts and records for the following time periods: (1) If the
1907 licensee offered, solicited, brokered, directly or indirectly arranged,
1908 placed, found or generated leads for a small loan, at least two years
1909 after the date it engaged in such activity; (2) if the licensee made, owns
1910 or services a small loan, at least two years after the date the licensee
1911 (A) no longer owns the small loan, or (B) has made the final entry on
1912 the small loan.

1913 (b) Each licensee shall make such books and records available at
1914 such office or send such books and records to the commissioner by
1915 registered or certified mail, return receipt requested, or by any express
1916 delivery carrier that provides a dated delivery receipt, not later than
1917 five business days after requested to do so by the commissioner. Upon
1918 request, the commissioner may grant a licensee additional time to
1919 make such books and records available or send them to the
1920 commissioner.

1921 (c) Licensees shall be required to complete any reports of condition
1922 required by the system. Any such reports of condition shall be
1923 accurately and timely filed on the system in accordance with the due
1924 dates and formats required by the system.

1925 (d) Until such time as information is able to be captured by a

1926 system-based report, each licensee shall furnish annually, on or before
1927 January thirtieth, a sworn statement of the condition of the business of
1928 such licensee as of the preceding December thirty-first, together with
1929 such other information and statements as the commissioner may, from
1930 time to time, require. Any licensee that fails to furnish any such report
1931 of condition pursuant to subsection (c) of this section or such sworn
1932 statement or any other information required by this subsection shall be
1933 in violation of this section.

1934 Sec. 34. Section 36a-570 of the general statutes is repealed and the
1935 following is substituted in lieu thereof (*Effective July 1, 2016*):

1936 [The commissioner may adopt such regulations, in accordance with
1937 chapter 54, and make such findings as may be necessary for the
1938 conduct of the small loan business and its association with other
1939 businesses, the conduct of the associated businesses and the
1940 enforcement of the provisions of sections 36a-555 to 36a-573, inclusive.]

1941 (a) The commissioner may suspend, revoke or refuse to renew any
1942 license issued under sections 36a-555 to 36a-573, inclusive, as amended
1943 by this act, or take any other action, in accordance with the provisions
1944 of section 36a-51, for any reason that would be sufficient grounds for
1945 the commissioner to deny an application for such license under
1946 sections 36a-555 to 36a-573, inclusive, as amended by this act, or if the
1947 commissioner finds that the licensee or any control person of the
1948 licensee, qualified individual or branch manager with supervisory
1949 authority, trustee, employee or agent of such licensee has done any of
1950 the following: (1) Made any material misstatement in the application;
1951 (2) committed any fraud, misappropriated funds or misrepresented,
1952 concealed, suppressed, intentionally omitted or otherwise intentionally
1953 failed to disclose any of the material particulars of any small loan
1954 transaction to anyone entitled to such information, including, but not
1955 limited to, any disclosures required by part III of chapter 669 or
1956 regulations adopted pursuant thereto; (3) violated any of the
1957 provisions of this title, any regulations adopted pursuant thereto or
1958 any other law or regulation applicable to the conduct of its business; or

1959 (4) failed to perform any agreement with a licensee or a borrower.

1960 (b) Whenever it appears to the commissioner that (1) any person has
1961 violated, is violating or is about to violate any of the provisions of
1962 sections 36a-555 to 36a-573, inclusive, as amended by this act, or any
1963 regulation adopted pursuant thereto, (2) any person is, was or would
1964 be a cause of the violation of any such provision or regulation due to
1965 an act or omission such person knew or should have known would
1966 contribute to such violation, or (3) any licensee has failed to perform
1967 any agreement with a borrower, committed any fraud,
1968 misappropriated funds or misrepresented, concealed, suppressed,
1969 intentionally omitted or otherwise intentionally failed to disclose any
1970 of the material particulars of any small loan transaction to anyone
1971 entitled to such information, including disclosures required by part III
1972 of chapter 669 or regulations adopted pursuant thereto, the
1973 commissioner may take action against such person or licensee in
1974 accordance with sections 36a-50 and 36a-52.

1975 (c) (1) The commissioner may order a licensee to remove any
1976 individual conducting business under sections 36a-555 to 36a-573,
1977 inclusive, as amended by this act, from office and from employment or
1978 retention as an independent contractor in the small loan business in
1979 this state whenever the commissioner finds as the result of an
1980 investigation that such individual: (A) Has violated any of said
1981 sections or any regulations adopted pursuant thereto or any order
1982 issued thereunder, or (B) for any reason that would be sufficient
1983 grounds for the commissioner to deny a license under section 36a-565,
1984 as amended by this act, by sending a notice to such individual by
1985 registered or certified mail, return receipt requested or by any express
1986 delivery carrier that provides a dated delivery receipt. The notice shall
1987 be deemed received by such individual on the earlier of the date of
1988 actual receipt or seven days after mailing or sending. Any such notice
1989 shall include: (i) A statement of the time, place and nature of the
1990 hearing; (ii) a statement of the legal authority and jurisdiction under
1991 which the hearing is to be held; (iii) a reference to the particular
1992 sections of the general statutes, regulations or orders alleged to have

1993 been violated; (iv) a short and plain statement of the matters asserted;
1994 and (v) a statement indicating that such individual may file a written
1995 request for a hearing on the matters asserted not later than fourteen
1996 days after receipt of the notice. If the commissioner finds that the
1997 protection of borrowers requires immediate action, the commissioner
1998 may suspend any such individual from office and require such
1999 individual to take or refrain from taking such action as, in the opinion
2000 of the commissioner, will effectuate the purposes of this subsection, by
2001 incorporating a finding to that effect in such notice. The suspension or
2002 prohibition shall become effective upon receipt of such notice and,
2003 unless stayed by a court, shall remain in effect until the entry of a
2004 permanent order or the dismissal of the matters asserted.

2005 (2) If a hearing is requested within the time specified in the notice,
2006 the commissioner shall hold a hearing upon the matters asserted in the
2007 notice unless such individual fails to appear at the hearing. After the
2008 hearing, if the commissioner finds that any of the grounds set forth in
2009 subparagraph (A) or (B) of subdivision (1) of this subsection exist with
2010 respect to such individual, the commissioner may order a licensee to
2011 remove such individual from office and from any employment in the
2012 small loan business in this state. If such individual fails to appear at the
2013 hearing, the commissioner may order the removal of such individual
2014 from office and from employment in the small loan business in this
2015 state.

2016 (d) The commissioner may issue a temporary order to cease
2017 business under a license if the commissioner determines that such
2018 license was issued erroneously. The commissioner shall give the
2019 licensee an opportunity for a hearing on such action in accordance
2020 with section 36a-52. Such temporary order shall become effective upon
2021 receipt by the licensee and, unless set aside or modified by a court,
2022 shall remain in effect until the effective date of a permanent order or
2023 dismissal of the matters asserted in the notice.

2024 Sec. 35. Section 36a-572 of the general statutes is repealed and the
2025 following is substituted in lieu thereof (*Effective July 1, 2016*):

2026 [The commissioner may suspend, revoke or refuse to renew any
2027 license issued under the provisions of section 36a-556 or take any other
2028 action, in accordance with section 36a-51, if the commissioner finds
2029 that the licensee has violated any provision of sections 36a-555 to 36a-
2030 573, inclusive, or any regulation or order lawfully made pursuant to
2031 and within the authority of said sections, or if the commissioner finds
2032 that any fact or condition exists which, if it had existed at the time of
2033 the original application for the license, clearly would have warranted a
2034 denial of such license.]

2035 (a) In addition to any authority provided under this title, the
2036 commissioner shall have the authority to conduct investigations and
2037 examinations as follows:

2038 (1) For purposes of initial small loan licensing, license renewal,
2039 license suspension, license conditioning, license revocation or
2040 termination or general or specific inquiry or investigation to determine
2041 compliance with sections 36a-555 to 36a-573, inclusive, as amended by
2042 this act, the commissioner may access, receive and use any books,
2043 accounts, records, files, documents, information or evidence,
2044 including, but not limited to: (A) Criminal, civil and administrative
2045 history information; (B) personal history and experience information,
2046 including independent credit reports obtained from a consumer
2047 reporting agency described in Section 603(p) of the federal Fair Credit
2048 Reporting Act, 15 USC 1681a; and (C) any other documents,
2049 information or evidence the commissioner deems relevant to the
2050 inquiry or investigation regardless of the location, possession, control
2051 or custody of such documents, information or evidence.

2052 (2) For the purposes of investigating violations or complaints arising
2053 under sections 36a-555 to 36a-573, inclusive, as amended by this act, or
2054 for the purposes of examination, the commissioner may review,
2055 investigate or examine any licensee, individual or person subject to
2056 said sections as often as necessary in order to carry out the purposes of
2057 said sections. The commissioner may direct, subpoena or order the
2058 attendance of and examine under oath all persons whose testimony

2059 may be required about the loans or the business or subject matter of
2060 any such examination or investigation, and may direct, subpoena or
2061 order such person to produce books, accounts, records, files and any
2062 other documents the commissioner deems relevant to the inquiry.

2063 (b) Each licensee or person subject to sections 36a-555 to 36a-573,
2064 inclusive, as amended by this act, shall make or compile reports or
2065 prepare other information as directed by the commissioner in order to
2066 carry out the purposes of this section, including accounting
2067 compilations, information lists and data concerning loan transactions
2068 in a format prescribed by the commissioner or such other information
2069 the commissioner deems necessary to carry out the purposes of this
2070 section.

2071 (c) In making any examination or investigation authorized by this
2072 section, the commissioner may control access to any documents and
2073 records of the licensee or person under examination or investigation.
2074 The commissioner may take possession of the documents and records
2075 or place a person in exclusive charge of the documents and records in
2076 the location where they are usually kept. During the period of control,
2077 no individual or person shall remove or attempt to remove any of the
2078 documents and records except pursuant to a court order or with the
2079 consent of the commissioner. Unless the commissioner has reasonable
2080 grounds to believe the documents or records of the licensee have been,
2081 or are at risk of being, altered or destroyed for purposes of concealing
2082 a violation of sections 36a-555 to 36a-573, inclusive, as amended by this
2083 act, the licensee or owner of the documents and records shall have
2084 access to the documents or records as necessary to conduct its ordinary
2085 business affairs.

2086 (d) In order to carry out the purposes of this section, the
2087 commissioner may:

2088 (1) Retain attorneys, accountants or other professionals and
2089 specialists as examiners, auditors or investigators to conduct or assist
2090 in the conduct of examinations or investigations;

2091 (2) Enter into agreements or relationships with other government
2092 officials or regulatory associations in order to improve efficiencies and
2093 reduce regulatory burden by sharing (A) resources, (B) standardized
2094 or uniform methods or procedures, and (C) documents, records,
2095 information or evidence obtained under this section;

2096 (3) Use, hire, contract or employ public or privately available
2097 analytical systems, methods or software to examine or investigate the
2098 licensee, individual or person subject to sections 36a-555 to 36a-573,
2099 inclusive, as amended by this act;

2100 (4) Accept and rely on examination or investigation reports made by
2101 other government officials, within or without this state; and

2102 (5) Accept audit reports made by an independent certified public
2103 accountant for the licensee, individual or person subject to sections
2104 36a-555 to 36a-573, inclusive, as amended by this act, in the course of
2105 the part of the examination covering the same general subject matter as
2106 the audit and may incorporate the audit report in the report of the
2107 examination, report of investigation or other writing of the
2108 commissioner.

2109 (e) The authority of this section shall remain in effect, whether such
2110 licensee, individual or person subject to sections 36a-555 to 36a-573,
2111 inclusive, as amended by this act, acts or claims to act under any
2112 licensing or registration law of this state or claims to act without such
2113 authority.

2114 (f) No licensee or person subject to investigation or examination
2115 under this section may knowingly withhold, abstract, remove,
2116 mutilate, destroy or secrete any books, records, computer records or
2117 other information.

2118 Sec. 36. Section 36a-573 of the 2016 supplement to the general
2119 statutes is repealed and the following is substituted in lieu thereof
2120 (*Effective July 1, 2016*):

2121 [(a) No person, except as authorized by the provisions of sections
2122 36a-555 to 36a-573, inclusive, shall, directly or indirectly, charge,
2123 contract for or receive any interest, charge or consideration greater
2124 than twelve per cent per annum upon the loan, use or forbearance of
2125 money or credit of the amount or value of (1) five thousand dollars or
2126 less for any such transaction entered into before October 1, 1997, and
2127 (2) fifteen thousand dollars or less for any such transaction entered
2128 into on and after October 1, 1997. The provisions of this section shall
2129 apply to any person who, as security for any such loan, use or
2130 forbearance of money or credit, makes a pretended purchase of
2131 property from any person and permits the owner or pledgor to retain
2132 the possession thereof, or who, by any device or pretense of charging
2133 for the person's services or otherwise, seeks to obtain a greater
2134 compensation than twelve per cent per annum. No loan for which a
2135 greater rate of interest or charge than is allowed by the provisions of
2136 sections 36a-555 to 36a-573, inclusive, has been contracted for or
2137 received, wherever made, shall be enforced in this state, and any
2138 person in any way participating therein in this state shall be subject to
2139 the provisions of said sections, provided, a loan lawfully made after
2140 June 5, 1986, in compliance with a validly enacted licensed loan law of
2141 another state to a borrower who was not, at the time of the making of
2142 such loan, a resident of Connecticut but who has become a resident of
2143 Connecticut, may be acquired by a licensee and its interest provision
2144 shall be enforced in accordance with its terms.

2145 (b) The provisions of subsection (a) of this section shall apply to any
2146 loan made or renewed in this state if the loan is made to a borrower
2147 who resides in or maintains a domicile in this state and such borrower
2148 (1) negotiates or agrees to the terms of the loan in person, by mail, by
2149 telephone or via the Internet while physically present in this state; (2)
2150 enters into or executes a loan agreement with the lender in person, by
2151 mail, by telephone or via the Internet while physically present in this
2152 state; or (3) makes a payment of the loan in this state. As used in this
2153 subsection, "payment of the loan" includes a debit on an account the
2154 borrower holds in a branch of a financial institution or the use of a

2155 negotiable instrument drawn on an account at a financial institution,
2156 and "financial institution" means any bank or credit union chartered or
2157 licensed under the laws of this state, any other state or the United
2158 States and having its main office or a branch office in this state.

2159 (c) For transactions subject to the provisions of subsection (a) of this
2160 section, if any interest, consideration or charges in excess of those
2161 permitted are charged, contracted for or received, the contract of loan,
2162 use or forbearance of money or credit shall be void and no person shall
2163 have the right to collect or receive any principal, interest, charge or
2164 other consideration.

2165 (d) No person shall, directly or indirectly, assist or aid and abet any
2166 person in conduct prohibited by sections 36a-555 to 36a-573, inclusive.

2167 (e) Whenever it appears to the commissioner that any person has
2168 violated the provisions of this section or offered a loan that violates the
2169 provisions of this section, the commissioner may investigate, take
2170 administrative action or assess civil penalties and restitution in
2171 accordance with the provisions of sections 36a-50 and 36a-52.]

2172 The commissioner may adopt such regulations, in accordance with
2173 chapter 54, as the commissioner deems necessary to administer and
2174 enforce the provisions of this section and sections 36a-555 to 36a-572,
2175 inclusive, as amended by this act.

2176 Sec. 37. Section 47a-21 of the general statutes is repealed and the
2177 following is substituted in lieu thereof (*Effective July 1, 2016*):

2178 (a) As used in this chapter:

2179 (1) "Accrued interest" means the interest due on a security deposit
2180 as provided in subsection (i) of this section, compounded annually to
2181 the extent applicable.

2182 [(1)] (2) "Commissioner" means the Banking Commissioner.

2183 [(2)] (3) "Escrow account" means any account at a financial

2184 institution which is not subject to execution by the creditors of the
2185 [person in whose name such account is maintained] escrow agent and
2186 includes a clients' funds account.

2187 [(3)] (4) "Escrow agent" means the person in whose name an escrow
2188 account [, including a clients' funds account,] is maintained.

2189 [(4)] (5) "Financial institution" means any state bank and trust
2190 company, national bank, savings bank, federal savings bank, savings
2191 and loan association, and federal savings and loan association that is
2192 located in this state.

2193 [(5)] (6) "Forwarding address" means the address to which a security
2194 deposit may be mailed for delivery to a former tenant.

2195 [(6)] (7) "Landlord" means any landlord of residential real property,
2196 and includes (A) any receiver; (B) any [person who is a] successor; [to a
2197 landlord or to a landlord's interest;] and (C) any tenant who sublets his
2198 premises.

2199 [(7)] (8) "Receiver" means any person who is appointed or
2200 authorized by any state, federal or probate court to receive rents from
2201 tenants, and includes trustees, executors, administrators, guardians,
2202 conservators, receivers, and receivers of rent.

2203 [(8)] (9) "Rent receiver" means a receiver who lacks court
2204 authorization to return security deposits and to inspect the premises of
2205 tenants and former tenants.

2206 [(9)] (10) "Residential real property" means real property containing
2207 one or more residential units, including residential units not owned by
2208 the landlord, and containing one or more tenants who paid a security
2209 deposit.

2210 [(10)] (11) "Security deposit" means any advance rental payment,
2211 [other than] except an advance payment for the first month's rent [and]
2212 or a deposit for a key or any special equipment.

2213 [(11)] (12) "Successor" [to a landlord or to a landlord's interest]
2214 means any person who succeeds to a landlord's interest whether by
2215 purchase, foreclosure or otherwise and includes a receiver.

2216 [(12)] (13) "Tenant" means a tenant, as defined in section 47a-1, or a
2217 resident, as defined in section 21-64.

2218 [(13)] (14) "Tenant's obligations" means (A) the amount of any rental
2219 or utility payment due the landlord from a tenant; and (B) a tenant's
2220 obligations under the provisions of section 47a-11.

2221 (b) (1) In the case of a tenant under sixty-two years of age, a
2222 landlord shall not demand a security deposit in an amount [or value in
2223 excess of] that exceeds two months' [periodic rent which may be in
2224 addition to the current month's] rent.

2225 (2) In the case of a tenant sixty-two years of age or older, a landlord
2226 shall not demand a security deposit in an amount [or value in excess
2227 of] that exceeds one month's [periodic rent, which may be in addition
2228 to the current month's rent. Upon the request of a tenant sixty-two
2229 years of age or older, any landlord who has received from such tenant
2230 a security deposit in an amount or value in excess of one month's
2231 periodic rent shall refund to such tenant the portion of such security
2232 deposit that exceeds one month's periodic] rent.

2233 (c) Any security deposit paid by a tenant shall remain the property
2234 of such tenant in which the landlord [and his successor] shall have a
2235 security interest, as defined in subdivision (35) of subsection (b) of
2236 section 42a-1-201, to secure such tenant's obligations. A security
2237 deposit shall be exempt from attachment and execution by the
2238 creditors of the landlord [or his successor] and shall not be considered
2239 part of the estate of the landlord [or his successor] in any legal
2240 proceeding. Any voluntary or involuntary transfer of a landlord's
2241 interest in residential real [estate] property to a successor shall
2242 constitute an assignment to such successor of such landlord's security
2243 interest in all security deposits paid by tenants of such transferred
2244 residential real [estate] property.

2245 (d) (1) [Within] Not later than the time specified in [subdivisions]
2246 subdivision (2) [and (4)] of this subsection, the person who is the
2247 landlord at the time a tenancy is terminated, other than a rent receiver,
2248 shall pay to the tenant or former tenant: (A) The amount of any
2249 security deposit that was deposited by the tenant with the person who
2250 was landlord at the time such security deposit was deposited less the
2251 value of any damages [which] that any person who was a landlord of
2252 such premises at any time during the tenancy of such tenant has
2253 suffered as a result of such tenant's failure to comply with such
2254 tenant's obligations; and (B) any accrued interest, [due on such security
2255 deposit as required by subsection (i) of this section.] If the landlord at
2256 the time of termination of a tenancy is a rent receiver, such rent
2257 receiver shall return security deposits in accordance with the
2258 provisions of subdivision (3) of this subsection.

2259 (2) Upon termination of a tenancy, any tenant may notify [his] the
2260 landlord in writing of such tenant's forwarding address. [Within] Not
2261 later than thirty days after termination of a tenancy or fifteen days
2262 after receiving written notification of such tenant's forwarding
2263 address, whichever is later, each landlord other than a rent receiver
2264 shall deliver to the tenant or former tenant at such forwarding address
2265 either (A) the full amount of the security deposit paid by such tenant
2266 plus accrued interest, [as provided in subsection (i) of this section,] or
2267 (B) the balance of [the] such security deposit [paid by such tenant plus]
2268 and accrued interest [as provided in subsection (i) of this section] after
2269 deduction for any damages suffered by such landlord by reason of
2270 such tenant's failure to comply with such tenant's obligations, together
2271 with a written statement itemizing the nature and amount of such
2272 damages. Any [such] landlord who violates any provision of this
2273 subsection shall be liable for twice the amount [or value] of any
2274 security deposit paid by such tenant, except that, if the only violation is
2275 the failure to deliver the accrued interest, such landlord shall [only] be
2276 liable for ten dollars or twice the amount of [such] the accrued interest,
2277 whichever is greater.

2278 (3) (A) Any receiver who is authorized by [the] a court [appointing

2279 him receiver] to return security deposits and to inspect the premises of
2280 any tenant shall pay security deposits and accrued interest in
2281 accordance with the provisions of subdivisions (1) and (2) of this
2282 subsection from the operating income of such receivership to the
2283 extent that any such payments exceed the amount in any escrow
2284 accounts for such tenants. (B) Any rent receiver shall present any claim
2285 by any tenant for return of a security deposit to the court which
2286 authorized [him to be a] the rent receiver. Such court shall determine
2287 the validity of any such claim and shall direct such rent receiver to pay
2288 from the escrow account or from the operating income of such
2289 property the amount due such tenant as determined by such court.

2290 [(4) Any landlord who does not have written notice of his tenant's or
2291 former tenant's forwarding address shall deliver any written statement
2292 and security deposit due to the tenant, as required by subdivision (2)
2293 of this subsection, within the time required by subdivision (2) of this
2294 subsection or within fifteen days after receiving written notice of such
2295 tenant's forwarding address, whichever is later.]

2296 (e) A successor, other than a receiver, [to a landlord's interest in
2297 residential real property] shall be liable for the claims of tenants of
2298 such property for return of any part of such security deposit which is
2299 or becomes due to such tenant during the time such successor is a
2300 landlord. A receiver's liability for payment of security deposits and
2301 interest under this section shall be limited to the balance in any escrow
2302 account for such tenants maintained by such receiver in such
2303 receivership in accordance with subsection (h) of this section and to the
2304 operating income generated in such receivership.

2305 (f) Any landlord who is not a resident of this state shall appoint in
2306 writing the Secretary of the State as [his] the landlord's attorney upon
2307 whom all process in any action or proceeding against such landlord
2308 may be served.

2309 (g) Any person may bring an action in replevin or for money
2310 damages in any court of competent jurisdiction to reclaim any part of

2311 [his] such person's security deposit which may be due. This section
2312 does not preclude the landlord or tenant from recovering other
2313 damages to which [he] the landlord or tenant may be entitled.

2314 (h) (1) Each landlord shall immediately deposit the entire amount of
2315 [all] any security [deposits] deposit received by [him on or after
2316 October 1, 1979, from his tenants] such landlord from each tenant into
2317 one or more escrow accounts [for such tenants] established or
2318 maintained in a financial institution [. Such landlord shall be escrow
2319 agent of such account. Within seven days after a written request by the
2320 commissioner for the name of each financial institution in which any
2321 such escrow accounts are maintained and the account number of each
2322 such escrow account, a landlord shall deliver such requested
2323 information to the commissioner. (2)] for the benefit of each tenant.
2324 Each landlord [and each successor to the landlord's interest] shall
2325 maintain each such account as escrow agent and shall not withdraw
2326 [the amount of any security deposit or accrued interest on such
2327 amount, as provided in subsection (i) of this section, that is in any
2328 escrow account] funds from such account except as provided in [this
2329 section] subdivision (2) of this subsection.

2330 (2) The escrow agent may withdraw funds from an escrow account
2331 to: (A) Disburse the amount of any security deposit and accrued
2332 interest due to a tenant pursuant to subsection (d) of this section; (B)
2333 disburse interest to a tenant pursuant to subsection (i) of this section;
2334 (C) make a transfer of the entire amount of certain security deposits
2335 pursuant to subdivision (3) of this subsection; (D) retain interest
2336 credited to the account in excess of the amount of interest payable to
2337 the tenant under subsection (i) of this section; (E) retain all or any part
2338 of a security deposit and accrued interest after termination of tenancy
2339 equal to the damages suffered by the landlord by reason of the tenant's
2340 failure to comply with such tenant's obligations; (F) disburse all or any
2341 part of the security deposit to a tenant at any time during tenancy; or
2342 (G) transfer such funds to another financial institution or escrow
2343 account, provided such funds remain continuously in an escrow
2344 account.

2345 (3) (A) Whenever any real estate is voluntarily or involuntarily
2346 transferred from a landlord, other than a receiver, to [his] a successor,
2347 including a receiver, such landlord shall withdraw from the escrow
2348 account and deliver to [his] the successor the entire amount of security
2349 deposits paid by tenants of the property being transferred, plus
2350 [accrued] any interest [provided for in] accrued pursuant to subsection
2351 (i) of this section. If at the time of transfer of such real estate the funds
2352 in such account are commingled with security deposits paid by tenants
2353 in real estate not being transferred to such successor, and if at such
2354 time the funds in such account are less than the amount of security
2355 deposits paid by all tenants whose security deposits are contained in
2356 such account, such landlord shall deliver to such successor a pro rata
2357 share of security deposits paid by tenants of the real estate being
2358 transferred to such successor. [Any successor to a landlord shall
2359 immediately deposit the entire amount of funds delivered to him in
2360 accordance with this subdivision into an escrow account as provided
2361 in subdivision (l) of this subsection and shall maintain such account as
2362 escrow agent in accordance with the provisions of this section.] (B)
2363 Whenever any real estate is transferred from a receiver to [his] a
2364 successor, such receiver shall dispose of the escrow accounts as
2365 ordered by the court which appointed [him] such receiver. The order
2366 of such court shall provide for the priority of the present and future
2367 rights of tenants to security deposits paid by them over the rights of
2368 any secured or unsecured creditor of any person and shall provide that
2369 the funds in such account shall be delivered to the successor of such
2370 receiver for immediate deposit in an escrow account for tenants who
2371 paid security deposits.

2372 (4) [No person shall withdraw funds from any escrow account
2373 except as follows: (A) Within the time specified in subsection (d) of this
2374 section, each escrow agent shall withdraw and disburse the amount of
2375 any security deposit due to any tenant upon the termination of such
2376 tenancy, in accordance with subsection (d) of this section, together
2377 with accrued interest thereon as provided in subsection (i) of this
2378 section. (B) At the time provided for in subsection (i) of this section,

2379 each escrow agent shall withdraw from such account and pay to each
2380 tenant any accrued interest due and payable to any tenant in
2381 accordance with the provisions of said subsection. (C) The escrow
2382 agent may withdraw and personally retain interest credited to and not
2383 previously withdrawn from such account to the extent such interest
2384 exceeds the amount of interest being earned by tenants as provided in
2385 subsection (i) of this section. (D) The escrow agent may withdraw and
2386 personally retain the amount of damages withheld, in accordance with
2387 the provisions of subsection (d) of this section, from payment of a
2388 security deposit to a tenant. (E) The escrow agent may at any time
2389 during a tenancy withdraw and pay to a tenant all or any part of a
2390 security deposit together with accrued interest on such amount as
2391 provided in subsection (i) of this section. (F) The escrow agent shall
2392 withdraw and disburse funds in accordance with the provisions of
2393 subdivision (3) of this subsection. (G) The escrow agent may transfer
2394 any escrow account from one financial institution to another and may
2395 transfer funds from one escrow account to another provided that all
2396 security deposits in escrow accounts remain continuously in escrow
2397 accounts.] (A) The landlord shall provide each tenant with a written
2398 notice stating the amount held for the benefit of the tenant and the
2399 name and address of the financial institution at which the tenant's
2400 security deposit is being held not later than thirty days after the
2401 landlord receives a security deposit from the tenant or the tenant's
2402 previous landlord or transfers the security deposit to another financial
2403 institution or escrow account.

2404 (B) If the commissioner makes a written request to the landlord for
2405 any information related to a tenant's security deposit, including the
2406 name of each financial institution in which any escrow account is
2407 maintained and the account number of each escrow account, the
2408 landlord shall provide such information to the commissioner not later
2409 than seven days after the request is made.

2410 (i) [(1)] On and after July 1, 1993, each landlord other than a
2411 landlord of a residential unit in any building owned or controlled by
2412 any educational institution and used by such institution for the

2413 purpose of housing students of such institution and their families, and
2414 each landlord or owner of a mobile manufactured home or of a mobile
2415 manufactured home space or lot or park, as such terms are defined in
2416 subdivisions (1), (2) and (3) of section 21-64, shall pay interest on each
2417 security deposit received by such landlord at a rate of not less than the
2418 average rate paid, as of December 30, 1992, on savings deposits by
2419 insured commercial banks as published in the Federal Reserve Board
2420 Bulletin rounded to the nearest one-tenth of one percentage point,
2421 except in no event shall the rate be less than one and one-half per cent.
2422 On and after January 1, 1994, the rate for each calendar year shall be
2423 not less than the deposit index, [as defined in subdivision (2) of this
2424 subsection, for that year, except in no event shall the rate be less than
2425 one and one-half per cent] determined under this section as it was in
2426 effect during such year. On and after January 1, 2012, the rate for each
2427 calendar year shall be not less than the deposit index, as defined in
2428 [subdivision (2) of this subsection] section 38 of this act, for that year.
2429 On the anniversary date of the tenancy and annually thereafter, such
2430 interest shall be paid to the tenant or resident or credited toward the
2431 next rental payment due from the tenant or resident, as the landlord or
2432 owner shall determine. If the tenancy is terminated before the
2433 anniversary date of such tenancy, or if the landlord or owner returns
2434 all or part of a security deposit prior to termination of the tenancy, the
2435 landlord or owner shall pay the accrued interest to the tenant or
2436 resident not later than thirty days after such termination or return. [In
2437 any case where a tenant or resident] Interest shall not be paid to a
2438 tenant for any month in which the tenant has been delinquent for more
2439 than ten days in the payment of any monthly rent, [such resident or
2440 tenant shall forfeit any interest that would otherwise be payable to
2441 such resident or tenant for that month, except that there shall be no
2442 such forfeiture if, pursuant to a provision of the rental agreement, a
2443 late charge is imposed for failure to pay such rent within the time
2444 period provided by section 47a-15a] unless the landlord imposes a late
2445 charge for such delinquency. No landlord [or owner] shall increase the
2446 rent due [on any quarters or property subject to the provisions of this
2447 section] from a tenant because of the requirement that the landlord pay

2448 on interest [be paid on any] the security deposit. [made with respect to
2449 such quarters or property.]

2450 [(2) The commissioner shall publish the rate that takes effect July 1,
2451 1993, in the Department of Banking news bulletin no later than July 15,
2452 1993. The deposit index for each calendar year shall be equal to the
2453 average rate paid on savings deposits by insured commercial banks as
2454 last published in the Federal Reserve Board Bulletin in November of
2455 the prior year. The commissioner shall determine the deposit index for
2456 each calendar year and publish such deposit index in the Department
2457 of Banking news bulletin no later than December fifteenth of the prior
2458 year. The commissioner shall also cause such rates to be disseminated
2459 in a manner designed to come to the attention of landlords and tenants
2460 including, but not limited to, the issuance of press releases and public
2461 service announcements, the encouragement of news stories in the mass
2462 media and the posting of conspicuous notices at financial institutions.
2463 For purposes of this subsection, "Federal Reserve Board Bulletin"
2464 means the monthly survey of selected deposits published as a special
2465 supplement to the Federal Reserve Statistical Release Publication H.6
2466 published by the Board of Governors of the Federal Reserve System or,
2467 if such bulletin is superseded or becomes unavailable, a substantially
2468 similar index or publication.]

2469 (j) (1) [The] Except as provided in subdivision (2) of this subsection,
2470 the commissioner may receive and investigate complaints regarding
2471 any alleged violation of subsections (b), (d), (h) or (i) of this section. [
2472 provided the commissioner shall not have jurisdiction over the refusal
2473 or other failure of any landlord to return all or part of a security
2474 deposit if such failure results from the landlord's good faith claim that
2475 the landlord has suffered damages as a result of a tenant's failure to
2476 comply with such tenant's obligations whether or not the existence or
2477 amount of alleged damages is disputed by the tenant. For purposes of
2478 this section a good faith claim is deemed to be a claim for actual
2479 damages suffered by the landlord for which written notification of
2480 such damages has been given to the tenant in accordance with the
2481 provisions of subdivisions (1), (2) and (4) of subsection (d) of this

2482 section.] For the purposes of such investigation, any person who is or
2483 was a landlord shall be subject to the provisions of section 36a-17. [(2)]
2484 If the commissioner determines that any landlord has violated any
2485 provision of this section over which the commissioner has jurisdiction,
2486 the commissioner may, in accordance with section 36a-52, order such
2487 person to cease and desist from such practices and to comply with the
2488 provisions of this section.

2489 (2) The commissioner shall not have jurisdiction over (A) the failure
2490 of a landlord to pay interest to a tenant annually under subsection (i)
2491 of this section, or (B) the refusal or other failure of the landlord to
2492 return all or part of the security deposit if such failure results from the
2493 landlord's good faith claim that such landlord has suffered damages as
2494 a result of a tenant's failure to comply with such tenant's obligations,
2495 regardless of whether the existence or amount of the alleged damages
2496 is disputed by the tenant. For purposes of this section, "good faith
2497 claim" means a claim for actual damages suffered by the landlord for
2498 which written notification of such damages has been provided to the
2499 tenant in accordance with the provisions of subdivision (2) of
2500 subsection (d) of this section.

2501 (3) The commissioner may adopt regulations, in accordance with
2502 chapter 54, to carry out the purposes of this section.

2503 (k) (1) Any person who is a landlord at the time of termination of a
2504 tenancy and who knowingly and wilfully fails to pay all or any part of
2505 a security deposit when due shall be subject to a fine of not more than
2506 two hundred fifty dollars for each offense, provided it shall be an
2507 affirmative defense under this subdivision that such failure was
2508 caused by such landlord's good faith belief that he was entitled to
2509 deduct the value of damages he has suffered as a result of such
2510 tenant's failure to comply with such tenant's obligations.

2511 (2) Any person who knowingly and wilfully violates the provisions
2512 of subsection (h) of this section on or after October 1, 1979, shall be
2513 subject to a fine of not more than five hundred dollars or

2514 imprisonment of not more than thirty days or both for each offense. It
2515 shall be an affirmative defense under the provisions of this subdivision
2516 that at the time of the offense, such person leased residential real
2517 property to fewer than four tenants who paid a security deposit.

2518 (3) Any person who is a landlord at the time an interest payment is
2519 due under the provisions of subsection (i) of this section and who
2520 knowingly and wilfully violates the provisions of such subsection shall
2521 be subject to a fine of not more than one hundred dollars for each
2522 offense.

2523 (4) No financial institution shall be liable for any violation of this
2524 section except for any violation in its capacity as a landlord. [or
2525 successor to a landlord's interest.]

2526 (l) Nothing in this section shall be construed as a limitation upon: (1)
2527 The power or authority of the state, the Attorney General or the
2528 commissioner to seek administrative, legal or equitable relief
2529 permitted by the general statutes or at common law; or (2) the right of
2530 any tenant to bring a civil action permitted by the general statutes or at
2531 common law.

2532 Sec. 38. (NEW) (*Effective July 1, 2016*) The Banking Commissioner
2533 shall determine the deposit index for each calendar year and publish
2534 such deposit index in the Department of Banking's news bulletin and
2535 on the department's Internet web site not later than December fifteenth
2536 of the prior year. The commissioner may also disseminate the deposit
2537 index and any information the commissioner deems appropriate in a
2538 manner designed to alert the parties that may rely on the deposit
2539 index, including the issuance of press releases and public service
2540 announcements, the encouragement of news stories in the mass media
2541 and the posting of conspicuous notices at financial institutions. For
2542 purposes of this section, "deposit index" means (1) the average of the
2543 national rates for savings deposits and money market deposits for the
2544 last week in November of the prior year, as published by the Federal
2545 Deposit Insurance Corporation in accordance with 12 CFR 337.6, as

2546 amended from time to time, or (2) if said corporation no longer
2547 publishes such rates, the average of substantially similar national rates
2548 for the last week in November of the prior year as published by a
2549 federal banking agency.

2550 Sec. 39. Subsection (e) of section 3-70a of the 2016 supplement to the
2551 general statutes is repealed and the following is substituted in lieu
2552 thereof (*Effective July 1, 2016*):

2553 (e) In the case of any claim allowed under this section for property,
2554 funds or money delivered to the Treasurer pursuant to subdivision (1)
2555 or (2) of subsection (a) of section 3-57a, the Treasurer shall pay such
2556 claim with interest as follows: For each calendar year or portion
2557 thereof that the property, funds or money has been paid or delivered
2558 to the Treasurer, the Treasurer shall pay interest at [the deposit index
2559 rate determined and published by the Banking Commissioner not later
2560 than December fifteenth of the preceding calendar year pursuant to
2561 subdivision (2) of subsection (i) of section 47a-21] a rate that is not less
2562 than the deposit index, as determined under section 38 of this act, for
2563 such year. Such interest shall accrue from the date of payment or
2564 delivery of the property, funds or money to the Treasurer until the
2565 date of payment or delivery of the property, funds or money to the
2566 claimant.

2567 Sec. 40. Section 16-262j of the general statutes is repealed and the
2568 following is substituted in lieu thereof (*Effective July 1, 2016*):

2569 (a) No public service company and no electric supplier shall refuse
2570 to provide electric, gas or water service to a residential customer based
2571 on the financial inability of such customer to pay a security deposit for
2572 such service. The Public Utilities Regulatory Authority shall adopt
2573 regulations in accordance with chapter 54 to carry out the provisions of
2574 this subsection.

2575 (b) No telephone company and no certified telecommunications
2576 provider shall refuse to provide telecommunications service to a
2577 candidate or a committee, as defined in section 9-601, on the grounds

2578 that such candidate, such committee or the person acting on behalf of
2579 such committee has offered to pay the security deposit for such service
2580 with a credit card.

2581 (c) Each public service company, certified telecommunications
2582 provider and electric supplier shall pay interest on any security
2583 deposit it receives from a customer at the average rate paid, as of
2584 December 30, 1992, on savings deposits by insured commercial banks
2585 as published in the Federal Reserve Board bulletin and rounded to the
2586 nearest one-tenth of one percentage point, except in no event shall the
2587 rate be less than one and one-half per cent. On and after January 1,
2588 1994, the rate for each calendar year shall be not less than the deposit
2589 index₂ as determined [by the Banking Commissioner and defined in
2590 subsection (d) of this section] under section 38 of this act, for [that]
2591 such year and rounded to the nearest one-tenth of one percentage
2592 point, except in no event shall the rate be less than one and one-half
2593 per cent.

2594 [(d) The deposit index for each calendar year shall be equal to the
2595 average rate paid on savings deposits by insured commercial banks as
2596 last published in the Federal Reserve Board bulletin in November of
2597 the prior year. The Banking Commissioner shall determine the deposit
2598 index for each calendar year and publish such deposit index in the
2599 Department of Banking news bulletin no later than December fifteenth
2600 of the prior year. For purposes of this section, "Federal Reserve Board
2601 bulletin" means the monthly survey of selected deposits published as a
2602 special supplement to the Federal Reserve Statistical Release
2603 Publication H.6 published by the Board of Governors of the Federal
2604 Reserve System or, if such bulletin is superseded or becomes
2605 unavailable, a substantially similar index or publication.]

2606 Sec. 41. Section 37-9 of the general statutes is repealed and the
2607 following is substituted in lieu thereof (*Effective July 1, 2016*):

2608 The provisions of sections 37-4, 37-5 and 37-6 shall not affect: (1)
2609 Any loan made prior to September 12, 1911; (2) any loan made by (A)

2610 any bank, as defined in section 36a-2, or any out-of-state bank, as
2611 defined in section 36a-2, that maintains in this state a branch, as
2612 defined in section 36a-410, (B) any wholly-owned subsidiary of such
2613 bank or out-of-state bank, except a loan for consumer purposes, or (C)
2614 any Connecticut credit union, as defined in section 36a-2, or federal
2615 credit union, as defined in section 36a-2; (3) any bona fide mortgage of
2616 real property for a sum in excess of five thousand dollars; (4) (A) any
2617 loan, carrying an annual interest rate of not more than the deposit
2618 index, as determined [pursuant to subsection (c) of section 49-2a]
2619 under section 38 of this act, for the calendar year in which the loan is
2620 made plus seventeen per cent, made to a foreign or domestic
2621 corporation, statutory trust, limited liability company, general, limited
2622 or limited liability partnership or association organized for a profit or
2623 any individual, provided such corporation, trust, company,
2624 partnership, association or individual is engaged primarily in
2625 commercial, manufacturing, industrial or nonconsumer pursuits and
2626 provided further that the funds received by such corporation, trust,
2627 company, partnership, association or individual are utilized in such
2628 entity's business or investment activities and are not utilized for
2629 consumer purposes and provided further that the original
2630 indebtedness to be repaid is in excess of ten thousand dollars but less
2631 than or equal to two hundred fifty thousand dollars, or, in the case of
2632 one or more advances of money of less than ten thousand dollars made
2633 pursuant to a revolving loan agreement or similar agreement or a loan
2634 agreement providing for the making of advances to the borrower from
2635 time to time up to an aggregate maximum amount, the total principal
2636 amount of all loans owing by the borrower to the lender at the time of
2637 any such advance is in excess of ten thousand dollars but less than or
2638 equal to two hundred fifty thousand dollars, or (B) any loan made to a
2639 foreign or domestic corporation, statutory trust, limited liability
2640 company, general, limited or limited liability partnership or
2641 association organized for a profit or any individual, provided such
2642 corporation, trust, company, partnership, association or individual is
2643 engaged primarily in commercial, manufacturing, industrial or
2644 nonconsumer pursuits and provided further that the funds received by

2645 such corporation, trust, company, partnership, association or
2646 individual are utilized in such entity's business or investment activities
2647 and are not utilized for consumer purposes and provided further that
2648 the original indebtedness to be repaid is in excess of two hundred fifty
2649 thousand dollars, or, in the case of one or more advances of money of
2650 less than two hundred fifty thousand dollars made pursuant to a
2651 revolving loan agreement or similar agreement or a loan agreement
2652 providing for the making of advances to the borrower from time to
2653 time up to an aggregate maximum amount, the total principal amount
2654 of all loans owing by the borrower to the lender at the time of any such
2655 advance is in excess of two hundred fifty thousand dollars; (5) any
2656 obligations, including bonds, notes or other obligations, issued by (A)
2657 the state, (B) any municipality, including any city, town, borough,
2658 district, whether consolidated or not, or other public body corporate,
2659 or (C) any authority, instrumentality, public agency or other political
2660 subdivision of the state or of a municipality; (6) any loan made by (A)
2661 the state, (B) any municipality, including any city, town, borough,
2662 district, whether consolidated or not, or other public body corporate,
2663 or (C) any authority, instrumentality, public agency or other political
2664 subdivision of the state or of a municipality; (7) any loan made for the
2665 purpose of financing the purchase of a motor vehicle, a recreational
2666 vehicle or a boat, carrying an interest rate of not more than (A)
2667 eighteen per cent per annum on loans made on or after July 1, 1981,
2668 and prior to October 1, 1985, and (B) on loans made on or after October
2669 1, 1985, and prior to October 1, 1993, (i) sixteen per cent per annum for
2670 new motor vehicles, recreational vehicles or boats, and (ii) eighteen per
2671 cent per annum for used motor vehicles, recreational vehicles or boats,
2672 payable in four or more monthly, quarterly or yearly installments
2673 which is unsecured or in which a security interest is taken in such
2674 property; (8) any loan by an institution of higher education made to an
2675 individual for the purpose of enabling attendance at such institution
2676 and carrying an interest rate of not more than the greater of (A) the
2677 maximum rate then permitted by section 37-4, or (B) a rate which is not
2678 more than five per cent in excess of the discount rate, including any
2679 surcharge, on ninety-day commercial paper in effect from time to time

2680 at the federal reserve bank in the federal reserve district where such
2681 institution is located; (9) any loan made to a plan participant or
2682 beneficiary from an employee pension benefit plan as defined in the
2683 Employee Retirement Income Security Act of 1974, Public Law 93-406,
2684 as from time to time amended. The provisions of part III of chapter 668
2685 shall not apply to loans made pursuant to subdivision (7) of this
2686 section. No provision of this section shall prevent any such bank, out-
2687 of-state bank, Connecticut credit union or federal credit union or other
2688 lender from recovering by an action at law the amount of the principal
2689 and the interest stipulated or interest at the legal rate, if interest is not
2690 stipulated, in any negotiable instrument which it has acquired for
2691 value and in good faith without notice of illegality in the consideration.
2692 For the purpose of this section: "Interest" shall not be construed to
2693 include attorney's fees, including preparation of mortgage deed and
2694 note, security agreements, title search, waivers and closing fees, survey
2695 charges or recording fees paid by the mortgagor or borrower; and
2696 "consumer purposes" means the utilization of funds for personal,
2697 family or household purchases, acquisitions or uses.

2698 Sec. 42. Section 49-2a of the general statutes is repealed and the
2699 following is substituted in lieu thereof (*Effective July 1, 2016*):

2700 [(a)] On and after July 1, 1993, each state bank and trust company,
2701 national banking association, state or federally-chartered savings and
2702 loan association, savings bank, insurance company and other
2703 mortgagee or mortgage servicer holding funds of a mortgagor in
2704 escrow for the payment of taxes and insurance premiums with respect
2705 to mortgaged property located in this state shall pay interest on such
2706 funds, except as provided in section 49-2c, at a rate of not less than the
2707 average rate paid, as of December 30, 1992, on savings deposits by
2708 insured commercial banks as published in the Federal Reserve Board
2709 Bulletin and rounded to the nearest one-tenth of one percentage point,
2710 except in no event shall the rate be less than one and one-half per cent.
2711 On and after January 1, 1994, until September 30, 2012, the rate for each
2712 calendar year shall be not less than the deposit index₂ as [defined in
2713 subsection (c) of this section for that year and rounded to the nearest

2714 one-tenth of one percentage point, except in no event shall the rate be
2715 less than one and one-half per cent] determined under this section as it
2716 was in effect during such year. On and after October 1, 2012, the rate
2717 for each calendar year shall be not less than the deposit index, as
2718 [defined in subsection (c) of this section] determined under section 38
2719 of this act, for [that] such year and rounded to the nearest one-tenth of
2720 one percentage point. Interest payments shall be credited on the thirty-
2721 first day of December annually toward the payment of taxes or
2722 insurance premiums as the case may be, on such mortgaged property
2723 in the ensuing year. If the mortgage debt is paid prior to December
2724 thirty-first in any year, the interest to the date of payment shall be paid
2725 to the mortgagor. The provisions of this section shall apply only with
2726 respect to mortgages on owner-occupied residential property
2727 consisting of not more than four living units and housing cooperatives
2728 occupied solely by the shareholders thereof. Any mortgagee or
2729 mortgage servicer violating the provisions of this section shall be fined
2730 not more than one hundred dollars for each offense.

2731 [(b) Each mortgagee or mortgage servicer subject to the provisions
2732 of this section may contact the Department of Banking to ascertain the
2733 published deposit index to determine the minimum rate paid on funds
2734 of a mortgagor held in escrow for the payment of taxes and insurance
2735 premiums.

2736 (c) The deposit index for each calendar year shall be equal to the
2737 average rate paid on savings deposits by insured commercial banks as
2738 last published in the Federal Reserve Board Bulletin in November of
2739 the prior year. The commissioner shall determine the deposit index for
2740 each calendar year and publish such deposit index in the Department
2741 of Banking news bulletin no later than December fifteenth of the prior
2742 year. For purposes of this section, "Federal Reserve Board Bulletin"
2743 means the monthly survey of selected deposits published as a special
2744 supplement to the Federal Reserve Statistical Release Publication H.6
2745 published by the Board of Governors of the Federal Reserve System or,
2746 if such bulletin is superseded or becomes unavailable, a substantially
2747 similar index or publication.]

2748 Sec. 43. Subsection (a) of section 49-31p of the general statutes is
2749 repealed and the following is substituted in lieu thereof (*Effective*
2750 *October 1, 2016*):

2751 (a) In the case of any foreclosure on a federally-related mortgage
2752 loan or on any dwelling or residential real property that has a return
2753 date on or after July 13, 2011, [but not later than December 31, 2017,]
2754 any immediate successor in interest in such property pursuant to the
2755 foreclosure shall assume such interest subject to (1) the provision, by
2756 such successor in interest, of a notice to vacate to any bona fide tenant
2757 not less than ninety days before the effective date of such notice; and
2758 (2) the rights of any bona fide tenant, as of the date absolute title vests
2759 in such successor in interest (A) under any bona fide lease entered into
2760 before such date to occupy the premises until the end of the remaining
2761 term of the lease, except that a successor in interest may terminate a
2762 lease effective on the date of sale of the unit to a purchaser who will
2763 occupy the unit as a primary residence, subject to the receipt by the
2764 tenant of the ninety-day notice under subdivision (1) of this subsection;
2765 or (B) without a lease or with a lease terminable at will under state law,
2766 subject to the receipt by the tenant of the ninety-day notice under
2767 subdivision (1) of this subsection, except that nothing under this
2768 section shall affect the requirements for termination of any federally
2769 subsidized or state-subsidized tenancy or of any state or local law that
2770 provides longer time periods or other additional protections for
2771 tenants.

2772 Sec. 44. Section 49-31q of the general statutes is repealed and the
2773 following is substituted in lieu thereof (*Effective October 1, 2016*):

2774 (a) [On or before December 31, 2017, in] In the case of an owner who
2775 is an immediate successor in interest pursuant to foreclosure during
2776 the term of a lease, vacating the property prior to sale shall not
2777 constitute other good cause for terminating the lease of a tenant who is
2778 a recipient of assistance under 42 USC 1437f(o), the federal Housing
2779 Choice Voucher Program, except that the owner may terminate the
2780 tenancy effective on the date of transfer of the unit to the owner if the

2781 owner (1) will occupy the unit as a primary residence, and (2) has
2782 provided the tenant a notice to vacate at least ninety days before the
2783 effective date of such notice.

2784 (b) [On or before December 31, 2017, in] In the case of any
2785 foreclosure on any federally-related mortgage loan, as that term is
2786 defined in 12 USC 2602(1), the Real Estate Settlement Procedures Act
2787 of 1974, or on any residential real property in which a recipient of
2788 assistance under 42 USC 1437(o), the federal Housing Choice Voucher
2789 Program, resides, the immediate successor in interest in such property
2790 pursuant to the foreclosure shall assume such interest subject to the
2791 lease between the prior owner and the tenant and to the housing
2792 assistance payments contract between the prior owner and the public
2793 housing agency for the occupied unit, except that this provision and
2794 the provisions related to foreclosure in subsection (a) of this section
2795 shall not affect any state or local law that provides longer time periods
2796 or other additional protections for tenants.

2797 Sec. 45. Subsection (a) of section 36a-65 of the general statutes is
2798 repealed and the following is substituted in lieu thereof (*Effective from*
2799 *passage*):

2800 (a) (1) The commissioner shall annually, on or after July first for the
2801 fiscal year commencing on said July first, collect pro rata based on
2802 asset size from each Connecticut bank and each Connecticut credit
2803 union an amount sufficient in the commissioner's judgment to meet
2804 the expenses of the Department of Banking, including a reasonable
2805 reserve for contingencies, provided the commissioner shall not collect
2806 such amount from a newly organized Connecticut credit union until
2807 July first following the third full calendar year after issuance by the
2808 commissioner of such credit union's certificate of authority. Such
2809 assessments and expenses shall not exceed the budget estimates
2810 submitted in accordance with section 36a-13.

2811 (2) In addition to any license, investigation or examination fee
2812 required under this title, the commissioner may levy assessments on

2813 persons licensed as money transmitters pursuant to sections 36a-595 to
2814 36a-612, inclusive, and persons licensed as student loan servicers
2815 pursuant to sections 36a-846 to 36a-854, inclusive. The commissioner
2816 shall annually, on or after July first for the fiscal year commencing on
2817 said July first, collect such additional amounts sufficient in the
2818 commissioner's judgment to meet the expenses of the Department of
2819 Banking, including a reasonable reserve for contingencies. Such
2820 assessment shall be determined pro rata based on: (A) For licensed
2821 money transmitters, dollar volume of money transmissions in this
2822 state, and (B) for licensed student loan servicers, dollar volume of
2823 student education loans, as defined in section 36a-846, of student loan
2824 borrowers serviced. Each such licensee shall pay the commissioner the
2825 amount allocated to it not later than the date specified by the
2826 commissioner for payment. Failure by a licensee to timely make such
2827 payment shall constitute a violation of this section and a basis upon
2828 which the commissioner may take action against such licensee
2829 pursuant to section 36a-51.

2830 (3) Such assessments may be made more frequently than annually at
2831 the discretion of the commissioner. Such assessments for any fiscal
2832 year shall be reduced pro rata by the amount of any surplus from the
2833 assessments of prior fiscal years, which surplus shall be maintained in
2834 accordance with subdivision (4) of subsection (b) of this section. The
2835 commissioner may reduce any such assessment collected from a
2836 Connecticut bank up to the amount of any assessment for the same
2837 fiscal year collected from such bank by another state in which such
2838 bank has established a branch, limited branch or mobile branch. The
2839 commissioner may reduce any such assessment collected from a
2840 Connecticut credit union up to the amount of any assessment for the
2841 same fiscal year collected from such credit union by another state in
2842 which such credit union has established a branch. Such assessments
2843 for any fiscal year shall be a liability of such banks, [and] credit unions
2844 and licensees as of the assessment date. Except as provided in this
2845 subsection, such assessments shall not be prorated for any reason.

2846 Sec. 46. Section 36a-719h of the 2016 supplement to the general

2847 statutes is repealed and the following is substituted in lieu thereof
2848 (*Effective October 1, 2016*):

2849 No mortgage servicer shall:

2850 (1) Directly or indirectly employ any scheme, device or artifice to
2851 defraud or mislead mortgagors or mortgagees or to defraud any
2852 person;

2853 (2) Engage in any unfair or deceptive practice toward any person or
2854 misrepresent or omit any material information in connection with the
2855 servicing of the residential mortgage loan, including, but not limited
2856 to, misrepresenting the amount, nature or terms of any fee or payment
2857 due or claimed to be due on a residential mortgage loan, the terms and
2858 conditions of the servicing agreement or the mortgagor's obligations
2859 under the residential mortgage loan;

2860 (3) Obtain property by fraud or misrepresentation;

2861 (4) [~~Knowingly misapply or recklessly apply~~] Recklessly apply
2862 residential mortgage loan payments or knowingly misapply residential
2863 mortgage loan payments to the outstanding balance of a residential
2864 mortgage loan;

2865 (5) [~~Knowingly misapply or recklessly apply~~] Recklessly apply
2866 payments or knowingly misapply payments to escrow accounts;

2867 (6) Place hazard, homeowners or flood insurance on the mortgaged
2868 property when the mortgage servicer [~~knows~~] knew or [~~has reason to~~
2869 ~~know~~] should have known that the mortgagor has an effective policy
2870 for such insurance;

2871 (7) Fail to comply with section 49-10a;

2872 (8) Knowingly or recklessly provide inaccurate information to a
2873 credit bureau [, ~~thereby harming a mortgagor's creditworthiness~~] that
2874 results in harm to a mortgagor's creditworthiness;

2875 (9) Fail to report both the favorable and unfavorable payment
2876 history of the mortgagor to a nationally recognized consumer credit
2877 bureau at least annually if the mortgage servicer regularly reports
2878 information to a credit bureau;

2879 (10) Collect private mortgage insurance beyond the date for which
2880 private mortgage insurance is required;

2881 (11) Fail to issue a release of mortgage in accordance with section
2882 49-8;

2883 (12) Fail to provide written notice to a mortgagor upon taking action
2884 to place hazard, homeowners or flood insurance on the mortgaged
2885 property, including a clear and conspicuous statement of the
2886 procedures by which the mortgagor may demonstrate that he or she
2887 has the required insurance coverage and by which the mortgage
2888 servicer shall terminate the insurance coverage placed by it and refund
2889 or cancel any insurance premiums and related fees paid by or charged
2890 to the mortgagor;

2891 (13) Place hazard, homeowners or flood insurance on a mortgaged
2892 property, or require a mortgagor to obtain or maintain such insurance,
2893 in excess of the replacement cost of the improvements on the
2894 mortgaged property as established by the property insurer;

2895 (14) Fail to provide to the mortgagor a refund of unearned
2896 premiums paid by a mortgagor or charged to the mortgagor for
2897 hazard, homeowners or flood insurance placed by a mortgagee or the
2898 mortgage servicer if the mortgagor provides reasonable proof that the
2899 mortgagor has obtained coverage such that the forced placement
2900 insurance is no longer necessary and the property is insured. If the
2901 mortgagor provides reasonable proof that no lapse in coverage
2902 occurred such that the forced placement was not necessary, the
2903 mortgage servicer shall promptly refund the entire premium;

2904 (15) Require any amount of funds to be remitted by means more
2905 costly to the mortgagor than a bank or certified check or attorney's

2906 check from an attorney's account to be paid by the mortgagor;

2907 (16) Refuse to communicate with an authorized representative of the
2908 mortgagor who provides a written authorization signed by the
2909 mortgagor, provided the mortgage servicer may adopt procedures
2910 reasonably related to verifying that the representative is in fact
2911 authorized to act on behalf of the mortgagor;

2912 (17) Conduct any business covered by sections 36a-715 to 36a-719l,
2913 inclusive, without holding a valid license as required under said
2914 sections, or assist or aid and abet any person in the conduct of business
2915 without a valid license as required under this title;

2916 (18) Negligently make any false statement or knowingly and
2917 wilfully make any omission of a material fact in connection with any
2918 information or reports filed with a governmental agency or the system
2919 or in connection with any investigation conducted by the Banking
2920 Commissioner or another governmental agency; or

2921 (19) Collect, charge, attempt to collect or charge or use or propose
2922 any agreement purporting to collect or charge any fee prohibited by
2923 sections 36a-485 to 36a-498f, inclusive, 36a-534a and 36a-534b.

2924 Sec. 47. Section 36a-800 of the 2016 supplement to the general
2925 statutes is repealed and the following is substituted in lieu thereof
2926 (*Effective October 1, 2016*):

2927 As used in [sections 36a-800] this section, section 52, section 53, of
2928 this act and sections 36a-801 to 36a-812, inclusive, as amended by this
2929 act, unless the context otherwise requires:

2930 (1) "Branch office" means a location other than the main office at
2931 which a licensee or any person on behalf of a licensee acts as a
2932 consumer collection agency;

2933 (2) "Consumer collection agency" means any person (A) engaged as
2934 a third party in the business of collecting or receiving [for] payment for
2935 others [of] on any account, bill or other indebtedness from a consumer

2936 debtor, (B) engaged directly or indirectly in the business of collecting
2937 on any account, bill or other indebtedness from a consumer debtor for
2938 such person's own account if the indebtedness was acquired from
2939 another person and if the indebtedness was either delinquent or in
2940 default at the time it was acquired, or (C) engaged in the business of
2941 collecting or receiving [for payment property] tax payments, including,
2942 but not limited to, property tax and federal income tax payments, from
2943 a property tax debtor or federal income tax debtor on behalf of a
2944 municipality or the United States Department of the Treasury,
2945 including, but not limited to, any person who, by any device,
2946 subterfuge or pretense, makes a pretended purchase or takes a
2947 pretended assignment of accounts from any other person, [or]
2948 municipality or taxing authority of such indebtedness for the purpose
2949 of evading the provisions of [sections 36a-800] this section and sections
2950 36a-801 to 36a-812, inclusive, as amended by this act. [It] "Consumer
2951 collection agency" includes persons who furnish collection systems
2952 carrying a name which simulates the name of a consumer collection
2953 agency and who supply forms or form letters to be used by the
2954 creditor, even though such forms direct the consumer debtor, [or]
2955 property tax debtor or federal income tax debtor to make payments
2956 directly to the creditor rather than to such fictitious agency. "Consumer
2957 collection agency" further includes any person who, in attempting to
2958 collect or in collecting such person's own accounts or claims from a
2959 consumer debtor, uses a fictitious name or any name other than such
2960 person's own name which would indicate to the consumer debtor that
2961 a third person is collecting or attempting to collect such account or
2962 claim. "Consumer collection agency" does not include (i) an individual
2963 employed on the staff of a licensed consumer collection agency, or by a
2964 creditor who is exempt from licensing, when attempting to collect on
2965 behalf of such consumer collection agency, (ii) persons not primarily
2966 engaged in the collection of debts from consumer debtors who receive
2967 funds in escrow for subsequent distribution to others, including, but
2968 not limited to, real estate brokers and lenders holding funds of
2969 borrowers for payment of taxes or insurance, (iii) any public officer or
2970 a person acting under the order of any court, (iv) any member of the

2971 bar of this state, (v) a person who services loans or accounts for the
2972 owners thereof when the arrangement includes, in addition to
2973 requesting payment from delinquent consumer debtors, the providing
2974 of other services such as receipt of payment, accounting, record-
2975 keeping, data processing services and remitting, for loans or accounts
2976 which are current as well as those which are delinquent, (vi) a bank or
2977 out-of-state bank, as defined in section 36a-2, and (vii) a subsidiary or
2978 affiliate of a bank or out-of-state bank, provided such affiliate or
2979 subsidiary is not primarily engaged in the business of purchasing and
2980 collecting upon delinquent debt, other than delinquent debt secured by
2981 real property. Any person not included in the definition contained in
2982 this subdivision is, for purposes of sections 36a-645 to 36a-647,
2983 inclusive, a "creditor", as defined in section 36a-645;

2984 (3) "Consumer debtor" means any natural person, not an
2985 organization, who has incurred indebtedness or owes a debt for
2986 personal, family or household purposes, including current or past due
2987 child support, [or] who has incurred indebtedness or owes a debt to a
2988 municipality due to a levy by such municipality of a personal property
2989 tax or who has incurred indebtedness or owes a debt to the United
2990 States Department of the Treasury under the Internal Revenue Code of
2991 1986, or any subsequent corresponding internal revenue code of the
2992 United States, as amended from time to time;

2993 (4) "Creditor" means a person, including, but not limited to, a
2994 municipality or the United States Department of the Treasury, that
2995 retains, hires, or engages the services of a consumer collection agency;

2996 (5) "Federal income tax" means all federal taxes levied on the income
2997 of a natural person or organization by the United States Department of
2998 the Treasury under the Internal Revenue Code of 1986, or any
2999 subsequent corresponding internal revenue code of the United States,
3000 as amended from time to time;

3001 (6) "Federal income tax debtor" means any natural person or
3002 organization who owes a debt to the United States Department of

3003 Treasury;

3004 [(5)] (7) "Main office" means the main address designated on the
3005 application;

3006 [(6)] (8) "Municipality" means any town, city or borough,
3007 consolidated town and city, consolidated town and borough, district as
3008 defined in section 7-324 or municipal special services district
3009 established under chapter 105a;

3010 [(7)] (9) "Organization" means a corporation, partnership,
3011 association, trust or any other legal entity or an individual operating
3012 under a trade name or a name having appended to it a commercial,
3013 occupational or professional designation;

3014 [(8)] (10) "Property tax" has the meaning given to the term in section
3015 7-560; and

3016 [(9)] (11) "Property tax debtor" means any natural person or
3017 organization who has incurred indebtedness or owes a debt to a
3018 municipality due to a levy by such municipality of a property tax.

3019 Sec. 48. Subsection (a) of section 36a-801 of the 2016 supplement to
3020 the general statutes is repealed and the following is substituted in lieu
3021 thereof (*Effective October 1, 2016*):

3022 (a) No person shall act within this state as a consumer collection
3023 agency unless such person has first obtained a consumer collection
3024 agency license for such person's main office and each branch office
3025 where such person's business is conducted. A consumer collection
3026 agency is acting within this state if it (1) has its place of business
3027 located within this state; (2) has its place of business located outside
3028 this state and (A) collects from consumer debtors, [or] property tax
3029 debtors or federal income tax debtors who reside within this state for
3030 creditors who are located within this state, or (B) collects from
3031 consumer debtors, [or] property tax debtors or federal income tax
3032 debtors who reside within this state for such consumer collection

3033 agency's own account; (3) has its place of business located outside this
3034 state and regularly collects from consumer debtors, [or] property tax
3035 debtors or federal income tax debtors who reside within this state for
3036 creditors who are located outside this state; or (4) has its place of
3037 business located outside this state and is engaged in the business of
3038 collecting child support for creditors located within this state from
3039 consumer debtors who are located outside this state.

3040 Sec. 49. Subsection (a) of section 36a-802 of the general statutes is
3041 repealed and the following is substituted in lieu thereof (*Effective*
3042 *October 1, 2016*):

3043 (a) No such license and no renewal thereof shall be granted to a
3044 third party consumer collection agency unless the applicant has filed
3045 with the commissioner a bond to the people of the state in the penal
3046 sum of twenty-five thousand dollars, approved by the Attorney
3047 General as to form and by the commissioner as to sufficiency of the
3048 security thereof. Such bond shall be conditioned that such licensee
3049 shall well, truly and faithfully account for all funds entrusted to the
3050 licensee and collected and received by the licensee in the licensee's
3051 capacity as a consumer collection agency. Any person who may be
3052 damaged by the wrongful conversion of any creditor, consumer
3053 debtor, [or] property tax debtor or federal income tax debtor funds
3054 received by such consumer collection agency may proceed on such
3055 bond against the principal or surety thereon, or both, to recover
3056 damages. The commissioner may proceed on such bond against the
3057 principal or surety thereon, or both, to collect any civil penalty
3058 imposed upon the licensee pursuant to subsection (a) of section 36a-50.
3059 The proceeds of the bond, even if commingled with other assets of the
3060 licensee, shall be deemed by operation of law to be held in trust for the
3061 benefit of such claimants against the licensee in the event of
3062 bankruptcy of the licensee and shall be immune from attachment by
3063 creditors and judgment creditors. The bond shall run concurrently
3064 with the period of the license granted to the applicant, and the
3065 aggregate liability under the bond shall not exceed the penal sum of
3066 the bond.

3067 Sec. 50. Subsection (a) of section 36a-805 of the 2016 supplement to
3068 the general statutes is repealed and the following is substituted in lieu
3069 thereof (*Effective October 1, 2016*):

3070 (a) No consumer collection agency shall: (1) Furnish legal advice or
3071 perform legal services or represent that it is competent to do so, or
3072 institute judicial proceedings on behalf of others; (2) communicate with
3073 consumer debtors, [or] property tax debtors or federal income tax
3074 debtors in the name of an attorney or upon the stationery of an
3075 attorney, or prepare any forms or instruments which only attorneys
3076 are authorized to prepare; (3) receive assignments as a third party of
3077 claims for the purpose of collection or institute suit thereon in any
3078 court; (4) assume authority on behalf of a creditor to employ or
3079 terminate the services of an attorney unless such creditor has
3080 authorized such agency in writing to act as such creditor's agent in the
3081 selection of an attorney to collect the creditor's accounts; (5) demand or
3082 obtain in any manner a share of the proper compensation for services
3083 performed by an attorney in collecting a claim, whether or not such
3084 agency has previously attempted collection thereof; (6) solicit claims
3085 for collection under an ambiguous or deceptive contract; (7) refuse to
3086 return any claim or claims upon written request of the creditor,
3087 claimant or forwarder, which claims are not in the process of collection
3088 after the tender of such amounts, if any, as may be due and owing to
3089 the agency; (8) advertise or threaten to advertise for sale any claim as a
3090 means of forcing payment thereof, unless such agency is acting as the
3091 assignee for the benefit of creditors; (9) refuse or fail to account for and
3092 remit to its clients all money collected which is not in dispute within
3093 sixty days from the last day of the month in which said money is
3094 collected; (10) refuse or intentionally fail to return to the creditor all
3095 valuable papers deposited with a claim when such claim is returned;
3096 (11) refuse or fail to furnish at intervals of not less than ninety days,
3097 upon the written request of the creditor, claimant or forwarder, a
3098 written report upon claims received from such creditor, claimant or
3099 forwarder; (12) add any post charge-off charge or fee for cost of
3100 collection, unless such cost is a court cost, to the amount of any claim

3101 which it receives for collection or knowingly accept for collection any
3102 claim to which any such charge or fee has already been added to the
3103 amount of the claim unless (A) the consumer debtor is legally liable for
3104 such charge or fee as determined by the contract or other evidence of
3105 an agreement between the consumer debtor and creditor, a copy of
3106 which shall be obtained by or available to the consumer collection
3107 agency from the creditor and maintained as part of the records of the
3108 consumer collection agency or the creditor, or both, and (B) the total
3109 charge or fee for cost of collection does not exceed fifteen per cent of
3110 the total amount actually collected and accepted as payment in full
3111 satisfaction of the debt; (13) use or attempt to use or make reference to
3112 the term "bonded by the state of Connecticut", "bonded" or "bonded
3113 collection agency" or any combination of such terms or words, except
3114 [that] the word "bonded" may be used on the stationery of any such
3115 agency in type not larger than twelve-point; (14) when the debt is
3116 beyond the statute of limitations, fail to provide the following
3117 disclosure in type not less than ten-point informing the consumer
3118 debtor in its initial communication with such consumer debtor that (A)
3119 when collecting on debt that is not past the date for obsolescence
3120 provided for in Section 605(a) of the Fair Credit Reporting Act, 15 USC
3121 1681c: "The law limits how long you can be sued on a debt. Because of
3122 the age of your debt, (INSERT OWNER NAME) will not sue you for it.
3123 If you do not pay the debt, (INSERT OWNER NAME) may report or
3124 continue to report it to the credit reporting agencies as unpaid"; and
3125 (B) when collecting on debt that is past the date for obsolescence
3126 provided for in Section 605(a) of the Fair Credit Reporting Act, 15 USC
3127 1681c: "The law limits how long you can be sued on a debt. Because of
3128 the age of your debt, (INSERT OWNER NAME) will not sue you for it
3129 and (INSERT OWNER NAME) will not report it to any credit
3130 reporting agencies."; or (15) engage in any activities prohibited by
3131 sections 36a-800 to 36a-812, inclusive, as amended by this act.

3132 Sec. 51. Subsection (b) of section 36a-811 of the general statutes is
3133 repealed and the following is substituted in lieu thereof (*Effective*
3134 *October 1, 2016*):

3135 (b) Each third party consumer collection agency shall deposit funds
3136 collected or received from consumer debtors for payment for others on
3137 an account, bill or other indebtedness in one or more trust accounts
3138 maintained at a federally insured bank, Connecticut credit union,
3139 federal credit union or an out-of-state bank that maintains in this state
3140 a branch as defined in section 36a-410, which accounts shall be
3141 reconciled monthly. Such funds shall not be commingled with funds of
3142 the consumer collection agency or used in the conduct of the consumer
3143 collection agency's business. Such account shall not be used for any
3144 purpose other than (1) the deposit of funds received from consumer
3145 debtors, (2) the payment of such funds to creditors, (3) the refund of
3146 any overpayments to be made to consumer debtors, and (4) the
3147 payment of earned fees to the consumer collection agency, which shall
3148 be withdrawn on a monthly basis. Except for payments authorized by
3149 subdivisions (2) to (4), inclusive, of this subsection, any withdrawal
3150 from such account, including, but not limited to, any service charge or
3151 other fee imposed against such account by a depository institution,
3152 shall be reimbursed by the consumer collection agency to such account
3153 not more than thirty days after the withdrawal. Funds received from
3154 consumer debtors shall be posted to their respective accounts in
3155 accordance with generally accepted accounting [~~practices~~] principles.

3156 Sec. 52. (NEW) (*Effective October 1, 2016*) (a) In any cause of action
3157 initiated by a consumer collection agency that purchased debt from a
3158 creditor for liability on the debt owed by a consumer debtor, the
3159 consumer collection agency shall file with the court evidence in
3160 accordance with the rules of the Superior Court to establish the
3161 amount and nature of the debt prior to the court's entry of a judgment
3162 against the consumer debtor. Such evidence shall include a copy of the
3163 assignment or other documentation (1) establishing that the plaintiff is
3164 the owner of the debt, (2) containing the original or charge-off account
3165 number, if any, which can be partially redacted to protect the privacy
3166 of the consumer debtor, and the name associated with the debt, and (3)
3167 if the debt has been assigned more than once, the name, address and
3168 dates of ownership of each assignor, and a copy of each assignment or

3169 other documentation that establishes an unbroken chain of ownership
3170 of the debt by the plaintiff.

3171 (b) In the case of a claim for default judgment the plaintiff shall file,
3172 in addition to the evidence required under the rules of the Superior
3173 Court, a sworn affidavit that lists the name, address and dates of
3174 ownership of each owner of the debt, from the charge-off creditor to
3175 the current owner. The plaintiff shall attach documentation to the
3176 affidavit that fully substantiates the amount of the debt. If the debt is a
3177 credit card debt subject to federal charge-off requirements, the
3178 following documents shall, subject to subsection (c) of this section,
3179 suffice to substantiate the debt: (1) A copy of the most recent monthly
3180 statement recording a purchase transaction, service billed, last
3181 payment or balance transfer, (2) a statement that reflects the charge-off
3182 balance, (3) with respect to consumer debt purchased on or after the
3183 effective date of this section, an additional monthly account statement
3184 sent to the consumer debtor while the account was active, which
3185 shows the consumer debtor's name and address, (4) such other
3186 statements, if any, required by the federal consumer financial
3187 protection bureau in its regulations, and (5) postcharge-off itemization
3188 of the balance if the balance is different from the charge-off amount.

3189 (c) Nothing in this section shall prevent the judicial authority or the
3190 rules of the Superior Court from requiring the submission of
3191 additional written documentation or the presence of the plaintiff, the
3192 authorized representative of the plaintiff or other affiants or counsel
3193 before the judicial authority prior to rendering judgment if it appears
3194 to the judicial authority that additional information or evidence is
3195 required in order to enter judgment.

3196 (d) This section shall apply prospectively and shall not apply to any
3197 debt collection action commenced prior to October 1, 2016, or to debt
3198 purchased by a licensed mortgage lender pursuant to a recourse
3199 requirement.

3200 (e) A consumer collection agency that purchased the debt shall

3201 indicate when any of the items produced pursuant to subsections (b)
3202 and (c) of this section have been redacted by either blacking out the
3203 text or otherwise indicating in writing on such document that text has
3204 been redacted.

3205 Sec. 53. (NEW) (*Effective October 1, 2016*) (a) For the purposes of this
3206 section, "creditor" has the same meaning as in section 36a-645 of the
3207 general statutes.

3208 (b) No creditor or consumer collection agency that purchased debt
3209 shall initiate a cause of action to collect the debt owed by a consumer
3210 debtor when such creditor or consumer collection agency knows or
3211 reasonably should know that the applicable statute of limitations on
3212 such cause of action has expired.

3213 (c) Notwithstanding any other provision of law, when the
3214 applicable statute of limitations on a cause of action to collect debt
3215 owed by a consumer has expired, any subsequent payment toward or
3216 oral or written affirmation of the debt owed by the consumer shall not
3217 extend the limitations period within which the creditor or consumer
3218 collection agency that purchased the debt may bring the cause of
3219 action.

3220 Sec. 54. Subsection (a) of section 36a-648 of the general statutes is
3221 repealed and the following is substituted in lieu thereof (*Effective*
3222 *October 1, 2016*):

3223 (a) A creditor, as defined in section 36a-645, who uses any abusive,
3224 harassing, fraudulent, deceptive or misleading representation, device
3225 or practice with respect to any person to collect or attempt to collect a
3226 debt in violation of section 36a-646, section 36a-805, as amended by
3227 this act, or the regulations adopted pursuant to section 36a-647 or 36a-
3228 809 shall be liable to [a person who is harmed by such conduct] such
3229 person in an amount equal to the sum of: (1) Any actual damages
3230 sustained by such person, (2) if such person is an individual, such
3231 additional damages as the court may award, not to exceed one
3232 thousand dollars, and (3) in the case of any successful action to enforce

3233 liability under the provisions of this subsection, the costs of the action
3234 and, in the discretion of the court, a reasonable attorney's fee.

3235 Sec. 55. Section 36a-701 of the 2016 supplement to the general
3236 statutes is repealed and the following is substituted in lieu thereof
3237 (*Effective October 1, 2016*):

3238 As used in this section and section 36a-701a, as amended by this act:

3239 (1) "Consumer" means any person who is utilizing or seeking credit
3240 for personal, family or household purposes;

3241 (2) "Credit rating agency" means credit rating agency, as defined in
3242 section 36a-695;

3243 (3) "Credit report" means credit report, as defined in section 36a-695;

3244 (4) "Creditor" means creditor, as defined in section 36a-695;

3245 (5) "Minor child" means an individual under [~~eighteen~~] sixteen years
3246 of age at the time a request for placement of a security freeze is
3247 submitted;

3248 (6) "Security freeze" means a notice placed in a consumer's credit
3249 report, at the request of the consumer, that prohibits the credit rating
3250 agency from releasing the consumer's credit report or any information
3251 from it without the express authorization of the consumer. In the case
3252 of a minor child under subsections (j) and (k) of section 36a-701a, as
3253 amended by this act, "security freeze" means (A) a restriction that is
3254 placed on the minor child's credit report prohibiting the credit rating
3255 agency from releasing the minor child's credit report or any
3256 information derived from the minor child's credit report, provided a
3257 credit rating agency has information in its files pertaining to such
3258 minor child; or (B) a restriction that is placed on the minor child's
3259 record prohibiting the credit rating agency from releasing the minor
3260 child's record, provided a credit rating agency does not have any
3261 information in its files pertaining to such minor child; and

3262 (7) "Sufficient proof of authority" means documentation showing
3263 that a parent or legal guardian has authority to act on behalf of a minor
3264 child, including, but not limited to, a court order, an original copy of
3265 the minor child's birth certificate or a written notarized statement
3266 expressly describing the authority of the parent or legal guardian to act
3267 on behalf of the minor child that is signed by the parent or legal
3268 guardian and acknowledged, in accordance with the provisions of
3269 chapter 6, by (A) a judge of a court of record or a family support
3270 magistrate, (B) a clerk or deputy clerk of a court having a seal, (C) a
3271 town clerk, (D) a notary public, (E) a justice of the peace, or (F) an
3272 attorney admitted to the bar of this state.

3273 Sec. 56. Section 36a-701a of the 2016 supplement to the general
3274 statutes is repealed and the following is substituted in lieu thereof
3275 (*Effective October 1, 2016*):

3276 (a) Any consumer may submit a written request, by certified mail or
3277 such other secure method as authorized by a credit rating agency, to a
3278 credit rating agency to place a security freeze on such consumer's
3279 credit report. Such credit rating agency shall place a security freeze on
3280 a consumer's credit report not later than five business days after
3281 receipt of such request. Not later than ten business days after placing a
3282 security freeze on a consumer's credit report, such credit rating agency
3283 shall send a written confirmation of such security freeze to such
3284 consumer that provides the consumer with a unique personal
3285 identification number or password to be used by the consumer when
3286 providing authorization for the release of such consumer's report to a
3287 third party or for a period of time. Nothing in this subsection shall be
3288 deemed to require a consumer reporting agency to provide to a minor
3289 child or the parent or legal guardian of a minor child, on behalf of the
3290 minor child, a unique personal identification number, password or
3291 similar device to be used to authorize the consumer reporting agency
3292 to release such minor child's credit report.

3293 (b) In the event such consumer, other than a minor child or the
3294 parent or legal guardian of a minor child, wishes to authorize the

3295 disclosure of such consumer's credit report to a third party, or for a
3296 period of time, while such security freeze is in effect, such consumer
3297 shall contact such credit rating agency and provide: (1) Proper
3298 identification, (2) the unique personal identification number or
3299 password described in subsection (a) of this section, and (3) proper
3300 information regarding the third party who is to receive the credit
3301 report or the time period for which the credit report shall be available.
3302 Any credit rating agency that receives a request from a consumer
3303 pursuant to this section shall lift such security freeze not later than
3304 three business days after receipt of such request.

3305 (c) Except for the temporary lifting of a security freeze as provided
3306 in subsection (b) of this section, any security freeze authorized
3307 pursuant to the provisions of this section shall remain in effect until
3308 such time as such consumer requests such security freeze to be
3309 removed. A credit rating agency shall remove such security freeze not
3310 later than three business days after receipt of such request provided
3311 such consumer provides proper identification to such credit rating
3312 agency and the unique personal identification number or password
3313 described in subsection (a) of this section at the time of such request
3314 for removal of the security freeze. In the case of a minor child, the
3315 credit rating agency shall remove such security freeze not later than
3316 fifteen business days after receipt of such request, provided the minor
3317 child or the parent or legal guardian of the minor child uses the unique
3318 personal identification number, password or similar device provided
3319 under subsection (a) of this section at the time of such request, if
3320 applicable.

3321 (d) Any credit rating agency may develop procedures to receive and
3322 process such request from a consumer to temporarily lift or remove a
3323 security freeze on a credit report pursuant to subsection (b) of this
3324 section. Such procedures, at a minimum, shall include, but not be
3325 limited to, the ability of a consumer to send such temporary lift or
3326 removal request by electronic mail, letter or facsimile.

3327 (e) In the event that a third party requests access to a consumer's

3328 credit report that has such a security freeze in place and such third
3329 party request is made in connection with an application for credit or
3330 any other use and such consumer has not authorized the disclosure of
3331 such consumer's credit report to such third party, such third party may
3332 deem such credit application as incomplete.

3333 (f) Any credit rating agency may refuse to implement or may
3334 remove such security freeze if such agency believes, in good faith, that:
3335 (1) The request for a security freeze was made as part of a fraud that
3336 the consumer participated in, had knowledge of, or that can be
3337 demonstrated by circumstantial evidence, or (2) the consumer credit
3338 report was frozen due to a material misrepresentation of fact by the
3339 consumer. In the event any such credit rating agency refuses to
3340 implement or removes a security freeze pursuant to this subsection,
3341 such credit rating agency shall promptly notify such consumer in
3342 writing of such refusal not later than five business days after such
3343 refusal or, in the case of a removal of a security freeze, prior to
3344 removing the freeze on the consumer's credit report.

3345 (g) Nothing in this section shall be construed to prohibit disclosure
3346 of a consumer's credit report to: (1) A person, or the person's
3347 subsidiary, affiliate, agent or assignee with which the consumer has or,
3348 prior to assignment, had an account, contract or debtor-creditor
3349 relationship for the purpose of reviewing the account or collecting the
3350 financial obligation owing for the account, contract or debt; (2) a
3351 subsidiary, affiliate, agent, assignee or prospective assignee of a person
3352 to whom access has been granted under subsection (b) of this section
3353 for the purpose of facilitating the extension of credit or other
3354 permissible use; (3) any person acting pursuant to a court order,
3355 warrant or subpoena; (4) any person for the purpose of using such
3356 credit information to prescreen as provided by the federal Fair Credit
3357 Reporting Act; (5) any person for the sole purpose of providing a credit
3358 file monitoring subscription service to which the consumer has
3359 subscribed; (6) a credit rating agency for the sole purpose of providing
3360 a consumer with a copy of his or her credit report upon the consumer's
3361 request; or (7) a federal, state or local governmental entity, including a

3362 law enforcement agency, or court, or their agents or assignees
3363 pursuant to their statutory or regulatory duties. For purposes of this
3364 subsection, "reviewing the account" includes activities related to
3365 account maintenance, monitoring, credit line increases and account
3366 upgrades and enhancements.

3367 (h) The following persons shall not be required to place a security
3368 freeze on a consumer's credit report, provided such persons shall be
3369 subject to any security freeze placed on a credit report by another
3370 credit rating agency: (1) A check services or fraud prevention services
3371 company that reports on incidents of fraud or issues authorizations for
3372 the purpose of approving or processing negotiable instruments,
3373 electronic fund transfers or similar methods of payment; (2) a deposit
3374 account information service company that issues reports regarding
3375 account closures due to fraud, substantial overdrafts, automated teller
3376 machine abuse, or similar information regarding a consumer to
3377 inquiring banks or other financial institutions for use only in reviewing
3378 a consumer request for a deposit account at the inquiring bank or
3379 financial institution; or (3) a credit rating agency that: (A) Acts only to
3380 resell credit information by assembling and merging information
3381 contained in a database of one or more credit reporting agencies; and
3382 (B) does not maintain a permanent database of credit information from
3383 which new credit reports are produced.

3384 (i) (1) Except as provided in subdivision (2) of this subsection, a
3385 credit rating agency may charge a fee of not more than ten dollars to a
3386 consumer for each security freeze, removal of such freeze or temporary
3387 lift of such freeze for a period of time, and a fee of not more than
3388 twelve dollars for a temporary lift of such freeze for a specific party.

3389 (2) A credit rating agency shall not charge the fees authorized by
3390 subdivision (1) of this subsection to: (A) A victim of identity theft or
3391 the spouse of any victim of identity theft, who has submitted a copy of
3392 a police report prepared pursuant to section 54-1n to the credit rating
3393 agency; (B) any person who is covered under the victim of identity
3394 theft's individual or group health insurance policy providing coverage

3395 of the type specified in subdivisions (1), (2), (4), (11) and (12) of section
3396 38a-469, who has submitted a copy of a police report prepared
3397 pursuant to section 54-1n to the credit rating agency; (C) a person
3398 sixty-two years of age or older; (D) a person under eighteen years of
3399 age; (E) a person for whom a guardian or conservator has been
3400 appointed by a court; and (F) a victim of domestic violence, as defined
3401 in subdivision (1) of subsection (a) of section 17b-112a, who has
3402 provided evidence of such domestic violence as specified in subsection
3403 (b) of section 17b-112a to the credit rating agency. No credit rating
3404 agency shall charge a fee to a consumer for a replacement personal
3405 identification number when such replacement is the first one requested
3406 by the consumer.

3407 (j) The parent or legal guardian of a minor child may place a
3408 security freeze on the credit report of a minor child by submitting a
3409 written request to the credit rating agency in the manner described in
3410 this section and subject to the same conditions and by providing the
3411 credit rating agency with proper identification and sufficient proof of
3412 authority to act on behalf of the minor child. The credit rating agency
3413 shall place the security freeze on the credit report of a minor child not
3414 later than five business days after receipt of such request. If the credit
3415 rating agency does not have any information in its files pertaining to
3416 the minor child at the time the credit rating agency receives a request
3417 pursuant to this subsection, the credit rating agency shall create a
3418 record for the minor child and place a security freeze on such record.
3419 Such record shall consist of a compilation of information created by a
3420 credit rating agency that identifies a minor child. A credit rating
3421 agency shall not create or use such record to consider the minor child's
3422 credit worthiness, credit standing, credit capacity, character, general
3423 reputation, personal characteristics or mode of living. A credit rating
3424 agency shall not release a minor child's credit report, any information
3425 derived from a minor child's credit report or any record created for a
3426 minor child.

3427 (k) The parent or legal guardian of a minor child may request the
3428 removal of a security freeze placed on the credit report or record of a

3429 minor child by submitting a written request to the credit rating agency
3430 in the manner described in this section and subject to the same
3431 conditions and by providing the credit rating agency with proper
3432 identification and sufficient proof of authority to act on behalf of the
3433 minor child. The credit rating agency shall remove the security freeze
3434 on the credit report or record of a minor child not later than fifteen
3435 business days after receipt of such request.

3436 (l) An insurer, as defined in section 38a-1, may deny an application
3437 for insurance if an applicant has placed a security freeze on such
3438 applicant's credit report and fails to authorize the disclosure of such
3439 applicant's credit report to such insurer pursuant to the provisions of
3440 subsection (b) of this section.

3441 (m) Any security freeze in a credit report in effect as of the effective
3442 date of this section shall continue to be in effect until the consumer or
3443 the parent or legal guardian of a minor child requests the removal of
3444 the security freeze.

3445 Sec. 57. Subsection (f) of section 42a-4-406 of the general statutes is
3446 repealed and the following is substituted in lieu thereof (*Effective from*
3447 *passage*):

3448 (f) Without regard to care or lack of care of either the customer or
3449 the bank, a customer who does not [within] on or before one year after
3450 the statement or items are made available to the customer pursuant to
3451 subsection (a) of this section discover and report the customer's
3452 unauthorized signature on or any alteration on the item is precluded
3453 from asserting against the bank the unauthorized signature or
3454 alteration. If there is a preclusion under this subsection, the payor bank
3455 may not recover for breach of warranty under section 42a-4-208 with
3456 respect to the unauthorized signature or alteration to which the
3457 preclusion applies. Pursuant to the provisions of subsection (a) of
3458 section 42a-4-103, a bank and a customer may agree to reduce the one-
3459 year time frame for discovering and reporting an unauthorized
3460 signature or alteration. Such an agreement shall not, of itself, (1)

3461 constitute a disclaimer of the bank's responsibility for its lack of good
3462 faith or failure to exercise ordinary care, or (2) limit the measure of
3463 damages for lack of good faith or failure to exercise ordinary care.

3464 Sec. 58. Subsections (b) and (c) of section 36a-785 of the 2016
3465 supplement to the general statutes are repealed and the following is
3466 substituted in lieu thereof (*Effective October 1, 2016*):

3467 (b) Not less than ten days prior to the retaking, the holder of such
3468 contract, if he so desires, may serve upon the retail buyer, personally
3469 or by registered or certified mail, a notice of intention to retake the
3470 goods on account of the buyer's default. The notice shall state the
3471 default and the period at the end of which such goods will be retaken,
3472 and shall briefly and clearly state what the retail buyer's rights under
3473 this subsection will be in case such goods are retaken. In the case of
3474 repossession of any motor vehicle, the notice shall inform the retail
3475 buyer that he or she is responsible for removing all of his or her
3476 personal property from the motor vehicle prior to the date such
3477 repossession can take place. If the notice is so served and the buyer
3478 does not perform the conditions and provisions as to which he or she
3479 is in default before the day set for retaking, the holder of the contract
3480 may retake said goods and hold such subject to the provisions of
3481 subsections (d), (e), (f), (g) and (h) of this section regarding resale, but
3482 without any right of redemption.

3483 (c) If the holder of such contract does not give the notice of intention
3484 to retake, described in subsection (b), he shall retain such goods for
3485 fifteen days after the retaking within the state in which they were
3486 located when retaken. During such period the retail buyer, upon
3487 payment or tender of the unaccelerated amount due under such
3488 contract at the time of retaking and interest, or upon performance or
3489 tender of performance of such other condition as may be named in
3490 such contract as precedent to the retail buyer's continued possession of
3491 such goods, or upon performance or tender of performance of any
3492 other promise for the breach of which such goods were retaken, and
3493 upon payment of the actual and reasonable expenses of any retaking

3494 and storing, may redeem such goods and become entitled to take
3495 possession of the same and to continue in the performance of such
3496 contract as if no default had occurred. The holder of such contract
3497 shall, [within three days] not later than three days after the date of the
3498 retaking, furnish or mail, by registered or certified mail, to the last
3499 known address of the buyer a written statement [of] indicating (1) the
3500 unaccelerated sum due under such contract and the actual and
3501 reasonable expense of any retaking and storing, and (2) in the case of
3502 repossession of any motor vehicle, the holder of such contract shall
3503 also, not later than three days after the date of the retaking, and
3504 without regard to whether notice of intention to retake was given to
3505 the buyer, send a written notice (A) that the buyer is responsible for
3506 retrieving items of personal property that may have been left in the
3507 motor vehicle, other than items that may have been turned over to law
3508 enforcement, (B) that such property, if any, will be available for
3509 retrieval for at least sixty days after the date on which the motor
3510 vehicle was repossessed, unless the holder of the contract specifies, or
3511 the terms of the contract specify a date at least sixty days after the
3512 repossession after which the buyer may no longer retrieve the
3513 property, and (C) the contact and business hours information that the
3514 buyer can use to make arrangements for retrieval of the property. If the
3515 buyer retrieves some or all of the personal property more than fifteen
3516 days after the date on which the motor vehicle was repossessed, the
3517 holder of the contract, or an agent thereof maintaining custody of the
3518 personal property, may charge the buyer a reasonable storage fee not
3519 to exceed twenty-five dollars. For failure to furnish or mail such
3520 statement as required by this section, the holder of the contract shall
3521 forfeit the right to claim payment for the actual and reasonable
3522 expenses of retaking and storage, and also shall be liable for the actual
3523 damages suffered because of such failure. If such goods are perishable
3524 so that retention for fifteen days as herein prescribed would result in
3525 their destruction or substantial injury, the provisions of this subsection
3526 shall not apply and the holder of the contract may resell the goods
3527 immediately upon such retaking.

3528 Sec. 59. (*Effective October 1, 2016*) The Banking Commissioner shall
3529 set service standards for licensed student loan servicers, as defined in
3530 section 36a-846 of the general statutes. On or before July 1, 2017, the
3531 commissioner shall post such service standards on the Department of
3532 Banking's Internet web site.

3533 Sec. 60. (*Effective October 1, 2016*) On or before July 1, 2017, the
3534 Student Loan Ombudsman, designated under section 36a-25 of the
3535 general statutes, may evaluate how the state can move toward debt-
3536 free education and submit a report, in accordance with the provisions
3537 of section 11-4a of the general statutes, to the joint standing committee
3538 of the General Assembly having cognizance of matters relating to
3539 banking concerning its recommendations and the feasibility of
3540 establishing a program to require a student to sign a binding contract
3541 to pay a percentage of the student's adjusted gross income upon
3542 graduation, for a specified number of years, in lieu of incurring debt as
3543 a result of borrowing money under a student education loan.

3544 Sec. 61. Section 36a-849 of the 2016 supplement to the general
3545 statutes is repealed and the following is substituted in lieu thereof
3546 (*Effective July 1, 2016*):

3547 (a) Each student loan servicer licensee [and persons exempt from
3548 licensure pursuant to subdivision (2) of subsection (a) of section 36a-
3549 847] shall maintain adequate records of each student education loan
3550 transaction for not less than two years following the final payment on
3551 such student education loan or the assignment of such student
3552 education loan, whichever occurs first, or such longer period as may be
3553 required by any other provision of law.

3554 (b) If requested by the commissioner, each student loan servicer
3555 licensee shall make such records available or send such records to the
3556 commissioner by registered or certified mail, return receipt requested,
3557 or by any express delivery carrier that provides a dated delivery
3558 receipt, not later than five business days after requested by the
3559 commissioner to do so. Upon request, the commissioner may grant a

3560 licensee additional time to make such records available or send the
3561 records to the commissioner.

3562 Sec. 62. Section 36a-850 of the 2016 supplement to the general
3563 statutes is repealed and the following is substituted in lieu thereof
3564 (*Effective July 1, 2016*):

3565 No student loan servicer licensee shall:

3566 (1) Directly or indirectly employ any scheme, device or artifice to
3567 defraud or mislead student loan borrowers;

3568 (2) Engage in any unfair or deceptive practice toward any person or
3569 misrepresent or omit any material information in connection with the
3570 servicing of a student education loan, including, but not limited to,
3571 misrepresenting the amount, nature or terms of any fee or payment
3572 due or claimed to be due on a student education loan, the terms and
3573 conditions of the loan agreement or the borrower's obligations under
3574 the loan;

3575 (3) Obtain property by fraud or misrepresentation;

3576 (4) Knowingly misapply or recklessly apply student education loan
3577 payments to the outstanding balance of a student education loan;

3578 (5) Knowingly or recklessly provide inaccurate information to a
3579 credit bureau, thereby harming a student loan borrower's
3580 creditworthiness;

3581 (6) Fail to report both the favorable and unfavorable payment
3582 history of the student loan borrower to a nationally recognized
3583 consumer credit bureau at least annually if the student loan servicer
3584 licensee regularly reports information to a credit bureau;

3585 (7) Refuse to communicate with an authorized representative of the
3586 student loan borrower who provides a written authorization signed by
3587 the student loan borrower, provided the student loan servicer licensee
3588 may adopt procedures reasonably related to verifying that the

3589 representative is in fact authorized to act on behalf of the student loan
3590 borrower; or

3591 (8) Negligently make any false statement or knowingly and wilfully
3592 make any omission of a material fact in connection with any
3593 information or reports filed with a governmental agency or in
3594 connection with any investigation conducted by the Banking
3595 Commissioner or another governmental agency.

3596 Sec. 63. (*Effective October 1, 2016*) (a) The Commissioner of Housing
3597 shall establish, within available appropriations, a pilot program for
3598 eligible local housing authorities to implement a credit building
3599 program that uses rental payments as a mechanism for credit building.

3600 (b) The commissioner shall identify eligible local housing authorities
3601 in up to three distressed municipalities, as defined in section 32-9p of
3602 the general statutes, to participate in a three-year pilot program that
3603 will record and report timely rent payments by tenants to nationally
3604 recognized consumer credit bureaus that opt to participate in the pilot
3605 program. The eligible local housing authorities shall receive technical
3606 assistance to implement rent-reporting software and track data
3607 regarding rent payments throughout the program's duration.

3608 (c) Eligible local housing authorities identified under subsection (b)
3609 of this section shall provide training and support to staff regarding the
3610 pilot program. The staff of the local housing authorities shall conduct
3611 educational briefings for tenants to learn about the pilot program and
3612 benefits of participation in such pilot program.

3613 (d) Not later than January 1, 2017, the Commissioner of Housing
3614 shall establish the parameters of the pilot program and designate up to
3615 three eligible local housing authorities identified pursuant to
3616 subsection (b) of this section to participate in the program.

3617 (e) The commissioner shall submit, in accordance with the
3618 provisions of section 11-4a of the general statutes, the following reports
3619 to the joint standing committee of the General Assembly having

3620 cognizance of matters relating to housing: (1) A status report on the
3621 pilot program not later than July 1, 2017; (2) an interim report on the
3622 pilot program not later than January 1, 2018; and (3) a final report on
3623 the pilot program not later than July 1, 2019.

3624 Sec. 64. Section 45a-107b of the 2016 supplement to the general
3625 statutes is repealed and the following is substituted in lieu thereof
3626 (*Effective July 1, 2016*):

3627 (a) As used in this section: (1) "Bona fide purchaser" means a party
3628 who takes a conveyance of real property in good faith and pays
3629 valuable consideration, without actual, implied or constructive notice
3630 that (A) a holder or former holder of a title interest in the real property
3631 died on or after January 1, 2015, while continuing to hold an interest in
3632 the real property at the time of death, or (B) a former holder of a title
3633 interest in the real property died on or after January 1, 2015, after
3634 making a lifetime transfer of an interest in the real property to a trustee
3635 of a revocable trust who continued to hold the interest at the time of
3636 the former holder's death; and (2) "qualified encumbrancer" means a
3637 party who places a burden, charge or lien on real property, in good
3638 faith, without actual, implied or constructive notice that (A) a holder or
3639 former holder of a title interest in the real property died on or after
3640 January 1, 2015, while continuing to hold an interest in the real
3641 property at the time of death, or (B) a former holder of a title interest in
3642 the real property died on or after January 1, 2015, after making a
3643 lifetime transfer of an interest in the real property to a trustee of a
3644 revocable trust who continued to hold the interest at the time of the
3645 former holder's death.

3646 ~~[(a)]~~ (b) The fees imposed under ~~[subsections (b), (c) and (d)]~~
3647 subsection (b) of section 45a-107 shall be a lien in favor of the state of
3648 Connecticut upon any real property located in this state that is
3649 included in the basis for fees of the estate of a deceased person, from
3650 the due date until paid, with interest that may accrue in addition
3651 thereto, except that such lien shall not be valid as against any ~~[lienor,~~
3652 ~~mortgagee, judgment creditor or]~~ bona fide purchaser or qualified

3653 encumbrancer until notice of such lien is filed or recorded in the town
3654 clerk's office or place where mortgages, liens and conveyances of such
3655 property are required by statute to be filed or recorded.

3656 [(b)] (c) The Probate Court for the district in which the decedent
3657 resided on the date of his or her death or, if the decedent died a
3658 nonresident of this state, for the district within which real estate or
3659 tangible personal property of the decedent is situated, shall issue a
3660 certificate of release of lien for any such real property not later than ten
3661 days after receipt of payment in full of such fee and interest thereon.
3662 The court may issue a certificate of release of lien for any such real
3663 property, or portion thereof, if the court finds that the fee and interest
3664 thereon has not been fully paid but that payment is adequately
3665 assured. A certificate of release of lien may be recorded in the office of
3666 the town clerk within which such real property is situated, and such
3667 certificate shall be conclusive proof that the fees have been paid and
3668 such lien discharged.

3669 Sec. 65. (NEW) (*Effective from passage*) As used in this section and
3670 sections 66 to 71, inclusive, of this act, unless the context otherwise
3671 requires:

3672 (1) "International trade and investment corporation" means a
3673 person, as defined in section 36a-2 of the general statutes, approved or
3674 seeking approval by the Export-Import Bank of the United States,
3675 Overseas Private Investment Corporation or United States Department
3676 of Agriculture to participate as a lender under a financing guarantee
3677 program;

3678 (2) "License" means a license issued under this section and sections
3679 66 to 71, inclusive, of this act; and

3680 (3) "Licensee" means an international trade and investment
3681 corporation that is licensed under this section and sections 66 to 71,
3682 inclusive, of this act.

3683 Sec. 66. (NEW) (*Effective from passage*) (a) The Banking

3684 Commissioner may issue a license to any international trade and
3685 investment corporation that submits an application pursuant to
3686 subsection (b) of this section and meets the requirements of this section
3687 and sections 67 to 70, inclusive, of this act.

3688 (b) An application for a license shall be in writing upon forms
3689 acceptable to the commissioner and shall contain: (1) The full name
3690 and address of the applicant; (2) if the applicant is a corporation, each
3691 of the officers and directors thereof; (3) a statement of the assets and
3692 liabilities of the applicant in such form as the commissioner requires;
3693 (4) a copy of the applicant's business plan; (5) proof that the applicant
3694 is in compliance with applicable state and federal laws; and (6) such
3695 other information and exhibits as the commissioner shall require.

3696 (c) The commissioner, at any time and in accordance with section
3697 29-17a of the general statutes, may arrange for a state and national
3698 criminal history records check of each principal executive officer and
3699 director of the applicant or licensee.

3700 (d) Upon the filing of the required application and license fee, the
3701 commissioner shall investigate the facts and may issue a license if the
3702 commissioner finds that:

3703 (1) The applicant has a net worth that is adequate for the applicant
3704 to transact business as an international trade and investment
3705 corporation, but in no case less than two million five hundred
3706 thousand dollars;

3707 (2) If the applicant is a corporation, the directors and officers of the
3708 applicant are each of good character, each competent to perform their
3709 functions with respect to the applicant and collectively adequate to
3710 manage the business of the applicant as an international trade and
3711 investment corporation;

3712 (3) It is reasonable to believe that the applicant, if licensed, will
3713 comply with all applicable provisions of sections 65 to 70, inclusive, of
3714 this act, and of any regulation adopted pursuant to section 71 of this

3715 act; and

3716 (4) The licensing of the applicant will promote the public
3717 convenience and advantage.

3718 (e) Nothing in this section, section 65 and sections 67 to 71,
3719 inclusive, of this act, shall be deemed to require an international trade
3720 and investment corporation to be licensed by the commissioner.

3721 Sec. 67. (NEW) (*Effective from passage*) (a) Each licensee shall use its
3722 best efforts to provide financing in conjunction with, and fulfill the
3723 expectations of, the federal financing guarantee programs in which the
3724 licensee participates.

3725 (b) Each licensee shall transact its business in a safe and sound
3726 manner and shall maintain itself in a safe and sound condition. No
3727 licensee or the directors or officers of such licensee, if such licensee is a
3728 corporation, shall commit any unsafe or unsound act.

3729 (c) Each licensee shall comply with all applicable state and federal
3730 laws and regulations.

3731 Sec. 68. (NEW) (*Effective from passage*) (a) Each licensee shall make
3732 and keep such books, accounts and other records in such form and in
3733 such manner as the commissioner may by regulation or order require.

3734 (b) Each licensee shall, not more than ninety days after the close of
3735 its fiscal year, or within such longer period as the commissioner may
3736 by regulation specify, file with the commissioner an annual report
3737 containing:

3738 (1) A financial statement, including balance sheet, statement of
3739 income or loss, statement of changes in capital accounts and statement
3740 of changes in financial position, for its fiscal year or as of the end of
3741 such fiscal year, prepared with an audit by an independent certified
3742 public accountant in accordance with generally accepted accounting
3743 principles;

3744 (2) A report, certificate or opinion of such independent certified
3745 public accountant stating that the financial statement was prepared in
3746 accordance with generally accepted accounting principles, and that
3747 such accountant agrees to provide related working papers, policies and
3748 procedures to the commissioner, if requested;

3749 (3) A report as to (A) the number and aggregate dollar amount of
3750 loans made by such licensee during its fiscal year; (B) the geographic
3751 distribution, including by United States census tract, if applicable, of
3752 the borrowers that received such loans; (C) the percentage of such
3753 loans that were made to minority or women-owned United States and
3754 foreign businesses; (D) the dollar amount of the licensee's loan
3755 portfolio as of the end of its fiscal year; (E) the percentage amount of
3756 the licensee's loan portfolio that represents loans for which scheduled
3757 loan payments were more than ninety days past due as of the end of its
3758 fiscal year; (F) the number and dollar amount of loans in liquidation as
3759 of the end of its fiscal year; (G) the dollar amount of the licensee's
3760 reserve for loan and lease losses; and (H) percentage of reserves to
3761 total loans and leases; and

3762 (4) Such other information as the commissioner may require.

3763 Sec. 69. (NEW) (*Effective from passage*) Each licensee shall be an
3764 institution subject to the jurisdiction of the commissioner for purposes
3765 of sections 36a-17 and 36a-53 of the general statutes.

3766 Sec. 70. (NEW) (*Effective from passage*) (a) Each applicant for a
3767 license, at the time of making such application, shall pay to the
3768 commissioner a nonrefundable license fee of two thousand five
3769 hundred dollars. Each license issued pursuant to section 66 of this act
3770 shall expire at the close of business on June thirtieth of each year,
3771 unless such license is renewed. The license shall not be transferable or
3772 assignable. Each licensee shall, on or before June twentieth of each
3773 year, pay to the commissioner the sum of one thousand dollars as a
3774 license renewal fee for the succeeding year, commencing July first.
3775 Each applicant or licensee shall pay all the expenses associated with

3776 any examination or investigation made under sections 66 to 70,
3777 inclusive, of this act or any regulation adopted pursuant to section 71
3778 of this act.

3779 (b) If the commissioner determines that a check filed with the
3780 commissioner to pay a license fee has been dishonored, the
3781 commissioner shall automatically suspend the license or a renewal
3782 license that has been issued but is not yet effective. The commissioner
3783 shall give the licensee notice of the automatic suspension pending
3784 proceedings for revocation or refusal to renew and an opportunity for
3785 a hearing on such actions in accordance with section 36a-51 of the
3786 general statutes.

3787 (c) Upon surrender or termination of the license, the licensee shall
3788 promptly notify all customers and provide confirmation of the
3789 notification to the commissioner not later than fifteen days after the
3790 date of such suspension or termination.

3791 Sec. 71. (NEW) (*Effective from passage*) The commissioner may adopt
3792 regulations, in accordance with the provisions of chapter 54 of the
3793 general statutes, to administer the provisions of sections 65 to 70,
3794 inclusive, of this act.

3795 Sec. 72. (NEW) (*Effective from passage*) Not later than January 1, 2017,
3796 the Treasurer shall, within available appropriations and in
3797 consultation with the Department of Revenue Services, submit a
3798 report, in accordance with the provisions of section 11-4a of the general
3799 statutes, to the joint standing committee of the General Assembly
3800 having cognizance of matters relating to banking concerning any
3801 mechanism for converting an education savings plan, as described in
3802 Section 529 of the Internal Revenue Code of 1986, or any subsequent
3803 corresponding internal revenue code of the United States, as amended
3804 from time to time, into an ABLE account established under section 3-
3805 39k of the general statutes, and any appropriations or revisions to the
3806 general statutes the Treasurer deems necessary to ensure the successful
3807 operation of the qualified ABLE program.

3808 Sec. 73. (NEW) (*Effective October 1, 2016*) For purposes of this section
3809 and sections 74 to 80, inclusive, of this act:

3810 (1) "Mortgage" has the same meaning as provided in section 49-24a
3811 of the general statutes, as amended by this act;

3812 (2) "Mortgagee" has the same meaning as provided in section 49-24a
3813 of the general statutes, as amended by this act;

3814 (3) "Mortgagor" has the same meaning as provided in section 49-24a
3815 of the general statutes, as amended by this act except a mortgagor, for
3816 the purposes of this act, shall only include those mortgagors with
3817 personal net liquid assets, excluding retirement and tax advantaged
3818 health savings plans that are less than one hundred thousand dollars;

3819 (4) "Residential real property" has the same meaning as provided in
3820 section 49-24a of the general statutes, as amended by this act;

3821 (5) "Senior lien" means the first security interest placed upon a
3822 property to secure payment of a debt or performance of an obligation
3823 before one or more junior liens;

3824 (6) "Junior lien" means a security interest placed upon a property to
3825 secure payment of a debt or performance of an obligation after a senior
3826 lien is placed on such property;

3827 (7) "Lienholder" means a person who holds a security interest in real
3828 property; and

3829 (8) "Underwater mortgage" means a mortgage where the debt
3830 associated with such mortgage, along with any senior lien, exceeds the
3831 fair market value of the mortgaged property as determined by a court
3832 in accordance with sections 77 and 78 of this act.

3833 Sec. 74. (NEW) (*Effective October 1, 2016*) Notwithstanding any
3834 provision of the general statutes, any underwater mortgage on
3835 residential real property may be modified, and the principal balance
3836 increased by the amount of accrued interest, fees and costs allowed by

3837 law, without the consent of the holders of junior liens and without loss
3838 of priority for the full amount of the modified mortgage, provided
3839 such modification is approved by the court through entry of a
3840 judgment of loss mitigation under section 77 of this act.

3841 Sec. 75. (NEW) (*Effective October 1, 2016*) A mortgagor of an
3842 underwater mortgage may elect to convey the residential real property
3843 encumbered by the mortgage to a mortgagee in full or partial
3844 satisfaction of the mortgagor's obligation to the mortgagee by agreeing
3845 to convey such property in a transfer agreement executed by both
3846 parties. The transfer agreement shall: (1) Convey to the mortgagee all
3847 interests in the property, except the interests reserved to the mortgagor
3848 in the transfer agreement or the interests held by more senior
3849 mortgagees or lienholders or junior lienholders that are not a party to
3850 the action and not subject to the action by virtue of section 52-325 of
3851 the general statutes; (2) contemplate a discharge of the mortgage after
3852 satisfaction of the conditions of the transfer agreement by the
3853 mortgagor; (3) contemplate the termination of any other interest in the
3854 property subordinate to that of the lienholder party to the transfer
3855 agreement following a court's entry of a judgment of loss mitigation
3856 under section 77 of this act; and (4) contain other provisions mutually
3857 agreeable to the mortgagor and mortgagee including, without
3858 limitation, a cash contribution of either party to the other or the
3859 execution of a promissory note by one party in favor of the other party
3860 upon such terms as such parties agree.

3861 Sec. 76. (NEW) (*Effective October 1, 2016*) A mortgagor of an
3862 underwater mortgage may enter into a transfer agreement to convey
3863 the residential real property subject to the mortgage to a third party
3864 and, as a condition of such conveyance, pay to the mortgagee less than
3865 the outstanding balance due on the mortgage debt, which payment
3866 shall be in full or partial satisfaction of the mortgagor's obligation to
3867 the mortgagee. Such transfer agreement shall be executed by both the
3868 mortgagor and the mortgagee and shall: (1) Contemplate a transfer to
3869 the third party of all the mortgagor's interests in the property to the
3870 third party, except for the interests reserved to the mortgagor in the

3871 transfer agreement or the interests held by more senior mortgagees or
3872 lienholders or junior lienholders that are not a party to the action and
3873 not subject to the action by virtue of section 52-325 of the general
3874 statutes; (2) contemplate a discharge of the mortgage after satisfaction
3875 of the conditions of the transfer agreement by the mortgagor; (3)
3876 contemplate the termination of any other interest in the property
3877 subordinate to that of the mortgagee following a court's entry of a
3878 judgment of loss mitigation under section 78 of this act; and (4) contain
3879 other provisions mutually agreeable to the mortgagor and mortgagee,
3880 including, without limitation, a cash contribution of either party to the
3881 other or the execution of a promissory note by one party in favor of the
3882 other party upon such terms as such parties agree.

3883 Sec. 77. (NEW) (*Effective October 1, 2016*) A mortgagee may file a
3884 motion for judgment of loss mitigation at any time after the fifteen
3885 days following the return date in a pending foreclosure action
3886 following execution of an agreement under section 74 or 75 of this act.
3887 Nothing in this section shall be construed as allowing such a judgment
3888 to be entered by the court without the express written consent of both
3889 the mortgagor and mortgagee or requiring a mortgagee to consider
3890 consenting to such a judgment in foreclosure mediation. Failure of
3891 either party to consent to a judgment of loss mitigation for any reason
3892 shall not be a basis for a claim of bad faith. Upon motion of the
3893 mortgagee and with the consent of the mortgagor, the court, after
3894 notice and hearing, may render a judgment of loss mitigation
3895 approving the modification or conveyance. All parties to the action
3896 may participate in such a hearing. Such judgment shall be a final
3897 judgment for purposes of appeal. The only issues at such hearing shall
3898 be (1) a finding of the fair market value of the residential property,
3899 which may be determined by a written appraisal of the fair market
3900 value of the residential real property obtained by the mortgagee, to be
3901 performed by an appraiser licensed under chapter 400g of the general
3902 statutes, (2) to the extent necessary, a finding of the outstanding
3903 balance of any priority liens on such property to determine if the
3904 mortgagee's mortgage is an underwater mortgage, (3) the debt owed to

3905 the mortgagee that is secured by the mortgage, (4) whether the
3906 mortgage is an underwater mortgage, (5) whether the contemplated
3907 transaction was agreed to in good faith for the purposes of mitigation,
3908 and (6) whether the parties to the contemplated transaction other than
3909 the mortgagee meet the financial requirements of a mortgagor under
3910 this act, which shall be determined by a financial statement submitted
3911 by the proposed mortgagor or mortgagors, or such other financial
3912 information from the proposed mortgagor or mortgagors that the court
3913 requires. The court shall not enter a judgment of loss mitigation unless
3914 the court makes express findings that the mortgage is an underwater
3915 mortgage and that the good faith provisions of subdivision (5) and the
3916 provisions of subdivision (6) of this section have been satisfied. If the
3917 court renders a judgment of loss mitigation under this section, then
3918 immediately after the expiration of any applicable appeal period or
3919 after the disposition of an appeal that affirms the judgment, either, as
3920 applicable (A) the mortgage held by the mortgagee shall be increased
3921 as contemplated in such judgment and the lien of any junior lienholder
3922 who is a party to the action, or subject to the action by virtue of section
3923 52-325 of the general statutes, shall be deemed subordinated to such
3924 mortgage, in the same order as existed prior to the subordination, or
3925 (B) the conveyance to the mortgagee contemplated in the transfer
3926 agreement shall be effectuated, provided, in the event of an appeal, the
3927 mortgagor or the mortgagee may withdraw his or her consent to the
3928 foreclosure by loss mitigation at his or her sole discretion and the
3929 foreclosure of the mortgage may continue without any further
3930 restriction. Notwithstanding any provision of this section to the
3931 contrary, to the extent such conveyance is later set aside or avoided by
3932 application of any provision of Title 11 of the United States Code, the
3933 judgment of loss mitigation shall be set aside and all parties shall
3934 retain the same interests in the property as existed before the judgment
3935 of loss mitigation, to the extent permitted under applicable provisions
3936 of Title 11 of the United States Code. The mortgagor and mortgagee
3937 shall, not later than thirty days after the modification or conveyance,
3938 submit the judgment of loss mitigation to the town clerk for recording
3939 in accordance with title 7 of the general statutes. Nothing contained in

3940 this section or section 74 or 75 of this act shall be construed as
3941 prohibiting a consensual modification of a mortgage or a deed in lieu
3942 of foreclosure being consummated outside of the judicial process.

3943 Sec. 78. (NEW) (*Effective October 1, 2016*) A mortgagee may file a
3944 motion for judgment of loss mitigation at any time after the fifteen
3945 days following the return date in a pending foreclosure action
3946 following an agreement under section 76 of this act. Nothing in this
3947 section shall be construed as allowing such a judgment to be entered
3948 by the court without the express written consent of both the mortgagor
3949 and mortgagee or requiring a mortgagee to consider consenting to
3950 such a judgment in foreclosure mediation. Failure of either party to
3951 consent to a judgment of loss mitigation for any reason shall not be a
3952 basis for a claim of bad faith. Upon motion of the mortgagee and with
3953 the consent of the mortgagor, the court, after notice and hearing, may
3954 render a judgment of loss mitigation approving conveyance of the
3955 property to the third party on such terms as set forth in the transfer
3956 agreement between the mortgagor and mortgagee. All parties to the
3957 action may participate in such a hearing. Such judgment shall be a final
3958 judgment for purposes of appeal. The only issues at such hearing shall
3959 be (1) a finding of the fair market value of the residential property,
3960 which may be determined by a written appraisal of the fair market
3961 value of the residential real property obtained by the mortgagee, to be
3962 performed by an appraiser licensed under chapter 400g of the general
3963 statutes, (2) to the extent necessary, a finding of the outstanding
3964 balance of any priority liens on such property, to determine if the
3965 mortgagee's mortgage is an underwater mortgage, (3) the debt owed to
3966 the mortgagee that is secured by the mortgage, (4) whether the
3967 mortgage is an underwater mortgage, and (5) whether the
3968 contemplated transaction was agreed to in good faith for the purposes
3969 of mitigation. The court shall not enter a judgment of loss mitigation
3970 unless the court makes express findings that the mortgage is an
3971 underwater mortgage and that the good faith provisions of
3972 subdivision (5) of this section have been satisfied. If the court renders a
3973 judgment of loss mitigation under this section, then the conveyance to

3974 the third party shall be ordered to take place, provided, in the event of
3975 an appeal, the mortgagor or the mortgagee may withdraw his or her
3976 consent to the foreclosure by loss mitigation at his or her sole
3977 discretion and the foreclosure of the mortgage may continue without
3978 any further restriction. Such conveyance shall take place by the date set
3979 forth in the transfer agreement, which may be extended for up to sixty
3980 days upon agreement of the mortgagor and mortgagee or further by
3981 order of the court, after notice and hearing. The mortgagor shall, prior
3982 to the recording of the document conveying title to the property to the
3983 third party, submit the judgment of loss mitigation to the town clerk
3984 for recording in accordance with the provisions of title 7 of the general
3985 statutes. After receipt of funds and other consideration by the
3986 mortgagee, as contemplated in the transfer agreement, the mortgagee
3987 shall file a satisfaction of judgment of loss mitigation with the court.
3988 Nothing contained in this section or section 76 of this act shall be
3989 construed as prohibiting, outside of the judicial process, a consensual
3990 release of mortgage by a mortgagee for less than payment of the full
3991 indebtedness secured thereby.

3992 Sec. 79. (NEW) (*Effective October 1, 2016*) If the court does not enter a
3993 judgment of loss mitigation, then the modification or conveyance
3994 contemplated by the mortgagor and mortgagee under section 74, 75 or
3995 76 of this act shall not be consummated. Nothing in this section shall
3996 be construed as prohibiting a consensual modification of a mortgage or
3997 conveyance from being consummated outside of the judicial process.
3998 In the event of such nonentry:

3999 (1) The mortgagor may, if eligible, petition for inclusion in the
4000 foreclosure mediation program established pursuant to section 49-31m
4001 of the general statutes, provided the mortgagor did not substantially
4002 contribute to the events leading to the nonentry or other circumstances
4003 resulting in the nonentry. In determining whether to grant such
4004 petition, the court shall give consideration to any testimony or
4005 affidavits the parties may submit in support of or in opposition to such
4006 petition. The court may grant such petition upon a determination that
4007 (A) such petition is not motivated primarily by a desire to delay entry

4008 of a judgment of foreclosure, and (B) it is highly probable the parties
4009 will reach an agreement through mediation; and

4010 (2) The mortgagee shall have the right to request the entry of a
4011 judgment of foreclosure in accordance with the other provisions of
4012 law, including the provisions governing strict foreclosure.

4013 Sec. 80. (NEW) (*Effective October 1, 2016*) Nothing in sections 74 to
4014 78, inclusive, of this act shall be construed as eliminating the debt or
4015 any judgment associated with an affected junior lien on the residential
4016 real property encumbered by the underwater mortgage.

4017 Sec. 81. Subsections (a) and (b) of section 49-24b of the general
4018 statutes are repealed and the following is substituted in lieu thereof
4019 (*Effective October 1, 2016*):

4020 [(a) On and after January 1, 2015, a mortgagee who desires to
4021 foreclose upon a mortgage encumbering residential real property of a
4022 mortgagor shall give notice to the mortgagor by registered or certified
4023 mail, postage prepaid, at the address of the residential real property
4024 that is secured by such mortgage, in accordance with the relevant
4025 notice provisions of this chapter and chapter 134. No such mortgagee
4026 may commence a foreclosure of a mortgage prior to mailing such
4027 notice. Such notice shall advise the mortgagor of his or her
4028 delinquency or other default under the mortgage and that the
4029 mortgagor has the option to contact the mortgagee to discuss whether
4030 the property may, by mutual consent of the mortgagee and mortgagor,
4031 be marketed for sale pursuant to a listing agreement established in
4032 accordance with section 49-24d. Such notice shall also advise the
4033 mortgagor (1) of the mailing address, telephone number, facsimile
4034 number and electronic mail address that should be used to contact the
4035 mortgagee; (2) of a date not less than sixty days after the date of such
4036 notice by which the mortgagor must initiate such contact, with
4037 contemporaneous confirmation in writing of the election to pursue
4038 such option sent to the designated mailing address or electronic mail
4039 address of the mortgagee; (3) that the mortgagor should contact a real

4040 estate agent licensed under chapter 392 to discuss the feasibility of
4041 listing the property for sale pursuant to the foreclosure by market sale
4042 process; (4) that, if the mortgagor and mortgagee both agree to proceed
4043 with further discussions concerning an acceptable listing agreement,
4044 the mortgagor must first permit an appraisal to be obtained in
4045 accordance with section 49-24c for purposes of verifying eligibility for
4046 foreclosure by market sale; (5) that the appraisal will require both an
4047 interior and exterior inspection of the property; (6) that the terms and
4048 conditions of the listing agreement, including the duration and listing
4049 price, must be acceptable to both the mortgagee and mortgagor; (7)
4050 that the terms and conditions of any offer to purchase, including the
4051 purchase price and any contingencies, must be acceptable to both the
4052 mortgagor and mortgagee; (8) that if an acceptable offer is received,
4053 the mortgagor will sign an agreement to sell the property through a
4054 foreclosure by market sale; and (9) in bold print and at least ten-point
4055 font, that if the mortgagor consents to a foreclosure by market sale, the
4056 mortgagor will not be eligible for foreclosure mediation in any type of
4057 foreclosure action that is commenced following the giving of such
4058 consent. The notice provided under this subsection may be combined
4059 with and delivered at the same time as any other notice required by
4060 subsection (a) of section 8-265ee or federal law.

4061 (b) At any time after the date provided in the notice required under
4062 subsection (a) of this section, the foreclosure of the mortgagor's
4063 mortgage may continue without any further restriction or requirement,
4064 provided the mortgagee files an affidavit with the court stating that the
4065 notice provisions of said subsection have been complied with and that
4066 either the mortgagor failed to confirm his or her election in accordance
4067 with said subsection by the date disclosed in the notice or that
4068 discussions were initiated, but (1) the mortgagee and mortgagor were
4069 unable to reach a mutually acceptable agreement to proceed; (2) based
4070 on the appraisal obtained pursuant to section 49-24c, the property does
4071 not appear to be subject to a mortgage that is eligible for foreclosure by
4072 market sale; (3) the mortgagor did not grant reasonable interior access
4073 for the appraisal required by section 49-24c; (4) the mortgagee and

4074 mortgagor were unable to reach an agreement as to a mutually
4075 acceptable listing agreement pursuant to section 49-24d; (5) a listing
4076 agreement was executed, but no offers to purchase were received; (6)
4077 an offer or offers were received, but were unacceptable to either or
4078 both the mortgagee and mortgagor; or (7) other circumstances exist
4079 that would allow the mortgagee or mortgagor to elect not to proceed
4080 with a foreclosure by market sale pursuant to sections 49-24 to 49-24g,
4081 inclusive, 49-26 to 49-28, inclusive, and 49-31t, or that would otherwise
4082 make the mortgage ineligible for foreclosure by market sale. The
4083 affidavit required by this subsection may be combined with the
4084 affidavit required by subsection (b) of section 8-265ee.]

4085 A mortgagor and a mortgagee may agree, by mutual consent, to
4086 pursue a foreclosure by market sale pursuant to sections 49-24b to 49-
4087 24g, inclusive, as amended by this act. Nothing herein shall be
4088 construed as requiring either the mortgagor or mortgagee to pursue a
4089 foreclosure by market sale or to consider a foreclosure by market sale
4090 in foreclosure mediation. Failure of either party to consent to a
4091 foreclosure by market sale for any reason shall not be a basis for a
4092 claim of bad faith.

4093 Sec. 82. Subsections (a) and (b) of section 49-24e of the general
4094 statutes are repealed and the following is substituted in lieu thereof
4095 (*Effective October 1, 2016*):

4096 (a) If a mortgagor executes a listing agreement that is acceptable to
4097 both the mortgagee and mortgagor pursuant to section 49-24d and
4098 receives an offer to purchase the residential real property that
4099 encompasses a price, terms and conditions that are acceptable to both
4100 the mortgagor and the mortgagee, the mortgagor shall execute a
4101 contract for sale with the purchaser that shall reflect the agreed-upon
4102 price, terms and conditions and be contingent upon the completion of
4103 the foreclosure by market sale in accordance with sections 49-24 to 49-
4104 24g, inclusive, as amended by this act, and sections 49-26 to 49-28,
4105 inclusive, as amended by this act. [, and 49-31t.] If an offer is received,
4106 but is unacceptable to the mortgagee, the mortgagee shall provide the

4107 mortgagor with written notice of its decision and, without limiting the
4108 breadth of its discretion, a general explanation of the reason or reasons
4109 for such decision. Such notice shall not be required in instances where
4110 the offer is unacceptable to the mortgagor. The mortgagor shall, not
4111 later than five days after the date of the execution of the purchase and
4112 sale contract, provide the mortgagee with a copy of such contract
4113 along with written documentation, in a form and substance acceptable
4114 to the mortgagee, evidencing the mortgagor's consent to the filing of a
4115 motion for judgment of foreclosure by market sale.

4116 (b) Unless otherwise prohibited by applicable law, not later than
4117 thirty days after the receipt of such contract and the documentation
4118 evidencing consent, or not later than thirty days after the satisfaction
4119 or expiration of any contingencies in the contract that must either have
4120 been satisfied or expired before the foreclosure action may be
4121 commenced to consummate the sale, whichever thirty-day time frame
4122 is later, the mortgagee shall commence a foreclosure by market sale by
4123 writ, summons and complaint. Any such complaint shall claim, in the
4124 prayer for relief, a foreclosure of the mortgage pursuant to sections 49-
4125 24 to 49-24g, inclusive, as amended by this act, and sections 49-26 to
4126 49-28, inclusive, as amended by this act, [and 49-31t,] and shall contain
4127 a copy of the contract between the mortgagor and the purchaser as
4128 well as a copy of the appraisal obtained pursuant to section 49-24c. If
4129 the mortgagee has already commenced a foreclosure action at the time
4130 of either receipt of such contract or such satisfaction or expiration,
4131 then, not later than thirty days after the latest of such receipt,
4132 satisfaction or expiration, the mortgagee shall make a motion for
4133 judgment of foreclosure by market sale in accordance with the
4134 provisions of section 49-24f and attach the contract and appraisal to the
4135 motion. No mortgagee may require the employ or use of a particular
4136 list of persons licensed under chapter 392 as a condition of approval of
4137 an offer. No mortgagee may require the use of an auction or other
4138 alternative method of sale as a condition of approval of an offer once
4139 the listing agreement required pursuant to section 49-24d has been
4140 executed by the mortgagor. Nothing in this section shall be construed

4141 as requiring either the mortgagee or mortgagor to approve any offer
4142 that is made pursuant to this section.

4143 Sec. 83. Section 49-24 of the general statutes is repealed and the
4144 following is substituted in lieu thereof (*Effective October 1, 2016*):

4145 All liens and mortgages affecting real property may, on the written
4146 motion of any party to any suit relating thereto, be foreclosed (1) by a
4147 decree of sale instead of a strict foreclosure at the discretion of the
4148 court before which the foreclosure proceedings are pending, or (2)
4149 with respect to mortgages, as defined in section 49-24a, as amended by
4150 this act, that are a first mortgage against the property, by a judgment of
4151 foreclosure by market sale upon the written motion of the mortgagee,
4152 as defined in section 49-24a, as amended by this act, and with consent
4153 of the mortgagor, as defined in section 49-24a, as amended by this act,
4154 in accordance with sections 49-24a to 49-24g, inclusive, as amended by
4155 this act, and sections 49-26 to 49-28, inclusive, as amended by this act.
4156 [, and 49-31t.]

4157 Sec. 84. Section 49-24a of the general statutes is repealed and the
4158 following is substituted in lieu thereof (*Effective October 1, 2016*):

4159 For purposes of a foreclosure by market sale in accordance with this
4160 section [,] and sections 49-24b to 49-24g, inclusive, as amended by this
4161 act. [, and section 49-31t:]

4162 (1) "Mortgage" means a mortgage deed, deed of trust or other
4163 equivalent consensual security interest on residential real property
4164 securing a loan made primarily for personal, family or household
4165 purposes that is first in priority over any other mortgages or liens
4166 encumbering the residential real property, except those liens that are
4167 given priority over a mortgage pursuant to state or federal law;

4168 (2) "Mortgagee" means the owner or servicer of the debt secured by
4169 a mortgage;

4170 (3) "Mortgagor" means the owner-occupant of residential real

4171 property located in this state who is also the borrower under the loan
4172 that is secured by a mortgage, other than a reverse annuity mortgage,
4173 encumbering such residential real property that is the primary
4174 residence of such owner-occupant, where the amount due on such
4175 mortgage loan, including accrued interest, late charges and other
4176 amounts secured by the mortgage, when added to amounts for which
4177 there is a prior lien by operation of law, exceeds the appraised value of
4178 the property; and

4179 (4) "Residential real property" means a one-to-four-family dwelling
4180 occupied as a residence by a mortgagor.

4181 Sec. 85. Section 49-31e of the general statutes is repealed and the
4182 following is substituted in lieu thereof (*Effective October 1, 2016*):

4183 [(a)] In an action by a lender for the foreclosure of a mortgage of
4184 residential real property, [such lender shall give notice to the
4185 homeowner of the availability of the provisions of sections 49-31d to
4186 49-31i, inclusive, at the time the action is commenced.

4187 (b) A homeowner who is given notice of the availability of the
4188 provisions of sections 49-31d to 49-31i, inclusive, must] the
4189 homeowner shall make application for protection from foreclosure,
4190 [within] under the provisions of sections 49-31d to 49-31i, inclusive,
4191 not later than twenty-five days [of] after the return day.

4192 [(c) No judgment foreclosing the title to real property by strict
4193 foreclosure or by a decree of sale shall be entered unless the court is
4194 satisfied from pleadings or affidavits on file with the court that notice
4195 has been given to the homeowner against whom the foreclosure action
4196 is commenced of the availability of the provisions of sections 49-31d to
4197 49-31i, inclusive.

4198 (d) If a homeowner against whom the foreclosure action is
4199 commenced was not given notice of the availability of the provisions of
4200 sections 49-31d to 49-31i, inclusive, at the time the action was
4201 commenced, and such homeowner was eligible to apply for protection

4202 from foreclosure at such time, the court, upon its own motion or upon
4203 the written motion of such homeowner, may issue an order staying the
4204 foreclosure action for fifteen days during which period the homeowner
4205 may apply to the court for protection from foreclosure by submitting
4206 an application together with a financial affidavit as required by
4207 subsection (a) of section 49-31f.]

4208 Sec. 86. Section 49-22 of the general statutes is repealed and the
4209 following is substituted in lieu thereof (*Effective October 1, 2016*):

4210 (a) In any action brought for the foreclosure of a mortgage or lien
4211 upon land, or for any equitable relief in relation to land, the plaintiff
4212 may, in his complaint, demand possession of the land, and the court
4213 may, if it renders judgment in his favor and finds that he is entitled to
4214 the possession of the land, issue execution of ejectment, commanding
4215 the officer to eject the person or persons in possession of the land no
4216 fewer than five business days after the date of service of such
4217 execution and to put in possession thereof the plaintiff or the party to
4218 the foreclosure entitled to the possession by the provisions of the
4219 decree of said court, provided no execution shall issue against any
4220 person in possession who is not a party to the action except a
4221 transferee or lienor who is bound by the judgment by virtue of a lis
4222 pendens. The officer shall eject the person or persons in possession and
4223 may remove such person's possessions and personal effects and
4224 deliver such possessions and effects to the place of storage designated
4225 by the chief executive officer of the town for such purposes.

4226 (b) Before any such removal, the state marshal charged with
4227 executing upon the ejectment shall give the chief executive officer of
4228 the town twenty-four [hours] hours' notice of the ejectment, stating the
4229 date, time and location of such ejectment as well as a general
4230 description, if known, of the types and amount of property to be
4231 removed from the land and delivered to the designated place of
4232 storage. [Before] At least five business days before giving such notice
4233 to the chief executive officer of the town, the state marshal shall use
4234 reasonable efforts to locate and notify the person or persons in

4235 possession of the date and time such ejectment is to take place and of
4236 the possibility of a sale pursuant to subsection (c) of this section and
4237 shall provide clear instructions as to how and where such person or
4238 persons may reclaim any possessions and personal effects removed
4239 and stored pursuant to this section, including a telephone number that
4240 such person or persons may call to arrange release of such possessions
4241 and personal effects.

4242 (c) Whenever a mortgage or lien upon land has been foreclosed and
4243 execution of ejectment issued, and the possessions and personal effects
4244 of the person in possession thereof are removed by a state marshal
4245 under this section, such possessions and effects shall be delivered by
4246 such marshal to the designated place of storage. Such removal,
4247 delivery and storage shall be at the expense of such person. If the
4248 possessions and effects are not reclaimed by such person and the
4249 expense of the storage is not paid to the chief executive officer within
4250 fifteen days after such ejectment, the chief executive officer shall sell
4251 the same at public auction, after using reasonable efforts to locate and
4252 notify such person of the sale and after posting notice of the sale for
4253 one week on the public signpost nearest to the place where the
4254 ejectment was made, if any, or at some exterior place near the office of
4255 the town clerk. The chief executive officer shall deliver to such person
4256 the net proceeds of the sale, if any, after deducting a reasonable charge
4257 for storage of such possessions and effects. If such person does not
4258 demand the net proceeds within thirty days after the sale, the chief
4259 executive officer shall turn over the net proceeds of the sale to the town
4260 treasury.

4261 Sec. 87. Subdivision (4) of subsection (c) of section 49-311 of the 2016
4262 supplement to the general statutes is repealed and the following is
4263 substituted in lieu thereof (*Effective October 1, 2016*):

4264 (4) Upon receipt of the mortgagor's appearance and foreclosure
4265 mediation certificate forms, and provided the court confirms the
4266 defendant in the foreclosure action is a mortgagor and that said
4267 mortgagor has sent a copy of the mediation certificate form to the

4268 plaintiff, the court shall assign the case to mediation and issue notice of
4269 such assignment to all appearing parties, which notice shall include an
4270 electronic mail address for all communications related to the
4271 mediation. The court shall issue such notice not earlier than the date
4272 five business days after the return date or by the date three business
4273 days after the date on which the court receives the mortgagor's
4274 appearance and foreclosure mediation certificate forms, whichever is
4275 later, except that if the court does not receive the appearance and
4276 foreclosure mediation certificate forms from the mortgagor by the date
4277 fifteen days after the return date for the foreclosure action, the court
4278 shall not assign the case to mediation. Promptly upon receipt of the
4279 notice of assignment, but not later than the thirty-fifth day following
4280 the return date, the mortgagee or its counsel shall deliver to the
4281 mediator, via the electronic mail address provided for communications
4282 related to the mediation, and to the mortgagor, via first class, priority
4283 or overnight mail, (A) an account history identifying all credits and
4284 debits assessed to the loan account and any related escrow account in
4285 the immediately preceding twelve-month period and an itemized
4286 statement of the amount required to reinstate the mortgage loan with
4287 accompanying information, written in plain language, to explain any
4288 codes used in the history and statement which are not otherwise self-
4289 explanatory, (B) the name, business mailing address, electronic mail
4290 address, facsimile number and direct telephone number of an
4291 individual able to respond with reasonable adequacy and promptness
4292 to questions relative to the information submitted to the mediator
4293 pursuant to this subdivision, and any subsequent updates to such
4294 contact information, which shall be provided reasonably promptly to
4295 the mediator via the electronic mail address provided for
4296 communication related to the mediation, (C) current versions of all
4297 reasonably necessary forms and a list of all documentation reasonably
4298 necessary for the mortgagee to evaluate the mortgagor for common
4299 alternatives to foreclosure that are available through the mortgagee, if
4300 any, (D) a copy of the note and mortgage, including any agreements
4301 modifying such documents, (E) summary information regarding the
4302 status of any pending foreclosure avoidance efforts being undertaken

4303 by the mortgagee, (F) a copy of any loss mitigation affidavit filed with
4304 the court, and (G) at the mortgagee's option, (i) the history of
4305 foreclosure avoidance efforts with respect to the mortgagor, (ii)
4306 information regarding the condition of mortgaged property, and (iii)
4307 such other information as the mortgagee may determine is relevant to
4308 meeting the objectives of the mediation program. Following the
4309 mediator's receipt of such information, the court shall assign a
4310 mediator to the mediation and schedule a meeting with the mediator
4311 and [the mortgagor] all mortgagors who are relevant and necessary to
4312 the mediation and to any agreement being contemplated in connection
4313 with the mediation and shall endeavor to hold such meeting on or
4314 prior to the forty-ninth day following the return date. The notice of
4315 such meeting shall instruct the mortgagor to complete the forms prior
4316 to the meeting and to furnish such forms together with the
4317 documentation contained in the list, as provided by the mortgagee
4318 following the filing of the foreclosure mediation certificate, at the
4319 meeting. At such meeting, the mediator shall review such forms and
4320 documentation with the mortgagor, along with the information
4321 supplied by the mortgagee, in order to discuss the options that may be
4322 available to the mortgagor, including any community-based resources,
4323 and assist the mortgagor in completing the forms and furnishing the
4324 documentation necessary for the mortgagee to evaluate the mortgagor
4325 for alternatives to foreclosure. The mediator may elect to schedule
4326 subsequent meetings with the mortgagor and determine whether any
4327 mortgagor may be excused from an in-person appearance at such
4328 subsequent meeting. The mediator may excuse any mortgagor from
4329 attending such meeting or any subsequent meetings, provided the
4330 mortgagor shows good cause for nonattendance. Such good cause may
4331 include, but is not limited to, the mortgagor no longer owning the
4332 home pursuant to a judgment of marital dissolution and related
4333 transfer via deed, or no longer residing in the home and not being a
4334 necessary party to any agreement being contemplated in connection
4335 with the mediation. As soon as practicable, but in no case later than the
4336 eighty-fourth day following the return date, or the extended deadline
4337 if such an extended deadline is established pursuant to this

4338 subdivision, the mediator shall facilitate and confirm the submission
4339 by the mortgagor of the forms and documentation to the mortgagee's
4340 counsel via electronic means and, at the mortgagee's election, directly
4341 to the mortgagee per the mortgagee's instruction, and determine,
4342 based on the participating mortgagor's attendance at the meetings and
4343 the extent the mortgagor completed the forms and furnished the
4344 documentation contemplated in this subdivision, or failed to perform
4345 such tasks through no material fault of the mortgagee, and file a report
4346 with the court indicating, (I) whether mediation shall be scheduled
4347 with the mortgagee, (II) whether the mortgagor attended scheduled
4348 meetings with the mediator, (III) whether the mortgagor fully or
4349 substantially completed the forms and furnished the documentation
4350 requested by the mortgagee, (IV) the date on which the mortgagee
4351 supplied the forms and documentation, and (V) any other information
4352 the mediator determines to be relevant to the objectives of the
4353 mediation program. The mediator may file, and the court may grant, a
4354 motion for extension of the premediation period beyond the eighty-
4355 fourth day following the return date if good cause can be shown for
4356 such an extension. Any such motion shall be filed, with a copy
4357 simultaneously sent to the mortgagee and as soon as practicable to the
4358 mortgagor, not later than the eighty-fourth day following the return
4359 date. The mortgagee and mortgagor shall each have five business days
4360 from the day the motion was filed to file an objection or supplemental
4361 papers, and the court shall issue its ruling, without a hearing, not later
4362 than ten business days from the date the motion was filed. If the court
4363 determines that good cause exists for an extension, the court shall
4364 therewith establish an extended deadline so that the premediation
4365 period shall end as soon thereafter as may be practicable, but not later
4366 than thirty-five days from the date of the ruling, taking into account
4367 the complexity of the mortgagor's financial circumstances, the
4368 mortgagee's documentation requirements, and the timeliness of the
4369 mortgagee's and mortgagor's compliance with their respective
4370 premediation obligations. If the court denies the mediator's motion, the
4371 extended deadline for purposes of this subdivision shall be three days
4372 after the court rules on the motion. No meeting or communication

4373 between the mediator and mortgagor under this subdivision shall be
4374 treated as an impermissible ex parte communication. If the mediator
4375 determines that the mortgagee shall participate in mediation, the court
4376 shall promptly issue notice to all parties of such determination and
4377 schedule a mediation session between the mortgagee and [mortgagor]
4378 all mortgagors who are relevant and necessary to the mediation and to
4379 any agreement being contemplated in connection with the mediation,
4380 in accordance with subsection (c) of section 49-31n, as amended by this
4381 act, to be held not later than five weeks following the submission to the
4382 mortgagee of the forms and documentation contemplated in this
4383 subdivision. The mediator may excuse any mortgagor from attending
4384 the mediation session or subsequent meetings, provided good cause is
4385 shown for nonattendance. Such good cause may include, but is not
4386 limited to, the mortgagor no longer owning the home pursuant to a
4387 judgment of marital dissolution and related transfer via deed, no
4388 longer residing in the home or not being a necessary party to any
4389 agreement being contemplated in connection with the mediation. If the
4390 mediator determines that no sessions between the mortgagee and
4391 mortgagor shall be scheduled, the court shall promptly issue notice to
4392 all parties regarding such determination and mediation shall be
4393 terminated. Any mortgagor wishing to contest such determination
4394 shall petition the court and show good cause for reinclusion in the
4395 mediation program, including, but not limited to, a material change in
4396 financial circumstances or a mistake or misunderstanding of the facts
4397 by the mediator.

4398 Sec. 88. Subdivision (2) of subsection (b) of section 49-31n of the
4399 2016 supplement to the general statutes is repealed and the following
4400 is substituted in lieu thereof (*Effective October 1, 2016*):

4401 (2) The first mediation session shall be held not later than fifteen
4402 business days after the court sends notice to all parties that a
4403 foreclosure mediation request form has been submitted to the court.
4404 The mortgagor and mortgagee shall appear in person at each
4405 mediation session and shall have the ability to mediate, except that (A)
4406 if a party is represented by counsel, the party's counsel may appear in

4407 lieu of the party to represent the party's interests at the mediation,
4408 provided the party has the ability to mediate, [the mortgagor attends
4409 the first mediation session in person,] and the party is available (i)
4410 during the mediation session by telephone, and (ii) to participate in the
4411 mediation session by speakerphone, provided an opportunity is
4412 afforded for confidential discussions between the party and party's
4413 counsel, (B) following the initial mediation session, if there are two or
4414 more mortgagors who are self-represented, only one mortgagor shall
4415 be required to appear in person at each subsequent mediation session
4416 unless good cause is shown, provided the other mortgagors are
4417 available (i) during the mediation session, and (ii) to participate in the
4418 mediation session by speakerphone, [and] (C) if a party suffers from a
4419 disability or other significant hardship that imposes an undue burden
4420 on such party to appear in person, the mediator may grant permission
4421 to such party to participate in the mediation session by telephone, and
4422 (D) a mortgagor may be excused from appearing at the mediation
4423 session if good cause is shown that the presence of such mortgagor is
4424 not needed to further the interests of mediation. Such good cause may
4425 include, but is not limited to, the mortgagor no longer owning the
4426 home pursuant to a judgment of marital dissolution and related
4427 transfer via deed, no longer residing in the home or not being a
4428 necessary party to any agreement being contemplated in connection
4429 with the mediation. A mortgagor's spouse, who is not a mortgagor but
4430 who lives in the subject property, may appear at each mediation
4431 session, provided all appearing mortgagors consent, in writing, to such
4432 spouse's appearance or such spouse shows good cause for his or her
4433 appearance and the mortgagors consent in writing to the disclosure of
4434 nonpublic personal information to such spouse. If the mortgagor has
4435 submitted a complete package of financial documentation in
4436 connection with a request for a particular foreclosure alternative, the
4437 mortgagee shall have thirty-five days from the receipt of the completed
4438 package to respond with a decision and, if the decision is a denial of
4439 the request, provide the reasons for such denial. If the mortgagor has,
4440 in connection with a request for a foreclosure alternative, submitted a
4441 financial package that is not complete, or if the mortgagee's evaluation

4442 of a complete package reveals that additional information is necessary
4443 to underwrite the request, the mortgagee shall request the missing or
4444 additional information within a reasonable period of time of such
4445 evaluation. If the mortgagee's evaluation of a complete package reveals
4446 that additional information is necessary to underwrite the request, the
4447 thirty-five-day deadline for a response shall be extended but only for
4448 so long as is reasonable given the timing of the mortgagor's submission
4449 of such additional information and the nature and context of the
4450 required underwriting. Not later than the third business day after each
4451 mediation session held on or after June 18, 2013, the mediator shall file
4452 with the court a report indicating, to the extent applicable, (i) the
4453 extent to which each of the parties complied with the requirements set
4454 forth in this subdivision, including the requirement to engage in
4455 conduct that is consistent with the objectives of the mediation program
4456 and to possess the ability to mediate, (ii) whether the mortgagor
4457 submitted a complete package of financial documentation to the
4458 mortgagee, (iii) a general description of the foreclosure alternative
4459 being requested by the mortgagor, (iv) whether the mortgagor has
4460 previously been evaluated for similar requests, whether prior to
4461 mediation or in mediation, and, if so, whether there has been any
4462 apparent change in circumstances since a decision was made with
4463 respect to that prior evaluation, (v) whether the mortgagee has
4464 responded to the mortgagor's request for a foreclosure alternative and,
4465 if so, a description of the response and whether the mediator is aware
4466 of any material reason not to agree with the response, (vi) whether the
4467 mortgagor has responded to an offer made by the mortgagee on a
4468 reasonably timely basis, and if so, an explanation of the response, (vii)
4469 whether the mortgagee has requested additional information from the
4470 mortgagor and, if so, the stated reasons for the request and the date by
4471 which such additional information shall be submitted so that
4472 information previously submitted by the mortgagor, to the extent
4473 possible, may still be used by the mortgagee in conducting its review,
4474 (viii) whether the mortgagor has supplied, on a reasonably timely
4475 basis, any additional information that was reasonably requested by the
4476 mortgagee, and, if not, the stated reason for not doing so, (ix) if

4477 information provided by the mortgagor is no longer current for
4478 purposes of evaluating a foreclosure alternative, a description of the
4479 out-of-date information and an explanation as to how and why such
4480 information is no longer current, (x) whether the mortgagee has
4481 provided a reasonable explanation of the basis for a decision to deny a
4482 request for a loss mitigation option or foreclosure alternative and
4483 whether the mediator is aware of any material reason not to agree with
4484 that decision, (xi) whether the mortgagee has complied with the time
4485 frames set forth in this subdivision for responding to requests for
4486 decisions, (xii) if a subsequent mediation session is expected to occur, a
4487 general description of the expectations for such subsequent session
4488 and for the parties prior to such subsequent session and, if not
4489 otherwise addressed in the report, whether the parties satisfied the
4490 expectations set forth in previous reports, and (xiii) a determination of
4491 whether the parties will benefit from further mediation. The mediator
4492 shall deliver a copy of such report to each party to the mediation when
4493 the mediator files the report. The parties shall have the opportunity to
4494 submit their own supplemental information following the filing of the
4495 report, provided such supplemental information shall be submitted
4496 not later than five business days following the receipt of the mediator's
4497 report. Any request by the mortgagee to the mortgagor for additional
4498 or updated financial documentation shall be made in writing. The
4499 court may impose sanctions on any party or on counsel to a party if
4500 such party or such counsel engages in intentional or a pattern or
4501 practice of conduct during the mediation process that is contrary to the
4502 objectives of the mediation program. Any sanction that is imposed
4503 shall be proportional to the conduct and consistent with the objectives
4504 of the mediation program. Available sanctions shall include, but not be
4505 limited to, terminating mediation, ordering the mortgagor or
4506 mortgagee to mediate in person, forbidding the mortgagee from
4507 charging the mortgagor for the mortgagee's attorney's fees, awarding
4508 attorney's fees, and imposing fines. In the case of egregious
4509 misconduct, the sanctions shall be heightened. The court shall not
4510 award attorney's fees to any mortgagee for time spent in any
4511 mediation session if the court finds that such mortgagee has failed to

4512 comply with this subdivision, unless the court finds reasonable cause
4513 for such failure.

4514 Sec. 89. Section 49-24g of the general statutes is repealed and the
4515 following is substituted in lieu thereof (*Effective October 1, 2016*):

4516 When the court renders a judgment of market sale pursuant to
4517 section 49-24f, the court shall schedule, not later than thirty days from
4518 the date of the entry of a judgment of foreclosure by market sale in
4519 accordance with said section, right-of-first-refusal law days in [inverse]
4520 order of priority pursuant to which the subordinate lienholders may
4521 seek to preserve their interest in the equity in the residential real
4522 property by tendering to the person appointed to make the sale
4523 pursuant to section 49-24f the amount of the agreed upon price in the
4524 purchase and sale contract. If a subordinate lienholder takes no action
4525 to preserve such lienholder's interest in such equity on such
4526 lienholder's designated right-of-first-refusal law day, such lienholder's
4527 subordinate lien shall be extinguished upon passage of such law day.
4528 If a subordinate lienholder's action to preserve such lienholder's
4529 interest in the residential real property results in such lienholder
4530 purchasing such property, the purchaser indicated in the contract for
4531 the market sale executed in accordance with section 49-24e shall be
4532 entitled to reimbursement from the proceeds of the market sale of any
4533 costs and expenses associated with such contract as determined by the
4534 court pursuant to section 49-24f.

4535 Sec. 90. Section 49-26 of the general statutes is repealed and the
4536 following is substituted in lieu thereof (*Effective October 1, 2016*):

4537 When a sale has been made pursuant to a judgment therefor and
4538 ratified by the court, a conveyance of the property sold shall be
4539 executed by the person appointed to make the sale, which conveyance
4540 shall vest in the purchaser the same estate that would have vested in
4541 the mortgagee or lienholder if the mortgage or lien had been
4542 foreclosed by strict foreclosure, and to this extent such conveyance
4543 shall be valid against all parties to the cause and their privies, but

4544 against no other persons. The court, at the time of or after ratification
4545 of the sale, may order possession of the property sold to be delivered
4546 to the purchaser and may issue an execution of ejectment after the time
4547 for appeal of the ratification of the sale has expired. When a sale has
4548 been made pursuant to a foreclosure by market sale in accordance with
4549 sections 49-24 to 49-24g, inclusive, as amended by this act, 49-27 and
4550 49-28, a conveyance of the property sold shall be executed by the
4551 person appointed to make the sale, which conveyance shall be valid
4552 against all parties to the cause and their privies, [but against no other
4553 persons] and all parties subject to the action by virtue of section 52-325.
4554 The court, at the time of or after the sale in the case of a foreclosure by
4555 market sale may order possession of the property sold to be delivered
4556 to the purchaser and may issue an execution of ejectment after the time
4557 for appeal of the judgment of foreclosure by market sale has expired.

4558 Sec. 91. Subsection (a) of section 12-498 of the general statutes is
4559 repealed and the following is substituted in lieu thereof (*Effective*
4560 *October 1, 2016*):

4561 (a) The tax imposed by section 12-494 shall not apply to: (1) Deeds
4562 which this state is prohibited from taxing under the Constitution or
4563 laws of the United States; (2) deeds which secure a debt or other
4564 obligation; (3) deeds to which this state or any of its political
4565 subdivisions or its or their respective agencies is a party; (4) tax deeds;
4566 (5) deeds of release of property which is security for a debt or other
4567 obligation; (6) deeds of partition; (7) deeds made pursuant to mergers
4568 of corporations; (8) deeds made by a subsidiary corporation to its
4569 parent corporation for no consideration other than the cancellation or
4570 surrender of the subsidiary's stock; (9) deeds made pursuant to a
4571 decree of the Superior Court under section 46b-81, 49-24, as amended
4572 by this act, or 52-495 or pursuant to a judgment of foreclosure by
4573 market sale under section 49-24, as amended by this act, or pursuant to
4574 a judgment of loss mitigation under section 77 or 78 of this act; (10)
4575 deeds, when the consideration for the interest or property conveyed is
4576 less than two thousand dollars; (11) deeds between affiliated
4577 corporations, provided both of such corporations are exempt from

4578 taxation pursuant to paragraph (2), (3) or (25) of Section 501(c) of the
4579 Internal Revenue Code of 1986, or any subsequent corresponding
4580 internal revenue code of the United States, as from time to time
4581 amended; (12) deeds made by a corporation which is exempt from
4582 taxation pursuant to paragraph (3) of Section 501(c) of the Internal
4583 Revenue Code of 1986, or any subsequent corresponding internal
4584 revenue code of the United States, as from time to time amended, to
4585 any corporation which is exempt from taxation pursuant to said
4586 paragraph (3) of said Section 501(c); (13) deeds made to any nonprofit
4587 organization which is organized for the purpose of holding
4588 undeveloped land in trust for conservation or recreation purposes; (14)
4589 deeds between spouses; (15) deeds of property for the Adriaen's
4590 Landing site or the stadium facility site, for purposes of the overall
4591 project, each as defined in section 32-651; (16) land transfers made on
4592 or after July 1, 1998, to a water company, as defined in section 16-1,
4593 provided the land is classified as class I or class II land, as defined in
4594 section 25-37c, after such transfer; (17) transfers or conveyances to
4595 effectuate a mere change of identity or form of ownership or
4596 organization, where there is no change in beneficial ownership; (18)
4597 conveyances of residential property which occur not later than six
4598 months after the date on which the property was previously conveyed
4599 to the transferor if the transferor is (A) an employer which acquired the
4600 property from an employee pursuant to an employee relocation plan,
4601 or (B) an entity in the business of purchasing and selling residential
4602 property of employees who are being relocated pursuant to such a
4603 plan; (19) deeds in lieu of foreclosure that transfer the transferor's
4604 principal residence; and (20) any instrument transferring a transferor's
4605 principal residence where the gross purchase price is insufficient to
4606 pay the sum of (A) mortgages encumbering the property transferred,
4607 and (B) any real property taxes and municipal utility or other charges
4608 for which the municipality may place a lien on the property and which
4609 have priority over the mortgages encumbering the property
4610 transferred.

4611 Sec. 92. Subdivision (2) of subsection (c) of section 49-31n of the

4612 general statutes is repealed and the following is substituted in lieu
4613 thereof (*Effective October 1, 2016*):

4614 (2) The mortgagor and mortgagee shall appear in person at each
4615 mediation session and shall have the ability to mediate, except that (A)
4616 if a party is represented by counsel, the party's counsel may appear in
4617 lieu of the party to represent the party's interests at the mediation,
4618 provided the party has the ability to mediate, the mortgagor attends
4619 the first mediation session in person and the party is available (i)
4620 during the mediation session by telephone, and (ii) to participate in the
4621 mediation session by speakerphone, provided an opportunity is
4622 afforded for confidential discussions between the party and party's
4623 counsel, (B) following the initial mediation session, if there are two or
4624 more mortgagors who are self-represented, only one mortgagor shall
4625 be required to appear in person at each subsequent mediation session
4626 unless good cause is shown, provided the other mortgagors are
4627 available (i) during the mediation session, and (ii) to participate in the
4628 mediation session by speakerphone, [and] (C) if a party suffers from a
4629 disability or other significant hardship that imposes an undue burden
4630 on such party to appear in person, the mediator may grant permission
4631 to such party to participate in the mediation session by telephone, and
4632 (D) a mortgagor may be excused from appearing at the mediation
4633 session if cause is shown that the presence of such mortgagor is not
4634 needed to further the interests of mediation. Such cause may include,
4635 but is not limited to, the mortgagor no longer owning the home
4636 pursuant to a judgment of marital dissolution and related transfer via
4637 deed or no longer residing in the home or not being a necessary party
4638 to any agreement being contemplated in connection with the
4639 mediation. A mortgagor's spouse, who is not a mortgagor but who
4640 lives in the subject property, may appear at each mediation session,
4641 provided all appearing mortgagors consent, in writing, to such spouse
4642 s appearance or such spouse shows good cause for his or her
4643 appearance and the mortgagors consent, in writing, to the disclosure of
4644 nonpublic personal information to such spouse. If the mortgagor has
4645 submitted a complete package of financial documentation in

4646 connection with a request for a particular foreclosure alternative, the
4647 mortgagee shall have thirty-five days from the receipt of the completed
4648 package to respond with a decision and, if the decision is a denial of
4649 the request, provide the reasons for such denial. If the mortgagor has,
4650 in connection with a request for a foreclosure alternative, submitted a
4651 financial package that is not complete, or if the mortgagee's evaluation
4652 of a complete package reveals that additional information is necessary
4653 to underwrite the request, the mortgagee shall request the missing or
4654 additional information within a reasonable period of time of such
4655 evaluation. If the mortgagee's evaluation of a complete package reveals
4656 that additional information is necessary to underwrite the request, the
4657 thirty-five-day deadline for a response shall be extended but only for
4658 so long as is reasonable given the timing of the mortgagor's submission
4659 of such additional information and the nature and context of the
4660 required underwriting. Not later than the third business day after each
4661 mediation session, the mediator shall file with the court a report
4662 indicating, to the extent applicable, (i) the extent to which each of the
4663 parties complied with the requirements set forth in this subdivision,
4664 including the requirement to engage in conduct that is consistent with
4665 the objectives of the mediation program and to possess the ability to
4666 mediate, (ii) whether the mortgagor submitted a complete package of
4667 financial documentation to the mortgagee, (iii) a general description of
4668 the foreclosure alternative being requested by the mortgagor, (iv)
4669 whether the mortgagor has previously been evaluated for similar
4670 requests, whether prior to mediation or in mediation, and, if so,
4671 whether there has been any apparent change in circumstances since a
4672 decision was made with respect to that prior evaluation, (v) whether
4673 the mortgagee has responded to the mortgagor's request for a
4674 foreclosure alternative and, if so, a description of the response and
4675 whether the mediator is aware of any material reason not to agree with
4676 the response, (vi) whether the mortgagor has responded to an offer
4677 made by the mortgagee on a reasonably timely basis, and if so, an
4678 explanation of the response, (vii) whether the mortgagee has requested
4679 additional information from the mortgagor and, if so, the stated
4680 reasons for the request and the date by which such additional

4681 information shall be submitted so that information previously
4682 submitted by the mortgagor, to the extent possible, may still be used
4683 by the mortgagee in conducting its review, (viii) whether the
4684 mortgagor has supplied, on a reasonably timely basis, any additional
4685 information that was reasonably requested by the mortgagee, and, if
4686 not, the stated reason for not doing so, (ix) if information provided by
4687 the mortgagor is no longer current for purposes of evaluating a
4688 foreclosure alternative, a description of the out-of-date information
4689 and an explanation as to how and why such information is no longer
4690 current, (x) whether the mortgagee has provided a reasonable
4691 explanation of the basis for a decision to deny a request for a loss
4692 mitigation option or foreclosure alternative and whether the mediator
4693 is aware of any material reason not to agree with that decision, (xi)
4694 whether the mortgagee has complied with the time frames set forth in
4695 this subdivision for responding to requests for decisions, (xii) if a
4696 subsequent mediation session is expected to occur, a general
4697 description of the expectations for such subsequent session and for the
4698 parties prior to such subsequent session and, if not otherwise
4699 addressed in the report, whether the parties satisfied the expectations
4700 set forth in previous reports, and (xiii) a determination of whether the
4701 parties will benefit from further mediation. The mediator shall deliver
4702 a copy of such report to each party to the mediation when the mediator
4703 files the report. The parties shall have the opportunity to submit their
4704 own supplemental information following the filing of the report,
4705 provided such supplemental information shall be submitted not later
4706 than five business days following the receipt of the mediator's report.
4707 Any request by the mortgagee to the mortgagor for additional or
4708 updated financial documentation shall be made in writing. The court
4709 may impose sanctions on any party or on counsel to a party if such
4710 party or such counsel engages in intentional or a pattern or practice of
4711 conduct during the mediation process that is contrary to the objectives
4712 of the mediation program. Any sanction that is imposed shall be
4713 proportional to the conduct and consistent with the objectives of the
4714 mediation program. Available sanctions shall include, but not be
4715 limited to, terminating mediation, ordering the mortgagor or

4716 mortgagee to mediate in person, forbidding the mortgagee from
 4717 charging the mortgagor for the mortgagee's attorney's fees, awarding
 4718 attorney's fees, and imposing fines. In the case of egregious
 4719 misconduct, the sanctions shall be heightened. The court shall not
 4720 award attorney's fees to any mortgagee for time spent in any
 4721 mediation session if the court finds that such mortgagee has failed to
 4722 comply with this subdivision, unless the court finds reasonable cause
 4723 for such failure.

4724 Sec. 93. (NEW) (*Effective July 1, 2016*) Within available
 4725 appropriations and not later than October 1, 2016, the committee
 4726 having jurisdiction over all matters related to banking shall, in
 4727 consultation with representatives of state agencies and departments,
 4728 financial institutions, mortgage servicers, attorneys with experience in
 4729 foreclosure law and municipalities, convene a working group to
 4730 develop recommendations regarding methods to expedite foreclosures
 4731 with respect to properties that have been abandoned. On or before
 4732 January 1, 2017, said working group shall submit its finding to the
 4733 committee having jurisdiction over all matters related to banking.

4734 Sec. 94. Sections 49-31t and 49-31u of the general statutes are
 4735 repealed. (*Effective October 1, 2016*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	36a-448a(b)
Sec. 2	<i>from passage</i>	36a-34(a)(1)
Sec. 3	<i>from passage</i>	36a-333(b)(1)
Sec. 4	<i>from passage</i>	36a-70(q)
Sec. 5	<i>from passage</i>	36a-21(a)
Sec. 6	<i>October 1, 2016</i>	New section
Sec. 7	<i>July 1, 2016</i>	36a-597(a)
Sec. 8	<i>July 1, 2016</i>	36a-716
Sec. 9	<i>July 1, 2016</i>	36b-3(1)
Sec. 10	<i>from passage</i>	36b-6(a)
Sec. 11	<i>from passage</i>	36b-14
Sec. 12	<i>from passage</i>	36b-21(e)

Sec. 13	<i>from passage</i>	36b-31(d)
Sec. 14	<i>October 1, 2016</i>	36a-773
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>October 1, 2016</i>	36a-774
Sec. 17	<i>October 1, 2016</i>	36a-778
Sec. 18	<i>October 1, 2016</i>	36a-785
Sec. 19	<i>July 1, 2016</i>	36a-555
Sec. 20	<i>July 1, 2016</i>	36a-556
Sec. 21	<i>July 1, 2016</i>	36a-557
Sec. 22	<i>July 1, 2016</i>	36a-558
Sec. 23	<i>July 1, 2016</i>	36a-559
Sec. 24	<i>July 1, 2016</i>	36a-560
Sec. 25	<i>July 1, 2016</i>	36a-561
Sec. 26	<i>July 1, 2016</i>	36a-562
Sec. 27	<i>July 1, 2016</i>	36a-563
Sec. 28	<i>July 1, 2016</i>	36a-564
Sec. 29	<i>July 1, 2016</i>	36a-565
Sec. 30	<i>July 1, 2016</i>	36a-566
Sec. 31	<i>July 1, 2016</i>	36a-567
Sec. 32	<i>July 1, 2016</i>	36a-568
Sec. 33	<i>July 1, 2016</i>	36a-569
Sec. 34	<i>July 1, 2016</i>	36a-570
Sec. 35	<i>July 1, 2016</i>	36a-572
Sec. 36	<i>July 1, 2016</i>	36a-573
Sec. 37	<i>July 1, 2016</i>	47a-21
Sec. 38	<i>July 1, 2016</i>	New section
Sec. 39	<i>July 1, 2016</i>	3-70a(e)
Sec. 40	<i>July 1, 2016</i>	16-262j
Sec. 41	<i>July 1, 2016</i>	37-9
Sec. 42	<i>July 1, 2016</i>	49-2a
Sec. 43	<i>October 1, 2016</i>	49-31p(a)
Sec. 44	<i>October 1, 2016</i>	49-31q
Sec. 45	<i>from passage</i>	36a-65(a)
Sec. 46	<i>October 1, 2016</i>	36a-719h
Sec. 47	<i>October 1, 2016</i>	36a-800
Sec. 48	<i>October 1, 2016</i>	36a-801(a)
Sec. 49	<i>October 1, 2016</i>	36a-802(a)
Sec. 50	<i>October 1, 2016</i>	36a-805(a)
Sec. 51	<i>October 1, 2016</i>	36a-811(b)
Sec. 52	<i>October 1, 2016</i>	New section

Sec. 53	<i>October 1, 2016</i>	New section
Sec. 54	<i>October 1, 2016</i>	36a-648(a)
Sec. 55	<i>October 1, 2016</i>	36a-701
Sec. 56	<i>October 1, 2016</i>	36a-701a
Sec. 57	<i>from passage</i>	42a-4-406(f)
Sec. 58	<i>October 1, 2016</i>	36a-785(b) and (c)
Sec. 59	<i>October 1, 2016</i>	New section
Sec. 60	<i>October 1, 2016</i>	New section
Sec. 61	<i>July 1, 2016</i>	36a-849
Sec. 62	<i>July 1, 2016</i>	36a-850
Sec. 63	<i>October 1, 2016</i>	New section
Sec. 64	<i>July 1, 2016</i>	45a-107b
Sec. 65	<i>from passage</i>	New section
Sec. 66	<i>from passage</i>	New section
Sec. 67	<i>from passage</i>	New section
Sec. 68	<i>from passage</i>	New section
Sec. 69	<i>from passage</i>	New section
Sec. 70	<i>from passage</i>	New section
Sec. 71	<i>from passage</i>	New section
Sec. 72	<i>from passage</i>	New section
Sec. 73	<i>October 1, 2016</i>	New section
Sec. 74	<i>October 1, 2016</i>	New section
Sec. 75	<i>October 1, 2016</i>	New section
Sec. 76	<i>October 1, 2016</i>	New section
Sec. 77	<i>October 1, 2016</i>	New section
Sec. 78	<i>October 1, 2016</i>	New section
Sec. 79	<i>October 1, 2016</i>	New section
Sec. 80	<i>October 1, 2016</i>	New section
Sec. 81	<i>October 1, 2016</i>	49-24b(a) and (b)
Sec. 82	<i>October 1, 2016</i>	49-24e(a) and (b)
Sec. 83	<i>October 1, 2016</i>	49-24
Sec. 84	<i>October 1, 2016</i>	49-24a
Sec. 85	<i>October 1, 2016</i>	49-31e
Sec. 86	<i>October 1, 2016</i>	49-22
Sec. 87	<i>October 1, 2016</i>	49-311(c)(4)
Sec. 88	<i>October 1, 2016</i>	49-31n(b)(2)
Sec. 89	<i>October 1, 2016</i>	49-24g
Sec. 90	<i>October 1, 2016</i>	49-26
Sec. 91	<i>October 1, 2016</i>	12-498(a)
Sec. 92	<i>October 1, 2016</i>	49-31n(c)(2)

Sec. 93	<i>July 1, 2016</i>	New section
Sec. 94	<i>October 1, 2016</i>	Repealer section