

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-6995

AN ACT CONCERNING SHARED APPRECIATION AGREEMENTS AND
CERTAIN START-UP COMPANIES ENGAGED IN THE ACTIVITY OF MONEY

Title: TRANSMISSION.

Vote Date: 3/12/2019

Vote Action: Joint Favorable Substitute

PH Date: 2/7/2019

File No.:

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SPONSORS OF BILL:

The Banking Committee

REASONS FOR BILL:

This bill grants the Commissioner of Banking regulatory authority over entities and individuals that make, originate or broker shared appreciation agreements, transactions in which funds are advanced to a consumer in exchange for an equity interest in residential property or the future repayment of an amount secured by a security interest in a residential property. This bill would permit a start-up company engaged in the activity of money transmission to provide a statement of condition as part of the licensure application in lieu of financial statements.

SUBSTITUTE LANGUAGE:

The substitute language provides clarification of the definition of “shared appreciation agreement” in lines 167 through 174 and adds clarification to the provisions of the clause, lines 240-243, to state that if the applicant or parent company of a wholly owned subsidiary applicant has operated for less than one calendar year, the applicant will only be required to include the initial statement of condition.

RESPONSE FROM ADMINISTRATION/AGENCY:

Matt Smith, Legislative Liaison, Department of Banking; supports this bill, stating that it represents a common sense approach to financial regulation by enhancing protections to consumers while respecting the impact of regulatory burden on the banking industry.

NATURE AND SOURCES OF SUPPORT:

None Stated.

NATURE AND SOURCES OF OPPOSITION:

None Stated.

Reported by: Zoë Gluck

Date: 3/19/2019