OLR Bill Analysis
SB 809

AN ACT EXEMPTING CERTAIN PERSONS FROM LICENSURE AS A LEAD GENERATOR.

SUMMARY

This bill extends the mortgage lead generator licensure exemption to bank or credit union affiliate employees who have certain other credentials and perform lead generation activities only incidentally to their regulated activities by referring leads to the bank or credit union.

By law, a lead generator is a mortgage professional who receives, or expects, compensation or gain for providing information identifying new customers for residential mortgage loans (CGS § 36a-485). The Department of Banking licenses lead generators, but existing law provides several exemptions, including for federally insured banks and credit unions and their subsidiaries, certain other licensed mortgage professionals, consumer reporting agencies, and lead generator employees.

The bill extends the exemption to federally insured bank and credit union affiliates’ employees who:

1. are registered or licensed with a state or federal regulator to perform securities brokerage, investment advisory, or insurance sales activities and

2. perform lead generation services by referring leads to the bank or credit union for which they work.

Under the bill, a bank or credit union affiliate is an entity that is controlled by or under common control with the bank or credit union.

EFFECTIVE DATE: October 1, 2019

BANK OR CREDIT UNION CONTROL
Under the bill, for a bank or credit union to control or have common control with an affiliate, it must:

1. own, control, or have the power to vote more than 50% of any of the affiliate’s voting securities classes, either directly or through one or more persons;

2. control the election of the majority of the affiliate’s directors or trustees; or

3. exercise a controlling influence over the affiliate’s management or policies.

**COMMITTEE ACTION**

Banking Committee

Joint Favorable
Yea 15   Nay 0   (03/05/2019)