Bill No.: HB-6995

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

Title: JOINT FAVORABLE REPORT

Vote Date: 3/12/2019

Vote Action: Joint Favorable Substitute

PH Date: 2/7/2019

File No.:

Disclaimer: The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.

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