Bill No.: SB-190

Title: AN ACT REQUIRING FINANCIAL INSTITUTIONS TO ACCEPT PROPERLY EXECUTED POWERS OF ATTORNEY.

Vote Date: 3/12/2019

Vote Action: Joint Favorable

PH Date: 2/14/2019

File No.: 

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SPONSORS OF BILL:

Banking Committee

REASONS FOR BILL:

To bring a standard to financial institutions, so that a properly executed power of attorney is accepted by all institutions to the same degree.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Provided.

NATURE AND SOURCES OF SUPPORT:

State of Connecticut, Twenty-First Senate District, Kevin Kelly

Senator Kelly is in support of SB 190. The Senator is concerned that some financial institutions do not accept properly executed powers of attorneys. The Senator would like to see all properly executed powers of attorneys be accepted by financial institutions set in statute.

Polivy, Lowry & Clayton, LLC

Polivy, Lowry & Clayton support SB 190. PL&C LLC feels that if a customer uses a power of attorney that is drafted by the customer, the bank must review it to ensure it is legally enforceable. This takes time and money on the banks part. They state that this bill would
prevent banks for rejecting powers of attorney that not signed on their standard form simply for that reason.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Bankers Association, Tom Mongellow

The CBA opposes SB 190. The CBA would like to remind the committee that in 2015 the General Assembly passed the Uniform Power of Attorney Act (UPOA) thus modernizing the process at that time. At the time this was heavily negotiated by the CT Bar Association and the CBA and other stakeholders over a 2 year time period. CBA is concerned that paper validations including POA’s are increasingly being targeted by criminals as they can be easily duplicated or forged. The CBA feels that the current law struck a balance between having a properly executed Power of Attorney and protecting customers from fraudulent POA’s, being used.

The Credit Union League of Connecticut, Vice-President Government Relations, Kelly Fuhlbrigge

The Credit Union League of Connecticut is opposed to SB 190. The League states that currently there is already liability for a financial institution for refusal to accept an acknowledged power of attorney. The League points out that there is an impact to the timing of the acceptance of a power of attorney. This could cause an undue burden on small credit unions that now have a 7 day period in order to process and verify a power of attorney.

Reported by: Robert G Forrest                                      Date: 03/13/2019