Questions for the Banking Commissioner Nominee

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Commissioner of Banking (CGS §§ 36a-10 et seq. & 36a-50 et seq.)

The banking commissioner is responsible for administering the Department of Banking, including conducting examinations and investigations. He must report annually to the governor on (1) the condition of banks and other organizations the department examines, (2) the administration of the Connecticut Truth-in-Lending Act, and (3) his analysis of home financing practices. He must also report annually to both the governor and Banking Committee on the administration of interstate banking and the issuance of final certificates of authority to expedited banks.

Questions

1. What do you see as your top priority as the new banking commissioner? How has your experience prepared you for this role?

2. In 2018, the Banking Committee considered bills related to the regulation of virtual currency, such as Bitcoin. Although these technologies function as currency, they are not always regulated as such. As the banking regulator, what do you think are the policy implications of emerging technologies such as virtual currency? Do you support adopting the Uniform Law Commission's Regulation of Virtual-Currency Businesses model act?

3. Home foreclosures continue to be a concern for many people in the state. The General Assembly regularly considers proposals on the state's foreclosure mediation program,

and recently extended the sunset date until July 1, 2019. Do you think the foreclosure mediation program should be allowed to sunset, or is there more work to do?

4. Questions often arise about federal preemption of various state banking laws. How can the state protect its consumers and businesses against the actions of parties regulated by the federal government, such as national banks? How can Connecticut promote a competitive financial services market and encourage the growth of state banks?

5. PA 18-173, generally effective October 2018, reorganized much of Connecticut General Statutes Title 36a, which governs state banking laws. Please update the committee on the act's implementation. Have there been any unforeseen obstacles?

6. PA 18-117 expanded the authority of credit unions conducting business in the state, including allowing them to (1) invest a larger percentage of their total assets in real estate and improvements without the commissioner's approval and (2) issue mortgages for secondary and vacation homes. Please update the committee on whether the credit unions are already using this expanded authority. Have any issues arisen that the committee may need to consider?

7. As part of the 2017 crumbling foundations legislation (PA 17-2, June Special Session), the legislature established the Collapsing Foundations Enhancement program to offer below market-rate loans to impacted homeowners. The program was to be developed with representatives and input from the banking and credit union industries. The Connecticut Housing Finance Authority administers the program. What role, if any, do you see the Department of Banking playing in facilitating the program?

8. Last month, the legislature passed SA 19-1, establishing a loan program for federal employees affected by the government shutdown. Do you view the public-private partnerships that allowed the program to be speedily established as applicable to other issues in the banking sector?

9. Community banking has been a hot topic nationwide. Please comment on community banking in Connecticut, including whether you think the market is serving the un-and under-banked? Could or should the department do more to encourage community banking, such as facilitating community development credit unions? Or are Connecticut communities well served by the current market?

10. The state created a student loan ombudsman position in 2015. The legislature required the banking commissioner to report on the position's status by January 1, 2019. What is the position's status? Has the department faced any obstacles in implementing the position?

11. In 2017 and 2018, the legislature considered proposals to study or establish a state bank, including an infrastructure bank. Based on your experience, how do you believe these proposals would impact the banking industry? Do you think state banks would fill a need not currently served in the market, or are current banking services robust enough to meet the state's needs?

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