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## OLR Bill Analysis

### SB 876

#### ***AN ACT CONCERNING BONDS OF BOARD MEMBERS AND OTHER EMPLOYEES OF THE CONNECTICUT HOUSING FINANCE AUTHORITY.***

#### **SUMMARY**

Under current law, each Connecticut Housing Finance Authority (CHFA) board member must execute an individual surety bond for at least \$50,000, and the executive director must execute one for \$100,000, unless the board's chair executes a blanket bond covering all the authority's employees, board members, and the executive director. This bill allows the chair to procure an equivalent insurance product in lieu of a blanket bond.

Similar to the surety bonds, the insurance product must be (1) conditioned upon the faithful performance of the duties of the offices covered, (2) issued by a company (in this case, an insurer) authorized to do business in Connecticut, (3) paid for by CHFA, and (4) filed with the office of the Secretary of the State.

The bill also (1) eliminates a requirement that the attorney general approve the bonds and (2) makes a technical change.

EFFECTIVE DATE: July 1, 2021

#### **COMMITTEE ACTION**

Housing Committee

Joint Favorable

Yea 15 Nay 0 (03/09/2021)