

# Banking Committee JOINT FAVORABLE REPORT

**Bill No.:** HB-6453

AN ACT REQUIRING THE BANKING COMMISSIONER TO CONSIDER THE PERFORMANCE OF CERTAIN BANKS UNDER THE COMMUNITY REINVESTMENT ACT BEFORE APPROVING THE ESTABLISHMENT OF

**Title:** CERTAIN LOAN PRODUCTION OFFICES.

**Vote Date:** 3/17/2021

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/2/2021

**File No.:** 227

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## **SPONSORS OF BILL:**

Banking Committee

## **REASONS FOR BILL:**

This bill is to require that the banking commissioner use the Community Reinvestment Act of 1977 as guidelines for considering the performance of certain banks before approving them to be loan production offices. The bill establishes the need to look at banks' performances before they are approved to give out loans. This will help to regulate which banks can be loan production offices based on their CRA rating and approval of an application by the banking commissioner. Also, due to the volume of overdraft fees being charged to customers who can least afford to pay them, we will require CT banks to report information concerning overdraft fees to the banking commissioner

Combined with HB6452 in the JFS language

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

**Matt Smith, Director of Government Relations and Consumer Affairs, Department of Banking:** Mr. Smith wrote a public hearing testimony as he believes that this bill will now allow for the commissioner to consider out-of-state, state-chartered banks' CRA ratings when applying to open a Loan Production Office in the state, which they are unable to do right now.

## **NATURE AND SOURCES OF SUPPORT:**

**Jeff Gentes, fair lending and foreclosure prevention, Connecticut Fair Housing Center:**

Mr. Gentes wrote a public hearing in support of the bill because they want Department of Banking to have the power to deny applications from lenders who fail CRA exams.

**NATURE AND SOURCES OF OPPOSITION:**

None Expressed

**Reported by: Courtney Berry / Dawn Marzik**

**Date: 3/24/2021**