

**Proposed Substitute
Bill No. 6453**

LCO No. 5490

**AN ACT REQUIRING THE BANKING COMMISSIONER TO CONSIDER
THE PERFORMANCE OF CERTAIN BANKS UNDER THE COMMUNITY
REINVESTMENT ACT BEFORE APPROVING THE ESTABLISHMENT
OF CERTAIN LOAN PRODUCTION OFFICES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (o) of section 36a-145 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2021*):

4 (o) (1) With the approval of the commissioner, a Connecticut bank
5 may establish a loan production office in or outside this state. The
6 commissioner shall not approve the establishment of a loan production
7 office under this subdivision unless the commissioner has considered
8 the Connecticut bank's record of compliance with the requirements of
9 the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as
10 amended from time to time, and overall Community Reinvestment Act
11 rating.

12 (2) A Connecticut bank that proposes to close any loan production
13 office shall submit to the commissioner a notice of the proposed closing
14 not later than thirty days prior to the date proposed for such closing.
15 The notice shall include a detailed statement of the reasons for the
16 decision to close the loan production office and the statistical and other
17 information in support of such reasons. After receipt of the notice, the

18 commissioner may require the Connecticut bank to submit any
19 additional information. The Connecticut bank shall provide notice of the
20 proposed closing to its customers by posting a notice in a conspicuous
21 manner on the premises of such loan production office for at least a
22 thirty-day period ending on the date proposed for such closing.

23 Sec. 2. Subsection (d) of section 36a-412 of the general statutes is
24 repealed and the following is substituted in lieu thereof (*Effective October*
25 *1, 2021*):

26 (d) With the approval of the commissioner, any out-of-state bank,
27 other than a foreign bank, may establish a loan production office in this
28 state. The commissioner shall not approve the establishment of a loan
29 production office under this subsection unless the commissioner has
30 considered the out-of-state bank's record of compliance with the
31 requirements of the Community Reinvestment Act of 1977, 12 USC 2901
32 et seq., as amended from time to time, and overall Community
33 Reinvestment Act rating.

34 Sec. 3. (*Effective from passage*) (a) The chairpersons of the joint standing
35 committee of the General Assembly having cognizance of matters
36 relating to banking shall convene a working group to examine the
37 Community Reinvestment Act of 1977, 12 USC 2901 et seq., and (1)
38 monitor proposed changes to such act and make recommendations and
39 submit comments to federal regulators and the Connecticut federal
40 legislative delegation, and (2) recommend methods to incentivize banks
41 and credit unions to (A) open branch offices in communities without
42 adequate banking services, (B) offer deposit accounts without overdraft
43 fees to low and moderate-income individuals, and (C) offer loan
44 products to individuals in low and moderate-income neighborhoods.

45 (b) The working group shall consist of the following members:

46 (1) The chairpersons, vice chairpersons and ranking members of the
47 joint standing committee of the General Assembly having cognizance of
48 matters relating to banking;

- 49 (2) The Banking Commissioner, or the commissioner's designee;
- 50 (3) A representative of the Connecticut Bankers' Association;
- 51 (4) A representative of the Credit Union League of Connecticut;
- 52 (5) Two representatives of Connecticut banks, both of whom shall be
53 appointed by the speaker of the House of Representatives;
- 54 (6) Two representatives of Connecticut credit unions, both of whom
55 shall be appointed by the president pro tempore of the Senate; and
- 56 (7) Two representatives of communities without adequate banking
57 services, one of whom shall be appointed by the majority leader of the
58 House of Representatives and one of whom shall be appointed by the
59 majority leader of the Senate.
- 60 (c) All initial appointments to the working group shall be made not
61 later than thirty days after the effective date of this section. Any vacancy
62 shall be filled by the appointing authority.
- 63 (d) The chairpersons of the joint standing committee of the General
64 Assembly having cognizance of matters relating to banking shall be the
65 chairpersons of the working group. Such chairpersons shall schedule
66 the first meeting of the working group, which shall be held not later than
67 sixty days after the effective date of this section.
- 68 (e) The administrative staff of the joint standing committee of the
69 General Assembly having cognizance of matters relating to banking
70 shall serve as administrative staff of the working group.
- 71 (f) Not later than January 1, 2022, the working group shall submit a
72 report on its findings and recommendations to the joint standing
73 committee of the General Assembly having cognizance of matters
74 relating to banking, in accordance with the provisions of section 11-4a
75 of the general statutes. The working group shall terminate on the date
76 that it submits such report or January 1, 2022, whichever is later.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2021</i>	36a-145(o)
Sec. 2	<i>October 1, 2021</i>	36a-412(d)
Sec. 3	<i>from passage</i>	New section