



General Assembly

February Session, 2022

Raised Bill No. 178

LCO No. 1792



Referred to Committee on BANKING

Introduced by:

(BA)

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 AND ESTABLISHING A WORKING GROUP TO EXAMINE THE COMMUNITY REINVESTMENT ACT.

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2 repealed and the following is substituted in lieu thereof (*Effective October*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, 2022*):

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, and overall rating
9 under, the Community Reinvestment Act of 1977, 12 USC 2901 et seq.,
10 as amended from time to time.

11 (2) A Connecticut bank that proposes to close any loan production

12 office shall submit to the commissioner a notice of the proposed closing
13 not later than thirty days prior to the date proposed for such closing.
14 The notice shall include a detailed statement of the reasons for the
15 decision to close the loan production office and the statistical and other
16 information in support of such reasons. After receipt of the notice, the
17 commissioner may require the Connecticut bank to submit any
18 additional information. The Connecticut bank shall provide notice of the
19 proposed closing to its customers by posting a notice in a conspicuous
20 manner on the premises of such loan production office for at least a
21 thirty-day period ending on the date proposed for such closing.

22 Sec. 2. Subsection (d) of section 36a-412 of the general statutes is
23 repealed and the following is substituted in lieu thereof (*Effective October*
24 *1, 2022*):

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

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

44 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, one of whom shall be
53 appointed by the speaker of the House of Representatives and one of
54 whom shall be appointed by the minority leader of the House of
55 Representatives;

56 (6) Two representatives of Connecticut credit unions, one of whom
57 shall be appointed by the president pro tempore of the Senate and one
58 of whom shall be appointed by the minority leader of the Senate; and

59 (7) Four representatives of organizations representing the interests of
60 low and moderate-income communities without adequate banking
61 services, one of whom shall be appointed by the majority leader of the
62 House of Representatives, one of whom shall be appointed by the
63 majority leader of the Senate, one of whom shall be appointed by the
64 minority leader of the House of Representatives and one of whom shall
65 be appointed by the minority leader of the Senate; and

66 (8) A representative of Bank On Connecticut.

67 (c) All initial appointments to the working group shall be made not
68 later than thirty days after the effective date of this section. Any vacancy
69 shall be filled by the appointing authority.

70 (d) The chairpersons of the joint standing committee of the General

71 Assembly having cognizance of matters relating to banking shall be the
72 chairpersons of the working group. Such chairpersons shall schedule
73 the first meeting of the working group, which shall be held not later than
74 sixty days after the effective date of this section.

75 (e) The administrative staff of the joint standing committee of the
76 General Assembly having cognizance of matters relating to banking
77 shall serve as administrative staff of the working group.

78 (f) Not later than January 1, 2023, the working group shall submit a
79 report on its findings and recommendations to the joint standing
80 committee of the General Assembly having cognizance of matters
81 relating to banking, in accordance with the provisions of section 11-4a
82 of the general statutes. The working group shall terminate on the date
83 that it submits such report or January 1, 2023, whichever is later.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	36a-145(o)
Sec. 2	<i>October 1, 2022</i>	36a-412(d)
Sec. 3	<i>from passage</i>	New section

Statement of Purpose:

To require the Banking Commissioner to consider banks' compliance with, and rating under, the Community Reinvestment Act prior to approving certain loan production offices, and establishing a working group to examine the Community Reinvestment Act.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]