



General Assembly

**Substitute Bill No. 178**

February Session, 2022



**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2 repealed and the following is substituted in lieu thereof (*Effective October*  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23 repealed and the following is substituted in lieu thereof (*Effective October*  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 October 1, 2022*) (a) The chairpersons of the joint  
34 standing committee of the General Assembly having cognizance of  
35 matters relating to banking shall convene a working group to (1)  
36 examine the Community Reinvestment Act of 1977, 12 USC 2901 et seq.,  
37 as amended from time to time, (2) monitor proposed changes to said act  
38 and make recommendations and submit comments to federal regulators  
39 and the Connecticut federal legislative delegation, and (3) recommend  
40 methods to incentivize banks and credit unions to (A) open branch  
41 offices in communities without adequate banking services, and (B) offer  
42 loan products to individuals in low and moderate-income  
43 neighborhoods.

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

45 (1) The chairpersons, vice-chairpersons and ranking members of the

46 joint standing committee of the General Assembly having cognizance of  
47 matters relating to banking;

48 (2) The Banking Commissioner, or the Banking Commissioner's  
49 designee;

50 (3) A representative of the Connecticut Bankers' Association;

51 (4) A representative of the Credit Union League of Connecticut;

52 (5) A representative of Connecticut banks, who shall be appointed by  
53 the minority leader of the House of Representatives;

54 (6) A representative of Connecticut credit unions, who shall be  
55 appointed by the minority leader of the Senate; and

56 (7) Two representatives of organizations representing the interests of  
57 low and moderate-income communities without adequate banking  
58 services, one of whom shall be appointed by the speaker of the House  
59 of Representatives, and one of whom shall be appointed by the  
60 president pro tempore of the Senate.

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

64 (d) The chairpersons of the joint standing committee of the General  
65 Assembly having cognizance of matters relating to banking shall be the  
66 chairpersons of the working group. Such chairpersons shall schedule  
67 the first meeting of the working group, which shall be held not later than  
68 sixty days after the effective date of this section.

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

72 (f) Not later than February 1, 2024, the working group shall submit a  
73 report on its findings and recommendations to the joint standing

