



Acts Affecting Banking

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Notice to Readers

This report provides summaries of new laws (public acts and special acts) significantly affecting the banking industry enacted during the 2022 legislative session. OLR's other Acts Affecting reports are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/actsaffecting.asp>.

Each summary indicates the public act (PA) or special act (SA) number. Not all provisions of the acts are included. The report does not include vetoed acts unless the veto was overridden.

Complete summaries of public acts are, or will soon be, available on OLR's website: <https://www.cga.ct.gov/olr/olrpasums.asp>.

Readers are encouraged to obtain the full text of acts that interest them from the Connecticut State Library, House Clerk's Office, or General Assembly's website: <http://www.cga.ct.gov>.

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Abandoned Property Program Reporting

The legislature made several changes to the state's abandoned property program, including eliminating a requirement for anyone holding property presumed abandoned to aggregately report items valued at less than \$50. The new law also removes the treasurer's authority to approve aggregate reporting of 200 or more items if each item is valued at less than \$50 and the cost of reporting the items would be disproportionate to the amounts involved. Additionally, it repeals a related provision requiring property holders who make this aggregate reporting election to assume responsibility for any valid claim presented for these items for 20 years ([PA 22-118](#), §§ 415-418, effective January 1, 2023).

Bank Accounts

Access to Low-Cost Financial Accounts

This session, the legislature enacted new legislation that requires certain state chartered financial institutions to offer Connecticut residents a basic banking account with few-to-no fees beginning July 1, 2023. Among other features, the accounts must include a free debit card and cannot impose low balance fees or charge for in-network ATM access, over drafting the account, or having insufficient funds ([PA 22-77](#), effective January 1, 2023).

Account Closure Notices

Another new law requires Connecticut-chartered banks and credit unions to inform account holders about why their deposit accounts (e.g., personal checking or savings accounts) are being closed. Among several exemptions, however, the requirement does not apply if the account closure is a result of a law enforcement investigation ([PA 22-96](#), effective October 1, 2022).

Borrowing and Debt

Consumer Collection Agency Deposits

This session, the General Assembly expanded the types of banks that consumer collection agencies can use to deposit funds that they receive from debtors. More specifically, they can now make these deposits with out-of-state banks that do not have a Connecticut branch ([PA 22-94](#), § 10, effective upon passage).

Obligor Liabilities

Existing law limits the total liabilities of any one obligor (i.e., borrower) to a Connecticut bank. The limit is a specified percentage of the bank's equity capital and loan and lease loss reserves

(generally 15% for unsecured liabilities and 10% for secured liabilities). A new law restricts who is considered an obligor for these purposes by excluding anyone who is a “guarantor” or “indemnitor” of a direct or indirect liability under specified conditions ([PA 22-94](#), § 15, effective October 1, 2022).

Repossession Regulations

New legislation authorizes the Department of Banking (DOB) commissioner to adopt regulations to implement existing law on repossession of goods, such as motor vehicles, when a buyer fails to make payment or fulfill another contractual obligation ([PA 22-94](#), § 16, effective October 1, 2022).

Community Reinvestment Act (CRA)

CRA Working Group

A new law requires the Banking Committee chairpersons to convene and chair a 13-member working group to (1) examine CRA, including monitoring proposed changes to it, and (2) recommend ways to incentivize banks and credit unions to provide certain products and services. The working group must report its findings and recommendations to the Banking Committee by February 1, 2024 ([PA 22-94](#), § 14, effective October 1, 2022).

New Loan Production Offices

New legislation requires the DOB commissioner, when deciding whether to approve a new loan production office for a Connecticut bank or an out-of-state bank (but not a foreign bank), to consider the bank’s record of compliance with CRA and overall CRA rating ([PA 22-94](#), §§ 12-13, effective October 1, 2022).

Connecticut Green Bank’s Commercial Property Assessed Clean Energy (C-PACE) Program

A new law expands the types of projects that the Connecticut Green Bank’s C-PACE program may finance to include installing zero-emission vehicle refueling infrastructure and resilience improvements on qualifying commercial real property. Generally, C-PACE secures financing from third-party capital providers for certain energy improvement projects and the property owner repays the costs through an assessment on the property, backed by a lien ([PA 22-6](#), effective October 1, 2022).

Licenses

Money Transmitter License Control

New legislation changes who is considered to have control of a money transmitter licensee under the state's money transmitter laws. Under prior law, "control" meant the power, directly or indirectly, to direct the licensee's management or policies. The act changes this definition to specify that it includes individuals who have certain voting or appointment powers or controlling influence. It also allows certain passive investors to rebut a presumption of controlling influence ([PA 22-94](#), §§ 2 & 3, effective October 1, 2022).

Remote Work for Banking Department Licensees and Supervisors

The legislature made various changes to allow certain banking work to be done remotely. Prior law prohibited the DOB commissioner from issuing a mortgage lender, correspondent lender, or broker license to an applicant unless he or she, among other things, had a supervisor who lived within 100 miles of the office and could provide in-person supervision. A new law eliminates those geographic requirements and instead simply requires that applicants have a supervisor who can provide full-time supervision. The act makes a similar change for loan originator licensees by eliminating the requirement that they generally operate from an office within 100 miles of where they reside ([PA 22-94](#), § 5, effective upon passage).

Surety Bond Requirements for Certain Licensees

The legislature made several changes to the surety bond requirements for certain DOB licensees.

New legislation requires mortgage lenders, correspondent lenders, and brokers to file a surety bond covering their main office and any branch offices, instead of one for the main office and addendums for branch offices as prior law required ([PA 22-94](#), § 6, effective upon passage).

The act also requires applicants for a debt negotiation license for a branch office to file a surety bond for the same \$50,000 that existing law requires for main office license applications, and specifies that a bond must be filed for each licensed location (i.e., main and branch offices) ([PA 22-94](#), § 7, effective upon passage).

Lastly, the act increases the required bond amount for consumer collection agency license renewals from \$25,000 to \$50,000 for each main and branch office ([PA 22-94](#), §§ 8 & 9, effective October 1, 2022).

Mortgage Loan Servicer Requirements

The legislature imposed several requirements on mortgage servicers that service at least 2,000 residential mortgage loans by requiring them to (1) meet certain minimum capital and liquidity requirements, (2) establish a board of directors, (3) conduct annual audits, and (4) establish a risk management program ([PA 22-94](#), § 4, effective October 1, 2022).

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