

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-6681

AN ACT CONCERNING THE OFFICE OF THE ATTORNEY GENERAL AND
THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION

Title: ACT.

Vote Date: 3/7/2023

Vote Action: Joint Favorable

PH Date: 3/2/2023

File No.:

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SPONSORS OF BILL:

Banking Committee.

REASONS FOR BILL:

Currently, the Attorney General does not have the investigatory tools necessary to enforce certain CFPB protections against banks chartered in other states, like M&T Bank.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Attorney General William Tong](#) submitted written testimony in support stating that this bill "would empower my office to seek records related to these types of complaints in order to determine whether the facts alleged do in fact constitute violations of federal law, and if so, seek recourse on behalf of consumers."

[Jorge Perez, Commissioner, Department of Banking](#) submitted written testimony supporting the bill.

"While there may be a need for increased authority for those entities not under our supervision, the Department believes the spirit of the bill should be to respect the authority of each office. We look forward to working with the Attorney General's Office and the committee on our proposed amendment to the current raised bill that would have the Attorney General consult with and obtain the consent of the Banking Commissioner before initiating any of the provisions of the bill against any person subject to the Department's jurisdiction. This has been past practice with not only our office, but with others as well. For instance, recently the AG took an action jointly with the Department of Consumer Protection against Stone Academy."

NATURE AND SOURCES OF SUPPORT:

[John Erlingheuser, Senior Assoc. State Director for Advocacy & Outreach, AARP](#) submitted written testimony in support stating, "This bill would ensure that the Attorney General would have its normal tools for investigating and enforcing rules that are in place for Connecticut's financial industry, regardless of the type of charter or license each institution operates under."

[Jeff Gentes, Connecticut Fair Housing Center and the Housing Clinic](#) submitted testimony in support of this bill mentioning "This bill would help operationalize the Act so that OAG would have its normal tools for investigating and enforcing the protections and rules that are already in place for Connecticut's financial industry, irrespective of whatever charter or license each entity operates under."

[John Spang](#) submitted written testimony in support of the bill. Mr. Spang shared "Our Attorney General's Office needs more tools to represent us and level this uneven playing field. M&T Bank has taken my September 2022 pension check and made only a token effort to return it. They digitally referred my matter to a local branch manager more than 100 miles away."

[Dylan Zitomer](#) submitted written testimony in support of this bill. Mr. Zitomer commented, "Money was incorrectly deposited into the wrong bank account instead of my own and M&T Bank was notified immediately. It took over 4 months to receive my money, the aid of the attorney general, discussions with the New York State Department of Banking and the CFPB to get my money back. This was unacceptable behavior and required constant communication on my end to get them to respond to my complaint."

[Rick Bush, Bush Real Estate](#) submitted written testimony in support of this bill. Mr. Bush reached out prior to the merger of People's Bank and M&T to try and avoid any problems with his business account.

He shared that "at 9:00pm on Labor Day, a bank holiday we received the following email, the day before the merger we received an email that stated: (This is the exact wording from the actual email) "Your scheduled bill payments did not transfer to M&T Mobile and Online Banking for Business"

NATURE AND SOURCES OF OPPOSITION:

[Tom Mongellow, Art Corey and Fritz Conway, Connecticut Bankers Association](#) submitted written testimony opposing this bill as drafted commenting "an unintended consequence of the bill would be to potentially sidestep the Department of Banking's existing authority as the prudential bank regulator of state-chartered banks, credit unions and other DOB regulated entities. This would go against the decades old practice and understanding that the DOB is in the best position to regulate the activities of state-chartered banks, protect consumers and enforce state law."

They "believe that the traditional regulatory and enforcement authority that the DOB currently utilizes, should be preserved."

[John Dilorio](#) submitted written testimony in opposition stating this bill "this bill is unnecessary."

Reported by: Jeanie Phillips, Clerk

Date: March 10, 2023