



Substitute House Bill No. 5216

Public Act No. 22-77

AN ACT CONCERNING LOW-COST BANK ACCOUNTS.

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

Section 1. (NEW) (*Effective January 1, 2023*) (a) For purposes of this section:

(1) "Banking institution" means any bank, trust company, savings bank, savings and loan association or credit union, or branch of a foreign banking corporation, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable, that is incorporated, chartered, organized or licensed under the laws of this state or any other state or the United States, and, in the ordinary course of its business, offers consumer transaction accounts to the general public or, in the case of a credit union, to its members;

(2) "Basic banking account" means a consumer transaction account that meets the requirements established under subsections (c) and (d) of this section; and

(3) "Consumer transaction account" means a demand deposit account, negotiable order of withdrawal account, share draft account or similar account used primarily for personal, family or household

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purposes.

(b) Except as otherwise provided in this section, on and after July 1, 2023, each banking institution shall make available to consumers residing in the state a basic banking account as described in subsections (c) to (e), inclusive, of this section.

(c) A basic banking account shall: (1) Not include fees for any of the following: (A) Overdrafts, (B) nonsufficient funds, (C) account activation, (D) account closure, (E) dormancy, (F) inactivity, or (G) low balance; (2) offer the following to the depositor at no additional charge: (A) A debit card, (B) ATM in-network access, (C) deposits, (D) check cashing for checks issued by the banking institution at which the consumer holds the basic banking account, and (E) electronic monthly statements; and (3) not include: (A) A minimum initial deposit that is greater than twenty-five dollars, if any, (B) a minimum balance to maintain such account that is greater than twenty-five dollars, if any, or (C) a charge to maintain such account that is greater than ten dollars per periodic cycle. The terms and conditions of a basic banking account may provide that the banking institution shall not pay any check, electronic transaction or any other type of transaction that would cause the basic banking account to be overdrawn. Nothing in this subsection shall require a banking institution to include additional enhanced account features, such as preferred or incentive interest rates or rewards programs, with a basic banking account.

(d) Except as provided in this section, a basic banking account may be offered, subject to the same rules, conditions and terms normally applicable to the consumer transaction account offered by the banking institution that is most similar to its basic banking account.

(e) (1) A banking institution that posts, in the public area of its offices, notice of the availability of its consumer transaction accounts other than its basic banking accounts, shall also post equally conspicuous notice, in

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the same public areas and in the same manner, of the availability of its basic banking accounts. A banking institution that makes available in the public area material describing the terms of its other consumer transaction accounts, other than its basic banking accounts, shall also make comparable descriptive material available, in the same such public area and in the same manner, for its basic banking account.

(2) A banking institution that posts in the public area of its offices the notices described in subdivision (1) of this subsection, shall also post equally conspicuous notice, in the same public area and in the same manner, of the Department of Banking's toll-free consumer hotline number, that may be used to file a complaint if a consumer is not satisfied with the services a banking institution provides.

(f) Notwithstanding the provisions of this section, any banking institution that makes available to consumers (1) an alternative account or other banking services determined by the Banking Commissioner to be an appropriate substitute for the basic banking account, or (2) a consumer transaction account that provides (A) the core features set forth in the Bank On National Account Standards, as amended from time to time, or (B) any similar standards, as determined by the Banking Commissioner, shall be in compliance with this section.

(g) The Banking Commissioner shall, in the course of evaluating the performance of a Connecticut bank or a Connecticut credit union in meeting its obligations under part II of chapter 664a of the general statutes, provide credit to such bank or credit union for offering a basic banking account.

Approved May 31, 2022