



General Assembly

**Amendment**

February Session, 2022

LCO No. 4494



Offered by:

SEN. MILLER P., 27<sup>th</sup> Dist.  
REP. DOUCETTE, 13<sup>th</sup> Dist.  
SEN. BERTHEL, 32<sup>nd</sup> Dist.  
REP. DELNICKI, 14<sup>th</sup> Dist.

To: Subst. Senate Bill No. 268

File No. 148

Cal. No. 135

**"AN ACT CONCERNING VARIOUS REVISIONS TO THE BANKING STATUTES."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subdivision (2) of section 36a-535 of the general statutes is  
4 repealed and the following is substituted in lieu thereof (*Effective October*  
5 *1, 2022*):

6 (2) "Sales finance company" means any person engaging in this state  
7 in the business, in whole or in part, of (A) acquiring retail installment  
8 contracts or installment loan contracts from the holders thereof, by  
9 purchase, discount or pledge, or by loan or advance to the holder of  
10 either on the security thereof, or otherwise, or (B) receiving payments of  
11 principal and interest from a retail buyer under a retail installment  
12 contract or installment loan contract. [whether such person owns such

13 contract or has conveyed, assigned or otherwise transferred any interest  
14 in such contract to another person.] "Sales finance company" does not  
15 include a bank, out-of-state bank, Connecticut credit union, federal  
16 credit union, or out-of-state credit union, if so engaged;

17 Sec. 2. Section 36a-596 of the general statutes is repealed and the  
18 following is substituted in lieu thereof (*Effective October 1, 2022*):

19 As used in sections 36a-595 to 36a-612, inclusive:

20 (1) "Advertise" or "advertising" has the same meaning as provided in  
21 section 36a-485.

22 (2) "Authorized delegate" means a person designated by a person  
23 licensed pursuant to sections 36a-595 to 36a-612, inclusive, to provide  
24 money transmission services on behalf of such licensed person.

25 (3) "Control" means (A) the power to vote, directly or indirectly, at  
26 least twenty-five per cent of the outstanding voting shares or voting  
27 interests of a licensee or person in control of a licensee; (B) the power to  
28 elect or appoint a majority of key individuals or executive officers,  
29 managers, directors, trustees or other persons exercising managerial  
30 authority of a person in control of a licensee; or (C) the power to exercise,  
31 directly or indirectly, a controlling influence over the management or  
32 policies of a licensee or person in control of a licensee. For purposes of  
33 this subdivision: (i) A person is presumed to exercise a controlling  
34 influence when the person holds the power to vote, directly or  
35 indirectly, at least ten per cent of the outstanding voting shares or voting  
36 interests of a licensee or person in control of a licensee, (ii) a person  
37 presumed to exercise a controlling influence can rebut such  
38 presumption if the person is a passive investor, and (iii) to determine  
39 the percentage of control, a person's interest shall be aggregated with  
40 the interest of any other immediate family member, including the  
41 person's spouse, parent, child, sibling, mother-in-law, father-in-law,  
42 son-in-law, daughter-in-law, brother-in-law, sister-in-law and any other  
43 person who shares the person's home.

44        [(3)] (4) "Control person" [has the same meaning as provided in  
45 section 36a-485] means any person in control of a licensee or applicant,  
46 any person who seeks to acquire control of a licensee or a key individual.

47        [(4)] (5) "Electronic payment instrument" means a card or other  
48 tangible object for the transmission of money or monetary value or  
49 payment of money which contains a microprocessor chip, magnetic  
50 stripe, or other means for the storage of information, that is prefunded  
51 and for which the value is decremented upon each use, but does not  
52 include a card or other tangible object that is redeemable by the issuer  
53 in the issuer's goods or services.

54        [(5)] (6) "Holder" means a person, other than a purchaser, who is  
55 either in possession of a payment instrument and is the named payee  
56 thereon or in possession of a payment instrument issued or endorsed to  
57 such person or bearer or in blank. "Holder" does not include any person  
58 who is in possession of a lost, stolen or forged payment instrument.

59        (7) "Key individual" means any person ultimately responsible for  
60 establishing or directing policies and procedures of the licensee,  
61 including, but not limited to, an executive officer, manager, director or  
62 trustee.

63        [(6)] (8) "Licensee" means any person licensed or required to be  
64 licensed pursuant to sections 36a-595 to 36a-612, inclusive.

65        [(7)] (9) "Main office" has the same meaning as provided in section  
66 36a-485.

67        [(8)] (10) "Monetary value" means a medium of exchange, whether or  
68 not redeemable in money.

69        [(9)] (11) "Money transmission" means engaging in the business of  
70 issuing or selling payment instruments or stored value, receiving money  
71 or monetary value for current or future transmission or the business of  
72 transmitting money or monetary value within the United States or to  
73 locations outside the United States by any and all means including, but

74 not limited to, payment instrument, wire, facsimile or electronic  
75 transfer.

76 [(10)] (12) "Outstanding" means (A) in the case of a payment  
77 instrument or stored value, that: (i) It is sold or issued in the United  
78 States; (ii) a report of it has been received by a licensee from its  
79 authorized delegates; and (iii) it has not yet been paid by the issuer, and  
80 (B) for all other money transmissions, the value reported to the licensee  
81 for which the licensee or any authorized delegate has received money  
82 or its equivalent value from the customer for transmission, but has not  
83 yet completed the money transmission by delivering the money or  
84 monetary value to the person designated by the customer.

85 (13) "Passive investor" means a person that: (A) Does not have the  
86 power to elect a majority of key individuals or executive officers,  
87 managers, directors, trustees or other persons exercising managerial  
88 authority of a person in control of a licensee; (B) is not employed by and  
89 does not have any managerial duties of the licensee or person in control  
90 of a licensee; (C) does not have the power to exercise, directly or  
91 indirectly, a controlling influence over the management or policies of a  
92 licensee or person in control of a licensee; and (D) attests to  
93 subparagraphs (A), (B) and (C) of this subdivision in the form and  
94 manner prescribed by the commissioner.

95 [(11)] (14) "Payment instrument" means a check, draft, money order,  
96 travelers check or electronic payment instrument that evidences either  
97 an obligation for the transmission of money or monetary value or  
98 payment of money, or the purchase or the deposit of funds for the  
99 purchase of such check, draft, money order, travelers check or electronic  
100 payment instrument.

101 [(12)] (15) "Permissible investment" means: (A) Cash in United States  
102 currency; (B) time deposits, as defined in section 36a-2, or other debt  
103 instruments of a bank; (C) bills of exchange or bankers acceptances  
104 which are eligible for purchase by member banks of the Federal Reserve  
105 System; (D) commercial paper of prime quality; (E) interest-bearing

106 bills, notes, bonds, debentures or other obligations issued or guaranteed  
107 by: (i) The United States or any of its agencies or instrumentalities, or (ii)  
108 any state, or any agency, instrumentality, political subdivision, school  
109 district or legally constituted authority of any state if such investment is  
110 of prime quality; (F) interest-bearing bills or notes, or bonds, debentures  
111 or preferred stocks, traded on any national securities exchange or on a  
112 national over-the-counter market, if such debt or equity investments are  
113 of prime quality; (G) receivables due from authorized delegates  
114 consisting of the proceeds of the sale of payment instruments which are  
115 not past due or doubtful of collection; (H) gold; and (I) any other  
116 investments approved by the commissioner. Notwithstanding the  
117 provisions of this subdivision, if the commissioner at any time finds that  
118 an investment of a licensee is unsatisfactory for investment purposes,  
119 the investment shall not qualify as a permissible investment.

120 [(13)] (16) "Prime quality" of an investment means that it is within the  
121 top four rating categories in any rating service recognized by the  
122 commissioner unless the commissioner determines for any licensee that  
123 only those investments in the top three rating categories qualify as  
124 ["prime quality"] prime quality.

125 [(14)] (17) "Purchaser" means a person who buys or has bought a  
126 payment instrument or who has given money or monetary value for  
127 current or future transmission.

128 [(15)] (18) "Stored value" means monetary value that is evidenced by  
129 an electronic record. For the purposes of this subdivision, "electronic  
130 record" means information that is stored in an electronic medium and is  
131 retrievable in perceivable form.

132 [(16)] (19) "Travelers check" means a payment instrument for the  
133 payment of money that contains a provision for a specimen signature of  
134 the purchaser to be completed at the time of a purchase of the  
135 instrument and a provision for a countersignature of the purchaser to  
136 be completed at the time of negotiation.

137 [(17)] (20) "Unique identifier" has the same meaning as provided in

138 section 36a-485.

139 [(18)] (21) "Virtual currency" means any type of digital unit that is  
140 used as a medium of exchange or a form of digitally stored value or that  
141 is incorporated into payment system technology. Virtual currency shall  
142 be construed to include digital units of exchange that (A) have a  
143 centralized repository or administrator; (B) are decentralized and have  
144 no centralized repository or administrator; or (C) may be created or  
145 obtained by computing or manufacturing effort. Virtual currency shall  
146 not be construed to include digital units that are used (i) solely within  
147 online gaming platforms with no market or application outside such  
148 gaming platforms, or (ii) exclusively as part of a consumer affinity or  
149 rewards program, and can be applied solely as payment for purchases  
150 with the issuer or other designated merchants, but cannot be converted  
151 into or redeemed for fiat currency.

152 Sec. 3. Subdivision (1) of subsection (d) of section 36a-598 of the 2022  
153 supplement to the general statutes is repealed and the following is  
154 substituted in lieu thereof (*Effective October 1, 2022*):

155 (d) (1) A money transmission license shall not be transferable or  
156 assignable, but a licensee may be acquired in accordance with the  
157 requirements of this subsection. Any change in any control person of the  
158 licensee, except a change of a [director, general partner or executive  
159 officer] key individual that is not the result of an acquisition or a change  
160 of control of the licensee, shall be the subject of an advance change notice  
161 filed on the system at least thirty days prior to the effective date of such  
162 change and no such change shall occur without the commissioner's  
163 approval. For purposes of this section, "change of control" means any  
164 change causing the majority ownership, voting rights or control of a  
165 licensee to be held by a different control person or group of control  
166 persons.

167 Sec. 4. (NEW) (*Effective October 1, 2022*) (a) For purposes of this  
168 section:

169 (1) "Covered institution" means a mortgage servicer that services, or

170 subservices for others, at least two thousand mortgage loans primarily  
171 for personal, family or household use secured by residential property in  
172 the United States, excluding whole loans owned and loans being interim  
173 serviced prior to sale, as reported on the mortgage call report on the  
174 system or any other document required by the commissioner. "Covered  
175 institution" does not include: (A) Any person exempt from mortgage  
176 servicer licensing requirements pursuant to subdivision (1), (2) or (3) of  
177 subsection (b) of section 36a-718 of the general statutes, (B) any  
178 mortgage servicer that has the status of a tax-exempt organization under  
179 Section 501(c)(3) of Internal Revenue Code of 1986, or any subsequent  
180 corresponding internal revenue code of the United States, as amended  
181 from time to time, or (C) any agency exempt from mortgage servicer  
182 requirements pursuant to section 36a-719l of the general statutes;

183 (2) "Interim serviced prior to sale" means the activity of collecting a  
184 limited number of contractual mortgage payments immediately after  
185 origination on loans held for sale but no longer than a period of ninety  
186 days prior to the loans being sold into the secondary market; and

187 (3) "Whole loan" means a loan where a mortgage and the underlying  
188 credit risk is owned and held on the balance sheet of the entity with all  
189 ownership rights.

190 (b) A covered institution shall maintain capital and liquidity as  
191 described in this section, except for any mortgage servicer that solely:  
192 (1) Owns reverse mortgage loans, (2) performs subservicing for others  
193 with no responsibility to advance moneys not yet received in connection  
194 with such subservicing activities, or (3) conducts reverse mortgage  
195 servicing.

196 (c) A covered institution shall maintain the Federal Housing Finance  
197 Agency's Eligibility Requirements for Enterprise Single-Family  
198 Seller/Servicers for minimum capital ratio, net worth and liquidity, as  
199 amended from time to time, whether or not the mortgage servicer is  
200 approved for government sponsored enterprise servicing.

201 (d) A covered institution shall maintain written policies and

202 procedures implementing the capital and servicing liquidity  
203 requirements of this subsection, including a sustainable written  
204 methodology for satisfying the requirements of this subsection.

205 (e) A covered institution shall maintain sufficient allowable assets for  
206 liquidity in addition to the amounts required for servicing liquidity, to  
207 cover normal business operations. A covered institution shall have in  
208 place sound cash management and business operating plans that are  
209 commensurate with the complexity of the institution to ensure normal  
210 business operations. A covered institution shall develop, establish and  
211 implement plans, policies and procedures for maintaining operating  
212 liquidity sufficient for the ongoing needs of the institution, that shall  
213 include sustainable, written methodologies for maintaining sufficient  
214 operating liquidity. For purposes of this subsection, "allowable assets  
215 for liquidity" means assets that may be used to satisfy the liquidity  
216 requirements established under this subsection, including unrestricted  
217 cash and cash equivalents and unencumbered investment grade assets  
218 held for sale or trade, including, but not limited to, mortgage-backed  
219 securities of Fannie Mae, Freddie Mac or Ginnie Mae and obligations of  
220 the United States Department of Treasury.

221 (f) For the purposes of complying with the capital and liquidity  
222 requirements described in subsections (c) to (e), inclusive, of this section,  
223 the reverse mortgage portfolio administered by a covered institution  
224 shall be excluded from calculations and all financial data shall be  
225 determined in accordance with generally accepted accounting  
226 principles.

227 (g) A covered institution shall establish and maintain a board of  
228 directors responsible for oversight of the covered institution. For  
229 covered institutions that are not approved to service loans by a  
230 government sponsored enterprise or Ginnie Mae, or where a federal  
231 agency has granted approval for a board alternative, an institution may  
232 establish a similar body constituted to exercise oversight and fulfill the  
233 board of directors' responsibilities described under this subsection. The  
234 board of directors shall: (1) Establish a written corporate governance



235 framework, including appropriate internal controls designed to monitor  
236 corporate governance and assess compliance with the corporate  
237 governance framework, (2) monitor and ensure institutional compliance  
238 with the rules established under sections 36a-715 to 36a-719l, inclusive,  
239 of the general statutes and accurately and timely complete and submit  
240 regulatory reports, including filing the mortgage call report, and (3)  
241 establish internal audit requirements that are appropriate for the size,  
242 complexity and risk profile of the servicer, with appropriate  
243 independence to provide a reliable evaluation of the servicer's internal  
244 control structure, risk management and governance.

245 (h) A covered institution shall annually procure an external audit,  
246 including audited financial statements and audit reports conducted by  
247 an independent public accountant. The audit shall include: (1) Annual  
248 financial statements, including a balance sheet, income statement, cash  
249 flows, notes and supplemental schedules prepared in accordance with  
250 generally accepted accounting principles, (2) assessment of the internal  
251 control structure, (3) computation of tangible net worth, (4) validation  
252 of mortgage servicing rights valuation and reserve methodology, if  
253 applicable, (5) verification of adequate fidelity and errors and omissions  
254 insurance, and (6) testing of controls related to risk management  
255 activities, including compliance and stress testing, as applicable.

256 (i) A covered institution shall establish a risk management program  
257 under the oversight of the board of directors that identifies, measures,  
258 monitors and controls risk commensurate with the complexity of the  
259 servicer. The risk management program shall have appropriate  
260 processes and models in place to measure, monitor and mitigate  
261 financial risks and changes to the risk profile of the servicer and assets  
262 being serviced. The risk management program shall be scaled to the  
263 complexity of the organization and be sufficient to manage the risk of  
264 the institution. Such risks shall include, but are not limited to:

265 (1) Credit risk, which means the potential that a borrower or  
266 counterparty will fail to perform on an obligation;

267 (2) Liquidity risk, which means the potential that the servicer will be  
268 unable to meet its obligations as they come due because of an inability  
269 to liquidate assets or obtain adequate funding or that it cannot easily  
270 unwind or offset specific exposures;

271 (3) Operational risk, which means the risk resulting from inadequate  
272 or failed internal processes, people and systems or from external events;

273 (4) Market risk, which means the risk to the servicer's condition  
274 resulting from adverse movements in market rates or prices;

275 (5) Compliance risk, which means the risk of regulatory sanctions,  
276 fines, penalties or losses resulting from failure to comply with laws,  
277 rules, regulations or other supervisory requirements applicable to the  
278 servicer;

279 (6) Legal risk, which means the potential that actions against the  
280 servicer that result in unenforceable contracts, lawsuits, legal sanctions  
281 or adverse judgments can disrupt or otherwise negatively affect the  
282 operations or condition of the servicer; and

283 (7) Reputation risk, which means the risk to earnings and capital  
284 arising from negative publicity regarding the servicer's business  
285 practices.

286 (j) A covered institution shall annually conduct a risk management  
287 assessment. The risk management assessment shall include a written  
288 report to the board of directors. The report shall include evidence of risk  
289 management activities, any adverse findings relating to the institution's  
290 risk management program and proposed corrective actions needed to  
291 remedy any findings noted.

292 (k) Whenever the commissioner finds, as the result of an  
293 investigation, inquiry or examination, that any risk of a covered  
294 institution is of significant concern, the commissioner may order or  
295 direct the institution to satisfy additional conditions necessary to ensure  
296 that the institution continues to operate in a safe and sound manner and

297 continues to service loans in compliance with state and federal law and  
298 regulations.

299 Sec. 5. Section 36a-488 of the general statutes is repealed and the  
300 following is substituted in lieu thereof (*Effective from passage*):

301 (a) (1) The commissioner shall not issue a mortgage lender license, a  
302 mortgage correspondent lender license or a mortgage broker license to  
303 any person unless such person meets the following tangible net worth  
304 and experience requirements, as applicable: (A) The minimum tangible  
305 net worth requirement for a mortgage lender shall be two hundred fifty  
306 thousand dollars and the minimum tangible net worth requirement for  
307 a mortgage correspondent lender and a mortgage broker shall be fifty  
308 thousand dollars, and (B) a mortgage lender, mortgage correspondent  
309 lender or mortgage broker shall have, (i) at the main office for which the  
310 license is sought, a qualified individual who has supervisory authority  
311 over the lending or brokerage activities of the licensee and who is  
312 responsible for the actions of the licensee, and (ii) at each branch office,  
313 a branch manager who has supervisory authority over the lending or  
314 brokerage activities of the branch office, who is responsible for the  
315 actions of the branch office, who has at least three years' experience in  
316 the mortgage business within the five years immediately preceding the  
317 date of the application for the license, and who is licensed as a mortgage  
318 loan originator under section 36a-489. As used in this subdivision,  
319 "experience in the mortgage business" means paid experience in the  
320 origination, processing or underwriting of residential mortgage loans,  
321 the marketing of such loans in the secondary market or in the  
322 supervision of such activities, or any other relevant experience as  
323 determined by the commissioner. As used in subparagraph (B) of this  
324 subdivision, "at the main office" may be established by demonstrating  
325 to the satisfaction of the commissioner that the qualified individual  
326 [resides within one hundred miles of the main office or is otherwise] is  
327 capable of providing full-time [, in-person] supervision of the main  
328 office, and "at each branch office" may be established by demonstrating  
329 to the satisfaction of the commissioner that the branch manager [resides  
330 within one hundred miles of the branch office or is otherwise] is capable

331 of providing full-time [, in-person] supervision of the branch office. The  
332 commissioner may waive the requirements of subparagraph (B) of this  
333 subdivision pertaining to a qualified individual where it is  
334 demonstrated to the satisfaction of the commissioner that no activity  
335 subject to licensure under sections 36a-485 to 36a-498e, inclusive, as  
336 amended by this act, 36a-534a and 36a-534b will be conducted at the  
337 main office and the licensee designates a qualified individual  
338 responsible for the actions of the licensee. The commissioner may waive  
339 the requirements of subparagraph (B) of this subdivision pertaining to  
340 a branch manager where a person licensed as a mortgage lender under  
341 section 36a-489 will act only as a mortgage servicer at such branch office,  
342 and the individual designated as branch manager meets the  
343 requirements for branch manager as set forth in section 36a-719. No  
344 person granted a waiver of the requirements of subparagraph (B) of this  
345 subdivision shall conduct any activity at the main office or at any branch  
346 office that would have precluded issuance of such waiver without first  
347 designating a qualified individual or branch manager, as applicable,  
348 who meets all applicable requirements and is approved by the  
349 commissioner.

350 (2) Each licensee shall maintain the net worth required by this  
351 subsection.

352 (b) The commissioner may issue a mortgage lender license, a  
353 mortgage correspondent lender license, or a mortgage broker license.  
354 Each mortgage lender licensee may also act as a mortgage  
355 correspondent lender and a mortgage broker, and each mortgage  
356 correspondent lender licensee may also act as a mortgage broker. An  
357 application for a license as a mortgage lender, mortgage correspondent  
358 lender or mortgage broker office or renewal of such license shall be filed,  
359 in a form prescribed by the commissioner, with the system. Each such  
360 form shall contain content as set forth by instruction or procedure of the  
361 commissioner and may be changed or updated as necessary by the  
362 commissioner in order to carry out the purpose of sections 36a-21, 36a-  
363 485 to 36a-498e, inclusive, as amended by this act, 36a-498h, 36a-534a  
364 and 36a-534b. The applicant shall, at a minimum, furnish to the system

365 information concerning the identity of the applicant, any control person  
366 of the applicant, the qualified individual and any branch manager,  
367 including personal history and experience in a form prescribed by the  
368 system and information related to any administrative, civil or criminal  
369 findings by any governmental jurisdiction. In the case of an initial  
370 application for a license, the following supplementary information shall  
371 be filed, as applicable: (1) For a main office license, a financial statement  
372 as of a date not more than twelve months prior to the filing of the  
373 application which reflects tangible net worth; (2) a bond as required by  
374 section 36a-492, as amended by this act; (3) evidence that the qualified  
375 individual or branch manager meets the experience required by  
376 subsection (a) of this section; and (4) such other information pertaining  
377 to the applicant, the applicant's background, the background of its  
378 principals, employees, mortgage loan originators, and loan processors  
379 or underwriters, and the applicant's activities as the commissioner may  
380 require. For the purpose of this subsection, evidence of experience of the  
381 qualified individual or branch manager shall include: (A) A statement  
382 specifying the duties and responsibilities of such person's employment,  
383 the term of employment, including month and year, and the name,  
384 address and telephone number of a supervisor, employer or, if self-  
385 employed, a business reference; and (B) if required by the  
386 commissioner, copies of W-2 forms, 1099 tax forms or, if self-employed,  
387 1120 corporate tax returns, signed letters from the employer on the  
388 employer's letterhead verifying such person's duties and  
389 responsibilities and term of employment including month and year, and  
390 if such person is unable to provide such letters, other proof satisfactory  
391 to the commissioner that such person meets the experience requirement.  
392 The commissioner may conduct a criminal history records check of the  
393 applicant, any control person of the applicant and the qualified  
394 individual or branch manager and require the applicant to submit the  
395 fingerprints of such persons and authorization of such persons for the  
396 system and the commissioner to obtain an independent credit report  
397 from a consumer reporting agency, as described in Section 603(p) of the  
398 Fair Credit Reporting Act, 15 USC 1681a, as part of the application.

399 (c) The commissioner may issue a mortgage loan originator license or  
400 a loan processor or underwriter license. Each mortgage loan originator  
401 licensee may also act as a loan processor or underwriter. Each mortgage  
402 loan originator licensee shall be associated with a specified licensed  
403 office [from which such licensee will operate] and be subject to  
404 supervision by a qualified individual or branch manager. [The specified  
405 office shall be within a one-hundred-mile distance from where such  
406 licensee resides, unless such licensee can otherwise demonstrate to the  
407 commissioner's satisfaction that the licensee will be subject to  
408 supervision by a qualified individual or branch manager.] An  
409 application to license an individual as a mortgage loan originator or a  
410 loan processor or underwriter or for renewal of such license shall be  
411 filed, in a form prescribed by the commissioner, with the system. Each  
412 such form shall contain content as set forth by instruction or procedure  
413 of the commissioner and may be changed or updated as necessary by  
414 the commissioner in order to carry out the purpose of sections 36a-485  
415 to 36a-498e, inclusive, as amended by this act, 36a-498h, 36a-534a and  
416 36a-534b. The applicant shall, at a minimum, furnish to the system, in a  
417 form prescribed by the system, information concerning the applicant's  
418 identity, including personal history and experience and information  
419 related to any administrative, civil or criminal findings by any  
420 governmental jurisdiction. Each applicant for a mortgage loan  
421 originator license or a loan processor or underwriter license shall  
422 furnish to the system fingerprints for submission to the Federal Bureau  
423 of Investigation and any governmental agency or entity authorized to  
424 receive such information for a state, national and international criminal  
425 history background check. Each applicant shall furnish authorization  
426 for the system and the commissioner to obtain an independent credit  
427 report from a consumer reporting agency, as described in Section 603(p)  
428 of the Fair Credit Reporting Act, 15 USC 1681a.

429 (d) The commissioner may issue a lead generator license. An  
430 application for a license as a lead generator or an application for a license  
431 renewal shall be filed, in a form prescribed by the commissioner, with  
432 the system, accompanied by the fees required under section 36a-491.

433 Each such form shall contain content as set forth by instruction or  
434 procedure of the commissioner and may be changed or updated as  
435 necessary by the commissioner in order to carry out the purposes of  
436 sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-498h,  
437 36a-534a and 36a-534b. The applicant shall, at a minimum, furnish to the  
438 system information concerning the identity of the applicant, any control  
439 person of the applicant and the qualified individual responsible for the  
440 actions of the licensee, including, but not limited to, a personal history  
441 and experience, in a form prescribed by the system, and information  
442 related to any administrative, civil or criminal findings by any  
443 governmental jurisdiction. The commissioner, in accordance with  
444 section 29-17a, may conduct a state or national criminal history records  
445 check of the applicant, any control person of the applicant and the  
446 qualified individual, and, in accordance with section 36a-24b, may  
447 require the submission of fingerprints of such persons to the Federal  
448 Bureau of Investigation or other state, national or international criminal  
449 databases as part of the application.

450 Sec. 6. Section 36a-492 of the general statutes is repealed and the  
451 following is substituted in lieu thereof (*Effective from passage*):

452 (a) (1) Each licensed mortgage lender, mortgage correspondent  
453 lender and mortgage broker shall file with the commissioner a single  
454 surety bond, written by a surety authorized to write such bonds in this  
455 state, covering its main office and [file an addendum to such bond to  
456 cover] any branch office, in a penal sum determined in accordance with  
457 subsection (d) of this section, provided the penal sum of the bond for  
458 licensed mortgage lenders and mortgage correspondent lenders shall be  
459 not less than one hundred thousand dollars and the penal sum of the  
460 bond for mortgage brokers shall be not less than fifty thousand dollars.  
461 The bond shall cover all mortgage loan originators sponsored by such  
462 licensee.

463 (2) Each mortgage loan originator licensee shall be covered by a  
464 surety bond with a penal sum in an amount that reflects the dollar  
465 amount of loans originated by such mortgage loan originator in

466 accordance with subsection (d) of this section, provided such coverage  
467 shall be provided through a single surety bond filed with the  
468 commissioner by the person who sponsors such mortgage loan  
469 originator.

470 (3) (A) In the case of an exempt registrant under subdivision (1), (2)  
471 or (3) of subsection (a) of section 36a-487: (i) The surety bond shall cover  
472 all mortgage loan originators sponsored by such exempt registrant and  
473 comply with the requirements set forth in this section, and (ii) the penal  
474 sum of such bond shall be in an amount determined in accordance with  
475 subsection (d) of this section, provided the penal sum of the bond shall  
476 be not less than one hundred thousand dollars; (B) in the case of an  
477 exempt registrant under subsection (b) of section 36a-487: (i) The surety  
478 bond shall cover all mortgage loan originators sponsored by such  
479 exempt registrant and comply with the requirements set forth in this  
480 section, and (ii) the penal sum of the bond shall be in an amount  
481 determined in accordance with subsection (d) of this section, provided  
482 the penal sum shall be not less than fifty thousand dollars; and (C) in  
483 the case of a person exempt from licensure as a mortgage lender,  
484 mortgage correspondent lender or mortgage broker under subdivision  
485 (4) of subsection (a) of section 36a-487, the surety bond shall cover all  
486 mortgage loan originators sponsored by such person and comply with  
487 the requirements set forth in section 36a-671d, as amended by this act.

488 (4) The principal on a bond required by this section shall file quarterly  
489 reports on the system reflecting residential mortgage loan volume in  
490 accordance with subsection (c) of section 36a-534b to confirm that it  
491 maintains the required penal sum in an amount required by subsection  
492 (d) of this section. The principal shall file such information as the  
493 commissioner may require under subsection (d) of this section and shall  
494 file, as the commissioner may require, pursuant to subsection (d) of this  
495 section, any bond rider or endorsement to the surety bond on file with  
496 the commissioner to reflect any changes necessary to maintain the  
497 surety bond coverage required by this section.

498 (5) The commissioner may adopt regulations in accordance with



499 chapter 54 with respect to the requirements for such surety bonds.

500 (b) Except for the bond required by subparagraph (C) of subdivision  
501 (3) of subsection (a) of this section, the bond required by subsection (a)  
502 of this section shall be (1) in a form approved by the Attorney General,  
503 and (2) conditioned upon the mortgage lender, mortgage correspondent  
504 lender or mortgage broker licensee and any mortgage loan originator  
505 licensee sponsored by such mortgage lender, mortgage correspondent  
506 lender or mortgage broker or, in the case of a mortgage loan originator  
507 licensee sponsored by an exempt registrant, upon such mortgage loan  
508 originator licensee faithfully performing any and all written agreements  
509 or commitments with or for the benefit of borrowers and prospective  
510 borrowers, truly and faithfully accounting for all funds received from a  
511 borrower or prospective borrower by the licensee in the licensee's  
512 capacity as a mortgage lender, mortgage correspondent lender,  
513 mortgage broker or mortgage loan originator, and conducting such  
514 mortgage business consistent with the provisions of sections 36a-485 to  
515 36a-498e, inclusive, as amended by this act, 36a-534a and 36a-534b. Any  
516 borrower or prospective borrower who may be damaged by failure to  
517 perform any written agreements or commitments, or by the wrongful  
518 conversion of funds paid by a borrower or prospective borrower to a  
519 licensee, may proceed on such bond against the principal or surety  
520 thereon, or both, to recover damages. Any borrower or prospective  
521 borrower who may be damaged by a mortgage lender, mortgage  
522 correspondent lender, mortgage broker or mortgage loan originator  
523 licensee's failure to satisfy a judgment against the licensee arising from  
524 the making or brokering of a nonprime home loan, as defined in section  
525 36a-760, may proceed on such bond against the principal or surety  
526 thereon, or both, to recover the amount of the judgment. The  
527 commissioner may proceed on such bond against the principal or surety  
528 thereon, or both, to collect any civil penalty imposed upon a licensee  
529 pursuant to subsection (a) of section 36a-50 and any unpaid costs of  
530 examination of a licensee as determined pursuant to section 36a-65 and,  
531 on and after April 1, 2019, any restitution imposed pursuant to  
532 subsection (c) of section 36a-50. The proceeds of the bond, even if

533 commingled with other assets of the principal, shall be deemed by  
534 operation of law to be held in trust for the benefit of such claimants  
535 against the principal in the event of bankruptcy of the principal and  
536 shall be immune from attachment by creditors and judgment creditors.  
537 The bond shall run concurrently with the period of the license for the  
538 main office and the aggregate liability under the bond shall not exceed  
539 the penal sum of the bond. The principal shall notify the commissioner  
540 of the commencement of an action on the bond. When an action is  
541 commenced on a principal's bond, the commissioner may require the  
542 filing of a new bond and immediately on recovery on any action on the  
543 bond, the principal shall file a new bond.

544 (c) The surety company shall have the right to cancel the bond at any  
545 time by a written notice to the principal stating the date cancellation  
546 shall take effect, provided the surety company notifies the  
547 commissioner in writing not less than thirty days prior to the effective  
548 date of cancellation. If the bond is issued electronically on the system,  
549 written notice of cancellation may be provided by the surety company  
550 to the principal and the commissioner through the system at least thirty  
551 days prior to the date of cancellation. Any notice of cancellation not  
552 provided through the system shall be sent by certified mail to the  
553 principal and the commissioner at least thirty days prior to the date of  
554 cancellation. A surety bond shall not be cancelled unless the surety  
555 company notifies the commissioner in writing not less than thirty days  
556 prior to the effective date of cancellation. After receipt of such  
557 notification from the surety company, the commissioner shall give  
558 written notice to the principal of the date such bond cancellation shall  
559 take effect and such notice shall be deemed notice to each mortgage loan  
560 originator licensee sponsored by such principal. The commissioner shall  
561 automatically suspend the licenses of a mortgage lender, mortgage  
562 correspondent lender or mortgage broker on such date and inactivate  
563 the licenses of the mortgage loan originators sponsored by such lender,  
564 correspondent lender or broker. In the case of a cancellation of an  
565 exempt registrant's bond, the commissioner shall inactivate the licenses  
566 of the mortgage loan originators sponsored by such exempt registrant.

567 No automatic suspension or inactivation shall occur if, prior to the date  
568 that the bond cancellation shall take effect, (1) the principal submits a  
569 letter of reinstatement of the bond from the surety company or a new  
570 bond, (2) the mortgage lender, mortgage correspondent lender or  
571 mortgage broker licensee has ceased business and has surrendered all  
572 licenses in accordance with subsection (a) of section 36a-490, or (3) in the  
573 case of a mortgage loan originator licensee, the sponsorship with the  
574 mortgage lender, mortgage correspondent lender or mortgage broker  
575 who was automatically suspended pursuant to this section or, with the  
576 exempt registrant who failed to provide the bond required by this  
577 section, has been terminated and a new sponsor has been requested and  
578 approved. After a mortgage lender, mortgage correspondent lender or  
579 mortgage broker license has been automatically suspended pursuant to  
580 this section, the commissioner shall (A) give the licensee notice of the  
581 automatic suspension, pending proceedings for revocation or refusal to  
582 renew pursuant to section 36a-494 and an opportunity for a hearing on  
583 such action in accordance with section 36a-51, and (B) require such  
584 licensee to take or refrain from taking such action as the commissioner  
585 deems necessary to effectuate the purposes of this section. The  
586 commissioner may provide information to an exempt registrant  
587 concerning actions taken by the commissioner pursuant to this  
588 subsection against any mortgage loan originator licensee that was  
589 sponsored and bonded by such exempt registrant.

590 (d) The penal sum of the bond required by subdivisions (1) to (3),  
591 inclusive, of subsection (a) of this section shall be determined as follows:

592 (1) An applicant for an initial mortgage lender license or mortgage  
593 correspondent lender license shall file a bond in a penal sum of one  
594 hundred thousand dollars in connection with its application for the  
595 main office.

596 (2) An applicant for an initial mortgage broker license shall file a bond  
597 in a penal sum of fifty thousand dollars in connection with its  
598 application for the main office.

599 (3) An exempt registrant under subsection (d) of section 36a-487 who  
600 is exempt from licensure under subdivision (1), (2) or (3) of subsection  
601 (a) of section 36a-487 shall file a bond in a penal sum of one hundred  
602 thousand dollars the first time such exempt registrant sponsors a  
603 mortgage loan originator.

604 (4) An exempt registrant under subsection (d) of section 36a-487 who  
605 is exempt from licensure under subsection (b) of section 36a-487 shall  
606 file a bond in a penal sum of fifty thousand dollars the first time such  
607 exempt registrant sponsors a mortgage loan originator.

608 (5) Persons exempt from licensure under subdivision (4) of  
609 subsection (a) of section 36a-487, shall file a bond in a penal sum as set  
610 forth in section 36a-671d, as amended by this act.

611 (6) (A) For mortgage lender and mortgage correspondent lender  
612 licensees and persons sponsoring and bonding at least one mortgage  
613 loan originator as an exempt registrant under subsection (d) of section  
614 36a-487 and who are exempt from licensing under subdivision (1), (2) or  
615 (3) of subsection (a) of section 36a-487, if: (i) The aggregate dollar  
616 amount of all residential mortgage loans originated by such licensee at  
617 all licensed locations or by the exempt registrant during the preceding  
618 four quarters ending June thirtieth is less than thirty million dollars, the  
619 penal sum of the bond shall be one hundred thousand dollars; (ii) the  
620 aggregate dollar amount of all residential mortgage loans originated by  
621 such licensee at all licensed locations or by the exempt registrant during  
622 the preceding four quarters ending June thirtieth is thirty million dollars  
623 or more but less than one hundred million dollars, the penal sum of the  
624 bond shall be two hundred thousand dollars; (iii) the aggregate dollar  
625 amount of all residential mortgage loans originated by such licensee at  
626 all licensed locations or by the exempt registrant during the preceding  
627 four quarters ending June thirtieth is one hundred million dollars or  
628 more but less than two hundred fifty million dollars, the penal sum of  
629 the bond shall be three hundred thousand dollars; and (iv) the aggregate  
630 dollar amount of all residential mortgage loans originated by such  
631 licensee at all licensed locations or by the exempt registrant during the

632 preceding four quarters ending June thirtieth is two hundred fifty  
633 million dollars or more, the penal sum of the bond shall be five hundred  
634 thousand dollars.

635 (B) For mortgage broker licensees and persons who are sponsoring  
636 and bonding at least one mortgage loan originator as an exempt  
637 registrant under subsection (d) of section 36a-487 and who are exempt  
638 from licensing under subsection (b) or (c) of section 36a-487, if: (i) The  
639 aggregate dollar amount of all residential mortgage loans originated by  
640 such licensee at all licensed locations or by the exempt registrant during  
641 the preceding four quarters ending June thirtieth is less than thirty  
642 million dollars, the penal sum of the bond shall be fifty thousand dollars;  
643 (ii) the aggregate dollar amount of all residential mortgage loans  
644 originated by such licensee at all licensed locations or by the exempt  
645 registrant during the preceding four quarters ending June thirtieth is  
646 thirty million dollars or more but less than fifty million dollars, the penal  
647 sum of the bond shall be one hundred thousand dollars; and (iii) the  
648 aggregate dollar amount of all residential mortgage loans originated by  
649 such licensee at all licensed locations or by the exempt registrant during  
650 the preceding four quarters ending June thirtieth is fifty million dollars  
651 or more, the penal sum of the bond shall be one hundred fifty thousand  
652 dollars.

653 (7) For purposes of this subsection, the aggregate dollar amount of all  
654 residential mortgage loans originated by such licensee or exempt  
655 registrant includes the aggregate dollar amount of all closed residential  
656 mortgage loans that the licensee or exempt registrant originated,  
657 brokered or made, as applicable.

658 (8) Financial information necessary to verify the aggregate dollar  
659 amount of residential mortgage loans originated shall be filed with the  
660 commissioner, as the commissioner may require, and shall be reported  
661 on the system at such time and in such form as the system may require.

662 (9) The commissioner may require a change in the penal sum of the  
663 bond if the commissioner determines at any time that the aggregate

664 dollar amount of all residential mortgage loans originated warrants a  
665 change in the penal sum of the bond.

666 Sec. 7. Section 36a-671d of the general statutes is repealed and the  
667 following is substituted in lieu thereof (*Effective from passage*):

668 (a) (1) No debt negotiation license, and no renewal thereof, shall be  
669 granted unless the applicant has filed the surety bond required by this  
670 section, which bond shall be written by a surety authorized to write such  
671 bonds in this state.

672 (2) No application for a debt negotiation license for a main office or  
673 branch office, and no renewal of such a license, shall be granted unless  
674 the applicant has filed a single surety bond with the commissioner in an  
675 aggregate amount of fifty thousand dollars for each licensed location, or  
676 such other amount required by subdivision (4) of this subsection. [No  
677 application for a debt negotiation license branch office, and no renewal  
678 of such a license, shall be granted unless the applicant has identified  
679 such branch office as a bonded location by addendum to the main office  
680 surety bond required by this section.]

681 (3) Each debt negotiation licensee shall file a single surety bond that  
682 complies with the requirements of this section [in connection with the  
683 main office license] with the commissioner in an aggregate amount of  
684 fifty thousand dollars for each licensed location, or such other amount  
685 required in subdivision (4) of this subsection. [, which bond shall  
686 identify any licensed branch office as a bonded location on such bond  
687 by addendum.]

688 (4) In the case of a debt negotiation licensee engaging or offering to  
689 engage in the business of negotiating residential mortgage loans on  
690 behalf of mortgagors, such debt negotiation licensee shall file a bond in  
691 the penal sum amount set forth in subsection (e) of this section based on  
692 the aggregate dollar amount of the residential mortgage loans  
693 negotiated or offered to be negotiated by its sponsored mortgage loan  
694 originator licensees. The principal on a bond required by this  
695 subdivision shall file quarterly reports on the system reflecting

696 residential mortgage loan volume in accordance with subsection (g) of  
697 this section and subsection (m) of section 36a-671 to confirm that it  
698 maintains the required penal sum in the amount required by this  
699 subdivision.

700 (5) Each debt negotiation licensee shall file with the commissioner  
701 such information as the commissioner may require to confirm that the  
702 penal sum of the bond remains consistent with the amount required by  
703 this section. The principal shall file, as the commissioner may require,  
704 any bond rider or endorsement to the surety bond on file with the  
705 commissioner to reflect any changes necessary to maintain the surety  
706 bond coverage required by this section.

707 (b) The form of any surety bond submitted pursuant to subsection (a)  
708 of this section shall be approved by the Attorney General. Any surety  
709 bond filed under subsection (a) of this section shall be conditioned upon  
710 the debt negotiation licensee and any sponsored mortgage loan  
711 originator licensee faithfully performing any and all written agreements  
712 or commitments with or for the benefit of debtors and mortgagors, as  
713 applicable, truly and faithfully accounting for all funds received from a  
714 debtor or mortgagor by the principal or a mortgage loan originator  
715 sponsored by the principal in the principal's capacity as debt negotiation  
716 licensee, and conducting such business consistent with the provisions of  
717 sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a,  
718 36a-534b and 36a-671 to 36a-671f, inclusive, as amended by this act. Any  
719 debtor or mortgagor who may be damaged by a failure to perform any  
720 written agreements, by the wrongful conversion of funds paid by a  
721 debtor or mortgagor to a debt negotiation licensee or mortgage loan  
722 originator licensee, or by conduct inconsistent with the provisions of  
723 sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a,  
724 36a-534b and 36a-671 to 36a-671f, inclusive, as amended by this act, may  
725 proceed on any such surety bond against the principal or surety thereon,  
726 or both, to recover damages. The commissioner may proceed on any  
727 such surety bond against the principal or surety thereon, or both, to  
728 collect any civil penalty imposed upon the licensee pursuant to  
729 subsection (a) of section 36a-50 and any unpaid costs of examination of

730 a licensee as determined pursuant to section 36a-65 and effective April  
731 1, 2019, any restitution imposed pursuant to subsection (c) of section  
732 36a-50. The proceeds of any bond, even if commingled with other assets  
733 of the principal, shall be deemed by operation of law to be held in trust  
734 for the benefit of such claimants against the principal in the event of  
735 bankruptcy of the principal and shall be immune from attachment by  
736 creditors and judgment creditors. Any bond required by this section  
737 shall be maintained during the entire period of the license granted to the  
738 applicant, and the aggregate liability under any such bond shall not  
739 exceed the penal amount of the bond. The principal shall notify the  
740 commissioner of the commencement of an action on the bond. When an  
741 action is commenced on a principal's bond, the commissioner may  
742 require the filing of a new bond and immediately on recovery on any  
743 action on the bond, the principal shall file a new bond. Any mortgagor  
744 or prospective mortgagor who may be damaged by a failure of the debt  
745 negotiation licensee or mortgage loan originator licensee to satisfy a  
746 judgment against the licensee arising from the negotiation of or offer to  
747 negotiate a nonprime home loan, as defined in section 36a-760, may  
748 proceed on such bond against the principal or surety on such bond, or  
749 both, to recover the amount of the judgment.

750 (c) The surety shall have the right to cancel any bond written or  
751 issued under subsection (a) of this section at any time by a written notice  
752 to the debt negotiation licensee and the commissioner stating the date  
753 cancellation shall take effect. If such bond is issued electronically on the  
754 system, written notice of cancellation may be provided by the surety to  
755 the licensee and the commissioner through the system at least thirty  
756 days prior to the date of cancellation. Any notice of cancellation not  
757 provided through the system shall be sent by certified mail to the  
758 licensee and the commissioner at least thirty days prior to the date of  
759 cancellation. No such bond shall be cancelled unless the surety notifies  
760 the commissioner in writing not less than thirty days prior to the  
761 effective date of cancellation. After receipt of such notification from the  
762 surety, the commissioner shall give written notice to the debt  
763 negotiation licensee of the date such bond cancellation shall take effect.



764 The commissioner shall automatically suspend the licenses of the debt  
765 negotiation licensee on such date and inactivate the license of any  
766 sponsored mortgage loan originator, unless prior to such date the debt  
767 negotiation licensee submits a letter of reinstatement of the bond from  
768 the surety or a new bond, surrenders all licenses or, in the case of a  
769 mortgage loan originator sponsored by a debt negotiation licensee, the  
770 sponsorship has been terminated and a new sponsor has been requested  
771 and approved. After a license has been automatically suspended, the  
772 commissioner shall (1) give the debt negotiation licensee notice of the  
773 automatic suspension pending proceedings for revocation or refusal to  
774 renew and an opportunity for a hearing on such actions in accordance  
775 with section 36a-51, and (2) require the debt negotiation licensee to take  
776 or refrain from taking such action as the commissioner deems necessary  
777 to effectuate the purposes of this section.

778 (d) No licensee shall use, attempt to use or make reference to, either  
779 directly or indirectly, any word or phrase that states or implies that the  
780 licensee is endorsed, sponsored, recommended, bonded or insured by  
781 the state.

782 (e) The penal sum of the bond required by subdivision (4) of  
783 subsection (a) of this section shall be determined as follows:

784 (1) An initial applicant for a debt negotiation license shall file a bond  
785 in a penal sum of fifty thousand dollars.

786 (2) A debt negotiation licensee exempt from licensure as a mortgage  
787 lender, mortgage correspondent lender or mortgage broker pursuant to  
788 subdivision (4) of subsection (a) of section 36a-487 and sponsoring and  
789 bonding at least one mortgage loan originator as an exempt registrant  
790 under subdivision (2) of subsection (a) and subsection (d) of section 36a-  
791 487 shall file a bond with a penal sum in the following amount:

792 (A) If the aggregate dollar amount of all residential mortgage loans  
793 negotiated or offered to be negotiated by all sponsored mortgage loan  
794 originators during the preceding twelve-month period ending July  
795 thirty-first of the current year is less than thirty million dollars, the penal

796 sum of the bond shall be fifty thousand dollars;

797 (B) If the aggregate dollar amount of all residential mortgage loans  
798 negotiated or offered to be negotiated by all sponsored mortgage loan  
799 originators during the preceding twelve-month period ending July  
800 thirty-first of the current year is thirty million dollars or more but less  
801 than fifty million dollars, the penal sum of the bond shall be one  
802 hundred thousand dollars; and

803 (C) If the aggregate dollar amount of all residential mortgage loans  
804 negotiated or offered to be negotiated by all sponsored mortgage loan  
805 originators during the preceding twelve-month period ending July  
806 thirty-first of the current year is fifty million dollars or more, the penal  
807 sum of the bond shall be one hundred fifty thousand dollars.

808 (f) For purposes of subsection (e) of this section, "the aggregate dollar  
809 amount of all residential mortgage loans negotiated or offered to be  
810 negotiated" means the aggregate underlying dollar amount of all  
811 residential mortgage loans for which a sponsored mortgage loan  
812 originator provides debt negotiation services.

813 (g) Financial information necessary to verify the aggregate amount of  
814 residential mortgage loans negotiated or offered to be negotiated shall  
815 be filed with the commissioner as the commissioner may require, and  
816 shall be reported on the system at such time and in such form as the  
817 system may require. The commissioner may require a change in the  
818 penal sum of the bond if the commissioner determines at any time that  
819 the aggregate dollar amount of all residential mortgage loans negotiated  
820 or offered to be negotiated warrants a change in the penal sum of the  
821 bond.

822 (h) The commissioner may adopt regulations in accordance with  
823 chapter 54 with respect to the requirements for such surety bonds.

824 Sec. 8. Subsection (i) of section 36a-801 of the 2022 supplement to the  
825 general statutes is repealed and the following is substituted in lieu  
826 thereof (*Effective October 1, 2022*):

827 (i) No person licensed to act within this state as a consumer collection  
828 agency shall do so under any other name or at any other place of  
829 business than that named in the license. No licensee may use any name  
830 other than its legal name or a fictitious name approved by the  
831 commissioner, provided such licensee may not use its legal name if the  
832 commissioner disapproves use of such name. A licensee may change the  
833 name of the licensee or address of the office specified on the most recent  
834 filing with the system if, at least thirty calendar days prior to such  
835 change, (1) the licensee files such change with the system and provides  
836 a bond rider, endorsement or addendum, as applicable, to the surety  
837 bond on file with the commissioner that reflects the new name or  
838 address, and (2) the commissioner does not disapprove such change, in  
839 writing, or request further information from the licensee within such  
840 thirty-day period. Not more than one place of business shall be  
841 maintained under the same license but the commissioner may issue  
842 more than one license to the same licensee upon compliance with the  
843 provisions of sections 36a-800 to 36a-814, inclusive, as amended by this  
844 act, as to each new licensee. A license shall not be transferable or  
845 assignable. Any change in any control person of the licensee, except a  
846 change of a director, general partner or executive officer that is not the  
847 result of an acquisition or change of control of the licensee, shall be the  
848 subject of an advance change notice filed on the system at least thirty  
849 days prior to the effective date of such change and no such change shall  
850 occur without the commissioner's approval. For purposes of this section,  
851 "change of control" means any change causing the majority ownership,  
852 voting rights or control of a licensee to be held by a different control  
853 person or group of control persons. [Any licensee holding, applying for,  
854 or seeking renewal of more than one license may, at its option, file the  
855 bond required under section 36a-802 separately for each place of  
856 business licensed, or to be licensed, or a single bond, naming each place  
857 of business, in an amount equal to twenty-five thousand dollars for each  
858 place of business.] The commissioner may automatically suspend a  
859 license for any violation of this subsection. After a license has been  
860 automatically suspended pursuant to this section, the commissioner  
861 shall (A) give the licensee notice of the automatic suspension, pending

862 proceedings for revocation or refusal to renew pursuant to section 36a-  
863 804 and an opportunity for a hearing on such action in accordance with  
864 section 36a-51, and (B) require such licensee to take or refrain from  
865 taking such action as the commissioner deems necessary to effectuate  
866 the purposes of this section.

867 Sec. 9. Subsection (a) of section 36a-802 of the general statutes is  
868 repealed and the following is substituted in lieu thereof (*Effective October*  
869 *1, 2022*):

870 (a) No such license and no renewal thereof shall be granted to a  
871 consumer collection agency, except a consumer collection agency  
872 engaged solely in the business of debt buying, unless the applicant has  
873 filed with the commissioner a bond to the people of the state in the penal  
874 sum of [twenty-five thousand dollars] fifty thousand dollars for the  
875 main office and fifty thousand dollars for each branch office, approved  
876 by the Attorney General as to form and by the commissioner as to  
877 sufficiency of the security thereof. Such bond shall be conditioned that  
878 such licensee shall well, truly and faithfully account for all funds  
879 entrusted to the licensee and collected and received by the licensee in  
880 the licensee's capacity as a consumer collection agency. Any person who  
881 may be damaged by the wrongful conversion of any creditor, consumer  
882 debtor, property tax debtor or federal income tax debtor funds received  
883 by such consumer collection agency may proceed on such bond against  
884 the principal or surety thereon, or both, to recover damages. The  
885 commissioner may proceed on such bond against the principal or surety  
886 thereon, or both, to collect any civil penalty imposed upon the licensee  
887 pursuant to subsection (a) of section 36a-50 and, effective April 1, 2019,  
888 any restitution imposed pursuant to subsection (c) of section 36a-50, and  
889 any unpaid costs of examination as determined pursuant to section 36a-  
890 65. The proceeds of the bond, even if commingled with other assets of  
891 the licensee, shall be deemed by operation of law to be held in trust for  
892 the benefit of such claimants against the licensee in the event of  
893 bankruptcy of the licensee and shall be immune from attachment by  
894 creditors and judgment creditors. The bond shall run concurrently with  
895 the period of the license granted to the applicant, and the aggregate

896 liability under the bond shall not exceed the penal sum of the bond.

897 Sec. 10. Subsection (b) of section 36a-811 of the general statutes is  
898 repealed and the following is substituted in lieu thereof (*Effective from*  
899 *passage*):

900 (b) Each consumer collection agency, except a consumer collection  
901 agency engaged solely in the business of debt buying, shall deposit  
902 funds collected or received from consumer debtors for payment for  
903 others on an account, bill or other indebtedness in one or more trust  
904 accounts maintained at a federally insured bank, Connecticut credit  
905 union, federal credit union or an out-of-state bank, [that maintains in  
906 this state a branch as defined in section 36a-410,] which accounts shall  
907 be reconciled monthly. Such funds shall not be commingled with funds  
908 of the consumer collection agency or used in the conduct of the  
909 consumer collection agency's business. Such account shall not be used  
910 for any purpose other than (1) the deposit of funds received from  
911 consumer debtors, (2) the payment of such funds to creditors, (3) the  
912 refund of any overpayments to be made to consumer debtors, and (4)  
913 the payment of earned fees to the consumer collection agency, which  
914 shall be withdrawn on a monthly basis. Except for payments authorized  
915 by subdivisions (2) to (4), inclusive, of this subsection, any withdrawal  
916 from such account, including, but not limited to, any service charge or  
917 other fee imposed against such account by a depository institution, shall  
918 be reimbursed by the consumer collection agency to such account not  
919 more than thirty days after the withdrawal. Funds received from  
920 consumer debtors shall be posted to their respective accounts in  
921 accordance with generally accepted accounting principles.

922 Sec. 11. Section 31-76i of the 2022 supplement to the general statutes  
923 is repealed and the following is substituted in lieu thereof (*Effective*  
924 *October 1, 2022*):

925 The provisions of sections 31-76b to 31-76j, inclusive, shall not apply  
926 with respect to (1) any driver or helper, excluding drivers or helpers  
927 employed by exempt employers, with respect to whom the Interstate

928 Commerce Commission or its successor agency or the Secretary of  
929 Transportation has power to establish qualifications and maximum  
930 hours of service pursuant to the provisions of applicable federal law or  
931 regulation of any employee of a carrier by air subject to the Railway  
932 Labor Act or any employee of any employer subject to said Railway  
933 Labor Act; (2) any employee employed as a seaman; (3) any employee  
934 employed as an announcer, a news editor or chief engineer by a radio  
935 station or television station; (4) repealed by 1972, P.A. 116, S. 3, 6; (5) any  
936 person employed in a bona fide executive, administrative or  
937 professional capacity as defined in the regulations of the Labor  
938 Commissioner issued pursuant to section 31-60; (6) any person  
939 employed in the capacity of outside salesman as defined in the  
940 regulations of the Federal Fair Labor Standards Act; (7) any inside  
941 salesperson whose sole duty is to sell a product or service (A) whose  
942 regular rate of pay is in excess of two times the minimum hourly rate  
943 applicable to him under section 31-58, (B) more than half of whose  
944 compensation for a representative period, being not less than one  
945 month, represents commissions on goods or services, and (C) who does  
946 not work more than fifty-four hours during a work week of seven  
947 consecutive calendar days. In determining the proportion of  
948 compensation representing commissions, all earnings resulting from the  
949 application of a bona fide commission rate shall be deemed  
950 commissions on goods or services without regard to whether the  
951 computed commissions exceed the draw or guarantee; (8) any person  
952 employed as a taxicab driver by any employer engaged in the business  
953 of operating a taxicab, if such driver is paid forty per cent or more of the  
954 fares recorded on the meter of the taxicab operated by him; (9) any  
955 person employed in the capacity of a household delivery route salesman  
956 engaged in delivering milk or bakery products to consumers and who  
957 is paid on a commission basis as defined in the regulations of the Labor  
958 Commissioner issued pursuant to section 31-60; (10) any salesman  
959 primarily engaged in selling automobiles. For the purposes of this  
960 subdivision, "salesman" includes any person employed by a licensed  
961 new car dealer (A) whose primary duty is to sell maintenance and repair  
962 services, (B) whose regular rate of pay is in excess of two times the

963 minimum hourly rate applicable to him under the provisions of section  
964 31-58, (C) more than half of whose compensation for a representative  
965 period, being not less than one month, represents commissions on goods  
966 or services, and (D) who does not work more than fifty-four hours  
967 during a work week of seven consecutive days. In determining the  
968 proportion of compensation representing commissions, all earnings  
969 resulting from the application of a bona fide commission rate shall be  
970 deemed commissions on goods or services without regard to whether  
971 the computed commissions exceed the draw or guarantee; (11) any  
972 person employed in agriculture; (12) any permanent paid members of  
973 the uniformed police force of municipalities and permanent paid  
974 members of the uniformed firefighters of municipalities; (13) any person  
975 employed as a firefighter by a private nonprofit corporation which on  
976 May 24, 1984, has a valid contract with any municipality to extinguish  
977 fires and protect its inhabitants from loss by fire; (14) any person, except  
978 a person paid on an hourly basis, employed as a beer delivery truck  
979 driver by a licensed distributor, as defined in section 12-433; (15) any  
980 person employed as a mechanic primarily engaged in the servicing of  
981 motor vehicles, as defined in section 14-1, or farm implements, as  
982 defined in section 14-1, by a nonmanufacturing employer primarily  
983 engaged in the business of selling such vehicles or implements to  
984 consumers, to the extent that such employees are exempt under the  
985 federal Wage-Hour and Equal Pay Act, 29 USC 201 et seq. and 29 USC  
986 213(b)(10), provided such person's actual weekly earnings exceed an  
987 amount equal to the total of (A) such person's basic contractual hourly  
988 rate of pay times the number of hours such person has actually worked  
989 plus (B) such person's basic contractual hourly rate of pay times one-  
990 half the number of hours such person has actually worked in excess of  
991 forty hours in such week. For the purposes of this section, "basic  
992 contractual hourly rate" means the compensation payable to a person at  
993 an hourly rate separate from and exclusive of any flat rate, incentive rate  
994 or any other basis of calculation; (16) any mortgage loan originator, as  
995 defined in section 36a-485, who is a highly compensated employee, as  
996 described in 29 CFR 541.601, provided this subdivision shall not apply  
997 to an individual who performs the functions of a mortgage loan

1098 originator solely from the office of such mortgage loan originator's  
1099 employer. For purposes of this subdivision, an office in the mortgage  
1100 loan originator's home shall not be considered the office of such  
1101 mortgage loan originator's employer. Beginning on October 1, 2012, the  
1102 total annual compensation for purposes of Subsection (a) of 29 CFR  
1103 541.601 shall be increased annually, effective October first of each year,  
1104 based on the percentage increase, from year to year, in the average of all  
1105 workers' weekly earnings as determined by the Labor Commissioner  
1106 pursuant to subdivision (1) of subsection (b) of section 31-309; or (17)  
1107 any commercial mortgage loan originator who is a highly compensated  
1108 employee, as described in 29 CFR 541.601. For purposes of this  
1109 subdivision, (A) "commercial mortgage loan originator" means an  
1110 individual who for compensation or gain or with the expectation of  
1111 compensation or gain, either for such individual or for the person  
1112 employing or retaining such individual, (i) [accepts] takes a commercial  
1113 mortgage loan application, or (ii) offers or negotiates the terms of a  
1114 commercial mortgage loan, and (B) "commercial mortgage loan" means  
1115 a mortgage loan not primarily for personal, family or household use.

1116 Sec. 12. Subsection (o) of section 36a-145 of the general statutes is  
1117 repealed and the following is substituted in lieu thereof (*Effective October*  
1118 *1, 2022*):

1119 (o) (1) With the approval of the commissioner, a Connecticut bank  
1120 may establish a loan production office in or outside this state. The  
1121 commissioner shall not approve the establishment of a loan production  
1122 office under this subdivision unless the commissioner has considered  
1123 the Connecticut bank's record of compliance with, and overall rating  
1124 under, the Community Reinvestment Act of 1977, 12 USC 2901 et seq.,  
1125 as amended from time to time.

1126 (2) A Connecticut bank that proposes to close any loan production  
1127 office shall submit to the commissioner a notice of the proposed closing  
1128 not later than thirty days prior to the date proposed for such closing.  
1129 The notice shall include a detailed statement of the reasons for the  
1130 decision to close the loan production office and the statistical and other



1031 information in support of such reasons. After receipt of the notice, the  
1032 commissioner may require the Connecticut bank to submit any  
1033 additional information. The Connecticut bank shall provide notice of the  
1034 proposed closing to its customers by posting a notice in a conspicuous  
1035 manner on the premises of such loan production office for at least a  
1036 thirty-day period ending on the date proposed for such closing.

1037 Sec. 13. Subsection (d) of section 36a-412 of the general statutes is  
1038 repealed and the following is substituted in lieu thereof (*Effective October*  
1039 *1, 2022*):

1040 (d) With the approval of the commissioner, any out-of-state bank,  
1041 other than a foreign bank, may establish a loan production office in this  
1042 state. The commissioner shall not approve the establishment of a loan  
1043 production office under this subsection unless the commissioner has  
1044 considered the out-of-state bank's record of compliance with the  
1045 requirements of the Community Reinvestment Act of 1977, 12 USC 2901  
1046 et seq., as amended from time to time, and overall Community  
1047 Reinvestment Act rating.

1048 Sec. 14. (*Effective October 1, 2022*) (a) The chairpersons of the joint  
1049 standing committee of the General Assembly having cognizance of  
1050 matters relating to banking shall convene a working group to (1)  
1051 examine the Community Reinvestment Act of 1977, 12 USC 2901 et seq.,  
1052 as amended from time to time, (2) monitor proposed changes to said act  
1053 and make recommendations and submit comments to federal regulators  
1054 and the Connecticut federal legislative delegation, and (3) recommend  
1055 methods to incentivize banks and credit unions to (A) open branch  
1056 offices in communities without adequate banking services, and (B) offer  
1057 loan products to individuals in low and moderate-income  
1058 neighborhoods.

1059 (b) The working group shall consist of the following members:

1060 (1) The chairpersons, vice-chairpersons and ranking members of the  
1061 joint standing committee of the General Assembly having cognizance of  
1062 matters relating to banking;

1063 (2) The Banking Commissioner, or the Banking Commissioner's  
1064 designee;

1065 (3) A representative of the Connecticut Bankers' Association;

1066 (4) A representative of the Credit Union League of Connecticut;

1067 (5) A representative of Connecticut banks, who shall be appointed by  
1068 the minority leader of the House of Representatives;

1069 (6) A representative of Connecticut credit unions, who shall be  
1070 appointed by the minority leader of the Senate; and

1071 (7) Two representatives of organizations representing the interests of  
1072 low and moderate-income communities without adequate banking  
1073 services, one of whom shall be appointed by the speaker of the House  
1074 of Representatives, and one of whom shall be appointed by the  
1075 president pro tempore of the Senate.

1076 (c) All initial appointments to the working group shall be made not  
1077 later than thirty days after the effective date of this section. Any vacancy  
1078 shall be filled by the appointing authority.

1079 (d) The chairpersons of the joint standing committee of the General  
1080 Assembly having cognizance of matters relating to banking shall be the  
1081 chairpersons of the working group. Such chairpersons shall schedule  
1082 the first meeting of the working group, which shall be held not later than  
1083 sixty days after the effective date of this section.

1084 (e) The administrative staff of the joint standing committee of the  
1085 General Assembly having cognizance of matters relating to banking  
1086 shall serve as administrative staff of the working group.

1087 (f) Not later than February 1, 2024, the working group shall submit a  
1088 report on its findings and recommendations to the joint standing  
1089 committee of the General Assembly having cognizance of matters  
1090 relating to banking, in accordance with the provisions of section 11-4a  
1091 of the general statutes. The working group shall terminate on the date

1092 that it submits such report or February 1, 2024, whichever is later.

1093 Sec. 15. Subsection (a) of section 36a-262 of the general statutes is  
1094 repealed and the following is substituted in lieu thereof (*Effective October*  
1095 *1, 2022*):

1096 (a) Except as otherwise provided in this section, the total direct or  
1097 indirect liabilities of any one obligor that are not fully secured, however  
1098 incurred, to any Connecticut bank, exclusive of such bank's investment  
1099 in the investment securities of such obligor, shall not exceed at the time  
1100 incurred fifteen per cent of the equity capital and reserves for loan and  
1101 lease losses of such bank. The total direct or indirect liabilities of any one  
1102 obligor that are fully secured, however incurred, to any Connecticut  
1103 bank, exclusive of such bank's investment in the investment securities  
1104 of such obligor, shall not exceed at the time incurred ten per cent of the  
1105 equity capital and reserves for loan and lease losses of such bank,  
1106 provided this limitation shall be separate from and in addition to the  
1107 limitation on liabilities that are not fully secured. Notwithstanding any  
1108 provision of this subsection, the limitation on the liabilities of any one  
1109 obligor shall take into account the credit exposure to such obligor arising  
1110 from a derivative transaction. The commissioner shall have the  
1111 authority to establish the method for determining the credit exposure  
1112 and the extent to which the credit exposure shall be taken into account.  
1113 As used in this [subsection,] section, an obligor shall not include any  
1114 person who is a guarantor or indemnitor of a direct or indirect liability  
1115 when (1) in the case of a liability where the primary obligor is not a  
1116 natural person, the bank seeks repayment of any such liability out of the  
1117 operations of the business of the primary obligor, (2) the bank relies  
1118 primarily on the primary obligor's general credit standing and, in the  
1119 case of a liability where the primary obligor is not a natural person, the  
1120 forecast of operation of the primary obligor's business, (3) there is no  
1121 aspect of the loan that is being made as an exception to the bank's  
1122 lending policies, and (4) such guarantor or indemnitor is not an obligor  
1123 with respect to such liability pursuant to the direct benefit or common  
1124 enterprise tests set forth in subsection (b) of this section. As used in this  
1125 subsection, (A) "primary obligor" means a person who is named as a

1126 borrower or debtor, but not a guarantor or indemnitor, in a direct or  
1127 indirect liability, (B) "guarantor" means a person who is obligated to pay  
1128 a direct or indirect liability when the primary obligor has defaulted on  
1129 such liability pursuant to the terms of the liability, (C) "indemnitor"  
1130 means a person who becomes obligated to pay a direct or indirect  
1131 liability pursuant to an indemnity agreement, and (D) "derivative  
1132 transaction" includes any transaction that is a contract, agreement,  
1133 swap, warrant, note or option that is based, in whole or in part, on the  
1134 value of any interest in, or any quantitative measure or the occurrence  
1135 of any event relating to, one or more commodities, securities, currencies,  
1136 interest or other rates, indices or other assets. The commissioner may  
1137 adopt regulations in accordance with the provisions of chapter 54  
1138 establishing the method for determining credit exposure to derivative  
1139 transactions and the extent to which the credit exposure shall be taken  
1140 into account. For purposes of this section, a liability shall be considered  
1141 to be fully secured if it is secured by readily marketable collateral having  
1142 a market value, as determined by reliable and continuously available  
1143 price quotations, at least equal to the amount of the liability. For  
1144 purposes of determining the limitations of this section, in computing the  
1145 liabilities of an obligor, a liability is incurred at the time of the closing of  
1146 the transaction, unless such closing is preceded by a legally binding  
1147 written commitment to enter into the transaction, in which case such  
1148 liability is incurred at the time of commitment and is net of any liabilities  
1149 of the obligor to such bank that will be paid with the proceeds of the  
1150 commitment at the time of closing. The limitations provided for in this  
1151 subsection may be exceeded for a period of time not to exceed six hours  
1152 if at the closing of any transaction at which such obligor incurs such  
1153 liabilities to a Connecticut bank in excess of such limitations, such bank  
1154 immediately assigns or participates out to one or more other persons an  
1155 amount that constitutes not less than the excess over the applicable  
1156 limitation. Obligations as endorser or guarantor of negotiable or  
1157 nonnegotiable installment consumer paper which carry an agreement to  
1158 repurchase on default, unless the bank's sole recourse is to an agreed  
1159 reserve held by it, in which case the liability shall be excluded, a full  
1160 recourse endorsement or an unconditional guarantee by the person,

1161 partnership, association or corporation transferring the same, shall be  
1162 subject under this section to a limitation of fifteen per cent of the bank's  
1163 equity capital and reserves for loan and lease losses in addition to the  
1164 applicable limitations of this section with respect to the makers of such  
1165 obligations; provided, upon certification by an officer of the bank  
1166 designated for that purpose by the governing board that the  
1167 responsibility of each maker of such obligations has been evaluated and  
1168 the bank is relying primarily upon each such maker for the payment of  
1169 such obligations, the limitations of this section as to the obligations of  
1170 each maker shall be the sole applicable loan limitation; and provided  
1171 such certification shall be in writing and shall be retained as part of the  
1172 records of such bank.

1173 Sec. 16. Section 36a-785 of the general statutes is repealed and the  
1174 following is substituted in lieu thereof (*Effective October 1, 2022*):

1175 (a) When the retail buyer is in default in the payment of any sum due  
1176 under the retail installment contract or installment loan contract, or in  
1177 the performance of any other condition that such contract requires the  
1178 retail buyer to perform, or in the performance of any promise, the breach  
1179 of which is by such contract expressly made a ground for the retaking  
1180 of the goods, the holder of the contract may retake possession of such  
1181 goods, provided the filing of a petition in bankruptcy under 11 USC  
1182 Chapter 7 by a retail buyer of a motor vehicle, or such retail buyer's  
1183 status as a debtor in bankruptcy, shall not be considered a default of a  
1184 retail installment contract or ground for repossession of such motor  
1185 vehicle. Unless the goods can be retaken without breach of the peace,  
1186 the goods shall be retaken by legal process, provided nothing contained  
1187 in this section shall be construed to authorize a violation of the criminal  
1188 law. In the case of repossession of any motor vehicle without the  
1189 knowledge of the retail buyer, the local police department shall be  
1190 notified of such repossession not later than two hours after repossession.  
1191 In the absence of a local police department or if the local police  
1192 department cannot be reached for notification, the state police shall be  
1193 promptly notified of such repossession.

1194 (b) Not less than ten days prior to the retaking, the holder of such  
1195 contract may serve upon the retail buyer, personally or by registered or  
1196 certified mail, a notice of intention to retake the goods on account of the  
1197 retail buyer's default. The notice shall state that the retail buyer is in  
1198 default and the period at the end of which such goods will be retaken,  
1199 and designate (1) the obligations required to be performed in order to  
1200 cure the default, including the dollar amount of any required payment,  
1201 and (2) the date by which such obligations must be performed. The  
1202 notice shall briefly and clearly state the retail buyer's rights under this  
1203 subsection in the event such goods are retaken. In the case of  
1204 repossession of any motor vehicle, the notice shall inform the retail  
1205 buyer that he or she is responsible for removing all of his or her personal  
1206 property from the motor vehicle prior to the date such repossession can  
1207 take place. If the notice is so served and the retail buyer does not  
1208 perform the conditions and provisions required under the contract to  
1209 cure the default before the day set for retaking, the holder of the contract  
1210 may retake such goods and hold such goods subject to the provisions of  
1211 subsections (d), (e), (f), (g) and (h) of this section regarding resale, but  
1212 without any right of redemption.

1213 (c) If the holder of such contract does not give the notice of intention  
1214 to retake, described in subsection (b) of this section, the holder shall  
1215 retain such goods for fifteen days after the retaking within the state in  
1216 which such goods were located when retaken. During such period the  
1217 retail buyer, upon payment or tender of the unaccelerated amount due  
1218 under such contract at the time of retaking and interest, or upon  
1219 performance or tender of performance of such other condition as may  
1220 be named in such contract as precedent to the retail buyer's continued  
1221 possession of such goods, or upon performance or tender of  
1222 performance of any other promise for the breach of which such goods  
1223 were retaken, and upon payment of the actual and reasonable expenses  
1224 of any retaking and storing, may redeem such goods and become  
1225 entitled to take possession of such goods and to continue in the  
1226 performance of such contract as if no default had occurred. The holder  
1227 of such contract shall, not later than three days after the date of the

1228 retaking, furnish or mail, by registered or certified mail, to the last-  
1229 known address of the retail buyer, a written statement indicating (1) the  
1230 unaccelerated sum due under such contract and the actual and  
1231 reasonable expense of any retaking and storing, and (2) in the case of  
1232 repossession of any motor vehicle, the holder of such contract shall also,  
1233 not later than three days after the date of the retaking, and without  
1234 regard to whether notice of intention to retake was given to the buyer,  
1235 send a written notice (A) that the buyer is responsible for retrieving  
1236 items of personal property that may have been left in the motor vehicle,  
1237 other than items that may have been turned over to law enforcement,  
1238 (B) that such property, if any, will be available for retrieval for at least  
1239 sixty days after the date on which the motor vehicle was repossessed,  
1240 unless the holder of the contract specifies, or the terms of the contract  
1241 specify a date at least sixty days after the repossession after which the  
1242 buyer may no longer retrieve the property, and (C) the contact and  
1243 business hours information that the buyer can use to make  
1244 arrangements for retrieval of the property. If the buyer retrieves some  
1245 or all of the personal property more than fifteen days after the date on  
1246 which the motor vehicle was repossessed, the holder of the contract, or  
1247 an agent thereof maintaining custody of the personal property, may  
1248 charge the buyer a reasonable storage fee not to exceed twenty-five  
1249 dollars. Failure to furnish or mail such statement as required by this  
1250 section shall result in forfeiture of the holder's right to claim payment  
1251 for the actual and reasonable expenses of retaking and storage, and the  
1252 holder shall be liable for the actual damages suffered because of such  
1253 failure. If such goods are perishable so that retention for fifteen days  
1254 under this subsection would result in their destruction or substantial  
1255 injury, the provisions of this subsection shall not apply and the holder  
1256 of the contract may resell the goods immediately upon such retaking.

1257 (d) If the retail buyer does not redeem such goods within fifteen days  
1258 after the holder of the contract has retaken possession, the holder of the  
1259 contract shall sell such goods at public or private sale not less than  
1260 fifteen days and not more than one hundred eighty days after the  
1261 retaking. When the holder of the contract retakes possession by legal

1262 process, and an answer is interposed, the holder of the contract may, at  
1263 the holder's election, hold such retaken goods for a period not to exceed  
1264 thirty days after the entry of final judgment by a court of competent  
1265 jurisdiction entitling the holder of the contract to possession of such  
1266 goods before holding such resale. The holder of the contract shall give  
1267 the retail buyer not less than ten days' written notice of the time and  
1268 place of any public sale, or the time after which any private sale or other  
1269 intended disposition is to be made, either personally or by registered  
1270 mail or by certified mail, return receipt requested, directed to the retail  
1271 buyer at such retail buyer's last-known place of business or residence.  
1272 The holder of the contract may bid for such goods at any public sale.  
1273 The proceeds of the resale shall be considered to be either the amount  
1274 paid for such goods at such sale or the fair cash retail market value of  
1275 such goods at the time of repossession, whichever is the greater, except  
1276 as otherwise provided in subsection (g) of this section.

1277 (e) Proceeds of the resale shall be applied in the following order of  
1278 priority: (1) First, to the payment of the actual and reasonable expenses  
1279 of such resale, (2) if, after application pursuant to subdivision (1) of this  
1280 subsection, there are proceeds remaining, then to the payment of the  
1281 actual and reasonable expenses of any retaking and storing of said  
1282 goods, and (3) if, after application pursuant to subdivisions (1) and (2)  
1283 of this subsection, there are proceeds remaining, then to the satisfaction  
1284 of the balance due under the contract. Not later than thirty days after  
1285 the resale, the holder of the contract shall give the retail buyer a written  
1286 statement itemizing the disposition of the proceeds. Any sum remaining  
1287 after the satisfaction of such claims shall be paid to the retail buyer.

1288 (f) Even if the proceeds of the resale are insufficient to defray the  
1289 actual and reasonable expenses of such resale, and such actual and  
1290 reasonable expenses of any retaking and storing of such goods and the  
1291 balance due under the contract, the holder of the contract may not  
1292 recover the deficiency from the retail buyer or any surety or guarantor  
1293 for the retail buyer, or from anyone who has succeeded to the  
1294 obligations of such retail buyer, except as provided in subsection (g) of  
1295 this section.



1296 (g) If the goods retaken consist of a motor vehicle the aggregate cash  
1297 price of which was more than four thousand dollars, the prima facie fair  
1298 market value of such motor vehicle shall be calculated by adding  
1299 together the average trade-in value for such motor vehicle and the  
1300 highest-stated retail value for such motor vehicle and dividing the sum  
1301 of such values by two. Such average trade-in value and highest-stated  
1302 retail value shall be determined by the values as stated in the National  
1303 Automobile Dealers Association Used Car Guide, Eastern Edition, as of  
1304 the date of repossession. If an average trade-in value is not stated in said  
1305 guide, the highest-stated trade-in value stated in said guide for the  
1306 motor vehicle shall be used. If the goods retaken consist of a boat the  
1307 aggregate cash price of which was more than four thousand dollars, the  
1308 prima facie fair market value of such boat shall be calculated by adding  
1309 together the average trade-in value for such boat and the highest-stated  
1310 retail value for such boat and dividing the sum of such values by two.  
1311 Such average trade-in value and highest-stated retail value shall be  
1312 determined by the values as stated in the National Automobile Dealers  
1313 Association Appraisal Guide for Boats, Eastern Edition, as of the date of  
1314 repossession. If an average trade-in value is not stated in said guide, the  
1315 highest-stated trade-in value stated in said guide for the boat shall be  
1316 used. In the event that the value of such motor vehicle or boat is not  
1317 stated in such publication, the fair market value at retail minus the  
1318 reasonable costs of resale shall be determined by the court. The prima  
1319 facie evidence of fair market value of such motor vehicle or boat so  
1320 determined may be rebutted only by direct in-court testimony. If such  
1321 value of the motor vehicle or boat is less than the balance due under the  
1322 contract, plus the actual and reasonable expenses of the retaking of  
1323 possession, the holder of the contract may recover from the retail buyer,  
1324 or from anyone who has succeeded to such retail buyer's obligations, as  
1325 a deficiency, the amount by which such liability exceeds such fair  
1326 market value, as defined in this subsection. If the actual resale price  
1327 received by the holder exceeds such fair market value, as defined in this  
1328 subsection, the actual resale price shall govern.

1329 (h) After the holder retakes possession as provided in subsection (a)

1330 of this section, or if the holder obtains a prejudgment remedy against  
1331 the goods under chapter 903a, the retail buyer or anyone who has  
1332 succeeded to such retail buyer's obligations shall not be liable for any  
1333 balance due, except to the extent permitted by subsection (g) of this  
1334 section. The holder may seek a monetary judgment on the contract  
1335 against the retail buyer unless the goods have been repossessed, with or  
1336 without judicial process. Goods purchased under the contract shall not  
1337 be executed upon to satisfy such judgment. When such judgment  
1338 becomes final, the holder's security interest in the goods shall be  
1339 extinguished. If the contract covers a retail sale of a motor vehicle  
1340 required to be registered, the holder shall comply with section 14-188.

1341 (i) If the holder of the contract fails to comply with the provisions of  
1342 subsections (c), (d), (e), (f), (g) and (h) of this section, after retaking the  
1343 goods, the retail buyer may recover from the holder of the contract such  
1344 retail buyer's actual damages, if any, and in no event less than one-  
1345 fourth of the sum of all payments which have been made under the  
1346 contract.

1347 (j) No act or agreement of the retail buyer before or at the time of the  
1348 making of a retail installment contract or installment loan contract nor  
1349 any agreement or statement by the retail buyer in such contract shall  
1350 constitute a valid waiver of the provisions of subsections (c), (d), (e), (f),  
1351 (g), (h) and (i) of this section.

1352 (k) After the delivery of the goods to the retail buyer and prior to any  
1353 retaking of such goods by the holder of the contract, the risk of injury  
1354 and loss shall rest upon the retail buyer.

1355 (l) The commissioner may adopt regulations in accordance with the  
1356 provisions of chapter 54 to implement the provisions of this section.

1357 Sec. 17. Subsection (a) of section 8-265hh of the 2022 supplement to  
1358 the general statutes is repealed and the following is substituted in lieu  
1359 thereof (*Effective October 1, 2022*):

1360 (a) Upon approval of emergency mortgage or lien assistance

1361 payments, the authority shall enter into an agreement with the  
1362 homeowner for repayment of all such assistance with interest as  
1363 provided in this section. The agreement shall provide for monthly  
1364 payments by the homeowner after emergency mortgage or lien  
1365 assistance payments have ended and shall be subject to the following  
1366 provisions:

1367 (1) If the homeowner's total housing expense, including projected  
1368 repayments for assistance under this section, is greater than thirty-five  
1369 per cent of the homeowner's aggregate family income, repayment of the  
1370 emergency mortgage or lien assistance payments shall be deferred until  
1371 such total housing expense, including projected repayments for  
1372 assistance under this section, is less than or equal to thirty-five per cent  
1373 of such aggregate family income;

1374 (2) If repayment of emergency mortgage or lien assistance payments  
1375 is not made by the date the mortgage is paid in full, the homeowner  
1376 shall make monthly payments to the authority in an amount not less  
1377 than the monthly mortgage or lien payment until such assistance is  
1378 repaid;

1379 (3) Interest shall accrue on all emergency mortgage and lien  
1380 assistance payments made by the authority at a rate based upon the cost  
1381 of funds to the state periodically determined by the State Treasurer in  
1382 consultation with the authority. Interest shall start to accrue whenever  
1383 the homeowner is required to commence repayment under this section.

1384 Sec. 18. Subsection (b) of section 8-286 of the 2022 supplement to the  
1385 general statutes is repealed and the following is substituted in lieu  
1386 thereof (*Effective October 1, 2022*):

1387 (b) Not later than October 1, 2021, the authority shall establish  
1388 guidelines for issuing loans under the program. Such guidelines shall  
1389 permit the authority to (1) provide loans to borrowers with a debt-to-  
1390 income ratio equal to the highest debt-to-income ratio permitted by the  
1391 Federal Housing Administration, the Federal National Mortgage  
1392 Association and the Federal Home Loan Mortgage Corporation for

1393 residential mortgage loans, as applicable, subject to any other  
 1394 limitations of this chapter, and (2) consider (A) the application of a  
 1395 prospective borrower, regardless of the prospective borrower's credit  
 1396 score, and (B) nontraditional credit references submitted by the  
 1397 prospective borrower including, but not limited to, proof of  
 1398 employment or proof of rental and utility payments.

1399 Sec. 19. Subsection (f) of section 12-195h of the 2022 supplement to  
 1400 the general statutes is repealed and the following is substituted in lieu  
 1401 thereof (*Effective October 1, 2022*):

1402 (f) When providing the written notice required under subsection (e)  
 1403 of this section, the assignee may rely on the last recorded security  
 1404 interest of record in identifying the name and mailing address of the  
 1405 holder of such interest, unless the holder of such interest is the plaintiff  
 1406 in an action pending in Superior Court to enforce such interest, in which  
 1407 [the] case the assignee shall provide the written notice to the attorney  
 1408 appearing on behalf of the plaintiff."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	36a-535(2)
Sec. 2	<i>October 1, 2022</i>	36a-596
Sec. 3	<i>October 1, 2022</i>	36a-598(d)(1)
Sec. 4	<i>October 1, 2022</i>	New section
Sec. 5	<i>from passage</i>	36a-488
Sec. 6	<i>from passage</i>	36a-492
Sec. 7	<i>from passage</i>	36a-671d
Sec. 8	<i>October 1, 2022</i>	36a-801(i)
Sec. 9	<i>October 1, 2022</i>	36a-802(a)
Sec. 10	<i>from passage</i>	36a-811(b)
Sec. 11	<i>October 1, 2022</i>	31-76i
Sec. 12	<i>October 1, 2022</i>	36a-145(o)
Sec. 13	<i>October 1, 2022</i>	36a-412(d)
Sec. 14	<i>October 1, 2022</i>	New section
Sec. 15	<i>October 1, 2022</i>	36a-262(a)
Sec. 16	<i>October 1, 2022</i>	36a-785
Sec. 17	<i>October 1, 2022</i>	8-265hh(a)

---

Sec. 18	<i>October 1, 2022</i>	8-286(b)
Sec. 19	<i>October 1, 2022</i>	12-195h(f)