



General Assembly

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Raised Bill No. 1398

LCO No. 5379



Referred to Committee on BANKING

Introduced by:

(BA)

***AN ACT CONCERNING COMMUNITY REINVESTMENT BY BANKS
AND CREDIT UNIONS AND REPORTS, RECORDS, INSPECTIONS
AND EXAMINATIONS OF MORTGAGE LENDERS.***

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

1 Section 1. Subsections (a) to (c), inclusive, of section 36a-30 of the
2 general statutes are repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2025*):

4 (a) As used in sections 36a-30 to 36a-33, inclusive, as amended by this
5 act, unless the context otherwise requires:

6 (1) "Bank" means any bank or out-of-state bank that maintains in this
7 state a branch as defined in section 36a-410. "Bank" does not include
8 special purpose banks that do not perform commercial or retail banking
9 services in which credit is granted to the public in the ordinary course
10 of business, other than as an incident to their specialized operations,
11 including, but not limited to, banker's banks and banks that engage only
12 in one or more of the following activities: Providing cash management
13 controlled disbursement services or serving as correspondent banks,
14 trust companies or clearing agents.

15 (2) "Federal CRA" means (A) the federal Community Reinvestment
16 Act of 1977, 12 USC Section 2901 et seq., as from time to time amended,
17 and (B) the regulations implementing said act adopted by the federal
18 financial supervisory agencies as set forth in 12 CFR Part 25, 12 CFR Part
19 228, 12 CFR Part 345 and 12 CFR Part 563e, as from time to time
20 amended, and as applicable to the specific type of bank.

21 (3) "Federal financial supervisory agency" means the Office of the
22 Comptroller of the Currency, the Board of Governors of the Federal
23 Reserve System, the Federal Deposit Insurance Corporation, the Office
24 of Thrift Supervision and any successor to any of the foregoing agencies,
25 as applicable to the specific type of bank.

26 (4) "Minority" means an individual whose race is defined as other
27 than white, or whose ethnicity is defined as Hispanic or Latino by the
28 federal Office of Management and Budget for use by the Bureau of
29 Census of the United States Department of Commerce.

30 (5) "Minority-owned business" means any business of which fifty-one
31 per cent or more of the capital stock, if any, or assets are owned by a
32 minority who is active in the daily affairs of the business and has the
33 power to direct the management and policies of the business.

34 (6) "Women-owned business" means any business of which fifty-one
35 per cent or more of the capital stock, if any, or assets are owned by a
36 woman who is active in the daily affairs of the business and has the
37 power to direct the management and policies of the business.

38 (b) The commissioner shall assess the record of each bank in
39 satisfying its continuing and affirmative obligations to help meet the
40 credit needs of its local communities, including low and moderate-
41 income neighborhoods and minority or women-owned businesses,
42 consistent with the safe and sound operation of such banks, and shall
43 provide for the consideration of such records in connection with any
44 application listed in subsection (c) of section 36a-32.

45 (c) Each bank shall, in accordance with the provisions of federal CRA
46 and without excluding low and moderate-income neighborhoods or
47 minority or women-owned businesses, delineate the local community
48 or communities that comprise its entire community within this state or
49 delineate one or more assessment areas, as applicable, within which the
50 commissioner shall evaluate the bank's record of helping to meet the
51 credit needs of its entire community in this state. The commissioner
52 shall review the delineation for compliance with federal CRA and this
53 subsection in connection with an examination of the bank under section
54 36a-17.

55 Sec. 2. Subsections (a) and (b) of section 36a-32 of the general statutes
56 are repealed and the following is substituted in lieu thereof (*Effective*
57 *October 1, 2025*):

58 (a) In connection with the examination of a bank under section 36a-
59 17, the commissioner shall assess the record of the performance of the
60 bank in helping to meet the credit needs of its entire community,
61 including low and moderate-income neighborhoods and minority or
62 women-owned businesses, consistent with the safe and sound operation
63 of the bank. The commissioner shall assess the community reinvestment
64 performance of a bank utilizing the applicable methodology set forth in
65 federal CRA. In addition, the commissioner shall consider the following
66 in assessing a bank's record of performance:

67 (1) The bank's record of offering escrow accounts for purposes of
68 compliance with subsection (h) of section 47a-21;

69 (2) Efforts of the bank to work with delinquent residential mortgage
70 customers who are unemployed or underemployed to facilitate a
71 resolution of the delinquency; and

72 (3) Written comments received by the commissioner.

73 (b) (1) Upon the conclusion of the assessment required under
74 subsection (a) of this section, the commissioner shall prepare a written

75 evaluation of the bank's record of meeting the credit needs of its entire
76 community, including low and moderate-income neighborhoods and
77 minority or women-owned businesses. Each community reinvestment
78 performance evaluation prepared under this subsection shall have a
79 public section and a confidential section.

80 (2) The public section of the performance evaluation shall (A) state
81 the commissioner's assessment of the community reinvestment
82 performance of the bank utilizing the applicable methodology set forth
83 in federal CRA, (B) discuss the facts supporting such assessment and (C)
84 contain the bank's rating and a statement describing the basis for the
85 rating. The rating shall be one of the following: (i) Outstanding record
86 of meeting community credit needs; (ii) satisfactory record of meeting
87 community credit needs; (iii) needs to improve record of meeting
88 community credit needs; or (iv) substantial noncompliance in meeting
89 community credit needs. The commissioner shall furnish a copy of the
90 public portion of the performance evaluation to the bank upon its
91 completion.

92 (3) The confidential section of the performance evaluation shall
93 contain all references that identify any customer of the bank, any
94 employee or officer of the bank, or any person that has provided
95 information in confidence to the commissioner or to any federal
96 financial supervisory agency. The confidential section shall also contain
97 any statements obtained or made by the commissioner in the course of
98 an examination under section 36a-17 which, in the judgment of the
99 commissioner, are too sensitive or speculative in nature to disclose to
100 the bank or the public. The confidential section may be disclosed, in
101 whole or in part, to the bank if the commissioner determines that such
102 disclosure will promote the objectives of sections 36a-30 to 36a-33,
103 inclusive, as amended by this act, provided any such disclosure shall
104 not identify a person that has provided information in confidence to the
105 commissioner or to any federal financial supervisory agency.

106 Sec. 3. Subsections (a) to (c), inclusive, of section 36a-34 of the general

107 statutes are repealed and the following is substituted in lieu thereof
108 (*Effective October 1, 2025*):

109 (a) As used in subsection (b) of this section:

110 (1) "Eligible entity" means any entity that (A) received a composite
111 rating of one or two under the Uniform Financial Institutions Rating
112 System as a result of its most recent safety and soundness examination;
113 (B) received a compliance rating of one or two on its most recent
114 compliance examination; (C) received a satisfactory or better rating on
115 its most recent community reinvestment performance evaluation; (D) is
116 well capitalized, as defined in 12 CFR 324.403(b)(1), as amended from
117 time to time; (E) is not subject to a cease and desist order, consent order,
118 prompt correction action directive, written agreement, memorandum of
119 understanding or other administrative agreement with its primary state
120 or federal banking regulator; and (F) is not subject to any formal or
121 informal administrative action by its primary state or federal banking
122 regulator.

123 (2) "Entity" means the applicant or applicants except, in the case of an
124 approval pursuant to section 36a-411, "entity" means the subsidiaries of
125 the applicant holding company.

126 (3) "Federal CRA" has the same meaning as provided in subsection
127 (a) of section 36a-30, as amended by this act.

128 (4) "Minority" means an individual whose race is defined as other
129 than white, or whose ethnicity is defined as Hispanic or Latino by the
130 federal Office of Management and Budget for use by the Bureau of
131 Census of the United States Department of Commerce.

132 (5) "Minority-owned business" means any business of which fifty-one
133 per cent or more of the capital stock, if any, or assets are owned by a
134 minority who is active in the daily affairs of the business and has the
135 power to direct the management and policies of the business.

136 [(4)] (6) "Resulting entity" means: (A) In the case of an approval
137 pursuant to section 36a-145 and subdivision (2) of subsection (a) of
138 section 36a-412, the applicant; (B) in the case of an approval pursuant to
139 section 36a-125, the resulting Connecticut bank; (C) in the case of an
140 approval pursuant to section 36a-181, the Connecticut bank; (D) in the
141 case of an approval pursuant to section 36a-411, the bank to be acquired
142 or established; and (E) in the case of an approval pursuant to
143 subdivision (1) of subsection (a) of section 36a-412, the bank to be
144 acquired or the resulting bank.

145 (7) "Women-owned business" means any business of which fifty-one
146 per cent or more of the capital stock, if any, or assets are owned by a
147 woman who is active in the daily affairs of the business and has the
148 power to direct the management and policies of the business.

149 (b) The commissioner shall not grant any approval under section 36a-
150 125, subsections (b), (c) and (d) of section 36a-145, section 36a-181,
151 section 36a-411 or subdivisions (1) and (2) of subsection (a) of section
152 36a-412 unless the commissioner finds, in accordance with regulations
153 adopted pursuant to chapter 54, that (1) based on the most recent
154 applicable performance evaluation and any related information
155 required by the commissioner, the entity has a record of compliance
156 with the requirements of federal CRA, sections 36a-30 to 36a-33,
157 inclusive, as amended by this act, to the extent applicable, and
158 applicable consumer protection laws; and (2) except as otherwise
159 provided in this subsection, if the entity, and in the case of an approval
160 pursuant to section 36a-411, the bank or any subsidiary bank of the
161 Connecticut holding company, received any overall rating other than an
162 assigned rating of "outstanding" on its most recent applicable
163 community reinvestment performance evaluation, the resulting entity
164 will provide adequate services to meet the banking needs of all of the
165 community [residents] of such resulting entity, including low-income
166 residents, [and] moderate-income residents and minority or women-
167 owned businesses to the extent permitted by its charter, in accordance
168 with a plan submitted by the applicant to the commissioner, in such

169 form and containing such information as the commissioner may require,
170 or, if acceptable to the commissioner, in accordance with an approved
171 strategic plan prepared under federal CRA, or the relevant portion
172 thereof, that is submitted by the applicant to the commissioner. Upon
173 receiving any such plan, the commissioner shall make the plan available
174 for public inspection and comment at the Department of Banking and
175 cause notice of its submission and availability for inspection and
176 comment to be published in the department's weekly bulletin. With the
177 concurrence of the commissioner, the applicant or applicants shall
178 publish, in the form of a legal advertisement in a newspaper having a
179 substantial circulation in the area, notice of such plan's submission and
180 availability for public inspection and comment. The notice shall state
181 that the inspection and comment period will last for a period of thirty
182 days from the date of publication. The commissioner shall not make
183 such finding until the expiration of such thirty-day period. In making
184 such finding, the commissioner shall, unless clearly inapplicable,
185 consider, among other factors, whether the plan identifies specific
186 unmet credit and consumer banking needs in the local community and
187 specifies how such needs will be satisfied, provides for sufficient
188 distribution of banking services among branches or satellite devices, or
189 both, located in low-income neighborhoods, contains adequate
190 assurances that banking services will be offered on a nondiscriminatory
191 basis and demonstrates a commitment to extend credit for housing,
192 small business, minority or women-owned business and consumer
193 purposes in low-income neighborhoods. The submission of such plan
194 shall not be required in the case of an approval under subsection (d) of
195 section 36a-145, provided, the commissioner may require the filing of
196 such information in lieu of a plan as the commissioner deems
197 appropriate. If the commissioner determines that an applicant is an
198 eligible entity, the commissioner may (A) exempt such applicant from
199 the requirement that such applicant file a plan, or (B) require such
200 information in lieu of a plan as the commissioner deems appropriate.
201 Except with respect to an approval pursuant to section 36a-145 and
202 section 36a-181, the commissioner shall not approve the transaction if

203 the transaction would result in a monopoly, or would be in furtherance
204 of any combination or conspiracy to monopolize or attempt to
205 monopolize the business of banking in this state or if the commissioner
206 determines that the effect of the proposed transaction may be to
207 substantially lessen competition, or would tend to create a monopoly,
208 or would be in restraint of trade, unless the commissioner finds that the
209 anticompetitive effects of the proposed transaction are clearly
210 outweighed in the public interest by the probable effect of the
211 transaction in meeting the convenience and needs of the community to
212 be served.

213 (c) The commissioner shall not make a determination stating that the
214 commissioner does not disapprove an offer, invitation, request,
215 agreement or acquisition pursuant to section 36a-185 unless the
216 commissioner finds, in accordance with regulations adopted pursuant
217 to chapter 54, that (1) based on the most recent applicable performance
218 evaluation and any related information required by the commissioner,
219 the acquiring person, if such person is a bank or out-of-state bank, and
220 the acquiring person's subsidiaries, if such person is a holding company,
221 has a record of compliance with the requirements of federal CRA,
222 sections 36a-30 to 36a-33, inclusive, as amended by this act, to the extent
223 applicable, and applicable consumer protection laws; and (2) except as
224 otherwise provided in this subsection, if the bank or any banking
225 subsidiary of the holding company referred to in the acquisition
226 statement received any overall rating other than an assigned rating of
227 "outstanding" on its most recent applicable community reinvestment
228 performance evaluation, such bank or banking subsidiary will provide
229 adequate services to meet the banking needs of all of the community
230 [residents] of such bank or banking subsidiary, including low-income
231 residents, [and] moderate-income residents and minority or women-
232 owned businesses to the extent permitted by its charter or their charters.
233 If the acquiring person is not a natural person, or if the acquiring person
234 is a natural person who would be the beneficial owner of twenty-five
235 per cent or more of any class of voting securities of the bank or holding

236 company referred to in the acquisition statement, the finding as to the
237 adequacy of services to be provided shall be based on a plan submitted
238 by the acquiring person to the commissioner, in such form and
239 containing such information as the commissioner may require, or, if
240 acceptable to the commissioner, in accordance with an approved
241 strategic plan prepared under federal CRA, or the relevant portion
242 thereof, that is submitted by the acquiring person to the commissioner.
243 Upon receiving any such plan, the commissioner shall make the plan
244 available for public inspection and comment at the Department of
245 Banking and cause notice of its submission and availability for
246 inspection and comment to be published in the department's weekly
247 bulletin. With the concurrence of the commissioner, the acquiring
248 person shall publish, in the form of a legal advertisement in a newspaper
249 having a substantial circulation in the area, notice of such plan's
250 submission and availability for public inspection and comment. The
251 notice shall state that the inspection and comment period will last for a
252 period of thirty days from the date of publication. The commissioner
253 shall not make such finding until the expiration of such thirty-day
254 period. In making such finding, the commissioner shall consider, among
255 other factors, whether the plan identifies specific unmet credit and
256 consumer banking needs in the local community and specifies how such
257 needs will be satisfied, provides for sufficient distribution of banking
258 services among branches or satellite devices, or both, located in low-
259 income neighborhoods, contains adequate assurances that banking
260 services will be offered on a nondiscriminatory basis and demonstrates
261 a commitment to extend credit for housing, small business, minority or
262 women-owned business and consumer purposes in low-income
263 neighborhoods. The commissioner may exempt an acquiring person
264 from the requirement that such acquiring person file a plan if the
265 commissioner determines that the bank or banking subsidiary referred
266 to in the acquisition statement is an eligible entity. If the acquiring
267 person is a natural person who would be the beneficial owner of less
268 than twenty-five per cent of all classes of voting securities of the bank or
269 holding company referred to in the acquisition statement, the

270 commissioner shall make the finding as to adequacy of services to be
271 provided based on the commitment of the acquiring person to use the
272 acquiring person's best efforts to cause such bank or banking
273 subsidiaries of such holding company to provide such services. The
274 commissioner shall not make a determination stating that the
275 commissioner does not disapprove such offer, invitation, request,
276 agreement or acquisition if such offer, invitation, request, agreement or
277 acquisition would result in a monopoly, or would be in furtherance of
278 any combination or conspiracy to monopolize or attempt to monopolize
279 the business of banking in this state or if the commissioner should
280 determine that the effect of the proposed offer, invitation, request,
281 agreement or acquisition may be to substantially lessen competition, or
282 would tend to create a monopoly, or would be in restraint of trade,
283 unless the commissioner finds that the anticompetitive effects of the
284 proposed transaction are clearly outweighed in the public interest by
285 the probable effect of the transaction in meeting the convenience and
286 needs of the community to be served.

287 Sec. 4. Section 36a-37 of the general statutes is repealed and the
288 following is substituted in lieu thereof (*Effective October 1, 2025*):

289 As used in sections 36a-37 to 36a-37e, inclusive, as amended by this
290 act:

291 (1) "Assessment area" means one or more of the geographic areas as
292 delineated by a community credit union that (A) consist of one or more
293 metropolitan statistical areas or one or more contiguous political
294 subdivisions, including, but not limited to, counties, cities or towns, (B)
295 include geographies in which the community credit union has its
296 principal office, subsidiary offices and share-taking automated teller
297 machines, and (C) include the surrounding geographies in which the
298 community credit union originates or purchases a substantial portion of
299 its loans.

300 (2) "Community credit union" means a Connecticut credit union that

301 has ten million dollars or more in total assets and the membership of
302 which is limited to persons within a well-defined community,
303 neighborhood or rural district as provided in subsection (a) of section
304 36a-438a.

305 (3) "Community reinvestment performance" means the performance
306 of a community credit union in helping to meet the credit needs of its
307 entire community, including low-income and moderate-income
308 neighborhoods and minority or women-owned businesses.

309 (4) "Minority" means an individual whose race is defined as other
310 than white, or whose ethnicity is defined as Hispanic or Latino by the
311 federal Office of Management and Budget for use by the Bureau of
312 Census of the United States Department of Commerce.

313 (5) "Minority-owned business" means any business of which fifty-one
314 per cent or more of the capital stock, if any, or assets are owned by a
315 minority who is active in the daily affairs of the business and has the
316 power to direct the management and policies of the business.

317 (6) "Women-owned business" means any business of which fifty-one
318 per cent or more of the capital stock, if any, or assets are owned by a
319 woman who is active in the daily affairs of the business and has the
320 power to direct the management and policies of the business.

321 Sec. 5. Subsections (a) to (c), inclusive, of section 36a-37a of the
322 general statutes are repealed and the following is substituted in lieu
323 thereof (*Effective October 1, 2025*):

324 (a) Each community credit union shall satisfy its continuing and
325 affirmative obligation to help meet the credit needs of its community,
326 including low-income and moderate-income neighborhoods and
327 minority or women-owned businesses, consistent with the safe and
328 sound operation of such community credit union.

329 (b) Not later than six months following July 1, 2001, each community

330 credit union shall delineate one or more assessment areas within which
331 the commissioner shall evaluate the community credit union's
332 community reinvestment performance in this state and shall file such
333 delineations with the commissioner. An assessment area shall consist
334 only of whole geographies, and may not (1) reflect illegal
335 discrimination, (2) arbitrarily exclude low-income or moderate-income
336 geographies, or (3) extend substantially beyond a consolidated
337 metropolitan statistical area boundary or beyond a state boundary,
338 unless the assessment area is located in a multistate metropolitan
339 statistical area. A community credit union may adjust the boundaries of
340 its assessment areas to include only the portion of a political subdivision
341 that it reasonably can be expected to serve. A community credit union
342 shall immediately file an amendment with the commissioner reflecting
343 an adjustment of the boundaries of an assessment area.

344 (c) The commissioner shall assess periodically the community
345 reinvestment performance of a community credit union consistent with
346 the safe and sound operation of the community credit union. The
347 commissioner shall assess the community reinvestment performance of
348 such community credit union based on: (1) The community credit
349 union's record of helping to meet the credit needs of its assessment area
350 or areas through qualified investments that benefit its assessment area
351 or areas or a broader state-wide or regional area that includes its
352 assessment area or areas; (2) the community credit union's record of
353 helping to meet the credit needs of its assessment area or areas, by
354 analyzing both the availability and effectiveness of its systems for
355 delivering retail credit union services and the extent and innovativeness
356 of its community development services; (3) loan-to-share ratio given the
357 community credit union's size and financial condition, credit needs of
358 the assessment area or areas, other lending-related activities,
359 considering seasonal variations, as used in 12 CFR 228.26; (4) percentage
360 of total loans and other lending-related activities within the assessment
361 area or areas; (5) record of lending and other lending-related activities
362 to borrowers of different income levels, minority or women-owned

363 businesses and businesses and farms of different sizes; (6) geographic
364 distribution of loans; (7) action taken in response to written complaints
365 with respect to community reinvestment performance; (8) efforts of the
366 community credit union to work with delinquent residential mortgage
367 customers who are unemployed or underemployed to facilitate a
368 resolution of the delinquency; and (9) written comments received by the
369 commissioner.

370 Sec. 6. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

371 (1) "Commissioner" means the Banking Commissioner;

372 (2) "Licensee" means a mortgage lender licensed under section 36a-
373 489 of the general statutes;

374 (3) "Mortgage lender" has the same meaning as provided in section
375 36a-485 of the general statutes; and

376 (4) "Residential mortgage loan" has the same meaning as provided in
377 section 36a-485 of the general statutes.

378 (b) (1) Each licensee shall annually, on or before a date determined by
379 the commissioner, file a report with the commissioner and such records
380 pertaining to the business conducted by the licensee in the state during
381 the preceding calendar year as the commissioner may require. Such
382 report shall be in a form and manner prescribed by the commissioner.
383 A licensee that fails to file or amend such report within fifteen days after
384 receiving notice from the commissioner requesting such report or
385 amendment shall be fined fifty dollars for each day during which such
386 failure continues, unless the licensee demonstrates justifiable cause for
387 such failure.

388 (2) A licensee shall keep such records, in a form and manner
389 prescribed by the commissioner, as necessary to enable the
390 commissioner to determine whether such licensee is conducting
391 business in accordance with the provisions of this section, part I of

392 chapter 668 of the general statutes, any regulation promulgated by the
393 commissioner under this section or part I of chapter 668 of the general
394 statutes and any other law or regulation applicable to the conduct of the
395 licensee for which such licensee is licensed under section 36a-489 of the
396 general statutes. Each such licensee shall preserve all such records for a
397 period prescribed by the commissioner.

398 (3) Records required pursuant to this section shall be in addition to
399 the records required under section 36a-493 of the general statutes.

400 (4) Service of a subpoena for records required pursuant to this section
401 by delivery to an office of a licensee located within the state shall be
402 deemed to have been served at the location, whether within or outside
403 the state, where the original records are kept or maintained.

404 (c) (1) The commissioner shall inspect the records required pursuant
405 to this section, section 36a-493 of the general statutes, part I of chapter
406 668 of the general statutes, any regulation promulgated by the
407 commissioner under this section or part I of chapter 668 of the general
408 statutes and any other law or regulation applicable to the conduct of the
409 licensee for which such licensee is licensed under section 36a-489 of the
410 general statutes. For the purposes of such inspection, the commissioner
411 shall have access to the offices, places of business, books, accounts,
412 papers, records and files of licensees. The commissioner may require the
413 attendance and testimony of any person whom the commissioner deems
414 necessary relative to the conduct of such licensee's business. The total
415 cost for any such inspection shall be paid by the licensee not later than
416 thirty days after receipt of an invoice from the commissioner, including,
417 but not limited to, any expense necessary for travel outside the state for
418 the purpose of conducting such inspection.

419 (2) If, during the course of such inspection, the commissioner
420 determines that a licensee has made not less than fifty residential
421 mortgage loans in the preceding calendar year, the commissioner shall
422 examine such licensee to assess such licensee's compliance with fair

423 lending laws, including, but not limited to, the federal Equal Credit
424 Opportunity Act, 15 USC 1691 et seq., as amended from time to time,
425 and the Home Mortgage Disclosure Act set forth in sections 36a-735 to
426 36a-744, inclusive, of the general statutes. Such examination shall also
427 include, but need not be limited to, an evaluation of (A) such licensee's
428 origination of loans and other efforts to assist low and moderate income
429 individuals to be able to acquire or remain in affordable housing at rates
430 and terms that are reasonable in consideration of the licensee's history
431 of lending to similarly situated individuals, the availability of mortgage
432 loan products suitable for low and moderate income individuals and
433 safe and sound business practices, (B) any pattern regarding such
434 licensee's loan origination that shows an undue concentration or system
435 of lending resulting in the loss of affordable housing, (C) such licensee's
436 efforts to facilitate resolutions of delinquencies on residential mortgage
437 loans, (D) such licensee's efforts to ensure public notice of examinations
438 of such licensee and the right of interested parties to submit to the
439 commissioner written comments related to such examinations, and (E)
440 any other efforts of such licensee to comply with fair lending laws and
441 to meet the residential mortgage loan needs of communities in the state.

442 (3) Upon the completion of such examination, the commissioner shall
443 prepare a written evaluation of such licensee's record of performance,
444 which shall be open to public inspection upon request. Such written
445 evaluation shall include (A) the information used to assign the licensee's
446 descriptive rating pursuant to subdivision (4) of this subsection, (B) the
447 conclusions made by the commissioner, (C) the facts supporting such
448 conclusions, and (D) the descriptive rating assigned to the licensee on
449 the basis of such information, conclusions and facts.

450 (4) On the basis of such examination, the commissioner shall assign
451 the licensee one of the following descriptive ratings: (A) Outstanding
452 record of performance in meeting the residential mortgage loan needs
453 of communities in the state, (B) high satisfactory record of performance
454 in meeting the residential mortgage loan needs of communities in the
455 state, (C) satisfactory record of performance in meeting the residential

456 mortgage loan needs of communities in the state, (D) needs to improve
457 the record of performance in meeting the residential mortgage loan
458 needs of communities in the state, or (E) substantial noncompliance in
459 meeting the residential mortgage loan needs of communities in the state.

460 (5) Notwithstanding the provisions of this subsection, the
461 commissioner may establish an alternative examination procedure for a
462 licensee that, for the most recent examination, was assigned a rating of
463 outstanding or high satisfactory as described in subparagraphs (A) and
464 (B) of subdivision (4) of this subsection.

465 (6) For the purposes of an examination conducted pursuant to this
466 subsection, the commissioner shall not consider a loan origination or
467 loan purchase with respect to a licensee if another licensee claims the
468 same loan origination or loan purchase for the purposes of such other
469 licensee's examination under this subsection.

470 (7) The commissioner shall furnish a copy of records of an
471 examination conducted pursuant to this subsection to a licensee for such
472 licensee's use, provided such licensee shall not disclose such records to
473 any other person, organization or agency without receiving prior
474 written approval from the commissioner.

475 (d) In considering an application from a licensee for a renewal of a
476 license issued under section 36a-489 of the general statutes, the
477 commissioner shall consider the written evaluation of such licensee's
478 record of performance prepared pursuant to subdivision (3) of
479 subsection (c) of this section. Such evaluation may provide a basis for
480 the denial of such renewal application.

481 (e) (1) The commissioner shall preserve a record of each investigation
482 and examination of a licensee conducted pursuant to this section. All
483 such records of investigations and examinations, information derived
484 from such investigations and examinations or created in response to
485 such investigations and examinations and any copies of such records
486 and information (A) shall be confidential and privileged

487 communications, (B) shall not be subject to subpoena, and (C) shall not
488 be deemed public records for the purposes of the Freedom of
489 Information Act, as defined in section 1-200 of the general statutes. For
490 the purpose of this subsection, such records of investigations and
491 examinations include, but are not limited to, records of investigations
492 and examinations conducted by a banking regulatory agency of the
493 federal government or another state or a foreign government that are
494 considered confidential by such agency or foreign government and are
495 in the commissioner's possession.

496 (2) The commissioner may furnish to a regulatory agency of the
497 federal government or another state, a foreign country or a law
498 enforcement agency any record of an investigation or examination of a
499 licensee conducted pursuant to this section.

500 (3) In any proceeding before a court, the court may issue a protective
501 order in appropriate circumstances to protect the confidentiality of any
502 such record and order that any such record on file with the court or filed
503 in connection with the court proceeding be sealed and that the public be
504 excluded from any portion of the proceeding at which any such record
505 is disclosed.

506 (f) The commissioner shall adopt regulations, in accordance with the
507 provisions of chapter 54 of the general statutes, to carry out the
508 provisions of this section. Such regulations may (1) provide for the
509 suspension or revocation of a licensee's license for a violation of the
510 provisions of this section, and (2) require licensees to record, copy or
511 reproduce records required pursuant to this section, provided nothing
512 in this section shall be construed to permit a licensee to destroy original
513 records or documents required pursuant to this section, part I of chapter
514 668 of the general statutes, any regulation promulgated by the
515 commissioner under this section or part I of chapter 668 of the general
516 statutes or any other law or regulation applicable to the conduct of the
517 licensee for which such licensee is licensed under section 36a-489 of the
518 general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025</i>	36a-30(a) to (c)
Sec. 2	<i>October 1, 2025</i>	36a-32(a) and (b)
Sec. 3	<i>October 1, 2025</i>	36a-34(a) to (c)
Sec. 4	<i>October 1, 2025</i>	36a-37
Sec. 5	<i>October 1, 2025</i>	36a-37a(a) to (c)
Sec. 6	<i>October 1, 2025</i>	New section

Statement of Purpose:

To (1) define "minority", "minority-owned business" and "women-owned business" for the purposes of banking and credit union statutes concerning community reinvestment, (2) add various references to minority or women-owned businesses to banking and credit union statutes concerning community reinvestment, (3) require mortgage lenders to file certain reports and records, (4) require inspections of mortgage lenders, and (5) require examinations of certain mortgage lenders to assess such lenders' compliance with fair lending laws.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]