

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-214		6169	2	1	1
<u>Committee Pages:</u> <ul style="list-style-type: none"> <i>Banking 378-379</i> 				<u>House Pages:</u> <ul style="list-style-type: none"> <i>1881</i> 	<u>Senate Pages:</u> <ul style="list-style-type: none"> <i>1592</i>

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
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Thursday, April 29, 1971 32.

Will you remark further. If not, the question's on acceptance and passage. All those in favor will indicate by saying "aye". All those opposed. The Bill is passed. EFH

THE CLERK:

Calendar No. 531, Substitute for H.B. No. 6169, an Act to define first mortgages on real estate for savings and loan associations.

GEORGE W. HANNON, JR.:

Mr. Speaker, I move acceptance of the Joint Committee's favorable report and passage of the Bill.

MR. SPEAKER:

Question's on acceptance of the Joint Committee's favorable report and passage of the Bill. Will you remark.

GEORGE W. HANNON, JR.:

Yes, Mr. Speaker. The Bill deals with Section F to further define...excuse me, just one moment...of the General Statutes 36-172 to further define the first mortgage loan as a first lien and dealing further with a lease hold which the savings and banks ...savings and loan acquires, which would make sure that had a lease whose length was not to mature for at least a number of years beyond the maturity date of the mortgage. I move its passage.

MR. SPEAKER:

Will you remark further. If not, question's on acceptance of the Joint Committee's favorable report and passage of the Bill. All those in favor will indicate by saying "aye". All those opposed. The Bill is passed.

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**CONNECTICUT
GENERAL ASSEMBLY**

SENATE

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THE CLERK:

CAL. NO. 520. File No. 480. Favorable report of the joint committee on Banks and Regulated Activities. Substitute House Bill 6166. An Act Concerning Fines Limitation On Savings and Loan Associations.

SENATOR BUCKLEY:

Mr. President, I would like to talk to you, afterwards, about what your conversation was with Senator Neidtz.

The bill would increase the right of the penalty that might be charged by Savings and Loan Associations for delinquencies from 2% to 4%.

THE CHAIR:

The question is on passage. I'm not sure what the bill is. The question is on passage will you remark further? If not, all those in favor of passage signify by saying, "aye". Opposed, "nay". The bill is passed.

THE CLERK:

CAL. NO. 521. File No. 489. Favorable report of the joint committee on Banks and Regulated Activities. Substitute House Bill 6169. An Act To Define First Mortgages on Real Estate for Savings and Loan Associations.

SENATOR BUCKLEY:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill.

The bill will allow the Savings and Loan Associations to make first mortgages on real estate on buildings located and leased real estate.

THE CHAIR:

The question is on passage. Will you remark further? If not, all those in favor of passage say, "aye". Opposed, "nay". The bill is passed.

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that Internal Revenue is going to require, effective January 1 of '72, that you have to use five years for a private plan and yours would be a private plan.

Mr. Bruno: Well...

Rep. Healey: I would suggest that you'd better check it. I may be in error.

Mr. Bruno: I see. Well, is it possible that it would, there would be anything prior to that would be anything within this range that we're talking about, would it change the tax status or would it preclude anything under five years?

Rep. Healey: Somebody mentioned it to me yesterday afternoon. I have not had a chance to look at the Revenue procedure to which he referred. He was generalizing, but my recollection was you could not qualify a plan for your tax exemption unless the, it was based on a minimum of five.

Mr. Bruno: All right, fine. Thank you. I check that out.

Rep. Blake: Anyone else wish to speak in favor of 6168? Any opposition? Seeing none, the hearing on 6168 is concluded. We'll now go on to 6169.

HB-6169 (Rep. Healey) AN ACT TO DEFINE FIRST MORTGAGES ON REAL ESTATE FOR SAVINGS AND LOAN ASSOCIATIONS.

Stephen K. Elliott: For the record, Stephen K. Elliott, speaking in behalf of the savings and loan associations.

I, we would request that the word "investments" in Line 22 was a typographical error and the word "instrument" should be substituted in lieu of "investments".

The purpose of this bill is to define a first mortgage on real estate to include an instrument which shall constitute a first lien on real estate in fee simple or on a leasehold. Favorable...action on this bill will allow state-chartered savings and loan associations to make loans secured by leasehold interests, thus placing them on a par with state-chartered mutual savings banks and Federal-chartered savings and loan associations. Many multi-family housing projects are constructed on leased land. Under existing statutory

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regulations, state-chartered associations are precluded from making loans on such projects. Thus, these associations cannot completely fulfill the need for which they were originally established, and we speak in favor of this bill.

Rep. Blake: Anyone else wish to speak in favor of 6169? Any opposition? 6169, yeh. O.K.

Mr. Elliott: If I may make just one comment at this moment, it's not on Bill 6169, but we did have a bill also 6170, which I assume was inadvertently omitted from the calendar here. It concerns 90% loans up to \$35,000, and I assume it'll be assigned at some subsequent date. I'll just call it to the attention of the committee. Thank you.

Rep. Blake: Is there any opposition to 6169? Seeing none, well the hearing is concluded on 6169. Now move on to 6171. Any in favor of 6171?

HB-6171 (Rep. Healey) AN ACT PERMITTING SAVINGS AND LOAN ASSOCIATIONS TO HOLD REAL ESTATE.

Charles Bruno: "An Act Permitting Savings And Loan Associations To Hold Real Estate". Enact of House Bill, pardon me, enactment of HB-6171 will esta---will allow state-chartered savings and loan associations to invest in real property, either for rental or for resale, in exactly the same manner state-chartered mutual savings banks are now authorized to do. Favorable action on this bill will allow savings and loan associations to become more deeply involved in multiple family housing projects, by allowing them to invest up to 5% of their assets in real estate. They will be able to serve their community more fully by making full utilization of the housing expertise they possess and by taking the initiative in the development of multi-family housing projects.

In many smaller communities, there just are not enough people capable of providing sufficient equity interest on a private basis to produce the much-needed multiple-family housing units. Passage of this bill will make more urgently needed capital available for the development of real estate.

Rep. Blake: Thank you. Anyone else who wishes to speak in favor of 6171? Any...

Rep. Ritter: Question. Ritter of the 6th. I gather this