

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-258		6163	2	1	2
<u>Committee Pages:</u> <ul style="list-style-type: none"> • <i>Banking</i> 373-374 				<u>House Pages:</u> <ul style="list-style-type: none"> • 1883 	<u>Senate Pages:</u> <ul style="list-style-type: none"> • 1694-1695

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
PART 4
1451-1967**

Thursday, April 29, 1971 39.

THE CLERK:

Calendar No. 535, Substitute for H.B. No. 6163, an Act to provide the prudent investment privilege for stocks pledged to savings and loan associations for notes.

OWEN L. CLARK:

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

MR. SPEAKER:

Question's on acceptance and passage. Will you remark.

OWEN L. CLARK:

This Bill is in reference to the present Statutes 36-178 in 1969 Supplement, and it would permit a savings and loan association to accept as a pledge, or a savings and loan, securities evaluated under a prudent investment rule. Presently they may accept only those securities which are legal under investments by a savings bank. This equalization, savings banks already have this provision. I urge the passage.

MR. SPEAKER:

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

THE CLERK:

Calendar No. 536, Substitute for H.B. No. 5719, an Act concerning municipal liability for damages done by mobs.

CARL R. AJELLO, JR.:

Mr. Speaker, may this be passed temporarily. The

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**CONNECTICUT
GENERAL ASSEMBLY**

SENATE

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8.

Page 6 of the Calendar, may we take up Cal. 579, hold 580 and 581. Take up 582, 585 and 586. On page 7 of the Calendar may we take up Cal. 589, 592. Page 8 of the Calendar, may we take up Cal. 594, 596, 597, 599 and 600, 601.

On page 9, of the Calendar may we take up Cal. 602, 603.

On page 17 of the Calendar may we take up Cal. 249, and may we hold all others double starred items which may not have been mentioned by me and I move for suspension of the rules to take up all the single starred items that I mentioned.

THE CHAIR:

There being no objection the various motions you have made. It is so ordered.

THE CLERK:

Page 3 of your Calendar, Cal. 519, File 481 F^Avorable report joint standing committee on Banks and Regulated Activities on Substitute H.B. 6163 An Act to Provide the Prudent Investment Privilege for Stocks Pledged to Savings and Loan Associations for Notes.

THE CHAIR:

S_anator Buckley.

SENATOR BUCKLEY:

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

THE CHAIR:

Will you remark?

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SENATOR BUCKLEY:

Mr. President, this section of the Statutes concerns loans and the, what assets will be pledged to Savings and Loans Assoc. for notes. It removes bond provisions in line 18 and subsequent line. Authorizes the bonds being pledged without the limitations of the previous words in line 35. And vests in the Savings and Loan the right to determine whether the various items of security pledged are adequate in nature to secure the loan.

THE CHAIR:

The question is on passage of the bill. Will you remark further? If not all those in favor of passage signify by saying aye. Opposed nay? The ayes have it. The bill is passed.

THE CLERK:

Cal. 531, File 690 Favorable report joint standing committee on Judiciary Substitute S.B. 1797 An Act Concerning Amendments to the Medicolegal Investigations Act.

The Clerk has an amendment.

THE CHAIR:

Senator Jackson.

SENATOR JACKSON:

Mr. President, I move acceptance of the joint committee's favorable report and pasage of the bill. And I would ask the Clerk to read the amendment.

THE CLERK:

Senate Amend. A. as offered by Senator Jackson. In Sec.11

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seek authorization for credit unions to issue credit cards, nor does it authorize establishment of revolving loan accounts.

Under existing National Credit Union Administration regulations, Federal credit unions are already permitted such open-end loans. The proposal now before the committee would merely extend this prerogative to state-chartered credit unions. It has been introduced in response to the suggestion of the credit union supervisors in the State Banking Department. There is some question at the present time whether or not state-chartered credit unions, by the present language of the present act, can indeed give pre-approved amounts of credit to the members.

May I submit my statement, and thank you very much for the privilege. (SEE ATTACHMENT TWENTY)

Rep. Blake: Thank you, sir. Anyone else wish to speak in favor of 6811? Any opposition to 6811?

William Hickey, Connecticut Bankers Association: This bill, of course, is very similar to HB-5192 that was considered earlier and I think that the same arguments that we made in opposition at that time are pertinent here. This would empower the credit unions to make a loan that would not be repaid on an amortized basis, which is their present---which is the present requirement of such loans. We think that it's a departure that is not necessary and is not in line with the purposes of a credit union, and it's on that basis that we oppose it.

Rep. Blake: Thank you very much. Any other opposition? Hearing none, the hearing on this bill is concluded. We go right back to the calendar and open up the hearing on No. 5439. Any in favor on 5439?

HB-5439 (Rep. Clark) AN ACT TO PERMIT CREDIT UNIONS TO INCREASE INTERESTS PAID TO MEMBERS.

Rep. Blake: Seeing none, any opposition to 5439? Seeing none, the hearing on 5439 is concluded. We'll now move on to 6163. Any in favor of 6163?

HB-6163 (Rep. Healey) AN ACT TO PROVIDE THE PRUDENT INVESTMENT PRIVILEGE FOR STOCKS PLEDGED TO SAVINGS AND LOAN ASSOCIATIONS FOR NOTES.

Stephen K. Elliott: For the record, my name is Stephen K. Elliott, speaking in behalf of the Savings and Loan

BANKS AND REGULATED ACTIVITIES

WEDNESDAY

MARCH 24, 1971

Associations of Connecticut.

At the outset, I would like to call to the committee's attention that, inadvertently, when this bill was drafter, on Lines 46, 47 and 48 of Page 2, there was some language inserted that should have not been inserted, and we would like to have deleted in Line 46 starting with the word "authorized" through the word "associations" on Line 48. That language---so Section C would read "any stocks, bonds or other investment securities, which based on quality and marketability, are deemed by the lending institutions to be appropriate security for such notes". The present section of the statute establishes criteria ---it's 36-178---for stocks that may be accepted as security for notes. The enactment of this bill will remove the statutory criteria and allow the institution to determine what stocks and bonds are appropriate security based on quality and merchantability. This would put us in the same position as savings banks presently enjoy. So that we could accept this type of security if we deemed it prudent as security for a loan. Thank you.

Rep. Blake: Anyone else wish to speak in favor of 6163? Seeing none, anyone wish to speak in opposition to 6163? Seeing none, the hearing on 6163 is concluded. We'll now move on to 6164. Any wish to speak in favor?

HB-6164 (Rep. Healey) AN ACT TO PROVIDE THAT THE EMPLOYEES OF THE SAVINGS AND LOAN LEAGUE OF CONNECTICUT MAY PARTICIPATE IN RETIREMENT BENEFITS WITH EMPLOYEES OF SAVINGS AND LOAN ASSOCIATIONS.

Charles Bruno: Mr. Chairman, I'm Charles Bruno, President of the Danbury Savings and Loan Association in Danbury, Connecticut, and also a member of the Legislative Committee of the Savings and Loan League of Connecticut.

Savings and loan associations of Connecticut are in favor of Bill 6164. Presently, the employees of the Savings and Loan League of Connecticut are precluded from participating in the group retirement program that is available to all savings and loan associations in the state. Section 36-176 of the General Statutes allows seven or more savings and loan associations to participate in a group retirement plan. This bill will expand the language to include the Savings and Loan League of Connecticut, as well as the seven or more savings and loan associations, thus enabling the