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Legislative History for Connecticut Act

**Act Number:** PA 04-69  
**Bill Number:** 5411  
**Senate Pages:** 1477, 1518-1519 3  
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**Committee:** Banks: 75, 77-78, 185-190 9

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
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S-495

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
2004

VOL. 47  
PART 5  
1227-1521

pat

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001477

Senate

April 22, 2004

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Calendar 442, H.B. 5411, Madam President, would  
move to place this item on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Calendar 444, H.B. 5452, Madam President, would  
move to place this item on the Consent Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Calendar 447, H.B. 5561, likewise, Madam  
President, would move to place this item on the Consent  
Calendar.

THE CHAIR:

Without objection, so ordered.

SEN. LOONEY:

Thank you, Madam President. Calendar Page 15,  
Calendar 448 should be marked passed retaining its  
place on the Calendar.

Calendar 449, H.B. 5196, Madam President, I would  
move to place this item on the Consent Calendar.

THE CHAIR:

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001518

Senate

April 22, 2004

Calendar 442, Substitute for H.B. 5411.

Calendar 444, H.B. 5452.

Calendar 447, H.B. 5561.

Calendar Page 15, Calendar 449, H.B. 5196.

Calendar 450, Substitute for H.B. 5341.

Calendar 451, H.B. 5567.

Calendar 452, H.B. 5629.

Calendar 454 H.B. 5401.

Calendar Page 16, Calendar 456, Substitute for

H.B. 5507.

Calendar 457, H.B. 5490, correction, 5479.

Calendar 458, Substitute for H.B. 5483.

Calendar 459, Substitute for H.B. 5181.

Calendar Page 17, Calendar 463, Substitute for

H.B. 5366.

Calendar 466, Substitute for H.B. 5635.

Calendar Page 20, Calendar 149, S.B. 477.

Calendar Page 28. Calendar 431, S.B. 150.

Calendar Page 29, Calendar 357 and Calendar Page  
30, Calendar 115, S.B. 66.

SB 70

Madam President, that completes those items placed  
on the First Consent Calendar.

THE CHAIR:

Thank you, Sir. Members please check the machine  
to make sure your vote is properly cast. If so, the

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001519

Senate

April 22, 2004

machine will be locked. The Clerk please announce the tally.

THE CLERK:

Motion is on adoption of Consent Calendar No. 1.

Total number voting 35; necessary for adoption, 18. Those voting "yea", 0; correction, those voting "yea", 35; those voting "nay", 0. Those absent and not voting, 1.

THE CHAIR:

The Consent Calendar is adopted.

Senator Looney.

SEN. LOONEY:

Yes, thank you, Madam President. Madam President, I would ask for suspension for immediate transmittal to the House of Representatives of Calendar 268, S.B. 478 which was previously adopted as the Order of the Day.

THE CHAIR:

Without objection, so ordered.

At this time, the Chair will entertain points of personal privilege or announcements. Will you, Senator Crisco?

SEN. CRISCO:

Thank you, Madam President, for the purpose of personal privilege.

THE CHAIR:

H-912

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
2004

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gmh

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001287

House of Representatives

Wednesday, April 14, 2004

the Well of the House. The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House of Representatives is taking a roll call vote. Members to the Chamber.

DEPUTY SPEAKER HYSLOP:

Have all members voted? If all members have voted, please check the machine to make sure your vote is properly recorded. The machine will be locked and the Clerk will take a tally.

The Clerk will announce the tally.

CLERK:

H.B. 5058

Total Number Voting	145
Necessary for Passage	73
Those voting Yea	145
Those voting Nay	0
Those absent and not Voting	6

DEPUTY SPEAKER HYSLOP:

The bill passes.

Clerk, please call Calendar 124.

CLERK:

On page 21, Calendar 124, Substitute for H.B. 5411,  
AN ACT CONCERNING CONSUMER CREDIT LICENSES AND

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001288

House of Representatives

Wednesday, April 14, 2004

CREDITORS' COLLECTION PRACTICES. Favorable Report of the  
Committee on Judiciary.

DEPUTY SPEAKER HYSLOP:

Representative Doyle.

REP. DOYLE: (28<sup>TH</sup>)

Thank you, Mr. Speaker. I move acceptance of the  
Joint Committee's Favorable Report and passage of the  
bill.

DEPUTY SPEAKER HYSLOP:

The question is on acceptance and passage. Will you  
remark?

REP. DOYLE: (28<sup>TH</sup>)

Yes. Thank you, Mr. Speaker. This bill is rather  
lengthy, but one of the major provisions of it is that  
it allows the Commissioner to suspend the license of  
different entities that get licensed through him. For  
instance, mortgage lenders, brokers, sales finance  
companies, small loan lenders, and consumer credit  
licensees if the check that they provide to the  
Commissioner for their annual license bounces. So it  
gives the Commissioner, after giving notice to the  
licensees that their check has bounced.

It also allows the Commissioner or allows surety  
companies, after they give proper notice to the  
Commissioner, to revoke their bond for these different

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001289

House of Representatives

Wednesday, April 14, 2004

licensees.

The Clerk -- Mr. Speaker, the Clerk has an amendment, LCO number 2931. May the Clerk please call and I be allowed to summarize.

DEPUTY SPEAKER HYSLOP:

Clerk, please call LCO 2931, to be designated House "A" and the Representative has asked leave to summarize.

CLERK:

LCO number 2931, House "A" offered by Representative Doyle.

DEPUTY SPEAKER HYSLOP:

Representative Doyle.

REP. DOYLE: (28<sup>TH</sup>)

Thank you, Mr. Speaker. This amendment simply deletes Sections 32, 33, and 34 of the file copy. The interested parties involved decided at this point they'd rather not have this in the bill and it deals with the ongoing issue of unclaimed property and reducing this -- eliminating these three sections at this point is reasonable and I move its adoption, Mr. Speaker.

DEPUTY SPEAKER HYSLOP:

The question is on adoption of House "A". Will you remark on House "A"?

Representative Tymniak.

REP. TYMNIAK: (133<sup>RD</sup>)

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001290

House of Representatives

Wednesday, April 14, 2004

Yes, thank you, Mr. Speaker. I urge support of House "A" and hope my colleagues will also support the bill.

Thank you very much.

DEPUTY SPEAKER HYSLOP:

Will you remark further on House "A"? Will you remark further on House "A"? If not, we'll try your minds.

All those in favor, signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER HYSLOP:

Those opposed. The ayes have it, House "A" is adopted.

Will you remark further on the bill, as amended?

Will you remark further on the bill, as amended?

If not, staff and guests to the Well of the House.

The machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting by roll call. Members to the Chamber, please.

DEPUTY SPEAKER HYSLOP:

Have all members voted? If all members have voted, please check the machine to make sure your vote is

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001291

House of Representatives

Wednesday, April 14, 2004

properly recorded. The machine will be locked and the Clerk will take a tally.

The Clerk will announce the tally.

CLERK:

H.B. 5411, as amended by House Amendment Schedule "A"

Total Number Voting	145
Necessary for Passage	73
Those voting Yea	145
Those voting Nay	0
Those absent and not Voting	6

DEPUTY SPEAKER HYSLOP:

The bill, as amended passes.

DEPUTY SPEAKER FRITZ:

Will the Clerk please call Calendar 80.

CLERK:

On page 4, Calendar 80, H.B. 5200, AN ACT  
CONCERNING TERRORISM COVERAGE UNDER THE STANDARD FIRE  
INSURANCE POLICY. Favorable Report of the Committee on  
Insurance and Real Estate.

DEPUTY SPEAKER FRITZ:

Representative Gary Orefice.

REP. OREFICE: (37<sup>TH</sup>)

Thank you, Madam Speaker. I move we accept the  
Joint Committee's Favorable Report and passage of the

JOINT  
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REP. DOYLE: Thank you. I have one other quick question for you. You said you never learned as much as you did chairing the Banks Committee. (Indiscernible) (Laughter).

SEN. LOONEY: No, I think that it means that you'll have an excellent time here and learn a lot while you're doing this, about an area that is highly complex and highly interesting.

SEN. FINCH: Thank you.

REP. DOYLE: (Thank you, sir. Any other questions from other committee members?

SEN. LOONEY: Thank you, Mr. Chairman.

REP. DOYLE: Next up is Commissioner John Burke, who was nice enough to let the senator go first. Commissioner Burke, please.

COMMISSIONER BURKE: Thank you, Mr. Chairman, and thank you, Senator Looney. I appreciate your kind remarks, also. Thank you. And again, congratulations to you, Senator. That was good news. I'm here today to testify on five bills that the Department has recommended for your consideration.

HB 5411  
SB 358  
SB 360  
SB 361

As has been our practice, we hopefully have provided all of the members of the committee not only with the language of the bill, but a memorandum which discusses the bill, I guess, in more English terms, and describes our position, so I won't be redundant and read all of that to you. Rather, I will make some brief comments on each of the bills, and then answer any questions that any members of the committee might have.

The first bill before you is HB5409, AN ACT CONCERNING CHECK CASHING SERVICES AND MONEY TRANSMISSION. You'll note at the top of our memorandum, there is an asterisk indicating that the language that came out from LCO, really is somewhat contrary to our intentions, so we will -- I know this has been discussed with the chair, but

we need to talk about that sometime.

And that occasionally will happen. The bill itself is created because of what's been going on now particularly with the Patriot Act and anti-money laundering, and the use of both check cashing services and money transmitters, how they can be involved in that. Historically the department has been responsible for these financial services, however it has not been our normal practice to examine them nor to put them necessarily under any restrictions, and only respond in most cases to consumer complaints.

But as I mentioned with what's going on most recently in our country, the decision was made to really, if you will, formalize the position that we take with this type of financial services. And we do so not only by licensing, in this case, but requiring some bonding, and requiring a great deal more information available to the department, about the individuals who are responsible for this business, who will own this business, who will run this business, and to keep track of where they are.

I think what may happen as a result of this is we're going to find there are many more check cashers and money transmitters in the state than we now know about. And I think that would be very healthy, I think, at this point in time. We don't think what we're doing is too onerous. But, again, I would be happy to discuss any revisions of that bill, if there are any questions. Or do you want to wait until the end before I go through them?

REP. DOYLE: (INAUDIBLE - MICROPHONE NOT ON).

COMMISSIONER BURKE: Okay, that would be fine.

REP. DOYLE: Are there any questions on this particular bill? Representative Wilber.

REP. WILBER: Good afternoon.

COMMISSIONER BURKE: Good afternoon, sir.

REP. WILBER: What about the -- do you have enough

employees to carry out the duties that are going to be required under this, or are we going to need some more personnel?

COMMISSIONER BURKE: No, we will not need any more personnel. I've done some reorganization in the department just recently, and this had been normally in with what we used to call the bank examination division, which is now the financial services division. We're moving them out in to what we have under our consumer credit people, who have the capacity to do this kind of thing.

There will be some shifting of some personnel, but we think we have enough capacity to do this. We have some concern -- I've heard some concern from our people, not so much about the workload, but it's not quite the same when you're going in to a check casher somewhere, as walking in to a bank.

So, there is some concern about them. And no reflection on the check cashers. I don't want to do that, but we'll have to address that as we come to that. We just started the process and are writing up the procedures at this point in time, assuming that this bill is met in a positive way by the committee.

REP. DOYLE: Any more questions from committee members?  
Okay, the next bill, Commissioner?

COMMISSIONER BURKE: Okay.

REP. DOYLE: Thank you.

COMMISSIONER BURKE: Thank you. The next bill is HB5411, AN ACT CONCERNING CONSUMER CREDIT LICENSEES AND CREDITORS' COLLECTION PRACTICES. Again, you will note at the top of our memo, an asterisk about our language under LCO, which again, seems to defeat the purpose of what we were hoping for. LCO may have a different purpose, but we will have to discuss that if the bill gets raised.

What we're doing here is actually is relatively very simple. We've done some things in the past on consumer credit licensees and creditor collection

practices, and what we have found most recently, as we've begun to license these people, that we're getting some of them who are fringe players who are giving us checks that bounce.

Currently, if the checks bounce, they have their license -- we get a check, we issue a license. We find out in four or five days, depending on how long it takes to clear or not clear, that it's not good, the check is not good, the license is already issued. It takes us a long time to get that license back.

So, what we're asking for here is if a check bounces, we can automatically, if you will, take the license back and say you're out of business until you clarify that. And there is a place for a hearing. We allow for that. What it does is essentially give us the authority to act, you know, very quickly on something like that, as opposed to --

And in both cases, both credit collection people and in the case of consumer credit licensees, very quickly they can do a lot of damage, and we would like to at least keep our hands on what's going on, and that's really the purpose of this bill.

REP. DOYLE: Any questions from the committee on HB5411? Seeing none, next one, Commissioner.

COMMISSIONER BURKE: Okay. The next one I have is SB358, AN ACT CONCERNING BANKS IN RECEIVERSHIP AND BANK BRANCHING. I'm having a little trouble reading this morning, I'm sorry. We have, in the state, some uninsured banks and trust companies. We have five independent trust companies who have trust powers only.

They are not insured by the FDIC, of course, because they don't have deposits in most cases, or particularly retail deposits. What we discovered in looking at the authority of the department, and we did have to appoint a receiver of a bank this past year, but in looking at that statute, we found out for uninsured institutions, normally the process requires -- not requires, but that the

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STATE OF CONNECTICUT  
DEPARTMENT OF BANKING

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**John P. Burke**  
Commissioner

BANKS COMMITTEE PUBLIC HEARING, FEBRUARY 26, 2004

MEMORANDUM RE: An Act Concerning Consumer Credit Licensees and Creditors'  
Collection Practices  
(H.B. 5411)

STATEMENT OF PURPOSE: To strengthen the enforcement authority of the Banking Commissioner  
with respect to consumer credit licensees.

\* Current language under LCO No. 1387 defeats purpose of the bill. \*

FROM: John P. Burke, Banking Commissioner

PRESENT LAW: Sections 36a-485, 36a-486, 36a-487, 36a-489, 36a-490(c), 36a-496,  
36a-498 and 36a-498a concern nondepository first mortgage lenders,  
brokers and originators.

Section 36a-491 sets forth the application requirements and procedures  
for a first mortgage lender or broker license or renewal of such license  
and for registration of an originator or renewal of such registration.

Section 36a-492 requires licensees under the first mortgage lender and  
broker provisions to file and maintain a bond.

Section 36a-494 authorizes the Commissioner to revoke a license or  
impose a civil penalty against a licensee under the first mortgage lender  
and broker provisions for failure to perform any agreement with a  
borrower, but does not authorize the issuance of a cease and desist order  
for such failure.

Sections 36a-511 and 36a-512 concern secondary mortgage lenders,  
brokers and originators.

Section 36a-514 sets forth the application requirements and procedures  
for a secondary mortgage lender or broker license or renewal of such  
license and for registration of an originator or renewal of such  
registration.

Section 36a-517(b) authorizes the Commissioner to revoke a license or  
impose a civil penalty against a licensee under the secondary mortgage

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lender and broker provisions for failure to perform any agreement with a borrower but does not authorize the issuance of a cease and desist order for such failure.

Section 36a-519 limits the prepayment penalties that may be imposed by secondary mortgage lender licensees.

Section 36a-539 sets forth the application requirements and procedures for a sales finance company license.

Section 36a-542 sets forth the requirements and procedure for renewal of a sales finance company license.

Section 36a-543(d) authorizes the Commissioner to revoke a sales finance company license where the licensee has defrauded any retail buyer or failed to perform any written agreement with a retail buyer but does not authorize the imposition of a civil penalty or issuance of a cease and desist order for such conduct.

Section 36a-555 exempts from licensure, as a small loan licensee, lenders licensed under the first and secondary mortgage loan provisions.

Section 36a-558 sets forth the application requirements and procedures for a small loan license and renewal of such license.

Section 36a-572 authorizes the Commissioner to revoke a small loan license but does not authorize the suspension or refusal to renew such license.

Section 36a-633 sets forth the application requirements and procedures for a business and industrial development corporation license and renewal of such license.

Section 36a-645(2) defines terms used in the provisions concerning creditors' collection practices.

Section 36a-656 sets forth the application requirements and procedures for a debt adjuster license and renewal of such license.

Section 36a-664 requires persons licensed as debt adjusters to file and maintain a bond.

Sections 36a-705, 36a-725 and 36a-736 define terms used in the provisions concerning mortgage processing, mortgage insurance and home mortgage disclosure, respectively.

Section 36a-788 authorizes the Commissioner to impose a civil penalty for violations of the provisions concerning retail installment sales financing and Sections 42-100b and 42-100c.

Section 36a-801 sets forth the application requirements and procedures for a consumer collection agency license and renewal of such license.

Section 36a-802 requires persons licensed as consumer collection agencies to file and maintain a bond.

**EFFECT OF H.B. 5411:**

- Sections 1 through 5. These sections amend Sections 36a-485, 36a-486, 36a-487, 36a-489 and 36a-490(c) by substituting Section 36a-498a for 36a-498 to update the statutory reference for the provisions concerning nondepository first mortgage lenders, brokers and originators.
- Section 6. This section amends Section 36a-491 to provide for an automatic suspension of a first mortgage lender or broker license or originator registration or the effectiveness of a renewal license or registration that has been issued but is not yet effective, if the check filed for the license or registration fee has been dishonored. The amendment also requires the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew, and an opportunity for a hearing. This section further amends Section 36a-491 to make technical changes.
- Section 7. This section amends Section 36a-492 to permit a surety company that issues the required bond to a person licensed as a first mortgage lender or broker to cancel the bond by giving written notice of cancellation to the licensee and the Commissioner at least 30 days prior to the effective date of cancellation. The section also provides that the cancellation of the bond operates as an automatic suspension of the license unless the bond is replaced or renewed, and requires the Commissioner to give notice of the suspension pending proceedings for revocation or refusal to renew to the licensee and an opportunity for a hearing.
- Section 8. This section amends Section 36a-494 to authorize the Commissioner to issue a cease and desist order in accordance with Section 36a-52 against any first mortgage lender or broker licensee who fails to perform any agreement with a borrower.
- Sections 9 through 13. These sections amend Sections 36a-496, 36a-498, 36a-498a, 36a-511(b) and 36a-512 by substituting Section 36a-498a for 36a-498 to update the statutory reference for the provisions concerning nondepository first mortgage lenders, brokers and originators and making other technical corrections.
- Section 14. This section amends Section 36a-514 to provide for an automatic suspension of a secondary mortgage lender or broker license or originator registration or the effectiveness of a renewal license or registration that has been issued but is not yet effective, if the check filed for the license or registration fee has been dishonored. The amendment

- also requires the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing.
- Section 15. This section amends Section 36a-517(b) to authorize the Commissioner to issue a cease and desist order in accordance with Section 36a-52 against any secondary mortgage lender or broker licensee who fails to perform any agreement with a borrower.
- Section 16. This section amends Section 36a-519 to make the prepayment penalty provisions for secondary mortgage loans applicable to all secondary mortgage lenders and not just to licensees.
- Section 17. This section amends Section 36a-539 to provide for an automatic suspension of a sales finance company license if the check filed for the license fee has been dishonored, and require the Commissioner to give the licensee notice of the suspension pending proceedings for revocation and an opportunity for a hearing.
- Section 18. This section amends Section 36a-542 to provide for an automatic suspension of a sales finance company license or the effectiveness of a renewal license that has been issued but is not yet effective if the check filed for the license fee has been dishonored, and require the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing.
- Section 19. This section amends Section 36a-543(d) concerning the Commissioner's enforcement authority with respect to sales finance companies to allow the Commissioner to impose a civil penalty or issue a cease and desist order in accordance with Section 36a-50 or 36a-52, respectively, against any licensee who defrauds a retail buyer or fails to perform a written agreement with a retail buyer.
- Section 20. This section amends Section 36a-555 to clarify that mortgage lenders licensed under the first and secondary mortgage loan provisions are exempt from licensure as small loan lenders only when making first and secondary mortgage loans.
- Section 21. This section amends Section 36a-558 to provide for an automatic suspension of a small loan lender license or the effectiveness of a renewal license that has been issued but is not yet effective if the check filed for the license fee has been dishonored, and require the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing.
- Section 22. This section amends Section 36a-572 to expressly authorize the Commissioner to suspend or refuse to renew a small loan license.

- Section 23. This section amends Section 36a-633 to provide for an automatic suspension of a business and industrial development corporation license or the effectiveness of a renewal license that has been issued but is not yet effective if the check filed for the license fee has been dishonored, and require the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing.
- Section 24. This section amends Section 36a-645(2), which defines the terms used in the provisions concerning creditors' collection practices, to include in the definition of "creditor" a person to whom a debt is assigned.
- Section 25. This section amends Section 36a-656 to provide for an automatic suspension of a debt adjuster license or the effectiveness of a renewal license that has been issued but is not yet effective if the check filed for the application fee has been dishonored, and require the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing.
- Section 26. This section amends Section 36a-664 to permit a surety company that issues the required bond to a person licensed as a debt adjuster to cancel the bond by giving written notice of cancellation to the licensee and the Commissioner at least 30 days prior to the effective date of cancellation. The section also provides that the cancellation of the bond operates as an automatic suspension of the license unless the bond is replaced or renewed, and requires the Commissioner to give notice of the suspension pending proceedings for revocation or refusal to renew to the licensee and an opportunity for a hearing.
- Sections 27 through 29. These sections amend Sections 36a-705, 36a-725 and 36a-736 to update the statutory reference for the provisions concerning nondepository first mortgage lenders, brokers and originators.
- Section 30. This section amends Section 36a-788 concerning the Commissioner's enforcement authority with respect to retail installment sales financing to allow the Commissioner to issue a cease and desist order for a violation of Sections 42-100b and 42-100c, in accordance with Section 36a-52.
- Section 31. This section amends Section 36a-801 to provide for an automatic suspension of a consumer collection agency license or the effectiveness of a renewal license that has been issued but is not yet effective if the check filed for the license fee has been dishonored, and require the Commissioner to give the licensee notice of the suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing.
- Section 32. This section amends Section 36a-802 to permit a surety company that issues the required bond to a person licensed as a consumer collection agency to cancel the bond by giving written notice of cancellation to the licensee and the Commissioner at least 30 days prior to the effective date

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of cancellation. The section also provides that the cancellation of the bond operates as an automatic suspension of the license unless the bond is replaced or renewed, and requires the Commissioner to give notice of the suspension pending proceedings for revocation or refusal to renew to the licensee and an opportunity for a hearing.

**BANKING COMMISSIONER'S  
POSITION:**

This is a Department of Banking proposal. The amendments in Sections 6, 14, 17, 18, 21, 23, 25 and 31 of the Department's proposal concerning automatic suspension of a license or effectiveness of a renewal license where a check for the license fee is dishonored are necessary to address the situation where the Commissioner does not become aware of the dishonor until after the license has been issued. The amendments in Sections 7, 26 and 32 of the Department's proposal concerning automatic suspension of a license for cancellation of a bond protects consumers by eliminating the delay that may occur under the present scheme which requires the Commissioner to issue a notice of suspension. However, these sections of the proposal were changed in the raised bill to require the Commissioner to automatically suspend such licenses or approvals in such circumstances. These changes would appear to require the Commissioner to issue a notice before the suspension becomes effective. This would defeat the very purpose of the Department's proposal, which is to have such suspensions occur automatically, as a matter of law, followed by notice of the suspension and an opportunity for hearing.

This proposal fills certain gaps in the Commissioner's enforcement authority under various consumer credit statutes. For example, the amendments to Sections 36a-494, 36a-517(b), and 36a-788 would permit him to issue cease and desist orders for conduct for which he can only impose a civil penalty or revoke a license under current law. Similarly, the amendment to Section 36a-543(d) would allow the Commissioner to impose a civil penalty and issue a cease and desist order for conduct which is currently grounds for suspension, revocation or refusal to renew a sales finance company license.

The reason for the amendment to Section 36a-519 is that the underlying rationale for the limitations on prepayment penalties is equally applicable to all secondary mortgage loans regardless of who makes the loans. Therefore, these limitations should apply to all mortgage lenders who make such loans.