

**Act Number:** 09-071

**Bill Number:** 873

**Senate Pages:** 1223, 1420-1425, 1479-1481 **10**

**House Pages:** 4369-4374 **6**

**Committee:** Banks: 103, 104 **2**

**Page Total:** **18**

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Appropriations Committee.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 177 marked  
go.

Calendar 178, Senate Bill Number 873, Mr.  
President, I move to place this item on the Consent  
Calendar.

THE CHAIR:

Motion is on consent. Without objection, so  
ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 180, Senate  
Bill 953, I move to place this item on the foot of the  
calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar 181 is marked  
go.

Calendar 188 is PR.

Calendar 190, PR.

Calendar 194 is Senate Bill Number 756, Mr.

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any liability, any negligence, that it should be of the shipper and not of the motor carrier.

THE CHAIR:

Thank you, sir.

Will you remark further on the bill as amended?

Senator Crisco.

SENATOR CRISCO:

Mr. President, if there's no objection, I would request this be placed on the Consent Calendar.

THE CHAIR:

There's a motion on consent. Seeing no objection, so ordered.

Mr. Clerk --

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President. Mr. President, if the Clerk might next call calendar page, Calendar 178, Senate Bill Number 873.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Mr. President, I believe that matter is previous placed on the Consent Calendar.

THE CHAIR:

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I agree.

THE CLERK:

(Inaudible).

THE CHAIR:

I agree with you, sir.

Senator Looney, that is on consent right now.

SENATOR LOONEY:

Yes. Mr. President, if we might remove that from the Consent Calendar so it might voted -- there is an amendment to be offered.

THE CHAIR:

Sir, I don't see any objections, so we will move that off of consent.

THE CLERK:

Starting at calendar page 6, Calendar 178, File Number 189, Senate Bill Number 873, An Act Concerning State-Chartered Banks, favorable report of the Committee on Banks. The Clerk is in possession of one amendment.

THE CHAIR:

Senator Duff.

SENATOR DUFF:

Thank you, Mr. President. Mr. President, previously I had --

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THE CHAIR:

Are you acting on approval, sir, of the bill?

SENATOR DUFF:

I (inaudible) on that before. I --

THE CHAIR:

I'd like to hear it again, (inaudible).

SENATOR DUFF:

I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

Please proceed, sir.

SENATOR DUFF:

Thank you, Mr. President. Mr. President, I had previously explained the bill earlier before it was PT'd. And I was at the point where I was just calling a screening technical amendment. So if the Clerk can please call LCO 5764, I'll be happy to summarize.

THE CLERK:

LCO 5764, which will designated Senate Amendment Schedule A, and is offered by Senator Duff of the 25th District, et al.

SENATOR DUFF:

And Mr. President, I move adoption.

THE CHAIR:

Please proceed, sir.

SENATOR DUFF:

Thank you, Mr. President. Again, this is really a technical screening amendment --

SENATOR LOONEY:

Mr. President.

THE CHAIR:

Senator Looney, yes, sir.

SENATOR LOONEY:

Mr. President, if we might stand at ease for just a moment.

THE CHAIR:

Yes, sir --

SENATOR LOONEY:

I want to finalize something regarding the amendment.

THE CHAIR:

The Senate will stand at ease, again.

SENATOR LOONEY:

Mr. President, if we might proceed on the amendment.

THE CHAIR:

Thank you, sir.

Senator Duff, I'm sorry for the interruption.



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It's so nice to hear your voice though, by the way...

SENATOR DUFF:

Thank you, Mr. President. It's really been a pleasure bringing out this bill three times on a very simple piece of legislation --

THE CHAIR:

Third times a charm, sir.

SENATOR DUFF:

That's right. Well, let's hope so.

THE CHAIR:

I hope so for your sake also.

SENATOR DUFF:

Mr. President, I move the amendment and it's again, just a very technical amendment. And I urge members to please vote for it.

THE CHAIR:

That's very nice.

We are on Senate Amendment A, will you remark further on Senate Amendment A?

If not, I will try your minds. All those in favor signify by saying aye.

VOICES:

Aye.

THE CHAIR:

No, nay.

The ayes have it, Senate Amendment A is adopted.

Senator Duff.

SENATOR DUFF:

Thank you, Mr. President. I know all members of the circle are very familiar with this piece of legislation now. So if there's no objection, might it be placed on the Consent Calendar?

THE CHAIR:

Senator Looney, are you -- no? That's okay.

Everybody's jumping up here, very nice.

A lot of friends here, Senator Duff.

Motion is on consent. Seeing no objection, so ordered.

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President. And we're on the same team, so this is great. Mr. President, a few changes in calendar markings, we have a few more items to add to the Consent Calendar.

THE CHAIR:

I'm glad I used pencil today, go ahead.

SENATOR LOONEY:

Thank you, Mr. President. On calendar page 39,

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Agenda Number 3, Emergency Certified Bill 6716 and  
House Bill -- correction, 6379.

Turning to the calendar, calendar page 2,  
Calendar Number 475, Senate Resolution Number 19;  
Calendar 476, Senate Resolution Number 20; Calendar  
477, Senate Joint Resolution Number 74.

Calendar page 4, Calendar Number 139, Senate Bill  
854.

Calendar page 6, Calendar 178, Senate Bill 873.

Calendar page 7, Calendar 194, Substitute for  
Senate Bill 756.

Calendar page 8, Calendar 223, Substitute for  
Senate Bill 46.

Calendar page 10, Calendar Number 240, House Bill  
Number 6401.

Calendar page 12, Calendar Number 264, Substitute  
for Senate Bill 1023.

Calendar page 14, Calendar 328, Substitute for  
Senate Bill 814.

Calendar page 19, Calendar Number 400, House Bill  
6351.

Calendar page 20, Calendar Number 402, Substitute  
for House Bill 6193.

Calendar page 21, Calendar 408, House Bill 6322;

Calendar 409, Senate Bill 1013.

Calendar page 23, Calendar 423, Substitute for  
Senate Bill 1010.

Calendar page 27, Calendar 443, Substitute Senate  
Bill 1149; Calendar 447, Senate Bill 673; Calendar  
448, Senate Bill 1029.

Calendar page 30, Calendar 459, House Bill 5138;  
Calendar 461, House Bill 6406; Calendar 462,  
Substitute for House Bill 6537.

Calendar page 39, Calendar Number 81, Substitute  
for Senate Bill 760; Calendar 83, Senate Bill 762;  
Calendar 99, Senate Bill 787.

Calendar page 40, Calendar 119, Substitute for  
Senate Bill 778.

Calendar page 43, Calendar 171, Senate Bill 251.

Calendar page 46, Calendar Number 266, Senate  
Bill Number 382.

Calendar page 51, Calendar Number 356.

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Mr. President, I believe that completes those  
items previously placed on the first Consent Calendar.

The Senate is now voting by roll call on the  
Consent Calendar, will all Senators please return to  
the chamber. The Senate is now voting by roll call on  
the Consent Calendar, will all Senators please return

to the chamber.

THE CHAIR:

The machine is open.

Members, please check the board to see if your vote is properly cast and properly recorded. If all members have voted, the machine will be locked.

Would the Clerk please take a tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 1. Total number voting, 35; those voting yea, 35; those voting nay, 0; those absent/not voting, 1.

THE CHAIR:

Consent Calendar 1 is passed.

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Mr. President. Mr. President, the two items that appeared on Senate Agenda Number 3, have just been passed on the Consent Calendar. I would move that the first item from Senate Agenda Number 3, House Bill 6716, the emergency certified bill, I move for immediate transmittal of that item to the Governor.

THE CHAIR:

Motion is for immediate transmittal to the

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Senate Bill 710 as amended by Senate A in  
concurrence with the Senate.

Total Number Voting	133
Necessary for Passage	67
Those Voting Yea	133
Those Voting Nay	0
Those Absent/Not Voting	18

DEPUTY SPEAKER GODFREY:

Bill as amended is passed in concurrence.

Will the Clerk please call Calendar 546.

THE CLERK:

On page 18, Calendar 546, Senate Bill Number 873,  
An Act Concerning State Chartered Banks, favorable  
report of the Committee on Banks.

DEPUTY SPEAKER GODFREY:

The distinguished Chairman of the Banks  
Committee, Representative Barry.

REP. BARRY (12th):

Thank you very much, Mr. Speaker. I move for  
acceptance of the Joint Committee's favorable report  
and passage of the bill.

DEPUTY SPEAKER GODFREY:

Question is on acceptance and passage.

Will you explain the bill, please, sir.

REP. BARRY (12th):

Thank you, Mr. Speaker. This bill would clarify Public Act 2008-167, a bill that we passed last year to clearly state that the Department of Banking has authority to oversee the compliance of that act, would instate banking institutions and that a bank's compliance with the federal Gramm-Leach-Bliley privacy standards is deemed to be compliance with the act -- with the public act of last year. Last year's bill had contained some ambiguities that prevented clear regulatory oversight by the Department of Banking, it's just a housekeeping bill that passed unanimously in the Banks Committee and in the Senate as well.

Mr. Speaker, the clerk is in possession of Senate Amendment -- previous designated as Senate Amendment A, LCO 15 -- LCO Number 5764. I would ask the Clerk to please call the amendment and that I be granted leave of the chamber to summarize.

DEPUTY SPEAKER GODFREY:

Clerk is in possession of LCO Number 5764, previously designated Senate Amendment Schedule A.

Will the Clerk please call the amendment?

THE CLERK:

LCO Number 5764 Senate A, offered by Senator



Williams et al.

DEPUTY SPEAKER GODFREY:

The gentleman has asked the good chamber to summarize, is there objection?

Hearing none, please proceed, Representative Barry.

REP. BARRY (12th):

Thank you very much, Mr. Speaker. This amendment makes it clear that by being in compliance with Gramm-Leach-Bliley data security standard -- standards, that a bank is in compliance with the provisions of the public -- last year's public act. And this would eliminate the need to create separate sets of policies and procedures when there is already significant and existing guidance under the Gramm-Leach-Bliley Act. And also, the amendment eliminates a requirement that penalties for violating -- for violations concerning safeguarding personal information be deposited into the Privacy Protection Guarantee and Enforcement Account. This account was never established, and instead these penalties are deposited into the General Fund by the enforcing agency. Again, it's a matter of housekeeping, I believe, and I urge passage of the bill. Thank you.

DEPUTY SPEAKER GODFREY:

Question is on adoption of Senate Amendment  
Schedule A. Will you remark on Senate Amendment  
Schedule A?

If not, let me try your minds. All those in  
favor signify by saying, aye.

VOICES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, nay.

The ayes have it, the amendment is adopted.

Will you mark further on the bill as amended?

The distinguished Ranking Member of the Banks  
Committee, Representative Stripp.

REP. STRIPP (135th):

Thank you, Mr. Speaker. Mr. Speaker, we started  
this process in 2008 and what we're doing now is  
clarifying some of the issues that were a little  
cloudy. Number one, the Banking Commissioner will be  
able to enforce this, and it's an important bill from  
the point of view of identity theft as a growing  
problem in the financial area and this will allow the  
Banking Commissioner to have some teeth in the  
regulation and follow up with anybody that is getting

personal information such as social security information, to make sure its -- doesn't get into the wrong hands and create problems for customers.

Also Mr. Speaker, this moves the money from an account that was never opened and any fines, should there be any, will go into the General Fund. Mr. Speaker, it's a good bill, moves us in the right direction, and the bill should pass and I do support it. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Will you remark further on the bill as amended?  
Will you remark further on the bill as amended?

If not, staff and guests please come to well of the House.

Members take your seats, the machine will be open.

THE 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.

DEPUTY SPEAKER ALTOBELLO:

Have all members voted? Have all members voted?  
Please check the board and make sure your vote is

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properly cast.

If all members have voted, the machine will be locked.

Will the Clerk please take a tally and would the Clerk please announce a tally.

THE CLERK:

Senate Bill 873 as amended by Senate A in concurrence with the Senate.

Total Number Voting	134
Necessary for Passage	68
Those Voting Yea	134
Those Voting Nay	0
Those Absent/Not Voting	17

DEPUTY SPEAKER ALTOBELLO:

Bill as amended in concurrence with the Senate  
passes.

Will the Clerk please call Calendar 334.

THE CLERK:

On page 38, Calendar 334, Substitute for House  
Bill Number 6510, An Act Establishing a Public Power  
Authority, favorable report of the Committee on  
Finance, Revenue, and Bonding.

DEPUTY SPEAKER ALTOBELLO:

Representative Nardello of the 89th, you have the

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# CONNECTICUT BANKERS ASSOCIATION

February 17, 2009

To: Members of the Banks Committee SB873 HB5099 HB6091 HB6092  
 Fr: Connecticut Bankers Association HB6093 HB6233 SB242 SB248  
SB447 SB620 HB5265 HB5316  
 Contacts: Gerry Noonan, Tom Mongellow or Fritz Conway HB5683 HB5911 HB5912

Re: Positions and Statements on Various Legislation Before the Committee

The CBA appreciates the opportunity to provide the below testimony to the Committee and respectfully asks that the Members consider our positions on each of the Bills commented upon.

## S.B. No. 619 AN ACT CONCERNING MINOR CHANGES TO FORECLOSURE PROCEDURES

### Position: Support with Certain Revisions

This Bill contains two provisions related to foreclosure assistance and/or prevention. The first provision deals with the paperwork that a borrower receives when served with a foreclosure complaint. Currently, that paperwork must include a notice alerting the borrower to the availability of the State's new *foreclosure mediation program*. Section 1 of the Bill would clarify that this notice should appear at the very beginning of the paperwork (in front of the writ, summons and complaint). This procedural change will enhance the visibility of the notice and, hopefully, increase the number of eligible borrowers who elect to participate in the mediation program. In this regard, the CBA is optimistic about the results that are being achieved through the mediation program. The mediation program helps to bring lenders and borrowers together at a very early stage in the foreclosure to see whether a mutually acceptable settlement can be reached. We support this measure and hope that it will help to keep people in their homes, or promote other reasonable settlements where feasible.

The second provision would allow for the reopening of a judgment of foreclosure in cases involving strict foreclosure (for up to four months). This provision would address situations where, after title has legally vested in the lender's name, the lender and borrower continue to engage in discussions in an effort to reinstate the loan or modify the debt. If there is a successful resolution to those discussions (e.g., allowing the borrower to stay in the home and pay a restructured debt), this provision would allow for the parties to reopen the judgment and implement the settlement.

The CBA supports that type of mechanism, provided all the parties consent to the reopening. We are, however, concerned about the wording of the Bill and the potential impact on title during the four month period following the vesting of title. Questions will arise from a subsequent purchaser looking to buy the house during that four month period as to whether the title transfer might not be unwound by a reopened judgment. We would urge the inclusion of additional language that attempts to resolve this title uncertainty.

More specifically, we would suggest and support language to make it clear that the right to reopen the judgment will terminate upon the earlier of two months or the subsequent conveyance of title. We would also suggest that the four month period be shortened to two.

**S.B. No. 873 AN ACT CONCERNING STATE CHARTERED BANKS****Position: Support**

This Bill would clarify Public Act 2008-167 to clearly state that the Department of Banking has authority to oversee the compliance with that Act with respect to state banking institutions, and that a Bank's compliance with the Federal Gramm-Leach-Bliley security safeguards is deemed to be compliance with the Act. Last year's bill contained ambiguities that prevented clear regulatory oversight by the Department of Banking and created confusion with the federal laws concerning the protection of personal information.

**H.B. No. 5099 AN ACT CONCERNING REPOSSESSION OF MOTOR VEHICLES FROM RETAIL BUYERS****Position: Oppose**

This bill would eliminate the ability of a lender to use a standard default provision in auto lending allowing the lender, in the event that the borrower declares bankruptcy, to have the car returned to the lender. We oppose the concept for several reasons. First, the auto industry, including dealers, manufacturers and specialized auto lenders, is in the midst of a nationwide crisis and is fighting for survival. This is particularly due to the lack of availability of loans for customers who have impaired credit. To institute a new law, which would prevent lenders from having the collateral (the car), returned to them in the event of the borrower declaring bankruptcy, would only increase the overall risk of car lending in the Connecticut marketplace and exacerbate the auto lending credit crunch. Additionally, in order for the auto credit market to expand and return to normal, the State must retain a consistency in its creditor rights that makes portfolios of Connecticut auto loans attractive for investors to purchase. Those investor purchases will recapitalize local lenders and allow them to continue to make auto loans. Now is not the time to be creating more risk and less availability in the credit markets.

**H.B. No. 6091 AN ACT CONCERNING NEGATIVE ACCOUNT BALANCES; H.B. No. 6092 AN ACT CONCERNING OVERDRAFT FEES; H.B. No. 6093 AN ACT CONCERNING AUTOMATIC OVERDRAFT PROTECTION****Position: Oppose**

These bills cover a variety of overdraft pricing controls and operational issues and we are in opposition to them for the following reasons.

Overdraft protection programs provide a valuable service for depositors. If an individual engages in a transaction (e.g., writing a check), which exceeds the balance in a deposit account, an automatic overdraft program allows the transaction to proceed using the bank's money to cover the difference. Among other things, this service avoids the hassle and potential embarrassment of a denied transaction (e.g., a bounced check). These services can also help a consumer avoid a merchants' return check fee and the reporting of a bounced check to a consumer reporting agency (which can harm the consumer's credit history). These services have value to consumers, which is why consumers enroll in them. The bank providing the services deserves to be compensated for them, even in cases where the "negative balance" is later cured through repayment. If a consumer engages in transactions that cause *multiple* overdrafts on a single day, each overdraft event would give rise to a separate, valuable service for which the bank should be compensated.