

PA 11-094

HB5437

Banking	(145), (147), 194, 195	4
Banking	122	1
House	3101-3106	6
Insurance	118-119, 121-128, 299-300, 324-337	26
<u>Senate</u>	<u>6550-6551, 6573-6578</u>	<u>8</u>
		45

**JOINT
STANDING
COMMITTEE
HEARINGS**

**BANKS
1 – 260**

**2011
INDEX**

Page 8 Line 17

Legal Assistance Resource Center**of Connecticut, Inc.**44 Capitol Avenue, Suite 301 ♦ Hartford, Connecticut 06106
(860) 278-5688 x203 ♦ cell (860) 836-6355 ♦ fax (860) 278-2957 ♦ RPodolsky@LARCC.org**Testimony of Raphael L. Podolsky**

Banks Committee public hearing – February 10, 2011

**S.B. 195 -- Centralized database of bank account information
to facilitate debt collection****OPPOSE**

This bill would establish a centralized database of bank account information "to facilitate the collection of judgments issued by Connecticut and federal courts." The bill raises serious privacy questions and may well conflict with bank privacy laws. It is also not clear who would establish this database, who would have access to it, how this sensitive private information would be collected, how it would be stored, and how its confidentiality would be protected. In addition, if this data is to be held, updated, and maintained by the state, the bill seems to divert limited state resources to enhance the state's role in collecting debts for private businesses. This should not be a high priority project for the state.

H.B. 5892 -- Security deposit minimum interest rate**OPPOSE**

This bill repeals the requirement that at least 1.5% interest be paid by landlords on tenant security deposits. The same proposal has already had a public hearing in the Insurance Committee as H.B. 5437. We would not oppose this proposal if landlords could not obtain a 1.5% interest rate, but we have documented the availability of such accounts at such statewide banks as TD Bank, Webster Bank, and New Alliance Bank, as well as at at least two smaller local banks. Those accounts are a market response to the statutory 1.5% minimum – they exist as a way to attract landlord business because the state's variable interest rate has a minimum interest provision. The statute has thus created a win situation for tenants without causing harm to landlords. We are concerned that landlord lack of awareness of these accounts suggests that, contrary to the Security Deposit Act, tenant security deposits are not being escrowed. Copies of rate schedules or account descriptions for three statewide and two local banks are attached.

H.B. 6223 -- Proof of ownership of mortgage note in foreclosure**REVISE**

This bill attempts to address what has become a serious issue in foreclosure law. As mortgages have been bundled, securitized, sold, and resold, some lenders have been bringing foreclosure actions when they do not actually own the note and thus have no right to sue in the first place. Documenting this improper use of the courts has been difficult, because of the obscurity of the information itself, the inability of homeowners facing foreclosure to obtain skilled legal representation, and the fact that many foreclosures are, in essence, uncontested default judgments. This bill requires the foreclosing party to prove ownership of the note at the first mediation session. I suggest that the Banks Committee explore revising the bill to codify the requirement that the foreclosing party affirmatively prove to the court prior to judgment that it owned the note at the time it initiated the foreclosure action.

11
lk/gbr BANKS COMMITTEE

March 1, 2011
11:00 a.m.

RAPHAEL PODOLSKY: Good morning. Senator Duff, Representative Tong, members of the Committee, thank you. My name is Raphael Podolsky. I'm a lawyer with the Legal Assistance Resource Center in Hartford. I'm going to try to and testify very quickly on five bills. Those are Senate bills -- Senate Bill 957, House Bill 6351, Senate Bill 905, House Bill 6350, and Senate Bill 1077.

(HB5892)

(HB5437)

Senate Bill 957 is the bill that the previous witness spoke about, the Neighborhood Protection Act. That act was adopted two years ago. It's a very -- I think it's a very important act for municipalities. It's designed to give them contact information so as to be able to know who of a -- when a -- when a lender has foreclosed to know whom to get in touch with. And also, to allow towns to maintain a watch list on buildings that are potentially at risk of being abandoned or damaged or otherwise adversely affecting the neighborhood.

What this bill does is it strengthens that act. And what it does in some ways is makes it more like an ordinance that the City of New Haven had adopted prior to the passage of the act. In particular, it picks up occupied as well as vacant buildings. It requires the contact information be given at the beginning rather than the end of the foreclosure. And it allows the town to make sure all the information goes to a single location, so that it could create a watch list because we very much support the bill.

House Bill 6351 deals with the Foreclosure Mediation Program and fixes what I would say is one kind of awkwardness in the program. Under the existing statute, while the parties are in mediation, the pleadings for the case continue

And, finally, Senate Bill Number 1077, which is similar to a bill you've had earlier, it would propose repealing the 1.5 percent minimum on more -- on mortgage escrow deposits. You had previously looked at a bill, which I testified against, that would eliminate the 1.5 percent minimum for tenants security deposits. This bill goes beyond that and to say the banks don't have to pay 1.5 percent to homeowners on their escrow deposits. And it seems to me there, even more than under the landlord tenant situation, you have kind of a captive audience.

(HB 5437)
(HB 5892)

And the bank -- the bank is really controlling what interest rate it's paying to its own client on -- on the mortgage. And it seems to me that that it's -- it is a valuable benefit and protection to homeowners to keep that 1.5 percent minimum in place.

We know that there are at least three statewide banks that pay 1.5 percent on tenant security deposit accounts. And we know there are other banks that do as well. So I would oppose Senate Bill Number 1077. Thank you.

REP. TONG: Thank you.

RAPHAEL PODOLSKY: I very much welcome the opportunity to answer questions if you have any.

REP. TONG: A couple questions about 6351, the Foreclosure Mediation Program Bill. In reading your testimony, you're saying that -- that the lender can move forward except to obtain judgment.

RAPHAEL PODOLSKY: They can't actually get the judgment. They can do -- my understanding --

Page 1 line 25

Legal Assistance Resource Center**of Connecticut, Inc.**44 Capitol Avenue, Suite 301 ♦ Hartford, Connecticut 06106
(860) 278-5688 x203 ♦ cell (860) 836-6355 ♦ fax (860) 278-2957 ♦ RPodolsky@LARCC.org**Testimony of Raphael L. Podolsky****Foreclosure bills**

Banks Committee public hearing -- March 1, 2011

SB905 HB6350SB1077 HB5892HB5437**S.B. 957 -- Neighborhood Protection Act****SUPPORT**

In 2009, the General Assembly adopted the Neighborhood Protection Act to make it easier for towns to identify a contact person in charge of foreclosed properties and to maintain an on-going watch list of foreclosed properties so as to monitor them more effectively and prevent them from becoming a source of neighborhood deterioration. At the time, New Haven had a strong and effective ordinance already in place. The 2009 act, however, was less comprehensive than the New Haven ordinance and it arguably prevents other towns from adopting the New Haven approach (it grandfathered the New Haven ordinance so as not to affect New Haven). In particular, unlike the New Haven ordinance, the state act does not require registration of occupied foreclosed buildings, does not require registration at the start of the foreclosure action so as to permit monitoring during the action's pendency, and does not allow the town to require the contact information to be submitted to a single location (thereby making it nearly impossible to maintain a watch list). This bill makes changes to the state statute so as to make its requirements more similar to the New Haven ordinance. We believe that these changes will significantly improve the ability of towns to benefit from the two core goals of the original statute and thus make it a better statute: (1) To assure that towns have the contact information they need to deal with neighborhood preservation during and after foreclosure and (2) to maintain a watch list of buildings at risk as the result of foreclosure activity so as to more effectively monitor those buildings and prevent the neighborhood deterioration that sometimes arises from foreclosure.

H.B. 6351 -- Foreclosure Mediation Program**SUPPORT**

Under the existing Foreclosure Mediation Program, the foreclosing lender is allowed to continue to move the foreclosure forward while court-based mediation is in progress. The only thing it cannot do is actually obtain judgment, but it can do everything short of judgment. This means that the lender will file motions for default for failure to plead, disclosure of defense, or summary judgment, even though mediation is actively in progress. This creates an extremely difficult situation for the homeowner, and especially for a homeowner without a lawyer (which is usually the case), who does not know how to respond to this pressure. In addition, it is fundamentally contrary to the commitment to mediation, which assumes that people are trying to work out an acceptable solution. The problem is compounded by the fact that most delays in the mediation process are caused by the lender's failure to complete internal reviews or have an appropriate person available for mediation, rather than by the borrower. The borrower thus often finds himself waiting for the lender to pull information together at the same time that the lender is threatening the homeowner with default for failure to plead. This bill says that, once mediation is

(continued on reverse side)

requested, pleading will stop until 15 days after mediation is completed. This makes much more sense as a way to maximize the parties' mutual ability to reach a successful conclusion.

S.B. 905 -- Study of CHFA Loss Mitigation Programs

SUPPORT

One key element of Connecticut's response to the foreclosure crisis has been to greatly expand the Emergency Mortgage Assistance Program (EMAP) and to create several new programs, including CT FAMILIES and HERO, that are operated by the Connecticut Housing Finance Authority (CHFA). Through the past two years, concerns have been expressed that overly restrictive underwriting standards, or in some cases unnecessary restrictions built into the program statute itself, have resulted in far too few families receiving help. This bill creates a task force to review and evaluate these programs and to report back to the 2012 session of the General Assembly. We believe that such a task force would be helpful and is worth creating.

H.B. 6350 -- Attorney General enforcement of Dodd-Frank

SUPPORT

This act makes clear that the state Attorney General can enforce the provisions of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 1042 of Dodd-Frank provides that state attorneys general "may bring a civil action...to enforce provisions of this title or regulations issued under this title, and to secure remedies under provisions of this title or remedies otherwise provided under other law." Section 1042 is a key element that was included in Dodd-Frank to assure that its consumer protection sections would be enforced. In Connecticut, however, there has been some dispute in the past as to the scope of the Attorney General's authority to initiate litigation without explicit statutory authority. H.B. 6350 makes clear that the Attorney General can act to enforce Dodd-Frank to the extent that Dodd-Frank permits such state action.

S.B. 1077 -- Repeal of 1.5% minimum interest rate on mortgage escrow deposits and tenant security deposits

OPPOSE

Connecticut law requires lenders to pay interest on mortgage escrow deposits and landlords to pay interest on tenant security deposits at an index rate set annually by the Banking Commissioner. That rate cannot, however, be set at less than 1.5%. The Banks Committee has already heard H.B. 5892, which I testified against, which would repeal the 1.5% floor for tenant security deposits. My testimony on that bill documented the fact that at least five Connecticut banks, including at least three statewide banks, offer tenant security deposit accounts at the 1.5% rate, including TD Bank which offers a comprehensive account with free collateral services for landlords with at least ten security deposits.¹ S.B. 1077 goes even farther by taking the 1.5% minimum rate away from homeowners on their escrow deposits. This change is especially undesirable, because the deposit of tax and insurance escrows is controlled by the bank itself. In effect, it allows the bank to use its lowest rates for the payment of this interest to its own mortgagors. The homeowner is often not free to look for better rates elsewhere. The 1.5% minimum should be retained.

¹The Insurance Committee has already JF'd H B 5437, a bill that is the same as H B 5892.

H – 1100

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2011**

**VOL.54
PART 9
2762 – 3112**

pat/gbr
HOUSE OF REPRESENTATIVES

79
May 17, 2011

The House is voting by Roll Call. Members to the Chamber, please.

DEPUTY SPEAKER ALTOBELLO:

Have all Members voted? Have all Members voted?
Have all Members from Orange voted? Have all Members
from Orange voted?

If all Members have voted, the machine will be locked. Will the Clerk please take a tally.

Will the Clerk please announce the tally.

THE CLERK:

House Bill 6303 as amended by House "A".

Total Number Voting	141
Necessary for Passage	71
Those voting Yea	141
Those voting Nay	0
Those absent and not voting	10

DEPUTY SPEAKER ALTOBELLO:

The Bill as amended passes.

Would the Clerk please call Calendar 31, three one.

THE CLERK:

On Page 40, Calendar 31, House Bill Number 5437
AN ACT CONCERNING SECURITY DEPOSITS. Favorable Report .
of the Committee on Housing.

pat/gbr
HOUSE OF REPRESENTATIVES

80
May 17, 2011

DEPUTY SPEAKER ALTOBELLO:

Representative Megna of the 97th, you have the floor, sir.

REP. MEGNA (97th):

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

DEPUTY SPEAKER ALTOBELLO:

The question before the Chamber is acceptance and passage. Please proceed, Representative Megna.

REP. MEGNA (97th):

Thank you once again, Mr. Speaker. Mr. Speaker, this Bill allows the Banking Commissioner to establish a reasonable market-based interest rate to be paid on residential security deposits per calendar year by property owners.

Currently in statute, Mr. Speaker, there's a ceiling, so to speak of one and a half percent interest and banks are just not paying that rate. They're paying a much lower rate.

So by removing that, the Banking Commissioner will be able to establish that rate, an average rate to be paid annually essentially by going to the Federal Reserve Bulletin Board and looking at the

pat/gbr
HOUSE OF REPRESENTATIVES

81
May 17, 2011

average interest rates posted for commercial banks throughout the year.

Mr. Speaker, the Clerk is in possession of LCO 5629. I ask that it be called and I be permitted to summarize.

DEPUTY SPEAKER ALTOBELLO:

Would the Clerk please call LCO 5629, which shall be designated House Amendment Schedule "A".

THE CLERK:

LCO Number 5629, House "A", offered by Representative Megna and Senator Crisco.

DEPUTY SPEAKER ALTOBELLO:

The Representative from the Morris Cove section in New Haven begs leave of the Chamber to summarize. Without objection, please proceed.

REP. MEGNA (97th):

Thank you, Mr. Speaker. Mr. Speaker, essentially this Amendment removes a section of the original Bill, which would have permitted tenants to request their security deposit by electronic mail rather than in writing as put forth in statute.

It had become apparent to us after the Bill had come out of Committee that the individuals at the Banking Department that handle these complaints felt

pat/gbr
HOUSE OF REPRESENTATIVES

82
May 17, 2011

is was problematic and therefore it was removed from the Bill.

With that, I move adoption of the Amendment.

DEPUTY SPEAKER ALTOBELLO:

The question before the Chamber is adoption of House "A". Representative Coutu of the 47th, you have the floor, sir.

REP. COUTU (47th):

Thank you, Mr. Speaker. Mr. Speaker, I agree with this Amendment. There has been a problem in the past relating to verification of e-mail.

While many of us would like to believe it's convenient, it's the way of the future, we often recognize that just sending e-mails to our friends and family members, it doesn't always get there.

So when you're dealing with the business sector, it's obvious that a potential tenant sending an e-mail to a landlord, there will and there could be problems, and I think this Amendment does the right thing by removing that section from this Bill.

Thank you, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Thank you, Representative. Further on House "A"? Further on House "A"? If not, I'll try your minds.

pat/gbr
HOUSE OF REPRESENTATIVES

83
May 17, 2011

All those in favor, please signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ALTOBELLO:

Opposed? The Ayes have it. The Amendment is
adopted. Further on the Bill as amended?

If not, staff and guests please retire to the
Well of the House. Members take your seats. The
machine will be opened.

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 to make sure your vote is
properly cast. If all Members have voted, the machine
will be locked. Would the Clerk please take a tally.

Would the Clerk please announce the tally.

THE CLERK:

House Bill 5437 as amended by House "A".

Total Number Voting 138

Necessary for Passage 70

pat/gbr
HOUSE OF REPRESENTATIVES

84
May 17, 2011

Those voting Yea	138
Those voting Nay	0
Those absent and not voting	13

DEPUTY SPEAKER ALTOBELLO:

The Bill as amended is passed.

Would the Clerk please call Calendar 452.

THE CLERK:

On Page 30, Calendar 452, House Bill Number 6221

AN ACT CONCERNING THE ELIMINATION OF CERTAIN SUNSET
DATES. Favorable Report of the Committee on Finance,
Revenue and Bonding.

DEPUTY SPEAKER ALTOBELLO:

Representative Berger from the Brass City, you
have the floor, sir.

REP. BERGER (73rd):

Good afternoon, Mr. Speaker.

DEPUTY SPEAKER ALTOBELLO:

Good afternoon, sir.

REP. BERGER (73rd):

I move for acceptance of the Joint Committee's
Favorable Report and passage of the Bill.

DEPUTY SPEAKER ALTOBELLO:

The question before the Chamber is acceptance and
passage. Please proceed, sir.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**INSURANCE AND
REAL ESTATE
PART 1
1 – 338**

**2011
INDEX**

birth, the sooner we can get those things into process.

So again I think we understand, you know, where a lot of the questions are coming from around the Committee. But I think we very much hesitate to just kind of extend the deadline. We do think it will have consequences not only for the providers as Christine mentioned, which, you know you've heard a lot about. You know, whether payment's made. Whether payment, you know, how payment's made.

Whether it's taken back in certain cases where someone wasn't eligible. This issue speaks right to that. But additionally to that is the quality concerns which we think are -- are very valid and something that we hope you'll take into consideration. Thank you.

REP. MEGNA: Thank you. Are there any questions?

No. Hearing none, thank you Susan.

SUSAN HALPIN: Thank you.

REP. MEGNA: Okay. That's all the people signed up for 5030. Is there anybody else here that wants to speak on House Bill 5030. Not seeing anybody. We're going to move onto House Bill 5031. First person up is Raphael Podolski. And I'm thinking also Raeph maybe we'll keep you up there for House Bill 5437 because they're so very closely related and you have testimony on both of them.

RAPHAEL PODOLSKI: Okay. Whatever you prefer. This is -- they are very different but let me -- as you prefer. My name is Raphael Podolski. I'm an attorney with the legal aids programs. The Legal Assistant's Resource Center is the name

HB 5031
HB 5437

of the entity. We represent a lot of low income tenants and that's the reason that we're interested in what the law says on security deposits. In regard to House Bill number 5031, I'm here to testify in opposition to it. Under the existing Connecticut law that's been in place for many years -- at least 30 years.

The maximum security deposit that a landlord is allowed to charge is two months rent. Two months rent is in addition to the first months rent. So a tenant moving into a new apartment could be required to pay three months rent up front of which two months becomes security deposit. What this bill does is it adds another month so it would mean that the landlord could require a three month security deposit on top of the first month's rent. So that's four months. That is incredibly burdensome on tenants.

And the reality is it's virtually impossible to do. If you think about what rent levels are and certainly in lower Fairfield County it would be even worse. From the tenant point of view it's almost like being asked to put down a down payment on a house. For the tenant also under the existing statute the landlord has 30 days after a tenancy ends to return the deposit.

So you're actually looking at the situation under this bill where the tenant to move to a new place could be asked to come up with four months worth of money up front at a time when they don't have the three months worth of security deposit that was being held by the previous landlord. So they would actually have to be able to somehow manage seven months of rental money simultaneously. It's just not -- it's not reasonable.

RAPHAEL PODOLSKI: Sure. The other -- the other bill is House Bill number 5437. The -- that deals with the minimum interest rate on tenant security deposits. The statute in Connecticut - - it used to be that the statute actually set a fixed rate and then a number of years ago it was changed to a variable rate based on an index set by the Banking Commissioner.

But at the time the legislature also imposed a minimum of 1.5 percent. The -- the rate is not tied specifically to anybody's actual account because if the money is being kept in an account or it's more the landlord can keep the surplus if it's in an account that is earning less the landlord is expected to cover the difference and if the landlord hasn't bothered to put it into an interest bearing account the statute says what the amount is -- the minimum amount that must be paid. I -- I assume the bill is generated by the fact that we're in a period of very low interest rates and in normal circumstances the landlord in an ordinary account is not going to get 1.5 percent anymore.

And I'm not unsympathetic to that problem. But what's interesting in the context of this bill and I testified on a similar bill last year, is that the statute has created a win win situation. And that is that there are banks that have -- that maintain and offer security deposit accounts based on the fact that the statute expects the landlord to pay 1.5 percent and then they offer -- they offer that -- those accounts.

I'm not here trying to sell any accounts of any banks but it has been very interesting as we've surveyed at least some part of the State to

find out what there's there. There are at least three major banks that have 1.5 percent security deposit accounts. And that's Webster Bank, New Alliance Bank and TD Bank. TD Bank's account which is the most comprehensive is only for landlords with ten or more units.

The other two banks cover landlords without regard to the number of units. We identified at least two smaller banks that have 1.5 percent accounts. There's Wilton Bank and Thomaston Savings Bank. Now those are small banks without statewide reach. But three banks do have statewide reach. And that to us is kind of interesting because it means the market in a sense has adapted to the statute and has tried to provide something that -- that there's a market for in the statute.

And so it's a bit of a concern to us if people are not successfully seeking out those banks. And -- and using their escrow services there. Thank you. So. That -- let me -- I guess I would conclude by saying that if we think that certainly with the first bill 5031 that would be very, very burdensome. And we don't think 5437 is necessary.

REP. MEGNA: Raeph, so what you're saying is that -- I mean you mentioned the market's adapting to what the statute says which is pay one and a half percent interest. But, you know, you mentioned three banks and there's no guarantee that those three banks out of I don't know how many hundreds of banks there are here will continue to pay a point and a half on the security deposit.

So the fact of the matter is property owners in times like this they're having tough times too paying taxes and trying to find tenants, have

to subsidize a security deposit in terms of a point or a point and a quarter interest rate. There just seems like there's not a fairness there. And it just seems like the property owners not in -- shouldn't be in the business of subsidizing a savings account for a tenant. I don't know.

You say the market's adapting -- actually my question to you -- you say the market's adapting to it but there's no guarantee that those three banks or four banks will continue to pay 1.5 percent to -- on security deposits for every property owner that rents apartments throughout the State of Connecticut. Is there --

RAPHAEL PODOLSKI: Yeah I -- you're right -- you're right there's no guarantee. The statute is not a regulation of banks. It's a regulation of property owners. And so there is not a guarantee as to what rates will be available in banks. It is interesting to me though that these banks have apparently continued to do this over an extended period of time notwithstanding the fact that rates have gone down.

So that at least -- I mean it's -- it's not a guarantee for the future but it's also a sign that from the banking perspective there could be a business interest in have -- in making such accounts available. I assume the banks see it as a way of encouraging categories of people, property owners who -- who rent out property to bring business to their bank. And my guess is they probably hope that they will -- that that landlord that comes to that bank will bring other business with them. But --

REP. MEGNA: Also on a follow to that Raeph, the Banking Commissioner even if this -- this minimum interest rate is removed the Banking Commissioner will through their power assure that a reasonable market rate of interest be paid on these security deposits. Correct?

RAPHAEL PODOLSKI: Yeah. This doesn't change the basic indexing principle of the statute what it changes is what the (inaudible).

REP. MEGNA: Yeah. I understand that.

RAPHAEL PODOLSKI: Yes. So you're right.

REP. MEGNA: So the -- the tenants that you're representing would get a reasonable rate of interest on their security deposits if this became law.

RAPHAEL PODOLSKI: The tenants would get whatever interest rate was -- whatever the index produced as the interest rate.

REP. MEGNA: Yeah.

RAPHAEL PODOLSKI: Yes. They would get that.

REP. MEGNA: Okay. One other element of that bill too. I'm assuming you're not opposed for -- maybe you supported this -- allowing tenants to electronically request their security deposit back from the property owner.

RAPHAEL PODOLSKI: Yeah. That's fine. I mean I would actually say that -- that probably at least arguably those requests satisfy the statute now but there's -- yes. We have no problem with -- with the portion of the bill that allows for electronic requests.

REP. MEGNA: Thank you.

Are there any questions?

Representative D'Amelio.

REP. D'AMELIO: Thank you, Mr. Chairman.

Raeph, you mentioned prior to the rate being fixed at 1.5 percent. There was a formula when the rates were variable. How did that work? Can you explain that?

RAPHAEL PODOLSKI: Yeah. It's in the statute. The way that it works is when the legislature switched from a fixed statutory rate where it said you have to pay 4 percent. Actually at one point it peaked at five and a quarter percent. But once the legislature no longer -- decided they weren't going to use that they wrote into the statute an indexing provision that cites -- I don't know if it's in the part of the statute that's in the bill or not but it cites to a particular -- I believe it's a federal reserve board index rate.

And it says that the Banking Commissioner is supposed to use that provision to determine annually what will be the minimum rate. And he -- and every December the Banking Commissioner promulgates a rate. But the statute says that rate may not be less than 1.5 percent. So for -- for a number of years as interest rates fell the Banking Commissioner has annually been promulgating the 1.5 percent interest rate. There was a time when he was promulgating rates 3 or 4 percent. Something like that.

And I believe it's a rate that is based on kind of average savings account rates. But I'm not -- I may be wrong about that. But it's -- it's

COMMITTEE

in whatever the rate is it's in the statute and it directs the Banking Commissioner what he's supposed to be doing.

REP. D'AMELIO: Is it fair to -- to say though that maybe when that legislation was capped at one point five, you know, rates were fairly reasonable maybe at 4, 5, 6 percent?

RAPHAEL PODOLSKI: No.

REP. D'AMELIO: And now -- I mean we don't know how long we're going to be in this slump so what would be the difference if we just eliminated the one point five and -- and every December have the, you know, the Banking Commissioner announce what the rate should be paid.

RAPHAEL PODOLSKI: I think what you lose out of that is you lose the -- what I've described as a win win situation here. You have a situation in which banks are in fact putting into the market 1.5 percent accounts because of the statute. So that from a landlord's point of view the option is there to use the -- to use a bank, to put money into escrow in a bank that has a 1.5 percent rate.

That eliminates the problem that this created this bill. And that's the reason I said that we feel the bill's unnecessary. If -- if the market were to shut down and there were to be no such rates then I think -- then I think the argument becomes more persuasive. That there's a need for the adjustment of the statute. But right now you are actually -- what you're really doing is you're inviting those banks including some major statewide banks to get rid of their program. And -- and that -- I don't see that that is necessarily helpful.

REP. D'AMELIO: It's my understanding though that in order to participate in some of those escrow accounts that you need to move your checking account or, you know, other business to that bank also. Is that your understanding?

RAPHAEL PODOLSKI: Well I called -- I tried to do a round of phone calls to banks this year because I testified last year on -- on a similar bill and I specifically -- at least with both TD Bank and with Webster Bank I specifically asked the person to who I was referred, do you have to maintain other accounts. Are there minimum charges? Are there charges that are not -- that when you say free it's not really free? And I tried to push for that information.

And with those two banks I was -- I was told -- Webster said you have to have a \$250 minimum balance which is always going to happen because nobody's renting for less than \$250. TD Bank was very insistent that there's no charge and they have a comprehensive system because they will actually -- they create subaccounts and they'll actually send forms 1099s to the tenants and they'll send a check to the tenants. And they -- they -- I can only tell you that they say on the phone that there is no charge.

And I would actually encourage you to double check that. I mean, if I -- because I certainly don't want to give you misinformation on that. And -- but that was what I was told very specifically and I was trying to make sure I made contact with at least some of the larger banks because those are the ones that as a practical matter, in Waterbury where you are Thomaston Bank -- actually Thomaston Savings does operate. But the small banks are not going to operate statewide.

REP. MEGNA: Thank you, Representative D'Amelio.

Raeph, using your logic on win win, even with the passage of this law your banks that you're talking about that are paying above market rate can still pay above market rate if they want them as customers. You're saying that they're paying one point five because they want these people as customers. Correct?

RAPHAEL PODOLSKI: And because -- and because they see that this is a rate that the landlord is expected to pay. So -- I mean they are aware that a landlord putting money into say a half percent account is going to have a shortfall that they're expected to pay. If they're not going to have a shortfall my expectation at least would be that this will cease to be the way in which banks compete. They're not -- they're just -- they'll find a different way to compete.

REP. MEGNA: I mean, once again if they want to pay a point and a half to people for putting their money in their bank they can do that right now. I mean and they are doing it now according to what you're testifying.

RAPHAEL PODOLSKI: Some are. Some are.

REP. MEGNA: Three banks.

RAPHAEL PODOLSKI: Three -- three statewide. We identified -- we didn't call every bank. Three statewide banks we identified and then two of the -- two of the small ones. We didn't -- I mean you can't call all the small banks without a little extra staff.



330 Main Street, 3rd Floor, Hartford, CT 06106
 Phone: 860.722.9922 Fax: 860.541.6484

Testimony for the public hearing scheduled on January 25, 2011 regarding

Raised Bill 5437 - AN ACT CONCERNING SECURITY DEPOSITS
Proposed Bill 5031 - AN ACT INCREASING THE MAXIMUM ALLOWABLE SECURITY DEPOSIT

The Connecticut Apartment Association (CTAA) is the state chapter of the National Apartment Association and represents over 26,000 units, the largest number of apartments represented by any association in the state. CTAA members consist of the state's leading property management companies in the multifamily rental housing industry. The association's mission is to provide quality rental housing to residents of Connecticut. Our parent organization, the National Apartment Association, represents more than 6 million apartment homes throughout the United States and Canada.

The Connecticut Apartment Association (CTAA) **Supports Raised Bill 5437 - AN ACT CONCERNING SECURITY DEPOSITS.**

The Connecticut Apartment Association supports any effort that assists apartment owners in acquiring the forwarding addresses of tenants for the purpose of the return of security deposits and hence supports the proposed language in Raised Bill 5437 allowing for notification of forwarding address by electronic mail. This will help to ensure the timely return of security deposits, which is in the interest of all parties involved.

More importantly, The Connecticut Apartment Association supports the removal of the statutory requirement that apartment owners must pay 1.5% interest on security deposits to tenants. Currently, in these market conditions, financial institutions are paying far less than 1.5% interest and therefore apartment owners are currently required by the State to pay a higher rate of interest than they are currently receiving. This causes apartment owners to pay interest to tenants from rent received from their other tenants.

The Connecticut Apartment Association (CTAA) **Supports Proposed Bill 5031 - AN ACT INCREASING THE MAXIMUM ALLOWABLE SECURITY DEPOSIT.**

As credit problems have become more abundant over the last few years, many Americans are finding it difficult to rent apartments since credit checks are a standard part of the screening process for property management companies. In the state of Connecticut this is particularly so for two reasons:

1. It typically takes three months to successfully evict a tenant for non-payment of rent.
2. The maximum allowable security deposit in the state is only two months' rent.

Property managers often refuse housing to applicants with qualifying income due to bad credit. The applicants could be offered an apartment if they paid a security deposit large enough to cover the costs of an eviction in the event of non-payment. Thus, increasing the maximum allowable security deposit to three months, the expected time period required to evict a non-paying tenant, will help property management companies rent apartments to individuals deemed to be credit risks. In this way, housing will become more readily available for those who have suffered financial difficulties in the past.

Notably, while people with bad credit can acquire houses, automobiles and other such items by paying above average interest rates on the associated loans, this is not an option in renting apartments. Property management companies cannot charge higher rents to individuals with credit problems since such rent differentials may be deemed discriminatory under Fair Housing laws. Therefore, the only way to make rental housing accessible to individuals with credit problems is through the amount of security deposit paid. There is no restriction on requiring larger security deposits from individuals deemed to be a credit risk.

Raising the permissible security deposit in the state should not be considered potentially harmful to tenants. The apartment industry is subject to the discipline of market forces. If a given apartment owner were to raise security deposits on all new residents to three months rent, they would likely lose market share as prospects would opt to rent in communities with lesser security deposits.

All in all, it is in the interest of both tenants and apartment owners to increase the maximum allowable security deposit in Connecticut to three months. By doing this, apartment owners will make housing more available to individuals with bad credit. In this way, apartment owners will gain more residents and, likewise, more housing will become available for people with checkered financial histories.

Sincerely,

Ela Lagasse
CTAA President

FTR ✓

TESTIMONY OF
THE CONNECTICUT COALITION OF PROPERTY OWNERS
BEFORE
THE LEGISLATURE'S INSURANCE & REAL ESTATE COMMITTEE
TUESDAY, January 25, 2011
1PM, ROOM 2B LEGISLATIVE OFFICE BUILDING

Good afternoon. My name is Marshall R. Collins. I am the Counsel for Government Relations for the Connecticut Coalition of Property Owners ("CCOPO"). CCOPO supports:

HB 5031 AA Increasing The Maximum Allowable Security Deposit Amount,
And
HB 5437 AAC Security Deposits.

The Connecticut Coalition of Property Owners is the largest landlord organization in Connecticut and has several chapters, including the:

- Bridgeport Property Owners' Association,
- Greater Hartford Property Owners' Association;
- Stamford Property Owners' Association, and the
- Connecticut Association of Real Estate Investors.

Collectively, our members own more than 25,000 rental units throughout Connecticut.

CCOPO supports HB 5437.

HB 5437 would remove the floor on the interest rate that must be paid on tenant security deposits. Neither landlords nor tenants should realize a windfall from these deposits. Lines 63-71 of HB 5437 retain the formula for requiring landlords to pay the going rate of interest on such deposits. They should not have to pay in excess of that, which is what happens under the current law with the floor of 1.5%. The interest formula, without the floor, is fair to both landlords and tenants. Thus HB 5437 should be adopted.

CCOPO supports HB 5031.

HB 5031 would increase the maximum security deposit from 2 to 3 months' rent. This should be a landlord option. Be assured that the market will not allow a 3 month security deposit on many properties. However, in circumstances where the landlord is subject to increased exposure, the amount is not inappropriate. High vacancy rates allow tenants to choose not to pay excessive security deposits. HB 5437 and HB 5301 recognize the increased costs and risk associated with rental properties in today's economy. Both are fair and reasonable bills. They should be passed.

This completes my testimony. Thank you for your consideration.

FIR ✓

Sen. Joseph Crisco, Senate Chairman
Rep. Robert Megna, House Chairman
Sen. Kevin Kelly, Ranking Member
Rep. Christopher Coutu, Ranking Member

Re: Testimony in support of Raised House Bill 5437, An Act Concerning Security Deposits

Date: January 25, 2011 Public Hearing- Insurance & Real Estate Committee

As a landlord who owns a relatively small rental property, I have been concerned about the disparity in the rate of interest which landlords must pay on security deposits, in comparison to what the banks have been paying for the last few years. Since I contacted Marilyn Giuliano about this matter last year, the situation has become even more critical this year. Many banks require at least \$10,000 in a savings account to earn even 0.25% interest, and as little as 0.05% if the deposit is less than \$10,000. That means that a landlord must pay between 6 times to 30 times the interest earned, depending upon how much his account qualifies for, and what he is required by Connecticut law to pay on that deposit, currently 1.50%.

I very much appreciate Ms. Giuliano's prompt response to my concern regarding this matter, and thank all of you for raising House Bill 5437, An Act Concerning Security Deposits, for public hearing and for consideration by the Insurance and Real Estate Committee.

Sincerely,

Nadine Johnson
446 Main Street, U-5
Old Saybrook, CT 06475



FTR

State of Connecticut

HOUSE OF REPRESENTATIVES
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

REPRESENTATIVE MARILYN GIULIANO
TWENTY-THIRD ASSEMBLY DISTRICT

LEGISLATIVE OFFICE BUILDING
ROOM 4200
HARTFORD, CT 06106-1591

TOLL FREE: (800) 842-1423
CAPITOL: (860) 240-8700
EMAIL: Marilyn.Giuliano@housegop.ct.gov

Assistant Republican Leader

RANKING MEMBER
EDUCATION COMMITTEE

MEMBER
APPROPRIATIONS COMMITTEE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

Sen. Joseph Crisco, Senate Chairman
Rep. Robert Megna, House Chairman
Sen. Kevin Kelly, Ranking Member
Rep. Christopher Coutu, Ranking Member

Re: Testimony *In Support of Raised House Bill 5437, An Act Concerning Security Deposits*

Date: January 25, 2011 Public Hearing

Thank you for raising House Bill 5437, An Act Concerning Security Deposits, for public hearing and for consideration by the Insurance and Real Estate Committee. This issue was brought to my attention by a landlord who contacted the State Banking Department to inquire why landlords would be required to pay 1.50% interest on renter security deposits when banks are currently paying a fraction of that amount in interest. This situation reflects current statute in Connecticut. Other states, however, correlate and adjust the amount of interest required with current bank rates. It would seem reasonable that landlords should not be required to pay more interest than they collect on the renter security deposit accounts that landlords are required to maintain.

rHB 5437 seeks to remedy this inequitable circumstance, and to bring Connecticut statute into best practice by matching the amount of interest paid out by landlords with the current bank deposit rates.

I respectfully urge your consideration and support of this proposal. Thank you for offering rHB 5437 an opportunity for public input.



National Association of Housing and Redevelopment Officials
P. O. Box 310894
Newington, CT 06131
Phone: (860) 508-4896
www.conn-nahro.org

Testimony of
Neil J. Griffin Jr., Senior Vice President
Conn-NAHRO

Submitted to Insurance and Real Estate Committee
January 25, 2011

HB 5437 AN ACT CONCERNING SECURITY DEPOSITS
Support with amended language clarification

My name is Neil Griffin and I am the Senior Vice President for Conn-NAHRO and the Executive Director of the Glastonbury Housing Authority. Conn-NAHRO represents over 112 Connecticut housing authorities and other non-profit and community development member agencies. Member agencies have the responsibility of effectively managing or administering housing for 150,000 families/individuals and over 62,000 housing units in Connecticut.

Speaking on behalf of Conn-NAHRO's Executive Board and member agencies I would like to express support for the concepts proposed in HB 5437 AN ACT CONCERNING SECURITY DEPOSITS and propose clarifying language for section 1.

Section 1. We support the use of electronic mail as and additional notification option to the landlord of a forwarding address of the tenant. We have concerns that electronic mail can end up being filtered out by junk mail or spam filters and not being seen by the landlord. We would suggest the language be amended to state that when notification of the tenants forwarding address is by electronic mail the landlord be required to affirmatively respond acknowledging receipt of the electronic mail for the delivery to be considered received by the landlord.

Section 2. Conn-NAHRO's supports the Committee's language eliminating the requirement for landlords to pay tenants a higher interest rate on security deposits than landlords may obtain from depositing such security deposits in a financial institution.

FTR ✓



330 Main Street, 3rd Floor, Hartford, CT 06106
 Phone: 860.722.9922 Fax: 860.541.6484

Testimony for the public hearing scheduled on January 25, 2011 regarding

Raised Bill 5437 - AN ACT CONCERNING SECURITY DEPOSITS
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Sincerely,

Ela Lagasse
CTAA President

Legal Assistance Resource Center of Connecticut, Inc.

44 Capitol Avenue, Suite 301 ♦ Hartford, Connecticut 06106
(860) 278-5688 x203 ♦ (860) 836-6355 cell ♦ (860) 278-2957 fax ♦ RPodolsky@larcc.org

H.B. 5437 -- Minimum interest rate on tenant security deposits

Insurance Committee public hearing – January 25, 2011

Testimony of Raphael L. Podolsky

Recommended Committee action: NO ACTION

This bill would repeal the 1.5% minimum interest rate on tenant security deposits. Under existing law, the Banking Commissioner sets the rate annually based upon a Federal Reserve Board index of average savings account rates, but the rate may not be set at less than 1.5%. The rate has been 1.5% since 2002. Although at first glance current low interest rates may make this seem unfair, in reality it is not.

- 1.5% security deposit accounts are easily available to landlords in the market. A number of banks provide 1.5% landlord security deposit accounts precisely because of the statutory minimum. Some banks, in other words, have developed a product to meet landlord needs as a way to induce landlords to become their customers. Webster Bank, New Alliance Bank, TD Bank, The Wilton Bank, and Thomaston Savings Bank all have 1.5% specialty accounts for this specific purpose. Webster, New Alliance, and TD are all statewide banks with numerous branches and are thus accessible to landlords throughout the state. TD Bank even has a comprehensive "Escrow Direct" account for landlords who have at least ten security deposits, which breaks the escrow into subaccounts for each tenant and sends annual interest checks and 1099 forms to tenants, all at no cost to the landlord. Copies of rate schedules are attached.
- The statute creates a win-win situation. As a result, retaining the 1.5% minimum presents a win-win situation for tenants and landlords. The tenant is able to earn the statutory 1.5% minimum interest rate and the landlord is covered for the payout.
- Compliance with the escrow law. We are concerned that, if landlords are not aware of these easily available accounts, it may be a sign that they are not placing tenant security deposits into escrow accounts at all but are co-mingling them with their own funds. The reason that the Security Deposit Act requires escrowing the funds is to protect those deposits from the landlord's creditors. It is our impression, however, that many landlords ignore the statute and do not escrow funds. This non-compliance may not surface until a landlord sells the property (the security deposit account should be transferred at the closing) or if the landlord is foreclosed. We believe that a landlord who complies with the law should be able to find a 1.5% account in Connecticut.

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America's Most Convenient Bank®

ESCROWDIRECT

**Bank**

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WHY *ESCROWDIRECT*?

EscrowDirect helps business customers reduce paperwork and costs related to the time consuming process of tracking individual escrow deposits. Our *EscrowDirect* customers are attorneys with client trust and IOLTA/IOLA/IOTA funds, realtors, townships, homeowner associations, funeral homes, landlords, 1031 qualified intermediaries and other escrow account agents.

EscrowDirect is a simplified way for customers to segregate and manage funds for others. Interest is earned under their client's tax identification number and each sub account is FDIC insured separately up to the allowable FDIC limit.

CONVENIENT ESCROW BANKING

- Open & close client sub accounts via phone, fax or e-mail to specialized Escrow Operations Team
- Deposit via branch, mail or wire
- Customer initiated disbursements via check
- No cost for accounts and services



BENEFITS

- Consolidated statement that shows all sub account information by client
- Different statement sorting options (Account # order, Alphabetical order, Memo field)
- Notice Generation (Initial deposit, zero balance, quarterly statements, etc.)
- Numerous interest split options
- 1099s are produced and mailed by TD Bank to each sub account holder
- Only one checkbook to maintain, ability to write checks off master disbursement checking account
- No fee for checks, deposit slips, Return Deposit Items or TD TreasuryDirect online access*: (Free package includes: balance reporting, book transfers, stop payments, image viewing, wire transfers)

*TD TreasuryDirect may be additional for Tenant/Landlord escrow, if needed



CUSTOMER SUPPLIES

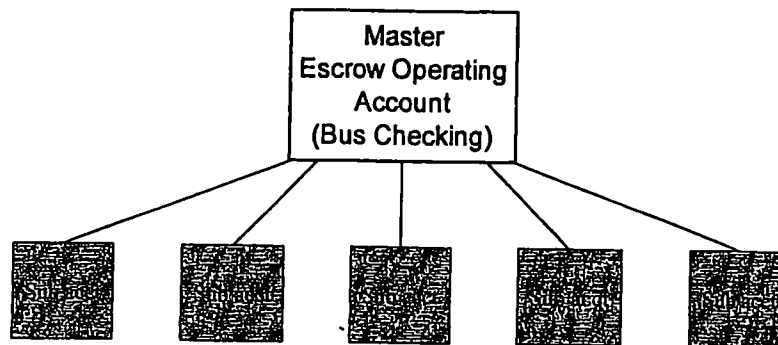
All supplies will be ordered by Cash Management at no additional charge to the customer:

- Blank or pre-printed deposit slips
- Personalized checks
- Endorsement stamp
- Transfer forms
- Pre-paid postage envelopes
- W-9 forms



SAMPLE OF ACCOUNT LAYOUT

XYZ Properties





Savings Accounts

	Balance Range	Interest Rate	Annual Percentage Yield
Statement Savings	All	0.10%	0.10%
Passbook Savings	All	0.10%	0.10%
Totally Free Savings*	All	0.10%	0.10%
Totally Free Savings**	All	0.20%	0.20%
Secured Credit Card Savings	All	0.10%	0.10%
Premier Savings	\$0 to \$9,999	0.20%	0.20%
	\$10,000 to \$24,999	0.50%	0.50%
	\$25,000 - \$49,999	0.70%	0.70%
	\$50,000 to \$99,999	0.75%	0.75%
	\$100,000 and up	0.90%	0.90%
WebsterOne Savings***	\$0 to \$9,999	0.10%	0.10%
	\$10,000 to \$24,999	0.25%	0.25%
	\$25,000 - \$49,999	0.35%	0.35%
	\$50,000 to \$99,999	0.50%	0.50%
	\$100,000 and up	0.60%	0.60%
Premium Money Market Savings	\$0 to \$9,999	0.10%	0.10%
	\$10,000 to \$24,999	0.20%	0.20%
	\$25,000 to \$49,999	0.35%	0.35%
	\$50,000 to \$99,999	0.45%	0.45%
	\$100,000 and up	0.50%	0.50%
Retirement Money Market Savings	\$0-\$9,999	0.10%	0.10%
	\$10,000 to \$24,999	0.40%	0.40%
	\$25,000 to \$49,999	0.50%	0.50%
	\$50,000 to \$99,999	0.50%	0.50%
	\$100,000 and up	0.60%	0.60%
→ Tenant Escrow Accounts	All	1.50%	1.51%

Checking Accounts

	Balance Range	Interest Rate	Annual Percentage Yield
Webster Value Checking	All	N/A	N/A
Opportunity Checking	All	N/A	N/A
WebsterOne Relationship Checking	All	0.05%	0.05%
Premier Checking	\$0 to \$2499	0.05%	0.05%
	\$2,500 to \$9,999	0.10%	0.10%
	\$10,000 to \$24,999	0.10%	0.10%
	\$25,000 - \$49,999	0.10%	0.10%
	\$50,000 +	0.10%	0.10%

Interest is credited and compounded monthly. Fees could reduce earnings. Minimum balance required to earn stated APY is \$0.01. Rates subject to change and may be withdrawn at any time. The APY quoted is accurate as of the Effective Date stated below.

* Webster checking account required or Totally Free Savings account will be converted to a Statement Savings account, which is subject to a monthly service charge of \$3 if a daily balance of \$300 is not maintained.

** Available when account statement is combined with currently offered Checking account statement and set up with an automatic monthly transfer of \$25 or more from a Webster checking account.

*** WebsterOne Checking account required or WebsterOne Savings account will default to the Statement Savings Account interest rate

Member FDIC

Effective Date: January 12, 2011

All



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[Checking / Savings](#)

[Loan](#)

Rates

Deposit Rates - Rates effective 12/02/2010

All rates are subject to change without notice

Checking & Savings

Account	Interest Rate	Annual Percentage Yield (APY)	Minimum Opening Deposit	Compound Method
Attorney Advantage:	0.10%	0.10%	\$10.00	Daily
Gold Advantage Super Now:			\$25.00	Daily
<i>Daily Balance of:</i>				
\$0.01 - \$999.99	0.00%	0.00%		
\$1,000.00 - \$9,999.99	0.03%	0.03%		
\$10,000.00 - \$24,999.99	0.05%	0.05%		
\$25,000.00 - \$49,999.99	0.07%	0.07%		
\$50,000.00 and up	0.09%	0.09%		
Health Savings Account:			\$25.00	Daily
<i>Daily Balance of:</i>				
\$0.01 - \$2,499.99	0.40%	0.40%		
\$2,500.00 - \$4,999.99	0.50%	0.50%		
\$5,000.00 - \$14,999.99	0.60%	0.60%		
\$15,000.00 and up	0.65%	0.65%		
Money Market (Personal & Business):			\$25.00	Daily
<i>Daily Balance of:</i>				
\$0.00 - \$4,999.99	0.00%	0.00%		
\$5,000.00 - \$49,999.99	0.25%	0.25%		
\$50,000.00 - \$249,999.99	0.45%	0.45%		
\$250,000.00 and up	0.65%	0.65%		
Business Savings:	0.10%	0.10%	\$10.00	Daily
Custodial Savings:	0.20%	0.20%	\$10.00	Daily
Personal Savings:	0.10%	0.10%	\$10.00	Daily
Tenant Security Savings:	1.50%	1.51%	\$10.00	Daily

[BACK TO TOP](#)



[Disclosures](#)



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Supplement to
Disclosure Handbook

**Schedule of Business Deposit
Account Rates**

Effective January 24, 2011

Type of Account	Minimum Deposit	Interest Rate	APY		Interest Rate	APY	Interest Rate	APY
			12-Month	5-Year				
Commercial Checking Accounts								
Commercial Checking (with Earnings Credit)	\$ 50	0.80	n/a					
Business Checking Accounts								
Business Checking with Interest	\$ 50	0.10	0.10					
Business Savings Accounts								
Business Passbook Savings	\$ 50	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Business Statement Savings	\$ 50	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Something Extra Free Business Statement Savings	\$ 50	0.30	0.30	0.30	0.30	0.40	0.40	0.40
Business Tenant Escrow Account*	\$ 50	1.50	1.51	1.50	1.51	1.50	1.51	1.51
Commercial Tenant Escrow Account*	\$ 50	1.50	1.51	1.50	1.51	1.50	1.51	1.51
Business Money Market Accounts								
Business Money Market	\$ 2,500	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Premium Business Money Market Account								
Premium Business Money Market	\$ 5,000	0.50	0.50	0.60	0.60	0.75	0.75	0.75

Term	Minimum Deposit	Relationship CD*			Non-Relationship CD*		
		Interest Rate	APY	Product Offered	Interest Rate	APY	
3 Month	\$ 1,000	n/a	n/a	n/a	0.25	0.25	
4 Month	\$ 1,000	n/a	n/a	n/a	0.25	0.25	
6 Month	\$ 1,000	n/a	n/a	n/a	0.25	0.25	
7 Month	\$ 1,000	n/a	n/a	n/a	0.25	0.25	
9 Month	\$ 1,000	n/a	n/a	n/a	0.25	0.25	
10 Month	\$ 1,000	n/a	n/a	n/a	0.25	0.25	
11 Month	\$ 1,000	n/a	n/a	n/a	0.30	0.30	
1 Year	\$ 1,000	n/a	n/a	n/a	0.30	0.30	
13 Month	\$ 1,000	n/a	n/a	n/a	0.30	0.30	
15 Month	\$ 1,000	n/a	n/a	n/a	1.05	1.10	
18 Month	\$ 1,000	n/a	n/a	n/a	0.65	0.65	
2 Years	\$ 1,000	n/a	n/a	n/a	0.75	0.75	
3 Years	\$ 1,000	n/a	n/a	n/a	1.84	1.85	
5 Years	\$ 1,000	n/a	n/a	n/a	2.47	2.50	
Retirement CDs							
Business Retirement	\$ 500	n/a	n/a	n/a	0.18	0.18	
Term CDs							
7 Days to 365 Days	\$ 100,000	n/a	n/a	n/a	Rates Change Daily	Rates Change Daily	
Special CDs							
Month Negotiated CD***	\$ 1,000						

Customer Information:

rates set by State of Connecticut.

Maximum balance of \$1,000,000.

APY is defined as Annual Percentage Yield and rates are effective as of date listed above.

*Qualified Negotiated CDs at maturity automatically renew to the 6 Month Relationship CD product type.

oiding, Savings and Money Market account APYs may change at any time. Fees may reduce earnings on account.

APYs assume funds will stay on deposit until maturity. Early withdrawal could result in fee penalties which could reduce earnings on the account.

For more information, please call our Customer Contact Center at 800-692-2096, 203-789-2767 or 860-645-2163.

Member FDIC





Thomaston Savings Bank

MEMBER FDIC

DEPOSIT RATES EFFECTIVE AS OF - January 19, 2011

The interest rate and annual percentage yield (APY) on the variable rate accounts listed below may change, at the Bank's discretion, after the account is opened.

VARIABLE RATE ACCOUNTS	Minimum \$ to Open	Minimum \$ to earn APY	Interest	APY
• Statement Savings	25.00	5.00	.25%	.25%
• Passbook Savings	25.00	5.00	.15%	.15%
→ • Tenant Security Passbook Savings	25.00	5.00	1.50%	1.51%
• Money Market Statement Savings	2,500.00	50,000.00	.70%	.70%
0% interest earned on balances under \$1000.00		10,000.00	.40%	.40%
		2,500.00	.20%	.20%
		1,000.00	.10%	.10%
• Money Market Passbook Savings	2,500.00	50,000.00	.60%	.60%
0% interest earned on balances under \$1000.00		10,000.00	.30%	.30%
		2,500.00	.15%	.15%
		1,000.00	.10%	.10%
• Relationship Statement Savings ²	15,000.00	50,000.00	1.00%	1.01%
0% interest earned on balances under \$1000.00		15,000.00	.75%	.75%
		1,000.00	.30%	.30%
• Bonus Checking (NOW account)	25.00	10,000.00	.25%	.25%
0% interest earned on balances under \$500.00		5,000.00	.25%	.25%
• Health Savings Account	0.00	50,000.00	1.00%	1.01%
		5,000.00	.75%	.75%
		0.00	.50%	.50%
• 18 Month Variable Rate Certificate ¹	25.00	25.00	1.00%	1.01%
FIXED RATE CERTIFICATES OF DEPOSIT¹				
• 91 Day	1,000.00	1,000.00	.40%	.40%
• 6 Month	1,000.00	1,000.00	.45%	.45%
• 9 Month	1,000.00	1,000.00	.60%	.60%
• 12 Month	1,000.00	1,000.00	.75%	.75%
• 13 Month	1,000.00	1,000.00	.85%	.85%
• 16 Month	1,000.00	1,000.00	1.00%	1.01%
• 18 Month	1,000.00	1,000.00	1.00%	1.01%
• 24 Month	1,000.00	1,000.00	1.24%	1.25%
• 30 Month	1,000.00	1,000.00	1.34%	1.35%
• 3 Year	1,000.00	1,000.00	1.73%	1.75%
• 4 Year	1,000.00	1,000.00	1.98%	2.00%
• 5 Year	1,000.00	1,000.00	2.47%	2.50%
JUMBO FIXED RATE CERTIFICATES OF DEPOSIT¹				
• 91 Day Jumbo	100,000.00	100,000.00	.45%	.45%
• 6 Month Jumbo	100,000.00	100,000.00	.50%	.50%
• 9 Month Jumbo	100,000.00	100,000.00	.65%	.65%
• 12 Month Jumbo	100,000.00	100,000.00	.80%	.80%
• 13 Month Jumbo	100,000.00	100,000.00	.90%	.90%
• 16 Month Jumbo	100,000.00	100,000.00	1.05%	1.06%
• 18 Month Jumbo	100,000.00	100,000.00	1.05%	1.06%
• 24 Month Jumbo	100,000.00	100,000.00	1.29%	1.30%
• 30 Month Jumbo	100,000.00	100,000.00	1.39%	1.40%
• 3 Year Jumbo	100,000.00	100,000.00	1.78%	1.80%
• 4 Year Jumbo	100,000.00	100,000.00	2.03%	2.05%
• 5 Year Jumbo	100,000.00	100,000.00	2.52%	2.55%

Withdrawals and fees may reduce earnings. Interest is credited to the account on the second to the last day of each month. ¹A penalty may be imposed for withdrawal of principal prior to maturity from certificate accounts. The APY assumes that interest remains on deposit until maturity. ²Relationship Checking account required. Refer to deposit contract or see a bank representative for specific terms.

S - 632

**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2011**

**VOL. 54
PART 21
6546-6914**

mhr/cd/gbr
SENATE

497
June 7, 2011

So ordered.

SENATOR LOONEY:

Thank you Madam President.

Continuing calendar page 13. Calendar 515,
House Bill Number 6221.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Also, calendar page 13, Calendar 516, House
Bill Number 6455.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving to calendar page 14, Madam President,
Calendar 519, House Bill Number 5437.

Madam President, move to the place the item on
the Consent Calendar.

THE CHAIR:

mhr/cd/gbr
SENATE

498
June 7, 2011

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Continuing on calendar page 14, Calendar 522,
House Bill Number 6303.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Moving to calendar page 15, Calendar 523, House
Bill Number 6499.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Continuing on calendar page 15, Calendar 524,
House Bill Number 6490.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

mhr/cd/gbr
SENATE

520
June 7, 2011

Mr. Clerk.

THE CLERK:

Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

THE CLERK:

Madam President, the items placed...

THE CHAIR:

I would ask the Chamber to be quiet please so we can hear the call of the Calendar for the Consent Calendar.

Thank you.

Please proceed, Mr. Clerk

THE CLERK:

Madam President, the items placed on the first Consent Calendar begin on calendar page 5, Calendar 336, House Bill 5697.

Calendar page 7, Calendar 421, Substitute for House Bill 6126.

Calendar page 8, Calendar 449, Senate Bill 1149.

mhr/cd/gbr
SENATE

521
June 7, 2011

Calendar page 10, Calendar 470, Substitute for House Bill 5340. Calendar 474, Substitute for House Bill 6274. Calendar 476, House Bill 6635.

Calendar page 12, Calendar 499, Substitute for House Bill 6638. Calendar 500, House Bill 6614. Calendar 508, House Bill 6222.

Calendar page 13, Calendar 511, House Bill 6356. Calendar 512, Substitute for House Bill 6422. Calendar 514, House Bill 6590. Calendar 515, House Bill 6221. Calendar 516, House Bill 6455.

Calendar page 14, Calendar 517, House Bill 6350. Calendar 519, House Bill 5437. Calendar 522, House Bill 6303.

Calendar page 15, Calendar 523, Substitute for House Bill 6499. Calendar 524, House Bill 6490. Calendar 525, House Bill 5780. Calendar 526, House Bill 6513. Calendar 527, Substitute for House Bill 6532.

Calendar page 16, Calendar 528, House Bill 6561. Calendar 529, Substitute for House Bill 6312. Calendar 530, Substitute for House Bill 5032. Calendar 532, House Bill 6338.

Calendar page 17, Calendar 533, Substitute for House Bill 6325. Calendar 534, House Bill 6352.

mhr/cd/gbr
SENATE

522
June 7, 2011

Calendar 536, House Bill 5300. Calendar 537, House
Bill 5482.

calendar page 18, Calendar 543, House Bill 6508.

Calendar 544, House Bill 6412. Calendar 546,
Substitute for House Bill 6538. Calendar 547,
Substitute for House Bill 6440. Calendar 548,
Substitute for House Bill 6471.

Calendar page 19, Calendar 550, Substitute for
House Bill 5802. Calendar 551, House Bill 6433.
Calendar 552, House Bill 6413. Calendar 553,
Substitute for House Bill 6227.

Calendar page 20, Calendar 554, Substitute for
House Bill 5415. Calendar 557, Substitute for House
Bill 6318. Calendar 558, Substitute for House Bill
6565.

Calendar page 21, Calendar 559, Substitute for
House Bill 6636.

Calendar page 22, Calendar 563, Substitute for
House Bill 6600. Calendar 564, Substitute for House
Bill 6598. Calendar 566, House Bill 5585.

Calendar page 23, Calendar 568, Substitute for
House Bill 6103. Calendar 570, Substitute for House
Bill 6336. Calendar 573, Substitute for House Bill
6434.

mhr/cd/gbr
SENATE

523
June 7, 2011

Calendar page 24, Calendar 577, Substitute for
House Bill 5795.

Calendar page 25, Calendar 581, House Bill
6354.

Calendar page 26, Calendar 596, Substitute for
House Bill 6282. Calendar 598, Substitute for House
Bill 6629.

Calendar page 27, Calendar 600, House Bill
6314. Calendar 601, Substitute for House Bill 6529.
Calendar 602, Substitute for House Bill 6438.
Calendar 604, Substitute for House Bill 6639.

Calendar page 28, Calendar 605, Substitute for
House Bill 6526. Calendar 608, House Bill 6284.

Calendar page 30, Calendar number 615,
Substitute for House Bill 6485. Calendar 616,
Substitute for House Bill 6498.

Calendar page 31, Calendar 619, Substitute for
House Bill 6634. Calendar 627, Substitute for House
Bill 6596.

Calendar page 32, Calendar 629, House Bill
5634. Calendar 630, Substitute for House Bill 6631.
Calendar 631, Substitute for House Bill 6357.
Calendar 632, House Bill 6642.

mhr/cd/gbr
SENATE

524
June 7, 2011

Calendar page 33, Calendar 634, Substitute for
House Bill 5431. Calendar 636, Substitute for
House, correction, House Bill 6100.

Page 34, Calendar 638, Substitute for House
Bill 6525.

Calendar page 48, Calendar 399, Substitute for
Senate Bill 1043.

Calendar page 49, Calendar 409, Substitute for
House Bill 6233. Calendar 412, House Bill 5178.
Calendar 422, Substitute for House Bill 6448.

Calendar page 52, Calendar 521, Substitute for
House Bill 6113.

Madam President, that completes the item placed
on the first Consent Calendar.

THE CHAIR:

Thank you, sir.

We call for another roll call vote. And the
machine will be open for Consent Calendar number 1.

THE CLERK:

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

mhr/cd/gbr
SENATE

525
June 7, 2011

Senator Cassano, would you vote, please, sir.

Thank you.

Well, all members have voted. All members have voted. The machine will be closed, and Mr. Clerk, will you call the tally?

THE CLERK:

Motion is on option Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar Number 1 has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

We might stand at ease for just a moment as we prepare the next item..

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)