



General Assembly

**Amendment**

February Session, 2026

LCO No. 4128



Offered by:

SEN. MILLER P., 27<sup>th</sup> Dist.  
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To: Senate Bill No. 218

File No. 75

Cal. No. 75

**"AN ACT REQUIRING A STUDY RELATING TO BANKING ISSUES  
IN THE STATE."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 3-24k of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective October 1, 2026*):

5 (a) The State Treasurer may establish a program under which the  
6 State Treasurer may, based on cash availability, make available a pool  
7 of funds not exceeding three hundred million dollars for investment  
8 with eligible community banks and community credit unions. Such  
9 funds shall be obtained from the state's operating cash managed by the  
10 State Treasurer.

11 (b) (1) The State Treasurer shall establish eligibility criteria for any  
12 program established under subsection (a) of this section. Such eligibility

13 criteria shall include, at a minimum, an asset limit for community banks  
14 and community credit unions to participate in such program. Such asset  
15 limit shall provide that: (A) During the period beginning July 1, 2023,  
16 and ending September 29, 2024, no community bank or community  
17 credit union with assets exceeding two billion dollars may participate in  
18 such program; and (B) beginning September 30, 2024, no community  
19 bank or community credit union may participate in such program if  
20 such community bank's or community credit union's assets exceed the  
21 sum of (i) the preceding asset limit established by the State Treasurer,  
22 and (ii) the median percentage loan growth of community banks and  
23 community credit unions eligible for the program at the time when the  
24 State Treasurer establishes such asset limit. As used in this subsection,  
25 "median percentage loan growth" means the middle value representing  
26 the percentage increase or decrease, as the case may be, in loan assets  
27 over a period of time reflected on the balance sheet of a specified group  
28 of lenders.

29 (2) Not later than July 1, 2024, and annually thereafter, the State  
30 Treasurer shall provide to the Department of Banking a list of the  
31 community banks and community credit unions that are eligible to  
32 participate in such program at the time when the State Treasurer  
33 provides each such list to the department. Not later than August 31,  
34 2024, and annually thereafter, the Department of Banking shall provide  
35 to the State Treasurer the median percentage loan growth of each such  
36 community bank and community credit union.

37 (c) The State Treasurer shall establish a schedule for making such  
38 investments with such banks and credit unions.

39 (d) The State Treasurer shall establish a [competitive bidding]  
40 procedure under which such banks and credit unions may [compete]  
41 apply for investment-related services under said program. Under such  
42 procedure, the State Treasurer may accept rates for such investment-  
43 related services that are not greater than one hundred basis points below  
44 the previous day's yield for an appropriately comparative United States  
45 Treasury security with the same maturity date as the maturity date

46 applicable to such investment-related services, as determined by the  
47 State Treasurer.

48 (e) The State Treasurer may establish capital standards for such banks  
49 and credit unions wishing to participate in said program.

50 Sec. 2. Subsection (i) of section 49-8a of the general statutes is repealed  
51 and the following is substituted in lieu thereof (*Effective October 1, 2026*):

52 (i) (1) A mortgagee shall accept, as payment tendered for satisfaction  
53 or partial satisfaction of a mortgage loan, a bank check, certified check,  
54 attorney's clients' funds account check, title insurance company check,  
55 wire transfer or any other form of payment authorized under federal  
56 law.

57 (2) As used in this subdivision, (A) "mortgage loan" means a loan  
58 secured by a mortgage on residential real property, which loan is  
59 granted by a mortgagee to a mortgagor, (B) "mortgagee" means the  
60 owner or servicer of the debt secured by a mortgage, (C) "mortgagor"  
61 means any person obligated to repay a mortgage loan, (D) "residential  
62 real property" means a one-to-four family dwelling, occupied as a  
63 residence by a mortgagor, and (E) "prepayment" means a payment  
64 toward the outstanding principal amount of a mortgage loan beyond  
65 the monthly payment due on such mortgage loan. For a mortgage loan  
66 made on or after January 1, 2027, a mortgagee shall accept a full or  
67 partial prepayment from a mortgagor, which prepayment shall reduce,  
68 in whole or in part, the amount of principal that a mortgagor owes on  
69 the mortgage loan, provided the mortgagee may apply the prepayment  
70 to an amount that is owed under the mortgage loan other than the  
71 principal amount, as permitted by the terms of the mortgage loan. The  
72 mortgagee shall apply such prepayment in accordance with applicable  
73 state and federal laws and regulations. A payment on a mortgage loan  
74 that a mortgagor intends as a prepayment shall not be considered a  
75 prepayment under this subdivision unless all monthly payments due on  
76 the mortgage loan have been paid at the time the mortgagor delivers  
77 such payment. A prepayment shall not result in any change to the due

78 date or the amount of the mortgagor's monthly payment due on the  
79 mortgage loan unless the mortgagee agrees in writing to such change.  
80 A mortgagee shall not assess a prepayment charge with respect to any  
81 prepayment if such charge is prohibited by any state or federal law or  
82 regulation, provided, with respect to a mortgage loan insured by the  
83 Federal Housing Administration, the mortgagor may be required to  
84 reimburse the mortgagee up to the full amount of any charge, premium  
85 or fee required by any state or federal law or regulation of the Federal  
86 Housing Administration to be paid by the mortgagee upon payment of  
87 the mortgage loan prior to the date fixed for such payment.

88 Sec. 3. Subdivision (1) of subsection (j) of section 47a-21 of the 2026  
89 supplement to the general statutes is repealed and the following is  
90 substituted in lieu thereof (*Effective October 1, 2026*):

91 (j) (1) Except as provided in subdivision (2) of this subsection, the  
92 commissioner may receive and investigate complaints regarding any  
93 alleged violation of [subsections] subsection (b), (d), (h) or (i) of this  
94 section. For the purposes of such investigation, any person who is or  
95 was a landlord shall be subject to the provisions of section 36a-17. If the  
96 commissioner determines that any landlord has violated any provision  
97 of this section over which the commissioner has jurisdiction, the  
98 commissioner may, in accordance with [section] sections 36a-50 and  
99 36a-52, order such [person to] landlord to pay a civil penalty, cease and  
100 desist from such practices and [to] comply with the provisions of this  
101 section.

102 Sec. 4. Subsection (b) of section 36a-34 of the general statutes is  
103 repealed and the following is substituted in lieu thereof (*Effective October*  
104 *1, 2026*):

105 (b) The commissioner shall not grant any approval under section 36a-  
106 125, subsections (b), (c) and (d) of section 36a-145, as amended by this  
107 act, section 36a-181, section 36a-411 or subdivisions (1) and (2) of  
108 subsection (a) of section 36a-412 unless the commissioner finds, in  
109 accordance with regulations adopted pursuant to chapter 54, that (1)

110 based on the most recent applicable performance evaluation and any  
111 related information required by the commissioner, the entity has a  
112 record of compliance with the requirements of federal CRA, sections  
113 36a-30 to 36a-33, inclusive, to the extent applicable, and applicable  
114 consumer protection laws; and (2) except as otherwise provided in this  
115 subsection, if the entity, and in the case of an approval pursuant to  
116 section 36a-411, the bank or any subsidiary bank of the Connecticut  
117 holding company, received any overall rating other than an assigned  
118 rating of "outstanding" on its most recent applicable community  
119 reinvestment performance evaluation, or, in the case of an approval  
120 under subsection (b), (c) or (d) of section 36a-145, as amended by this  
121 act, if the entity received an overall rating of "needs to improve" or  
122 "substantial noncompliance" on its most recent applicable community  
123 reinvestment performance evaluation, the resulting entity will provide  
124 adequate services to meet the banking needs of all community residents,  
125 including low-income residents and moderate-income residents to the  
126 extent permitted by its charter, in accordance with a plan submitted by  
127 the applicant to the commissioner, in such form and containing such  
128 information as the commissioner may require, or, if acceptable to the  
129 commissioner, in accordance with an approved strategic plan prepared  
130 under federal CRA, or the relevant portion thereof, that is submitted by  
131 the applicant to the commissioner. Upon receiving any such plan, the  
132 commissioner shall make the plan available for public inspection and  
133 comment at the Department of Banking and cause notice of its  
134 submission and availability for inspection and comment to be published  
135 in the department's weekly bulletin. With the concurrence of the  
136 commissioner, the applicant or applicants shall publish, in the form of a  
137 legal advertisement in a newspaper having a substantial circulation in  
138 the area, notice of such plan's submission and availability for public  
139 inspection and comment. The notice shall state that the inspection and  
140 comment period will last for a period of thirty days from the date of  
141 publication. The commissioner shall not make such finding until the  
142 expiration of such thirty-day period. In making such finding, the  
143 commissioner shall, unless clearly inapplicable, consider, among other  
144 factors, whether the plan identifies specific unmet credit and consumer

145 banking needs in the local community and specifies how such needs will  
146 be satisfied, provides for sufficient distribution of banking services  
147 among branches or satellite devices, or both, located in low-income  
148 neighborhoods, contains adequate assurances that banking services will  
149 be offered on a nondiscriminatory basis and demonstrates a  
150 commitment to extend credit for housing, small business and consumer  
151 purposes in low-income neighborhoods. The submission of such plan  
152 shall not be required in the case of an approval under subsection (d) of  
153 section 36a-145, provided, the commissioner may require the filing of  
154 such information in lieu of a plan as the commissioner deems  
155 appropriate. If the commissioner determines that an applicant is an  
156 eligible entity, the commissioner may (A) exempt such applicant from  
157 the requirement that such applicant file a plan, or (B) require such  
158 information in lieu of a plan as the commissioner deems appropriate.  
159 Except with respect to an approval pursuant to section 36a-145, as  
160 amended by this act, and section 36a-181, the commissioner shall not  
161 approve the transaction if the transaction would result in a monopoly,  
162 or would be in furtherance of any combination or conspiracy to  
163 monopolize or attempt to monopolize the business of banking in this  
164 state or if the commissioner determines that the effect of the proposed  
165 transaction may be to substantially lessen competition, or would tend to  
166 create a monopoly, or would be in restraint of trade, unless the  
167 commissioner finds that the anticompetitive effects of the proposed  
168 transaction are clearly outweighed in the public interest by the probable  
169 effect of the transaction in meeting the convenience and needs of the  
170 community to be served.

171 Sec. 5. Subsection (n) of section 36a-145 of the general statutes is  
172 repealed and the following is substituted in lieu thereof (*Effective October*  
173 *1, 2026*):

174 (n) Upon receipt of an application pursuant to subdivision (1) of  
175 subsection (b) of this section, subdivisions (1) and (4) of subsection (c)  
176 of this section, subdivision (1) of subsection (d) of this section or  
177 subsection (j) of this section, the commissioner shall cause notice of the

178 application to be published in the department's weekly bulletin. The  
179 commissioner shall determine whether the applicant is an eligible  
180 entity, as defined in section 36a-34, as amended by this act, and shall  
181 promptly notify the applicant of such determination. An application by  
182 an eligible entity shall be deemed approved on the [twelfth] fifth  
183 business day after expiration of the comment period provided in the  
184 department's weekly bulletin, unless the commissioner informs the  
185 applicant, in writing, prior to such [twelfth] fifth business day, that (1)  
186 an adverse comment has been received that warrants additional  
187 investigation or review; (2) the application presents a significant  
188 community reinvestment or compliance concern; (3) the application  
189 presents a significant supervisory concern or raises significant legal or  
190 policy issues; or (4) the application requires additional information. The  
191 application may be deemed approved prior to the expiration of the  
192 [twelfth] fifth business day if the commissioner issues a written notice  
193 of the commissioner's intent not to disapprove the application.

194 Sec. 6. Subsection (a) of section 36a-32 of the general statutes is  
195 repealed and the following is substituted in lieu thereof (*Effective October*  
196 *1, 2026*):

197 (a) In connection with the examination of a bank under section 36a-  
198 17, the commissioner shall assess the record of the performance of the  
199 bank in helping to meet the credit needs of its entire community,  
200 including low and moderate-income neighborhoods, consistent with the  
201 safe and sound operation of the bank. The commissioner shall assess the  
202 community reinvestment performance of a bank utilizing the applicable  
203 methodology set forth in federal CRA. In addition, the commissioner  
204 shall consider the following in assessing a bank's record of performance:

205 (1) The bank's record of offering escrow accounts for purposes of  
206 compliance with subsection (h) of section 47a-21;

207 (2) Efforts of the bank to work with delinquent residential mortgage  
208 customers who are unemployed or underemployed to facilitate a  
209 resolution of the delinquency; [and]

210 (3) Written comments received by the commissioner; and

211 (4) The bank's offering of a loan or deposit product designed to assist  
212 residents of its local communities, including, but not limited to, low and  
213 moderate-income individuals, in establishing or improving such  
214 residents' credit history."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	3-24k
Sec. 2	<i>October 1, 2026</i>	49-8a(i)
Sec. 3	<i>October 1, 2026</i>	47a-21(j)(1)
Sec. 4	<i>October 1, 2026</i>	36a-34(b)
Sec. 5	<i>October 1, 2026</i>	36a-145(n)
Sec. 6	<i>October 1, 2026</i>	36a-32(a)