

# OFFICE OF FISCAL ANALYSIS

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sHB-5142

AN ACT CONCERNING CONSUMER CREDIT, CERTAIN BANK REAL ESTATE IMPROVEMENTS, THE CONNECTICUT UNIFORM SECURITIES ACT, SHARED APPRECIATION AGREEMENTS, INNOVATION BANKS, THE COMMUNITY BANK AND COMMUNITY CREDIT UNION PROGRAM AND TECHNICAL REVISIONS TO THE BANKING STATUTES.

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## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Banking Dept.	BF - Revenue Gain	5,000 to 15,000	5,000 to 15,000
Banking Dept.	BF - Potential Revenue Gain	Minimal	Minimal

Note: BF=Banking Fund

***Municipal Impact:*** None

### ***Explanation***

The bill makes various changes to the banking statutes that result in the following impacts.

**Sections 12 and 17-19** potentially broaden the class of entities subject to licensure as (1) sales finance companies, (2) small loan servicers, (3) mortgage servicers, and (4) private student loan servicers, resulting in a minimal potential revenue gain to the Banking Fund.<sup>1</sup> The bill expands the types of activities that require someone to be licensed, but these changes are not expected to result in a substantial increase in licensees.

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<sup>1</sup>The initial and annual renewal fees for these licenses are \$400, \$400, \$1,000, and \$9,000, respectively.

**Section 23** creates a notice filing fee of \$250 for Tier 2 securities offerings, resulting in a revenue gain to the Banking Fund ranging from \$5,000 to \$15,000 in FY 24 and FY 25, as the department receives 20 to 60 such filings each year.

**Section 42** changes eligibility for participation in the Treasurer's Community Bank and Community Credit Union programs. The impact of those changes is unknown, as it will depend on whether there are increased investments in community banks and credit unions because of the changes and any difference between investment returns generated by the expanded programs and other short term cash flow investments.

The bill also makes various clarifying, conforming, and technical changes that result in no fiscal impact to the state.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of licensees and Tier 2 securities offerings.