



General Assembly

January Session, 2025

Raised Bill No. 1544

LCO No. 6769



Referred to Committee on JUDICIARY

Introduced by:
(JUD)

***AN ACT CONCERNING PRESETTLEMENT LEGAL FUNDING AND
LOANS MADE IN CONNECTION WITH THE ANTICIPATED RECEIPT
OF A WRONGFUL INCARCERATION AWARD.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) (a) The Commissioner of Banking, or
2 the commissioner's designee, shall study and report: (1) On consumer
3 complaints made against entities subject to the provisions of title 36a of
4 the general statutes, for the five-year period commencing on July 1,
5 2020, and ending on June 30, 2025, relating to (A) any alleged
6 impropriety in the provision of presettlement legal funding to a person
7 seeking compensation for wrongful incarceration under section 54-
8 102uu of the general statutes; (B) any unlicensed entity providing a
9 small loan to a person with respect to the anticipated proceeds from a
10 wrongful incarceration award under section 54-102uu of the general
11 statutes; (C) any consent decree entered into between the department
12 and an entity subject to the provisions of title 36a of the general statutes
13 relating to an alleged impropriety in the provision of presettlement legal
14 funding to a person seeking compensation for wrongful incarceration
15 under section 54-102uu of the general statutes; and (D) any other

16 enforcement actions taken by the department with respect to a
17 consumer complaint against an entity subject to the provisions of title
18 36a of the general statutes relating to presettlement legal funding or a
19 loan made in connection with the anticipated proceeds from a wrongful
20 incarceration award under section 54-102uu of the general statutes; and
21 (2) in consultation with the Commissioner of Consumer Protection and
22 the Attorney General, on recommended legislative changes needed to
23 provide enhanced consumer protections to a person seeking
24 compensation for wrongful incarceration under section 54-102uu of the
25 general statutes, who, prior to receiving any compensation, enters into
26 an agreement with an entity for the receipt of certain sums of money,
27 which sums of money are to be repaid to the entity upon the receipt of
28 the wrongful incarceration award.

29 (b) The Commissioner of Banking, or the commissioner's designee,
30 shall submit the report in accordance with the provisions of section 11-
31 4a of the general statutes, to the joint standing committees of the General
32 Assembly having cognizance of matters relating to the judiciary,
33 banking and consumer protection on or before January 15, 2026.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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Statement of Purpose:

To require the Commissioner of Banking to report on consumer complaints made with respect to presettlement legal funding and loans made in connection with the anticipated receipt of a wrongful incarceration award.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]