



Senate

General Assembly

File No. 126

February Session, 2026

Substitute Senate Bill No. 302

Senate, March 23, 2026

The Committee on Banking reported through SEN. MILLER of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT REVISING VARIOUS PROVISIONS RELATING TO CERTAIN APPROVALS BY THE BANKING COMMISSIONER AND CONNECTICUT BANK BRANCH APPLICATIONS.

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

1 Section 1. Subsection (b) of section 36a-34 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2026*):

4 (b) The commissioner shall not grant any approval under section 36a-
5 125, subsections (b), (c) and (d) of section 36a-145, as amended by this
6 act, section 36a-181, section 36a-411 or subdivisions (1) and (2) of
7 subsection (a) of section 36a-412 unless the commissioner finds, in
8 accordance with regulations adopted pursuant to chapter 54, that (1)
9 based on the most recent applicable performance evaluation and any
10 related information required by the commissioner, the entity has a
11 record of compliance with the requirements of federal CRA, sections
12 36a-30 to 36a-33, inclusive, to the extent applicable, and applicable
13 consumer protection laws; and (2) except as otherwise provided in this

14 subsection, if the entity, and in the case of an approval pursuant to
15 section 36a-411, the bank or any subsidiary bank of the Connecticut
16 holding company, received any overall rating other than an assigned
17 rating of "outstanding" on its most recent applicable community
18 reinvestment performance evaluation, or, in the case of an approval
19 under subsection (b), (c) or (d) of section 36a-145, as amended by this
20 act, if the entity received an overall rating of "needs to improve" or
21 "substantial noncompliance" on its most recent applicable community
22 reinvestment performance evaluation, the resulting entity will provide
23 adequate services to meet the banking needs of all community residents,
24 including low-income residents and moderate-income residents to the
25 extent permitted by its charter, in accordance with a plan submitted by
26 the applicant to the commissioner, in such form and containing such
27 information as the commissioner may require, or, if acceptable to the
28 commissioner, in accordance with an approved strategic plan prepared
29 under federal CRA, or the relevant portion thereof, that is submitted by
30 the applicant to the commissioner. Upon receiving any such plan, the
31 commissioner shall make the plan available for public inspection and
32 comment at the Department of Banking and cause notice of its
33 submission and availability for inspection and comment to be published
34 in the department's weekly bulletin. With the concurrence of the
35 commissioner, the applicant or applicants shall publish, in the form of a
36 legal advertisement in a newspaper having a substantial circulation in
37 the area, notice of such plan's submission and availability for public
38 inspection and comment. The notice shall state that the inspection and
39 comment period will last for a period of thirty days from the date of
40 publication. The commissioner shall not make such finding until the
41 expiration of such thirty-day period. In making such finding, the
42 commissioner shall, unless clearly inapplicable, consider, among other
43 factors, whether the plan identifies specific unmet credit and consumer
44 banking needs in the local community and specifies how such needs will
45 be satisfied, provides for sufficient distribution of banking services
46 among branches or satellite devices, or both, located in low-income
47 neighborhoods, contains adequate assurances that banking services will
48 be offered on a nondiscriminatory basis and demonstrates a

49 commitment to extend credit for housing, small business and consumer
50 purposes in low-income neighborhoods. The submission of such plan
51 shall not be required in the case of an approval under subsection (d) of
52 section 36a-145, provided, the commissioner may require the filing of
53 such information in lieu of a plan as the commissioner deems
54 appropriate. If the commissioner determines that an applicant is an
55 eligible entity, the commissioner may (A) exempt such applicant from
56 the requirement that such applicant file a plan, or (B) require such
57 information in lieu of a plan as the commissioner deems appropriate.
58 Except with respect to an approval pursuant to section 36a-145, as
59 amended by this act, and section 36a-181, the commissioner shall not
60 approve the transaction if the transaction would result in a monopoly,
61 or would be in furtherance of any combination or conspiracy to
62 monopolize or attempt to monopolize the business of banking in this
63 state or if the commissioner determines that the effect of the proposed
64 transaction may be to substantially lessen competition, or would tend to
65 create a monopoly, or would be in restraint of trade, unless the
66 commissioner finds that the anticompetitive effects of the proposed
67 transaction are clearly outweighed in the public interest by the probable
68 effect of the transaction in meeting the convenience and needs of the
69 community to be served.

70 Sec. 2. Subsection (n) of section 36a-145 of the general statutes is
71 repealed and the following is substituted in lieu thereof (*Effective October*
72 *1, 2026*):

73 (n) Upon receipt of an application pursuant to subdivision (1) of
74 subsection (b) of this section, subdivisions (1) and (4) of subsection (c)
75 of this section, subdivision (1) of subsection (d) of this section or
76 subsection (j) of this section, the commissioner shall cause notice of the
77 application to be published in the department's weekly bulletin. The
78 commissioner shall determine whether the applicant is an eligible
79 entity, as defined in section 36a-34, as amended by this act, and shall
80 promptly notify the applicant of such determination. An application by
81 an eligible entity shall be deemed approved on the [twelfth] fifth
82 business day after expiration of the comment period provided in the

83 department's weekly bulletin, unless the commissioner informs the
 84 applicant, in writing, prior to such [twelfth] fifth business day, that (1)
 85 an adverse comment has been received that warrants additional
 86 investigation or review; (2) the application presents a significant
 87 community reinvestment or compliance concern; (3) the application
 88 presents a significant supervisory concern or raises significant legal or
 89 policy issues; or (4) the application requires additional information. The
 90 application may be deemed approved prior to the expiration of the
 91 [twelfth] fifth business day if the commissioner issues a written notice
 92 of the commissioner's intent not to disapprove the application.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	36a-34(b)
Sec. 2	October 1, 2026	36a-145(n)

BA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill makes adjustments to Connecticut bank branch applications and shortens certain notification timeframes, resulting in no fiscal impact to the state.

OLR Bill Analysis**sSB 302*****AN ACT REVISING VARIOUS PROVISIONS RELATING TO CERTAIN APPROVALS BY THE BANKING COMMISSIONER AND CONNECTICUT BANK BRANCH APPLICATIONS.*****SUMMARY**

This bill:

1. eliminates the requirement that Connecticut banks with a “satisfactory” Community Reinvestment Act (CRA) rating submit a plan for meeting community banking needs when applying to the Department of Banking (DOB) to establish a branch location in the state (including a limited or special need limited branch) or convert a limited branch to a branch, or vice versa, and
2. generally shortens, by seven days, the timeframe for the commissioner to notify banks applying to establish a Connecticut or out-of-state branch of his determination before the applications are deemed approved.

EFFECTIVE DATE: October 1, 2026

COMMUNITY BANKING NEEDS PLAN

Under current law, the commissioner cannot approve certain types of applications from entities that received a rating other than “outstanding” on their most recent community reinvestment performance evaluation unless they submit a plan illustrating how they will provide adequate services to meet the banking needs of all community residents, including those with low or moderate income. This requirement applies to entities seeking various DOB approvals, including to (1) open a Connecticut branch, (2) merge or

consolidate with a Connecticut bank, or (3) organize a holding company.

The bill exempts any entity with a “satisfactory” rating on its most recent applicable community reinvestment performance evaluation from this requirement when applying to (1) establish a Connecticut branch location, including a limited or special need limited branch, or (2) convert a limited branch to a branch, or vice versa. It retains the requirement for applicants for other DOB approvals.

Existing law authorizes the commissioner to waive this requirement or require the submission of alternative information if the entity has at least a “satisfactory” rating and meets certain other criteria (i.e. for “eligible entities;” see BACKGROUND – *Eligible Entities*). The law also waives this requirement for applications to establish a mobile branch in the state, but allows the commissioner to require applicants to submit other information instead of a plan.

TIMEFRAME FOR BRANCH APPLICATION APPROVALS

By law, when the commissioner receives an application from a Connecticut bank to establish a branch here (including a limited, special need limited, or mobile branch) or outside of the state (including a limited or mobile branch), he must publish a notice of the application in the department’s weekly bulletin, determine if the applicant is an eligible entity, and promptly notify the applicant of his determination.

The bill requires that the application be deemed approved on the 5th, rather than the 12th, business day after the end of the comment period provided in the department’s weekly bulletin, unless the commissioner informs the applicant, in writing, before then of certain facts (e.g., that an adverse comment has been received that warrants additional investigation or the application requires additional information). It similarly allows the application to be deemed approved before the end of the 5th, rather than the 12th, day if the commissioner issues a written notice of his intent not to disapprove it.

BACKGROUND***Eligible Entities***

By law, an “eligible entity” is an applicant that:

1. received a composite rating of one or two under the Uniform Financial Institutions Rating System as a result of its most recent safety and soundness examination;
2. received a compliance rating of one or two on its most recent compliance examination;
3. received a satisfactory or better rating on its most recent community reinvestment performance evaluation;
4. is well capitalized, as determined under federal law;
5. is not subject to a cease and desist order, consent order, prompt correction action directive, written agreement, memorandum of understanding, or other administrative agreement with its primary state or federal banking regulator; and
6. is not subject to any formal or informal administrative action by that regulator.

CRA Ratings

In its CRA ratings, DOB gives each state-chartered bank a score of outstanding, satisfactory, needs to improve, or substantial noncompliance. As of December 31, 2025, four banks have an outstanding rating; one has a needs to improve rating; and the remainder (18) have a satisfactory rating. No banks received a substantial noncompliance rating.

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/10/2026)