

House Republican Press Release

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Press Office: 860-240-8700

Back to Banking....



By State Representative John J. Ryan

I am pondering how it has gotten to be the very end of August already. There are only a few weeks left of the best-kept musical secret in Fairfield County, namely Sunday SoNo Jazz with John Cutrone & Friends (if you were not there this Sunday you missed an incredible session with Tom “Bones” Malone of the original Blues Brothers Band), but college football season is almost upon us, so you can guess that I will be making the first visit to the alma mater this weekend!

And 2 weeks ago we had started on a discussion of the duties of a legislative Committee’s Ranking Member, in this case with the Banks Committee. If you believed that Banks must be the dullerest of the 20+ legislative committees, I respectfully suggest that you have guessed wrong. We will not subject you to a list of all of the bills that we raised and took up for public hearing, but a few in particular might be of interest!

As a regular reader, you know that not only can proposed bills be brought up by individual legislators, or by the committee itself, but bills can also be “sponsored” [not the correct term, but for purposes of this discussion] by the particular state agency most closely connected to the Committee, in this case, the Department of Banking. So a good example of an “agency bill” in a committee was this year’s Bill 7116 – do you ever wonder about how the regulatory agencies keep track of the continually growing number of “mortgage companies” out there?

One of the big problems for “Atty. Ryan” who actually does real estate closings is the client who says they are borrowing their money from some lender no one has ever heard of, and can a single state Dept. of Banking keep track of everyone “out there” making loans in today’s internet world? Bill 7116, now P.A. 07-156, authorizes our state’s Dept. of Banking to participate in the National Mortgage Licensing System being set up....sometimes bigger is actually better, at least in terms of amassing as much information as possible! (And remember, our idea is to teach you to follow what actually happens in government, as opposed to buying into political propaganda, so you can go to CGA.ct.gov on your computer, punch in this year’s Bill 7116, or go to the Banks Committee, and get every detail you want!)

Do you wonder if mortgage lenders who ‘refer’ you to other parties, perhaps for appraisal services, get kick-backs from the business referrer? This is a good example of an individual legislator’s bill that was put in by my good friend Rep. John Harkins of Stratford, so take a look at HB 5344 to peruse how this bill could have protected you. We got this bill raised for public hearing, unanimously voted out of our Committee (and unanimously approved by 2 other committees) but it was never called for a vote in the House. As they say in sports, “Maybe next year!”

Have you noticed all the very recent news stories on the increasing number of foreclosures largely related to the “sub-prime market”? We had a bill (HB-7003) for the “Emergency Mortgage Assistance Program” that was voted out of Committee, and again did not go further, but my concern was that most defaulting lenders do not go into default because they start missing their payments, most go into default when their initial low-rate loans hit the date that the variable payment feature comes into play, and the increased amounts are now ones that the borrower cannot afford! Unfortunately, I believe that I have all too accurately [albeit succinctly] described a major portion of the “foreclosure problem”. And for more news on this topic, or if you are facing foreclosure problems yourself, see the recent entry “Governor Rell Announces Mortgage Foreclosure Assistance Hotline” at www.ct.gov/governorrell !

We are quickly running out of space, but one other hot news item, hedge funds, were also the subject of Banks Committee proposed bills; you can look at HB-5102, and SB 1171, for example. Are hedge funds worthy of more government scrutiny and regulation, and if so, by whom? My view is that this topic is properly one for the Federal government to examine, rather than a maze of 50 different state regulations and procedures, and while no bill came up for a vote in the General Assembly this year, it is a safe bet that the topic will be back!

Again we did not scratch the surface on what the Banks Committee worked on this year (I believe that we raised nearly 40 bills for public hearing), but if you thought that this was a quiet, sleepy committee, guess again!

As always please feel free to contact me with your concerns and issues. As your state representative, it is my job, and my priority to represent you and to make sure that your needs and concerns are addressed at the capitol. You can write to me at Room 4200, Legislative Office Building, and Hartford, CT 06106-1591, send me e-mail at John.Ryan@housegop.ct.gov or call my office toll-free at 1-800-842-1423.