

CT Mortgage Bankers Association 2026 Legislative Session

HB 5208 – AN ACT CONCERNING DATA SECURITY, PAYROLL PROCESSING, CONSUMER FRAUD PROTECTION, MORTGAGE LOANS AND EMPLOYEE CREDIT RATES

Status: Passed, PA 26-51

Effective Date: Various

Passed in concurrence, this bill requires:

- certain entities and individuals to adopt written programs with standards on developing, implementing, and maintaining reasonable data security safeguards for customer information;
- Department of Banking (DOB) licensees and Connecticut banks and credit unions to notify the department within three business days after a data security incident;
- DOB to study financial institutions' payroll processing methods and how long it takes payroll checks to clear and report its findings and recommendations to the Banking Committee by January 1, 2027; and
- the Banking Committee chairpersons to set up a 19-member working group to study consumer fraud and how to protect against it.

Additionally, the bill narrows the circumstances under which a creditor must give a mortgage loan applicant a plain language notice about flood insurance, generally to one-to-four family residential real property in the state.

SB 218 – AN ACT CONCERNING THE COMMUNITY BANK AND CREDIT UNION INVESTMENT PROGRAM, MORTGAGE PAYMENTS, PENALTIES FOR VIOLATIONS OF RENTAL SECURITY DEPOSIT REQUIREMENTS, CERTAIN APPROVALS BY THE BANKING COMMISSIONER, CONNECTICUT BRANCH APPLICATIONS AND SECURED CREDIT CARDS

Status: Passed, PA 26-79

Effective Date: October 1, 2026

As passed in concurrence, this bill makes numerous policy changes related to banking. Specifically, the bill:

- Sets the minimum interest rate that the state treasurer may accept for investment-related services under the Community Bank and Credit Union Initiative; requires that the

treasurer select participating banks and credit unions through an application process, rather than a competitive bidding process;

- Requires mortgagees to accept payments on the outstanding principal of residential property loans that are beyond the loans' required monthly payments;
- Explicitly authorizes the DOB commissioner, after an investigation, to order a civil penalty of up to \$100,000 for certain violations of the security deposit laws;
- Eliminates the requirement that Connecticut banks with a "satisfactory" CRA rating submit a plan for meeting community banking needs when applying to establish a branch location in the state or convert a limited branch to a branch, or vice versa;
- Generally shortens the timeframe for the DOB commissioner to notify banks applying to establish a Connecticut or out-of-state branch of his determination before the applications are deemed approved; and
- Expands the factors the DOB commissioner must consider when assessing a bank's CRA performance to include whether it offers a loan or deposit product designed to help local community residents, including low- and moderate-income people, establish or improve their credit history.

SB 488– AN ACT IMPLEMENTING THE TREASURER'S RECOMMENDATIONS FOR REVISIONS TO THE UNCLAIMED PROPERTY PROGRAM AND SECOND INJURY FUND

Status: Passed, PA 26-94

Effective Date: July 1, 2026

Passed in concurrence, this bill amends provisions regarding the Second Injury Fund (SIF), including providing flexibility for the accounts the treasurer must maintain and limiting SIF's liability for reimbursing employers and insurers in certain circumstances. It also makes several unrelated changes to the state's unclaimed property laws, including:

- establishing various ways in which someone, including their agent or representative, may show their interest in their property so it is not presumed abandoned;
- specifying when certain insurance policy provisions may trigger an abandonment presumption;
- creating procedures for property holders to give unclaimed property to the treasurer early;
- exempting certain unclaimed property owner personal information the treasurer has from the Freedom of Information Act (FOIA);
- removing a requirement to automatically distribute certain unclaimed property valued at less than \$50;
- specifying additional procedures for returning unclaimed military medals; and
- subjecting certain funds held by certain craftspeople to the state's unclaimed property laws.

HB 5314 - AN ACT CONCERNING THE "HOMES FOR CT" LOAN PROGRAM

Status: Dead

This bill would have made several changes to the "Homes for CT" loan program. The bill would have authorized CHFA, within available resources, to make additional subordinate loans to Homes for CT borrowers subject to any terms it sets, such as interest rates and maturity.

The bill would have also capped the interest rate participating lenders may charge under the program at the Wall Street Journal prime rate on the date the borrower and bank or credit union lock in the rate, rather than a specified Federal Home Loan Bank of Boston (FHLBank Boston) rate on that date, as current law requires.

Further, the bill would have:

- specified that the CHFA loans to Homes for CT borrowers may be amortizing, deferred, or forgivable as to principal and interest;
- authorized CHFA to make grants to Homes for CT borrowers, subject to terms it sets; and
- limited CHFA's authority to provide these loans and grants to available resources allocated by the State Bond Commission.

However, the bill's provisions were incorporated into SB 1 and the underlying bill died due to inaction before adjournment.

SB 1 – AN ACT MAKING ADJUSTMENTS TO THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2027, MAKING DEFICIENCY APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2026, AUTHORIZING AND ADJUSTING BONDS OF THE STATE AND CONCERNING PROVISIONS RELATING TO REVENUE, SCHOOL CONSTRUCTION AND OTHER ITEMS TO IMPLEMENT THE STATE BUDGET

Status: Passed, PA 26-68

Effective Date: Various

Chosen for the vehicle to make annual budget adjustments, this bill was amended with a strike-all amendment that replaced the underlying bill with numerous budget and policy provisions.

Of note, Sections 345 & 346 of the bill incorporates the Homes for CT provisions of HB 5314.

SB 4 – AN ACT CONCERNING CONSUMER PRIVACY AND PROTECTION

Status: Passed, PA 26-64

Effective: October 1, 2026

As passed in concurrence, this bill makes numerous changes related to consumer privacy and protection law. Specifically, the bill:

- Requires data brokers to register with DCP; establishes a deletion mechanism program for consumers to request that data brokers delete their personal data; requires data brokers to check the program once every 45 days; creates a civil penalty of up to \$200 per day per violation;
- Generally requires anyone doing business in the state who uses a price setting device (automated process using a consumer’s personal data to set a price) to advertise a consumer good or service online to provide a disclosure that a device was used in pricing; generally prohibits surveillance pricing (establishing a customized price for a consumer good or service that is consumer-specific based on the consumer’s personal data collected);
- Modifies what is considered publicly available information for CTDPA purposes and allows consumers to delete certain information that is made into a profile; limits the use of facial recognition technology to matching still images or video to a database and requires certain signage, among other requirements; prohibits controllers from selling precise geolocation data;
- Gives consumers a property right and exclusive control over their biological samples that are given to a direct-to-consumer genetic testing company and their results; requires these companies to disclose certain policies and procedures to consumers and get a consumer’s consent for various uses of their genetic data; deems violations as CUTPA violations; and
- Prohibits a streaming video service from transmitting to a consumer commercial advertising audio that is louder than the video it accompanies, consistent with FCC regulations; makes violations a CUTPA violation.

Provisions in the bill, including implementation dates, were ultimately amended further in HB 5222 and HB 5563.

HB 5222 - AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING VARIOUS STATUTES CONCERNING CONSUMER PROTECTION

Status: Passed, PA 26-100

Effective Date: Various

As passed in concurrence, this bill includes numerous consumer protection statute changes as well as amendment language for SB 4 and SB 5, which both passed earlier in the session.

Specifically, the bill replaces the surveillance pricing provisions contained in SB 4 with substantially similar provisions that generally require online businesses that use surveillance pricing to increase the price of consumer goods or services to specifically disclose that and prohibits businesses from using surveillance pricing for in-person transactions. Additionally, the bill replaces the facial recognition provisions of SB 4 with substantially similar provisions limiting the use of facial recognition technology to matching still images or video to a database and requires certain signage, among other requirements, but allows the use after receiving the consumer's consent in a commercial transaction. Finally, the bill replaces the data broker provisions of SB 4 establishing a deletion mechanism program for consumers to request that data brokers delete their personal data; exempts certain federal data, entities, and information from the bill's provisions; creates a civil penalty of up to \$200 per day, per violation, per consumer.

Related to SB 5, the bill replaces the provisions pertaining to prohibiting certain subscription-based providers of generative AI systems from entering or renewing a subscription, among other actions, unless they give consumers a written notice disclosing the subscription's key terms and conditions and the consumer accepts them in writing.

HB 5563 - AN ACT CONCERNING VARIOUS CRIMINAL LAW AND CRIMINAL JUSTICE PROPOSALS, CERTIFICATES OF APPROVAL FOR AIRPORTS, HELIPORTS, VERTIPOINTS, RESTRICTED LANDING AREAS AND OTHER AIR NAVIGATION FACILITIES, POLICE COLLABORATION WITH SOCIAL WORKERS, SURVEILLANCE PRICING, EDUCATION COST SHARING AND WITHHOLDING OF TAXES FROM LUMP SUM PAYMENTS

Status: Passed, PA 26-130

Effective Date: Various

Used as a vehicle to amend previously passed legislation, this bill as amended by Senate Amendment "A" makes numerous changes. Of note, Section 1 of the passed amendment pushes out the implementation date of Section 44 of HB 5222 (Surveillance Pricing) to July 1, 2027.

SB 117 – AN ACT CONCERNING BREACHES OF SECURITY INVOLVING ELECTRONIC PERSONAL INFORMATION

Status: Dead

As advanced by both the General Law and Judiciary Committees, this bill would have required a person or entity with computerized data that includes personal information to

promptly retain a third party for a forensic examination after discovering unauthorized access to or use of a computer network the person owns or controls that will likely result in a massive breach of security. A “massive breach of security” is a breach or a likely breach of at least 100,000 residents’ personal information (other than credit or debit card numbers) through unauthorized access to or use of a computer or computer network. The law generally already requires these people and entities to notify affected individuals and the attorney general about any security breach and offer identity theft protection to certain affected individuals. It also makes it a Connecticut Unfair Trade Practices Act (CUTPA) violation to violate these provisions.

Within 60 days of discovering a breach that likely results in a massive breach of security, the bill would have required the person or entity to give the attorney general, in a way set by the attorney general, a reasonable timeline for preparing the forensic report and submitting it, if requested, to the attorney general. If the person or entity did not submit a requested report in a way set by the attorney general, the attorney general could have had a third party conduct the examination and produce a report.

The bill also would have delayed a required forensic examination if a law enforcement agency requested a delay because the examination will impede a criminal investigation. The delay would have ended when the law enforcement agency issues notice that the examination will not compromise the investigation.

The bill exempted these forensic reports and other information related to investigations under the bill from disclosure under the Freedom of Information Act (FOIA). It also would have made violations of the bill a CUTPA violation that was enforced by the attorney general and would have authorized a civil penalty of up to \$250,000 for failing to submit a requested forensic report to the attorney general.

Finally, the bill would have required a person or entity that licenses or maintains personal information to use reasonable data security and could not be construed to provide that a person or entity that reports a massive security breach has used unreasonable data security. The bill also made minor, technical, and conforming changes, including that when the law required certain security breach notices to the attorney general, they be in a form and manner set by the attorney general.

However, the bill was not acted upon by the House before adjournment, killing it for the year.



SB 485– AN ACT EXPANDING THE ADDRESS CONFIDENTIALITY PROGRAM TO SHIELD LAND RECORDS AND INCLUDE PRIVATE ENTITIES

Status: Dead

As passed by the Senate, this bill would have made various changes to the Secretary of the State's (SOTS) address confidentiality program. Specifically, the bill would have:

- required any person, and not just public agencies as currently required, to use a program participant's program address instead of the participant's residential, work, or school address when requested to do so (this applies to any individuals; companies; firms; organizations; limited liability companies; other entities, and their lessees, trustees, and receivers); and
- created the real property address confidentiality program notice process to shield program participants' real property records from public inspection, with exceptions.

The bill also would have created relevant processes and duties for SOTS, town clerks, and other state and local agencies who interact with program participants and their real property records. Under the bill, real property address confidentiality program notices were not public records under the Freedom of Information Act (FOIA), and it exempted from FOIA disclosure any real property records shielded under the real property address confidentiality program notice.

HB 5555 – AN ACT EXPANDING THE ADDRESS CONFIDENTIALITY PROGRAM OF THE SECRETARY OF THE STATE

Status: Dead

As advanced by the Government, Administration and Elections Committee, this bill would have expanded the secretary of the state's (SOTS) address confidentiality program to include individuals who have safety concerns and are involved in providing:

- reproductive health care services, or
- gender-affirming health care services.

The bill was not advanced by the House before adjournment, killing it for the year.

HB 5485 – AN ACT CONCERNING SUPPORTED DECISION-MAKING STUDY

Status: Passed, SA 26-12

Effective Date: Upon Passage

Passed in concurrence, the bill requires the Human Services Committee chairpersons to

appoint a working group to study and make recommendations on supported decision-making. The working group must study and make recommendations on the following:

- documentation needed for a decision-maker to conduct financial transactions with a supporter's help;
- how a supporter can best help along with other legally recognized decision-making authorities who are commonly present in long-term care and other health-care settings;
- how to protect health information and educational records under federal law;
- ways to protect a decision-maker against a supporter's financial or ethical conflicts of interest; and
- how supported decision-making agreements can be used as an alternative to a conservatorship or guardianship.

The working group members must include state-based organizations and individuals, including at least:

- two representatives of organizations representing financial institutions and hospitals,
- one nursing home representative,
- one Probate Court Administrator designee,
- one representative of private practice physicians, and
- six representatives of people who may benefit from using supported decision-making agreements.

The working group is required to report its findings to the Banking, Government Oversight, Human Services, Judiciary, and Public Health committees by December 31, 2026.

HB 5003 - AAC WORKFORCE DEVELOPMENT AND WORKING CONDITIONS IN THE STATE

Status: Passed, PA 25-44

Signed by the Governor on May 11, 2026

Effective Date: Various

This omnibus labor bill, consisting of 75 sections, incorporated numerous legislative proposals. Of note, the bill includes:

- Disclosure of wage ranges and benefits in public and internal job advertisements
 - Section 2 (Effective Date October 1, 2026) - Requires an employer to include a position's wage or wage range, and a general description of the position's benefits, in public and internal job advertisements; removes a court's ability to award punitive damages against employers in wage disclosure violation cases.
- Employment promissory notes
 - Section 4 (Effective Date October 1, 2026) - Brings all employers under a law

that generally prohibits requiring employees to sign an agreement that requires the employee to repay the employer if he or she does not stay at the job for a certain duration.

- Retention of service contract workers
 - Section 9 (Effective Date July 1, 2027)- Requires entities that take over certain service contracts at covered locations, contract out services, or receive property in a sale or transfer to retain the terminated contractor's employees for at least 90 days.
- Breastfeeding and expressing milk in the workplace
 - Section 32 (Effective Date October 1, 2026) - Requires employers to provide reasonable break times for an employee to express breast milk for the employee's nursing child or to breastfeed in the workplace.
- Paycheck transparency
 - Section 38 (Effective Date October 1, 2026) - Requires certain employers to create a guide for employees on pay codes for overtime and pay differentials.

***HB 5263 – AN ACT CONCERNING THE ASSIGNMENT OF POST-LOSS HOMEOWNERS
AND COMMERCIAL PROPERTY INSURANCE BENEFITS, CONSUMER BILL OF
RIGHTS AND REVISING DISCLOSURE REQUIREMENTS FOR HOME
IMPROVEMENT CONTRACTORS AND SALESPERSONS
Status: Dead***

As passed by the House, this bill would have:

- addressed matters related to post-loss benefit assignment agreements (those that assign or transfer any post-loss benefit under a residential or commercial property insurance policy, if allowed by the policy, excluding public adjusters' fees);
- made changes in laws related to home improvement contracts; and
- required the insurance commissioner to develop a consumer bill of rights and certain insurance coverage guidance for Connecticut homeowners.

Of note, a post-loss benefit assignment agreement covered under the bill must be in writing and executed by the assignor and assignee and only relate to the post-loss repair, inspection, remediation, or mitigation services that the assignee agreed to perform on the property. It must also include:

- a provision giving the assignor the right to rescind the assignment agreement, without penalty, by submitting notice to the assignee;
- a provision requiring the assignee to deliver a copy of the executed assignment agreement to the insurance company providing homeowners or commercial property insurance coverage for the property, and mortgagees owning or servicing mortgages on the property, within a certain timeframe and in a specified way;

- an itemized, per unit cost estimate of the post-loss services to be performed by the assignee on the property;
- a specific notice about the assignee’s obligations and right to cancel the agreement;
- and a provision requiring the assignee to indemnify and hold the assignor harmless from any liability, damages, losses, or costs arising from the agreed upon post-loss services the assignee performed on the property, including attorney’s fees.

The bill was not acted upon within the Senate before adjournment, killing it for the year.

HB 5212 – AN ACT REQUIRING ACCEPTANCE OF PERIODIC AND PARTIAL PAYMENTS ON CERTAIN MORTGAGE LOANS ISSUED BY CONNECTICUT BANKS AND CONNECTICUT CREDIT UNIONS

Status: Dead

As raised and heard within the Banking Committee, this bill on or after October 1, 2026, would have required a periodic payment or a partial payment on a residential mortgage loan to be accepted and credited or treated as credited.

The bill was not acted upon by the Banking Committee before its Joint Favorable Deadline, killing it for the year.

HB 5441 – AN ACT CONCERNING REVOCATION OF NON-PROBATE TRANSFERS AND APPOINTMENTS BY DISSOLUTION OF MARRIAGE

Status: Dead

This bill was introduced by the Judiciary Committee and received a public hearing. As introduced, the bill would have provided that joint property held with rights of survivorship would be automatically converted upon divorce into equal shares between the joint owners. The bill was not acted upon by the committee before its JF Deadline, killing it for the year.

SB 403– AN ACT CONCERNING CYBERSECURITY

Status: Dead

Raised and heard by the Public Safety Committee, this bill would have established various

cybersecurity provisions relating to a cybersecurity framework, a prohibition on penalizing cybersecurity employees for certain reports, notifications regarding cybersecurity incidents, minimum safeguards, quantum-transition readiness requirements, the "Connecticut Cybersecurity Seed Fund" grant program, a "bug bounty" program, the dissemination of cybersecurity intelligence, the State Cybersecurity Intelligence Task Force, and the state's operational response to cybersecurity emergencies.

The Committee did not act on the bill before its JF Deadline, killing the bill for the year.

***HB 5209 - AN ACT ESTABLISHING VARIOUS REQUIREMENTS REGARDING
SHARED APPRECIATION AGREEMENTS
Status: Dead***

This bill would have established various requirements regarding shared appreciation agreements. However, after receiving a public hearing, the bill was not advanced by the Banking Committee, killing it for the year.

***HB 5432 - AN ACT CONCERNING THE RECEIPT OF FEES BY A PARTY TO A CIVIL
ACTION AFFECTING TITLE TO REAL PROPERTY
Status: Dead***

Advanced by the Judiciary Committee and passed by the House, this bill would have removed the \$255 cap for the cost of examining property land records. However, the bill was not acted upon by the Senate before adjournment, killing it for the year.

In Closing:

In total, Gaffney, Bennett and Associates actively engaged in a total of thirty-eight items of legislation for the CT Mortgage Bankers Association during the 2026 Legislative Session that required daily attention to language, amendments, and activity.

We will continue to keep you informed during the interim as we progress with subsequent activity within the legislature, administration, and agencies.

As always, it has been a pleasure serving as your voice in Hartford, and we look forward to continuing our successful relationship.

Please do not hesitate to contact us with any questions or concerns.