§ 14-f. Power of the superintendent of financial services to require the provision of basic banking services. 1. The legislature finds and declares that certain consumers residing in this state may be unable to afford, without undue financial hardship, the cost of maintaining a consumer transaction account at a banking institution located in this state. It is the policy of this state that, consistent with safe and sound banking practices, banking institutions make available lower cost banking services to consumers. It is further intended that no banking institution be required to offer lower cost banking services at a cost to account holders which is less than the actual cost to the banking institution to provide such services.

2. Except as otherwise provided in this section, every banking institution shall make available to consumers a consumer transaction account, to be known as a "basic banking account", with the following features to be prescribed by the superintendent of financial services by regulation:

(a) the maximum amount which a banking institution may require as an initial deposit, if any;

(b) the maximum amount a banking institution may require as a minimum balance, if any, to maintain such account;

(c) eight withdrawal transactions for account holders under sixty-five years of age, and twelve withdrawal transactions for account holders sixty-five years of age or older, including those conducted at electronic facilities, during any periodic cycle at no additional charge to the account holder; and

(d) the maximum amount a banking institution may charge per periodic cycle for the use of such account.

3. With respect to any transactions in excess of the number specified in accordance with paragraph (c) of subdivision two of this section, (a) a banking institution may impose a reasonable per-transaction charge, or (b) it may impose the fees and charges normally applied to other consumer transaction accounts available at that banking institution provided that any charge per periodic cycle imposed hereunder must be reduced by the charge imposed under paragraph (d) of subdivision two of this section; provided however, that at no time shall the fees and

charges on the basic banking account exceed the amount that is normally applied to other consumer transaction accounts available at that banking institution.

4. A banking institution may require as a condition for opening or maintaining a basic banking account, (a) that the holder of a basic banking account be a resident of this state; and (b) the direct deposit to the banking institution of recurring payments such as, but not limited to, social security, wage, or pension payments where direct deposit is available to both the consumer and the banking institution.

5. Except as provided in this section and any rules and regulations promulgated hereunder, a basic banking account may be offered subject to the same rules, conditions and terms normally applicable to other consumer transaction accounts offered by the banking institution; provided that the fees and charges for specific services other than those otherwise provided in this section shall not exceed those imposed by the banking institution for the same services in connection with other consumer transaction accounts offered by the banking institution.

6. No banking institution shall be required to permit any person to open or maintain a basic banking account pursuant to this section if such person maintains another consumer transaction account either at that banking institution or any other banking institution.

7. In lieu of the basic banking account required by this section, a banking institution may make available an alternative account or other banking services determined by the superintendent to be at least as advantageous to consumers as the basic banking account.

8. (a) Where a banking institution posts in the public area of its offices notice of the availability of its other consumer transaction accounts, it shall also post equally conspicuous notice in such public areas and in the same manner the availability of its basic banking accounts. Where a banking institution makes available in such public areas material describing the terms of its other consumer transaction accounts, it shall also make comparable descriptive material available

in the same such areas and in the same manner for its basic banking account.

(b) Where a banking institution posts in the public area of its offices the notices for information required in paragraph (a) of this subdivision, it shall also post equally conspicuous notice in such public areas and in the same manner, of the department's toll free consumer's hotline telephone number, where consumers can file complaints if a consumer is not satisfied with the services a banking institution provides.

9. For purposes of this section:

(a) "banking institution" means any bank, trust company, savings bank, savings and loan association, or credit union, or branch of a foreign banking corporation the deposits of which are insured by the Federal Deposit Insurance Corporation, which is incorporated, chartered, organized or licensed under the laws of this state or any other state or the United States, and, in the ordinary course of its business, offers consumer transaction accounts to the general public or, in the case of a credit union, to its members;

(b) "consumer transaction account" means a demand deposit account, negotiable order of withdrawal account, share draft account or similar account used primarily for personal, family or household purposes.

10. For purposes of this section, any banking insititution which offers share draft accounts shall use the term "basic share draft account" instead of "basic banking account".

11. If any provision of this section, or the application of such provision to any person or circumstance shall be held invalid, the remainder of this section, and the application of such provisions thereof to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.