



**Substitute Senate Bill No. 848**

**Public Act No. 21-138**

**AN ACT IMPLEMENTING THE DEPARTMENT OF BANKING'S  
RECOMMENDED CHANGES TO THE BANKING STATUTES  
CONCERNING FINANCIAL INSTITUTIONS AND CONSUMER  
CREDIT LICENSES.**

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

Section 1. Section 36a-86 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) The governing board of each Connecticut bank shall annually procure an audit or examination by certified public accountants or holders of certificates of authority as public accountants selected by vote of the governing board or a duly authorized committee thereof, and such accountants shall agree to provide related working papers, policies and procedures to the commissioner, if requested. The accountants shall thoroughly examine the books, records, accounts and affairs of such bank and submit a signed report of the audit or examination showing the condition of the bank to the governing board of such bank within a reasonable period of time following the conclusion of the audit or examination. The signed report shall be kept on file in such bank and such governing board shall file the following documents with the commissioner not later than the earlier of (1) one hundred twenty days following the close of such bank's fiscal year, or (2) the date prescribed

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by federal law for such bank to file such audit or examination with the applicable federal banking regulator, unless the commissioner extends such deadline for good cause shown: (A) A copy of the signed report; (B) any written communication regarding matters that the accountants are required to communicate to the audit committee of the bank; and (C) any written communication from the accountants to the governing board noting significant deficiencies and material weaknesses in internal controls of the bank. Members of the governing board of such Connecticut bank shall not be personally liable for any loss suffered by such bank through the wrongdoing or negligence of any officer or employee, which wrongdoing or negligence should have been discovered by the accountants in the performance of their duties, provided such members shall have exercised due care to procure thorough and substantial audits by the accountants.

(b) Notwithstanding the provisions of subsection (a) of this section, the governing board of a Connecticut bank that is a subsidiary of a holding company may procure and file annually with the commissioner a signed consolidated report of the audit or examination of the holding company in lieu of that of the Connecticut bank, provided (1) prior to the engagement of an accountant, the governing board of such Connecticut bank has voted to allow and accept as adequate, a consolidated report of the audit or examination of the holding company; ~~(2)~~ the accountants selected to provide such consolidated report have agreed to provide related working papers, policies and procedures to the commissioner, if requested; [and the commissioner has approved, conditionally or unconditionally, the substitution of such consolidated report; (2)] ~~(3)~~ the accountants shall thoroughly examine the books, records, accounts and affairs of the Connecticut bank and shall submit a signed consolidated report to the governing board of such Connecticut bank within a reasonable period of time following the conclusion of the audit or examination; and ~~[(3)]~~ ~~(4)~~ the signed consolidated report shall be kept on file in such Connecticut bank and a copy shall be filed with

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the commissioner. If the commissioner determines that good cause exists, the commissioner may require the governing board of a Connecticut bank that is a subsidiary of a holding company to file an audit or examination of the bank in accordance with the provisions of subsection (a) of this section in lieu of a consolidated report.

Sec. 2. Section 36a-333 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) (1) To secure public deposits, each qualified public depository that is not under a formal regulatory order shall at all times maintain, segregated from its other assets as provided in subsection (b) of this section, eligible collateral in an amount not less than twenty-five per cent of all uninsured public deposits held by the depository, provided if such depository is: (A) ~~[Is a]~~ (i) A bank or out-of-state bank having a tier one leverage ratio of not less than six per cent and a risk-based capital ratio of not less than twelve per cent, (ii) a bank or out-of-state bank having elected to use the community bank leverage ratio framework pursuant to 12 CFR 324.12, as amended from time to time, and having a tier one leverage ratio greater than nine per cent, or ~~[is]~~ (iii) a credit union or federal credit union having a net worth ratio of not less than eight per cent, the amount of eligible collateral shall be a sum not less than ten per cent of all uninsured deposits held by the depository; or (B) [is] (i) a bank or out-of-state bank having a tier one leverage ratio of less than five per cent or a risk-based capital ratio of less than ten per cent, or [is] (ii) a credit union or federal credit union having a net worth ratio of less than seven per cent, the amount of eligible collateral shall be not less than a sum equal to one hundred ten per cent of all uninsured public deposits held by the depository.

(2) Notwithstanding the provisions of subdivisions (1) and (3) of this subsection, to secure public deposits, each qualified public depository that (A) has been conducting business in this state for a period of less than two years, except for a depository that is a successor institution to

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a depository which conducted business in this state for two years or more, or (B) is an uninsured bank, shall at all times maintain, segregated from its other assets as required under subsection (b) of this section, eligible collateral in an amount not less than one hundred twenty per cent of all uninsured public deposits held by the depository.

(3) To secure public deposits, each qualified public depository that is under a formal regulatory order shall at all times maintain, segregated from its other assets as required under subsection (b) of this section, eligible collateral in an amount not less than one hundred ten per cent of all uninsured public deposits held by the depository. However, if such regulatory order is not related to capital, asset quality, earnings or liquidity, the depository notifies each of its public depositors of the issuance of such order and such depository is (A) a bank or out-of-state bank having a tier one leverage ratio of not less than five per cent and a risk-based capital ratio of not less than ten per cent, or (B) a credit union or federal credit union having a net worth ratio of not less than seven per cent, such depository may reduce the amount of eligible collateral it is required to maintain under this subdivision to an amount not less than seventy-five per cent of all uninsured public deposits held by the depository, provided if such depository is (i) a bank or out-of-state bank having a tier one leverage ratio of not less than seven and one-half per cent and a risk-based capital ratio of not less than fourteen per cent, (ii) a bank or out-of-state bank having elected to use the community bank leverage ratio framework pursuant to 12 CFR 324.12, as amended from time to time, and having a tier one leverage ratio greater than nine per cent, or (iii) a credit union or federal credit union having a net worth ratio of not less than nine and one-half per cent, the amount of eligible collateral may be reduced to a sum not less than fifty per cent of all uninsured public deposits held by the depository.

(4) Notwithstanding the provisions of this subsection, the qualified public depository and the public depositor may agree on an amount of

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eligible collateral to be maintained by the depository that is greater than the minimum amounts required under subdivision (1) or (3) of this subsection, as applicable. For purposes of this subsection, the amount of all uninsured public deposits held by the depository shall be determined at the close of business on the day of receipt of any public deposit and any deficiency in the amount of eligible collateral required under this section shall be cured not later than the close of business on the following business day. For purposes of this subsection, the depository's tier one leverage ratio and risk-based capital ratio or net worth ratio shall be determined, in accordance with applicable federal regulations and regulations adopted by the commissioner in accordance with chapter 54, based on the most recent quarterly call report, provided if, during any calendar quarter after the issuance of such report, the depository experiences a decline in its tier one leverage ratio, risk-based capital ratio or net worth ratio to a level that would require the depository to maintain a higher amount of eligible collateral under subdivision (1) or (3) of this subsection, the depository shall increase the amount of eligible collateral maintained by it to the minimum required under subdivision (1) or (3) of this subsection, as applicable, based on such lower tier one leverage ratio, risk-based capital ratio or net worth ratio and shall notify the commissioner of its actions. The commissioner may, at any time, require the depository to increase its eligible collateral to an amount greater than that required by subdivision (1) or (3) of this subsection, as applicable, up to a maximum amount of one hundred twenty per cent, if the commissioner reasonably determines that such increase is necessary for the protection of public deposits. If the commissioner determines that such increase in eligible collateral is no longer necessary for the protection of public deposits, the commissioner may allow the depository to adjust the amount downward, as the circumstances warrant, to an amount not less than the minimum amount required by subdivision (1) or (3) of this subsection, as applicable.

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(5) For purposes of this subsection, "formal regulatory order" means a written agreement related to enforcement, including a letter of understanding or agreement or a written order, that a supervisory agency is required to publish or publishes on its web site, but does not include any written agreement or written order under which the sole obligation of the depository is to pay a civil money penalty, fine or restitution.

(b) (1) Each qualified public depository that is a bank or out-of-state bank (A) having a tier one leverage ratio of five per cent or greater [or] and a risk-based capital ratio of ten per cent or greater, or (B) having elected to use the community bank leverage ratio framework pursuant to 12 CFR 324.12, as amended from time to time, and having a tier one leverage ratio greater than nine per cent shall transfer eligible collateral maintained under subsection (a) of this section to its own trust department, provided such trust department is located in this state unless the commissioner approves otherwise, to the trust department of another financial institution, provided such eligible collateral shall be maintained in such other financial institution's trust department located in this state unless the commissioner approves otherwise, or to a federal reserve bank or federal home loan bank. Each qualified public depository that is [a] (i) a bank or out-of-state bank having a tier one leverage ratio of less than five per cent or a risk-based capital ratio of less than ten per cent, [and each qualified public depository that is] (ii) a bank or out-of-state bank having elected to use the community bank leverage ratio framework pursuant to 12 CFR 324.12, as amended from time to time, and having a tier one leverage ratio of nine per cent or less, or (iii) a credit union or federal credit union shall transfer eligible collateral maintained under subsection (a) of this section to the trust department of a financial institution that is not owned or controlled by the depository or by a holding company owning or controlling the depository, provided such eligible collateral shall be maintained in such other financial institution's trust department located in this state unless

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the commissioner approves otherwise, or to a federal reserve bank or federal home loan bank. Such transfers of eligible collateral shall be made in a manner prescribed by the commissioner. The qualified public depository shall determine and adjust the market value of such eligible collateral on a monthly basis. Without the requirement of any further action, the commissioner shall have, for the benefit of public depositors, a perfected security interest in all such eligible collateral held in such segregated trust accounts. Such security interest shall have priority over all other perfected security interests and liens. The commissioner may, at any time, require the depository to value the collateral more frequently than monthly if the commissioner reasonably determines that such valuation is necessary for the protection of public deposits. Each holder of eligible collateral shall file with the commissioner, at the end of each calendar quarter, a report with the CUSIP number, description and par value of each investment it holds as eligible collateral.

(2) No qualified public depository shall maintain eligible collateral in its own trust department pursuant to subdivision (1) of this subsection unless such depository is authorized under law to exercise fiduciary powers in this state.

(3) No financial institution shall accept a transfer of eligible collateral from a qualified public depository pursuant to subdivision (1) of this subsection unless such financial institution is (A) authorized under law to exercise fiduciary powers in this state, and (B) federally insured or receives approval of the commissioner. If a financial institution ceases to meet such requirements, it shall give immediate notice to the qualified public depository and the commissioner who shall thereupon instruct such institution with respect to the disposition of eligible collateral.

(4) Each qualified public depository shall enter into a written trust agreement with the financial institution, federal reserve bank or federal

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home loan bank serving as trustee. Such agreement shall include a statement by the financial institution that such institution shall be subject to and comply with the applicable requirements of sections 36a-330 to 36a-338, inclusive.

(c) The depository shall have the right to make substitutions of eligible collateral at any time without notice. The depository shall have the right to reduce the amount of eligible collateral maintained by it that is in excess of the amount required under subsection (a) of this section. The income from the assets which constitute segregated eligible collateral shall belong to the depository without restriction.

(d) Any qualified public depository that ceases to be a qualified public depository or no longer wishes to be a qualified public depository shall no longer receive public deposits and shall give immediate notice to the commissioner, who shall thereupon instruct such qualified public depository of the procedures to be followed with respect to the return of public deposits and eligible collateral.

Sec. 3. Subdivision (3) of subsection (h) of section 36a-437a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(3) The bylaws of a Connecticut credit union may be amended by the adoption at a meeting of an amendment resolution by two-thirds of the directors of the credit union. Written notice of the meeting and text of the proposed amendment shall be given to each director at least seven days prior to the meeting. The Connecticut credit union shall file with the commissioner, within ten days after its adoption, one copy of any proposed amendment. [to the commissioner.] In the case of a proposed amendment requiring the commissioner's approval, the commissioner shall, within thirty days after such filing, determine whether such proposed amendment is consistent with the provisions and purposes of sections 36a-435a to 36a-472a, inclusive. The thirty-day period may be

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extended by the commissioner, in writing, if the commissioner determines that the proposed amendment raises issues that require additional information or additional time for analysis.

Sec. 4. Subsection (g) of section 36a-437a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(g) (1) The certificate of incorporation of a Connecticut credit union may, with the approval of the commissioner, be amended at any time by the adoption at a meeting of an amendment resolution by two-thirds of the directors of the credit union. Written notice of such meeting, together with the text of the proposed amendment shall be given to each director at least seven days prior to the meeting.

(2) [An original] A copy of the certificate of amendment shall be filed with the commissioner. The certificate of amendment shall set forth: (A) The name of the Connecticut credit union; (B) the amendment; and (C) a statement of the number of directors' votes required to take such action and the number of votes cast in favor of the amendment.

(3) The commissioner, upon determining that the certificate of incorporation, as amended, meets the requirements of sections 36a-435a to 36a-472a, inclusive, shall [endorse the commissioner's approval thereon, and return the original certificate of amendment to the Connecticut credit union] approve the amendment. Upon receipt of the [certificate of] approval of such amendment, the Connecticut credit union shall file the original certificate of amendment with the Secretary of the State, and such amendment shall become effective upon filing.

Sec. 5. Section 36a-485 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

As used in this section and sections 36a-486 to 36a-498e, inclusive, as amended by this act, 36a-498h, 36a-534a and 36a-534b, unless the

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context otherwise requires:

(1) "Advance fee" means any consideration paid or given, directly or indirectly, by a consumer to a person for a residential mortgage loan prior to the closing of such residential mortgage loan, including, but not limited to, loan fees, points, broker's fees or commissions, transaction fees or similar prepaid finance charges;

(2) "Advertise", "advertisement" or "advertising" means the use of any announcement, statement, assertion or representation that is placed before the public in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster or over any radio or television station, by means of the Internet, or by other electronic means of distributing information, by personal contact, or in any other way;

(3) "Branch office" means a location other than the main office at which a licensee or any person on behalf of a licensee acts as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator;

(4) "Control person" means an individual that directly or indirectly exercises control over another person. Any person that (A) is a director, general partner or executive officer; (B) in the case of a corporation, directly or indirectly has the right to vote ten per cent or more of a class of any voting security or has the power to sell or direct the sale of ten per cent or more of any class of voting securities; (C) in the case of a limited liability company, is a managing member; or (D) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten per cent or more of the capital, is presumed to be a control person. For purposes of this subdivision, "control" means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise;

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(5) "Depository institution" has the same meaning as provided in Section 3 of the Federal Deposit Insurance Act, 12 USC 1813, and includes any Connecticut credit union, federal credit union or out-of-state credit union;

(6) "Dwelling" means a "dwelling", as defined in Section 103 of the Consumer Credit Protection Act, 15 USC 1602, that is located in this state;

(7) "Employee" means an individual (A) whose manner and means of work performance are subject to the right of control of, or are controlled by, a person, and (B) whose compensation is reported or required to be reported on a W-2 form issued by the controlling person. For purposes of the definition of "registered mortgage loan originator", "employee" has the foregoing meaning or such other meaning as the federal banking agencies may issue in connection with such agencies' implementation of such agencies' responsibilities under the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC 5101 et seq.;

(8) "Federal banking agency" means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration and the Federal Deposit Insurance Corporation;

(9) "First mortgage loan" means a residential mortgage loan that is secured by a first mortgage;

(10) "Immediate family member" means a spouse, child, sibling, parent, grandparent or grandchild and includes stepparents, stepchildren, stepsiblings and adoptive relationships;

(11) "Independent contractor" means an individual retained on a basis where the individual is not an employee of any person in connection with the services such individual provides and whose compensation is reported or required to be reported on an Internal

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Revenue Service Form 1099 issued by the retaining person;

(12) "Individual" means a natural person;

(13) "Lead" means any information identifying a potential consumer of a residential mortgage loan;

(14) "Lead generator" means a person who, for or with the expectation of compensation or gain: (A) Sells, assigns or otherwise transfers one or more leads for a residential mortgage loan; (B) generates or augments one or more leads for another person; or (C) directs a consumer to another person for a residential mortgage loan by performing marketing services, including, but not limited to, online marketing, direct response advertising or telemarketing;

(15) "Loan processor or underwriter" means an individual who performs clerical or support duties. The term "clerical or support duties" includes, subsequent to the receipt of an application, (A) the receipt, collection, distribution and analysis of information common for the processing or underwriting of a residential mortgage loan, and (B) communication with a consumer to obtain the information necessary for the processing or underwriting of a loan to the extent that such communication does not include offering or negotiating loan rates or terms or counseling consumers about residential mortgage loan rates or terms;

(16) "Main office" means the main address designated on the system;

(17) "Mortgage broker" (A) means a person who (i) for compensation or gain or with the expectation of compensation or gain (I) takes a residential mortgage loan application, or (II) offers or negotiates terms of a residential mortgage loan, and (ii) is not the prospective source of the funds for the residential mortgage loan, and (B) does not include (i) an individual who is licensed as a mortgage loan originator acting as a mortgage loan originator on behalf of such mortgage loan originator's

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sponsoring mortgage lender, mortgage correspondent lender, mortgage broker or exempt registrant, or (ii) an individual exempt from mortgage loan originator licensure under subdivision (2) of subsection (b) of section 36a-486, as amended by this act, when acting within the scope of such exemption;

(18) "Mortgage correspondent lender" means a person engaged in the business of making residential mortgage loans in such person's own name where the loans are not held by such person for more than ninety days and are funded by another person through a warehouse agreement, table funding agreement or similar agreement;

(19) "Mortgage lender" means a person engaged in the business of making residential mortgage loans in such person's own name utilizing such person's own funds or by funding loans through a warehouse agreement, table funding agreement or similar agreement;

(20) "Mortgage loan originator" means an individual who for compensation or gain or with the expectation of compensation or gain, either for such individual or for the person employing or retaining such individual, (A) takes a residential mortgage loan application, or (B) offers or negotiates terms of a residential mortgage loan. "Mortgage loan originator" does not include (i) an individual engaged solely as a loan processor or underwriter; (ii) a person who only performs real estate brokerage activities and is licensed in accordance with chapter 392, unless the person is compensated by a mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator or by any agent of such mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator; (iii) a person solely involved in extensions of credit relating to timeshare plans, as that term is defined in Paragraph 53D of 11 USC 101; or (iv) any individual who solely renegotiates terms for existing mortgage loans on behalf of a mortgagee and who does not otherwise act as a mortgage loan originator, unless the United States Department

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of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction determines that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., requires such individual to be licensed as a mortgage loan originator under state laws implementing said S.A.F.E. Mortgage Licensing Act;

(21) "Office" means a branch office or a main office;

(22) "Out-of-state mortgage loan originator" means an individual who maintains a unique identifier through the system and holds a valid mortgage loan originator license issued pursuant to the laws of any state other than this state;

[(22)] (23) "Person" means a natural person, corporation, company, limited liability company, partnership or association;

[(23)] (24) "Principal amount of the loan" means the gross amount the borrower is obligated to repay including any prepaid finance charge that is financed, and any other charge that is financed;

[(24)] (25) "Real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including (A) acting as a real estate agent or real estate broker for a buyer, seller, lessor or lessee of real property; (B) bringing together parties interested in the sale, purchase, lease, rental or exchange of real property; (C) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental or exchange of real property, other than in connection with providing financing with respect to any such transaction; (D) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and (E) offering to engage in any activity, or act in any capacity, described in this subdivision;

[(25)] (26) "Registered mortgage loan originator" means any

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individual who (A) meets the definition of mortgage loan originator and is an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the Farm Credit Administration; and (B) is registered with and maintains a unique identifier through the system;

[(26)] (27) "Residential mortgage loan" means any loan, including a shared appreciation agreement, primarily for personal, family or household use that is secured by a mortgage, deed of trust or other equivalent consensual security interest on a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling;

[(27)] (28) "Residential real estate" means any real property located in this state, upon which is constructed or intended to be constructed a dwelling;

[(28)] (29) "Secondary mortgage loan" means a residential mortgage loan that is secured, in whole or in part, by a mortgage, provided such property is subject to one or more prior mortgages;

(30) "Shared appreciation agreement" means a nonrecourse obligation in which an advance sum of monetary value is extended to a consumer, as a lump sum or otherwise, in exchange for an equity interest in a dwelling, residential real estate or a future obligation to repay a sum upon the occurrence of an event, including, but not limited to, the transfer of ownership, repayment maturity date, death of the consumer or as outlined and explicitly agreed to within said agreement;

[(29)] (31) "Simulated check" means a document that imitates or resembles a check but is not a negotiable instrument;

[(30)] (32) "Sponsored" means employed or retained as an independent contractor;

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[(31)] (33) "Table funding agreement" means an agreement wherein a person agrees to fund mortgage loans to be made in another person's name and to purchase such loans after they are made;

[(32)] (34) "Trigger lead" means a consumer report obtained pursuant to subparagraph (B) of subdivision (1) of subsection (c) of Section 604 of the Fair Credit Reporting Act, 15 USC 1681b, as amended from time to time, where the issuance of the report is triggered by an inquiry made with a consumer reporting agency in response to an application for credit;

[(33)] (35) "Unique identifier" means a number or other identifier assigned by protocols established by the system; and

[(34)] (36) "Warehouse agreement" means an agreement to provide credit to a person to enable the person to have funds to make residential mortgage loans and hold such loans pending sale to other persons.

Sec. 6. Section 36a-486 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) No person shall engage in the business of making residential mortgage loans or act as a mortgage broker in this state unless such person has first obtained a license for its main office and for each branch office where such business is conducted in accordance with the provisions of sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a and 36a-534b. Any activity subject to licensure pursuant to sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a or 36a-534b shall be conducted from an office located in a state, as defined in section 36a-2. Any such person who is an individual shall also obtain a mortgage loan originator license prior to conducting such business unless such individual does not engage directly in the activities of a mortgage loan originator or conducts such business pursuant to the temporary authority provided in subsection (e) of this section. A person,

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other than a licensed mortgage loan originator acting on behalf of a mortgage lender or mortgage correspondent lender, shall be deemed to be engaged in the business of making residential mortgage loans if such person advertises, causes to be advertised, solicits or offers to make residential mortgage loans, either directly or indirectly. A person, other than a licensed mortgage loan originator acting on behalf of a mortgage broker, shall be deemed to be acting as a mortgage broker if such person advertises or causes to be advertised that such person will negotiate, solicit, place or find a residential mortgage loan, either directly or indirectly. A mortgage correspondent lender shall not be deemed to be acting as a mortgage lender if such mortgage correspondent lender makes a loan utilizing its own funds in a situation where another person does not honor such person's commitment to fund the loan. A licensed lead generator shall not be deemed to be acting as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator when engaged in the activities of a lead generator, as described in section 36a-485, as amended by this act, if such person does not: (1) Obtain compensation or gain contingent upon the consummation of a residential mortgage loan or the receipt of a residential mortgage loan application, or (2) utilize financial criteria particular to the consumer or the residential mortgage loan transaction to selectively place a lead or to steer a consumer to a specific person for a residential mortgage loan.

(b) (1) No person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker shall engage the services of a mortgage loan originator or of a loan processor or underwriter required to be licensed under this section unless such mortgage loan originator or loan processor or underwriter is licensed under section 36a-489 or acting pursuant to the temporary authority provided in subsection (e) of this section. An individual, unless specifically exempted under subdivision (2) of this subsection or acting pursuant to the temporary authority provided in subsection (e) of this section, shall not engage in

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the business of a mortgage loan originator on behalf of a licensee or a person exempt under section 36a-487 with respect to any residential mortgage loan without first obtaining and maintaining annually a license as a mortgage loan originator under section 36a-489. An individual, unless specifically exempted under subdivision (2) of this subsection, shall be deemed to be engaged in the business of a mortgage loan originator if such individual: (A) Acts as a mortgage loan originator in connection with any residential mortgage loan on behalf of a licensee or person exempt under section 36a-487; or (B) makes any representation to the public through advertising or other means of communication that such individual can or will act as a mortgage loan originator on behalf of a licensee or person exempt under section 36a-487. Each licensed mortgage loan originator and each licensed loan processor or underwriter shall register with and maintain a valid unique identifier issued by the system. No individual may act as a mortgage loan originator for more than one person at the same time. No loan processor or underwriter licensee may be sponsored by more than one person at a time. The license of a mortgage loan originator or a loan processor or underwriter is not effective during any period when such mortgage loan originator or a loan processor or underwriter is not sponsored by a licensed mortgage lender, mortgage correspondent lender or mortgage broker, or by a person registered as an exempt registrant under subsection (d) of section 36a-487, or during any period in which the license of the mortgage lender, mortgage correspondent lender or mortgage broker with whom such originator or loan processor or underwriter is associated has been suspended. Either the mortgage loan originator, the loan processor or underwriter or the sponsor may file a notification of the termination of sponsorship with the system.

(2) The following are exempt from this section: (A) A registered mortgage loan originator or an employee of an institution or subsidiary described in [subdivision (25) of] section 36a-485, as amended by this act, who is not required to be registered under Section 1507 of the

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S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., when acting for such institution or subsidiary; (B) an individual who offers or negotiates the terms of a residential mortgage loan with or on behalf of an immediate family member of such individual; (C) an individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that served as the individual's residence, unless the context demonstrates that such individual engaged in such activities with a degree of habitualness or repetition; (D) a Connecticut licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator or by any agent of such mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator; (E) an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan as an employee of a federal, state or local government agency or housing finance agency exempt from licensure pursuant to section 36a-487, and who does so only pursuant to such individual's official duties as an employee of such agency; (F) an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan as an employee of an organization that has obtained bona fide nonprofit status from the commissioner and is exempt from licensure pursuant to section 36a-487, and who does so only pursuant to such individual's official duties as an employee of such organization; and (G) an individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that is not the individual's residence but is owned by such individual, unless the context demonstrates that such individual engaged in such activities with a degree of habitualness or repetition.

(3) No individual shall engage in the activities of a loan processor or underwriter unless such individual obtains and maintains a license as a

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loan processor or underwriter under section 36a-489. The following individuals are exempt from the foregoing license requirement:

(A) An employee of a licensed mortgage lender, mortgage correspondent lender or mortgage broker who engages in loan processor or underwriter activities (i) in connection with residential mortgage loans either originated or made by such licensee, and (ii) at the direction of and subject to the supervision of a licensed mortgage loan originator of such licensee;

(B) An employee of a person exempt from licensure under subdivision (1), (2) or (3) of subsection (a) of section 36a-487 who engages in loan processor or underwriter activities at the direction of and subject to the supervision of either a licensed mortgage loan originator or a registered mortgage loan originator of such exempt person; or

(C) Any individual engaged, in any capacity, in loan processor or underwriter activities in connection with a residential mortgage loan originated by an individual not required to be licensed or registered as a mortgage loan originator under this part.

(4) An individual engaging solely in loan processor or underwriter activities shall not represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists or other promotional items, that such individual can or will perform any of the activities of a mortgage loan originator.

(5) On and after January 1, 2018, no person shall, directly or indirectly, act as a lead generator without first obtaining a license under section 36a-489, unless such person is exempt from licensure. The following persons shall be exempt from licensure as a lead generator:

(A) Any bank, out-of-state bank, Connecticut credit union, federal

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credit union or out-of-state credit union, provided such bank or credit union is federally insured;

(B) Any wholly owned subsidiary of any such bank or credit union;

(C) Any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same such bank or credit union;

(D) Any person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker in this state, provided such exemption shall not be effective during any period in which the license of such person is suspended;

(E) A consumer reporting agency, as defined in Section 603 (f) of the Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time; [and]

(F) An employee of a person licensed as a lead generator or exempt from licensure as a lead generator, while engaged in lead generator activities on behalf of such person; [.] and

(G) An individual employed by an affiliate of a bank or credit union exempt from licensure pursuant to subparagraph (A) of this subdivision, who is registered or licensed with a state or federal regulator to engage in securities brokerage, investment advisory or insurance sales activities and who, incidental to the performance of such regulated activities, performs lead generation activities by referring one or more leads to such bank or credit union. For purposes of this subparagraph, "affiliate" means an entity that is controlled by or is under common control with the bank or credit union, such that the bank or credit union (i) directly or indirectly acting through one or more other persons owns, controls or has the power to vote more than fifty per cent of any class of voting securities of the affiliate, (ii) controls in any manner the election of a majority of directors or trustees of the affiliate, or (iii) directly or indirectly exercises a controlling influence over the

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management or policies of the affiliate.

(c) If the United States Department of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction determines that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., requires an individual described in subparagraph (B) (iv) of subdivision (20) of section 36a-485, as amended by this act, to be licensed as a mortgage loan originator under state laws implementing said S.A.F.E. Mortgage Licensing Act, such individual may continue to act in such individual's current capacity, provided such individual files an application for a mortgage loan originator license not later than the date sixty days from the date of such determination by the United States Department of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction.

(d) Each residential mortgage loan taken, offered, negotiated, solicited, arranged, placed, found, made, processed or underwritten without a license shall constitute a separate violation for purposes of section 36a-50.

(e) (1) An individual who is employed by a person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker in this state shall have temporary authority to act as a mortgage loan originator in this state for the period of time described in subdivision (3) of this subsection, provided the individual (A) has not had (i) an application for a loan originator license denied in any governmental jurisdiction, or (ii) a loan originator license revoked or suspended in any governmental jurisdiction; (B) has not been subject to, or served with, a cease and desist order in any governmental jurisdiction or by the Bureau of Consumer Financial Protection pursuant to 12 USC 5113(c); (C) has not been convicted of a misdemeanor or felony that would preclude licensure in this state under subdivision (1) of subsection (b) of section 36a-489; (D) has submitted an application for licensure as a mortgage

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loan originator in this state pursuant to subsection (c) of section 36a-488; and (E) was registered in the system as a registered loan originator, as defined in 12 USC 5102, during the one-year period immediately preceding the date on which the individual submits in connection with such application for licensure in this state the individual's personal history and experience, including authorization to obtain an independent credit report, criminal background check and information relating to administrative, civil or criminal findings by any governmental jurisdiction.

(2) An out-of-state mortgage loan originator employed by a person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker in this state shall have temporary authority to act as a mortgage loan originator in this state for the period described in subdivision (3) of this subsection, provided the individual (A) meets the requirements of subparagraphs (A) to (D), inclusive, of subdivision (1) of this subsection; and (B) was an out-of-state mortgage loan originator during the thirty-day period immediately preceding the date on which the individual submits in connection with the application for licensure as a mortgage loan originator in this state the individual's personal history and experience, including authorization to obtain an independent credit report, criminal background check and information relating to administrative, civil or criminal findings by any governmental jurisdiction.

(3) The period of temporary authority described in subdivisions (1) and (2) of this subsection shall commence on the date the registered loan originator or out-of-state mortgage loan originator submits the information required by subsection (c) of section 36a-488 and shall end on the earliest of (A) the date the individual withdraws the application to be a licensed mortgage loan originator in this state; (B) the date the commissioner denies the application; (C) the date the commissioner issues the mortgage loan originator license; or (D) one hundred twenty

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days after the date the individual submits the application, provided such application is identified as incomplete on the system.

(4) Any person employing an individual who has temporary authority to act as a mortgage loan originator in this state pursuant to this subsection shall be subject to the laws of this state to the same extent as if the employed individual is licensed as a mortgage loan originator in this state. Any individual who has temporary authority to act as a mortgage loan originator in this state pursuant to this subsection and who engages in residential mortgage loan origination activities shall be subject to the laws of this state to the same extent as if the individual is licensed as a mortgage loan originator in this state.

Sec. 7. Subdivision (1) of subsection (b) of section 36a-490 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(b) (1) A mortgage lender, mortgage correspondent lender, mortgage broker or lead generator license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of director, general partner or executive officer that is not the result of an acquisition or change [in] of control of the licensee, shall be the subject of an advance change notice filed on the system not later than thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 8. Subsection (a) of section 36a-540 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) Each license shall specify the location at which the business is to

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be conducted. Such license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change [in] of control of the licensee, shall be the subject of an advance change notice filed on the system not later than thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 9. Subsection (a) of section 36a-566 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) No license issued under section 36a-556 shall be assignable or transferable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 10. Subdivision (1) of subsection (a) of section 36a-583 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) (1) A license issued under section 36a-581 shall not be transferable or assignable. A change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the

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subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 11. Section 36a-598 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) Each application for an initial or renewal license required under sections 36a-595 to 36a-612, inclusive, shall be made and processed on the system pursuant to section 36a-24b, in the form prescribed by the commissioner. Each such form shall contain content as set forth by instruction or procedure of the commissioner and may be changed or updated as necessary by the commissioner in order to carry out the purposes of sections 36a-595 to 36a-612, inclusive. The applicant shall, at a minimum, furnish to the system information concerning the identity of the applicant, any control person of the applicant, the qualified individual and any branch manager responsible for the actions of the licensee, including, but not limited to, information related to such person's personal history and experience and any administrative, civil or criminal findings by any governmental jurisdiction. As part of an application, the commissioner may, (1) in accordance with section 29-17a, conduct a state or national criminal history records check of the applicant, any control person of the applicant, the qualified individual and any branch manager, and, (2) in accordance with section 36a-24b, (A) require the submission of fingerprints of any such person to the Federal Bureau of Investigation or other state, national or international criminal databases, and (B) investigate the financial condition of any such person and require authorization from any such person for the system and the commissioner to obtain an independent credit report from a consumer reporting agency, as described in Section 603(p) of the

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Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time. An application for an initial license shall also include:

(i) A copy of the applicant's audited financial statements for the most recent fiscal year, [ If] and (I) if the applicant is a wholly-owned subsidiary of another corporation, [the applicant shall include] the most recent audited consolidated annual financial statements of the parent corporation, [or the applicant's most recent audited consolidated annual financial statement, and the most recent audited unconsolidated financial statement of the applicant, including its balance sheet and receipts and disbursements for the preceding year. If] (II) if the applicant is publicly traded, [the applicant shall include] a copy of the most recent 10-K report that such applicant filed with the Securities and Exchange Commission, or, if the applicant is a wholly-owned subsidiary of a publicly traded company, a copy of the parent company's most recent 10-K report that was filed with the Securities and Exchange Commission, [ If] and (III) if the applicant or parent company of a wholly-owned subsidiary applicant is publicly traded on a foreign exchange, [the applicant shall include] a copy of documentation similar to the 10-K report that was filed with the applicable securities regulator for the applicant or the parent company of the wholly-owned subsidiary applicant, as applicable. Notwithstanding the provisions of this clause, if the applicant has operated for not more than one calendar year, the applicant shall only be required to include an initial statement of condition;

(ii) A list of the applicant's permissible investments, the book and market values of such investments, and the dollar amount of the applicant's aggregate outstanding money transmissions (I) as of the date of the financial statement filed in accordance with clause (i) of this subparagraph; and (II) as of a date no earlier than thirty business days prior to the filing of the application;

(iii) (I) The surety bond required by subsection (a) of section 36a-602,

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if applicable; and

(II) A list of the investments maintained in accordance with subsection (d) of section 36a-602, if applicable, and the book and market values of any such investments as of the date of the financial statement filed in accordance with clause (i) of this subparagraph; and as of a date no earlier than thirty business days prior to the filing of the application;

(iv) A statement describing the type of money transmission business that will be conducted by the applicant in this state and whether such money transmission will include the transmission of monetary value in the form of virtual currency;

(v) The name and address of any financial institution used by the applicant for its money transmission business in this state;

(vi) For each authorized delegate, a sample of the contract evidencing the proposed arrangement between the applicant and the authorized delegate; and

(vii) Any other information the commissioner may require.

(b) The commissioner may deem an application for a license to engage in the business of money transmission in this state abandoned if the applicant fails to respond to any request for information required under sections 36a-595 to 36a-612, inclusive, or any regulations adopted pursuant to said sections. The commissioner shall notify the applicant on the system that if the applicant fails to submit such information not later than sixty days after such request, the application shall be deemed abandoned. An application filing fee paid prior to the date an application is deemed abandoned pursuant to this subsection shall not be refunded. Abandonment of an application pursuant to this subsection shall not preclude the applicant from submitting a new application for a license under sections 36a-595 to 36a-612, inclusive.

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(c) Except as otherwise specified in subsections (d) and (e) of this section, each applicant, licensee, control person and qualified individual shall file with the system any change in the information most recently submitted to the system by such licensee, control person or qualified individual in connection with the application or license, or, if the information cannot be filed on the system, notify the commissioner, in writing, of such change in the information not later than fifteen days after the date the applicant, licensee, control person or qualified individual has reason to know of such change.

(d) (1) A money transmission license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or a change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

(2) No licensee may use any name other than its legal name or a fictitious name approved by the commissioner, provided such licensee may not use its legal name if the commissioner disapproves use of such name. No licensee shall use any name or address other than the name and address specified on the license issued by the commissioner. A licensee may change the name of the licensee or the address of the office specified on the most recent filing with the system if, at least thirty calendar days prior to such change, the licensee files such change with the system and provides a bond rider, endorsement or addendum, as applicable, to the surety bond on file with the commissioner that reflects the new name or address, and the commissioner does not disapprove such change, in writing, or request further information within such

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thirty-day period.

(3) The commissioner may automatically suspend any license for a violation of this subsection. After a license has been automatically suspended pursuant to this subsection, the commissioner shall (A) give the licensee notice of the automatic suspension, pending proceedings for revocation of or refusal to renew the license pursuant to section 36a-608 and an opportunity for a hearing in accordance with section 36a-51, and (B) require the licensee to take or refrain from taking action as the commissioner deems necessary to effectuate the purpose of this section.

(e) A licensee shall file with the system or, if the information cannot be filed on the system, provide a written notice to the commissioner not later than one business day after the licensee has reason to know of the occurrence of any of the following events:

(1) The filing of a petition by or against the licensee under the United States Bankruptcy Code for bankruptcy or reorganization or the filing of a petition under the United States Bankruptcy Code for bankruptcy or reorganization by any control person, qualified individual or authorized delegate of the licensee;

(2) The filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors;

(3) The commencement of a proceeding to revoke or suspend its license to engage in money transmission in another state or a foreign country, or other formal or informal regulatory action by any governmental agency against the licensee or any control person, qualified individual or authorized delegate of the licensee and the reasons therefor;

(4) The commencement of any action by the Attorney General or the

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attorney general of any other state against the licensee or any control person, qualified individual or authorized delegate of the licensee and the reasons therefor;

(5) The cancellation or other impairment of the licensee's bond or other security, including notice of claims filed against the licensee's bond or other security;

(6) A conviction or indictment of the licensee or of any control person or qualified individual of the licensee for a misdemeanor involving the money transmission business or a felony; or

(7) A conviction or indictment of an authorized delegate for a misdemeanor involving the money transmission business or a felony.

Sec. 12. Subsection (a) of section 36a-658 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) Each license shall state the location at which the business is to be conducted and shall state fully the name of the licensee. If the licensee desires to engage in the business of debt adjustment in more than one location, the licensee shall procure a license for each location where the business is to be conducted. A license issued under section 36a-656 shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 13. Subsection (h) of section 36a-671 of the general statutes is

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repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(h) The license shall not be transferable or assignable. Any change in any control person of the [license] licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 14. Subsection (a) of section 36a-719a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(a) A mortgage servicer license shall not be transferable or assignable. Any change in any control person of a licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons. Any licensee who intends to permanently cease acting as a mortgage servicer at any time during a license period for any cause, including, but not limited to, bankruptcy or voluntary dissolution, shall file a request to surrender the license in accordance with subsection (c) of section 36a-51, for each office at which the licensee intends to cease to do business, on the system, not later than fifteen days after the date of such cessation, provided this requirement shall not

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apply when a license has been suspended pursuant to section 36a-51. No surrender shall be effective until accepted by the commissioner.

Sec. 15. Subdivision (14) of subsection (c) of section 36a-770 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(14) "Retail seller" means a person who sells or agrees to sell one or more articles of goods under a retail installment contract or an installment loan contract to a retail buyer.

Sec. 16. Subdivision (4) of section 36a-800 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(4) "Consumer debtor" means any natural person, not an organization, who has incurred indebtedness or owes a debt for personal, family or household purposes, including current or past due child support, who has incurred indebtedness or owes a debt to a municipality due to a levy by such municipality of a [personal] property tax or who has incurred indebtedness or owes a debt to the United States Department of the Treasury under the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time;

Sec. 17. Subsections (b) and (c) of section 36a-801 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(b) An application for a license as a consumer collection agency or for renewal of such license shall be made and processed on the system pursuant to section 36a-24b, in the form prescribed by the commissioner. Each such form shall contain content as set forth by instruction or procedure of the commissioner and may be changed or updated as necessary by the commissioner in order to carry out the

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purposes of sections 36a-800 to 36a-814, inclusive, as amended by this act. The applicant shall, at a minimum, furnish to the system information concerning the identity of the applicant, any control person of the applicant, the qualified individual and any branch manager responsible for the actions of the licensee, including, but not limited to, information related to such person's personal history and experience, and any administrative, civil or criminal findings by any governmental jurisdiction. As part of the application, the commissioner may (1) in accordance with section 29-17a, conduct a state or national criminal history records check of the applicant, any control person of the applicant, the qualified individual or any branch manager, and (2) in accordance with section 36a-24b (A) require the submission of fingerprints of the applicant, any control person of the applicant, the qualified individual or any branch manager to the Federal Bureau of Investigation or other state, national or international criminal databases, and (B) investigate the financial condition of any such person and require authorization from any such person for the system and the commissioner to obtain an independent credit report from a consumer reporting agency, as described in Section 603(p) of the Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time. Such application shall be accompanied by a financial statement prepared by a certified public accountant and [, for any applicant not solely engaged in the business of debt buying, such application] shall evidence that the applicant has a tangible net worth of more than zero dollars if the applicant is engaged solely in the business of debt buying, and a [minimum] tangible net worth of at least fifty thousand dollars if the applicant is not engaged solely in the business of debt buying. The commissioner shall cause to be made such inquiry and examination as to the qualifications of each such applicant or any control person, qualified individual or branch manager of the applicant as the commissioner deems necessary. Each applicant shall furnish satisfactory evidence to the commissioner that the applicant is a person of good moral character and is financially responsible.

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(c) (1) Each applicant for a consumer collection agency license shall pay to the system any required fees or charges and a license fee of five hundred dollars. Each such license shall expire at the close of business on December thirty-first of the year in which the license was approved, unless such license is renewed, except that any such license approved on or after November first shall expire at the close of business on December thirty-first of the year following the year in which it is approved. An application for renewal of a license shall be filed between November first and December thirty-first of the year in which the license expires. Each applicant for renewal of a consumer collection agency license shall pay to the system any required fees or charges and a renewal fee of four hundred dollars.

(2) If the commissioner finds, upon the filing of an application for a consumer collection agency, that (A) the financial responsibility, character, reputation, integrity and general fitness of the applicant, the control persons of the applicant, the qualified individual and any branch manager are such as to warrant belief that the business will be operated soundly and efficiently, in the public interest and consistent with the purposes of sections 36a-800 to 36a-814, inclusive, as amended by this act, and (B) the applicant [is solvent] meets the applicable tangible net worth requirement in subsection (b) of this section and no proceeding in bankruptcy, receivership or assignment for the benefit of creditors has been commenced against the applicant, the commissioner may [upon such finding,] thereupon issue the applicant a consumer collection agency license. If the commissioner fails to make such findings, the commissioner shall not issue a license and shall notify the applicant of the reasons for such denial. The commissioner may deny an application if the commissioner finds that the applicant or any control person, qualified individual or branch manager of such applicant has been convicted of any misdemeanor involving any aspect of the consumer collection agency business, or any felony. Any denial of an application by the commissioner shall, when applicable, be subject to the provisions

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of section 46a-80.

(3) The minimum standards for renewal of a consumer collection agency license shall include the following: (A) The applicant continues to meet the minimum standards under this section; (B) the applicant has paid all required fees for renewal of the license; and (C) the applicant has paid all outstanding examination fees or other moneys due to the commissioner. The license of a consumer collection agency licensee failing to satisfy the minimum standards for license renewal shall expire. The commissioner may adopt procedures for the reinstatement of expired licenses consistent with the standards established by the system. Every license shall remain in force and effect until the license has been surrendered, revoked or suspended or has expired in accordance with the provisions of sections 36a-800 to 36a-814, inclusive, as amended by this act.

Sec. 18. Subsection (i) of section 36a-801 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(i) No person licensed to act within this state as a consumer collection agency shall do so under any other name or at any other place of business than that named in the license. No licensee may use any name other than its legal name or a fictitious name approved by the commissioner, provided such licensee may not use its legal name if the commissioner disapproves use of such name. A licensee may change the name of the licensee or address of the office specified on the most recent filing with the system if, at least thirty calendar days prior to such change, (1) the licensee files such change with the system and provides a bond rider, endorsement or addendum, as applicable, to the surety bond on file with the commissioner that reflects the new name or address, and (2) the commissioner does not disapprove such change, in writing, or request further information from the licensee within such thirty-day period. Not more than one place of business shall be

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maintained under the same license but the commissioner may issue more than one license to the same licensee upon compliance with the provisions of sections 36a-800 to 36a-814, inclusive, as to each new licensee. A license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons. Any licensee holding, applying for, or seeking renewal of more than one license may, at its option, file the bond required under section 36a-802 separately for each place of business licensed, or to be licensed, or a single bond, naming each place of business, in an amount equal to twenty-five thousand dollars for each place of business. The commissioner may automatically suspend a license for any violation of this subsection. After a license has been automatically suspended pursuant to this section, the commissioner shall (A) give the licensee notice of the automatic suspension, pending proceedings for revocation or refusal to renew pursuant to section 36a-804 and an opportunity for a hearing on such action in accordance with section 36a-51, and (B) require such licensee to take or refrain from taking such action as the commissioner deems necessary to effectuate the purposes of this section.

Sec. 19. Subsection (b) of section 36a-848 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(b) A license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general

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partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change of control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Approved July 7, 2021