



General Assembly

February Session, 2024

Raised Bill No. 187

LCO No. 1158



Referred to Committee on BANKING

Introduced by:

(BA)

AN ACT CONCERNING CONSUMER CREDIT.

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

1 Section 1. Subsection (c) of section 36a-492 of the 2024 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2024*):

4 (c) The surety company shall have the right to cancel the bond at any
5 time by a written notice to the principal stating the date cancellation
6 shall take effect, provided the surety company notifies the
7 commissioner in writing not less than thirty days prior to the effective
8 date of cancellation. [If the bond is issued electronically on the system,]
9 Such written notice of cancellation [may] shall be provided by the surety
10 company to the principal and the commissioner through the system at
11 least thirty days prior to the date of cancellation. [Any notice of
12 cancellation not provided through the system shall be sent by certified
13 mail to the principal and the commissioner at least thirty days prior to
14 the date of cancellation.] A surety bond shall not be cancelled unless the
15 surety company notifies the commissioner in writing not less than thirty
16 days prior to the effective date of cancellation. After receipt of such

17 notification from the surety company, the commissioner shall give
18 written notice to the principal of the date such bond cancellation shall
19 take effect and such notice shall be deemed notice to each mortgage loan
20 originator licensee sponsored by such principal. The commissioner shall
21 automatically suspend the licenses of a mortgage lender, mortgage
22 correspondent lender or mortgage broker on such date and inactivate
23 the licenses of the mortgage loan originators sponsored by such lender,
24 correspondent lender or broker. In the case of a cancellation of an
25 exempt registrant's bond, the commissioner shall inactivate the licenses
26 of the mortgage loan originators sponsored by such exempt registrant.
27 No automatic suspension or inactivation shall occur if, prior to the date
28 that the bond cancellation shall take effect, (1) the principal submits a
29 letter of reinstatement of the bond from the surety company or a new
30 bond, (2) the mortgage lender, mortgage correspondent lender or
31 mortgage broker licensee has ceased business and has surrendered all
32 licenses in accordance with subsection (a) of section 36a-490, or (3) in the
33 case of a mortgage loan originator licensee, the sponsorship with the
34 mortgage lender, mortgage correspondent lender or mortgage broker
35 who was automatically suspended pursuant to this section or, with the
36 exempt registrant who failed to provide the bond required by this
37 section, has been terminated and a new sponsor has been requested and
38 approved. After a mortgage lender, mortgage correspondent lender or
39 mortgage broker license has been automatically suspended pursuant to
40 this section, the commissioner shall (A) give the licensee notice of the
41 automatic suspension, pending proceedings for revocation or refusal to
42 renew pursuant to section 36a-494 and an opportunity for a hearing on
43 such action in accordance with section 36a-51, as amended by this act,
44 and (B) require such licensee to take or refrain from taking such action
45 as the commissioner deems necessary to effectuate the purposes of this
46 section. The commissioner may provide information to an exempt
47 registrant concerning actions taken by the commissioner pursuant to
48 this subsection against any mortgage loan originator licensee that was
49 sponsored and bonded by such exempt registrant.

50 Sec. 2. Subsection (c) of section 36a-602 of the general statutes is

51 repealed and the following is substituted in lieu thereof (*Effective October*
52 *1, 2024*):

53 (c) The surety company may cancel the bond at any time by a written
54 notice to the licensee and the commissioner, stating the date cancellation
55 shall take effect. [If the bond is issued electronically on the system, such]
56 Such written notice [may] shall be provided by the surety company to
57 the licensee and the commissioner through the system at least thirty
58 days prior to the date of cancellation. [Any notice of cancellation not
59 provided through the system shall be sent by certified mail to the
60 licensee and the commissioner at least thirty days prior to the date of
61 cancellation.] A surety bond shall not be cancelled unless the surety
62 company notifies the commissioner in writing not less than thirty days
63 prior to the effective date of cancellation. After receipt of such
64 notification from the surety company, the commissioner shall give
65 written notice to the licensee of the date such bond cancellation shall
66 take effect. The commissioner shall automatically suspend the license on
67 such date, unless the licensee, prior to such date, submits (1) a letter of
68 reinstatement of the bond from the surety company, (2) a new bond, (3)
69 evidence that all of the principal sum of such surety bond has been
70 invested as provided in subsection (d) of this section, (4) a new bond
71 that replaces the surety bond in part and evidence that the remaining
72 part of the principal sum of such surety bond has been invested as
73 provided in subsection (d) of this section, or (5) evidence that the
74 licensee has ceased business and has surrendered the license. After a
75 license has been automatically suspended, the commissioner shall (A)
76 give the licensee notice of the automatic suspension pending
77 proceedings for revocation or refusal to renew such license and an
78 opportunity for a hearing on such actions in accordance with section
79 36a-51, as amended by this act, and (B) require the licensee to take or
80 refrain from taking such action as the commissioner deems necessary to
81 effectuate the purposes of this section.

82 Sec. 3. Subsection (b) of section 36a-664 of the general statutes is
83 repealed and the following is substituted in lieu thereof (*Effective October*
84 *1, 2024*):

85 (b) The surety shall have the right to cancel any bond filed under
86 subsection (a) of this section at any time by a written notice to the
87 licensee and the commissioner, stating the date cancellation shall take
88 effect. [If such bond is issued electronically on the system,] Such written
89 notice of cancellation [may] shall be provided by the surety to the
90 principal and the commissioner through the system at least thirty days
91 prior to the date of cancellation. [Any notice of cancellation not provided
92 through the system shall be sent by certified mail to the licensee and the
93 commissioner at least thirty days prior to the date of cancellation.] No
94 such bond shall be cancelled unless the surety notifies the commissioner
95 in writing not less than thirty days prior to the effective date of
96 cancellation. After receipt of such notification from the surety, the
97 commissioner shall give written notice to the licensee of the date such
98 bond cancellation shall take effect. The commissioner shall
99 automatically suspend the license on such date, unless prior to such date
100 the licensee submits a letter of reinstatement of the bond from the surety
101 or a new bond or the licensee has surrendered the license. After a license
102 has been automatically suspended, the commissioner shall (1) give the
103 licensee notice of the automatic suspension pending proceedings for
104 revocation or refusal to renew and an opportunity for a hearing on such
105 actions in accordance with section 36a-51, as amended by this act, and
106 (2) require the licensee to take or refrain from taking such action as the
107 commissioner deems necessary to effectuate the purposes of this
108 section.

109 Sec. 4. Subsection (c) of section 36a-671d of the general statutes is
110 repealed and the following is substituted in lieu thereof (*Effective October*
111 *1, 2024*):

112 (c) The surety shall have the right to cancel any bond written or
113 issued under subsection (a) of this section at any time by a written notice
114 to the debt negotiation licensee and the commissioner stating the date
115 cancellation shall take effect. [If such bond is issued electronically on the
116 system,] Such written notice of cancellation [may] shall be provided by
117 the surety to the licensee and the commissioner through the system at
118 least thirty days prior to the date of cancellation. [Any notice of

119 cancellation not provided through the system shall be sent by certified
120 mail to the licensee and the commissioner at least thirty days prior to
121 the date of cancellation.] No such bond shall be cancelled unless the
122 surety notifies the commissioner in writing not less than thirty days
123 prior to the effective date of cancellation. After receipt of such
124 notification from the surety, the commissioner shall give written notice
125 to the debt negotiation licensee of the date such bond cancellation shall
126 take effect. The commissioner shall automatically suspend the licenses
127 of the debt negotiation licensee on such date and inactivate the license
128 of any sponsored mortgage loan originator, unless prior to such date the
129 debt negotiation licensee submits a letter of reinstatement of the bond
130 from the surety or a new bond, surrenders all licenses or, in the case of
131 a mortgage loan originator sponsored by a debt negotiation licensee, the
132 sponsorship has been terminated and a new sponsor has been requested
133 and approved. After a license has been automatically suspended, the
134 commissioner shall (1) give the debt negotiation licensee notice of the
135 automatic suspension pending proceedings for revocation or refusal to
136 renew and an opportunity for a hearing on such actions in accordance
137 with section 36a-51, as amended by this act, and (2) require the debt
138 negotiation licensee to take or refrain from taking such action as the
139 commissioner deems necessary to effectuate the purposes of this
140 section.

141 Sec. 5. Subsection (b) of section 36a-802 of the general statutes is
142 repealed and the following is substituted in lieu thereof (*Effective October*
143 *1, 2024*):

144 (b) The surety company shall have the right to cancel the bond at any
145 time by a written notice to the licensee and the commissioner stating the
146 date cancellation shall take effect. [If the bond is issued electronically on
147 the system,] Such written notice of cancellation [may] shall be provided
148 by the surety company to the licensee and the commissioner through
149 the system at least thirty days prior to the date of cancellation. [Any
150 notice of cancellation not provided through the system shall be sent by
151 certified mail to the licensee and the commissioner at least thirty days
152 prior to the date of cancellation.] A surety bond shall not be cancelled

153 unless the surety company notifies the commissioner in writing not less
154 than thirty days prior to the effective date of cancellation. After receipt
155 of such notification from the surety company, the commissioner shall
156 give written notice to the licensee of the date such bond cancellation
157 shall take effect. The commissioner shall automatically suspend the
158 license on such date, unless the licensee prior to such date submits a
159 letter of reinstatement of the bond from the surety company or a new
160 bond or the licensee has ceased business and has surrendered its license.
161 After a license has been automatically suspended, the commissioner
162 shall (1) give the licensee notice of the automatic suspension pending
163 proceedings for revocation or refusal to renew and an opportunity for a
164 hearing on such actions in accordance with section 36a-51, as amended
165 by this act, and (2) require the licensee to take or refrain from taking
166 such action as the commissioner deems necessary to effectuate the
167 purposes of this section.

168 Sec. 6. Subdivision (2) of subsection (b) of section 36a-490 of the
169 general statutes is repealed and the following is substituted in lieu
170 thereof (*Effective October 1, 2024*):

171 (2) No licensee may use any name other than its legal name or a
172 fictitious name approved by the commissioner, provided such licensee
173 may not use its legal name if the commissioner disapproves use of such
174 name. No licensee shall use any name or address other than the name
175 and address specified on the license issued by the commissioner. A
176 mortgage lender, mortgage correspondent lender, mortgage broker or
177 lead generator licensee may change the name of the licensee or address
178 of the office specified on the most recent filing with the system if (A) at
179 least thirty calendar days prior to such change, the licensee files such
180 change with the system and, in the case of a [main or branch office]
181 change to the legal name of the licensee, provides, directly to the
182 commissioner, a bond rider [or endorsement, or addendum, as
183 applicable,] to the surety bond on file with the commissioner that
184 reflects the new legal name [or address of the main or branch office] of
185 the licensee, and (B) the commissioner does not disapprove such change,
186 in writing, or request further information within such thirty-day period.

187 Sec. 7. Subdivision (2) of subsection (d) of section 36a-598 of the
188 general statutes is repealed and the following is substituted in lieu
189 thereof (*Effective October 1, 2024*):

190 (2) No licensee may use any name other than its legal name or a
191 fictitious name approved by the commissioner, provided such licensee
192 may not use its legal name if the commissioner disapproves use of such
193 name. No licensee shall use any name or address other than the name
194 and address specified on the license issued by the commissioner. A
195 licensee may change the name of the licensee or the address of the office
196 specified on the most recent filing with the system if, (A) at least thirty
197 calendar days prior to such change, the licensee files such change with
198 the system and, in the case of a change to the legal name of the licensee,
199 provides a bond rider [endorsement or addendum, as applicable,] to
200 the surety bond on file with the commissioner that reflects the new legal
201 name [or address,] of the licensee, and (B) the commissioner does not
202 disapprove such change, in writing, or request further information
203 within such thirty-day period.

204 Sec. 8. Subsection (b) of section 36a-658 of the general statutes is
205 repealed and the following is substituted in lieu thereof (*Effective October*
206 *1, 2024*):

207 (b) No licensee shall use any name or address other than the name
208 and address stated on the license issued by the commissioner. No
209 licensee may use any name other than its legal name or a fictitious name
210 approved by the commissioner, provided such licensee may not use its
211 legal name if the commissioner disapproves use of such name. A
212 licensee may change the name of the licensee or address of the office
213 specified on the most recent filing with the system if (1) at least thirty
214 calendar days prior to such change, the licensee files such change with
215 the system and, in the case of a change to the legal name of the licensee,
216 provides to the commissioner a bond rider [endorsement or
217 addendum, as applicable;] to the surety bond on file with the
218 commissioner that reflects the new legal name of the licensee, and (2)
219 the commissioner does not disapprove such change, in writing, or

220 request further information from the licensee within such thirty-day
221 period.

222 Sec. 9. Subsection (i) of section 36a-671 of the general statutes is
223 repealed and the following is substituted in lieu thereof (*Effective October*
224 *1, 2024*):

225 (i) No licensee may use any name other than its legal name or a
226 fictitious name approved by the commissioner, provided such licensee
227 may not use its legal name if the commissioner disapproves use of such
228 name. No licensee shall use any name or address other than the name
229 and address specified on the license issued by the commissioner. A
230 licensee may change the name of the licensee or the address of the office
231 specified on the most recent filing with the system if, (1) at least thirty
232 calendar days prior to such change, the licensee files such change with
233 the system and, in the case of a change to the legal name of the licensee,
234 provides to the commissioner a bond rider [, endorsement or
235 addendum, as applicable,] to the surety bond on file with the
236 commissioner that reflects the new legal name of the licensee, and (2)
237 the commissioner does not disapprove such change, in writing, or
238 request further information within such thirty-day period.

239 Sec. 10. Subsection (b) of section 36a-719a of the general statutes is
240 repealed and the following is substituted in lieu thereof (*Effective October*
241 *1, 2024*):

242 (b) No licensee may use any name other than its legal name or a
243 fictitious name approved by the commissioner, provided such licensee
244 may not use its legal name if the commissioner disapproves use of such
245 name. No licensee shall use any name or address other than the name
246 and address stated on the license issued by the commissioner. A
247 mortgage servicer licensee may change the name of the licensee or
248 address of any office specified on the most recent filing with the system
249 if (1) at least thirty calendar days prior to such change, the licensee files
250 such change with the system and, in the case of a [main office or branch
251 office] change in the legal name of the licensee, provides the

252 commissioner a bond rider [or endorsement, or addendum, as
253 applicable,] to [any] the surety bond [or evidence of errors and
254 omissions coverage] on file with the commissioner that reflects the new
255 legal name [or address of the main office or branch office;] of the
256 licensee, and (2) the commissioner does not disapprove such change, in
257 writing, or request further information within such thirty-day period.

258 Sec. 11. Subsection (i) of section 36a-801 of the general statutes is
259 repealed and the following is substituted in lieu thereof (*Effective*
260 *October 1, 2024*):

261 (i) No person licensed to act within this state as a consumer collection
262 agency shall do so under any other name or at any other place of
263 business than that named in the license. No licensee may use any name
264 other than its legal name or a fictitious name approved by the
265 commissioner, provided such licensee may not use its legal name if the
266 commissioner disapproves use of such name. A licensee may change the
267 name of the licensee or address of the office specified on the most recent
268 filing with the system if, at least thirty calendar days prior to such
269 change, (1) the licensee files such change with the system and, in the
270 case of a change in the legal name of a licensee, provides a bond rider [,
271 endorsement or addendum, as applicable,] to the surety bond on file
272 with the commissioner that reflects the new legal name [or address] of
273 the licensee, and (2) the commissioner does not disapprove such change,
274 in writing, or request further information from the licensee within such
275 thirty-day period. Not more than one place of business shall be
276 maintained under the same license but the commissioner may issue
277 more than one license to the same licensee upon compliance with the
278 provisions of sections 36a-800 to 36a-814, inclusive, as to each new
279 licensee. A license shall not be transferable or assignable. Any change in
280 any control person of the licensee, except a change of a director, general
281 partner or executive officer that is not the result of an acquisition or
282 change of control of the licensee, shall be the subject of an advance
283 change notice filed on the system at least thirty days prior to the effective
284 date of such change and no such change shall occur without the
285 commissioner's approval. For purposes of this section, "change of

286 control" means any change causing the majority ownership, voting
287 rights or control of a licensee to be held by a different control person or
288 group of control persons. The commissioner may automatically suspend
289 a license for any violation of this subsection. After a license has been
290 automatically suspended pursuant to this section, the commissioner
291 shall (A) give the licensee notice of the automatic suspension, pending
292 proceedings for revocation or refusal to renew pursuant to section 36a-
293 804 and an opportunity for a hearing on such action in accordance with
294 section 36a-51, as amended by this act, and (B) require such licensee to
295 take or refrain from taking such action as the commissioner deems
296 necessary to effectuate the purposes of this section.

297 Sec. 12. Subdivision (2) of section 36a-535 of the general statutes is
298 repealed and the following is substituted in lieu thereof (*Effective October*
299 *1, 2024*):

300 (2) "Sales finance company" means any person engaging in this state
301 in the business, in whole or in part, of (A) acquiring retail installment
302 contracts or installment loan contracts from the holders thereof, by
303 purchase, discount or pledge, or by loan or advance to the holder of
304 either on the security thereof, or otherwise, or (B) receiving payments,
305 [of principal and interest] including, but not limited to, principal,
306 interest or fees, from a retail buyer [under] in connection with a retail
307 installment contract or installment loan contract. "Sales finance
308 company" does not include a bank, out-of-state bank, Connecticut credit
309 union, federal credit union, or out-of-state credit union, if so engaged;

310 Sec. 13. Section 36a-718 of the general statutes is repealed and the
311 following is substituted in lieu thereof (*Effective October 1, 2024*):

312 (a) On and after January 1, 2015, no person shall act as a mortgage
313 servicer, directly or indirectly, without first obtaining a license under
314 section 36a-719 from the commissioner for its main office and for each
315 branch office where such business is conducted, unless such person is
316 exempt from licensure pursuant to subsection (b) of this section. Any
317 activity subject to licensure pursuant to sections 36a-715 to 36a-719l,

318 inclusive, as amended by this act, shall be conducted from an office
319 located in a state, as defined in section 36a-2.

320 (b) The following persons are exempt from mortgage servicer
321 licensing requirements: (1) Any bank, out-of-state bank, Connecticut
322 credit union, federal credit union or out-of-state credit union, provided
323 such bank or credit union is federally insured; (2) any wholly-owned
324 subsidiary of such bank or credit union; (3) any operating subsidiary
325 where each owner of such operating subsidiary is wholly owned by the
326 same such bank or credit union; (4) any person [licensed as a mortgage
327 lender in this state while] registered as an exempt mortgage servicer
328 registrant pursuant to subsection (d) of this section and acting as a
329 mortgage servicer from a location licensed as a main office or branch
330 office under sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-
331 534b [, provided (A) such person meets the supplemental mortgage
332 servicer surety bond, fidelity bond and errors and omissions coverage
333 requirements under section 36a-719c, and (B)] during any period that
334 the [license] registration of the exempt mortgage [lender] servicer
335 registrant in this state has not been suspended; [, such exemption shall
336 not be effective;] and (5) any person licensed as a mortgage
337 correspondent lender in this state while acting as a mortgage servicer
338 with respect to any residential mortgage loan it has made and during
339 the permitted ninety-day holding period for such loan from a location
340 licensed as a main office or branch office under sections 36a-485 to 36a-
341 498e, inclusive, 36a-534a and 36a-534b, provided during any period the
342 license of the mortgage correspondent lender in this state has been
343 suspended, such exemption shall not be effective.

344 (c) The provisions of sections 36a-719e to 36a-719h, inclusive, shall
345 apply to any person, including a person exempt from licensure pursuant
346 to subsection (b) of this section, who acts as a mortgage servicer in this
347 state on or after January 1, 2015.

348 (d) (1) Any person licensed as a mortgage lender in this state shall
349 register on the system as an exempt mortgage servicer registrant prior
350 to acting as a mortgage servicer from any location licensed as a main

351 office or branch office under sections 36a-485 to 36a-498e, inclusive, 36a-
352 534a and 36a-534b. Each registration shall expire at the close of business
353 on December thirty-first of the year in which such registration is
354 approved, unless such registration is renewed, and provided any such
355 registration that is approved on or after November first shall expire at
356 the close of business on December thirty-first of the year following the
357 year in which such registration is approved. An application for renewal
358 of a registration shall be filed between November first and December
359 thirty-first of the year in which the registration expires. Each applicant
360 for an initial registration or renewal of a registration shall meet the
361 supplemental mortgage servicer surety bond, fidelity bond and errors
362 and omissions coverage requirements under section 36a-719c, as
363 amended by this act, and pay to the system any required fees or charges.
364 All fees paid pursuant to this section shall be nonrefundable.

365 (2) The commissioner may suspend, revoke or refuse to renew any
366 exempt mortgage servicer registration or take any other action, in
367 accordance with the provisions of section 36a-51, as amended by this
368 act, if the commissioner finds that the registrant no longer meets the
369 requirements for registration or if any registrant, control person, trustee,
370 employee or agent of such registrant has: (A) Made any material
371 misstatement in the application; (B) committed any fraud or
372 misappropriated funds; or (C) violated any provision of this title or of
373 any regulation or order adopted or issued pursuant thereto pertaining
374 to such person, or any other law or regulation applicable to the conduct
375 of such registrant's business.

376 Sec. 14. Section 36a-719c of the general statutes is repealed and the
377 following is substituted in lieu thereof (*Effective October 1, 2024*):

378 (a) Each mortgage servicer applicant or licensee and [any person
379 exempt from mortgage servicer licensure pursuant to subdivision (4) of
380 subsection (b) of section 36a-718] exempt mortgage servicer registrant
381 shall file with the commissioner (1) a surety bond, written by a surety
382 authorized to write such bonds in this state, covering its main office and
383 any branch office from which it acts as mortgage servicer, in a penal sum

384 of one hundred thousand dollars per office location in accordance with
385 subsection (b) of this section, (2) a fidelity bond, written by a surety
386 authorized to write such bonds in this state, in accordance with the
387 requirements of subsection (c) of this section, and (3) evidence of errors
388 and omissions coverage, written by a surety authorized to write such
389 coverage in this state, in accordance with the requirements of subsection
390 (c) of this section. No mortgage servicer licensee and no [person
391 otherwise exempt from mortgage servicer licensure pursuant to
392 subdivision (4) of subsection (b) of section 36a-718] exempt mortgage
393 servicer registrant shall act as a mortgage servicer in this state without
394 maintaining the surety bond, fidelity bond and errors and omissions
395 coverage required by this section.

396 (b) The surety bond required by subsection (a) of this section shall be
397 (1) in a form approved by the Attorney General, [;] and (2) conditioned
398 upon the mortgage servicer licensee or [person exempt from mortgage
399 servicer licensure pursuant to subdivision (4) of subsection (b) of section
400 36a-718] exempt mortgage servicer registrant faithfully performing any
401 and all written agreements or commitments with or for the benefit of
402 mortgagors and mortgagees, truly and faithfully accounting for all
403 funds received from a mortgagor or mortgagee in such person's capacity
404 as a mortgage servicer, and conducting such mortgage business
405 consistent with the provisions of sections 36a-715 to 36a-719l, inclusive,
406 as amended by this act. Any mortgagor that may be damaged by the
407 failure of a mortgage servicer licensee or [person exempt from mortgage
408 servicer licensure pursuant to subdivision (4) of subsection (b) of section
409 36a-718] exempt mortgage servicer registrant to perform any written
410 agreements or commitments, or by the wrongful conversion of funds
411 paid by a mortgagor to such licensee or [person] registrant, may proceed
412 on such bond against the principal or surety thereon, or both, to recover
413 damages. The commissioner may proceed on such bond against the
414 principal or surety on such bond, or both, to collect any civil penalty
415 imposed pursuant to subsection (a) of section 36a-50, any restitution
416 imposed pursuant to subsection (c) of section 36a-50 and any unpaid
417 costs of examination of a licensee as determined pursuant to section 36a-

418 65. The proceeds of the bond, even if commingled with other assets of
419 the principal, shall be deemed by operation of law to be held in trust for
420 the benefit of such claimants against the principal in the event of
421 bankruptcy of the principal and shall be immune from attachment by
422 creditors and judgment creditors. The surety bond shall run
423 concurrently with the period of the license or registration for the main
424 office of the mortgage servicer or exempt mortgage [lender] servicer
425 registrant and the aggregate liability under the bond shall not exceed
426 the penal sum of the bond. The principal shall notify the commissioner
427 of the commencement of an action on the bond. When an action is
428 commenced on a principal's bond, the commissioner may require the
429 filing of a new bond and immediately on recovery on any action on the
430 bond, the principal shall file a new bond.

431 (c) (1) The fidelity bond and errors and omissions coverage required
432 by subsection (a) of this section shall name the commissioner as an
433 additional loss payee on drafts the surety issues to pay for covered
434 losses directly or indirectly incurred by mortgagors of residential
435 mortgage loans serviced by the mortgage servicer or exempt mortgage
436 servicer registrant. The fidelity bond shall cover losses arising from
437 dishonest and fraudulent acts, embezzlement, misplacement, forgery
438 and similar events committed by employees of the mortgage servicer or
439 exempt mortgage servicer registrant. The errors and omissions coverage
440 shall cover losses arising from negligence, errors and omissions by the
441 mortgage servicer or exempt mortgage servicer registrant with respect
442 to the payment of real estate taxes and special assessments, hazard and
443 flood insurance or the maintenance of mortgage and guaranty
444 insurance. The fidelity bond and errors and omissions coverage shall
445 each be in the following principal amounts based on the mortgage
446 servicer's or exempt mortgage servicer registrant's volume of servicing
447 activity most recently reported to the commissioner:

448 [(1)] (A) If the amount of the residential mortgage loans serviced is
449 one hundred million dollars or less, the principal amount shall be at
450 least three hundred thousand dollars; or

451 [(2)] (B) If the amount of such loans exceeds one hundred million
452 dollars, the principal amount shall be at least three hundred thousand
453 dollars plus [(A)] (i) three-twentieths of one per cent of the amount of
454 residential mortgage loans serviced greater than one hundred million
455 dollars but less than or equal to five hundred million dollars; [(B)] (ii)
456 plus one-eighth of one per cent of the amount of residential mortgage
457 loans serviced greater than five hundred million dollars but less than or
458 equal to one billion dollars; and [(C)] (iii) plus one-tenth of one per cent
459 of the amount of residential mortgage loans serviced greater than one
460 billion dollars.

461 (2) The fidelity bond and errors and omissions coverage may provide
462 for a deductible amount not to exceed the greater of one hundred
463 thousand dollars or five per cent of the face amount of such bond or
464 coverage.

465 (d) A surety shall have the right to cancel the surety bond, fidelity
466 bond and errors and omissions coverage required by this section at any
467 time by a written notice to the principal and the commissioner stating
468 the date cancellation shall take effect. [If the surety bond required by
469 this section was issued electronically on the system,] Such written notice
470 of cancellation [may] shall be provided by the surety company to the
471 principal and the commissioner through the system at least thirty days
472 prior to the date of cancellation. [Any notice of cancellation not provided
473 through the system shall be sent by certified mail to the principal and
474 the commissioner at least thirty days prior to the date of cancellation.]
475 A surety bond, fidelity bond or errors and omissions coverage shall not
476 be cancelled unless the surety notifies the commissioner, in writing, not
477 less than thirty days prior to the effective date of cancellation. After
478 receipt of such notification from the surety, the commissioner shall give
479 written notice to the principal of the date such cancellation shall take
480 effect. The commissioner shall automatically suspend the license of a
481 mortgage servicer licensee or registration of an exempt mortgage
482 servicer registrant on such date or on any date when a fidelity bond or
483 errors and omissions coverage expires or is no longer in effect. No
484 automatic suspension or inactivation shall occur if, prior to the date that

485 such bond or errors and omissions coverage cancellation or expiration
486 shall take effect, (1) the principal submits a letter of reinstatement of the
487 bond or errors and omissions coverage, or a new bond or errors and
488 omissions policy, [;] or (2) the mortgage servicer licensee or exempt
489 mortgage servicer registrant has ceased business in this state and has
490 surrendered all (A) licenses in accordance with section 36a-51, as
491 amended by this act, and section 36a-719a, as amended by this act, and
492 (B) registrations in accordance with section 36a-718, as amended by this
493 act. After a mortgage servicer license or exempt mortgage servicer
494 registration has been automatically suspended pursuant to this section,
495 the commissioner shall [(A)] (i) give the licensee or registrant notice of
496 the automatic suspension, pending proceedings for revocation or
497 refusal to renew pursuant to section 36a-719j or subsection (d) of section
498 36a-718, as amended by this act, and an opportunity for a hearing on
499 such action in accordance with section 36a-51, as amended by this act,
500 and [(B)] (ii) require such licensee or registrant to take or refrain from
501 taking such action as the commissioner deems necessary to effectuate
502 the purposes of this section. [A person licensed as a mortgage lender in
503 this state] Any exempt mortgage servicer registrant acting as a mortgage
504 servicer from a location licensed as a main office or branch office under
505 sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-534b shall
506 cease to be exempt from mortgage servicer licensing requirements in
507 this state upon cancellation or expiration of any surety bond, fidelity
508 bond or errors and omissions coverage required by this section.

509 (e) If the commissioner finds that the financial condition of a
510 mortgage servicer licensee or [mortgage lender licensee] exempt
511 mortgage servicer registrant so requires, as evidenced by the reduction
512 of tangible net worth, financial losses or potential losses as a result of a
513 violation of sections 36a-715 to 36a-719k, inclusive, as amended by this
514 act, the commissioner may require one or more additional bonds
515 meeting the standards set forth in this section. The mortgage servicer
516 licensee or exempt mortgage servicer registrant shall file any such
517 additional bonds not later than ten days after receipt of the
518 commissioner's written notice of such requirement. A mortgage servicer

519 licensee or exempt mortgage [lender licensee] servicer registrant shall
520 file, as the commissioner may require, any bond rider or endorsement
521 or addendum, as applicable, to any bond or evidence of errors and
522 omissions coverage on file with the commissioner to reflect any changes
523 necessary to maintain the surety bond, fidelity bond and errors and
524 omissions coverage required by this section.

525 Sec. 15. Section 36a-850a of the general statutes is repealed and the
526 following is substituted in lieu thereof (*Effective October 1, 2024*):

527 (a) [In] Any person servicing a private student education loan,
528 including, but not limited to, a private student education loan servicer,
529 private education lender and private education loan creditor, shall:

530 (1) Prior to sending the first billing statement on a private student
531 education loan or immediately upon receipt of a private student
532 education loan following the transfer or assignment of such private
533 student education loan, provide to the student loan borrower, and to
534 any cosigner of such private student education loan, information
535 concerning the rights and responsibilities of such student loan borrower
536 and cosigner, including information regarding (A) how such private
537 student education loan obligation will appear on the cosigner's
538 consumer report, (B) how the cosigner will be notified if the private
539 student education loan becomes delinquent, including how the cosigner
540 can cure the delinquency in order to avoid negative credit furnishing
541 and loss of cosigner release eligibility, and (C) eligibility for release of
542 the cosigner's obligation on such private student education loan,
543 including number of on-time payments and any other criteria required
544 to approve the release of the cosigner from the loan obligation;

545 (2) Send annual written notice to all student loan borrowers and
546 cosigners relating to information about cosigner release, including the
547 criteria [the private student education loan servicer requires] necessary
548 to approve the release of a cosigner from a private student education
549 loan obligation and the process for applying for cosigner release;

550 (3) Upon satisfaction by the student loan borrower of the applicable

551 consecutive on-time payment requirement for purposes of cosigner
552 release eligibility, send, in writing, to such student loan borrower and
553 cosigner (A) a notification that such consecutive on-time payment
554 requirement has been satisfied and that such cosigner may be eligible
555 for cosigner release, and (B) information relating to the procedure for
556 applying for cosigner release and any additional criteria that a cosigner
557 must satisfy in order to be eligible for cosigner release. Such notification
558 and information shall be sent by either United States mail or electronic
559 mail, provided such student loan borrower has elected to receive
560 electronic communications from the private student education loan
561 servicer;

562 (4) In the event that an application for a cosigner release is
563 incomplete, provide, in writing, (A) notice to the student loan borrower
564 and cosigner that such application is incomplete, and (B) a description
565 of the information that is missing or the additional information that is
566 needed to consider the application complete and the date by which the
567 borrower or cosigner are required to provide such information;

568 (5) Not later than thirty days following the submission of an
569 application for cosigner release, send to the student loan borrower and
570 cosigner a written notice of the decision that such application has been
571 approved or denied. If the application for cosigner release has been
572 denied, such written notice shall (A) inform such student loan borrower
573 and cosigner that such student loan borrower and cosigner have the
574 right to request all documents and information used [by the private
575 student education loan servicer] in [its] the decision to deny such
576 application, including [the] any credit score threshold used, [by the
577 private student education loan servicer,] the consumer report of such
578 student loan borrower or cosigner, the credit score of such student loan
579 borrower or cosigner [,] and any other documents that are relevant or
580 specific to such student loan borrower or cosigner, [. The private student
581 education loan servicer shall provide such student loan borrower and
582 cosigner with] and (B) include (i) any adverse action notices required
583 under federal law if the denial of such application was based in whole
584 or in part on any information contained in a consumer report, and (ii)

585 the information described in subdivision (2) of this section;

586 [(6) Include the information described in subdivision (2) of this
587 section in any response to an application for cosigner release;

588 (7) Refrain from imposing any restrictions on a student loan borrower
589 or cosigner that may permanently prevent such student loan borrower
590 or cosigner from qualifying for a cosigner release, including, but not
591 limited to, restrictions on the number of times a student loan borrower
592 or cosigner may apply for cosigner release;

593 (8) Refrain from imposing any negative consequences on a student
594 loan borrower or cosigner during the sixty days following issuance of
595 the notice described in subdivision (4) of this section, or until a final
596 decision concerning a student loan borrower or cosigner's application
597 for cosigner release is made. For purposes of this subdivision, "negative
598 consequences" includes, but is not limited to, the imposition of
599 additional eligibility criteria, negative credit reporting, lost eligibility for
600 a cosigner release, late fees, interest capitalization or other financial
601 penalties or injury;

602 (9) Refrain from requiring a student loan borrower to make more than
603 twelve consecutive on-time payments as part of the eligibility criteria
604 for cosigner release. Such private student education loan servicer shall
605 consider any student loan borrower who has paid the equivalent of
606 twelve months of principal and interest during any twelve-month
607 period to have satisfied the consecutive on-time payment requirement,
608 even if such student loan borrower has not made payments monthly
609 during such twelve-month period;]

610 [(10)] (6) Upon receipt of a request by a student loan borrower or
611 cosigner to a change that results in restarting the count of consecutive
612 on-time payments required for cosigner release eligibility, provide to
613 such student loan borrower and cosigner written notification of the
614 impact of such change on cosigner release eligibility and an opportunity
615 to withdraw or reverse such change for purposes of avoiding such
616 impact;

617 [(11)] (7) Provide a student loan borrower or cosigner (A) the right to
618 request an appeal of a determination to deny a cosigner release
619 application, (B) an opportunity to submit additional information or
620 documentation evidencing that such student loan borrower has the
621 ability, willingness and stability to make his or her payment obligations,
622 and (C) the right to request that a different employee [of the private
623 student education loan servicer] review and make a determination on
624 the application for a cosigner release;

625 [(12)] (8) Establish and maintain a comprehensive record
626 management system reasonably designed to ensure the accuracy,
627 integrity and completeness of data and other information about cosigner
628 release applications. Such system shall include the number of cosigner
629 release applications received, the approval and denial rate of such
630 applications and the primary reasons for denial of such applications;

631 [(13)] In the event that a cosigner has a total and permanent disability,
632 as determined by any federal or state agency or doctor of medicine or
633 osteopathy legally authorized to practice in the state, and unless
634 otherwise expressly prohibited under the terms of a private student
635 education loan agreement, (A) release the cosigner from his or her
636 obligation to repay the private student education loan upon receipt of
637 notification that such cosigner has a total and permanent disability, and
638 (B) refrain from requiring that a new cosigner be added to such private
639 student education loan after the original cosigner has been released
640 from such private student education loan;]

641 [(14)] (9) Provide the cosigner of a private student education loan
642 with access to the same documents and records associated with the
643 private student education loan that are available to the student loan
644 borrower of such private student education loan; and

645 [(15)] (10) If a student loan borrower has electronic access to
646 documents and records associated with a private student education
647 loan, provide equivalent electronic access to such documents and
648 records to the cosigner of such private student education loan.

649 (b) Any person that makes or extends a private student education
650 loan on or after October 1, 2024, shall provide, consistent with the terms
651 of this subsection, options for cosigner release on such private student
652 education loan upon the satisfaction of certain criteria, including, but
653 not limited to, twelve consecutive on-time payments by the student loan
654 borrower or in the event of total and permanent disability by the
655 cosigner. On and after October 1, 2024, no person that makes, extends
656 or owns one or more private student education loans, including, but not
657 limited to, any private education lender or private education loan
658 creditor, directly or indirectly, shall:

659 (1) Impose any restrictions on a student loan borrower or cosigner
660 that may permanently prevent such student loan borrower or cosigner
661 from qualifying for a cosigner release, including, but not limited to,
662 restrictions on the number of times a student loan borrower or cosigner
663 may apply for cosigner release;

664 (2) Impose any negative consequences on a student loan borrower or
665 cosigner during the sixty-day period following issuance of the notice
666 described in subparagraph (A) of subdivision (4) of subsection (a) of this
667 section, or until a final decision concerning a student loan borrower or
668 cosigner's application for cosigner release is made. For purposes of this
669 subdivision, "negative consequences" includes, but is not limited to, the
670 imposition of additional eligibility criteria, negative credit reporting,
671 lost eligibility for a cosigner release, late fees, interest capitalization or
672 other financial penalties or injury;

673 (3) Require a student loan borrower to make more than twelve
674 consecutive on-time payments as part of the eligibility criteria for
675 cosigner release. A private student education loan servicer shall
676 consider any student loan borrower who has paid the equivalent of
677 twelve months of principal and interest during any twelve-month
678 period to have satisfied the consecutive on-time payment requirement,
679 even if such student loan borrower has not made monthly payments
680 during such twelve-month period; or

681 (4) In the event that a cosigner has a total and permanent disability,
682 as determined by any federal or state agency or doctor of medicine or
683 osteopathy legally authorized to practice in this state, (A) refuse to
684 release the cosigner from his or her obligation to repay the private
685 student education loan upon receipt of notification that such cosigner
686 has a total and permanent disability, or (B) require that a new cosigner
687 be added to such private student education loan after the original
688 cosigner has been released.

689 [(b)] (c) The provisions of [subsection (a) of] this section shall not
690 apply to the following persons: (1) Any bank, out-of-state bank that has
691 a physical presence in the state, Connecticut credit union, federal credit
692 union or out-of-state credit union; (2) any wholly owned subsidiary of
693 any such bank or credit union; (3) any operating subsidiary where each
694 owner of such operating subsidiary is wholly owned by the same bank
695 or credit union; and (4) the Connecticut Higher Education Supplemental
696 Loan Authority.

697 Sec. 16. Section 36a-51 of the general statutes is repealed and the
698 following is substituted in lieu thereof (*Effective October 1, 2024*):

699 (a) The commissioner may suspend, revoke or refuse to renew any
700 license or registration issued by the commissioner under any provision
701 of the general statutes by sending a notice to the licensee or registrant
702 by registered or certified mail, return receipt requested, or by any
703 express delivery carrier that provides a dated delivery receipt, or by
704 personal delivery, as defined in section 4-166, in accordance with section
705 36a-52a. The notice shall be deemed received by the licensee or
706 registrant on the earlier of the date of actual receipt or seven days after
707 mailing or sending, and in the case of a notice sent by electronic mail,
708 the notice shall be deemed received by the licensee or registrant in
709 accordance with section 36a-52a. Any such notice shall include: (1) A
710 statement of the time, place, and nature of the hearing; (2) a statement
711 of the legal authority and jurisdiction under which the hearing is to be
712 held; (3) a reference to the particular sections of the general statutes,
713 regulations, rules or orders involved; (4) a short and plain statement of

714 the matters asserted; and (5) a statement indicating that the licensee or
715 registrant may file a written request for a hearing on the matters
716 asserted within fourteen days of receipt of the notice. If the
717 commissioner finds that public health, safety or welfare imperatively
718 requires emergency action, and incorporates a finding to that effect in
719 the notice, the commissioner may order summary suspension of a
720 license or registration in accordance with subsection (c) of section 4-182
721 and require the licensee or registrant to take or refrain from taking such
722 action as in the opinion of the commissioner will effectuate the purposes
723 of this section, pending proceedings for suspension, revocation or
724 refusal to renew.

725 (b) If a hearing is requested within the time specified in the notice,
726 the commissioner shall hold a hearing upon the matters asserted in the
727 notice unless the licensee or registrant fails to appear at the hearing.
728 After the hearing, the commissioner shall suspend, revoke or refuse to
729 renew the license or registration for any reason set forth in the
730 applicable licensing or registration provisions of the general statutes if
731 the commissioner finds sufficient grounds exist for such suspension,
732 revocation or refusal to renew. If the licensee or registrant does not
733 request a hearing within the time specified in the notice or fails to appear
734 at the hearing, the commissioner shall suspend, revoke or refuse to
735 renew the license or registration. No such license or registration shall be
736 suspended or revoked except in accordance with the provisions of
737 chapter 54.

738 (c) (1) Any licensee or registrant may surrender any license or
739 registration issued by the commissioner under any provision of the
740 general statutes by surrendering the license or registration to the
741 commissioner in person or by registered or certified mail, provided, in
742 the case of a license or registration issued through the system, as defined
743 in section 36a-2, such surrender shall be initiated by filing a request to
744 surrender on the system. No surrender on the system shall be effective
745 until the request to surrender is accepted by the commissioner.
746 Surrender of a license or registration shall not affect the licensee's or
747 registrant's civil or criminal liability, or affect the commissioner's ability

748 to impose an administrative penalty on the licensee or registrant
749 pursuant to section 36a-50 for acts committed prior to the surrender. If,
750 prior to receiving the license or registration, or, in the case of a license
751 or registration issued through the system prior to the filing of a request
752 to surrender a license or registration, the commissioner has instituted a
753 proceeding to suspend, revoke or refuse to renew such license or
754 registration, such surrender or request to surrender will not become
755 effective except at such time and under such conditions as the
756 commissioner by order determines. If no proceeding is pending or has
757 been instituted by the commissioner at the time of surrender, or, in the
758 case of a license or registration issued through the system, at the time a
759 request to surrender is filed, the commissioner may still institute a
760 proceeding to suspend, revoke or refuse to renew a license or
761 registration under subsection (a) of this section up to the date one year
762 after the date of receipt of the license or registration by the
763 commissioner, or, in the case of a license or registration issued through
764 the system, up to the date one year after the date of the acceptance by
765 the commissioner of a request to surrender a license or registration.

766 (2) If any license or registration issued on the system expires due to
767 the licensee's or registrant's failure to renew such license or registration,
768 the commissioner may institute a revocation or suspension proceeding,
769 or issue an order revoking or suspending the license or registration,
770 under applicable authorities not later than one year after the date of such
771 expiration.

772 (3) Withdrawal of an application for a license or registration filed on
773 the system shall become effective upon receipt by the commissioner of
774 a notice of intent to withdraw such application. The commissioner may
775 deny a license or registration up to the date one year after the effective
776 date of withdrawal.

777 (d) The provisions of this section shall not apply to chapters 672a,
778 672b and 672c.

779 Sec. 17. Subsection (a) of section 36a-556 of the 2024 supplement to

780 the general statutes is repealed and the following is substituted in lieu
781 thereof (*Effective October 1, 2024*):

782 (a) Without having first obtained a small loan license from the
783 commissioner pursuant to section 36a-565, no person shall, by any
784 method, including, but not limited to, mail, telephone, Internet or other
785 electronic means, unless exempt pursuant to section 36a-557:

786 (1) Make a small loan to a Connecticut borrower;

787 (2) Offer, solicit, broker, directly or indirectly arrange, place or find a
788 small loan for a prospective Connecticut borrower;

789 (3) Engage in any other activity intended to assist a prospective
790 Connecticut borrower in obtaining a small loan, including, but not
791 limited to, generating leads;

792 (4) Receive payments, [of] including, but not limited to, payments for
793 principal, [and] interest or fees, from a Connecticut borrower in
794 connection with a small loan; [made to a Connecticut borrower;]

795 (5) Purchase, acquire or receive assignment of a small loan made to a
796 Connecticut borrower; and

797 (6) Advertise or cause to be advertised in this state a small loan or any
798 of the services described in subdivisions (1) to (5), inclusive, of this
799 subsection.

800 Sec. 18. Section 36a-715 of the general statutes is repealed and the
801 following is substituted in lieu thereof (*Effective October 1, 2024*):

802 As used in sections 36a-715 to 36a-719l, inclusive, as amended by this
803 act, unless the context otherwise requires:

804 (1) "Advertise or advertising", "control person", "individual", "main
805 office", "mortgage broker", "mortgage correspondent lender", "mortgage
806 lender", "office", "person" and "unique identifier" have the same
807 meanings as provided in section 36a-485.

808 [(1)] (2) "Branch office" means a location other than the main office at
809 which a licensee or any person on behalf of a licensee acts as a mortgage
810 servicer.

811 [(2) The terms "advertise or advertising", "control person",
812 "individual", "main office", "mortgage broker", "mortgage
813 correspondent lender", "mortgage lender", "office", "person" and
814 "unique identifier" have the same meanings as provided in section 36a-
815 485.]

816 (3) "Mortgage servicer" (A) means any person, wherever located,
817 who, for such person or on behalf of the holder of a residential mortgage
818 loan, receives payments, [of] including, but not limited to, payments for
819 principal, [and] interest or fees, in connection with a residential
820 mortgage loan, records such payments on such person's books and
821 records and performs such other administrative functions as may be
822 necessary to properly carry out the mortgage holder's obligations under
823 the mortgage agreement including, when applicable, the receipt of
824 funds from the mortgagor to be held in escrow for payment of real estate
825 taxes and insurance premiums and the distribution of such funds to the
826 taxing authority and insurance company, and (B) includes a person who
827 makes payments to borrowers pursuant to the terms of a home equity
828 conversion mortgage or reverse mortgage.

829 (4) "Mortgagee" means the grantee of a residential mortgage,
830 provided if the residential mortgage has been assigned of record,
831 "mortgagee" means the last person to whom the residential mortgage
832 has been assigned of record.

833 (5) "Mortgagor" means any person obligated to repay a residential
834 mortgage loan.

835 (6) "Residential mortgage loan" means any loan primarily for
836 personal, family or household use that is secured by a mortgage, deed
837 of trust or other equivalent consensual security interest on a dwelling,
838 as defined in Section 103 of the Consumer Credit Protection Act, 15 USC
839 1602, located in this state, or real property located in this state upon

840 which is constructed or intended to be constructed a dwelling.

841 Sec. 19. Section 36a-846 of the 2024 supplement to the general statutes
842 is repealed and the following is substituted in lieu thereof (*Effective*
843 *October 1, 2024*):

844 As used in this section and sections 36a-847 to 36a-855, inclusive:

845 (1) "Advertise" or "advertising" has the same meaning as provided in
846 section 36a-485;

847 (2) "Branch office" means a location other than the main office at
848 which a licensee or any person on behalf of a licensee acts as a student
849 loan servicer;

850 (3) "Consumer report" has the same meaning as provided in Section
851 603(d) of the Fair Credit Reporting Act, 15 USC, 1681a, as amended from
852 time to time;

853 (4) "Control person" has the same meaning as provided in section 36a-
854 485;

855 (5) "Cosigner" has the same meaning as provided in 15 USC 1650(a),
856 as amended from time to time;

857 (6) "Federal student education loan" means any student education
858 loan (A) (i) made pursuant to the William D. Ford Federal Direct Loan
859 Program, 20 USC 1087a, et seq., as amended from time to time, or (ii)
860 purchased by the United States Department of Education pursuant to 20
861 USC 1087i-1(a), as amended from time to time, and (B) owned by the
862 United States Department of Education;

863 (7) "Federal student loan servicer" means any student loan servicer
864 responsible for the servicing of a federal student education loan to a
865 student loan borrower pursuant to a contract awarded by the United
866 States Department of Education under 20 USC 1087f, as amended from
867 time to time;

868 (8) "Main office" has the same meaning as provided in section 36a-
869 485;

870 (9) "Private student education loan" means any student education
871 loan that is not a federal student education loan;

872 (10) "Private student education loan servicer" means any student loan
873 servicer responsible for the servicing of a private student education loan
874 to a student loan borrower;

875 (11) "Student loan borrower" means any individual who resides
876 within this state who has agreed to repay a student education loan;

877 (12) "Student loan servicer" means any person, wherever located,
878 responsible for the servicing of any student education loan to any
879 student loan borrower;

880 (13) "Servicing" means (A) receiving any [scheduled periodic]
881 payments from a student loan borrower pursuant to the terms of a
882 student education loan, [;] (B) applying the payments of principal and
883 interest and such other payments with respect to the amounts received
884 from a student loan borrower, as may be required pursuant to the terms
885 of a student education loan, [;] (C) maintaining account records for and
886 communicating with the student loan borrower concerning the student
887 education loan during the period when no [scheduled periodic]
888 payments are required, [;] (D) interacting with a student loan borrower
889 for purposes of facilitating the servicing of a student education loan,
890 including, but not limited to, assisting a student loan borrower to
891 prevent such borrower from defaulting on obligations arising from the
892 student education loan, [;] or (E) performing other administrative
893 services with respect to a student education loan;

894 (14) "Student education loan" means any loan primarily for personal
895 use to finance education or other school-related expenses; and

896 (15) "Unique identifier" has the same meaning as provided in section
897 36a-485.

898 Sec. 20. Subsection (d) of section 36a-487 of the general statutes is
 899 repealed and the following is substituted in lieu thereof (*Effective October*
 900 *1, 2024*):

901 (d) Any person claiming exemption from licensure under this section
 902 may register on the system as an exempt registrant for purposes of
 903 sponsoring a mortgage loan originator or a loan processor or
 904 underwriter pursuant to subdivision (1) of subsection (b) of section 36a-
 905 486. Such registration shall not affect the exempt status of such person.
 906 Each registration shall expire at the close of business on December
 907 thirty-first of the year in which such registration is approved, unless
 908 such registration is renewed, and provided any such registration that is
 909 approved on or after November first shall expire at the close of business
 910 on December thirty-first of the year following the year in which such
 911 registration is approved. An application for renewal of a registration
 912 shall be filed between November first and December thirty-first of the
 913 year in which the registration expires. Each applicant for an initial
 914 registration or renewal of a registration shall pay to the system any
 915 required fees or charges. All fees paid pursuant to this section shall be
 916 nonrefundable. Any approval of such registration, or any approval of
 917 any renewal of such registration, shall not constitute a determination by
 918 the commissioner that such entity is exempt, but rather shall evidence
 919 the commissioner's approval to use the system for purposes of
 920 sponsoring and bonding.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024</i>	36a-492(c)
Sec. 2	<i>October 1, 2024</i>	36a-602(c)
Sec. 3	<i>October 1, 2024</i>	36a-664(b)
Sec. 4	<i>October 1, 2024</i>	36a-671d(c)
Sec. 5	<i>October 1, 2024</i>	36a-802(b)
Sec. 6	<i>October 1, 2024</i>	36a-490(b)(2)
Sec. 7	<i>October 1, 2024</i>	36a-598(d)(2)
Sec. 8	<i>October 1, 2024</i>	36a-658(b)
Sec. 9	<i>October 1, 2024</i>	36a-671(i)

Sec. 10	October 1, 2024	36a-719a(b)
Sec. 11	October 1, 2024	36a-801(i)
Sec. 12	October 1, 2024	36a-535(2)
Sec. 13	October 1, 2024	36a-718
Sec. 14	October 1, 2024	36a-719c
Sec. 15	October 1, 2024	36a-850a
Sec. 16	October 1, 2024	36a-51
Sec. 17	October 1, 2024	36a-556(a)
Sec. 18	October 1, 2024	36a-715
Sec. 19	October 1, 2024	36a-846
Sec. 20	October 1, 2024	36a-487(d)

Statement of Purpose:

To: (1) Require cancellations of surety bonds filed in connection with mortgage lender, mortgage correspondent lender, mortgage broker, money transmission, debt adjustment, debt negotiation, mortgage servicer and consumer collection agency licenses to be submitted electronically; (2) revise procedures regarding changes to the legal names of mortgage lender, mortgage correspondent lender, mortgage broker, money transmission, debt adjustment, debt negotiation, mortgage servicer and consumer collection agency licensees; (3) redefine "sales finance company"; (4) establish procedures for registering as an exempt mortgage servicer; (5) define "balance due under the contract"; (6) establish limitations on actual and reasonable expenses in repossessions; (7) establish requirements regarding private student education loan cosigner releases; (8) establish enforcement authority regarding registrants; (9) prohibit receiving fees in connection with small loans without a license; (10) redefine "mortgage servicer"; (11) redefine "servicing"; and (12) establish requirements regarding timelines and fees for registrants that are exempt from licensing as a mortgage lender, mortgage correspondent lender or mortgage broker.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]