

**STATE OF CONNECTICUT
DEPARTMENT OF BANKING**

**Annual Report
Of the Banking Commissioner**

To His Excellency
Ned Lamont, Governor

For the Year Ending December 31, 2019
Hartford, Connecticut
Submitted July 22, 2020



July 22, 2020

To His Excellency, Ned Lamont, Governor

Pursuant to the requirements of Section 36a-14 of the Connecticut General Statutes, I have the honor to submit for your review the Department of Banking's annual report for the year 2019.

Respectfully yours,

A handwritten signature in black ink that reads "Jorge L. Pérez". The signature is written in a cursive style.

Jorge L. Pérez
Banking Commissioner

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**BANKING COMMISSIONERS
(1900-2019)**

BANKING COMMISSIONERS	FROM	TO
Jorge L. Pèrez	2015	--
Howard F. Pitkin	2006	2014
John P. Burke	1995	2006
Ralph M. Shulansky	1991	1995
Howard B. Brown Jr.	1985	1991
Brian J. Woolf	1981	1985
David H. Neiditz	1977	1981
Lawrence Connell Jr.	1975	1977
James E. Hagen	1971	1975
Gerald A. Lamb	1970	1971
Philip Hewes	1960	1970
Henry H. Pierce Jr.	1955	1960
Lynwood K. Elmore	1951	1955
Richard Rapport	1943	1951
Walter Perry	1933	1943
George J. Bassett	1931	1933
Lester E. Shippee	1927	1931
John B. Byrne	1922	1927
John K. Bissland	1922	1922
Everett J. Sturges	1915	1922
Fred P. Holt	1911	1915
Norris S. Lippitt	1911	1914
Norris S. Lippitt	1907	1911
Charles H. Noble	1907	1911
George F. Kendall	1900	1906
Charles H. Noble	1900	1906

Note: From 1837 to 1915 two Banking Commissioners served concurrently.

For a more complete history of the Department of Banking please visit:
http://libguides.ctstatelibrary.org/ld.php?content_id=11021267

**DEPUTY BANKING COMMISSIONERS
(1900-2019)**

DEPUTY BANKING COMMISSIONERS	FROM	TO
NONE	2012	--
Alan J. Cicchetti	1999	2011
NONE	1996	1998
Robert B. Titus	1993	1995
Barbara S. McGrath	1991	1993
Paul J. McDonough	1988	1991
NONE	1986	1987
Howard B. Brown Jr.	1982	1985
Linda J. Kelly	1979	1981
Kay V. Bergin	1975	1978
Thomas E. Canfield	1974	1975
Patsy J. Piscopo	1971	1974
Maurice J. Ferland	1970	1971
Reinhard J. Bardeck	1951	1969
Lynwood K. Elmore	1943	1950
Richard Rapport	1938	1942
R. Gordon Baldwin	1928	1937
Lester E. Shippee	1922	1927
John K. Bissland	1917	1921

ADMINISTRATION

Agency Mission

The Department of Banking is the primary state regulator for state-chartered banks and credit unions, securities, and consumer credit. Its mission is to protect users of financial services from unlawful or improper practices by ensuring regulated entities and individuals adhere to state banking and securities laws. We accomplish this through regular, thorough, and cost-effective examinations of the entities we supervise. The Department also engages the public and other stakeholders through a variety of media platforms, educational outreach initiatives, and press communications.

Organization

The Department of Banking is a state agency headed by the Banking Commissioner who reports to the Governor. The Department regulates and examines financial institutions and various related entities that are chartered, licensed or registered by the state; the Banking Commissioner administers state banking and credit union laws, securities laws, consumer credit laws, and a major portion of the law concerning rental security deposits as well as the Truth in Lending Act.

The Department is comprised of four operational divisions and two support divisions with specific regulatory functions assigned to each operational division. The Department is fully funded by the industries it regulates through licensing, assessments, and other fees.

The **Financial Institutions Division** is responsible for the supervision and examination of state-chartered savings banks, savings and loan associations, bank and trust companies, and credit unions. The Division also licenses foreign banking organizations that establish and maintain representative offices, agency offices and branch offices in Connecticut, and supervises bank holding companies. It has responsibility for analyzing applications for new bank or credit union charters, acquisitions, mergers, conversions, branches, changes in corporate structure, and credit union field of membership expansions. In addition, the Division licenses business and industrial development corporations, international trade and investment corporations and certain non-banking corporations that exercise fiduciary powers, including limited purpose trust companies.

The **Consumer Credit Division** is responsible for examination, enforcement, and licensing of mortgage lenders, brokers, servicers and loan originators; loan processors and underwriters and lead generators of residential mortgage loans; small loan companies; sales finance companies; debt adjusters; debt negotiators; consumer collection agencies, including debt buyers; money transmitters; issuers of money orders and travelers checks; check cashing services; and student loan servicers. In addition, Consumer Credit also administers Truth-in-Lending laws and retail installment sales financing laws.

The **Securities and Business Investments Division** is responsible for registering securities and business opportunity offerings sold in or from Connecticut; registering (licensing) broker-dealers, agents, investment advisers and investment adviser agents who transact business in Connecticut and registering branch offices of broker-dealer and investment advisory firms. The Division also conducts on-site examinations of broker-dealers, investment advisers and branch office registrants. The Division enforces the Connecticut Uniform Securities Act and the Connecticut Business Opportunity Investment Act.

The **Government Relations and Consumer Affairs Division** assists consumers with issues involving banks, credit unions, mortgage lending and other consumer credit matters, securities and business opportunity investments, and oversees the administration and enforcement of the rental security deposit laws. The Division also directs the agency's legislative program, manages communications and media relations for the Department, coordinates financial and investor education outreach efforts and handles calls to the Foreclosure Assistance Hotline.

In 2018, the Department restructured its support divisions. While its Business Office and Management and Information Systems (MIS) divisions remained intact, human resources functions were transitioned to the Department of Administrative Services (DAS), as the Department joined the Small Agency Resource Team (SmART). The SmART consolidates human resources from multiple agencies into one unit. The Equal Employment Opportunity (EEO) functions, which previously fell to Human Resources, were separated when the Department joined the SmART Unit. The DAS EEO Unit assists the agency in its affirmative action efforts.

The remaining support divisions continued to provide vital services to the agency to carry out its mission. The Business Office is responsible for the accounting, budgeting, fiscal, payroll, purchasing and financial reporting functions. The MIS unit provides information technology support and workflow enhancements.

As of December 31, 2019, the agency had 118 full-time budgeted positions with 115 filled.

Equal Opportunity and Affirmative Action

The Department of Banking is firmly committed to the principles and objectives of equal employment opportunity for all individuals. The Department's Equal Employment Opportunity Specialist coordinates and monitors the Department's programs and ensures compliance with the Americans with Disabilities Act, Title II and Title VII of the Civil Rights Act, the Fair Employment Practices Act, state Affirmative Action (AA) regulations and Contract Compliance laws, and other applicable laws. The Department is an Affirmative Action/Equal Employment Opportunity employer and has undertaken numerous steps to effectuate equal opportunity in its hiring, promotions, trainings and other employment-related duties, as well as in the provision of the programs and services that fall under the Department's authority. More detailed information concerning these activities are available in the agency's Affirmative Action Plan that was approved by the Connecticut Commission on Human Rights and Opportunities in January 2019. The Department did not knowingly do business with any bidder, contractor, sub-

contractor, supplier of materials, or licensee who discriminates against members of any class protected under C.G.S. Sec. 4a-60 or 4a-60a.

The Department of Banking Equal Employment Opportunity (EEO) Unit partners with our participating client agencies to assure that agency programs are fair and equitable, provide equal employment opportunity, and comply with state and federal laws and guidelines. The agency achieves this goal by preparing and implementing affirmative action plans; collaborating in the selection and hiring process; providing a process for complaints of discrimination; and educating staff of their rights and obligations in affirmative action laws.

The Equal Employment Opportunity Specialist is responsible for the Department's State Affirmative Action Plan and serves as the Equal Employment Officer for the agency, reporting directly to the Commissioner. She directs and administers all aspects of the Department EEO/AA program including developing strategic affirmative action programs; interpreting and administering pertinent laws and regulations; investigating complaints of discrimination made against the agency and reporting findings to the Commissioner and or designee; offering remedies on any discriminatory conduct that occurs; and counseling staff on equal employment opportunity matters. The EEO Unit prepares materials and conducts training to heighten knowledge of equal employment opportunity laws and affirmative action goals. The Equal Employment Opportunity Specialist also serves as the agency's Americans with Disabilities Act (ADA) coordinator.

LEAN Activities

LEAN is a statewide effort to make government leaner and more efficient. According to the Office of Policy and Management, LEAN refers to the application of specific tools that are used to identify and implement the most efficient and value-added way to provide government services. For its part, the Department has held various LEAN activities over the last several years. The Department held its first LEAN events in 2016. The project management practices and principles used has led to increased efficiencies across the agency.

The Department took part in the 6th annual LEAN CT Showcase hosted by the Office of Policy and Management in April 2019. This expo, which took place in the North Lobby of the State Capitol building in Hartford, is an opportunity for state agencies to share their LEAN initiatives for improving customer service. Department of Banking staff engaged with the public and fellow state agency personnel in highlighting the agency's eLicense initiative.

In August of 2019, the Department, through the efforts of its Securities Director, participated in the DAS SmART Unit's LEAN event to help streamline the hiring process. As a result, the SmART unit and other parts of DAS Human Resources have implemented some of the recommendations and are considering others alternative approaches to making the hiring process more efficient.

eLicense

After the success of two prior LEAN initiatives, the agency undertook a review of its licensing procedures across divisions using LEAN principles. The results validated what was long suspected – the current legacy systems were cumbersome, inefficient, paper-dependent, and did not provide the flexibility needed for a modern workplace. To improve upon this process, the agency explored various options to digitize and streamline our workflows with the underlying goal to increase our examinations and enforcement efforts as well as improve our consumer complaints process. In the end, the Department decided upon the system called eLicense currently used by other Connecticut state agencies. In 2017, with the assistance of DAS/BEST, the Department began working with the vendor Micropact to implement the eLicense system.

The Enterprise License System, known as eLicense, is an information technology application administered by DAS/BEST for use among state agencies. The eLicense system encompasses many functions related to licensing, including renewals, examinations and investigations, and complaints. At the Department of Banking, this system will interface with the current systems we use for licensing, including NMLS (Nationwide Multistate Licensing System), CRD (Central Registration Depository), and IARD (Investment Adviser Registration Depository). NMLS is the licensing system for non-depository financial institutions and individuals and is used by our Consumer Credit Division for all licensee types. CRD and IARD are the licensing and registration systems used by the securities industry.

After nearly two years of development and testing, the Department implemented the eLicense system in the fall of 2019. The system replaces CELS, BIPSS, and other locally developed legacy systems which the Department had utilized. The combined data that migrated to eLicense from all the legacy systems allows for a complete history of these companies and individuals to be accessed by agency staff. For instance, someone in the Securities Division can access the eLicense system and research if a potential investment adviser had any prior disciplinary action in the Consumer Credit industry. The flow of information among Divisions is greatly improved.

Each operational division uses the eLicense system to enhance and streamline its workflow in meeting agency needs. As an example, the Financial Institutions Division utilizes the eLicense system as a dynamic information repository which provides an interface to enhance interaction with regulated entities. The ability to interface with NMLS has allowed Consumer Credit to utilize the eLicense system to track and augment its enforcement actions.

The Securities Division was able to migrate data from two separate legacy systems that were used to capture enforcement, examination and various credential's licensing information. This migration allowed for the data to be maintained in a central location, making navigation and retrieval of such data a more efficient process and providing staff access that increased their efficiency as well. Additionally, the eLicense system provides an online portal that can be used by registrants to work through the licensing process for certain credentials under the Division's authority, making that procedure more effective. The online portal also permits the public to search for certain credentials under the Division's authority.

Finally, the Government Relations and Consumer Affairs Division has moved its workflow in handling and processing complaints to the eLicense system. The Division can now attach appropriate documentation to each action an Examiner takes with respect to any given complaint, making tracking more efficient, and gives each Examiner the ability to access the entire case in one place. The system also allows for enhanced reporting features that allow for better tracking and insights into problem areas.

Cybersecurity Training

The Department began a close collaboration with Capital Community College in 2018 to develop a cybersecurity training program, specifically designed for the Department of Banking. The resulting three-track program aims to develop skills for Department employees in data protection and encryption, understanding security risks, and policies that financial services industry firms need in order to protect themselves and their clients.

Capital Community College was an ideal choice to partner with the Department given its impressive cybersecurity curriculum and geographic proximity, allowing for reduced travel time. Track One offers basic concepts and was made available to all employees. Track Two offers Examiners and management more in-depth exploration of cybersecurity topics. Track Three will focus on the more technical aspects of cybersecurity resulting in highly trained Examiners who will be “subject matter experts” for the Department.

The first Track One classes began in October 2018. In early 2019, agency staff completed five two-day Track One classes. In April, a group completed the first Track Two class, which was more involved and consisted of one class per week for ten weeks. The next Track Two class is scheduled for the beginning of 2020.

Financial Statement

Receipts, expenditures and adjustments relating to the fiscal year ending June 30, 2019 were as follows:

<u>Receipts</u> (Banking Fund)	
Examination of banks etc. assessed in accordance with Section 36a-65, as amended	\$ 1,899,527
Examination of credit unions, assessed in accordance with Section 36a-65, as amended	316,726
Other license and examination fees	0
Registration, filing and transfer fees from securities brokers, etc.	27,398,615
License and registration fees: mortgage brokers, loan originators, check cashers, money transmitters, sales finance companies, small loan companies, debt adjusters, debt negotiators, and collection agencies	5,241,650
Prior period refunds and miscellaneous receipts	<u>1,389,581</u>
Total Banking Fund Receipts	\$ 36,246,099

<u>Receipts</u> (Non-lapsing)	
Student Loan Servicers Fees	\$ <u>47,200</u>
Total Non-lapsing Receipts	47,200

<u>Receipts</u> (General Fund – deposited directly)	
Registration of securities and business opportunities	\$ 5,380,550
Penalties	<u>1,220,240</u>
Total General Fund Receipts	\$ 6,600,790

TOTAL RECEIPTS \$ 42,894,089

<u>Expenditures</u> (Operating)	
Personnel services	\$ 10,333,223
Fringe benefits	9,261,528
Travel expenses, including motor vehicle rentals, fuel, and repairs	142,246
Other expenses	2,329,960
Indirect overhead and equipment	<u>485,277</u>
Total Operating Expenditures	\$ 22,552,234

<u>Expenditures</u> (Recognized by Other Agencies)	
Judicial.	\$ 3,610,565
Department of Housing	670,000
Department of Labor	<u>1,425,000</u>
Total Expenditures Recognized by Other Agencies	\$ 5,705,565

TOTAL EXPENDITURES \$ 28,257,799

FINANCIAL INSTITUTIONS DIVISION

Subject to the general supervision of the Banking Commissioner, the Financial Institutions Division is charged with administering Chapter 664a of the Connecticut General Statutes, Administration and Enforcement; Chapter 664b of the Connecticut General Statutes, Corporate Organization and Administration of Connecticut Banks; Chapter 664c of the Connecticut General Statutes, Fundamental Changes Involving Banks, Branches, Automated Teller Machines, Virtual Banking and Bank Holding Companies; Chapter 665 of the Connecticut General Statutes, Powers, Loans and Investments; Chapter 665a of the Connecticut General Statutes, Deposits; Chapter 665b of the Connecticut General Statutes, Fiduciary Powers; Chapter 666 of the Connecticut General Statutes, Out-of-State Banks; Chapter 666a of the Connecticut General Statutes, Out-of-State Trust Companies; Chapter 667 of the Connecticut General Statutes, Credit Unions; parts of Chapter 668 of the Connecticut General Statutes, Nondepository Financial Institutions; and parts of Chapter 669 of the Connecticut General Statutes, Regulated Activities.

The Financial Institutions Division is responsible for the supervision and regulation of Connecticut-chartered commercial banks, savings banks, savings and loan associations, trust banks and credit unions. The Division also regulates one uninsured bank, which does not accept retail deposits. In addition, the Division supervises the activities of state-licensed foreign banking organizations with branches, agencies, and representative offices located in Connecticut.

Through a combination of off-site reviews and periodic on-site examinations, the Division monitors these institutions for compliance with Connecticut banking law, as well as applicable rules and regulations of the institutions' respective federal regulators. The Division is also responsible for processing applications for new banks and credit unions, branches, acquisitions, mergers and consolidations, conversions, bank holding company formations, and requests for credit union field of membership expansions. The Division also licenses business and industrial development corporations, international trade and investment corporations, and certain non-banking corporations exercising fiduciary powers in the State.

Connecticut-Chartered Banks' Consolidated Financial Condition & Operating Results

As of December 31, 2019, there were six Connecticut-chartered commercial banks, twenty-one Connecticut-chartered savings banks, two trust banks, and one uninsured bank. There were no Connecticut-chartered savings & loan associations. All Connecticut-chartered commercial banks and savings institutions are insured by the Federal Deposit Insurance Corporation (FDIC).

Connecticut-chartered commercial banks and savings institutions, collectively, reported total assets of \$27.9 billion as of December 31, 2019, a 22.8% decrease from December 31, 2018. Total loans and total deposits for year-end 2019 were \$21.3 billion and \$21.7 billion, respectively. The values represent a 24.20% decrease in total loans and a 22.63% decrease in total deposits from year-end 2018. Total equity capital was \$3.5 billion as of December 31, 2019, a 17.30% decrease from the prior year-end. These decreases can be largely attributed to recent mergers of state-chartered banks into out-of-state or federally-chartered institutions.

Overall, Connecticut-chartered commercial banks and savings institutions, collectively, remained well capitalized with a combined Equity Capital to Total Assets Ratio of 12.47% as of December 31, 2019 compared to 11.64% as of December 31, 2018.

The net-interest-margin (NIM) for Connecticut-chartered commercial and savings banks was 3.24% for year-end 2019 and 2018. Aggregate earnings increased to \$372 million for 2019, compared to \$309 million for 2018. Relatedly, return on average assets (ROA) increased to 1.37% for 2019, from 0.87% for 2018. Improved yields on earning assets and realized gains on equity securities contributed to the positive trend for net income in 2019. The return on average equity (ROE) also increased to 11.01% for 2019, compared to 7.52% for 2018.

**Number of Connecticut-Chartered Institutions
(As of December 31, 2018 & December 31, 2019)**

Institution Type	Institutions 12/31/2018	Conversion	Merger	Net Change	Institutions 12/31/2019
Commercial Banks	7	0	(1)	(1)	6
Savings Banks	23	0	(2)	(2)	21
Uninsured Banks	1	0	0	0	1
Trust Banks	2	0	0	0	2
Credit Unions	30	0	(2)	(2)	28
Totals	63	0	(5)	(5)	58

May 17, 2019 – Savings Institute Bank and Trust Company acquired by Berkshire Hills Bancorp, Inc. (parent company of Berkshire Bank)

July 1, 2019 – CT1 Media Credit Union, Inc. merged with Hartford Federal Credit Union

August 13, 2019 – Danbury Cyanamid Credit Union, Inc. merged with Cornerstone Community Credit Union

October 11, 2019 – The Simsbury Bank & Trust Company acquired by Liberty Bank

November 1, 2019 – United Bank acquired by Peoples United Financial, Inc. (parent company of People’s United Bank, N.A.)

Connecticut-Chartered Commercial Banks

There were six Connecticut-chartered commercial banks operating in the State as of December 31, 2019. The number of Connecticut-chartered commercial banks decreased by one during 2019. As of June 30, 2019, the then seven Connecticut-chartered commercial banks collectively operated forty-one offices with aggregate deposits of \$4.4 billion. Within the Connecticut market, this group of institutions operated twenty-nine offices with aggregate deposits of \$3.7 billion.

Connecticut-Chartered Savings Banks

There were twenty-one Connecticut-chartered savings banks (thirteen mutual and eight capital stock institutions) operating in the State as of December 31, 2019. The number of Connecticut-chartered savings banks decreased by two during 2019. As of June 30, 2019, the then twenty-two Connecticut-chartered savings banks collectively operated 328 offices with

aggregate deposits of \$23.0 billion. Within the Connecticut market, this group of institutions operated 305 offices with aggregate deposits of \$21.4 billion.

Connecticut-Chartered Uninsured Bank

UPS Capital Business Credit (UPSCBC), a wholly-owned subsidiary of UPS Capital Corp., the financial services division for the United Parcel Service (UPS), operates under an uninsured depository bank charter and does not accept retail deposits. UPSCBC focuses on originating, underwriting, and managing various small business and government guaranteed loan products.

On August 22, 2017, a temporary certificate of authority to organize an uninsured bank was issued to TNB USA Inc. Subsequently on January 25, 2019, the temporary certificate was extended for an additional eighteen months to allow the financial institution to organize.

Connecticut-Chartered Trust Banks

There were two Connecticut-chartered trust banks operating in Connecticut, Voya Institutional Trust Company and Voya Investment Trust Company. As of December 31, 2019, their combined fiduciary and related trust assets were \$126.0 billion. This total consisted of \$9.4 billion in managed assets and \$106.2 billion in non-managed assets, with an additional \$10.4 billion in custody and safekeeping assets.

Connecticut-Chartered Bank Name Changes

Three Connecticut-chartered banks changed names during 2019:

- August 26, 2019 – Start Community Bank changed its name to New Haven Bank
- October 1, 2019 – Collinsville Savings Society changed its name to Collinsville Bank
- October 2, 2019 – Laurel Road Bank changed its name to DR Bank

Connecticut-Chartered Banks' Fiduciary & Related Trust Assets

As of December 31, 2019, seven Connecticut-chartered banks operated trust Departments with fiduciary and related trust assets of \$4.7 billion, consisting of \$2.4 billion in managed assets and \$2.3 billion in non-managed assets, with an additional \$389 million in custody and safekeeping assets.

Connecticut-Chartered Credit Unions

As of December 31, 2019, there were twenty-eight Connecticut-chartered credit unions operating in the State. The number of state chartered credit unions was reduced by two in 2019 due to the mergers of Danbury Cyanamid Employees Credit Union into Cornerstone Community Credit Union and CT1 Media Credit Union into Hartford Federal Credit Union.

Connecticut-Chartered Credit Unions' Consolidated Financial Condition & Operating Results

Connecticut-chartered credit unions reported total assets of \$7.2 billion as of December 31, 2019, a 7.5% increase from December 31, 2018. Aggregate shares and deposits totaled \$6.4 billion as of December 31, 2019, a 7.4% increase from December 31, 2018. Total loans were \$4.3 billion as of December 31, 2019, a 3.9% increase from December 31, 2018. Total equity capital for Connecticut-chartered credit unions was \$719 million for December 31, 2019, a 5.4% increase versus December 31, 2018. Connecticut-chartered credit unions' earnings performance for 2019 declined from the prior year level, generating a ROA of 0.54% versus 0.61% for 2018. Earnings were impacted by a ten basis point year-over-year decline in the net interest margin from 2.44% to 2.34%.

Federal & Out-of-State Banks

In addition to the twenty-seven Connecticut-chartered, insured depository institutions operating in the state as of December 31, 2019, there were nine banks chartered by a state other than Connecticut, seventeen national banks and four federal savings associations regulated by the Office of the Comptroller of the Currency (OCC). Of the seventeen national banks, five institutions are headquartered in Connecticut. Of the four federal savings banks, three institutions are headquartered in Connecticut.

**Connecticut Deposit Market Share by Charter Type
As of June 30, 2019**

Institution Type	Number of Institutions	Deposits in Market (\$000s)	Offices in Market	Deposit Market Share %
Connecticut-chartered Savings Banks	22	21,434,104	305	15.33%
Connecticut-chartered Commercial Banks	7	3,712,901	29	2.65%
Other State-chartered Banks [1]	9	3,722,462	50	2.66%
National Banks [2]	5	42,194,306	290	30.18%
National Banks [3]	12	68,193,066	440	48.77%
Federal Savings Associations [2]	3	484,530	13	0.35%
Federal Savings Associations [3]	1	80,203	2	0.06%
Totals	59	139,821,572	1,129	100.00%

[1] Excludes institutions chartered by a state other than Connecticut operating loan production offices that do not accept deposits.

[2] Indicates headquartered in Connecticut.

[3] Indicates headquartered outside of Connecticut.

Community Reinvestment Act ("CRA")

Since 1990, the Banking Commissioner has assessed the community reinvestment performance of state-chartered banks and state-chartered community credit unions, and to consider their reinvestment efforts as a basis for approving or denying expansion activity.

**CRA Ratings of Connecticut-Chartered Banks & Credit Unions
As of December 31, 2019**

Institution Type	#	Outstanding	Satisfactory	Needs Improvement	Not Rated
Connecticut-chartered Savings Banks	21	5	16	0	0
Connecticut-chartered Commercial Banks	6	0	5	1	0
Connecticut-chartered Credit Unions [1]	28	1	13	0	14
Totals	55	6	34	1	14

[1] CRA examinations are applicable only for credit unions that meet BOTH of the following criteria: 1. Community fields of membership and 2. Have total assets over \$10 million. As of December 31, 2019, fourteen Connecticut-chartered credit unions met these criteria, and fourteen did not.

Federal & Out-of-State Trust Entities

In addition to the two Connecticut-chartered trust banks operating in Connecticut as of December 31, 2019, there were four limited purpose trust companies chartered by states other than Connecticut; one federally-chartered savings bank operating exclusively as a limited purpose trust company headquartered in Connecticut; and one national bank limited to trust activities in Connecticut.

Federal & Out-of-State Credit Unions

In addition to the twenty-eight Connecticut-chartered credit unions operating in the State as of December 31, 2019, there were sixty-four federally-chartered credit unions headquartered in Connecticut, nine federally-chartered credit unions headquartered out-of-state, and one credit union chartered by a state other than Connecticut. All credit unions operating in Connecticut are insured by the National Credit Union Administration (NCUA).

Foreign Banking Organizations

As of December 31, 2019, there was one branch office and one representative office of foreign banking organizations operating in the State.

A branch of a foreign banking organization is a legal and operational extension of its parent organization and, as such, may conduct a full range of banking activities including: trading and investment activities; accepting wholesale and foreign deposits, but not retail deposits; granting credit; and acting as a fiduciary.

A representative office, the simplest form of organization for foreign banking organizations to establish, may only engage in representational and administrative functions and may not make any business decisions on behalf of the foreign bank. A representative office serves as a liaison between the head office of the foreign banking organization and its customers and correspondent banks in the United States, often soliciting business for the account of the head office.

Foreign Banking Organizations Operating In Connecticut

Institution Name	Office Type	Approval/ License Date	Assets As of 12/31/2017 (\$ millions)	Assets As of 12/31/2018 (\$ millions)	Assets As of 12/31/2019 (\$ millions)
Bank of Ireland	Branch	6/15/2006	1,735	1,265	1,622
Royal Bank of Scotland plc	Representative Office	2/1/2017	Representative Offices do not hold assets.		

**Banking Institutions in Connecticut
(As of 12/31/2019)**

Banking Institution	Total Assets (in thousands)	Number of Branches	Number of Employees
Liberty Bank	5,814,075	60	759
Union Savings Bank	2,276,560	26	351
Bankwell Bank	1,879,209	13	157
First County Bank	1,755,414	18	228
Fairfield County Bank	1,563,031	16	275
Ion Bank	1,362,062	22	271
Newtown Savings Bank	1,334,086	18	250
Chelsea Groton Bank	1,142,824	14	209
Savings Bank of Danbury	1,117,094	21	186
Salisbury Bank and Trust Company	1,112,449	14	173
Thomaston Savings Bank	1,110,732	14	213
Fieldpoint Private Bank & Trust	919,875	2	86
Dime Bank	894,697	12	157
The Guilford Savings Bank	838,240	6	130
The Torrington Savings Bank	829,458	9	114
Putnam Bank	523,627	8	95
The Milford Bank	449,718	8	84
Essex Savings Bank	420,909	8	123
Northwest Community Bank	417,934	6	68
The First Bank of Greenwich	385,200	3	48
DR Bank	370,236	3	54
Stafford Savings Bank	303,757	3	30
Jewett City Savings Bank	294,988	6	75
Litchfield Bancorp	256,160	6	56
Eastern Connecticut Savings Bank	193,087	5	53
Collinsville Savings Society	169,666	2	36
New Haven Bank	147,685	1	20
TOTALS	\$ 27,882,773	324	4,301

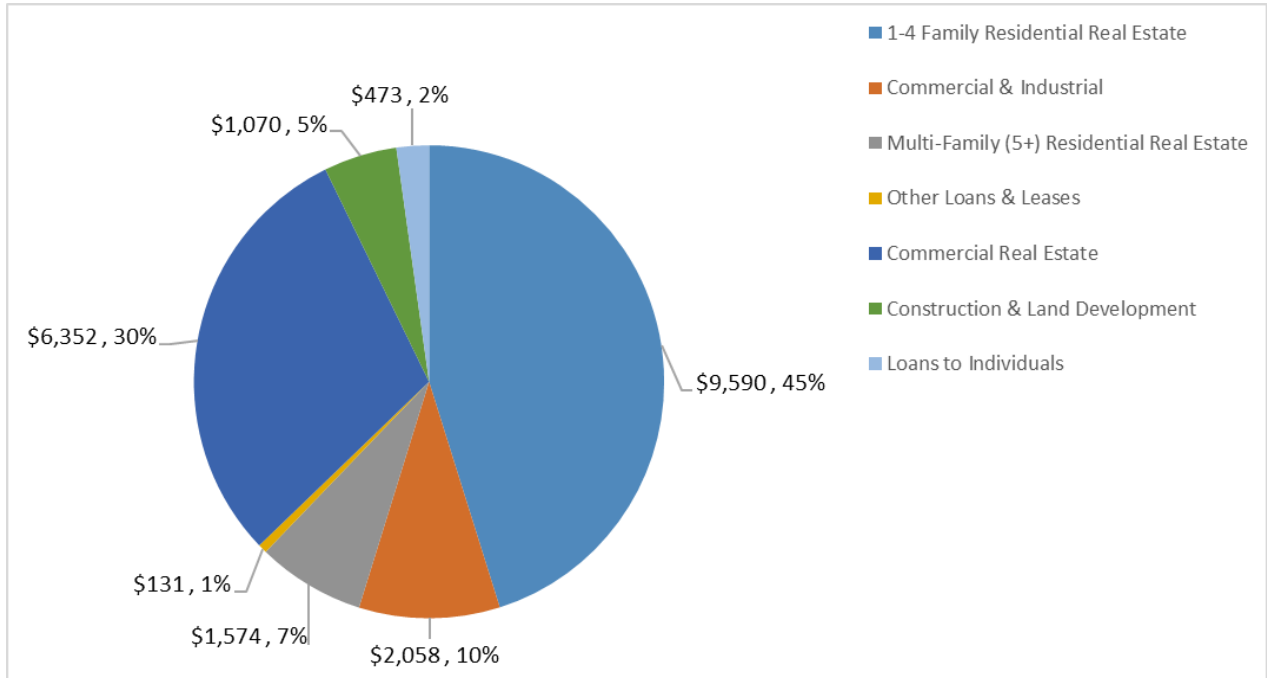
**Credit Unions in Connecticut
(As of 12/31/2019)**

Credit Union	Total Assets (in thousands)	Number of Branches	Number of Employees
American Eagle Financial Credit Union	\$ 2,045,639	20	321
Connecticut State Employees Credit Union	1,930,928	7	66
Sikorsky Financial Credit Union	775,533	15	149
Connex Credit Union	713,890	8	138
Nutmeg State Financial Credit Union	448,768	11	85
Dutch Point Credit Union	338,763	8	69
Mutual Security Credit Union	319,353	10	72
Achieve Financial Credit Union	131,950	4	42
Finex Credit Union	83,286	2	31
State Police Credit Union Inc.	62,644	2	8
Cornerstone Community Credit Union	55,424	4	14
First Connecticut Credit Union	39,599	1	17
Soundview Financial Credit Union	36,882	2	9
America's First Network Credit Union	35,321	7	15
Norwalk Hospital Credit Union	34,549	1	5
Northwest Hills Credit Union	31,157	1	10
Members Credit Union	29,345	1	12
Metropolitan District Employees Credit Union	24,818	1	6
New Haven County Credit Union	18,789	3	5
Stamford Healthcare Credit Union	18,651	1	5
Community Credit Union of New Milford	12,498	2	7
Community Healthcare Credit Union	11,848	1	6
Northeastern CT Health Care Credit Union	9,111	1	4
New Haven Firefighters Credit Union	7,103	1	3
Regional Water Authority Employees Credit Union	6,156	1	3
Trumbull Credit Union	3,391	1	2
New London Municipal Employees Credit Union	3,219	1	3
Kief Protective Mutual Benefit Association Credit Union	994	1	1
TOTALS	\$ 7,229,609	118	1,108

*Total on this page may differ from other reports due to rounding.

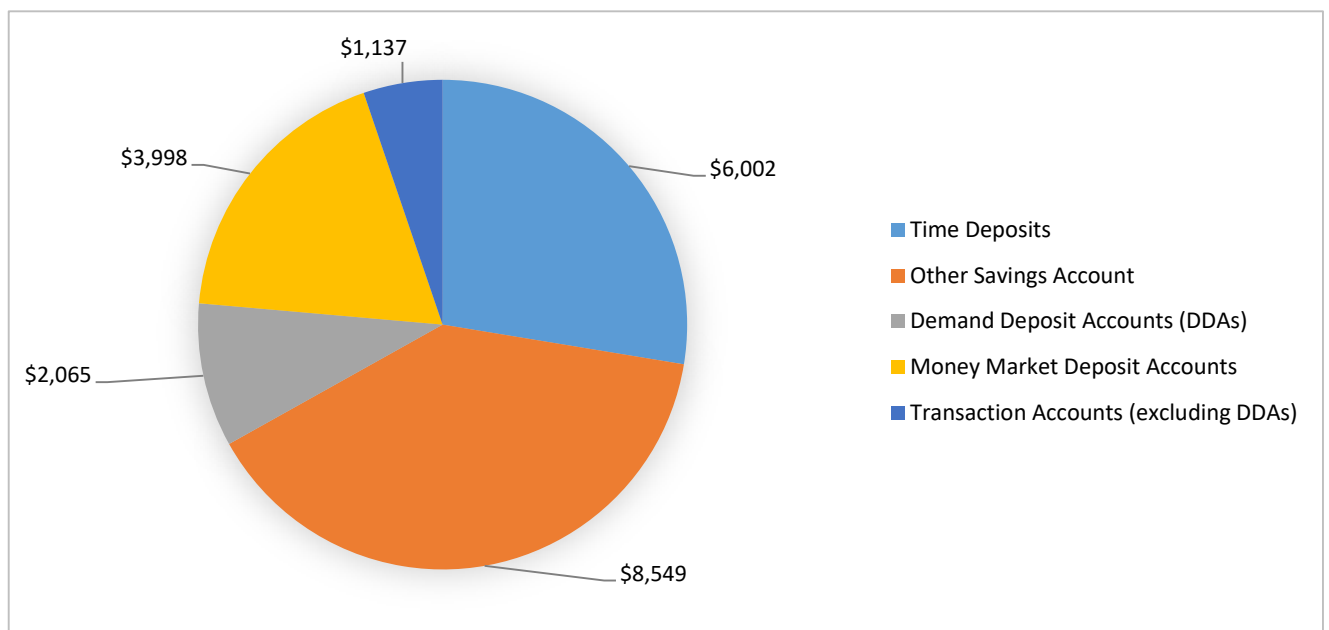
Connecticut-Chartered Banks' Gross Loans & Leases and Total Deposits Composition

**Gross Loans & Leases of Connecticut-Chartered Banks
December 31, 2019
(Millions & %)**

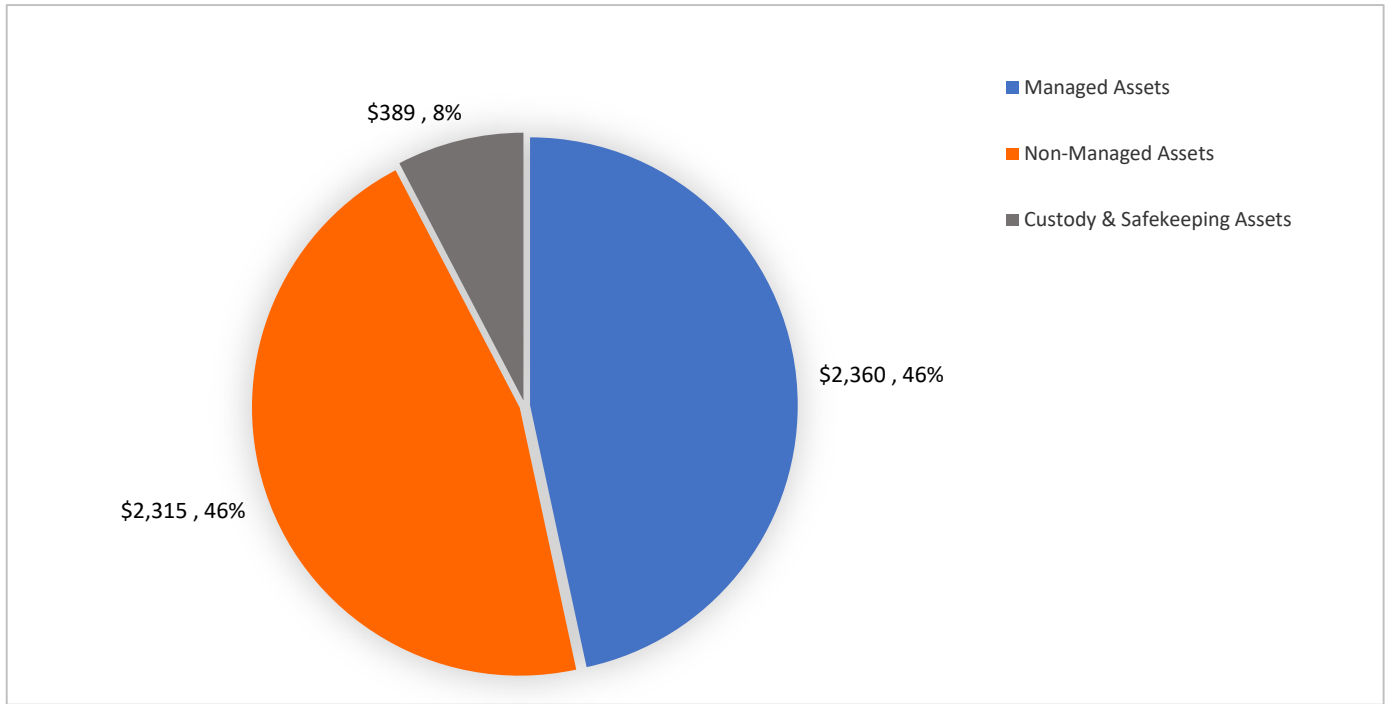


The above graph does not include Farmland & Farm loans totaling \$12.3 million, or less than 0.06% of gross loans.

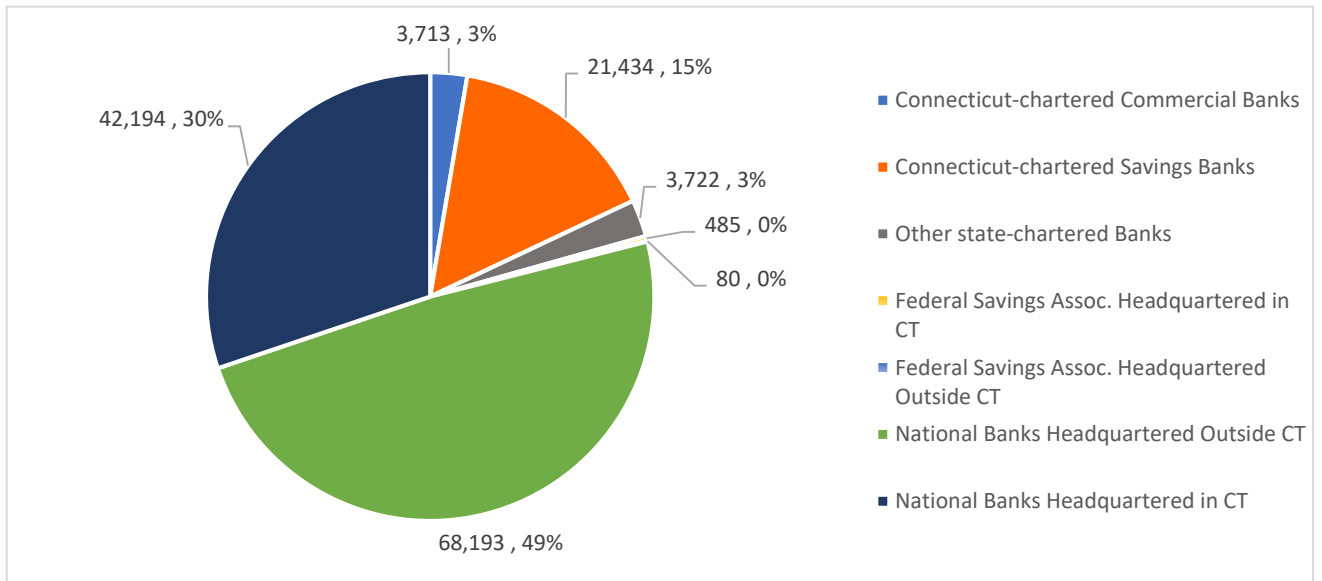
**Total Deposits of Connecticut-Chartered Banks
December 31, 2019
(Millions & %)**



**Fiduciary & Related Trust Assets of Connecticut-Chartered Banks
December 31, 2019
(Millions & %)**

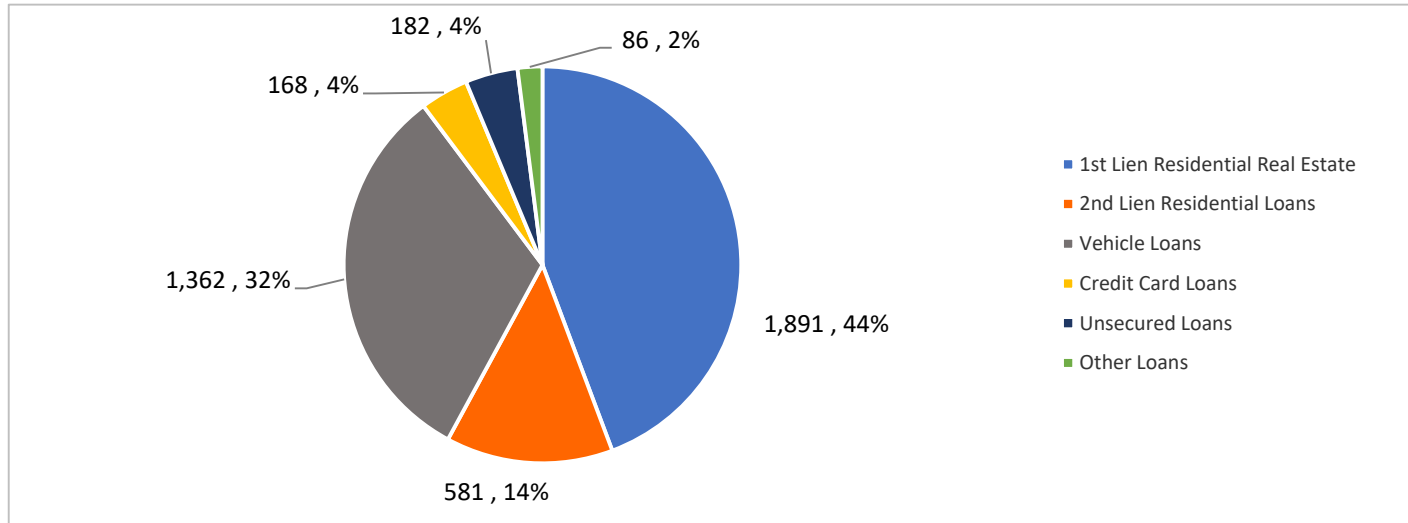


**Connecticut Deposit Market Share by Charter Type
June 30, 2019
(Millions & %)**

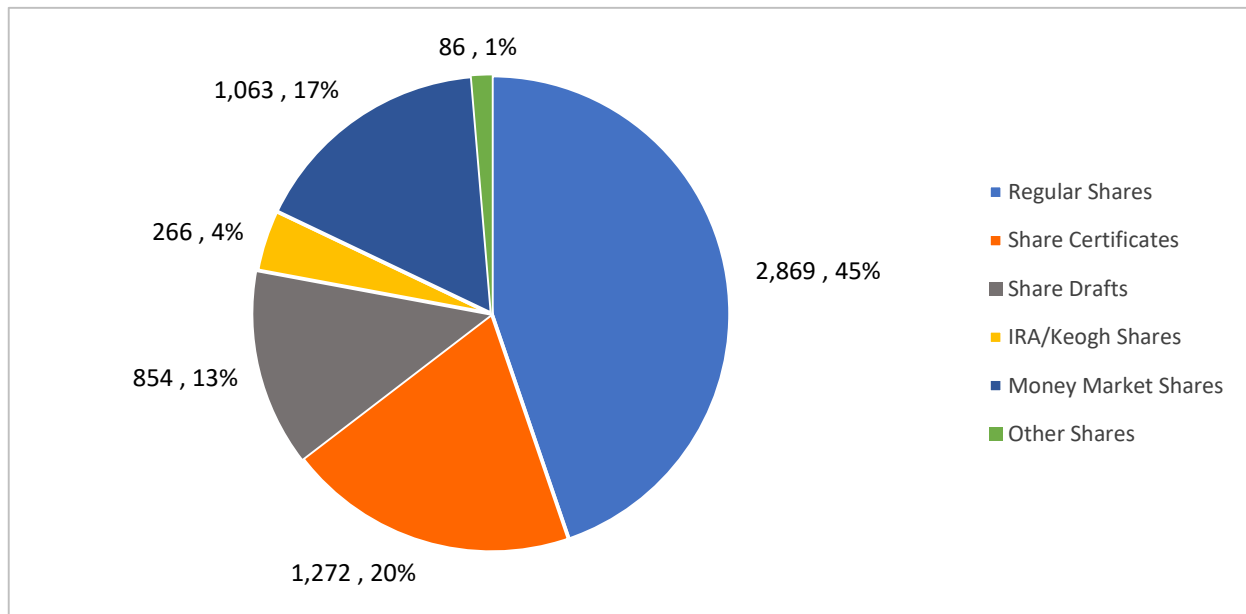


Connecticut-Chartered Credit Unions' Total Loans and Total Shares/Deposits Composition

**Total Loans of Connecticut-Chartered Credit Unions
December 31, 2019
(Millions & %)**



**Total Shares/Deposits of Connecticut-Chartered Credit Unions
December 31, 2019
(Millions & %)**



Division Activities With Industry Partners

CEO Roundtables

In October 2019, we held two CEO Roundtables with the Connecticut Bankers Association and Connecticut banking industry representatives. The Roundtable sessions are an opportunity for Connecticut community bankers to have direct dialogue with the Banking Commissioner and senior Department of Banking staff about industry, regulatory, or other key issues facing community banks. Each session this year included a guest speaker on cybersecurity and most specifically IC3.gov reporting.

Participation in the “Community Banking in the 21st Century” Research and Policy Conference

The 21st Century Research and Policy Conference, co-sponsored by the Federal Reserve System, the Federal Deposit Insurance Corporation and the Conference of State Bank Supervisors, was held in October 2019. The conference brought together community bankers, academics, policymakers and bank regulators to discuss the latest research on community banking. College students from across the country participated in the 2019 Community Bank Case Study Competition and the winning group presented at the conference, alongside community bankers and key regulatory officials.

The Department of Banking participated in the 7th annual “Community Banking in the 21st Century” Research and Policy Conference by submitting a response to the “5 Questions for Bankers” project. The Banking Commissioner hosted meetings with three community bankers who shared their answers and insights to the questions posed. The Department then submitted a response on behalf of the Connecticut community bankers. In addition, Connecticut community bankers also participated in the national survey that provides data for the research and academic participants.

NASCUS Executive Forum

On November 13, 2019, the Department of Banking co-hosted a National Association of State Credit Union Supervisors (NASCUS) Executive Forum for credit unions in Connecticut. The full-day event included remarks by NASCUS Executive Vice President and General Counsel Brian Knight, Banking Commissioner Jorge Perez, and Credit Union League of Connecticut CEO Bruce Adams. The agenda included guest speaker NCUA Chairman Rodney Hood, NASCUS’s Washington updates and national issues, presentations on Federal Home Loan Bank of Boston products & services, Cybersecurity-Threats, Resources & Action, and Enterprise Risk Management. The event provided an opportunity for credit unions, industry representatives and regulators to exchange ideas and network.

National Accreditation Programs

The Department of Banking successfully achieved reaccreditation of the banking and credit union areas, and for the first time has achieved accreditation of the mortgage banking area. The national accreditation programs are administered by the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS).

Commissioner's Industry Engagement

Throughout the year, the Commissioner engaged the public and industry professionals to discuss important issues confronting the financial services industry.

On January 29, 2019, the Commissioner discussed predatory lending on the Brad Davis morning radio show. In April, he addressed graduates of the Connecticut School of Finance and Management, a two-year program offered by the Connecticut Bankers Association, and also gave a speech on cybersecurity at the Center for Financial Training (CFT) Bankers' Forum Council.

On September 18, 2019, the Commissioner spoke at a dinner in Rocky Hill for the Credit Union League of Connecticut Hartford Chapter. In November, the Commissioner participated at the "Banking for All" Forum hosted by the Yale Law School and attended the Connecticut Business and Industry Association Annual Meeting and Reception.

Commissioner Perez participated on a panel discussion in March 2019 at Central Connecticut State University, entitled, "Diversity and Inclusion: Moving Business Forward," sponsored by the American Savings Foundation.

The Commissioner attended various branch openings and other events at area banks and credit unions throughout the state in 2019. On January 18, 2019, the Commissioner attended the groundbreaking of the Martin Luther King, Jr. Corridors Initiative at Spear Park and Main Street in Middletown. During October, the Commissioner attended the ribbon cutting of the first Hartford branch of JP Morgan Chase at 151 Asylum Street, and the grand opening and ribbon cutting of the American Eagle Financial Credit Union at 84 Washington Street in North Haven.

CONSUMER CREDIT DIVISION

Subject to the general supervision of the Banking Commissioner, the Consumer Credit Division is charged with administering Chapter 668 of the Connecticut General Statutes, Non-depository Financial Institutions, and Chapter 669 of the Connecticut General Statutes, Regulated Activities.

The Division is responsible for the licensing and examination of the following non-depository financial institutions: mortgage lenders, brokers and originators; mortgage servicers; loan processors and underwriters and lead generators of residential mortgage loans; sales finance companies; small loan lenders; check cashing services; payment instrument providers; money transmitters; debt adjusters; debt negotiators; consumer collection agencies; and student loan servicers. The Division is also responsible for the enforcement of the state's banking laws related to these entities and for regulating certain activities regarding: collection practices of creditors; interest and finance charge rebates; consumer credit reporting; mortgage processing; mortgage servicing; mortgage insurance; Connecticut abusive home loan lending practices; other mortgage and loan practices; retail installment sales financing; and the Truth-in-Lending Act, which Connecticut is only one of five states with enforcement capabilities which is otherwise reserved for the Federal Government.

Activities

During 2019, the Consumer Credit Division through the Nationwide Multi-State Licensing System and Registry (NMLS) investigated, vetted and processed applications for all of the financial services industries subject to licensing under the Commissioner's jurisdiction. In addition to licensing mortgage lenders, correspondent lenders, brokers, mortgage servicers, loan originators, loan processors and underwriters, NMLS functionality allows the Division to maintain licensees on the system for money transmitters, consumer collection agencies, check cashing services, debt adjusters, debt negotiation, sales finance companies, small loan companies and student loan servicers. By year-end, the Division issued a total of 1,060 main office licensed locations and 411 branch office licensed locations in the non-mortgage area, bringing the total licenses in the financial service industries to 1,471.

The total licenses issued for mortgage lenders, correspondent lenders and mortgage brokers for 2019 was 570 main office locations, with an additional 836 licensed branch locations. The total number of mortgage servicer main office locations was 98 with an additional 43 licensed branch locations. The number of applications approved for mortgage loan originators totaled 8,137 and an additional 215 applications were approved for loan processors and underwriters.

A number of administrative actions resulted after examination of our licensees. One significant enforcement matter that was resolved in 2019 involved a multi-state examination of a licensed mortgage servicer that was found to have violated a number of RESPA (Real Estate Settlement Procedures Act) laws, in addition to improperly collecting late fees from over fifty thousand (50,000) borrowers in Connecticut, Florida, Georgia, Massachusetts, Rhode Island, Washington and West Virginia, from 2013 up to and including 2016. Acting as the lead on this multistate enforcement action, Connecticut borrowers received restitution of \$145,982.36, while

the company distributed a total restitution amount of \$6,455,835.85 for all residents affected in the examining states.

As a direct result of Consumer Credit activities, the Department was able to secure over \$3.7 million in reimbursements, restitution and rescission offers to Connecticut consumers. This number included \$3.5 million returned to 793 Connecticut victims in 2019 by a court appointed trustee following the issuance of an administrative action by the Department and subsequently litigated by the Attorney General's Office in partnership with the Consumer Financial Protection Bureau. The matter involved an unlicensed debt negotiator that collected funds for possible mitigation of unsecured debt, which services were never performed.

A total of 69 administrative actions were issued across all license types, resulting in the imposition of \$2,606,500 in civil penalties. The Division has also made referrals to other state and federal agencies for further investigation.

In addition to leading multi-state examinations, members of the Division were actively involved in national and multi-state initiatives by participating in various task forces or work groups involving the Conference of State Bank Supervisors, the Consumer Financial Protection Bureau, the North American Collection Agency Regulatory Association, and the American Association of Residential Mortgage Regulators.

NMLS Modernization

In response to the 2008 Financial Crisis, Congress passed the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) expanding licensing requirements in the mortgage industry. To comply with the Federal Law, Connecticut passed its own version of the SAFE Act in 2010 and began using what was then called the National Mortgage Licensing System (NMLS). The Conference of State Bank Supervisors (CSBS) developed NMLS to assist state banking regulators to comply with the SAFE Act. The majority of states now use this national database for licensing and renewals. As the system grew, other license types were added, and in 2017, by order of the Commissioner, all license types for the Consumer Credit Division were required to use NMLS, now called the Nationwide Multistate Licensing System.

Working with CSBS, the Consumer Credit Division has been participating in upgrading the now nearly 10-year old system, to rebuild NMLS on a modern platform – moving from a forms-based system to a data-driven, risk-focused system for managing license renewal, registration, and financial reporting.

State Examination System

As part of the Division's efforts to increase and maximize the efficiency of its examination process, Consumer Credit has participated in CSBS's development of a new State Examination System (SES). This is a system being built by state regulators for state regulators and the companies they supervise. Connecticut has successfully completed a pilot examination of one of our licensees and has since opened new examinations on the system. The Division is beginning to train Financial Examiners on the new system beginning in the first quarter of 2020.

National Accreditation Program

As mentioned previously in the Financial Institutions section, the Consumer Credit Division achieved accreditation in the mortgage area for the first time in 2019. This was the culmination of several years of a concerted and dedicated effort to train staff and increase examinations of mortgage licensees. The accreditation is issued by the Conference of State Bank Supervisors.

**Enforcement Activities
Consumer Credit Division**

	2019
Investigations Opened	90
Investigations Closed	64
Investigations in Progress	56
Subpoenas Issued	13
Consent Orders	23
Settlement Agreements	1
Notices of Intent to Refuse to Renew (Licensing)	1
Refusing to Renew Orders (Licensing)	1
Notices of Intent to Revoke (Licensing)	4
Denial Orders (Licensing)	2
Summary Suspension Orders (Licensing)	3
Automatic Suspension Orders (Licensing)	1
Revocation Orders (Licensing)	1
Notices of Intent to Impose Civil Penalty	10
Orders Imposing Civil Penalty	22
Notices of Intent to Issue Cease and Desist Orders	12
Temporary Cease and Desist Orders	8
Cease and Desist Orders	5
Findings of Fact Conclusions of Law and Order	2
Activity Restrictions/Bars	1
Repayment of Fees Ordered	\$3,723,344
Civil Penalties Imposed	\$2,606,500
*Restitution/Rescission offers	\$661,033
**Law enforcement actions taken through cooperation with DOB	1
Referrals to Connecticut Attorney General	3
Other Agency Referrals	1

*Repayment of Fees Ordered/Collected:

Final Award Amount \$3,574,961 paid to 793 CT Victims as a result of enforcement action involving World Law Debt Inc./Orion Processing, LLC.

**Criminal Referrals:

John Vecchitto, Jr. (Chief State's Attorney)

**Examinations / Investigations
Consumer Credit Division**

License Type	Examinations/Investigations 2019
Mortgage Brokers, Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Servicers, Loan Processors/Underwriters and Mortgage Loan Originators	47
Money Transmitters	16
Check Cashers	9
Consumer Collection Agencies, including Debt Buyers	37
Debt Adjusters	0
Debt Negotiators	17
Small Loan Companies	15
Sales Finance Companies	15
Student Loan Servicers	8
Lead Generator	0

**Consumer Credit Licensees
As of Year End**

License Type	2019
Licensed Mortgage Companies	570
- Licensed Mortgage Branches	836
Mortgage Loan Originators	8137
Loan Processor/Underwriters	215
Mortgage Servicers	98
- Servicer Branches	43
Lead Generators	5
Money Transmitters	132
Check Cashers	52
- Check Casher Branches	66
Consumer Collection Agencies	620
- Collection Agency Branches	255
Debt Adjusters	29
- Debt Adjuster Branches	13
Debt Negotiators	6
- Debt Negotiator Branches	1
Small Loan Companies	55
- Small Loan Company Branches	9
Sales Finance Companies	122
- Sales Finance Company Branches	57
Student Loan Servicers	44
- Student Loan Servicer Branches	10
Bona Fide Nonprofit Organizations	6
Exempt Registrants	8

**Consumer Credit Licensees
New Licenses**

License Type	New Licenses Issued 2019	Number Not Renewed 2019	Net New Licenses
Mortgage Broker	27	12	15
Mortgage Broker Branch	13	3	10
Mortgage Correspondent Lender	1	6	(5)
Mortgage Correspondent Lender Branch	2	3	(1)
Mortgage Lender	41	28	25
Mortgage Lender Branch	235	185	38
Mortgage Loan Originator	1872	2529	(657)
Loan Processor/Underwriter	43	90	(47)
Mortgage Servicer	5	9	(4)
Mortgage Servicer Branch	3	9	(6)
Check Casher	3	9	(6)
Check Casher General Facility Branch	1	0	1
Check Casher Limited Facility Branch	n/a	n/a	n/a
Consumer Collection Agency	45	52	(7)
Consumer Collection Agency Branch	35	124	(89)*
Debt Adjuster for Profit	0	1	(1)
Debt Adjuster for Profit Branch	n/a	n/a	n/a
Debt Adjuster Non Profit	0	2	(2)
Debt Adjuster Non Profit Branch	2	n/a	2
Debt Negotiation	n/a	n/a	n/a
Money Transmitter	18	8	10
Sales Finance Company	7	11	(4)
Sales Finance Branch	5	3	2
Small Loan Company	17	5	12
Small Loan Branch	4	3	1
Student Loan Servicer	10	5	5
Student Loan Servicer Branch	2	4	(2)

*Consumer Collection Agency Branch Licensed locations decreased as a direct result of the statutory changes requiring activity subject to licensure to be conducted at an office within the United States and its territories.

SECURITIES AND BUSINESS INVESTMENTS DIVISION

Subject to the general supervision of the Banking Commissioner, the Securities and Business Investments Division is primarily responsible for administering Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act, and Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act.

The Division is responsible for: 1) the registration of securities and business opportunity offerings for sale in Connecticut; 2) the registration of broker-dealers, agents, investment advisers and investment adviser agents as well as the registration of broker-dealer and investment adviser branch offices; 3) the examination of broker-dealer, investment adviser and branch office registrants; and 4) enforcement of the state's securities and business opportunity laws.

Activities

During this report period, the Division continued to monitor industry developments affecting the securities industry and the Division's oversight responsibilities under the Connecticut Uniform Securities Act. During the third quarter, the agency provided invaluable written guidance to the investment advisory industry concerning the pitfalls of using client user names and passwords to access client accounts to facilitate transactions. The Division also continued to explore making the processing of private placement notice filings more efficient.

For the calendar year 2019, Securities and Business Investments Division intervention resulted in restitution and rescission offers to the investing public totaling \$2,554,868. In addition, the Division imposed \$315,140 in fines for violations of the state's securities laws. Of this amount, \$215,140 was attributable to Division settlements and the balance was due to formal agency orders imposing fines.

During the year, the Division pursued a number of enforcement cases involving firm supervisory lapses that lead to dishonest or unethical practices being committed by agents. The Division also took action against individuals who misappropriated investor monies or who were otherwise involved in fraudulent conduct relating to the sale of securities. A developing trend concerned securities industry personnel accessing investor accounts and executing securities transactions without the investor's knowledge or consent. These efforts have also resulted in various referrals to other law enforcement agencies including the Department of Justice and the Federal Bureau of Investigations for further investigation and/or criminal prosecution.

In conjunction with the Division's enforcement program, a total of sixty-two securities and business opportunity investigations were opened in 2019, fifty-nine investigations were closed and ninety-three investigations were in progress as of December 31, 2019.

Prior to closing, many of the securities and business opportunity-related complaints and investigations were resolved at the administrative level. Administrative resolutions of enforcement matters typically took the form of remedial Stipulation and Agreements and Consent Orders wherein the Division sought corrective measures as well as monetary fines. The Department executed ten Consent Orders and thirteen Stipulation and Agreements in calendar year 2019.

Three matters involved activity restrictions or the barring of affected individuals from securities-related activity in Connecticut. The Division found the use of Stipulation and Agreements and Consent Orders to be an effective supplement to its array of enforcement tools.

The Securities and Business Investments Division also continued online publication of its quarterly Securities Bulletin, delivered via Constant Contact, to advise the industry of new regulatory developments.

During 2019, several Division employees represented the Department on Project Groups and Committees of the North American Securities Administrators Association, Inc. (NASAA). NASAA is a voluntary association whose membership consists of sixty-seven state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico.

The Securities Advisory Council, comprised of industry representatives, academics and members of the bar, all of whom serve without compensation, assists the Division by offering advice and insight to the Commissioner and staff on proposed regulatory initiatives. The Division obtained valuable feedback from Advisory Council members regarding the agency's investor protection mission.

**Securities Industry Registrants and Notice Filers
As of Year End**

	2015	2016	2017	2018	2019	5 Year % Change
Broker-dealer firms	2,183	2,139	2,116	2,061	2,039	(6.59)
Broker-dealer agents	157,900	159,184	163,204	166,612	168,913	6.97
Broker-dealer branch offices	2,655	2,599	2,568	2,530	2,488	(6.29)
Investment Adviser firms	508	509	491	483	484	(4.72)
SEC Registered Investment Advisory Firms Filing Notice*	2,036	2,042	2,119	2,165	2,219	8.98
Investment Adviser Agents	12,330	12,937	13,579	14,380	14,867	20.57

*Investment advisers subject to exclusive Securities and Exchange Commission registration pursuant to the National Securities Markets Improvement Act of 1996, Public Law 104-290.

**Registrations and Notice Filings
Securities and Business Opportunities**

	2015	2016	2017	2018	2019	5 Year % Change
Offerings Reviewed	131	172	198	140	129	(1.52)
Investment Company Notice Filings*	9,261	9,751	9,218	9,095	8,973	(3.10)
Exemptions and Exemptive Notices†	3,418	3,389	3,806	4,155	4,446	30.07

*Effective October 11, 1996, the National Securities Markets Improvement Act of 1996 (NSMIA), Public Law 104-290, preempted the states from registering securities offerings by investment companies subject to Securities and Exchange Commission oversight. State authority to require notice filings was preserved by the federal legislation.

†NSMIA also preempted the states from substantively reviewing private offerings under Rule 506 of federal Regulation D. State authority to require notice filings was preserved by the federal legislation.

**Examinations
Broker-dealers and Investment Advisers**

	2019	2018
Broker-dealers	132	114
Investment Advisers	155	143

**Enforcement Activities
Securities and Business Opportunities**

	2019	2018
Investigations Opened	62	77
Investigations Closed	59	62
Investigations in Progress	93	90
Subpoenas Issued	45	34
Administrative Actions	7	22
Consent Orders	10	12
Stipulation and Agreements	13	11
Notices of Intent to Deny (Licensing)	2	0
Notices of Intent to Revoke (Licensing)	0	0
Denial Orders (Licensing)	0	0
Suspension Orders (Licensing)	0	0
Revocation Orders (Licensing)	0	1
Notices of Intent to Fine	6	10
Orders Imposing Fine	2	16
Cease and Desist Orders	6	10
Activity Restrictions/Bars	3	4
Monetary Sanctions Imposed	\$315,140	\$2,402,425
Offered/Returned to Investors Following Informal Division Intervention	\$2,554,868	\$101,370,897
Criminal Referrals	3	2
Referrals to Connecticut Attorney General	3	1
Other Agency Referrals	1	1

GOVERNMENT RELATIONS AND CONSUMER AFFAIRS

The Government Relations and Consumer Affairs Division (GRCA) provides assistance to the public with inquiries and complaints regarding banking, mortgage lending and other consumer credit matters, rental security deposits, and securities and business opportunity issues. The Division directs the agency's legislative program, manages traditional and new media, and coordinates financial and investor education. It also implements various community outreach strategies.

Consumer Assistance

The Department of Banking protects Connecticut citizens and consumers who transact business with financial institutions and other financial service providers regulated by the Department. GRCA assists consumers with complaints and dispute resolution. In 2019, examiners in the Division handled approximately 3,035 telephone inquiries and 929 written complaints from the public, with an additional 853 telephone calls and inquiries through the Foreclosure Hotline, which provides invaluable assistance to homeowners at all stages of the foreclosure process. As a result of their efforts, the Department obtained \$197,702.10 in adjustments or reimbursements on behalf of consumers during the period. The security deposit investigator received approximately 1,088 telephone calls and 185 complaints related to rental security deposits in 2019. Following an investigation into each complaint, the Department recovered \$141,737.36 for tenants during this same time period.

Media Relations

The Government Relations and Consumer Affairs Division serves as the public face of the Department. As such, the Division coordinates all media requests and inquiries. In 2019, the Division fielded numerous requests for information from media outlets on the local, state and national level. Business reporters contacting the agency regarding specific licensees or regulatory issues comprise the majority of press inquiries. Nonetheless, the Division is responsive to calls from all types of media outlets regarding a wide range of issues in the financial services sector.

Through the efforts of the Government Relations and Consumer Affairs Division, the Department utilizes social media as a means of communicating with its stakeholders that include consumers, investors, and industry professionals. Through its Facebook page ([facebook.com/ctdob](https://www.facebook.com/ctdob)) and its Twitter account (twitter.com/ctbanking), the Department shares news and updates, as well as financial education information, to the public and industry alike.

Outreach, Financial Literacy, and Industry & Consumer Education efforts

The primary focus of the Department's educational outreach program is to help Connecticut's consumers and investors make informed financial decisions and to learn how to avoid fraud and scams. Protecting seniors from financial exploitation has long been a priority, and Division staff continues to develop strategies to educate seniors as well as those that work with them.

In 2019, agency staff took part in over 60 outreach events. Consumers and industry professionals received relevant information and training regarding financial fraud and exploitation, identity theft, investor education and financial management. High school students learned about retirement accounts, cybersecurity, credit and money management. The Department took part in fairs or expos throughout the state for veterans, students and seniors, speaking one-on-one to attendees and distributing educational information on a variety of issues. An example of this is our annual participation at *Stand Down*, which is an opportunity for agency staff to share our resources and meet one-on-one with veterans.

The agency's educational outreach coordinator was the featured speaker at an elder fraud program hosted by Mutual Security Credit Union in March 2019, for residents at Masonicare in Wallingford. She presented *Protecting Yourself from Financial Exploitation*, and shared helpful tips and advice with the senior residents. Also in March, she presented five break-out sessions for high school students at the Money Madness Conference hosted by Chelsea Groton Bank. In October, she represented the Department of Banking at the annual *TEARS* Conference (Timely Elder Abuse Resource Services), hosted by the South Central Area Agency on Aging, attended by 659 people. The outreach coordinator was also a guest speaker at Southington High School, where she spoke to five Business classes on cybersecurity, credit and retirement accounts. In October 2019, she also presented a "Lunch and Learn," hosted by American Eagle Financial Credit Union, on how to prevent financial exploitation and fraud.

The Department is a member of the Connecticut Saves Campaign, a statewide initiative to encourage consumers to save regularly to improve their personal finances. The agency recognized Connecticut Saves Week (February 25-March 2, 2019) by hosting its seventh annual expo at the State Capitol in Hartford to promote smart money management, and by participating at a financial education expo for students at the Hartford Job Corps Academy. Department staff received daily e-mail messages as reminders to save automatically, save for retirement, save at tax time, and save for emergencies. Social media proved to be an excellent way to spread the Connecticut Saves message further. The agency's outreach coordinator shared informative social media posts, sent encouraging e-mails throughout the week, and actively participated in a one-hour Connecticut Saves Twitter Chat.

The Department of Banking supported the State Department of Consumer Protection's efforts in highlighting Consumer Protection Week by staffing a resource table at the Legislative Office Building in Hartford in March 2019.

In 2019, the education coordinator presented sixteen Financial Fraud Bingo programs at senior centers and senior housing authorities throughout the state, many in coordination with AARP volunteers. The program has proven to be a fun, interactive way to share important tips and reminders with seniors on smart ways to protect their money and avoid being scammed.

The Department continued to pursue efforts to combat financial exploitation of seniors. Through our outreach program, we utilize partnerships with state, federal and community organizations to empower seniors with the knowledge to protect their finances. In recent years, we have taken a different approach by training financial professionals who work with

seniors to identify and report signs of fraud and exploitation through the *SeniorSafe* program, a program developed by the North American Securities Administrators Association (NASAA). The training explains the red flags of financial exploitation that seniors might exhibit and how to report suspicious behavior to Protective Services for the Elderly. SeniorSafe continues to receive positive feedback and encourages financial institutions to develop an internal protocol for dealing with suspected financial exploitation or fraud among their older customers.

In 2019, the agency's outreach coordinator provided 13 SeniorSafe training programs in Connecticut. She presented trainings to Bankwell Bank employees, CorePlus Federal Credit Union, which included a webcast, Dutch Point Credit Union, First Bank of Greenwich, Thomaston Savings Bank, 360 Federal Credit Union, and Night Owl Capital. In October 2019, Members Credit Union, Greenwich Hospital Credit Union and Greenwich Municipal Employees Credit Union hosted two joint programs at Greenwich Hospital. In June 2019, she presented two SeniorSafe programs for credit union personnel, hosted by the Credit Union League of Connecticut, along with a manager from the state's Protective Services for the Elderly (PSE) program. Due to the success of these trainings, and interest among credit unions, she presented two additional training sessions at the Credit Union League in October 2019.

Division staff remain active on several state coalitions, including the Connecticut JumpStart Coalition for Personal Financial Literacy, the Connecticut Saves Coalition, the Coalition for Elder Justice in Connecticut, and the Military Community Coalition. The Department is also a member of the BankOn coalition, a New Haven initiative designed to help unbanked and underbanked communities within the City. BankOn works with banks and credit unions to offer banking products and services to communities in need.

Aligning with our mission to help provide financial education to Connecticut residents, the Department has continued its partnership with the State Department of Education (SDE). Under the terms of a long-standing MOU, SDE has continued to provide grant assistance to public schools and adult education programs across the state focusing on financial literacy. These grants have been funded through enforcement efforts by the Securities Division of the Department of Banking.

Legislation

Each year the Department conducts an active legislative program coordinated by the GRCA Division. During the 2019 legislative session, the Department proposed two bills. The first bill sought to license companies who offer Shared Appreciation Agreements to homeowners as mortgage lenders. These agreements are new unregulated financial products offered to Connecticut consumers with no current oversight. The second bill was largely a conforming change to federal law, allowing mortgage loan originators licensed in another state to continue to practice in Connecticut while their application for a license is pending before the Commissioner. Since the full legislature did not take up either bill, the Department anticipates making these bills part of its 2020 legislative package.

Government Relations and Consumer Affairs Division

Consumer Affairs	2019	2018
Telephone Inquiries	3,035	3,598
Written Complaints	929	1,119
Adjustments/Reimbursements on behalf of consumers	\$197,702.10	\$186,254.05

Rental Security Deposit	2019	2018
Telephone Inquiries	1,088	1,498
Written Complaints	185	132
Reimbursements on behalf of tenants	\$141,737.36	\$103,383.95

Foreclosure Hotline	2019	2018
Telephone Calls	853	959

CLOSING SUMMARY

The Department of Banking continues to build upon its work and accomplishments from previous years and maintains its reputation as a fair and common-sense regulator. The year 2019 saw the culmination of careful and patient planning of several agency-wide initiatives. After two years of development, our eLicense system was implemented, and has greatly increased the efficiency in which we provide service to the residents of Connecticut. Utilizing the eLicense system has been helpful in preparing the agency for succession planning, due to imminent retirements of agency staff. The innovative cybersecurity training program the agency developed in coordination with Capital Community College has enhanced the skills of our examiners to better protect our licensees and Connecticut consumers. Earning CSBS accreditation in both the banking and mortgage areas reaffirms that the agency continues to grow in the right direction. As we look ahead, we will continue to work with the Governor and his administration, and other state and federal partners to develop processes and systems that enhance our ability to deliver cost-effective services to both consumers and industry.