



STATE OF CONNECTICUT
DEPARTMENT OF BANKING
260 CONSTITUTION PLAZA – HARTFORD, CT 06103-1800



Jorge L. Perez
Commissioner

**ORDER ESTABLISHING REQUIREMENTS AND PROCEDURES FOR
USE OF ELECTRONIC BONDS ON THE SYSTEM**

I. Background

The Consumer Credit Division (“Division”) of the Department of Banking licenses various entities, including mortgage lenders, mortgage correspondent lenders, mortgage brokers, mortgage servicers, debt adjusters, debt negotiators, money transmitters and consumer collection agencies, through the Nationwide Multistate Licensing System and Registry (“NMLS” or “system”). NMLS has recently developed the functionality for persons licensed on the system to submit surety bonds necessary for licensure electronically. The electronic submission of bonds on NMLS serves to streamline the licensing process, increase the uniformity of licensing across the various states and reduce the amount of paperwork filed by licensees outside of the system.

Public Act 18-173 amended various provisions of Title 36a of the Connecticut General Statutes, which, among other things, created the ability for this Department to take advantage of the electronic surety bond functionality of NMLS. In addition, Section 36a-24b of the Connecticut General Statutes was amended to permit the Commissioner to establish requirements by order as necessary for the use of electronic bonds on the system. Section 36a-24b(b) also authorizes the Commissioner to establish requirements, or to waive or modify by order, in whole or in part, existing requirements in Title 36a as reasonably necessary for purposes of participation in the system.

II. Order

Pursuant to authority set forth in Section 36a-24b(b) of the Connecticut General Statutes, the use of electronic bonds on the system is ordered and certain requirements set forth in Title 36a are waived or modified, as necessary, to permit the use of electronic bonds on the system as follows:

A. License Types Required to File Bonds Electronically on the System

The following license types and registrants shall file the surety bond required by the Commissioner electronically on the system:

- **Money Transmitters** under Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes;
- **Consumer Collection Agencies** under Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes;

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- **Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Brokers and Exempt Registrants** under Sections 36a-485 to 36a-534b, inclusive, of the Connecticut General Statutes;
- **Mortgage Servicers** under Sections 36a-715 to 36a-719l, inclusive, of the Connecticut General Statutes; and
- **Debt Adjusters** under Sections 36a-655 to 36a-665, inclusive, of the Connecticut General Statutes.

B. License Types Not Required to File Bonds Electronically on the System

Until further notice, the following license types and registrants shall continue to file the paper form of the surety bond required by the Commissioner:

- **Debt Negotiators of Unsecured Debt and Secured Debt** under Sections 36a-671 to 36a-671f, inclusive, of the Connecticut General Statutes; and
- **Exempt Mortgage Servicers** under Sections 36a-715 to 36a-719l, inclusive, of the Connecticut General Statutes, i.e., mortgage lenders exempt from mortgage servicer licensure requirements pursuant to Section 36a-718(b)(4) of the Connecticut General Statutes, as amended from time to time.

C. Form of Surety Bond

The surety bond for each type of licensee and registrant shall be in such form as specified under Connecticut State Licensing Requirements on the NMLS Resource Center.

D. Effective Date

Effective November 1, 2021, or such later date when the system makes the electronic surety bond functionality available in Connecticut, the types of licensees and registrants specified in Section A, above, including applicants, shall file the surety bonds required by the Commissioner electronically on the system. Existing licensees and registrants shall transition to the electronic bond format no later than March 1, 2022.

E. Branch Office Requirements

Statutory requirements that addendums be filed identifying branch locations, and provisions that permit separate bonds to be filed by licensed location, are incompatible with the new electronic surety bonds. Upon the effective date of this Order, a single electronic surety bond will cover all locations authorized by the Commissioner to conduct business by entity and licensee type, and licensed locations will not be identified by addendum. As a result, the following statutory requirements are hereby waived and modified as follows:

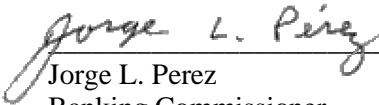
- (1) In lieu of the requirement set forth in Section 36a-492(a)(1) of the Connecticut General Statutes that an addendum to the main office surety bond be filed to cover any branch office of a mortgage lender, mortgage correspondent lender or mortgage broker licensee, each mortgage lender, mortgage correspondent lender and mortgage broker licensed in Connecticut shall file a

single surety bond, in the amount determined in accordance with Section 36a-492 of the Connecticut General Statutes, as amended from time to time, to cover all mortgage lender or mortgage broker activities in Connecticut, as applicable; and

- (2) Consumer collection agency licensees shall no longer file a separate surety bond for each licensed location, or name each place of business on the surety bond, as permitted by Section 36a-801(i) of the Connecticut General Statutes, as amended by Public Act 21-138. Consumer collection agencies licensed in Connecticut, unless solely engaged in debt buying, shall file a single surety bond in an amount equal to twenty-five thousand dollars per licensed location or such other amount required by Section 36a-802 of the Connecticut General Statutes, as amended from time to time.

The foregoing **ORDER** shall remain in effect until modified, superseded or vacated by the Commissioner or other lawful authority, including but not limited to, amendments to the aforementioned statutory provisions.

Dated at Hartford, Connecticut,
this 28th day of October 2021.



Jorge L. Perez
Banking Commissioner