

STATE OF CONNECTICUT
DEPARTMENT OF BANKING

Annual Report
Of the Banking Commissioner

To His Excellency
Ned Lamont, Governor

For the Year Ending December 31, 2018
Hartford, Connecticut
Submitted August 1, 2019



August 1, 2019

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 2018.

Respectfully yours,

Jorge L. Pèrez
Banking Commissioner

CONTENTS

	Page
BANKING COMMISSIONERS (1900-2018)	7
DEPUTY BANKING COMMISSIONERS (1900-2018)	8
ADMINISTRATION	
Agency Mission	9
Organization	9
Equal Opportunity and Affirmative Action	10
LEAN Activities	11
Financial Statement	13
FINANCIAL INSTITUTIONS DIVISION	15
CONSUMER CREDIT DIVISION	27
SECURITIES AND BUSINESS INVESTMENTS DIVISION	33
GOVERNMENT RELATIONS AND CONSUMER AFFAIRS DIVISION	37

**BANKING COMMISSIONERS
(1900-2018)**

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
(1900-2018)**

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.

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 functions, which were previously the responsibility of Human Resources, were separated when the Department joined the SmART Unit and are currently the responsibility of the DAS Equal Employment Opportunity Unit.

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, 2018, the agency had 119 full-time budgeted positions with 113 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 this past year 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 will be available in the agency's Affirmative Action Plan, anticipated for approval by the 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 5th annual LEAN CT Showcase hosted by the Office of Policy and Management in May 2018. 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 eLicensing initiative.

eLicensing

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 electronic 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. In the end, the Department decided upon the system called eLicensing 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 e-Licensing system.

The Enterprise License System, known as eLicense, is an information technology application administered by DAS/BEST for use among state agencies. The eLicensing 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.

In addition to accessing the data from these national licensing systems, eLicensing will replace CELS, BIPSS, and other locally-developed legacy systems currently utilized by the Department. The combined data from all these systems through eLicensing will allow a complete history of these companies and individuals to be accessed by agency staff. For instance, someone in Securities will be able to go into the eLicensing system and find out if a potential investment adviser had any prior disciplinary action in the Consumer Credit industry. The flow of information among Divisions will be greatly improved.

In 2018 the Department saw significant strides in developing the eLicensing tool for the Department. Working with Micropact, each division conducted a thorough review of its business processes and an analysis of how the new system would interface and improve current workflows. User acceptance testing is scheduled for Winter/Spring 2019 heading toward full implementation in the Summer.

Cybersecurity Training

The Department began a close collaboration with Capital Community College during 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.

Because Capital Community College has an impressive cybersecurity curriculum, it made sense to partner with them in this initiative. Track One will offer basic concepts and will be available to all employees. Track Two will offer 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.

After a successful pilot in October 2018, the program is scheduled to launch Department-wide in January 2019.

Financial Statement

Receipts, expenditures and adjustments relating to the fiscal year ending June 30, 2018 were as follows:

<u>Receipts</u> (Banking Fund)	
Examination of banks etc. assessed in accordance with Section 36a-65, as amended	\$ 2,989,948
Examination of credit unions, assessed in accordance with Section 36a-65, as amended	295,214
Other license and examination fees	0
Registration, filing and transfer fees from securities brokers, etc.	21,905,425
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	\$ 5,186,427
Prior period refunds and miscellaneous receipts	<u>158,600</u>
Total Banking Fund Receipts	\$ 30,535,614

<u>Receipts</u> (Non-lapsing)	
Student Loan Servicers Fees	\$ <u>4,500</u>
Total Non-lapsing Receipts	4,500

<u>Receipts</u> (General Fund – deposited directly)	
Registration of securities and business opportunities	\$ 5,534,750
Penalties	<u>807,091</u>
Total General Fund Receipts	\$ 6,341,841

TOTAL RECEIPTS \$ 36,881,955

<u>Expenditures</u> (Operating)	
Personnel services	\$ 9,831,094
Fringe benefits	7,997,512
Travel expenses, including motor vehicle rentals, fuel, and repairs	254,812
Other expenses	1,751,202
Indirect overhead and equipment	<u>502,621</u>
Total Operating Expenditures	\$ 20,337,241

<u>Expenditures</u> (Recognized by Other Agencies)	
Judicial.	\$ 2,924,366
Department of Housing	670,000
Department of Labor	<u>1,425,000</u>
Total Expenditures Recognized by Other Agencies	\$ 5,019,366

TOTAL EXPENDITURES \$ 25,356,607

<u>Fund Adjustments</u>	
Transferred to the General Fund (Deficit Fund Mitigation)	\$ 11,200,000

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, 2018, there were seven Connecticut-chartered commercial banks, twenty-three 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 \$36.1 billion as of December 31, 2018, a 5.5% decrease from December 31, 2017. Total loans and total deposits for year-end 2018 were \$28.0 billion and \$28.1 billion, respectively. The values represent a 5.2% decrease in total loans and a 4.6% decrease in total deposits from year-end 2017. Total equity capital was \$4.2 billion as of December 31, 2018, a 1.9% decrease from the prior year-end. These decreases can be largely attributed to recent mergers of state-chartered banks into 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 11.64% as of December 31, 2018, compared to 11.24% as of December 31, 2017.

The net-interest-margin (NIM) for Connecticut-chartered commercial and savings banks increased slightly to 3.24% at year-end 2018 from 3.16% at year-end 2017. Aggregate earnings increased to \$309 million for 2018, compared to \$221 million for 2017. Relatedly, return on average assets (ROA) increased to 0.87% for 2018, from 0.59% for 2017. Improved yields on earning assets and lower corporate tax rates from the amended tax law contributed to the positive trend for net income in 2018. The return on average equity (ROE) also increased to 7.52% for 2018, compared to 5.30% for 2017.

**Number of Connecticut-Chartered Institutions
(As of December 31, 2017 & December 31, 2018)**

Institution Type	Institutions 12/31/2017	Conversion	Merger	Net Change	Institutions 12/31/2018
Commercial Banks	9	0	(2)	(2)	7
Savings Banks	24	0	(1)	(1)	23
Uninsured Banks	1	0	0	0	1
Trust Banks	2	0	0	0	2
Credit Unions	31	0	(1)	(1)	30
Totals	67	0	(4)	(4)	63

January 1, 2018 – Bankers’ Bank Northeast acquired by Atlantic Community Bancshares, Inc. (parent company of Atlantic Community Bankers Bank)

April 30, 2018 – Connecticut Community Credit Union acquired by CorePlus Federal Credit Union

May 11, 2018 – Prime Bank acquired by Patriot National Bancorp, Inc. (parent company of Patriot Bank, N.A.)

October 1, 2018 – Farmington Bank acquired by People’s United Financial, Inc. (parent company of People’s United Bank, N.A.)

Connecticut-Chartered Commercial Banks

There were seven Connecticut-chartered commercial banks operating in the State as of December 31, 2018. The number of Connecticut-chartered commercial banks decreased by two during 2018. As of June 30, 2018, the seven Connecticut-chartered commercial banks collectively operated forty offices with aggregate deposits of \$4.4 billion. Within the Connecticut market, this group of institutions operated twenty-nine offices with aggregate deposits of \$3.8 billion.

Connecticut-Chartered Savings Banks

There were twenty-three Connecticut-chartered savings banks (fifteen mutual and eight capital stock institutions) operating in the State as of December 31, 2018. The number of Connecticut-chartered savings banks decreased by one during 2018. As of June 30, 2018, the twenty-four Connecticut-chartered savings banks collectively operated 372 offices with

aggregate deposits of \$25.5 billion. Within the Connecticut market, this group of institutions operated 343 offices with aggregate deposits of \$23.6 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.

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, 2018, their combined fiduciary and related trust assets were \$85.3 billion. This total consisted of \$8.3 billion in managed assets and \$77.0 billion in non-managed assets, with an additional \$8.6 billion in custody and safekeeping assets.

Connecticut-Chartered Bank Name Changes

There were no Connecticut-chartered bank name changes during 2018.

Connecticut-Chartered Banks' Fiduciary & Related Trust Assets

As of December 31, 2018, seven Connecticut-chartered banks operated trust Departments with fiduciary and related trust assets of \$4.1 billion, consisting of \$2.0 billion in managed assets and \$2.1 billion in non-managed assets, with an additional \$407 million in custody and safekeeping assets.

Connecticut-Chartered Credit Unions

As of December 31, 2018, there were thirty Connecticut-chartered credit unions operating in the State. The number of state chartered credit unions was reduced by one in 2018 due to the merger of Connecticut Community Credit Union into CorePlus Federal Credit Union.

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

Connecticut-chartered credit unions reported total assets of \$6.7 billion as of December 31, 2018, a 4.7% increase from December 31, 2017. Aggregate shares and deposits totaled \$6.0 billion as of December 31, 2018, a 5.1% increase from December 31, 2017. Total loans were \$4.1 billion as of December 31, 2018, a 9.8% increase from December 31, 2017. Total equity capital for Connecticut-chartered credit unions was \$661 million for December 31, 2018, a 6.0% increase versus December 31, 2017. Connecticut-chartered credit unions' earnings performance for 2018 improved from the prior year level, generating a ROA of 0.61% versus 0.54% for 2017 assisted by a thirteen basis point year-over-year increase in the net interest margin from 2.37% to 2.44%.

Federal & Out-of-State Banks

In addition to the thirty Connecticut-chartered, insured depository institutions operating in the state as of December 31, 2018, there were eight banks chartered by a state other than Connecticut, eighteen national banks and four federal savings associations regulated by the Office of the Comptroller of the Currency (OCC). Of the eighteen national banks, six 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, 2018

Institution Type	Number of Institutions	Deposits in Market (\$000s)	Offices in Market	Deposit Market Share %
Connecticut-chartered Savings Banks	24	23,616,530	343	17.43%
Connecticut-chartered Commercial Banks	7	3,783,320	29	2.79%
Other State-chartered Banks [1]	8	2,101,314	28	1.55%
National Banks [2]	6	37,505,688	286	27.66%
National Banks [3]	12	68,022,311	458	50.19%
Federal Savings Associations [2]	3	440,280	13	0.33%
Federal Savings Associations [3]	1	69,481	2	0.05%
Totals	61	135,538,924	1,159	100.00%

[1] Excludes institutions chartered by a state other than Connecticut operating loan production offices that and 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 been required to assess the community reinvestment performance of state-chartered financial institutions 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, 2018

Institution Type	#	Outstanding	Satisfactory	Needs Improvement	Not Rated
Connecticut-chartered Savings Banks	23	4	19	0	0
Connecticut-chartered Commercial Banks [1]	7	0	5	1	1
Connecticut-chartered Credit Unions [2]	30	1	13	0	16
Totals	60	5	37	1	17

[1] CRA examination for Fieldpoint Private Bank & Trust has not been finalized.

[2] CRA examinations are performed 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, 2018, fourteen Connecticut-chartered credit unions met these criteria, and sixteen did not.

Federal & Out-of-State Trust Entities

In addition to the two Connecticut-chartered trust banks operating in Connecticut as of December 31, 2018, there were three 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 thirty Connecticut-chartered credit unions operating in the State as of December 31, 2018, there were sixty-five federally-chartered credit unions headquartered in Connecticut, eleven 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 NCUA.

Foreign Banking Organizations

As of December 31, 2018, 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 12/31/2016 (\$ millions)	Assets As of 12/31/2017 (\$ millions)	Assets As of 12/31/2018 (\$ millions)
Bank of Ireland	Branch	6/15/2006	1,221	1,735	1,265
Royal Bank of Scotland plc	Representative Office	2/1/2017	Representative Offices do not hold assets.		

December 11, 2018 - Abbey National Treasury Services plc branch closed.

**Banking Institutions in Connecticut
(As of 12/31/2018)**

Banking Institution	Total Assets (in thousands)	Number of Branches	Number of Employees
United Bank	\$ 7,347,510	59	770
Liberty Bank	5,093,375	55	700
Union Savings Bank	2,159,424	26	358
Bankwell Bank	1,871,263	13	140
First County Bank	1,674,981	18	230
Savings Institute Bank and Trust Company	1,640,627	23	287
Fairfield County Bank	1,486,214	16	276
Newtown Savings Bank	1,318,237	18	246
Ion Bank	1,297,445	21	249
Salisbury Bank and Trust Company	1,121,418	14	176
Chelsea Groton Bank	1,116,897	14	207
Savings Bank of Danbury	1,079,812	19	177
Thomaston Savings Bank	1,045,969	13	201
Fieldpoint Private Bank & Trust	905,061	2	87
Dime Bank	854,234	12	163
The Torrington Savings Bank	820,222	9	99
The Guilford Savings Bank	787,149	6	117
Laurel Road Bank	589,519	3	183
Putnam Bank	514,121	8	100
The Simsbury Bank & Trust Company	479,639	6	69
The Milford Bank	441,881	8	86
Northwest Community Bank	409,545	6	61
Essex Savings Bank	394,564	7	123
The First Bank of Greenwich	360,243	3	46
Jewett City Savings Bank	283,803	5	70
Stafford Savings Bank	277,570	3	30
Litchfield Bancorp	253,661	6	54
Eastern Connecticut Savings Bank	181,008	5	52
Collinsville Savings Society	163,856	2	32
Start Community Bank	140,477	1	19
TOTALS	\$ 36,109,725	401	5,408

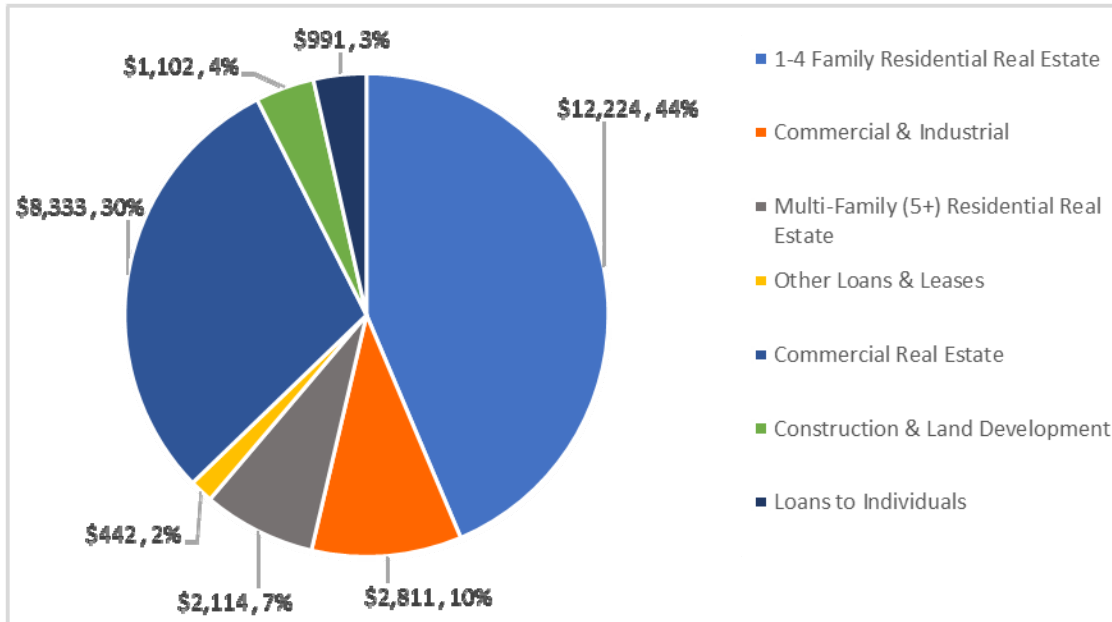
**Credit Unions in Connecticut
(As of 12/31/2018)**

Credit Union	Total Assets (in thousands)	Number of Branches	Number of Employees
Connecticut State Employees Credit Union	\$ 1,816,884	7	66
American Eagle Financial Credit Union	1,809,998	18	307
Sikorsky Financial Credit Union	740,786	15	149
Connex Credit Union	632,181	8	128
Nutmeg State Financial Credit Union	452,366	12	98
Dutch Point Credit Union	311,502	8	67
Mutual Security Credit Union	309,950	10	72
Achieve Financial Credit Union	129,795	4	43
Finex Credit Union	81,911	2	31
State Police Credit Union Inc.	61,960	2	7
Cornerstone Community Credit Union	47,914	3	12
First Connecticut Credit Union	40,107	1	17
Norwalk Hospital Credit Union	35,058	1	5
Soundview Financial Credit Union	34,716	3	9
America's First Network Credit Union	33,794	8	16
Northwest Hills Credit Union	31,186	1	9
Members Credit Union	29,044	1	12
Metropolitan District Employees Credit Union	23,908	1	4
New Haven County Credit Union	19,304	2	5
Stamford Healthcare Credit Union	18,999	1	4
Community Credit Union of New Milford	13,191	2	7
Community Healthcare Credit Union	11,254	1	5
Northeastern CT Health Care Credit Union	9,115	1	4
New Haven Firefighters Credit Union	6,774	1	3
Danbury Cyanamid Employees Credit Union	6,383	1	2
Regional Water Authority Employees Credit Union	6,314	1	5
Trumbull Credit Union	3,432	1	2
New London Municipal Employees Credit Union	3,032	1	3
CT1 Media Credit Union	1,233	1	1
Kief Protective Mutual Benefit Association Credit Union	969	1	2
TOTALS	\$ 6,723,070	119	1,095

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

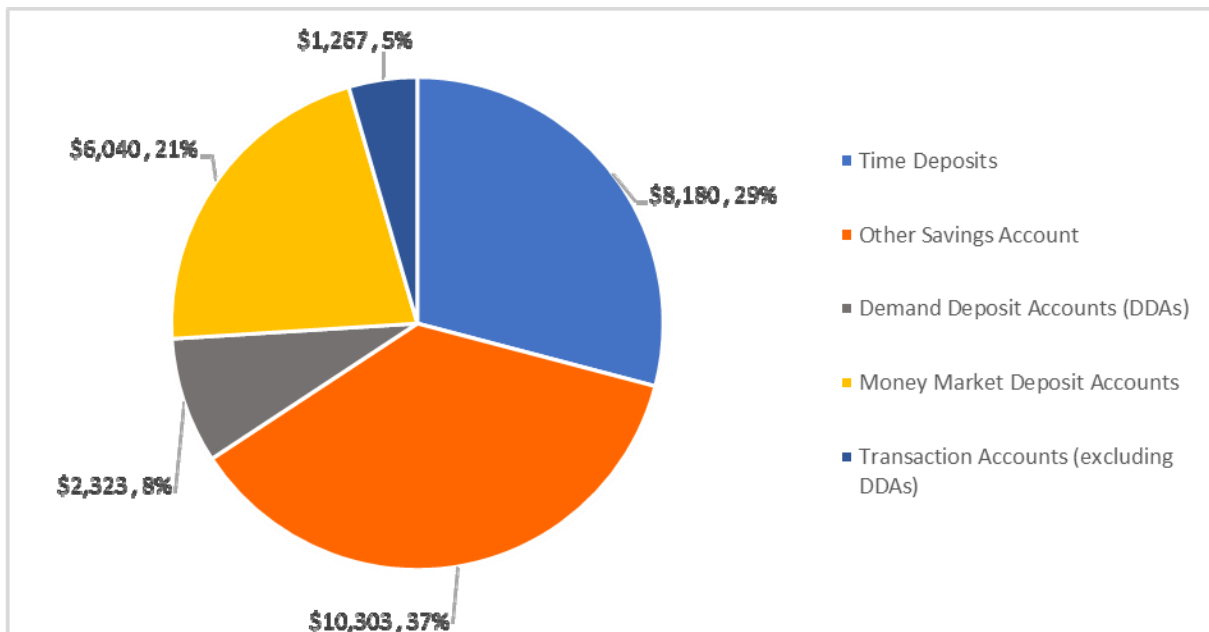
Connecticut-Chartered Banks' Gross Loans & Leases and Total Deposits Composition

**Gross Loans & Leases of Connecticut-Chartered Banks
December 31, 2018
(Millions & %)**

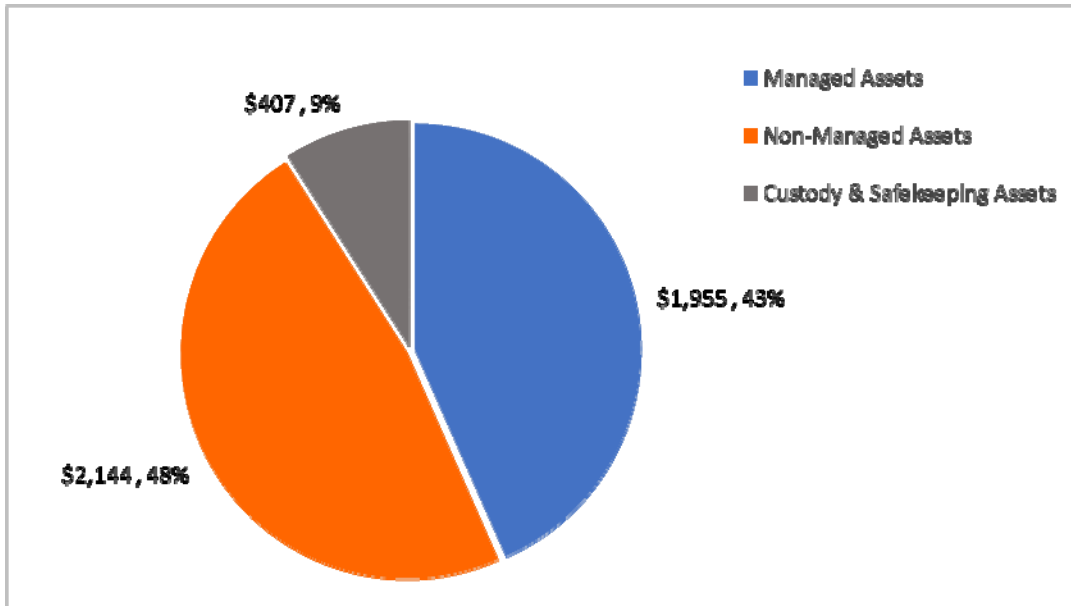


The above graph does not include Farmland & Farm loans totaling \$33.1 million, or less than 0.12% of gross loans.

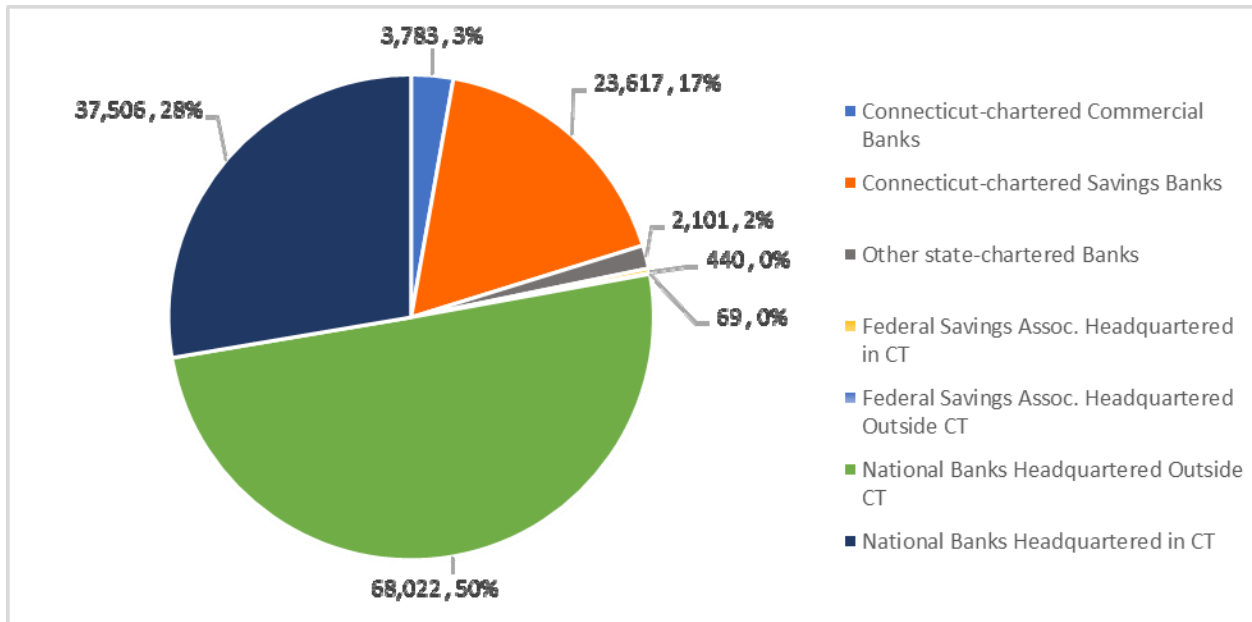
**Total Deposits of Connecticut-Chartered Banks
December 31, 2018
(Millions & %)**



**Fiduciary & Related Trust Assets of Connecticut-Chartered Banks
December 31, 2018
(Millions & %)**

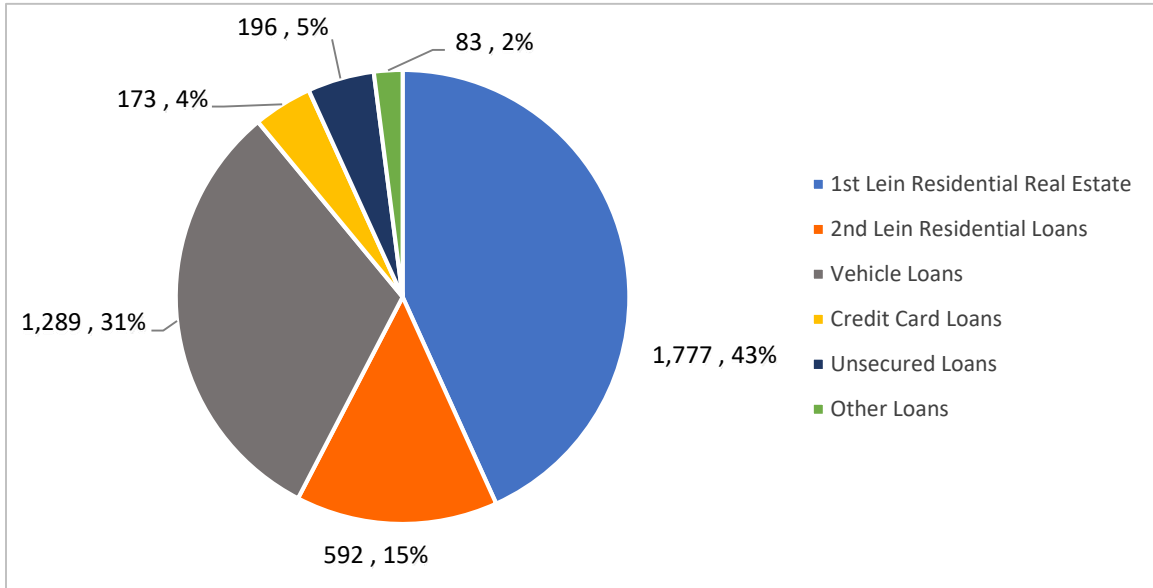


**Connecticut Deposit Market Share by Charter Type
June 30, 2018
(Millions & %)**

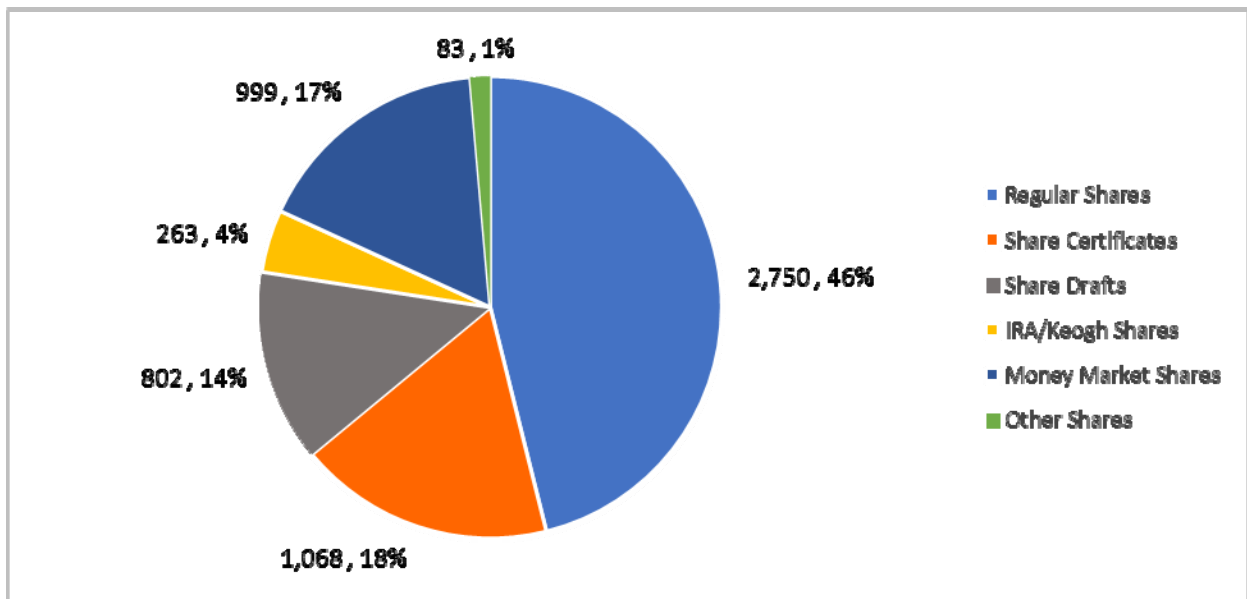


Connecticut-Chartered Credit Unions' Total Loans and Total Shares/Deposits Composition

**Total Loans of Connecticut-Chartered Credit Unions
December 31, 2018
(Millions & %)**



**Total Shares/Deposits of Connecticut-Chartered Credit Unions
December 31, 2018
(Millions & %)**



DIVISION ACTIVITIES WITH INDUSTRY PARTNERS

CEO Roundtables

In October 2018, we held CEO Roundtables with the Connecticut Bankers Association and Connecticut banking industry representatives. Two sessions were held with groups of Connecticut-based banks. 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.

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

The Department of Banking participated in 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, in October 2018. The conference brought together community bankers, academics, policymakers and bank regulators to discuss the latest research on community banking.

The conference presented an innovative approach to the study of community banks. College students from across the country participated in the 2018 Community Bank Case Study Competition. Academics explored issues raised by the industry and presented their findings at the conference. Community bankers and key regulatory officials participated directly in the conference by serving as keynote speakers and panelists and by providing feedback to the research presented.

The Department of Banking hosted a series of meetings, “5 Questions for 5 Bankers”, in conjunction with the sixth annual “Community Banking in the 21st Century” Research and Policy Conference. The meetings with the five CEOs provided the foundation for Connecticut’s written submission for the Conference publication that outlined the Connecticut bankers’ views on Community Banking. In addition to the hosted meetings with the Community Bank CEOs, the Department promoted the participation of Connecticut Community Bankers in a national survey, the data of which was shared with the research and academic participants. Banking Commissioner Perez also attended the Research and Policy Conference.

NASCUS Executive Forum

On September 17, 2018, 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 CEO Lucy Ito, Banking Commissioner Jorge Perez and Credit Union League of Connecticut CEO Jill Nowacki. The agenda included Washington updates and national issues, banking marijuana businesses, preparing for current expected credit loss (CECL), an update on cybersecurity with special guest speaker Detective Mark Solomon of the Financial Crimes Task Force, and a credit union panel on Innovation and Looking to the Future. The event provided for an active exchange of ideas and networking.

National Accreditation Programs

The Department of Banking has achieved and maintains national accreditation status in two programs: the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS).

Other Industry Engagement

In February 2018, the Banking Commissioner was a speaker at the Center for Financial Training (CFT) Bankers Forum in Southington, CT. He provided updates to the industry on agency priorities and other banking related topics.

The Commissioner had the opportunity to engage industry leaders at the Credit Union League of Connecticut's Annual Meeting in Uncasville, CT in April 2018. Again, the Commissioner outlined agency priorities and other credit union related topics.

The Commissioner attended various branch openings and other events at area banks and credit unions throughout the state in 2018. In June, he attended the grand opening of a Nutmeg State Financial Credit Union branch and Department of Motor Vehicles (DMV) Express office in Milford. In August, he participated at the ribbon cutting ceremony for a Connex Credit Union branch in Monroe. He took part in the ribbon cutting ceremony for Liberty Bank's new headquarters in Middletown in October. In December, the Commissioner attended the grand opening of a Nutmeg State Financial Credit Union branch and DMV Express office 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, Nondepository Financial Institutions, and Chapter 669 of the Connecticut General Statutes, Regulated Activities.

The Division is responsible for the licensing and examination of the following nondepository 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.

Activities

During 2018, 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 1,053 main office licensed locations and 496 branch office licensed locations in the non-mortgage area, including thirty-nine student loan servicer main office locations and twelve branch office locations, bringing the total licenses in the financial service industries to 1,549.

The total licenses issued for mortgage lenders, correspondent lenders and mortgage brokers for 2018 was 548 main office locations, with an additional 776 licensed branch locations. The number of applications approved for mortgage loan originators totaled 8,794 and an additional 262 applications were approved for loan processors and underwriters.

A number of administrative actions resulted after examination of our licensees, one significant enforcement matter involved a licensed sales finance company that was previously cited during an examination for failing to accurately calculate the deficiency balances on repossessed motor vehicles. In addition, this licensee was found to have improperly charged "convenience fees" to retail buyers for payments made by credit or debit cards. As a result of this enforcement action, more than \$2.9 million in principal, interest and other fees or assessments were credited, refunded or waived on approximately 3,730 Connecticut accounts.

As a direct result of Consumer Credit activities, the Department was able to secure over \$3.3 million in reimbursements, restitution and rescission offers to Connecticut consumers. This number includes \$2,912,103 as a result of the administrative action mentioned previously, \$355,183 relating to consumer complaints, and \$38,494 as a result of examination findings of improper conduct and/or calculations.

A total of 68 administrative actions were issued across all license types, resulting in the imposition of \$1,368,500 in civil penalties. The Division has also made 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 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 is being built by state regulators for state regulators and the companies they supervise. Connecticut will be one of five states that will pilot the new system before it goes live nationwide. Upon implementation, the Division will move to an online examination system which will provide greater access and better workflows for its examiners.

**Enforcement Activities
Consumer Credit Division**

	2018
Investigations Opened	96
Investigations Closed	87
Investigations in Progress	50
Subpoenas Issued	20
Consent Orders	21
Settlement Agreements	1
Notices of Intent to Refuse to Renew (Licensing)	1
Refusing to Renew Orders (Licensing)	0
Notices of Intent to Revoke (Licensing)	4
Denial Orders (Licensing)	2
Summary Suspension Orders (Licensing)	2
Automatic Suspension Orders (Licensing)	1
Revocation Orders (Licensing)	1
Notices of Intent to Impose Civil Penalty	9
Orders Imposing Civil Penalty	27
Notices of Intent to Issue Cease and Desist Orders	9
Temporary Cease and Desist Orders	5
Cease and Desist Orders	6
Findings of Fact Conclusions of Law and Order	2
Activity Restrictions/Bars	3
Repayment of Fees Ordered	\$11,433
Civil Penalties Imposed	\$1,368,500
*Restitution/Rescission offers	\$3,305,712
**Law enforcement actions taken through cooperation with DOB	1
Referrals to Connecticut Attorney General	2
Other Agency Referrals	7

*Restitution/Rescission Offers:

Santander Consumer USA Inc. dba Drive Financial dba Chrysler Capital
(Rebates from exam \$2,912,102)

**Criminal Referrals:

Imperial Financial, LLC (U.S. Postal Inspection Service)

**Examinations / Investigations
Consumer Credit Division**

License Type	Examinations/Investigations 2018
Mortgage Brokers, Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Servicers, Loan Processors/Underwriters and Mortgage Loan Originators	80
Money Transmitters	12
Check Cashers	4
Consumer Collection Agencies, including Debt Buyers	47
Debt Adjusters	1
Debt Negotiators	16
Small Loan Companies	9
Sales Finance Companies	16
Student Loan Servicers	3
Lead Generator	4

**Consumer Credit Licensees
As of Year End**

License Type	2018
Licensed Mortgage Companies	548
- Licensed Mortgage Branches	776
Mortgage Loan Originators	8,794
Loan Processor/Underwriters	262
Mortgage Servicers	102
- Servicer Branches	49
Lead Generators	6
Money Transmitters	122
Check Cashers	58
- Check Casher Branches	65
Consumer Collection Agencies	627
- Collection Agency Branches	344
Debt Adjusters	32
- Debt Adjuster Branches	11
Debt Negotiators	6
- Debt Negotiator Branches	1
Small Loan Companies	43
- Small Loan Company Branches	8
Sales Finance Companies	126
- Sales Finance Company Branches	55
Student Loan Servicers	39
- Student Loan Servicer Branches	12
Bona Fide Nonprofit Organizations	4
Exempt Registrants	6

**Consumer Credit Licensees
New Licenses**

License Type	New Licenses Issued 2018	Number Not Renewed 2018	Net New Licenses
Mortgage Broker	21	14	7
Mortgage Broker Branch	4	2	2
Mortgage Correspondent Lender	2	12	(10)
Mortgage Correspondent Lender Branch	5	7	(2)
Mortgage Lender	29	20	9
Mortgage Lender Branch	218	201	17
Mortgage Loan Originator	2,014	2,505	(491)
Loan Processor/Underwriter	68	60	8
Mortgage Servicer	7	6	1
Mortgage Servicer Branch	5	9	(4)
Check Casher	5	9	(4)
Check Casher General Facility Branch	13	9	4
Check Casher Limited Facility Branch	0	0	n/a
Consumer Collection Agency	48	54	(6)
Consumer Collection Agency Branch	50	66	(16)
Debt Adjuster for Profit	0	0	n/a
Debt Adjuster for Profit Branch	0	0	n/a
Debt Adjuster Non Profit	1	3	(2)
Debt Adjuster Non Profit Branch	1	1	n/a
Debt Negotiation	0	1	(1)
Money Transmitter	16	7	9
Sales Finance Company	17	11	6
Sales Finance Branch	14	3	11
Small Loan Company	18	1	17
Small Loan Branch	3	1	2
Student Loan Servicer	12	5	7
Student Loan Servicer Branch	4	0	4

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. Early in the year, the agency granted no-action relief, subject to safeguards, from state securities registration requirements for certain secondary market transactions effected on the OTCQX Best and OTCQB Venture Markets operated by OTC Markets Group Inc. and its Alternative Trading System affiliate, OTC Link. The Division also continued to explore making the processing of private placement notice filings more efficient.

For the calendar year 2018, Securities and Business Investments Division intervention resulted in restitution and rescission offers to the investing public totaling \$101,370,897.* In addition, the Division imposed \$2,402,425 in fines for violations of the state's securities and business opportunity laws. Of this amount, \$622,425 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 seventy-seven securities and business opportunity investigations were opened in 2018, sixty-two investigations were closed and ninety investigations were in progress as of December 31, 2018.

*Amount includes a \$100 million voluntary rescission offer extended to financially sophisticated private investment fund investors by a broker-dealer in connection with an agency settlement. The average amount invested by each of the affected Connecticut purchasers was approximately \$1 million.

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 twelve Consent Orders and eleven Stipulation and Agreements in calendar year 2018. Four 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 2018, 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 critical input from Advisory Council members in formulating the Division's response to federal legislative changes and the need to update the agency's securities regulations.

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

	2014	2015	2016	2017	2018	5 Year % Change
Broker-dealer firms	2,215	2,183	2,139	2,116	2,061	(6.95)
Broker-dealer agents	152,522	157,900	159,184	163,204	166,612	9.23
Broker-dealer branch offices	2,717	2,655	2,599	2,568	2,530	(6.88)
Investment Adviser firms	514	508	509	491	483	(6.03)
SEC Registered Investment Advisory Firms Filing Notice*	2,005	2,036	2,042	2,119	2,165	7.98
Investment Adviser Agents	11,829	12,330	12,937	13,579	14,380	7.98

*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**

	2014	2015	2016	2017	2018	5 Year % Change
Offerings Reviewed	152	131	172	198	140	(7.89)
Investment Company Notice Filings*	9,647	9,261	9,751	9,218	9,095	(5.72)
Exemptions and Exemptive Notices†	3,424	3,418	3,389	3,806	4,155	21.34

*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**

	2018	2017
Broker-dealers	114	96
Investment Advisers	143	128

**Enforcement Activities
Securities and Business Opportunities**

	2018	2017
Investigations Opened	77	58
Investigations Closed	62	72
Investigations in Progress	90	74
Subpoenas Issued	34	54
Administrative Actions	22	7
Consent Orders	12	8
Stipulation and Agreements	11	5
Notices of Intent to Deny (Licensing)	0	1
Notices of Intent to Revoke (Licensing)	0	0
Denial Orders (Licensing)	0	0
Suspension Orders (Licensing)	0	0
Revocation Orders (Licensing)	1	1
Notices of Intent to Fine	10	3
Orders Imposing Fine	16	3
Cease and Desist Orders	10	3
Activity Restrictions/Bars	4	3
Monetary Sanctions Imposed	\$2,402,425	\$1,608,900
Offered/Returned to Investors Following Informal Division Intervention	\$101,370,897	\$286,097
Criminal Referrals	2	0
Referrals to Connecticut Attorney General	1	0
Other Agency Referrals	1	0

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 2018, examiners in the Division handled approximately 3,598 telephone inquiries and 1,119 written complaints from the public, with an additional 959 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 \$186,254.05 in adjustments or reimbursements on behalf of consumers during the period. The security deposit investigator received approximately 1,498 telephone calls and 132 complaints related to rental security deposits in 2018. Following an investigation into each complaint, the Department recovered \$103,383.95 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 2018, the Division fielded approximately forty-nine 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

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 2018, agency staff took part in more than 80 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 establishing credit, investing and cybersecurity. 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.

The Department was active during February and March to support Connecticut Saves Week (February 26-March 3, 2018), which encourages consumers to take positive wealth-building action to improve their personal finances. Accordingly, the Department's educational outreach coordinator conducted *Taking Financial Action* workshops for job seekers at Department of Labor Job Centers in Hamden and Hartford; presented a program on credit cards and debt for high school students in Milford; participated at a financial education expo for students at the Hartford Job Corps Academy; and addressed nearly 200 employees of a community action agency in Derby regarding debt management. Additionally, agency staff discussed investing with high school Business Club students in West Hartford and provided an informed investor program at the Wethersfield Library.

To recognize Connecticut Saves Week, the Department held its sixth annual Connecticut Saves Expo at the State Capitol in Hartford, which engaged legislators and the general public as well as military personnel from the adjacent State Armory. The use of social media through Facebook Live videos expanded the expo's reach in a fun and engaging way. The Department posted relevant messages each day that focused on financial well-being on the agency's social media platforms. Agency staff also participated in a one-hour "Twitter Chat" during *Connecticut Saves Week*, hosted by the Connecticut Saves Campaign. We engaged Department staff with daily e-mail messages, reminding our fellow employees to save automatically, to save for retirement, to save at tax time, to pay off high-interest debt and to save emergencies.

The Department also supported the Military Saves initiative to encourage service members and their families to save money, reduce debt, and build wealth. Agency employees staffed a resource table at an expo at the U.S. Naval Submarine Base in Groton and spoke one-on-one with service members at the event.

In 2018, the education coordinator presented thirty-three 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. Three of these programs were translated into Spanish.

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). In 2018, the agency's outreach coordinator provided *SeniorSafe* training programs to American Eagle Financial Credit Union branch managers, and to employees of Mutual Security Credit Union, The First Bank of Greenwich and Bankwell Bank. She also presented the training to social service providers at TEAM, Inc. and for volunteer resident advocates for the Long Term Care Ombudsman. The training program 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.

The agency's Securities Director was a guest speaker at an Investor Forum sponsored by the Financial Industry Regulatory Authority (FINRA) at the Stamford Marriott on February 1, 2018. Over 450 people attended this free event, which provided an in-depth look at the changing securities markets, as well as tips for smart investing. She explained the role of state regulators in protecting investors and stressed why it is important to be educated about investing. She also served on a panel alongside FINRA regulators and a local business writer. Agency staff hosted a resource table, distributed materials, and spoke directly with attendees at this event.

Division staff remain active on several state coalitions, including the Connecticut JumpStart Coalition for Personal Financial Literacy, the Coalition for Elder Justice in Connecticut, and the Military Community Coalition. As a result, there are increased opportunities to speak to larger audiences at conferences. In May 2018, the outreach coordinator presented five break-out sessions for high school students at the Money Madness Conference hosted by Chelsea Groton Bank. In August, a Securities Examiner presented at a fraud prevention event at a senior housing facility in New Canaan, along with AARP and local law enforcement. In June, the outreach coordinator joined a financial fraud panel at the International Association of Financial Crimes Investigators Conference, whose attendees included law enforcement and financial institution personnel. She participated in a lightning round panel at the 2018 Elder Justice Symposium in November, and represented the Department of Banking at the annual *TEARS* Conference (Timely Elder Abuse Resource Services) in October, hosted by the South Central Area Agency on Aging, attended by approximately 650 people.

In May 2018, the Securities Director participated on an expert panel at the Elder Justice Symposium at the University of New Haven. The event was hosted by the university's Henry C. Lee College of Criminal Justice and Forensic Sciences in collaboration with AARP, the U.S. Postal Inspection Service, People's United Bank and the Connecticut Elder Justice Coalition to offer a deep-dive for professionals, law enforcement, academics, students, and consumers on issues related to elder justice in Connecticut.

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 Government Relations and Consumer Affairs Division spearheads an active legislative program. During the 2018 session, the Department supported the passage of Public Act 18-173, An Act Concerning Consumer Credit Licenses, which made significant updates to modernize Connecticut's Consumer Credit laws. In general, the bill makes various changes to the banking commissioner's authority regarding various license types; codifies two of the banking commissioner's orders requiring certain nonmortgage licensees to use the Nationwide Multistate Licensing System; and makes various changes to statutory requirements across the license types.

Government Relations and Consumer Affairs Division

Consumer Affairs	2018	2017
Telephone Inquiries	3,598	2,824
Written Complaints	1,119	1,141
Adjustments/Reimbursements on behalf of consumers	\$186,254.05	\$272,825

Rental Security Deposit	2018	2017
Telephone Inquiries	1,498	1,552
Written Complaints	132	117
Reimbursements on behalf of tenants	\$ 103,383.95	\$28,163

Foreclosure Hotline	2018	2017
Telephone Calls	959	2,169