STATE OF CONNECTICUT
DEPARTMENT OF BANKING

Annual Report
Of the Banking Commissioner

To His Excellency
Ned Lamont, Governor

For the Year Ending December 31, 2021
Hartford, Connecticut
Submitted: September 22, 2022

September 22, 2022

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 2021.

Respectfully yours,

Jorge L. Pèrez
Banking Commissioner

CONTENTS

BANKING COMMISSIONERS
(1900-2021)

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
(1900-2021)

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.

The **Consumer Credit Division** is responsible for the 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.

The Department's support divisions were restructured in recent years. The Business Office is responsible for the accounting, budgeting, fiscal, payroll, purchasing, and financial reporting functions. This office has remained intact. In 2018, 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.

In December 2021 the Department of Banking signed a Memo of Understanding that transferred Information Technology (IT) support to the new Bureau of Information Technology Solutions (BITS) within DAS. The three Department IT employees have been mapped into a new group within BITS and will continue to support the Department of Banking until their skills and duties are assessed and it is determined whether some of them should transition to other parts of the organization, or there are other resources at BITS better suited to perform the duties. BITS will be rolling out a statewide Service Desk utilizing standard industry-standard support software called Jira. Until that is put in place, the process to support the DOB users will remain the same. The staff and IT budget for the agency will officially transfer to DAS in July of 2022, as approved in the FY2023 budget adjustments.

As of December 31, 2021, 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 biannual Affirmative Action Plan, that was approved by the Connecticut Commission on Human Rights and Opportunities in January 2021. 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 Manager 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 Manager also serves as the agency's Americans with Disabilities Act (ADA) coordinator.

COVID-19

During the unprecedented COVID-19 pandemic, the Department of Banking, as with all state agencies, closed its offices to the public and staff began a full-time telework schedule in March 2020. The Department revamped its website to highlight COVID-19 resources in both English and Spanish, and continuously offered updates as new state and federal resources were issued.

Commissioner Pèrez issued guidance and provided necessary flexibility to licensees, including banks, credit unions, mortgage servicers, investment companies and investment advisers. The Commissioner encouraged mortgage servicers, banks and credit unions to work with their borrowers and customers during those challenging times. In the Consumer Credit area, the Department extended certain filing deadlines and issued no action policies that allowed certain licensees to work from home. On July 1, 2021, the Commissioner issued an order for certain consumer credit licensees establishing requirements for conducting business from a remote office location. The Securities and Business Investments Division issued guidance on paperless submission of certain filings in light of pandemic restrictions.

In this fiscal year, the agency began to bounce back from the COVID-19 pandemic. Specifically some staff returned to a hybrid office work schedule. This affected the Consumer Affairs unit and the administrative staff most acutely. In addition, during the pandemic, the Department of Banking paused on-site examinations and switched to a remote examination model. After careful consideration, the Commissioner determined that, starting in the final quarter of 2021, the agency would take a hybrid approach and conduct some on-site examinations and some remote exams of its regulated entities.

Department of Banking's Financial Literacy Collaboration with Banks and Credit Unions

At times as part of settlements, the Department of Banking receives monies to be used for investor education, staff training and education material. In late 2020, Commissioner Pérez began looking to use these funds to provide financial education to women and young girls with an emphasis on increasing the participation of women and young girls from underserved communities. The Commissioner developed a plan to partner with a 3rd party vendor(s) to provide educational program(s) that meet certain objectives, namely 1) to provide personal finance tools that will prepare residents for a financially successful future, with an emphasis on women and young girls and 2) to teach them how to make smart money management decisions that will enable them to be independent and financially secure.

To accomplish this goal a committee that included representatives from state government, the financial services industry and other organizations was formed in January 2021 to solicit and review proposals from 3rd party vendors, select one or more vendors to provide the financial education training, and to provide recommendations to the Banking Commissioner on how the education fund should be distributed to meet the objectives. This committee met bi-monthly throughout 2021. An RFQ is planned for the third quarter of 2022 to solicit proposals for funding.

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.

Track One classes took place in 2018 and 2019. In April 2019, 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 was suspended in early 2020 due to the pandemic and is expected to resume in 2022.

Financial Statement

Receipts, expenditures, and adjustments relating to the fiscal year ending June 30, 2021, were as follows:

<u>Receipts</u>	
(Banking Fund)	
Examination of banks etc. assessed in accordance with Section 36a-65, as amended	$ 1,602,999
Examination of credit unions, assessed in accordance with Section 36a-65, as amended	389,146
Other license and examination fees	0
Registration, filing and transfer fees from securities brokers, etc.	38,401,349
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	6,867,400
Prior period refunds and miscellaneous receipts	121,141
Total Banking Fund Receipts	$ 47,382,315
<u>Receipts</u>	
(Non-lapsing)	
Student Loan Servicers Fees	$ 68,400
Total Non-lapsing Receipts	68,400
<u>Receipts</u>	
(General Fund – deposited directly)	
Registration of securities and business opportunities	$ 5,447,685
Penalties	659,862
Total General Fund Receipts	$ 6,107,547
TOTAL RECEIPTS	**$ 53,558,262**
<u>Expenditures</u>	
(Operating)	
Personnel services	$ 11,241,345
Fringe benefits	10,213,597
Travel expenses, including motor vehicle rentals, fuel, and repairs	27,027
Other expenses	1,319,173
Indirect overhead and equipment	225,057
Total Operating Expenditures	$ 23,026,200
<u>Expenditures</u>	
(Recognized by Other Agencies)	
Judicial	$ 2,005,000
Department of Housing	670,000
Department of Labor	1,425,000
Total Expenditures Recognized by Other Agencies	$ 2,095,000
TOTAL EXPENDITURES	**$ 27,126,200**

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 (the 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. 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.

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.

Connecticut-Chartered Banks' Consolidated Financial Condition & Operating Results

As of December 31, 2021, there were six Connecticut-chartered commercial banks, eighteen 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 banks are insured by the Federal Deposit Insurance Corporation (FDIC).

Connecticut-chartered commercial banks and savings banks, collectively, reported total assets of $35.3 billion as of December 31, 2021, a 10.50% increase from December 31, 2020. Total loans and total deposits for year-end 2021 were $21.9 billion and $29.5 billion, respectively. The values represent a 2.20% decrease in total loans and a 13.55% increase in total deposits from year-end 2020. Total equity capital was $3.9 billion as of December 31, 2021, a 9.26% increase from the prior year-end.[1] The sizable increases in total assets and

[1] FDIC's Statistics on Depository Institutions (SDI) https://www7.fdic.gov/sdi/

deposits are attributed to additional government stimulus programs. Overall, Connecticut-chartered commercial banks and savings institutions, collectively, remained well capitalized with a combined Equity Capital to Total Assets Ratio of 11.04% as of December 31, 2021 compared to 11.17% as of December 31, 2020. The lower ratio can again be attributed to increased government stimulus programs.

The net-interest-margin (NIM) for Connecticut-chartered commercial and savings banks was 2.80% and 2.95% for year end 2021 and 2020, respectively. Aggregate earnings increased to $324 million for 2021, compared to $183 million for 2020, but remain below 2019's pre-pandemic level of $371 million. Relatedly, return on average assets (ROA) increased to 0.96% for 2021 from 0.61% for 2020. A significant decline in the provision for credit losses and increased gains realized on securities combined to offset moderate compression of the NIM resulting from a decline in yields on earning assets. The return on average equity (ROE) increased to 8.70% for 2021, compared to 5.30% for 2020.

Number of Connecticut-Chartered Institutions
(As of December 31, 2020 & December 31, 2021)

Institution Type	Institutions 12/31/2020	Conversion	Merger	Net Change	Institutions 12/31/2021
Commercial Banks	**6**	0	0	0	**6**
Savings Banks	**20**	0	(2)	(2)	**18**
Uninsured Banks	**1**	0	0	0	**1**
Trust Banks	**2**	0	0	0	**2**
Credit Unions	**28**	0	0	0	**28**
Totals	**57**	**0**	**(2)**	**(2)**	**55**

January 4, 2021 - Collinsville Bank and Litchfield Bancorp merged into Northwest Community Bank.

Connecticut-Chartered Commercial Banks

The number of Connecticut-chartered commercial banks remained unchanged at six. As of June 30, 2021, the six Connecticut-chartered commercial banks collectively operated thirty-five offices with aggregate deposits of $5.1 billion. Within the Connecticut market, this group of institutions operated twenty-three offices with aggregate deposits of $4.1 billion.[2]

On December 21, 2021, a group filed an application to organize The New Canaan Bank as a Connecticut bank pursuant to Section 36a-70 of the Connecticut General Statutes. A hearing will be held in front of the Banking Panel (Banking Commissioner, State Comptroller and State Treasurer) on May 9, 2022.

Connecticut-Chartered Savings Banks

There were eighteen Connecticut-chartered savings banks (eleven mutual and seven capital stock institutions) operating in the State as of December 31, 2021. The number of

[2] FDIC's Deposit Market Share Reports tool at https://www7.fdic.gov/sod

Connecticut-chartered savings banks decreased by two with the January 4, 2021 merger of Collinsville Bank and Litchfield Bancorp into affiliate Northwest Community Bank. As of June 30, 2021, the eighteen Connecticut-chartered savings banks collectively operated 274 offices with aggregate deposits of $23.2 billion. Within the Connecticut market, this group of institutions operated 273 offices with aggregate deposits of $23.1 billion.

Connecticut-Chartered Uninsured Banks

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. for a period of eighteen months. The temporary certificate was extended on January 25, 2019, August 18, 2020, and February 9, 2022, and is currently valid through August 22, 2023.

On August 10, 2021, a temporary certificate of authority to organize an uninsured bank was issued to Banking Circle US.

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, 2021, their combined fiduciary and related trust assets were $177.1 billion. This total consisted of $11.4 billion in managed assets and $152.4 billion in non-managed assets, with an additional $13.3 billion in custody and safekeeping assets.

Connecticut-Chartered Bank Name Changes

No Connecticut-chartered banks changed names during 2021.

Connecticut-Chartered Banks' Fiduciary & Related Trust Assets

As of December 31, 2021, seven Connecticut-chartered banks operated trust Departments with fiduciary and related trust assets of $6.1 billion, consisting of $3.3 billion in managed assets and $2.8 billion in non-managed assets, with an additional $668 million in custody and safekeeping assets.

Connecticut-Chartered Credit Unions

As of December 31, 2021, there were twenty-eight Connecticut-chartered credit unions operating in the State. The number of state-chartered credit unions remained unchanged from year end 2020.

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

Connecticut-chartered credit unions reported total assets of $9.0 billion as of December 31, 2021, a 9.7% increase from December 31, 2020. Aggregate shares and deposits totaled $8.1 billion as of December 31, 2021, a 10.1% increase from December 31, 2020. Total loans were $4.7 billion as of December 31, 2021, a 5.8% increase from December 31, 2020. Total net worth for Connecticut-chartered credit unions was $787 million for December 31, 2021, a 6.0% increase versus December 31, 2020. Connecticut-chartered credit unions' earnings performance for 2021 is just slightly below the pre-pandemic level, generating a ROA of 0.51% versus 0.31% for 2020. The net interest margin declined modestly from 2.14% to 2.09%, with a significantly lower interest expense offsetting lower interest income. Several other factors impacted earnings, most notably was a significant decline in provision expense.

Federal & Out-of-State Banks

In addition to the twenty-four Connecticut-chartered, insured depository institutions operating in the state as of December 31, 2021, there were thirteen banks chartered by a state other than Connecticut. There were also eighteen national banks and four federal savings associations regulated by the Office of the Comptroller of the Currency (OCC) operating in the state. Five of the national banks and three of the federal savings associations are headquartered in 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, 2021

Institution Type	#	Outstanding	Satisfactory	Needs Improvement	Not Rated
Connecticut-chartered Banks	**24**	5	18	1	0
Connecticut-chartered Credit Unions*	**28**	1	13	0	14
Totals	**52**	**6**	**31**	**1**	**14**

CRA ratings reflect the most recent ratings given by the Department.

* Not all Credit Unions are subject to CRA. CRA examinations are applicable only for credit unions that meet ***BOTH*** of the following criteria: 1. Have Community fields of membership and 2. Have total assets over $10 million. As of December 31, 2021, fourteen Connecticut-chartered credit unions met these criteria, 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, 2021, there were two limited purpose trust companies chartered by states other than 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, 2021, there were fifty-nine 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, 2021, there was one branch office and one representative office of foreign banking organizations supervised by Connecticut 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.

Connecticut Supervised Foreign Banking Organizations

Institution Name	Office Type	Approval/ License Date	Assets As of 12/31/2019 ($ millions)	Assets As of 12/31/2020 ($ millions)	Assets As of 12/31/2021 ($ millions)
Bank of Ireland	Branch	6/15/2006	1,622	1,647	1,934
NatWest Group plc	Representative Office	2/01/2017	Representative Offices do not hold assets.		

Banking Institutions in Connecticut*
(As of 12/31/2021)

Banking Institution	Total Assets (in thousands)	Number of Branches**	Number of Employees
Liberty Bank	7,401,031	59	670
Union Savings Bank	3,088,187	26	341
Bankwell Bank	2,452,445	13	124
First County Bank	1,976,191	17	212
Fairfield County Bank	1,939,644	16	255
Newtown Savings Bank	1,748,267	18	232
Ion Bank	1,738,910	21	267
Thomaston Savings Bank	1,595,773	14	226
Chelsea Groton Bank	1,591,255	14	206
Salisbury Bank and Trust Company	1,528,798	14	177
Savings Bank of Danbury	1,418,593	15	171
Fieldpoint Private Bank & Trust	1,416,844	2	145
Dime Bank	1,073,883	13	165
Northwest Community Bank	1,029,895	15	156
The Guilford Savings Bank	1,024,762	7	139
The Torrington Savings Bank	973,390	8	118
The First Bank of Greenwich	590,696	3	50
Essex Savings Bank	557,297	8	127
The Milford Bank	542,721	8	80
DR Bank	449,725	2	47
Stafford Savings Bank	402,842	3	28
Jewett City Savings Bank	401,695	7	83
Eastern Connecticut Savings Bank	240,324	5	63
New Haven Bank	165,151	1	19
TOTALS	**$35,348,319**	**309**	**4,101**

* FDIC's Statistics on Depository Institutions (SDI) https://www7.fdic.gov/sdi/ and FDIC's Deposit Market Share Reports tool at https://www7.fdic.gov/sod/
**Number of branches from FDIC Market Share Report as of June 30, 2021.

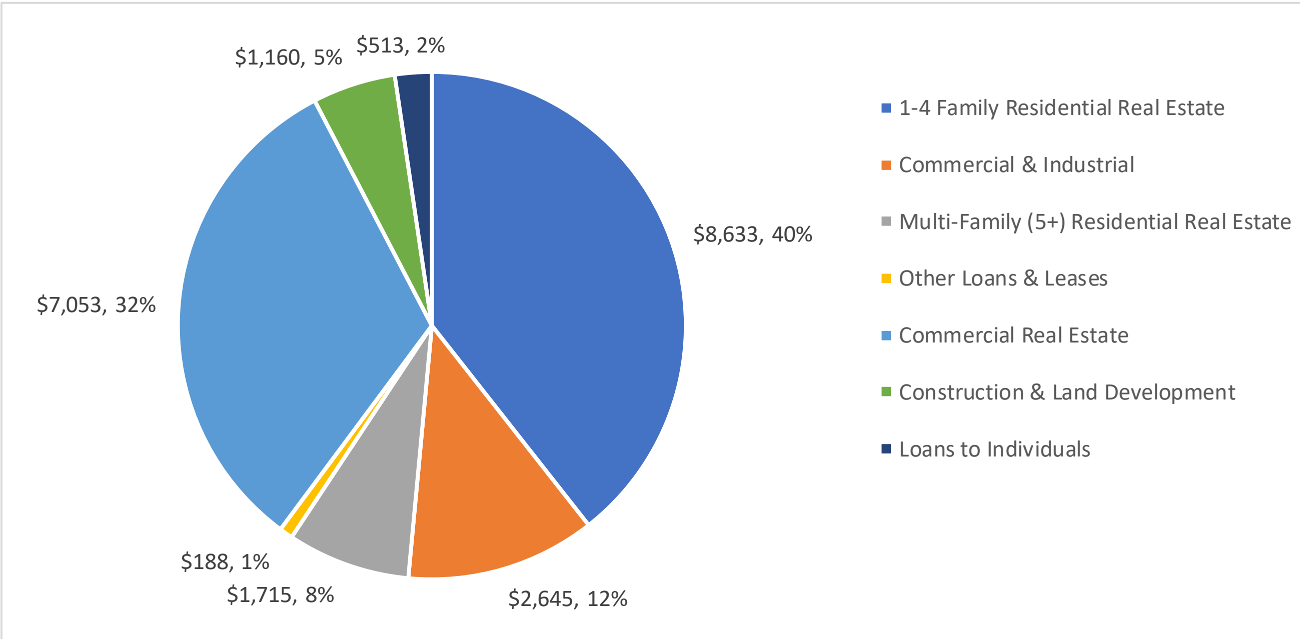
Credit Unions in Connecticut*
(As of 12/31/2021)

Credit Union	Total Assets (in thousands)	Number of Branches	Number of Employees
Connecticut State Employees Credit Union	$2,481,303	7	67
American Eagle Financial Credit Union	2,355,399	16	320
Sikorsky Financial Credit Union	1,094,001	10	125
Connex Credit Union	868,570	8	138
Nutmeg State Financial Credit Union	515,835	11	97
Dutch Point Credit Union	439,785	8	72
Mutual Security Credit Union	354,263	10	64
Achieve Financial Credit Union	177,049	4	32
Finex Credit Union	104,669	2	36
State Police Credit Union Inc.	76,795	2	7
Cornerstone Community Credit Union	69,338	4	14
America's First Network Credit Union	59,724	8	18
First Connecticut Credit Union	48,684	1	15
Soundview Financial Credit Union	46,649	2	9
Northwest Hills Credit Union	41,586	1	9
Members Credit Union	40,644	1	12
Norwalk Hospital Credit Union	40,350	1	4
Metropolitan District Employees Credit Union	28,442	1	5
New Haven County Credit Union	27,256	3	5
Stamford Healthcare Credit Union	25,279	1	4
Community Healthcare Credit Union	17,214	1	5
Community Credit Union of New Milford	15,507	2	5
Northeastern CT Health Care Credit Union	11,284	1	4
New Haven Firefighters Credit Union	8,340	1	3
Regional Water Authority Employees Credit Union	6,844	1	3
Trumbull Credit Union	3,680	1	2
New London Municipal Employees Credit Union	2,970	1	3
Kief Protective Mutual Benefit Association Credit Union	1,025	1	1
TOTALS	**$8,962,484**	**110**	**1,079**

N.B. Total on this page may differ from other reports due to rounding.
* https://www.ncua.gov/analysis/credit-union-corporate-call-report-data

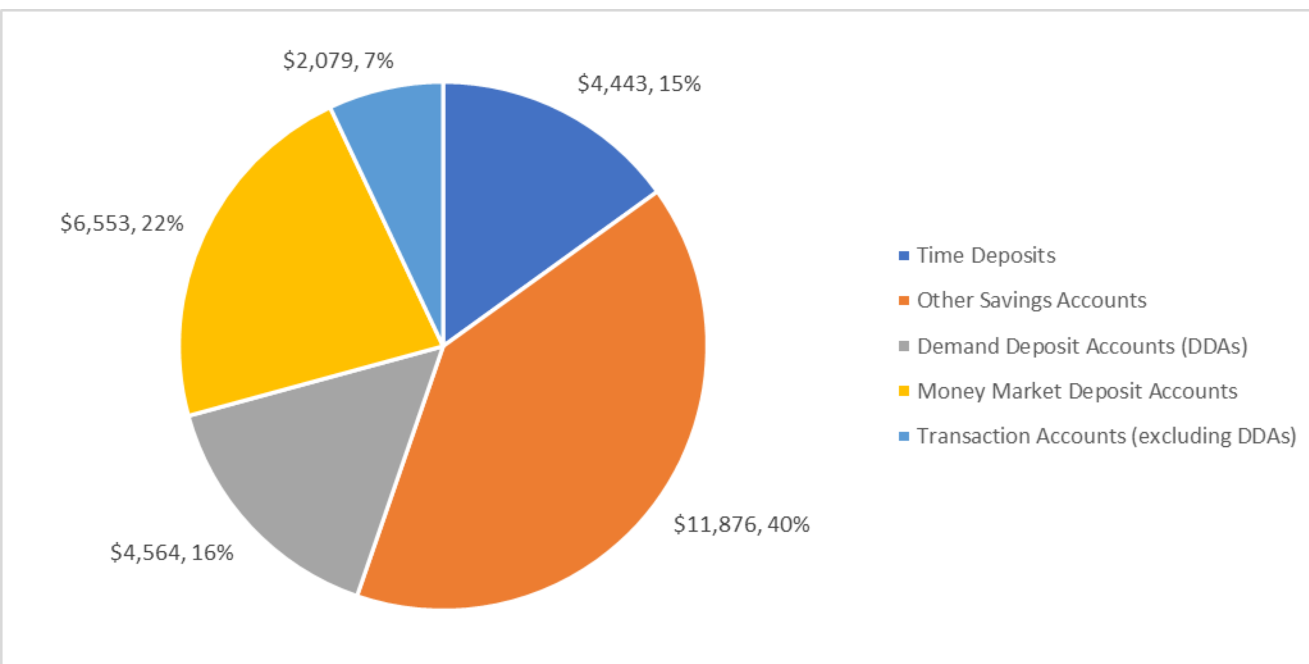
Connecticut-Chartered Banks' Gross Loans & Leases and Total Deposits Composition

Gross Loans & Leases of Connecticut-Chartered Banks
December 31, 2021
(Millions & %)

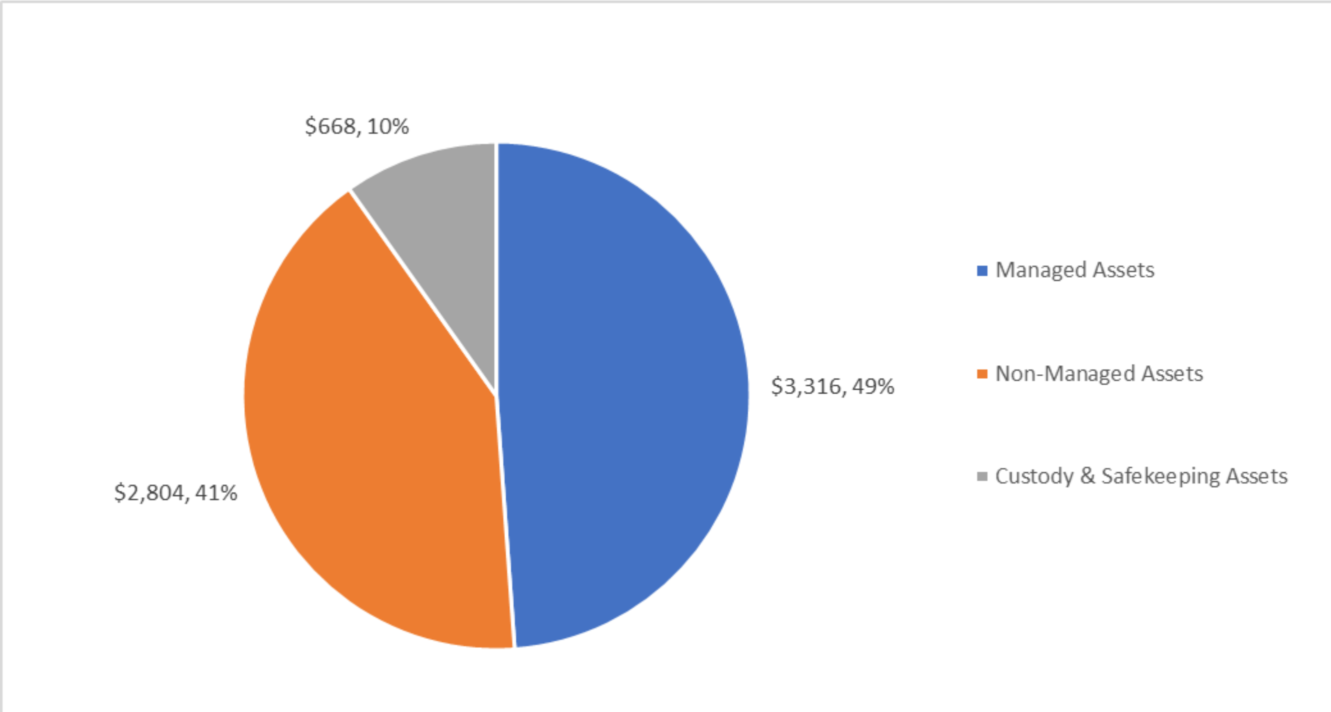


The above graph does not include Farmland & Farm loans totaling $10.8 million, or less than 0.05% of gross loans.

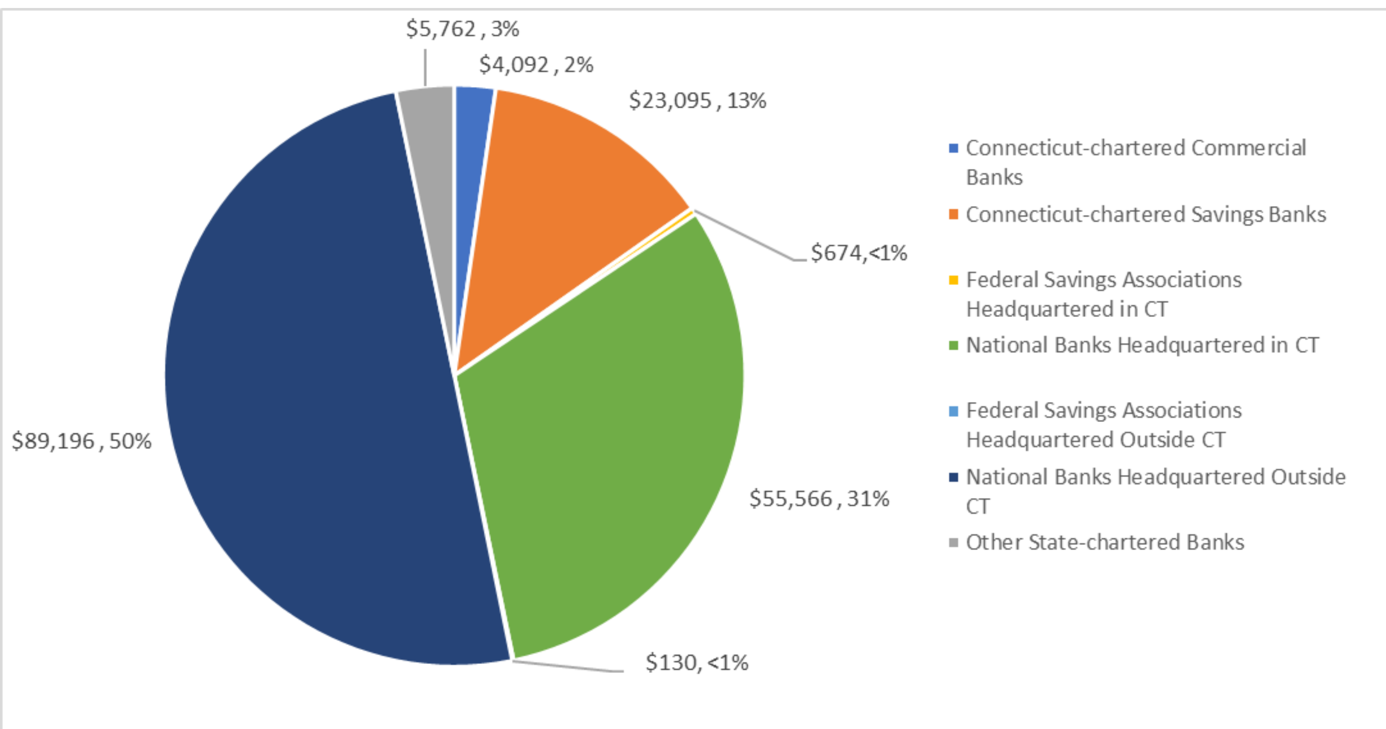
Total Deposits of Connecticut-Chartered Banks
December 31, 2021
(Millions & %)



Fiduciary & Related Trust Assets of Connecticut-Chartered Banks
December 31, 2021
(Millions & %)

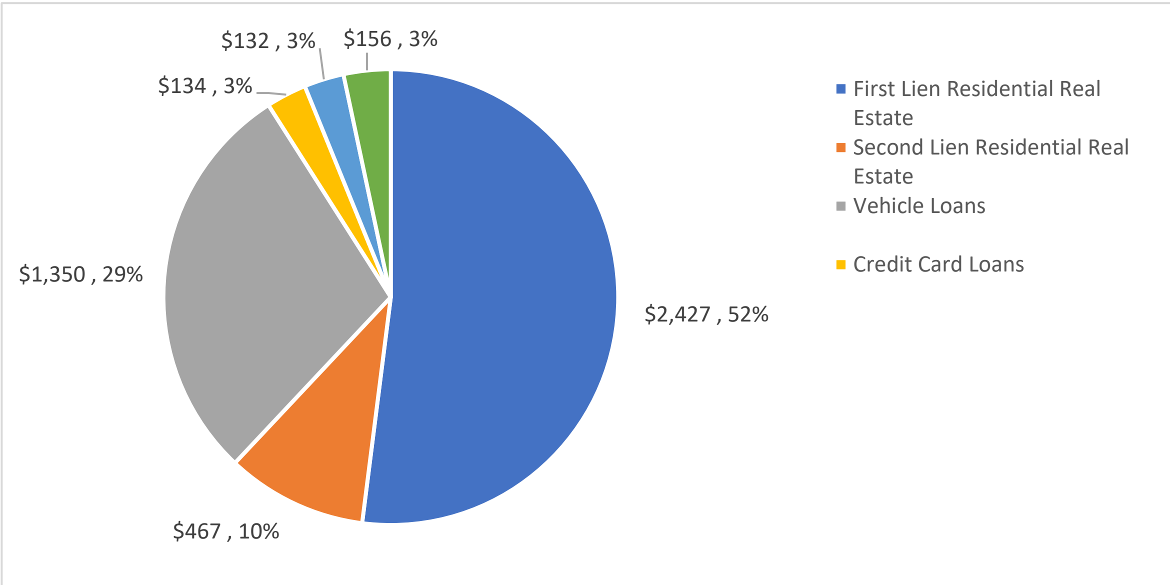


Connecticut Deposit Market Share by Charter Type
June 30, 2021
(Millions & %)

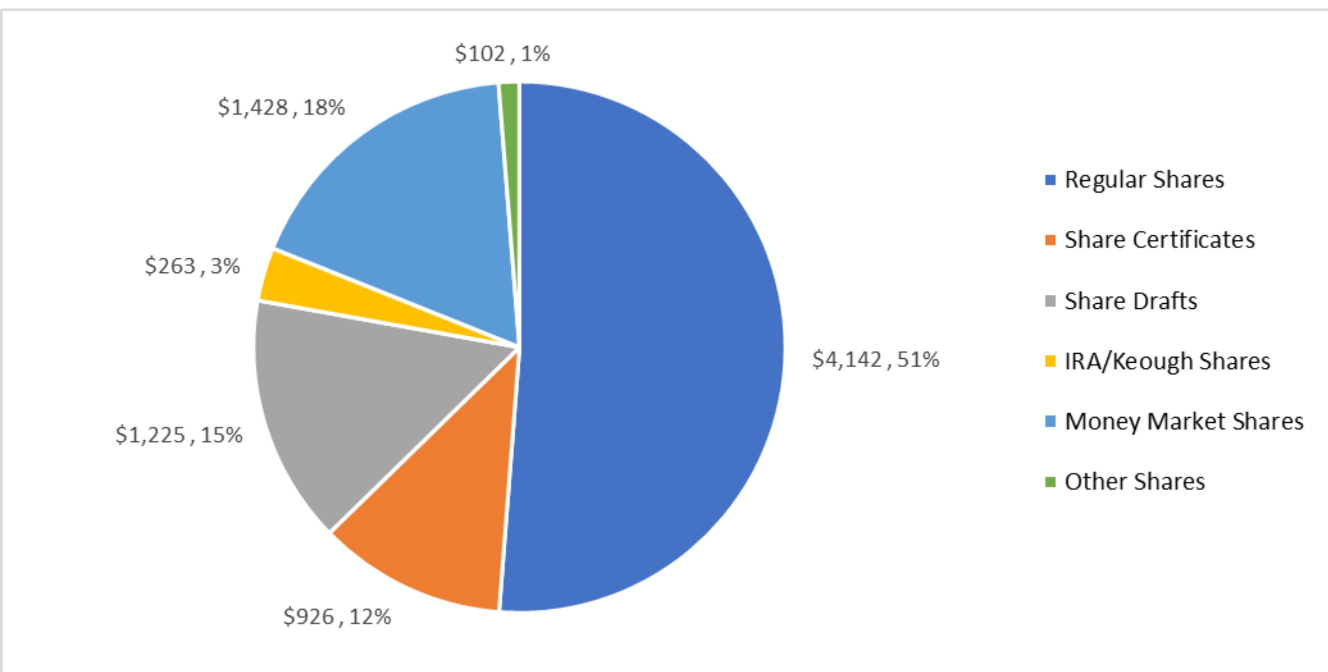


Connecticut-Chartered Credit Unions' Total Loans and Total Shares/Deposits Composition

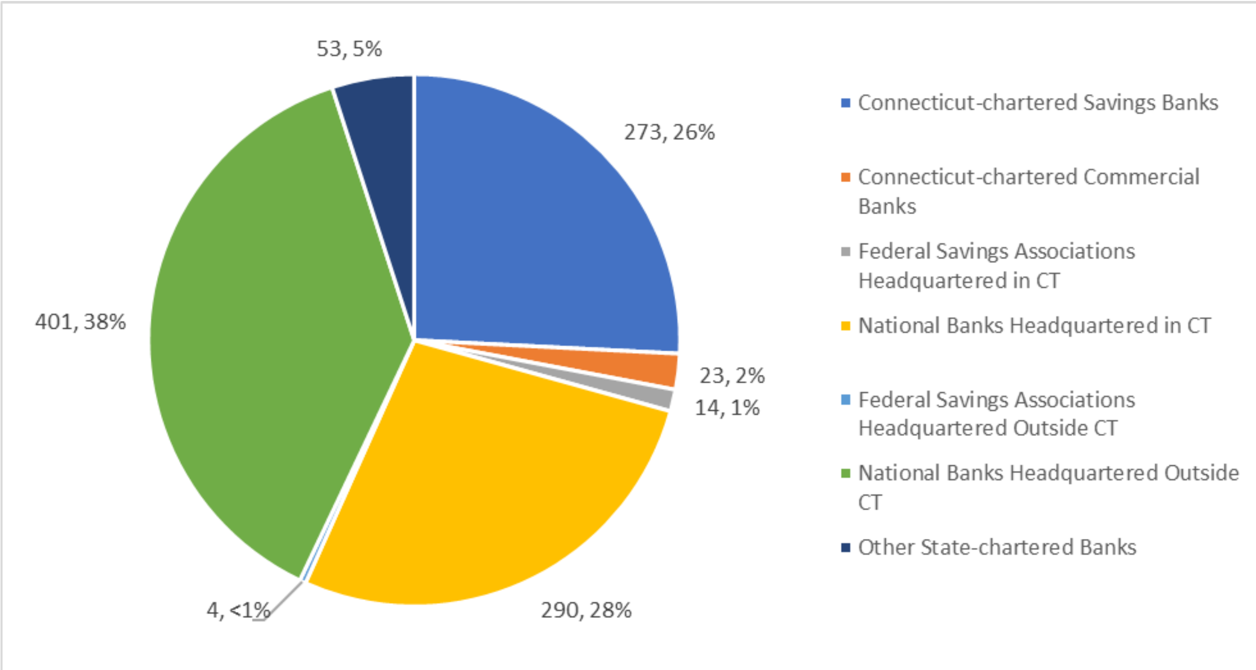
Total Loans of Connecticut-Chartered Credit Unions
December 31, 2021
(Millions & %)



Total Shares/Deposits of Connecticut-Chartered Credit Unions
December 31, 2021
(Millions & %)



Bank Branches in Connecticut by Charter Type
June 30, 2021
(Number & %)



DIVISION ACTIVITIES WITH INDUSTRY PARTNERS

National Association of State Credit Union Supervisors

On March 17-18, 2021, Department of Banking staff participated in the Annual National Association of State Credit Union Supervisors (NASCUS) Regulators Meeting. The regulators only, virtual event featured presentations on payment systems, capital, climate change and a fireside chat with NCUA Chairman Todd Harper.

On August 17-18, 2021, Department of Banking staff participated in the Annual NASCUS Summit. The virtual event included the NASCUS annual meeting along with presentations by leading credit union industry experts.

On November 16, 2021, the Department hosted the CT NASCUS Executive Forum in Rocky Hill, CT. The event included presentations on auto lending fraud, regulatory and national issue updates, internal controls and provided a great opportunity for networking.

Directors College

On September 8, 2021, Division Director Mary Ellen O'Neill participated in the virtual Directors College sponsored by the Connecticut Bankers Association and the FDIC.

Community Bankers Survey

In May 2021, the Department of Banking distributed the Conference of State Bank Supervisors (CSBS) National Survey of Community Banks to promote participation of community banks in providing data and feedback that is utilized by the researchers and academic participants in the national conference.

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 FDIC and the CSBS, was held virtually on September 28-29, 2021. 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 2021 Community Bank Case Study Competition, and the winning group presented at the conference alongside community bankers and key regulatory officials.

ACUSO Regulators Panel

On September 29, 2021, Division Director Mary Ellen O'Neill served on a regulators panel for the Association of Credit Union Senior Officers (ACUSO) annual "Meet the Regulators" meeting. Also serving on the panel were representatives from the NCUA, and the Massachusetts and New Hampshire regulatory agencies.

Commissioner's Industry Engagement

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

Commissioner Perez became a member of the Conference of State Bank Supervisors (CSBS) Non-Depository Supervisory Committee.

Commissioner Perez was elected chair of CSBS District 1 region, which Connecticut is a part.

On February 18, 2021, Commissioner Perez presented the Department of Banking's budget at the virtual meeting of the Appropriations Committee Regulation and Protection State Agency Budget Presentations.

Commissioner Perez testified at the legislative Banking Committee's public hearing on March 2, 2021.

Commissioner Perez attended the NASCUS National Meeting which was held virtually March 17-18, 2021. The annual meeting gives regulators a forum to discuss common challenges and exchange ideas.

Commissioner Perez and Government Relations and Consumer Affairs Director Matt Smith attended the CSBS 2021 Virtual Fly-In March 22-25, 2021. They met one-on-one with the Connecticut congressional delegation, including Representatives Courtney, Himes, DeLauro, Hayes and Larson, and Senators Blumenthal and Murphy.

On June 10, 2021, Commissioner Perez attended a walk through for the new Q-House Building in New Haven, CT. The Commissioner later attended the Q-House Building Ribbon Cutting on November 6, 2021.

On September 1, 2021, Commissioner Perez attended the Torrington Savings Bank Ribbon Cutting and Grand Opening Event in Bristol, CT.

On September 14, 2021, Commissioner Perez was a speaker at the Hispanic Small Merchant Virtual Network Meet and Greet.

On September 15, 2021, Commissioner Perez joined Governor Ned Lamont, Department of Corrections Commissioner Angel Quiros, and Department of Housing Commissioner Seila Mosquera-Bruno at a press conference to recognize the start of Hispanic Heritage Month, held at Mojo Restaurant in Waterbury.

Commissioner Perez hosted the CEO Banks Roundtable with the Connecticut Bankers Association, which was held September 19, 2021 and September 23, 2021 at the State offices at 450 Columbus Boulevard.

On October 1, 2021, Commissioner Perez met with Fernando Cerdena, President of Latinos United for Progress, in Hamden, CT.

On October 5, 2021, Commissioner Perez met with Frank Alvarado, with the U.S. Small Business Administration, for a Hispanic Business Outreach event.

Commissioner Perez traveled to Colorado Springs, CO from October 14-16, 2021 to attend the Connecticut Bankers Association Annual Meeting and Conference as guest speaker. He gave a speech on the Conference of State Bank Supervisors' Board, Mortgage Forbearance Initiative, Climate Change, Crypto Currency, Cyber Security, and Wire Transaction Fraud.

On October 20, 2021, Commissioner Perez attended a virtual New Haven Works Board Meeting as a representative for Governor Lamont.

Commissioner Perez was a speaker at a "Meet the Bankers" Virtual Event hosted by the Hispanic Small Merchant Initiative on October 27, 2021.

Commissioner Perez attended the Neighborhood Builders awards held virtually on November 15, 2021. EMERGE Connecticut, Inc. and Regional Youth Adult Social Action Partnership were named as the 2021 awardees for their work in connecting New Haven and Bridgeport communities to long-term careers.

On November 17, 2021, Commissioner Perez attended FinTech and the Future of Banking in Connecticut: A Networking Event in New Haven, CT.

Commissioner Perez traveled San Diego, CA December 5-10, 2021 to attend the CSBS' Board Meeting and Supervisors Symposium as District 1 Chair.

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 2021, 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 negotiators, sales finance companies, small loan companies and student loan servicers. By year-end, the Division issued a total of 1,110 main office licensed locations and 353 branch office licensed locations in the non-mortgage area, bringing the total licenses in the financial service industries to 1,463. An additional 39 Exempt Registrations were processed and new for 2021 was the Federal Student Loan Servicer Registrant, which totaled seven.

The total licenses issued for mortgage lenders, correspondent lenders and mortgage brokers for 2021 was 651 main office locations, with an additional 1,196 licensed branch locations. The total number of mortgage servicer main office locations was 88 with an additional 38 licensed branch locations. The Division issued two lead generator licenses in 2021. The number of applications approved for mortgage loan originators totaled 13,626 and an additional 329 applications were approved for loan processors and underwriters.

As a direct result of Consumer Credit activities, the Department was able to secure close to $900,000 in reimbursements, restitution and rescission offers to Connecticut consumers. This number included over $460,000 returned to 97 Connecticut consumers in 2021 which stemmed from an examination of a licensed sales finance company that was found to have overcharged DMV (Department of Motor Vehicle) Fees.

A total of 56 administrative actions were issued across all license types, resulting in the imposition of $743,949.84 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.

In July 2021, by order of the Commissioner, individuals working on behalf of persons licensed as consumer collection agencies, debt adjusters, debt negotiators, mortgage brokers, mortgage correspondent lenders or mortgage lenders, mortgage servicers, sales finance companies, small loan companies and student loan servicers in Connecticut, were permitted to engage in licensable activity from remote office locations with adherence to established standards and requirements governing such remote office activities.

In October 2021, by order of the Commissioner, money transmitters, consumer collection agencies, mortgage lenders, mortgage correspondent lenders, mortgage brokers, exempt registrants, mortgage servicers and debt adjuster licensees were notified of the requirements for use of electronic bonds when the Nationwide Multistate Licensing System and Registry makes the electronic surety bond functionality available in Connecticut.

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. Our examiners have been actively learning and using the new system to conduct our examinations in all our regulated industries. Staff continue to participate in all SES trainings and meetings in order to become proficient and provide communication to CSBS as needed to produce a highly efficient and useful examination system. In 2021, the Division successfully trained all Financial Examiners in the mortgage, money services, consumer finance and debt areas and successfully conducted over 57 examinations on the State Examination System.

Enforcement Activities
Consumer Credit Division

	2021
Investigations Opened	48
Investigations Closed	84
Investigations in Progress	33
Subpoenas Issued	6
Consent Orders	20
Settlement Agreements	0
Notices of Intent to Refuse to Renew (Licensing)	0
Refusing to Renew Orders (Licensing)	0
Notices of Intent to Revoke (Licensing)	1
Denial Orders (Licensing)	4
Summary Suspension Orders (Licensing)	1
Automatic Suspension Orders (Licensing)	0
Revocation Orders (Licensing)	2
Notices of Intent to Impose Civil Penalty	6
Orders Imposing Civil Penalty	18
Notices of Intent to Issue Cease and Desist Orders	5
Temporary Cease and Desist Orders	3
Cease and Desist Orders	8
Findings of Fact Conclusions of Law and Order	1
Activity Restrictions/Bars	2
Repayment of Fees Ordered	$233.00
Civil Penalties Imposed	$743,949.84
Restitution/Rescission offers	$891,782.73
Law enforcement actions taken through cooperation with DOB	0
Referrals to Connecticut Attorney General	1
Other Agency Referrals	8

Examinations / Investigations
Consumer Credit Division

License Type	Examinations/Investigations 2021
Mortgage Brokers, Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Servicers, Loan Processors/Underwriters and Mortgage Loan Originators	33
Money Transmitters	13
Check Cashers	0
Consumer Collection Agencies, including Debt Buyers	30
Debt Adjusters	0
Debt Negotiators	7
Small Loan Companies	2
Sales Finance Companies	18
Student Loan Servicers	13
Lead Generator	1

Consumer Credit Licensees
As of Year End
12/31/2021

License Type	2021
Licensed Mortgage Companies	651
- Licensed Mortgage Branches	1,196
Mortgage Loan Originators	13,626
Loan Processor/Underwriters	329
Mortgage Servicers	88
- Servicer Branches	38
Lead Generators	2
Money Transmitters	175
Check Cashers	50
- Check Casher Branches	61
Consumer Collection Agencies	607
- Collection Agency Branches	242
Debt Adjusters	28
- Debt Adjuster Branches	12
Debt Negotiators	6
- Debt Negotiator Branches	1
Small Loan Companies	64
- Small Loan Company Branches	14
Sales Finance Companies	136
- Sales Finance Company Branches	67
Student Loan Servicers	44
- Student Loan Servicer Branches	23
Federal Student Loan Servicer Registrants	7
Bona Fide Nonprofit Organizations	6
Exempt Registrants	39

Consumer Credit Licensees
New Licenses
As of Year End
12/31/2021

License Type	New Licenses Issued 2021	Number Not Renewed 2021	Net New Licenses
Mortgage Broker	29	5	24
Mortgage Broker Branch	4	0	4
Mortgage Correspondent Lender	2	0	2
Mortgage Correspondent Lender Branch	0	0	0
Mortgage Lender	44	2	42
Mortgage Lender Branch	214	8	206
Mortgage Loan Originator	4,826	2,341	2,485
Loan Processor/Underwriter	159	55	104
Mortgage Servicer	6	0	6
Mortgage Servicer Branch	1	1	0
Check Casher	2	7	(5)
Check Casher General Facility Branch	(2)	6	(4)
Check Casher Limited Facility Branch	0	0	0
Consumer Collection Agency	15	17	(2)
Consumer Collection Agency Branch	(1)	12	(11)
Debt Adjuster for Profit	0	0	0
Debt Adjuster for Profit Branch	0	0	0
Debt Adjuster Non Profit	0	0	0
Debt Adjuster Non Profit Branch	0	1	(1)
Debt Negotiation	2	0	2
Money Transmitter	29	2	27
Sales Finance Company	10	3	7
Sales Finance Branch	7	1	6
Small Loan Company	5	2	3
Small Loan Branch	3	0	3
Student Loan Servicer	5	1	4
Student Loan Servicer Branch	1	0	1
Federal Student Loan Servicer Registrant	7	0	7

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.

A resurgence of the COVID-19 pandemic in 2021 prompted the agency to continue remote office operations. From the Division's perspective, this included continuing successful implementation of a system for conducting examinations remotely and allowing filers to make their filings and remittances electronically. The use of Microsoft Teams proved to be an effective tool in maintaining Division communications. The agency also implemented a system for conducting hearings remotely. While the long-term economic impact of COVID-19 on securities issuers, broker-dealers and investment advisers remains to be seen, the Division was able to overcome the operational challenges caused by the pandemic through the efficient use of technological resources.

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. In addition, during the first quarter, the Division launched an online filing option for unit investment trusts, which are a type of investment company. Unit investment trust filings could now be made through the online Electronic Filing Depository ("EFD"), a platform developed by the North American Securities Administrators Association, Inc. ("NASAA"). Previously, the Division had ushered in online filing for private placements using the EFD system. The EFD system promises to promote efficiency and make compliance easier for securities issuers who may now make their filings simultaneously in multiple states. The system also allows members of the public to conduct free online searches of filings made through the system.

For the calendar year 2021, Securities and Business Investments Division intervention resulted in restitution and rescission offers to the investing public totaling $4,348,778. In addition, the Division imposed $951,355 in fines for violations of the state's securities laws. Of this amount, $551,355 was attributable to Division settlements and the balance was due to formal agency orders imposing fines. $150,000 was also earmarked for investor financial literacy pursuant to the terms of a Division informal settlement.

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. 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 forty-four securities and business opportunity investigations were opened in 2021, fifty-five investigations were closed, and seventy-six investigations were in progress as of December 31, 2021.

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 seven Consent Orders and nine Stipulation and Agreements in calendar year 2021. 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 2021, 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

	2017	2018	2019	2020	2021	5 Year % Change
Broker-dealer firms	2,116	2,061	2,039	1,978	1,992	(5.86)
Broker-dealer agents	163,204	166,612	168,913	172,879	181,638	11.29
Broker-dealer branch offices	2,568	2,530	2,488	2,387	2,301	(10.39)
Investment Adviser firms	491	483	484	467	451	(8.14)
SEC Registered Investment Advisory Firms Filing Notice*	2,119	2,165	2,219	2,240	2,302	8.63
Investment Adviser Agents	13,579	14,380	14,867	15,181	15,292	12.61

*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

	2017	2018	2019	2020	2021	5 Year % Change
Offerings Reviewed	198	140	129	102	113	(42.9)
Investment Company Notice Filings*	9,218	9,095	8,973	8,550	8,367	(9.23)
Exemptions and Exemptive Notices†	3,806	4,155	4,446	4,866	8,678	128.00

*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

	2021	2020
Broker-dealers	76	77
Investment Advisers	109	143

Enforcement Activities
Securities and Business Opportunities

	2021	2020
Investigations Opened	44	44
Investigations Closed	55	55
Investigations in Progress	76	87
Subpoenas Issued	18	16
Administrative Actions	8	15
Consent Orders	7	13
Stipulation and Agreements	9	7
Notices of Intent to Deny (Licensing)	0	1
Notices of Intent to Revoke (Licensing)	2	3
Denial Orders (Licensing)	0	2
Suspension Orders (Licensing)	0	0
Revocation Orders (Licensing)	1	1
Notices of Intent to Fine	3	6
Orders Imposing Fine	2	11
Cease and Desist Orders	3	6
Activity Restrictions/Bars	3	3
Monetary Sanctions Imposed	$951,355	$3,713,236
Offered/Returned to Investors Following Informal Division Intervention	$4,348,778	$1,654,526
Criminal Referrals	0	1
Referrals to Connecticut Attorney General	1	3
Other Agency Referrals	2	3

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 2021, examiners in the Division handled approximately 1,925 telephone inquiries and 1,119 written complaints from the public, with an additional 333 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 $98,837 in adjustments or reimbursements on behalf of consumers during the period. The security deposit investigator received approximately 574 telephone calls and 176 complaints related to rental security deposits in 2021. Following an investigation into each complaint, the Department recovered $59,132.52 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 2021, the Division fielded 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) 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 early March 2020, coronavirus altered the way the agency conducted educational outreach, and this continued into 2021. Thanks to modern technology, communicating through virtual platforms became the new way to connect in real time. The agency's outreach coordinator continued to offer virtual presentations and presented to a variety of audiences, including older adults, high school and college students, and industry professionals, on topics that ranged from financial fraud and exploitation to credit and debt management. During 2021, agency staff participated in approximately 38 outreach programs, both virtual and in-person.

Through our outreach program, we utilize partnerships with state, federal and community organizations to empower residents with the knowledge to protect their finances. Department staff are often called upon to share their expertise in helping consumers and investors learn about and avoid financial fraud, and collaboration continued to be a focus of its outreach efforts in 2021. The Department supported AARP's virtual *Fraud Fighting Fourth Friday* series by presenting several of their monthly programs in 2021. In January, an examiner from the agency's Securities Division provided a program on investment fraud, and in March, the outreach coordinator conducted a Financial Fraud Bingo program virtually. Attendees played bingo online and learned fraud prevention tips and techniques to keep their money safe.

In January 2021, the outreach coordinator was the guest speaker at the monthly meeting of the Connecticut Association of Resident Service Coordinators for Housing (CARSCH), held virtually. Although in-person programs at these communities had ceased, she had the opportunity to speak directly with the resident service coordinators and provide important resources. In April 2021, the outreach coordinator presented a virtual program in coordination with the Senior Medicare Patrol representative from the Southwestern Connecticut Agency on Aging that focused on coronavirus scams and Medicare fraud.

The Connecticut Bankers Association invited the agency's outreach coordinator to join a panel of experts for a February 2021 educational seminar for their member banks on elder fraud and abuse. She joined the Staff Attorney for the Department on Aging and Disability Services Unit on Aging and a lawyer representing the banking industry to share red flags of elder exploitation and resources for banks on making referrals in cases of suspected abuse. The agency's outreach coordinator was also invited to provide a series of programs for students through the Connecticut Association of Schools. She taught a virtual program in March, entitled *Personal Banking and Online Security*, where she discussed modern ways to bank, from online banking and mobile apps to person-to-person payments, as well as ways to avoid identity theft and how to manage your money. In April, she presented *Credit and Debt: Managing Both Wisely*, which focused on the importance of establishing credit, facts on credit and debit cards, and information about credit reports.

By late spring, in-person programming began to resume and in June 2021 the outreach coordinator conducted a Financial Fraud Bingo program at a senior housing community in Bridgeport. Eight Fraud Bingo programs were held in the summer and fall of 2021 at senior centers and senior housing communities. Additional in-person events took place in the fall of 2021 thanks to a partnership with law enforcement. The agency's outreach coordinator was invited to co-present at two senior fraud programs in Fairfield alongside a detective from the

Fairfield Police Department. These presentations focused on real-life examples of financial fraud and helped explain how residents can recognize and avoid becoming a victim of scammers.

The Department of Banking's outreach coordinator collaborated with AARP-CT's community outreach director to provide a virtual training for the Connecticut chapter of the American Case Management Association, entitled *Consumer Fraud & Exploitation: Navigating and Advocating on Behalf of Care Recipients*. The program took place on September 29, 2021 and was coordinated by Hartford Healthcare's Center for Healthy Aging.

On December 6, 2021, the agency's outreach coordinator was a speaker at the North American Securities Administrators Association's Virtual Investor Education Training. She provided an overview of *Take Care: Caregivers Against Senior Financial Exploitation*, a toolkit designed by NASAA's Senior Outreach Project Group, to educate and empower those who provide care for seniors. She co-presented with Joan Marshall, of Senior Resources Agency on Aging, who shared her perspective on caregiving.

In 2021, the Office of the Attorney General launched an Elder Justice Hotline to provide a resource for older residents in Connecticut to seek help and to connect to the right agency to lodge a complaint, get more information, or get connected to the resources they need. Department of Banking staff provided a key role in this initiative by training personnel from the Attorney General's office on the types of referrals that might be directed to the Department's Consumer Affairs unit.

The Connecticut Saves Campaign is a statewide initiative to encourage consumers to save regularly to improve their personal finances. The agency was unable to host its annual financial education expo during Connecticut Saves Week in February 2021 because of the pandemic, so instead used social media to share important resources and information about saving to Connecticut residents throughout the week. Daily e-mails were also sent to Department staff during Saves week, providing money management tips and resources. Connecticut Saves partners joined forces virtually on February 22, 2021 for a webinar that promoted the themes of saving automatically, preparing for unexpected expenses, saving for retirement, reducing debt, and saving as a family.

The Department has utilized the *Senior$afe*™ program to train financial professionals who work with seniors to identify and report signs of fraud and exploitation. The program, originated by the Maine Council for Elder Abuse and developed for use by state regulators, explains the red flags of financial exploitation that seniors might exhibit and how to report suspicious behavior to the state's Protective Services for the Elderly (PSE) program. In March 2021, the agency's outreach coordinator co-presented a virtual *Senior$afe*™ program for credit union personnel along with a manager from the PSE program. Attendees accessed the program via Zoom and the event was organized by the Credit Union League of Connecticut. That spring she conducted two additional virtual training programs for Bankwell Bank. *Senior$afe*™ 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.

Division staff remain active on several state coalitions, including the Coalition for Elder Justice in Connecticut, the Connecticut Jump$tart Coalition for Personal Financial Literacy, the Connecticut Saves Coalition, 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. Commissioner Pèrez is a member of the Governor's Council on Women and Girls and is active on its Economic Opportunity & Workforce Equity Subcommittee. The agency's outreach coordinator serves on the financial literacy work group of this subcommittee.

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.

Governor's Council on Women and Girls

The Governor's Council on Women and Girls is a group tasked with providing a coordinated state response to issues that impact the lives of women, girls, their families, and the State of Connecticut. Commissioner Pérez is a member of the Council and is active on its Economic Opportunity and Workforce Equity Subcommittee. The agency's outreach coordinator serves on the financial literacy work group of this subcommittee and helps update the state's financial literacy portal.

Legislation

Each year the Department conducts an active legislative program coordinated by the GRCA Division. The 2021 legislative session was conducted entirely remotely this year. While this did present some challenges, the agency was able to advance nearly all of its legislative initiatives. The following Public Acts reflect this.

PA 21-138, An Act Implementing the Department of Banking's Recommended Changes to the Banking Statutes Concerning Financial Institutions and Consumer Credit Licenses

- Reduces regulatory burden by allowing banks and their holding companies, who are free of any regulatory restrictions, to submit a consolidated audit report on an ongoing basis instead of submitting an individual audit report for each entity and eliminating the need to obtain an annual approval.
- Incorporates new federal banking regulatory capital standards called the Community Bank Leverage Ratio (CBLR) into the Banking Law of Connecticut. CBLR was designed to

apply different standards to smaller banks, those with assets under $10 billion. This bill allows community banks to continue to take public deposits and apply the CBLR.

- Reduces regulatory burden by eliminating the unnecessary step for the Commissioner to endorse a certificate of incorporation for a Connecticut credit union, since the certificate is already subject to the Commissioner's approval.
- Clarifies that once a municipality sells a lien, including sewer and water liens, to a third party and no longer have an ownership stake in the debt, the debt buyer is subject to our consumer collection laws.
- Permits a start-up company engaged in the activity of money transmission to provide a statement of condition as part of the licensure application in lieu of financial statements. This corrected language requiring new companies to provide audited statements, which would make compliance impossible for new companies.
- This is a conforming change to federal law that grants mortgage loan originators temporary authority (from the time of application to when the application is either denied or approved by the Commissioner) for individuals who either are licensed as mortgage loan originators in another state or employed as federal registered loan originators.
- Requires entities and individuals that make, originate or broker shared appreciation agreements, to become licensed by the department and subject to our consumer protection laws. These Shared Appreciation transactions advance funds to a consumer in exchange for an equity interest in residential property or the future repayment of an amount secured by a security interest in the residential property. The Department sees no distinction between these financial products and that of Home Equity Lines of Credit and second mortgages. Under these agreements, consumers in default may have liens put on their property and they face the threat of foreclosure.
- Clarifies the definition of "change in control" for purposes of filing an advance change notice with respect to a change of a director, general partner or executive for all licensees to mean any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons. This ensures Advance Change notices are given for only change in ownership not for changes in day-to-day operations, like branch managers.
- Makes minor technical changes to the statute.

PA 21-130, An Act Concerning Student Loan Servicers

In 2015 Connecticut was the first state in the country to begin regulating student loan servicers. Since then, other states and territories have passed similar laws. These laws have been challenged in at least two court districts, each of whom have ruled that states cannot require a federal vendor to be licensed in their home state or territory. To continue to enforce our consumer protection laws for those consumers who hold a federal student loan, statutory changes were required. This act changes the licensing requirement for federal student loans, to a simple registration with no fee attached. It preserves our ability to enforce the important consumer protection laws for federal student loans and makes no changes to those companies who service private student loans.

Government Relations and Consumer Affairs Division

Consumer Affairs	2021	2020
Telephone Inquiries	1,925	2,155
Written Complaints	1,119	1,152
Adjustments/Reimbursements on behalf of consumers	$98,837.48	$338,701.00

Rental Security Deposit	2021	2020
Telephone Inquiries	574	821
Written Complaints	176	164
Reimbursements on behalf of tenants	$59,132.52	$19,257.40

Foreclosure Hotline	2021	2020
Telephone Calls	333	481

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. While the coronavirus pandemic brought unexpected and sudden changes to the Department, 2021 presented new challenges as we began to live and work in an ever-changing and uncertain public health environment. From examinations and investigations, to meetings and consumer outreach, staff continued to transition to virtual platforms to conduct its business remotely and ensure a high level of productivity across the agency. This year saw the birth of a hybrid workplace, both on location at the Department as well as in the field. 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.