2024 Annual Report of the Banking Commissioner







Annual Report Of the Banking Commissioner

To His Excellency Ned Lamont, Governor

For the Year Ending December 31, 2024 Hartford, Connecticut Submitted: August 29, 2025



August 29, 2025

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 2024.

Respectfully yours,

Jorge L. Pèrez

Banking Commissioner

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BANKING COMMISSIONERS (1900-2024)

Jorge L. Pèrez	2015	Present
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 (1900-2024)

NONE 2012 Present
Alan J. Cicchetti
NONE 1996 1998
Robert B. Titus
Barbara S. McGrath
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
Patsy J. Piscopo
Maurice J. Ferland 1970 1971
Reinhard J. Bardeck 1951 1969
Lynwood K. Elmore
Richard Rapport 1938 1942
R. Gordon Baldwin 1928 1937
Lester E. Shippee
John K. Bissland 1917 1921



1.1 Agency Mission

The Department of Banking is the primary state regulator for Connecticut state-chartered banks and credit unions, securities and business investments, and consumer credit. Its mission is to protect the public from unlawful or improper practices within the financial services sector by ensuring regulated entities and individuals adhere to state banking and securities laws. The Department accomplishes this through regular, thorough, and cost-effective examinations of the entities we supervise. The agency also engages the public and other stakeholders through a variety of ways, including its consumer assistance unit, different media platforms, educational outreach initiatives, and press communications.

1.2 Organization

The Department of Banking is a state agency headed by the Banking Commissioner who reports directly to the Governor. The Department regulates and examines financial institutions and various financial services companies that are chartered, licensed, or registered by the Department; the Banking Commissioner administers state banking and credit union laws, securities and business investment 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 the executive/administrative office, three operational divisions and two support units 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.

Executive/Administrative Office

The Executive/Administrative Office provides overall supervision as well as strategic guidance for the agency. Comprised of the Commissioner and the Chief of Staff/General Counsel, the office also houses the Student Loan Ombudsperson and the agency's hearing officer/Freedom of Information coordinator. With input from the other divisions, the Executive Office sets the vision and goals for the agency as well as public policy.

In 2024, the Office of the Student Loan Ombudsperson was established to serve as the state's chief authority and specialist on all issues related to student loans. The office is administratively held within the Department of Banking and is led by a Student Loan Ombudsperson who is appointed by the Banking Commissioner. The Student Loan Ombudsperson has an independent statutory authority to analyze and monitor laws and policies that impact student loan borrowers at the federal, state, and local level, and to make recommendations. The student loan ombudsperson works directly with loan borrowers to address complaints and help them navigate issues and identify resources.

Also in 2024, the commissioner appointed a Senior Assistant Division Director assigned to the Financial Institutions Division, responsible for the supervision and regulation of innovation banks as well as legal matters for the Division. The Commissioner also appointed a Program Manager of Innovation and Strategy assigned to the Securities and Business

Investments Division, who will guide the Department's efforts to regulate emerging financial technologies through the implementation of training and program development.

Financial Institutions Division

The Financial Institutions Division is responsible for the supervision and examination of state-chartered savings banks, savings and loan associations, bank and trust companies, innovation banks, 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 is responsible 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 (BIDCO), international trade and investment corporations (ITIC) and certain non-banking corporations that exercise fiduciary powers.

Consumer Credit Division

The Consumer Credit Division is responsible for the examination, enforcement, and licensing of non-depository financial services companies including, 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; check cashing services; and private student loan servicers. The Division also registers federal student loan servicers; private education lenders and loan creditors; and commercial financing brokers and providers. In addition, Consumer Credit also administers Truth in Lending laws and retail installment sales financing laws.

Securities and Business Investments Division

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.

Agency Support

Government Relations and Consumer Affairs (GRCA) assists consumers with inquiries and complaints involving banks, credit unions, mortgage lending and other consumer credit matters, securities, business opportunity investments, and oversees the administration and enforcement of the rental security deposit laws. GRCA 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 Business Office is responsible for the accounting, budgeting, fiscal management, purchasing, financial reporting functions and oversight of the agency's audit. The Department of Administrative Services' (DAS) Small Agency Resource Team (SmART) provides human resources functions, and the DAS Equal Employment Opportunity Unit assists the agency with its affirmative action efforts. Information technology support is provided to the Department of Banking through the DAS Bureau of Information Technology Solutions.

As of December 31, 2024, the agency had 128 full-time budgeted positions with 122 filled.

1.3 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 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 is available in the agency's biannual Affirmative Action Plan which was approved by the Connecticut Commission on Human Rights and Opportunities in January 2025. 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.

Through our partnership with DAS, the Department ensures 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 HR Equal Employment Opportunity (EEO) Manager 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 HR EEO Manager is assigned by DAS to work with the Department and 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 DAS EEO Center of Excellence prepares materials and conducts training to heighten knowledge of equal employment opportunity laws and affirmative action goals. The Statewide HR Program Manager-EEO also serves as the agency's Americans with Disabilities Act (ADA) coordinator.

1.4 Freedom of Information and Department Hearings

The Department handles requests for information from the public through a dedicated Freedom of Information Coordinator, who also serves as the agency hearing officer. An online Freedom of Information (FOI) management system called GovQA streamlines requests and ensures prompt acknowledgement and notification of completion of inquiries and helps the Department process requests in an efficient manner.

In 2024, the Department received 50 FOI requests. From January 1, 2024, through December 31, 2024, the Department closed 53 requests. Four of the requests closed in 2024 originated in 2023 and one of the requests that originated in December of 2024 was not closed until 2025.

It is common practice for respondents to seek resolution prior to an agency hearing taking place. In 2024, all hearings that were scheduled reached settlement agreements.

1.5 Agency Spotlight

Innovation Bank Charter

Connecticut General Statutes Section 36a-70(t) allows for the organization of an innovation bank, formerly referred to as uninsured bank. An innovation bank has all the powers of a traditional bank and is subject to all the requirements and limitations applicable to a bank and trust company or savings bank. However, an innovation bank cannot accept retail deposits and does not need to comply with community reinvestment laws. Retail deposits are defined as deposits made by individuals who are not accredited investors under federal securities regulations.

The banking commissioner is the approving authority for innovation bank charter applications. Innovation banks require a minimum of \$5 million in equity capital to form, unless the commissioner establishes a different capital requirement based upon a bank's proposed activities.

The innovation bank charter provides customized regulatory solutions to financial technology companies looking to grow in a competitive marketplace. It is ideal for companies with diverse business models that are engaged in a variety of financial activities and seek to integrate a banking function but whose business plan does not include taking retail deposits from individuals. A bank charter is required for applications for Fed Master Account and Merchant Services Network. The innovation bank charter provides this first crucial step in this process. In addition, the charter provides a responsible, streamlined, and flexible regulatory approach allowing companies to operate across the U.S. It also provides a beneficial exemption to money services laws in many other states, reducing regulatory burden.

The Department has chartered two innovation banks and has issued a Temporary Certificate of Authority to another. Several more applications are pending before the Department.

BCUS, Inc.

Banking Circle US, a fintech payments bank, received its approval and authorization from the Department of Banking to commence the business of an innovation bank on July 25, 2023. In March 2024, the company announced the opening of its U.S. headquarters in Stamford, Connecticut, and in November 2024, changed its name to BCUS, Inc. They applied for a Fed Master Account which is expected to be approved in the latter half of 2025.

Numisma Bank

On May 28, 2024, Numisma Bank, a fintech global currency distributor, received its final approval and authorization from the Department of Banking to commence the business of an innovation bank. The company held a grand opening for its Greenwich, Connecticut office in September 2024. Numisma is the only state-chartered bank without a federal regulator to be approved for Fed Master Account.



Commissioner Perez and Department employees attend the grand opening of Numisma Bank.

Moneycorp Bank US

approval.

On October 25, 2024, a Temporary Certificate of Authority was issued authorizing Moneycorp Inc. to complete the organization of an innovation bank. The innovation bank is to be known as Moneycorp Bank US and will be located in Stamford, Connecticut. The Temporary Certificate of Authority is valid for a period of eighteen months. Moneycorp has applied for a Fed Master Account and is pending

Section 3.1 (pg. 23) of this report provides details regarding Connecticut-chartered innovation banks.

Department of Banking's Financial Literacy Collaboration

At times as part of settlements, the Department of Banking receives monies to be used for investor education, staff training and educational material. Commissioner Perez established a working group to develop a plan to partner with third-party vendors to provide educational programs 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 how to make smart money management decisions that will enable them to be independent and financially secure. After issuing a Request for Proposal (RFP) utilizing the state's eProcurement system, the committee recommended several entities for the Commissioner's consideration to receive funding for financial literacy education.

In March 2024, Commissioner Perez joined Governor Lamont and Lt. Governor Bysiewicz to announce the release of three state grants totaling more than \$400,000 are being used to support programs focused on improving the financial wellness of Connecticut residents with a priority focus on women and girls. The monies under the grant were ultimately

issued to recipients late in 2024, and those organizations will be required to report to the Department on the progress of their programs in 2025.

Department Cryptocurrency Committee and Cybersecurity Training

The Department of Banking's Cryptocurrency Committee, made up of members across all Divisions, meets regularly to work on educational and legislative efforts. In October 2024, the Cryptocurrency Committee took on the task of leading the Department's efforts related to cybersecurity training.

Cybersecurity is a growing concern for the Department. Its approach to mitigate this risk among our regulated entities has been to expand its information technology (IT) examinations and employ tools to help identify these risks and bolster training efforts among staff. One tool the Department has used is Security Scorecard, which assists Examiners in evaluating the cyber risks of companies we examine. Throughout the year staff continued to identify and provide various training opportunities in IT and cybersecurity for Department employees.

The Education Subcommittee continued to add content related to Cryptocurrency and Fin Tech resources to the agency website in 2024. Information pertaining to Exchange-Traded Funds (ETFs) was developed to help investors understand the difference between ETFs and mutual funds, and to explain their potential risks and benefits.

Members of the Education Subcommittee also held a book club discussion in July 2024 on *Number Go Up*, by Zeke Faux, which described the rise and fall of Sam Bankman-Fried and the collapse of cryptocurrency exchange FTX.

In 2024, members of the Policy and Legislation Subcommittee continued to focus their efforts on researching other states' statutes, regulations, and legislation and following developments at the federal level regarding digital assets. The Subcommittee has been assisted by two law student interns from Quinnipiac University School of Law, who are helping with research and drafting potential legislation aimed at Digital Assets.

Department of Banking Accreditation

In November 2024, the Department underwent its five-year reaccreditation process through the Conference of State Bank Supervisors (CSBS) for banks and mortgages lenders and the National Association of State Credit Union Supervisors (NASCUS) for credit unions. This process requires the Department to submit a self-evaluation to CSBS and NASCUS, which is followed by a four-day on-site evaluation by teams from CSBS and NASCUS comprised of seasoned regulators from accredited state agencies.

The accreditation program provides in-depth reviews and continuous oversight, ensuring that the Department upholds the highest standards of excellence and strengthens the Department's role in the financial system. To achieve reaccreditation the Department, through its Financial Institutions Division for banks and credit unions and its Consumer Credit Division for mortgage lenders, demonstrated compliance across key areas, including agency administration, personnel and training, examination procedures, supervision practices, and legislative authority. The Department exceeded accreditation standards in its communications with other regulators and in its leadership roles in industry, financial

literacy and educational outreach, agency fiscal management, consumer complaint resolution, and the mortgage license application process. The Department also received feedback on areas on which it can improve.

The Department was first accredited for its banking regulatory program in 1986 and has been continually accredited since. It was first accredited by NASCUS in 1990 and has maintained its accreditation since. The mortgage regulatory program has been accredited since 2019.

Department Agencywide Meetings

The Department held two bi-annual agencywide staff meetings on May 22, 2024, and November 19, 2024. These full-day in-person events provided an opportunity for the Banking Commissioner to provide department updates and other agency items, discuss projects, and take questions from staff. Division representatives shared industry updates, guest speakers provided professional development programs, and the agency's Morale Committee led the staff in team-building challenges.

The May agencywide meeting included an update on the Department's Strategic Plan, and reminders on affirmative action policies and ethics requirements. An update on the state's policy regarding the use of artificial intelligence (AI), a discussion of the innovation bank charter, and a group presentation on recently completed Securities Division investigations and enforcement cases rounded out the day.

Commissioner Perez led off the November agencywide meeting with the results of the reaccreditation process, citing many of the agency's accomplishments. The Student Loan Ombudsperson introduced herself to the agency and shared information about the Office and goals for educating and assisting student loan borrowers.

The November meeting was an opportunity to recognize and celebrate five employees who achieved their 25 years of service with the State of Connecticut. Each employee was recognized by their supervisor and given a gift in honor or their recognition, a tradition the Department has kept for many years. The day culminated in a team building challenge, which required collaboration, creativity and problem-solving.

1.6 Commissioner's 2024 Industry Engagement

Throughout the year, the Commissioner engaged the public and industry professionals to discuss important issues confronting the financial services industry. Commissioner Perez serves as an ex officio board member on both the Connecticut Housing Finance Authority (CHFA) and Community Economic Development Fund Foundation Board of Directors. He also serves on the Board of Directors for the Cornell Scott-Hill Health Center Foundation and Dixwell Community House (Q House).

January - March 2024

On February 26, 2024, Commissioner Perez and two examiners from the agency's Financial Institutions Division provided presentations to the Bank Management Course at Central Connecticut State University in New Britain.

Commissioner Perez joined Governor Ned Lamont as guest speakers at the Ribbon Cutting and Grand Opening for Banking Circle US (now BCUS, Inc.) on March 12, 2024.

April - June 2024

Commissioner Perez spoke at the Connecticut School of Finance and Management Class of 2024 Graduation on April 12, 2024, in Trumbull.

On April 17, 2024, Commissioner Perez spoke at the 2024 CT Bankers Forum - Economic Update in Cromwell.

Commissioner Perez provided remarks at the Credit Unions' CEO luncheon on April 23, 2024, in Harford.

Commissioner Perez hosted the CSBS District 1 Spring Meeting, held April 29 through May 1, 2024, in Baltimore, MD.

On May 8, 2024, Commissioner Perez attended and spoke at the *Meet the Bankers* event at Housatonic Community College in Bridgeport, which included over 200 bankers and small businesses.

Commissioner Perez spoke and attended *Financial Essentials for Women Entrepreneurs*, an event hosted by the YWCA Hartford Region, on May 20, 2024, in Hartford.

Commissioner Perez provided updates and information to staff at the Department of Banking agencywide meeting on May 22, 2024.

Commissioner Perez attended the Connecticut Community Bankers Association (CCBA) annual meeting in Harwich, MA on May 30 through June 1, 2024. This meeting allows the Commissioner to directly interact with CEOs and top management from Connecticut state-chartered banks, subject to the Department's jurisdiction.

July - September 2024

On July 31, 2024, Commissioner Perez spoke at the Local Initiatives Support Corporation (LISC) Financial Opportunity Center (FOC) Open House in Middletown. LISC CT was awarded \$250,000 from the Department of Banking to bring savings match accounts to 100 FOC clients in partnership with Liberty Bank to save towards homeownership, a vehicle, or education.

Commissioner Perez joined Comptroller Sean Scanlon, Treasurer Erick Russell, Hartford Mayor Arunan Arulampalam and others at a Financial Awareness Week press conference on August 14, 2024, at Legislative Office Building in Hartford, where he spoke on the importance of financial wellness.

Commissioner Perez provided welcoming remarks at the 2024 National Association of Consumer Credit Administrators (NACCA) Consumer Services & Examiners' School at the Hartford Marriott Downtown on September 10, 2024. He shared a map of Connecticut attractions and quizzed the audience, mostly from out-of-state, with Connecticut-themed trivia questions. He emphasized Connecticut's status of "Pizza Capital of the World."

Commissioner Perez was a guest speaker at the 2024 State of the (Credit) Union event on September 18, 2024, in Westbrook, hosted by the Credit Union League of Connecticut.

On September 21, 2024, Commissioner Perez spoke at the Connecticut Bankers Annual Meeting and Conference in Colorado Springs, CO.



Commissioner Perez speaks at the ribbon cutting and grand opening of Numisma Bank.

Photo: Tyler Sizemore/Hearst Connecticut Media



Commissioner Perez delivers opening remarks at 2024 NACCA Examiners' School.

Commissioner Perez was a guest speaker at the Numisma Bank Ribbon Cutting and Grand Opening

in Greenwich on September 24, 2024. He joined Governor Lamont and Department of Economic and Community Development Commissioner Daniel O'Keefe, in addition to other dignitaries at the event.

October - December 2024

Commissioner Perez joined Governor Ned Lamont at a press conference on October 21, 2024, in Seymour, regarding the extreme flooding that took place in August in Western Connecticut.

On October 21, 2024, Commissioner Perez was the guest lecturer at a Bank Management Course at Central Connecticut State University in New Britain.

Commissioner Perez provided agency updates to staff at the Department of Banking agencywide meeting on November 19, 2024, in Hartford.

1.7 Financial Statement

Receipts, expenditures, and adjustments relating to the fiscal year ending June 30, 2024, were as follows:

Receipts

Banking Fund	
Examination of banks etc. assessed in accordance with Section 36a-65, as amended	\$ 1,848,158
Examination of credit unions, assessed in accordance with Section 36a-65, as amended	\$ 467,746
Other license and examination fees	\$0
Registration, filing and transfer fees from securities brokers, etc.	\$ 38,765,235
License and registration fees: mortgage brokers, loan originators, check cashers, money transmitters, sales finance companies, check cashers, money transmitters, sales finance companies, small loan companies, debt adjusters, debt negotiators, and collection agencies	\$ 5,628,550
Prior period refunds and miscellaneous receipts	\$ 3,028,330
Total Banking Fund Receipts	\$ 46,882,088
Non-lapsing	
Student Loan Servicers Fees	\$85,500
Total Non-lapsing Receipts	\$85,500
General Fund - deposited directly	
Registration of securities and business opportunities	\$ 5,220,800
Penalties	\$ 7,084,679
Total General Fund Receipts	\$ 12,305,479
TOTAL RECEIPTS	\$ 59,273,067

Expenditures

Operating	
Personnel services	\$ 11,518,625
Fringe benefits	\$ 10,106,094
	\$ 173,245
Travel expenses, including motor vehicle rentals, fuel, and repairs	
Other expenses	\$ 1,372,236
Indirect overhead and equipment	\$ 436,149
Total Operating Expenditures	\$ 23,606,349
Allocated to Other Agencies	
Judicial	\$ 2,158,656

Total Expenditures Recognized by Other Agencies

Department of Housing

Department of Labor

TOTAL EXPENDITURES \$ 28,138,942

\$ 670,000

\$ 1,703,937

\$ 4,532,593

SECTION 2: OFFICE OF THE STUDENT LOAN OMBUDSPERSON

Connecticut Public Act 23-204 established the Office of the Student Loan Ombudsperson within the Department of Banking, statutorily assigned to serve as the state's chief authority and specialist on all issues related to student loans. The Office of the Student Loan Ombudsperson is charged with several duties related to student loans, including:

- Advising the Banking Commissioner on issues related to the student loan landscape including legislative trends and advocacy;
- Assisting in the resolution of complaints from student loan borrowers received by the Connecticut Department of Banking;
- Analyzing data on student loan borrower complaints;
- Educating student loan borrowers on their rights and responsibilities under the terms of student education loans;
- Providing information to the public, state agencies, legislators, and others regarding the problems and concerns of student loan borrowers and making recommendations for resolving those problems and concerns;
- Disseminating information concerning the availability of the Office of the Student Loan Ombudsperson to assist student loan borrowers and potential student loan borrowers; and
- Coordinating with other state agencies on student loan initiatives to ensure a statewide comprehensive approach for borrowers.

2.1 Student Loan Ombudsperson

In May 2024, Michelle Jarvis-Lettman was appointed by the Banking Commissioner to serve as the inaugural Student Loan Ombudsperson. With fifteen years of experience working in higher education as a student financial aid counselor and director, she has extensive expertise with student loans and related repayment and forgiveness programs.

2.2 Activities

In 2024, the Office of the Student Loan Ombudsperson updated the Student Loan Repayment Guide which offers key information for Connecticut loan borrowers. The guide is a starting point for borrowers to understand their rights, responsibilities, repayment and forgiveness options, and will be updated annually. It is available in six other languages (Chinese, Haitian-Creole, Italian, Polish, Portuguese, and Spanish).

The Department of Banking expanded its website in 2024 to offer pages dedicated to the Office of the Student Loan Ombudsperson. Those pages provide up-to-date information on student and parent loans, including resources and how to file a complaint if the borrower experiences issues with their servicer.

The Student Loan Ombudsperson developed a comprehensive strategy in 2024 that seeks engagement with federal partners as well as building a network with other state Ombudspersons. This strategy included outreach to legislative Banking Committee leadership, the Office of Higher Education, Office of the Attorney General, Department of

Administrative Services, Department of Consumer Protection, and representatives from the Student Loan Fund.

In October 2024, the Student Loan Ombudsperson attended the Student Loan Professional Development Series, a training event and networking opportunity sponsored by the California Department of Financial Protection and Innovation and created specifically for state Student Loan Ombudspersons, student loan regulators, and student loan advocates who assist student loan borrowers. The conference included training on federal and private student loan repayment options, borrower defense to repayment programs, loan forgiveness programs, best practices for working with student loan borrowers and loan servicers on frequent issues and problems, collaboration with federal regulators, and consumer protection regulatory frameworks.

In November 2024, the Student Loan Ombudsperson provided a presentation on financial aid for potential student loan borrowers at the Dixwell Community House in New Haven. In December 2024, the Ombudsperson represented the Office by hosting a resource table at the Connecticut Association for Professional Financial Aid Administrators conference in Westbrook.

The Student Loan Ombudsperson worked closely with Government Relations and Consumer Affairs (GRCA) to help resolve incoming complaints regarding student loans and repayment issues. Specific data regarding student loan inquiries and complaints can be found in Section 6 of this report.



Student Loan Ombudsperson Michelle Jarvis-Lettman presenting to potential student loan borrowers at Dixwell Community House.

The Student Loan Ombudsman will continue to build upon strategies, assist Connecticut borrowers, and provide the resources to help them make informed decisions regarding student loans.



Subject to the general supervision of the Banking Commissioner, the Financial Institutions Division is charged with administering Chapter 664a to 667 of Title 36a of the Connecticut General Statutes, 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, innovation banks, and credit unions. 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 supervises these institutions for safety and soundness, 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.

3.1 Connecticut-Chartered Banks

As of December 31, 2024, there were five Connecticut-chartered commercial banks, eighteen Connecticut-chartered savings banks, two Connecticut-chartered trust banks, and two innovation banks. There were no Connecticut-chartered savings and loan associations. All Connecticut-chartered commercial banks and savings banks are insured by the Federal Deposit Insurance Corporation (FDIC), however the two innovation banks do not need FDIC insurance as they do not take retail deposits.

Connecticut-Chartered Banks' Consolidated Financial Condition & Operating Results

Connecticut-chartered commercial banks and savings banks, collectively, reported total assets of \$37.3 billion as of December 31, 2024, a nominal increase of 2.76% from December 31, 2023. Total loans and total deposits for year-end 2024 were \$28.2 billion and \$29.8 billion, respectively. The values represent a 5.23% increase in total loans and a 4.76% increase in total deposits from year-end 2023. Total equity capital was \$4.1 billion as of December 31, 2024, a 6.06% increase from the prior year-end. Overall, Connecticut-chartered commercial banks and savings institutions collectively remained well-capitalized with a combined Equity Capital to Total Assets Ratio of 10.97% as of December 31, 2024, compared to 10.63% as of December 31, 2023.

The aggregate net-interest-margin (NIM) for Connecticut-chartered commercial and savings banks was 2.76% and 2.99% for year end 2024 and 2023, respectively. Aggregate earnings totaled \$187.8 million for 2024, compared to \$237.6 million for 2023. The aggregate return on average assets (ROA) totaling 0.50% for 2024 declined 16 basis points from 0.66% for 2023 due primarily to compression of the NIM and increased provisions for loan losses. The

aggregate return on average equity (ROE) decreased to 4.59% for 2024, compared to 6.15% for 2023.

Number of Connecticut-Chartered Institutions (As of December 31, 2023 & December 31, 2024)

Institution Type	Institutions 12/31/2023	Chartered	Dissolution Conversion	Merger	Net Change	Institutions 12/31/2024
Commercial Banks	5	0	0	0	0	5
Savings Banks	18	0	0	0	0	18
Innovation Banks	1	1	0	0	1	2
Trust Banks	2	0	0	0	0	2
Credit Unions	26	0	0	(1)	(1)	25
Totals	52	1	0	(1)	(0)	52

Connecticut-Chartered Commercial Banks

The number of Connecticut-chartered commercial banks remained unchanged at five. As of June 30, 2024, the five Connecticut-chartered commercial banks collectively operated twenty offices with aggregate deposits of \$4.9 billion. Within the Connecticut market, this group of institutions operated sixteen offices with aggregate deposits of \$4.7 billion.

Connecticut-Chartered Savings Banks

The number of Connecticut-chartered savings banks (eleven mutual and seven capital stock institutions) operating in the State as of December 31, 2024, remained unchanged from the prior year at eighteen. As of June 30, 2024, the eighteen Connecticut-chartered savings banks collectively operated 270 offices with aggregate deposits of \$24.1 billion. Within the Connecticut market, this group of institutions operated 266 offices with aggregate deposits of \$23.9 billion.

Connecticut-Chartered Innovation Banks

As of December 31, 2024, there were two active Connecticut-chartered innovation banks, two innovation banks in the process of organizing under temporary certificates of authority, and one innovation bank application in process.

Final certificates of authority to commence business as innovation banks were issued to BCUS, Inc. (formerly Banking Circle US), Stamford, Connecticut, and Numisma Bank (formerly Currency Reserve Bank), Greenwich, Connecticut on July 25, 2023, and May 28, 2024, respectively.

On October 25, 2024, a temporary certificate of authority was issued to Moneycorp, Inc. to complete the organization of an innovation bank to be known as Moneycorp Bank US, in Stamford, Connecticut. The temporary certificate of authority is valid for eighteen months.

On October 18, 2024, Fnality International Limited filed an application to organize Fnality Bank US, with a main office to be located in Fairfield County, Connecticut, as an innovation bank. The Temporary Certificate of Authority is expected to be issued in the first half of 2025.

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, 2024, their combined fiduciary and related trust assets were \$234.9 billion. This total consisted of \$12.9 billion in managed assets, \$208.0 billion in non-managed assets, and \$14.0 billion in custody and safekeeping assets.

Connecticut-Chartered Bank Name Changes

Three Connecticut-chartered banks changed names during 2024:

Former Bank Name	Updated Bank Name	Effective Date
Currency Reserve Bank	Numisma Bank	4/25/2024
Savings Bank of Danbury	Ives Bank	11/04/2024
Banking Cicle US	BCUS, Inc.	11/15/2024

Connecticut-Chartered Banks' Fiduciary & Related Trust Assets

As of December 31, 2024, six Connecticut-chartered banks operated trust departments with fiduciary and related trust assets of \$2.8 billion, consisting of \$2.1 billion in managed assets, \$0.4 billion in non-managed assets, and \$0.3 billion in custody and safekeeping assets.

3.2 Connecticut-Chartered Credit Unions

As of December 31, 2024, there were twenty-five Connecticut-chartered credit unions operating in the State. The number of state-chartered credit unions declined by one from year end 2023 with the merger of Northeastern Connecticut Healthcare Credit Union with and into America's First Network Credit Union.

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

Connecticut-chartered credit unions reported total assets of \$9.8 billion as of December 31, 2024, a 1.68% increase from December 31, 2023. Aggregate shares and deposits totaled \$8.7 billion as of December 31, 2024, a 1.83% increase from December 31, 2023. Total loans were \$5.4 billion as of December 31, 2024, a 0.80% increase from December 31, 2023. Total net worth for Connecticut-chartered credit unions was \$977 million for December 31, 2024, a 4.96% increase versus December 31, 2023. Connecticut-chartered credit unions' earnings performance for 2024 decreased from the prior year, generating a ROA of 0.43% versus 0.56% for 2023. The net interest margin increased to 2.26% versus 2.11% for 2023. Several

factors impacted earnings, including higher levels of overhead and provision expenses, and lower levels of non-interest income.

3.3 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 considered their reinvestment efforts as a basis for approving or denying expansion activity. CRA ratings reflect the most recent ratings given by the Department or the FDIC.

CRA Ratings of Connecticut-Chartered Banks & Credit Unions As of December 31, 2024

Institution Type	#	Outstanding	Satisfactory	Needs Improvement	Not Rated
Connecticut-chartered Banks	25	5	17	1	2
Connecticut-chartered Credit Unions ¹	25	2	12	0	11
Totals	50	7	29	1	13

'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, 2024, fourteen Connecticut-chartered credit unions met these criteria, eleven did not.

3.4 Federal & Out-of-State Banks

In addition to the twenty-three Connecticut-chartered, insured depository institutions operating in the state as of December 31, 2024, there were eight banks chartered by a state other than Connecticut. There were also seventeen national banks and three federal savings associations regulated by the Office of the Comptroller of the Currency (OCC) operating in the state. Four of the national banks and two of the federal savings associations are headquartered in Connecticut.

3.5 Federal & Out-of-State Trust Entities

In addition to the two Connecticut-chartered trust banks operating in Connecticut as of December 31, 2024, there were four limited purpose trust companies chartered by states other than Connecticut; and one national bank limited to trust activities in Connecticut.

3.6 Federal & Out-of-State Credit Unions

In addition to the twenty-five Connecticut-chartered credit unions operating in the State as of December 31, 2024, there were forty-six federally-chartered credit unions headquartered in Connecticut, eight federally-chartered credit unions headquartered out-of-state, and

three credit unions chartered by a state other than Connecticut. All credit unions operating in Connecticut are insured by the National Credit Union Administration (NCUA).

3.7 Foreign Banking Organizations

As of December 31, 2024, there was one branch office and two representative offices 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 12/31/2022 (\$ millions)	Assets As of 12/31/2023 (\$ millions)	Assets As of 12/31/2024 (\$ millions)
Bank of Ireland	Branch	6/15/2006	2,096	1,667	1,988
MUFG Bank, Ltd.	Representative Office	11/28/2022	Representative Offices do not hold assets.		
NatWest Group plc	Representative Office	2/01/2017	Representative Offices do not hold assets.		

3.8 Financial Institutions Division Activities with Industry Partners

Division Industry Engagement

Banking Department Manager Joseph Wallace and Associate Financial Examiner Dylan McCarroll attended the Connecticut Bankers Association (CBA) BankWorld conference at Mohegan Sun in Uncasville, CT on January 12, 2024. This conference, which is New England's premier banking trade show, consists of educational sessions, interactive panels, industry leading exhibitors, the latest in innovative products and services, and networking opportunities.

Mr. McCarroll and Financial Examiner Luis Cruz joined Commissioner Perez as guest speakers for a Bank Management Course at Central Connecticut State University on February 26, 2024, in New Britain. The examiners described the role of a bank examiner and an examiner's typical day. Mr. Cruz also spoke about the educational opportunities the department afforded him, such as completing his Master's Degree in Financial Risk Management and traveling to London, UK to explore the emerging challenges within the fintech space.

Division Director Danzel Palmer, Senior Assistant Division Director Matthew Saunig, Banking Department Managers Debora Lein and Joseph Wallace, and Division Attorney Hannah Ahern, joined Commissioner Perez and Governor Lamont at the ribbon-cutting ceremony for the grand opening of BCUS, Inc. (formerly Banking Circle US) in Stamford on March 12, 2024.

Mr. Palmer and Mr. Wallace accompanied Commissioner Perez to the National Association of State Credit Union Supervisors (NASCUS) National Regulators Meeting in Chicago, IL, on March 26-28, 2024. These meetings bring state regulators together to collaborate on the emerging risks and supervisory challenges in the state credit union system. State regulators examined developments in fintech, exchange ideas with the National Credit Union Administration (NCUA), shared strategies for addressing increased internal fraud and learned about the nuances of low-income credit unions, minority depository institutions, and community development financial institutions.

Commissioner Perez, Mr. Palmer, and Mr. Saunig attended the Conference of State Bank Supervisors (CSBS) District 1 Spring meeting from April 30 to May 1, 2024, in Baltimore, MD. These meetings, held with state and federal regulators, and CSBS staff, afford regulators the opportunity to increase communication, cooperation, and understanding in regulating state chartered financial institutions.

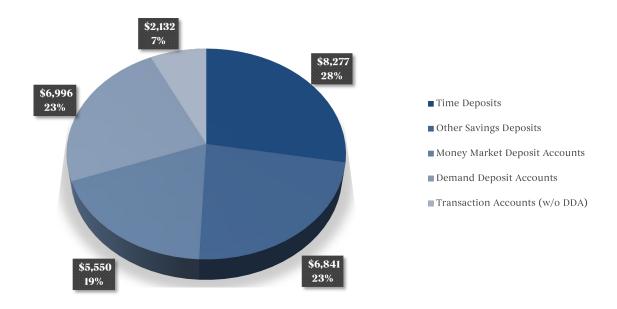
Mr. Saunig participated on a panel at the International Association of Financial Crimes Investigators (IAFCI) Connecticut Chapter's annual conference at Mohegan Sun on May 9, 2024. The panel addressed new legislation to allow financial institutions to place a hold on a transaction or disbursement if they suspect fraud or exploitation.

Commissioner Perez hosted Bank CEO Roundtable meetings on October 17, 2024 (small banks) and October 27, 2024 (large banks), which included representatives from the banking industry and the CBA. The sessions included a discussion of regulatory and industry issues impacting the banking industry and provided an opportunity for bank CEOs to highlight new initiatives and achievements.

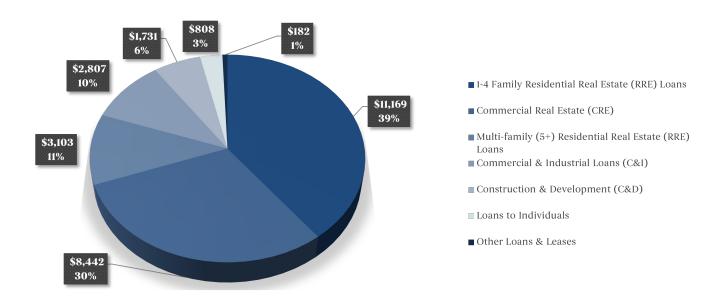
Mr. Palmer and Banking Department Manager Sarah Lindsay joined Commissioner Perez at the CSBS District 1 Fall meeting in Burlington, VA held October 28-30, 2024. These meetings include state and federal regulators and CSBS staff in order to exchange ideas, review emerging trends, discuss issues and develop strategy.

FINANCIAL INSTITUTIONS DIVISION DATA ANALYTICS

Total Deposits of Connecticut-Chartered Banks December 31, 2024 (Millions & %)

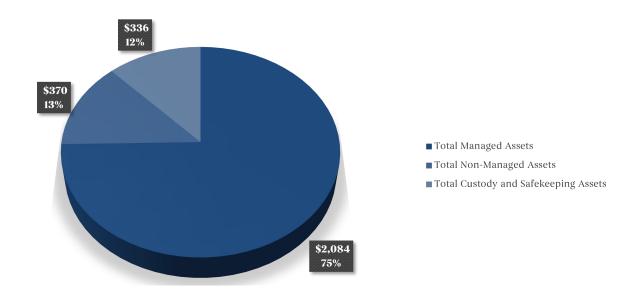


Gross Loans & Leases of Connecticut-Chartered Banks December 31, 2024¹ (Millions & %)

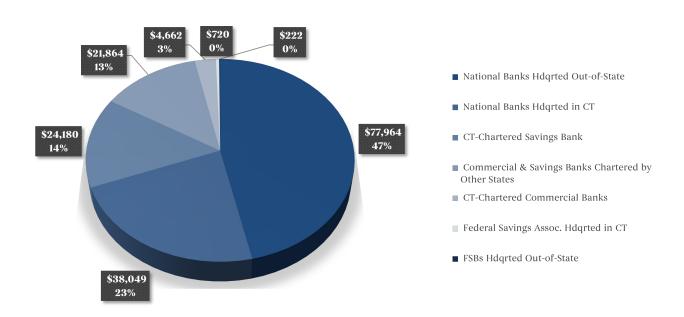


The above graph does not include loans secured by farmland & farm loans totaling \$7,502M, or 0,03% of Gross Loans & Leases.

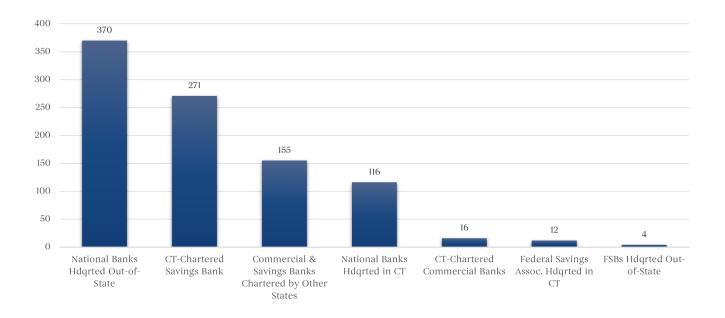
Fiduciary & Related Trust Assets of Connecticut-Chartered Banks December 31, 2024 (Millions & %)



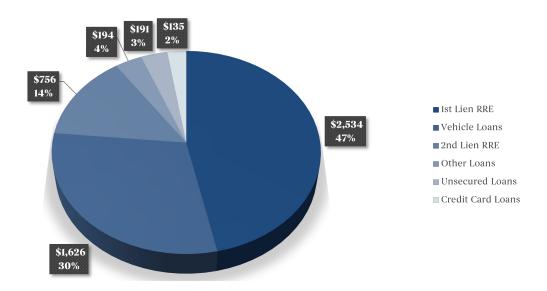
Connecticut Deposit Market Share by Charter Type June 30, 2024 (Millions & %)



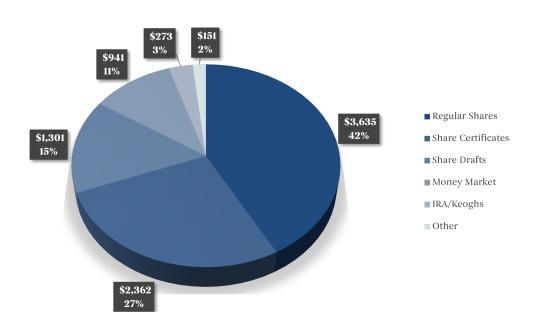
Bank Branches in Connecticut by Charter Type June 30, 2024 (Number)



Total Loans of Connecticut-Chartered Credit Unions December 31, 2024 (Millions & %)



Total Shares/Deposits of Connecticut-Chartered Credit Unions December 31, 2024 (Millions & %)



SECTION 4: CONSUMER CREDIT

Subject to the general supervision of the Banking Commissioner, the Consumer Credit Division is charged with administering Chapter 668 to Chapter 669 of Title 36a of the Connecticut General Statutes.

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. The Division also registers commercial financing brokers and providers.

4.1 Licensing and Registration

During 2024, 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.

Mortgage

In 2024, the Division issued 415 mortgage lender licenses, of which 41 were new licenses, while 39 did not renew. The Division issued 25 correspondent lender licenses, of which three were new licenses and eight did not renew. The Division issued 275 mortgage broker licenses, of which 37 were new licenses and 33 did not renew. The Division issued an additional 1,078 licensed branch locations. Of those total branch locations, 302 were new licenses and 286 did not renew.

The total number of mortgage servicer main office locations was 85 (five were new and nine did not renew) with an additional 22 licensed branch locations, of which two were new and five did not renew. The Division issued four lead generator licenses in 2024. One new license was added in 2024. The number of applications approved for mortgage loan originators totaled 9,265 (2,004 were new and 1,587 did not renew) and an additional 203 applications were approved for loan processors and underwriters. Of those loan processors and underwriters, 37 were new and 52 did not renew.

Non-Mortgage

In addition to licensing the mortgage industry, 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 and commercial finance registrants. By yearend, the Division issued a total of 1,134 main office licensed locations and 359 branch office licensed locations in the money services, consumer finance, and debt areas, bringing

the total licenses in the financial service industries to 1,493. The Division processed an additional 54 exempt registrations, 11 federal student loan servicer registrants and 13 private education lender and creditor registrations in 2024. Additionally, the Consumer Credit Division's area of responsibility expanded to process 97 commercial financing broker and provider registrations.

4.2 Examination and Enforcement

As part of the Division's efforts to increase and maximize the efficiency of its examination process, Consumer Credit has participated in the Conference of State Bank Supervisor's development of a State Examination System (SES). This is a system built by state regulators for state regulators and the companies they supervise. The system is streamlining efforts among state regulators by removing redundant examination questions and providing a more efficient examination, proving beneficial for licensees. Consumer Credit Division examiners have been actively learning and using the system to conduct its examinations in all its regulated industries. Staff continue to participate in regular SES trainings and meetings to become proficient and provide communication to CSBS as needed to produce a highly efficient and useful examination system. Examinations are conducted on the SES in the mortgage, money services, consumer finance, and debt areas. In 2024, the Division conducted 117 examinations and investigations of licensees under their jurisdiction.

As a direct result of Consumer Credit activities, the Department was able to secure over \$344,000 in reimbursements, restitution and rescission offers to Connecticut consumers. In addition, \$324,894 was returned to approximately 596 Connecticut consumers in 2024 which stemmed solely from examinations of licensed entities.

A total of 59 administrative actions were issued across all license types, resulting in the imposition of \$1,640,000 in civil penalties. The Division has also made referrals to other state and federal agencies for further investigation.

4.3 Industry Engagement

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 (CSBS), the Consumer Financial Protection Bureau, the North American Collection Agency Regulatory Association (NACCA), and the American Association of Residential Mortgage Regulators (AARMR). Division staff also lead instruction in mortgage supervision as well as Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) laws which reached examiners nationwide.

In February 2024, a Principal Financial Examiner in the Division was a presenter at the *NMLS Ombudsman's Meeting and the Mortgage Call Report Form Version 6 Training* at the 2024 NMLS Conference and Training in San Antonio, TX. He joined the Consumer Credit Division Director and an Examiner in the *Meet Your Regulator* session.

An Associate Financial Examiner attended the CSBS Instructor Training in Long Beach, CA, January 22-25, 2024.

Section 4: Consumer Credit

Three Financial Examiners attended the AARMR Examiner Training School in Baltimore, MD from March 19-21, 2024. The training covered mortgage advertising, mortgage service agreements (MSAs) and mortgage loan originator (MLO) compensation.

A Principal Financial Examiner attended the State Coordinating Committee/CFPB Coordinated Examination Examiner in Charge (EIC)/Single Point of Contact (SPOC) Planning Event in Washington DC from March 19-20, 2024.

The Consumer Credit Division Director attended the CSBS District 1 Spring Meeting from April 29 to May 1, 2024, in Baltimore, MD.

An attorney in the Division attended the *Chainalysis Links NYC 2024* conference, April 9-10 in New York, NY. Sessions included success stories, best practices, and insights into recent cryptocurrency-involved investigations and potential regulations.

The Division Director, along with a Division Manager and Associate Financial Examiner attended the AARMR 34th Annual Regulator Conference, New Orleans, LA from August 5-9, 2024.

On September 10, 2024, a Division Manager was a panelist to discuss earned wage access and other small loan related topics at the 2024 NACCA Consumer Services & Examiners' School at the Hartford Marriott Downtown. Several additional Division staff members attended the event.

An attorney in the Division joined a panel of experts on September 18, 2024, at the 2024 Money Transmitter Regulators Association Annual Conference and School, held in Philadelphia, PA. He discussed the current landscape, legislation, and enforcement of virtual kiosks.

An attorney from the Division attended the CSBS District I Meeting in Burlington, VT from October 28-30, 2024.



Enforcement Activities Consumer Credit Division

	2023	2024
Investigations Opened	85	69
Investigations Closed	85	59
Investigations in Progress	25	32
Subpoenas Issued	2	4
Consent Orders	39	17
Settlement Agreements	1	0
Notices of Intent to Refuse to Renew (Licensing)	5	2
Refusing to Renew Orders (Licensing)	2	0
Notices of Intent to Revoke (Licensing)	9	4
Denial Orders (Licensing)	2	1
Summary Suspension Orders (Licensing)	1	2
Automatic Suspension Orders (Licensing)	4	1
Revocation Orders (Licensing)	9	4
Notices of Intent to Impose Civil Penalty	11	10
Orders Imposing Civil Penalty	44	23
Notices of Intent to Issue Cease and Desist Orders	12	12
Temporary Cease and Desist Orders	8	11
Cease and Desist Orders	6	10
Findings of Fact Conclusions of Law and Order	3	1
Activity Restrictions/Bars	0	0
Repayment of Fees Ordered	\$224,247.26	\$190,792.88
Civil Penalties Imposed	\$1,270,136.36	\$1,640,000.00
Restitution/Rescission offers	\$180,316.96	\$344,068.61
Law enforcement actions taken through cooperation with DOB	0	0
Referrals to Connecticut Attorney General	2	0
Other Agency Referrals	0	1

Examinations / Investigations Consumer Credit Division

License Type	Examinations/ Investigations		
	2023	2024	
Mortgage Brokers, Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Servicers, Loan Processors/Underwriters and Mortgage Loan Originators	51	28	
Money Transmitters	38	25	
Check Cashers	0	13	
Consumer Collection Agencies, including Debt Buyers	18	21	
Debt Adjusters	0	0	
Debt Negotiators	2	7	
Small Loan Companies	7	11	
Sales Finance Companies	11	7	
Student Loan Servicers	6	5	
Lead Generator	1	0	

Consumer Credit Licensees As of Year End 12/31/2024

License Type	2023	2024
Licensed Mortgage Companies Mortgage Broker Mortgage Correspondent Lender Mortgage Lender - Licensed Mortgage Branches	716 269 32 415 1102	723 279 26 419 1078
Mortgage Loan Originators	10,143	9272
Loan Processor/Underwriters	236	203
Mortgage Servicers - Servicer Branches	89 25	85 22
Lead Generators	3	4
Money Transmitters	201	204
Check Cashers - Check Casher Branches	50 55	48 51
Consumer Collection Agencies - Collection Agency Branches	569 202	554 186
Debt Adjusters - Debt Adjuster Branches	24 31	24 29
Debt Negotiators - Debt Negotiator Branches	6 3	5 3
Small Loan Companies - Small Loan Company Branches	85 14	191 11
Sales Finance Companies - Sales Finance Company Branches	160 59	178 59
Student Loan Servicers - Student Loan Servicer Branches	44 22	247 21
Federal Student Loan Servicer Registrants	13	12
Private Education Lender Registrants	n/a	9
Private Education Loan Creditor Registrants	n/a	4
Bona Fide Nonprofit Organizations	6	6
Exempt Registrants	53	54
Commercial Financing Broker Registrants	n/a	32
Commercial Financing Provider Registrants	n/a	65

Section 4: Consumer Credit

Consumer Credit Licensees -New Licenses As of Year End 12/31/2024

License Type	New Licenses Issued 2024	Number Not Renewed 2024	Net Change in Number of Licensees effective January 1, 2025
Mortgage Broker	37	33	4
Mortgage Broker Branch	31	5	26
Mortgage Correspondent Lender	3	8	(5)
Mortgage Correspondent Lender Branch	1	6	(5)
Mortgage Lender	41 39		2
Mortgage Lender Branch	270	275	(5)
Mortgage Loan Originator	2004	1587	417
Loan Processor/Underwriter Exempt Registration	37 5	52 4	(15) 1
Mortgage Servicer	5	9	(4)
Mortgage Servicer Branch Lead Generator	2 5 1 0		(3) 1
Check Casher	3	6	(3)
Check Casher General Facility Branch	0	3	(3)
Check Casher Limited Facility Branch	0	0	0
Consumer Collection Agency	20	41	(21)
Consumer Collection Agency Branch	14	26	(12)
Debt Adjuster for Profit	0	1	(1)
Debt Adjuster for Profit Branch	0	0	0
Debt Adjuster Non-Profit	0	1	(1)
Debt Adjuster Non-Profit Branch	3	4	(1)
Debt Negotiation Debt Negotiation Branch	0 0	1 0	(1) 0
Money Transmitter	22	12	10
Sales Finance Company	29	13	16
Sales Finance Branch	4	4	0
Small Loan Company	17	10	7
Small Loan Branch	1	4	(3)
Student Loan Servicer	7	6	1
Student Loan Servicer Branch	4	8	(4)
Federal Student Loan Servicer Registrant Private Education Lender Registrant Private Education Creditor Registrant	0 9 4	3 1 0	(3) 8 4
Commercial Finance Broker Registrant Commercial Finance Provider Registrant	32 65	0 0	32 65



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: the registration of securities and business opportunity offerings for sale in Connecticut; 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; the examination of broker-dealer, investment adviser and branch office registrants; and enforcement of the state's securities and business opportunity laws.

A greater reliance on technology made it easier to conduct examinations remotely as well as in person and for industry filings to be made more efficiently through electronic means. The use of virtual collaboration software proved to be an effective tool in maintaining Division communications both internal and external. The agency also implemented a system for conducting hearings remotely.

5.1 Activities

During this report period, the Division continued to monitor industry developments affecting the securities industry and the Division's oversight responsibilities under the Connecticut Uniform Securities Act.

During 2024, the Division participated in four significant multistate investigations, up from two during the preceding calendar year.

The first concerned Edward D. Jones & Co., L.P., a Connecticut-registered broker-dealer located in Missouri. That investigation focused on the firm charging front-load commissions for investments in Class A mutual fund shares in situations where the customer sold or moved the mutual fund shares sooner than originally anticipated. The multistate investigation found that the firm failed to implement sufficient supervisory procedures to detect the irregularities. The Connecticut Consent Order directed the firm to pay \$335,754.72 to the state, \$320,754.72 of which constituted an administrative fine and \$15,000 of which constituted Connecticut's allocated share of the investigative costs involved in the multistate settlement.

The second action involved True Bullion, LLC d/b/a GSI Exchange and Gold Silver International Exchange. The firm maintained offices in California, Texas and Florida. True Bullion, LLC was in the business of selling precious metals. The Connecticut Consent Order alleged that the respondents sold precious metals to at least nine known Connecticut residents; rendered advisory services while unregistered in violation of Section 36b-6(c) of the Connecticut Uniform Securities Act and violated Section 36b-5(a) of the Act by making false or misleading statements and omissions to prospective customers. The Consent Order directed the respondents to refrain from violative conduct and to extend a refund offer to eligible Connecticut customers who bought precious metals prior to July 22, 2021. A fine was not imposed since the settlement was originally intended to be a multistate settlement

that did not call for a fine, and since the goal was to expeditiously achieve the maximum percent refund for eligible Connecticut investors.

The third multistate investigation involved registered broker-dealer Raymond James & Associates, Inc. and Raymond James Financial Services, Inc., both located in Florida. This action focused on the firm's charging of unreasonable commissions to retail customers on low principal equity transactions. The Connecticut Uniform Securities Act and its Regulations prohibit the charging of unreasonable commissions for services performed. The Connecticut Consent Order also alleged that respondents were remiss in supervising the activities that caused the compliance issue. As part of the multistate settlement, the firms agreed to provide affected customers with calculated restitution acceptable to state regulators. The period covered by the misconduct was July 18, 2018 to July 17, 2023. The Consent Order also directed the firms to cease and desist from violating Connecticut's securities laws and to pay a \$75,000 fine representing Connecticut's share of the multistate settlement.

The fourth multistate investigation concerned Florida-based TradeStation Crypto, Inc. The firm offers digital asset trading accounts to clients and holds a money transmitter license with the Commissioner. The Connecticut Consent Order alleged that, from approximately August 2020 until June 30, 2022, the firm offered a digital asset trading program featuring the payment of accrued interest to clients, and that, as an unregistered securities product, the offering violated Section 36b-16 of the Connecticut Uniform Securities Act. From August 1, 2020 to June 30, 2022, the firm offered the interest feature accounts to at least 134 Connecticut investors. On or about June 30, 2022, TradeStation Crypto, Inc. discontinued the interest feature product and ceased all lending activities of customer assets. The Consent Order directed TradeStation Crypto, Inc. to cease and desist from regulatory violations. The Consent Order also fined the firm \$29,411.76 which represented Connecticut's share of the multistate settlement.

For the calendar year 2024, Securities and Business Investments Division intervention resulted in restitution and rescission offers to the investing public totaling \$261,329. In addition, the Division imposed \$1,292,756 in fines for violations of the state's securities laws. Of this amount, \$555,756 was attributable to Division settlements and \$737,000 was due to formal agency orders imposing fines.

During 2024, the Division also pursued a number of enforcement cases involving cryptocurrency securities hybrid sales and 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 resulted in various referrals to other law enforcement agencies for further investigation and/or criminal prosecution.

In conjunction with the Division's enforcement program, a total of forty-nine securities and business opportunity investigations were opened in 2024, forty-four investigations were closed, and 118 investigations were in progress as of December 31, 2024.

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 eleven Consent Orders in calendar year 2024. Four matters involved activity restrictions or the barring of affected individuals from securities-related activity in Connecticut. The Division found the use of informal remedial tools to be an effective supplement to its array of enforcement tools.

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

5.2 Industry Engagement

During 2024, 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 United States, Virgin Islands, Canada, and Mexico.

On February 2, 2024, an attorney from the Securities Division participated on a panel of regulatory experts at the Association of Certified Anti-Money Laundering Specialist (ACAMS) CT Chapter's 2024 Event: *Continuing to Combat Financial Crimes* in Uncasville, CT.

An attorney from the Division and two Financial Examiners attended the NASAA 2024 Enforcement Training March 4-6, 2024 in Minneapolis, MN.

Four Financial Examiners from the Division attended the NASAA Investment Adviser Training in Minneapolis, MN, April 16-18, 2024.

An attorney from the Division attended the *Chainalysis Links NYC 2024* conference, April 9-10 in New York, NY. Sessions included success stories, best practices, and insights into recent cryptocurrency-involved investigations and potential regulations. On May 15, 2024, that attorney was one of four presenters for a Connecticut Bar Association CLE course on cryptocurrency, held at Quinnipiac University School of Law. She spoke on the current regulatory landscape and discussed the most recent court cases dealing with cryptocurrencies and what the rulings mean from a regulatory perspective.

A Principal Examiner from the Division attended the 2024 NASAA Broker-Dealer Training in Fort Lauderdale, FL June 12-14, 2024. He also participated at the NASAA Northeast Enforcement Zone Meeting in Stowe, VT, July 9-11, 2024, a meeting with member states in the Northeast Zone to discuss open enforcement cases and recent enforcement actions of interest to the states.

A Principal Examiner attended the 2024 NASAA Broker-Dealer Section Committee Meeting in New Orleans, LA, December 4-6, 2024, and provided an update on the multi-state investigation he was co-leading with New Jersey.

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

Section 5: Securities and Business Investments

advice and insight to the Commissioner and staff on proposed regulatory initiatives. The Securities Advisory Council stood ready to provide the Division with valuable feedback regarding the agency's investor protection mission.

SECURITIES AND BUSINESS INVESTMENTS DATA ANALYTICS

Securities Industry Registrants and Notice Filers As of Year End

	2020	2021	2022	2023	2024	5 Year % Change
Broker-dealer firms	1,978	1,992	2,003	1,957	1,936	(2.12)
Broker-dealer agents	172,879	181,638	195,230	202,576	205,917	19.11
Broker-dealer branch offices	2,387	2,301	2,298	2,295	2,115	(11.39)
Investment Adviser firms	467	451	423	412	414	(11.34)
SEC Registered Investment Advisory Firms Filing Notice	2,240	2,302	2,441	2,473	2,550	13.84
Investment Adviser Agents	15,181	15,292	15,257	15,175	15,190	.05

Registrations and Notice Filings Securities and Business Opportunities

	2020	2021	2022	2023	2024	5 Year % Change
Offerings Reviewed	102	113	152	90	112	9.80
Investment Company Notice Filings ²	8,550	8,367	8,430	8,354	7,859	(8.08)
Exemptions and Exemptive Notices ³	4,866	8,678	7,812	5,399	5,573	14.52

Examinations Broker-dealers and Investment Advisers

	2020	2021	2022	2023	2024
Broker-dealers	77	76	66	61	61
Investment Advisers	143	109	77	48	49

¹ Investment advisers subject to exclusive Securities and Exchange Commission registration pursuant to the National Securities Markets Improvement Act of 1996, Public Law 104-290.

² Effective October II, 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.

³ 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.

Enforcement Activities Securities and Business Opportunities

	2020	2021	2022	2023	2024
Investigations Opened	44	44	54	41	49
Investigations Closed	55	55	28	29	44
Investigations in Progress	87	76	98	96	120
Subpoenas Issued	16	18	35	35	42
Administrative Actions	15	8	10	6	13
Consent Orders	13	7	14	10	11
Stipulation and Agreements	7	9	3	4	0
Notices of Intent to Deny (Licensing)	1	0	1	0	0
Notices of Intent to Revoke (Licensing)	3	2	0	0	5
Denial Orders (Licensing)	2	0	1	1	1
Suspension Orders (Licensing)	0	0	1	0	0
Revocation Orders (Licensing)	1	1	1	0	2
Notices of Intent to Fine	6	3	6	4	4
Orders Imposing Fine	11	2	5	4	3
Cease and Desist Orders	6	3	6	4	4
Activity Restrictions/Bars	3	3	6	5	4
Monetary Sanctions Imposed	\$3,713,236	\$951,355	\$2,354,901	\$1,182,868	\$1,292,796
Offered/Returned to Investors Following Informal Division Intervention	\$1,654,526	\$4,348,778	\$1,117,666	\$971,804	\$261,329
Criminal Referrals	1	0	1	0	0
Referrals to Connecticut Attorney General	3	1	1	3	0
Other Agency Referrals	3	2	2	0	0



Subject to the general supervision of the Banking Commissioner, the Government Relations and Consumer Affairs Unit (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.

6.1 Consumer Assistance

The Department of Banking protects Connecticut residents who use financial services regulated by the Department. GRCA assists consumers with complaints and dispute resolution. In 2024, GRCA staff handled approximately 2,669 telephone inquiries and 862 written complaints from the public, with an additional 614 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 Division secured \$104,214.80 in adjustments or reimbursements on behalf of consumers during the period. GRCA received approximately 828 telephone calls, and 261 written complaints related to rental security deposits in 2024. Following an investigation into each complaint, the Department recovered \$48,362.81 for tenants during this same time period.

6.2 Communications

The Government Relations and Consumer Affairs Division (GRCA) serves as the public face of the Department. As such, the Division responds to all media requests and inquiries. In 2024, 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 GRCA, the Department utilizes social media as a means of communicating with its stakeholders that include consumers, investors, and industry professionals. The Department shares news and updates, as well as financial education information, to the public and industry alike through its social media accounts as well as its website.

In 2024, the Department launched Robin, an artificially intelligent chatbot with predetermined responses to assist in supporting website visitors. It automatically answers common questions and provides links for additional information. The Department of Administrative Services worked to develop Robin as a product designed to enhance the digital experience for citizens by providing assistance and guidance throughout their interactions with the government.

Since its launch on May 31, 2024, visitors to the agency website started 1,075 chats with Robin in 2024, generating 1,414 dialog hits. The most frequently searched topics were "Debt

or Credit Information" and "Banking". In addition, the GRCA team answered 90 chatbot email inquiries in 2024.

6.3 Outreach, Financial Literacy, and Industry and 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. During 2024, agency staff participated in nearly 80 outreach programs. Consumers and industry professionals received relevant information and training regarding financial fraud and exploitation, identity theft, investor education, and financial management. High school and college students learned about cybersecurity, credit, and money management. Department staff continued to represent the Department of Banking at expos, fairs, and conferences throughout the state, affording staff the opportunity to speak with attendees and distribute educational information on a variety of issues.

In 2024, The Department hired an additional Banking Education Coordinator to provide assistance to the outreach efforts of the Student Loan Ombudsperson in developing and implementing educational initiatives and other communication materials designed to assist student loan borrowers. She designed several agency publications in 2024, including the Student Loan Repayment Guide and the 2023 Annual Report of the Banking Commissioner, as well as web content and marketing materials.

Student Outreach

The Department encourages students to focus on their finances and to manage and protect their money, particularly online. In 2024, Commissioner Perez continued his relationship with Central Connecticut State University (CCSU) in New Britain by joining two Bank Management classes as a guest speaker. He often invites financial examiners to share their experience working at the Department of Banking to show CCSU students the regulatory side of banking.

In January 2024, the Department of Banking's educational outreach coordinator partnered with the chief of education and outreach from the Department of Consumer Protection to provide a joint presentation to the junior and senior classes at Nonnewaug High School in Woodbury, focusing on financial fraud and protecting online financial information.

In March, the educational outreach coordinator presented five break-out sessions to nearly 200 high school students at the annual Money Madness conference hosted by Chelsea Groton Bank at Connecticut College. She discussed ways to be safer using mobile payment apps and peer-to- peer payment services, and provided examples of banking scams students might encounter online and through social media. In October, she was the guest speaker at a class at CT State Community College Manchester for their TRIO SSS program, which includes low-income students who may have disabilities. She shared information about avoiding online frauds and scams.

The Department helped organize an event on November 13, 2024, at the Dixwell Community House (Q House) in New Haven that focused on helping high school students learn ways to

help pay for college. The Student Loan Ombudsperson provided a presentation to students and their families that included an overview of the financial aid process. The Department's educational outreach coordinators staffed a resource table at the event and spoke one-on-one with students and their parents.

In November, the outreach coordinator met with parents and students at Ben Bronz Academy, a nonprofit, special education school in West Hartford for students with learning differences. In December, she partnered with a financial educator from UConn Extension to provide a workshop to a class at East Windsor High School for students in the Transition Program. The program is for students aged 18-21 who require additional vocational skills and training to prepare for post-secondary life.

In the fall of 2024, the Department had the opportunity to educate college students on the topics of credit and cyber safety. The outreach coordinator provided two virtual programs for the University of New Haven's financial wellness program and presented two programs at the University of Bridgeport for students in the first-year seminar program.

Senior Outreach

Helping seniors avoid financial scams and exploitation continues to be a focus of the agency's outreach efforts. The educational outreach coordinator provided programs throughout 2024 for older adults and those that work with them. In January, she provided a virtual program for Heritage Village in Southbury, which was recorded for future viewing by residents of the community. In March, she was the guest speaker at a monthly meeting of the West Hartford Senior Citizens Advisory Commission, and in October provided a fraud talk at the Goshen Community Cares monthly luncheon. Additional fraud programs took place in towns including Newtown, Norwalk and Bridgeport.

Financial Fraud Bingo

The Financial Fraud Bingo program is a fun, interactive way to educate seniors about banking scams and fraud prevention, as well as keep the agency informed of the latest scams affecting our communities. It continues to be the Department's most requested outreach program. In 2024, the agency's outreach coordinator provided 30 Financial Fraud Bingo programs for residents in housing communities and senior centers across Connecticut, including Manchester, Milford, Norwich, North Haven, Jewett City, Waterbury, Torrington, Tolland, Rowayton and Woodbridge. She partnered with an AARP volunteer for a Financial Fraud Bingo program in Hartford that was translated into Spanish.

Public Outreach

Libraries have consistently provided the Department with opportunities to share our expertise and resources with the public. In 2024, the outreach coordinator provided programs



Banking Education Coordinator Kathleen Titsworth hosts Financial Fraud Bingo.

at nine public libraries in Bethel, Cheshire, Cromwell, Meriden, Kent, Rockville, Stonington, Suffield and Warehouse Point.

The educational outreach coordinator often represents the Department of Banking at conferences and expos, which provide an opportunity to speak directly with the public and share resources and promotional materials with consumers and investors. She staffed a resource table at the Senior Resources Agency on Aging's Senior Expo at Dodd Stadium in Norwich in July 2024, and in September, met with seniors and distributed materials at a Senior Health and Wellness Fair in Shelton. In October 2024, both outreach coordinators participated at the UCONN Work/Life Expo, held at the Student Union on the Storrs campus.

Senior\$afe™ Training

Since 2016, the Department has offered Senior\$afe™ trainings to financial professionals who work with seniors to identify and report signs of fraud and exploitation. Senior\$afe™ trainings have been provided to investment advisers and bank and credit union employees at various financial institutions throughout Connecticut.

In September 2024, the outreach coordinator provided a Senior\$afe™ training for management at Newtown Savings Bank. She provided an overview of the red flags of financial fraud and exploitation, and the benefits of making reports to Protective Services. In October, she co-presented the training program for an investment firm in West Hartford alongside the manager of the Protective Services for the Elderly at the Department of Social Services.

Partnerships

Through the Department's 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 2024.

In March, GRCA staff provided virtual training for the Attorney General's Elder Justice Hotline and shared the types of calls and complaints that may be referred to the Department of Banking. The GRCA Director participated at the National Council of Insurance Legislators Spring Meeting in Nashville, TN in April 2024. He joined a panel of experts and discussed Connecticut's small loan law in relation to earned wage advances.

In May, the outreach coordinator was the speaker at a virtual lunch and learn for UConn Health as part of their community education series. She spoke on financial fraud and common banking scams to avoid. She gave a virtual presentation on *Protecting Your Personal Information* to employees of Hartford Health Care, Center for Healthy Aging in August 2024. In November, the educational outreach coordinator provided a senior fraud seminar at FD Community Federal Credit Union in Waterbury. She was joined by a Department manager at a fraud event in East Hartford in November, hosted by American Eagle Financial Credit Union.

The educational outreach coordinator continues to promote the saving and investing guide, *Marriage & Money: Starting Your Financial Life Together*, to Town Clerks. In 2024, she attended the Connecticut Town Clerks Association's biannual conferences and distributed

approximately 4,550 copies of the booklet in April and 4,000 copies at the September conference. Town Clerks in turn provide this booklet to couples that apply for their marriage license.

GRCA staff remain active on several state coalitions, including the Coalition for Elder Justice in Connecticut, the Connecticut Jump\$tart Coalition for Personal Financial Literacy, and the Connecticut Saves Coalition. The Department is also a member of BankOn, a program led by Advancing Connecticut Together (formerly the Connecticut Association of Human Services) and designed to connect unbanked and underbanked communities with safe and affordable bank accounts. BankOn works with banks and credit unions to offer banking products and services to communities in need.

Coalition for Elder Justice in Connecticut

The Coalition for Elder Justice in Connecticut (CEJC) is a multidisciplinary group of private and public stakeholders working together to prevent elder abuse and protect the rights, independence, security, and well-being of vulnerable seniors in Connecticut. The Department of Banking, through its educational outreach coordinator, serves on the Steering Committee, and supports CEJC efforts, particularly concerning financial fraud. The outreach coordinator collaborated in staffing a resource table at the 2024 International Association of Financial Crimes Investigators Connecticut Chapter conference, which took place May 8-9, 2024, at Mohegan Sun. She represented the Department in June at an event hosted by the CEJC at the Keeney Memorial Center in Wethersfield. The event, held in recognition of World Elder Abuse Awareness Day, was an opportunity to meet peers, learn about services, and gain information about elder justice in our state.



Department of Banking resource table at the Financial Education Expo for Connecticut Saves Week.

Connecticut Saves Coalition

Connecticut Saves Coalition is the state campaign of America Saves, a national campaign that encourages individuals and families to save money, reduce debt, build wealth, and create better financial habits. To recognize America Saves Week 2024, savings tips and videos were shared throughout the week on social media, and daily e-mails were sent to Department staff as reminders to save automatically, save for the unexpected, save for major milestones, pay down debt, and save at any age.

The Department also hosted a Financial Education Expo during America Saves Week 2024 at the

Legislative Office Building in Hartford on April 2, 2024. Participating agencies included the State Treasurer's Office, UConn Extension, Chelsea Groton Bank, the State Library, the Better Business Bureau (BBB), the Connecticut Association of Human Services, and the Connecticut Higher Education Supplemental Loan Authority (CHESLA). In April 2024, the agency's outreach coordinator participated in a financial action fair at UConn-Hartford and at a financial literacy expo at the Hartford Job Corps Academy, both hosted by Connecticut Saves partners.

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 Perez 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.

Minority Merchant Outreach - Meet the Bankers

2024 saw the fourth installment of Meet the Bankers, a networking event where local minority merchants are invited to meet with bankers from their community to foster relationships and increase local investment.

This year's Meet the Bankers event was held on May 8, 2024. at Housatonic Community College in Bridgeport. Commissioner Perez, along with Department staff, assisted in organizing this event. Commissioner Perez spoke to over 200 bankers and small businesses, including minority- and women-owned businesses. Special guests included Mayor Joseph Ganim and Ken Weinstein, CEO of Newtown Savings Bank, one of the event's sponsoring institutions.

6.4 Legislation

Each year the Department conducts an active legislative program coordinated by GRCA.

In 2024, the Department submitted several proposals to the legislature that would have made technical changes to the Consumer Credit law around electronic bonds and disclosure requirements around shared appreciation agreements, among other changes. Other proposals included a name change to the Department's uninsured charter, as well as expanding the Commissioner's enforcement authority in our Securities Division. These proposals were included in an omnibus bill that passed the State House of Representatives but failed to pass the Senate in the waning hours on the last day of the legislative session.

One proposal which did pass was a change to the consumer credit money transmission statutes that placed more guardrails on virtual currency kiosks. Working with industry stakeholders and the Banking Committee, *Public Act 24-146, An Act Concerning Virtual Currency and Money Transmission*, makes the following changes:

- Creates new definitions differentiating new and existing customers and expands the definition of permissible investments;
- Creates a process by which virtual currency kiosk customers can receive refunds directly from the kiosk operator when the customer falls victim to fraudulent virtual currency transactions;
- Caps the total amount of service fees and commission charges at 15% per transaction;
- Establishes daily maximum transaction limits of \$2,500 for new customers and \$5,000 for existing customers;

- Directs money transmitters to have a plan and accounting for winding down operations, which the bill outlines (e.g., records of sufficient finances and procedures for disbursing funds);
- Requires operators to employ compliance controls, policies and procedures;
- Requires consumer protection related disclosures during the kiosk transactions;
- Requires the production of receipts to customers following transactions with certain transactional information;
- Prohibits money transmitters from ending their businesses until certain notices and information are provided to the commissioner and consumers, funds have been distributed, and the commissioner has accepted the transmitter's request to surrender its license; and
- Explicitly adds nonfungible tokens (a.k.a. NFTs) to the list of examples of digital assets the department may regulate.

In June of 2024, during a special session, the legislature adopted the Department's proposal to change the name of its uninsured bank charter to innovation bank charter, which was originally part of the omnibus banking bill that had died in the Senate during the regular session.

GOVERNMENT RELATIONS AND CONSUMER AFFAIRS DATA ANALYTICS

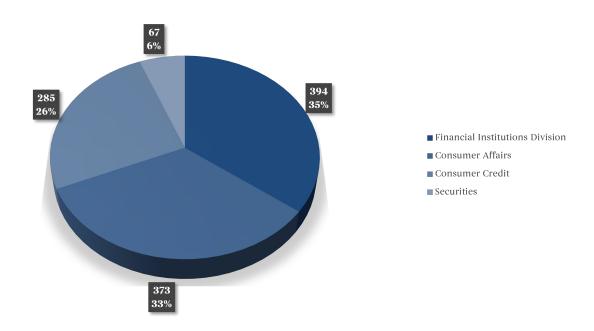
Government Relations and Consumer Affairs

Consumer Affairs	2020	2021	2022	2023	2024
Telephone Inquiries	2,155	1,925	2,013	3,373	2,669
Written Complaints	1,152	1,119	1,107	1,120	862
Adjustments/Reimbursements on behalf of consumers	\$338,701.00	\$98,837.48	\$66,480.99	\$122,440.68	\$104,214,80

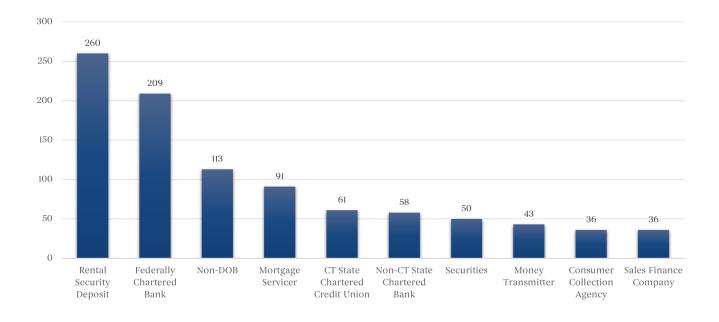
Rental Security Deposit	2020	2021	2022	2023	2024
Telephone Inquiries	821	574	826	859	828
Written Complaints	164	176	208	247	261
Reimbursements on behalf of tenants	\$19,257.40	\$59,132.52	\$13,654.76	\$39,213.73	\$48,362.81

Foreclosure Hotline	2020	2021	2022	2023	2024
Telephone Calls	481	333	638	765	614

2024 Complaints by Division

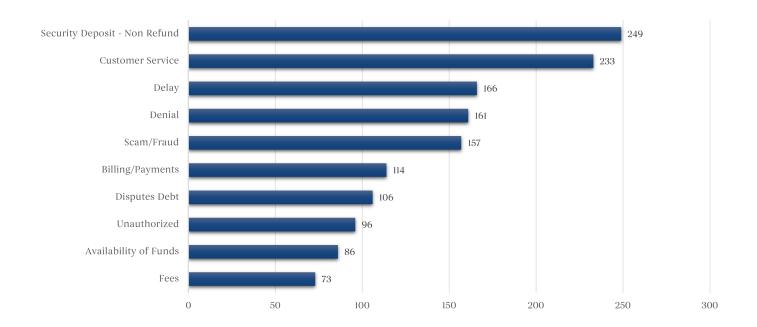


2024 Top Ten Case Natures¹



Non-DOB complaints include complaints that do not fall under Department of Banking jurisdiction.

2024 Top Ten Complaints by Type





Closing Summary

The Department of Banking continues to build upon its work and accomplishments from previous years and maintain its reputation as a fair and common-sense regulator. The 2024 reaccreditation process, which praised the agency's high regulatory standards in regulation and educational outreach, highlights the Department's achievements. The agency's commitment to the regulation of modern financial services for Connecticut residents is evident in the innovation bank charter, and a focus on cybersecurity and fintech training opportunities for employees. Our regulatory mission remains true to its core principles while incorporating new trajectories of industry improvements and achievements.