



**Department of Banking Issues Notice of New Exempt Mortgage Servicer
Registration, Electronic Surety Bond Requirement and No-Action Position**

September 23, 2025

New Exempt Mortgage Servicer Registration Requirement

On October 1, 2025, the Department will begin accepting applications for exempt mortgage servicer registration on the Nationwide Multistate Licensing System and Registry ("NMLS" or "system") from any person licensed as a mortgage lender in Connecticut that seeks to commence or continue acting as a mortgage servicer from a licensed location on and after October 1, 2025. The new exempt mortgage servicer registration replaces the previous exemption for a licensed mortgage lender acting as a mortgage servicer from a licensed location. Any licensed mortgage lender previously considered exempt pursuant to Section 36a-718(b)(4) of the Connecticut General Statutes may continue to act as a mortgage servicer in Connecticut while awaiting the issuance of an exempt mortgage servicer registration pursuant to the no-action position set forth below.

The new exempt mortgage servicer registration requirement for persons licensed as mortgage lenders in Connecticut is established pursuant to Sections 13 and 14 of Public Act 25-115, An Act Concerning Consumer Credit and Commercial Financing, and is necessary to permit the filing of electronic surety bonds pertaining to mortgage servicing activity in Connecticut by licensed mortgage lenders due to system limitations that prohibit filing more than one surety bond for each state license or registration type on NMLS.

Effective October 1, 2025, any licensed mortgage lender who acts as a mortgage servicer in Connecticut, directly or indirectly, pursuant to Section 36a-718 of the Connecticut General Statutes, as amended by Section 13 of Public Act 25-115, must register as an exempt mortgage servicer in Connecticut. As a reminder, mortgage servicing activity subject to licensure or registration in Connecticut includes indirect mortgage servicing activity, such as owning mortgage loans or holding mortgage servicing rights and hiring one or more licensed subservicers to perform the mortgage servicing on behalf of such owner or holder, as discussed in [Mortgage Servicer Opinion](#) issued on October 1, 2014.

Further instructions on the requirements of the new exempt mortgage servicer registration are available on the [NMLS Resource Center](#). There are no additional fees associated with the new registration and the timeline for renewal will follow the annual timelines for licensing renewals, i.e., November and December. In addition, the exempt mortgage servicer registration will require the same surety bond, fidelity bond and errors and omission coverage previously required of mortgage lenders engaged in mortgage servicing activity pursuant to Section 36a-719c of the Connecticut General Statutes. The main difference with the new registration is that licensed mortgage lenders authorized by the Commissioner to act as mortgage servicers in Connecticut will now be easily identifiable as "Exempt Mortgage Servicer Registrants" on NMLS and will be able to utilize the electronic surety bond functionality on NMLS.

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Electronic Surety Bond Requirement

On October 28, 2021, the Banking Commissioner (“Commissioner”) implemented electronic surety bond filing requirements for persons licensed or registered by the Consumer Credit Division on NMLS through the [Order Establishing Requirements and Procedures for Use of Electronic Bonds on the System](#). Mortgage lenders acting as mortgage servicers from a licensed location were exempted from the electronic filing requirements set forth in such order due to system limitations that permitted only one electronic surety bond per state license or registration type and to date, such mortgage lenders have continued to file paper forms of their surety bonds with the Commissioner for their mortgage servicing activities.

Effective October 1, 2025, or such later date that NMLS makes electronic surety bond functionality available, exempt mortgage servicer registrants and applicants shall file the surety bond required by the Commissioner pursuant to Section 36a-719c, as amended by Section 14 of Public Act 25-115, electronically on the system in such form as specified under Connecticut State Licensing Requirements on the NMLS Resource Center. The electronic surety bond will replace the paper form of the surety bond evidencing coverage for mortgage servicing activity.

No-Action Position

Pursuant to Section 36a-1-8 of the Regulations of Connecticut State Agencies, the Commissioner will not take enforcement action alleging unlicensed mortgage servicing activity in violation of Section 36a-718(a) of the Connecticut General Statutes, as amended by Section 13 of Public Act 25-115, against any Connecticut licensed mortgage lender duly acting as a mortgage servicer from a licensed location who meets the requirements of such exempt mortgage servicer registration, maintains surety bond, fidelity bond, and errors and omission coverage and has filed an application for registration in Connecticut on NMLS no later than November 1, 2025, until such application has been determined by the Commissioner.