



STATE OF CONNECTICUT
Department of Banking
 280 Trumbull Street | 16th Floor | Hartford, CT 06103



 *
NORWALK HOSPITAL CREDIT *
UNION, INC. *
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CONSENT ORDER

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 667, Sections 36a-435a to 36a-476, inclusive, of the General Statutes of Connecticut, the Connecticut Credit Union Act (“Act”), and the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, Norwalk Hospital Credit Union, Inc. (“Credit Union”) is a Connecticut state-chartered credit union, and, as such, subject to the jurisdiction of the Commissioner pursuant to Section 36a-1 of the General Statutes of Connecticut;

WHEREAS, the Commissioner, through the Financial Institutions Division (“Division”) of the Department of Banking has conducted an examination of the Credit Union, pursuant to Section 36a-17 of the General Statutes of Connecticut (“Examination”);

WHEREAS, as a result of the Examination, the Commissioner alleges that: (1) from June 30, 2023, to on or about October 14, 2025, the Credit Union had inadequate corporate governance over the affairs of the Credit Union; (2) from September 2025 to on or about October 14, 2025, the governing board of the Credit Union (“Board”) failed to comply with Section 36a-448a(b) of the Act which requires the governing board of a Connecticut credit union consist of an odd number of directors; (3) from June 30, 2023, to on or about October 14, 2025, the Credit Union failed to have an active Supervisory Committee with at least three (3) members as required by Sections 36a-451a(a) and 36a-451a(h) of the Act; (4) from June 30, 2023, to on or about October 14, 2025, the Credit Union failed to maintain an

adequate Bank Secrecy Act Program or conduct an independent Audit or Risk Assessment as required by 12 C.F.R. § 748.2(c); and (5) from June 30, 2023, to on or about October 14, 2025, the Credit Union failed to maintain an Incident Response Plan, Vendor Management Program and report on the overall status of the Information Security Program as required by 12 C.F.R. § 748 Appendix A Section III F and Section 36a-448a(a)(1) of the Act;

WHEREAS, the Commissioner believes, as a result of the Examination, that the Credit Union has engaged in unsafe and unsound practices and that grounds exist to initiate an administrative action against the Credit Union pursuant to Section 36a-53 of the General Statutes of Connecticut

WHEREAS, an administrative proceeding initiated under Section 36a-53 of the General Statutes of Connecticut would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, Section 36a-59(a) of the Act provides, in relevant part, that “[t]he commissioner . . . may enter into one or more . . . consent orders with . . . a Connecticut credit union”;

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and the Credit Union reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

WHEREAS, the Credit Union expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, the Credit Union acknowledges the possible consequences of formal administrative proceedings, and the Credit Union voluntarily agrees to consent to the entry of the orders below without admitting or denying the allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

WHEREAS, the provisions of this Consent Order shall remain effective and enforceable except to the extent that, and until such time as, any provision of this Consent Order shall have been modified, suspended, or terminated in writing by the Commissioner;

WHEREAS, issuance of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against the Credit Union based upon a violation of this Consent Order if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by the Credit Union and set forth herein is subsequently determined to be untrue;

WHEREAS, the Credit Union, through its execution of this Consent Order, acknowledges that it was afforded the opportunity to fully review this Consent Order and consult counsel;

WHEREAS, the Credit Union, through its execution of this Consent Order, voluntarily waives the right to be afforded notice and an opportunity for a hearing and seek judicial review of, or otherwise challenge or contest the matters described herein, including the validity of this Consent Order;

AND WHEREAS, the Credit Union, through its execution of this Consent Order, specifically represents and agrees that none of the violations alleged in this Consent Order shall occur in the future.

II. CONSENT TO THE ENTRY OF ORDERS

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Credit Union, its representatives, agents, and employees shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or any other device;
2. The Board shall increase its participation in the affairs of the Credit Union, assuming full responsibility for the approval of sound policies and objectives and for the supervision of all of the Credit Union's activities, consistent with the role and expertise commonly expected for directors of credit unions.
 - a. This participation shall include meetings to be held no less frequently than monthly at which, at a minimum, the following areas shall be reviewed and approved: reports of income and expenses; new, overdue, renewed, insider, charged off, and recovered loans; investment activity; liquidity levels and funds management; adoption or modification of operating policies; individual committee reports; audit reports; internal control reviews including management's responses; reconciliation of general ledger accounts; and

compliance with this Order. Comprehensive Board minutes shall be taken at each meeting which document these reviews and approvals, including the names of any dissenting directors.

- b. The Board shall develop and enforce a Board of Directors Attendance Policy which is in compliance with Section 36a-448a(i) of the Act and requires the automatic removal of any member who does not meet the requirements established by such policy.
 - c. The Board shall immediately establish a Supervisory Committee with at least three (3) members that meets the requirements of Sections 36a-451a of the Act. The Supervisory Committee shall meet at least quarterly while this Consent Order is in effect. The Supervisory Committee shall keep detailed minutes and present a report to the Board on at least a quarterly basis. Within thirty (30) days after the effective date of this Consent Order, the Credit Union shall develop a Supervisory Committee Plan (“Plan”). A copy of the Plan shall be submitted to the Commissioner upon completion. A status report on the progress of the Supervisory Committee in meeting the Plan shall be submitted to the Commissioner on a quarterly basis, no later than fifteen (15) days after the end of each quarter.
 - d. The Credit Union shall immediately notify the Commissioner in writing of any resignation or termination of any member of its Board, Credit Committee, Supervisory Committee, or senior management. In addition, the Credit Union shall notify the Commissioner in writing of any proposed new member of the Board, any committee or senior management at least thirty (30) days prior to the date such new member is to begin service. Such service shall not commence until receipt of approval from the Commissioner;
3. The Credit Union shall have and retain a qualified and active Board, management, and staff. Each member of the Board, management, and staff shall possess qualifications and experience commensurate with his or her duties and responsibilities at the Credit Union. Within thirty (30) days after the effective date of this Consent Order, the Board shall develop a written analysis and assessment of the management and staff (“Staffing Report”) for the purpose of providing qualified supervision and staffing of the Credit Union.
- a. The qualifications of personnel shall be evaluated by reviewing each person’s ability to: comply with the requirements of this Consent Order; operate the Credit Union in a safe and sound manner; comply with applicable laws and regulations; and restore all aspects of the Credit Union to a safe and sound condition, including improving the Credit Union’s asset quality, capital adequacy, earnings, management effectiveness, liquidity, and sensitivity to market risk.

The Staffing Report shall be developed within ninety (90) days of the effective date of this Consent Order. The Staffing Report shall include, at a minimum: identification of both the type and number of positions needed to properly manage and conduct the affairs of the Credit Union with a detailed job description of each position; evaluation of all the Credit Union’s officers and staff to determine whether these individuals possess the ability, experience and other qualifications required to perform present and anticipated duties, including adherence to the Credit Union’s established policies and practices, and restoration and maintenance of the Credit Union in a safe and sound condition; and a plan to recruit and hire any additional or replacement personnel with the requisite ability, experience and other qualifications necessary to fill those officer or staff member positions

identified in the Staffing Report. A copy of the Staffing Report shall be submitted to the Commissioner upon completion.

- b. Within sixty (60) days after the effective date of this Consent Order, the Credit Union shall develop a Succession Plan which addresses key positions, including the Board of Directors, Supervisory Committee, management, and any other positions deemed critical by the Board. The Succession Plan should include, at a minimum, the following: the title of each position; anticipated vacancy date, if known; the Credit Union's plan for permanently filling the vacancies in each position; the strategy for recruiting candidates with the skills to assume each position. The Succession Plan should be approved by the Board of Directors and reviewed and updated at least every twenty-four (24) months. A copy of the Succession Plan shall be submitted to the Commissioner upon completion;
4. Within sixty (60) days after the effective date of this Consent Order, the Credit Union shall ensure effective internal controls are in place and accurate, complete financial records are maintained, including but not limited to:
 - a. Monthly reconciliation of all general ledger accounts;
 - b. Preparation of accurate monthly financial statements;
 - c. Review of daily file maintenance reports, including documentation of such review; and
 - d. Calculation and funding of the Allowance for Loan and Leases Losses prior to the payment of dividends;
5. Within forty-five (45) days after the effective date of this Consent Order, the Credit Union shall engage an independent third party to perform a comprehensive audit and a one hundred percent (100%) verification of member accounts. The audit shall be conducted in accordance with Section 36a-451a of the Act and include a statement as to the reasonableness of the Credit Union's methodology for calculating the Allowance for Loan and Lease Loss ratio and funding methodology for the Allowance for Loan and Lease Losses Account. The audit engagement letter should clearly state that any work papers associated with the audit shall be made available to the Commissioner upon request. Upon completion, a copy of the audit and results of the verification shall be submitted to the Commissioner;
6. Within sixty (60) days after the effective date of this Consent Order, and annually thereafter, the Board shall ensure that:
 - a. All the Credit Union employees and Board members are provided with Bank Secrecy Act ("BSA") training;
 - b. A plan for addressing all BSA deficiencies noted in the October 14, 2025, Report of Examination is developed; and
 - c. A comprehensive and independent review of the Credit Union's BSA program is performed. The Credit Union shall submit such plan and independent review to the Commissioner promptly upon completion;
7. Within ninety (90) days after the effective date of this Consent Order, the Credit Union shall:

- a. Align Information Technology (“IT”) policies and procedures to the current practices of the Credit Union. The IT policies and procedures should address, as a minimum, (i) the encryption methods and requirements used to protect member sensitive data and systems; (ii) identify critical controls and defining when those controls will be tested; and (iii) formally identifying the conditions, tasks, and job duties where segregation of duties will be required;
 - b. Establish an Incident Response Plan (“IRP”) which contains procedures regarding preparation, identification, containment, eradication, recovery and post-incident analysis. The IRP should require the Credit Union to report any incident to the Commissioner within seventy-two (72) hours of any incident;
 - c. Establish a Vendor Management Program containing a comprehensive framework which includes, at a minimum, due diligence, vendor identification, risk assessment, contract management, performance monitoring of vendors, and reporting to the Board; and
 - d. Establish a comprehensive, written Information Security Program (“ISP”). At a minimum, the ISP shall require: an annual information technology risk assessment; periodic internal and external vulnerability assessments; periodic disaster recover testing; annual information security training for staff; and annual reporting to the Board on the status of the ISP. A copy of the ISP shall be submitted to the Commissioner upon completion;
8. Within sixty (60) days after the effective date of this Consent Order, the Credit Union shall take steps, consistent with safe and sound practices, necessary to eliminate or correct all violations of laws, rules, and regulations cited in the latest Report of Examination and comply with any orders and agreements. In addition, within ninety (90) days after the effective date of this Consent Order, the Credit Union shall adopt and implement appropriate procedures to ensure future compliance with all applicable laws, rules, regulations, policies, orders, and agreements;
 9. Effective immediately, the Credit Union will provide the following to the Commissioner within fifteen (15) days of the end of each month: Board minutes; monthly financial statements; listing of delinquent loans; and the Allowance for Loan and Lease Loss Methodology Worksheet; and
 10. Effective immediately, the Credit Union will provide the following to the Commissioner within fifteen (15) days of the end of each quarter: the share and loan trial balance summary; any new or revised policies; a status report on each provision of this Consent Order and any other information requested by the Commissioner.

III. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any further enforcement action against the Credit Union based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against the Credit Union based upon a violation of this Consent Order or the matters underlying its entry, if the

Commissioner determines that compliance with the terms herein is not being observed or if any representation made by the Credit Union and reflected herein is subsequently discovered to be untrue;

3. The Credit Union shall not take any action or make or permit to be made any public statement, including regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis. Except as specifically provided herein, the Credit Union shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in these provisions affects the Credit Union's (i) testimonial obligations, or (ii) right to take any legal or factual position that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
4. The provisions of this Consent Order shall be binding upon the Credit Union, its successors in interest, and its directors, officers, and employees; and
5. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut,
this 23rd day of June 2026.

Jorge L. Perez
Banking Commissioner
State of Connecticut Department of Banking

CONSENT TO ENTRY OF ORDER

I, Donald Robertson, state on behalf of Norwalk Hospital Credit Union, Inc. (“Credit Union”), that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of the Credit Union; that the Credit Union agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that the Credit Union consents to the entry of this Consent Order.

Norwalk Hospital Credit Union, Inc.

By: _____
Donald Robertson
Manager

State of: _____

County of: _____

On this the _____ day of June 2026, before me, the undersigned officer, personally appeared Donald Robertson, who acknowledged himself to be the Manager of Norwalk Hospital Credit Union, Inc., a corporation, and that he, as such Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Manager.

In witness whereof I hereunto set my hand.

Notary Public / Commissioner of the Superior Court
Date Commission Expires: