



Agency Legislative Proposal - 2019 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): [Click here to enter text.](#)

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Banking

Liaison: [Click here to enter text.](#)

Phone: [Click here to enter text.](#)

E-mail: [Click here to enter text.](#)

Lead agency division requesting this proposal: Consumer Credit Division

Agency Analyst/Drafter of Proposal: Jeffrey T. Schuyler

Title of Proposal: AAC Consumer Credit Licensees

Statutory Reference: 36a-485, 36a-598

Proposal Summary:

This proposal provides the Banking Commissioner with regulatory authority over entities and individuals that make, originate or broker shared appreciation agreements, transactions in which funds are advanced to a consumer in exchange for an equity interest in residential property or the future repayment of an amount secured by a security interest in the residential property. Section 1 amends Section 36a-485 to add a definition of the term “shared appreciation agreement” and includes shared appreciation agreements in the definition of “residential mortgage loan”. Section 2 amends Section 36a-598 to permit a start-up company engaged in the activity of money transmission to provide a statement of condition as part of the licensure application in lieu of financial statements.



PROPOSAL BACKGROUND

◇ Reason for Proposal

To better protect Connecticut residents, this proposal ensures that cash advances secured by a security interest in residential property and which require repayment or an ownership interest in residential property, are subject to the same licensure and regulatory compliance as residential mortgage loans.

◇ Origin of Proposal

New Proposal

Resubmission

PROPOSAL IMPACT

◇ AGENCIES AFFECTED *(please list for each affected agency)*

Agency Name: Click here to enter text.

Agency Contact (name, title, phone): Click here to enter text.

Date Contacted: Click here to enter text.

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

Click here to enter text.

Will there need to be further negotiation? YES NO

◇ FISCAL IMPACT *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

Municipal *(please include any municipal mandate that can be found within legislation)*

None.

State

There may be a minimal revenue gain in connection with additional annual licensing fees.

Federal

None.



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| Additional notes on fiscal impact None. |

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

| |
|-------|
| None. |
|-------|

Insert fully drafted bill here

AN ACT CONCERNING MORTGAGE LOANS AND MONEY TRANSMISSION

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Sec. 1. Section 36a-485 of the 2018 Supplement to the general statutes, as amended by section 7 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

As used in this section and sections 36a-486 to 36a-498e, inclusive, as amended by this act, 36a-498h, 36a-534a and 36a-534b, as amended by this act, unless the context otherwise requires:

(1) “Advance fee” means any consideration paid or given, directly or indirectly, by a consumer to a person for a residential mortgage loan prior to the closing of such residential mortgage loan, including, but not limited to, loan fees, points, broker's fees or commissions, transaction fees or similar prepaid finance charges;

(2) “Advertise”, “advertisement” or “advertising” means the use of any announcement, statement, assertion or representation that is placed before the public in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster or over any radio or television station, by means of the Internet, or by other electronic means of distributing information, by personal contact, or in any other way;

(3) “Branch office” means a location other than the main office at which a licensee or any person on behalf of a licensee acts as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator;

(4) “Control person” means an individual that directly or indirectly exercises control over another person. Any person that (A) is a director, general partner or executive officer; (B) in the case of a corporation, directly or indirectly has the right to vote ten per cent or more of a class of any voting security or has the power to sell or direct the sale of ten per cent or more of any class of voting securities; (C) in the case of a limited liability company, is a managing member; or (D) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten per cent or more of the capital, is presumed to be a control person. For purposes of this subdivision, “control” means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise;



(5) “Depository institution” has the same meaning as provided in Section 3 of the Federal Deposit Insurance Act, 12 USC 1813, and includes any Connecticut credit union, federal credit union or out-of-state credit union;

(6) “Dwelling” means a “dwelling”, as defined in Section 103 of the Consumer Credit Protection Act, 15 USC 1602, that is located in this state;

(7) “Employee” means an individual (A) whose manner and means of work performance are subject to the right of control of, or are controlled by, a person, and (B) whose compensation is reported or required to be reported on a W-2 form issued by the controlling person. For purposes of the definition of “registered mortgage loan originator”, “employee” has the foregoing meaning or such other meaning as the federal banking agencies may issue in connection with such agencies' implementation of such agencies' responsibilities under the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC 5101 et seq.;

(8) “Federal banking agency” means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration and the Federal Deposit Insurance Corporation;

(9) “First mortgage loan” means a residential mortgage loan that is secured by a first mortgage;

(10) “Immediate family member” means a spouse, child, sibling, parent, grandparent or grandchild and includes stepparents, stepchildren, stepsiblings and adoptive relationships;

(11) “Independent contractor” means an individual retained on a basis where the individual is not an employee of any person in connection with the services such individual provides and whose compensation is reported or required to be reported on an Internal Revenue Service Form 1099 issued by the retaining person;

(12) “Individual” means a natural person;

(13) “Lead” means any information identifying a potential consumer of a residential mortgage loan;

(14) “Lead generator” means a person who, for or with the expectation of compensation or gain: (A) Sells, assigns or otherwise transfers one or more leads for a residential mortgage loan; (B) generates or augments one or more leads for another person; or (C) directs a consumer to another person for a residential mortgage loan by performing marketing services, including, but not limited to, online marketing, direct response advertising or telemarketing;

(15) “Loan processor or underwriter” means an individual who performs clerical or support duties. The term “clerical or support duties” includes, subsequent to the receipt of an application, (A) the receipt, collection, distribution and analysis of information common for the processing or underwriting of a residential mortgage loan, and (B) communication with a consumer to obtain the information necessary for the processing or



underwriting of a loan to the extent that such communication does not include offering or negotiating loan rates or terms or counseling consumers about residential mortgage loan rates or terms;

(16) “Main office” means the main address designated on the system;

(17) “Mortgage broker” (A) means a person who (i) for compensation or gain or with the expectation of compensation or gain (I) takes a residential mortgage loan application, or (II) offers or negotiates terms of a residential mortgage loan, and (ii) is not the prospective source of the funds for the residential mortgage loan, and (B) does not include (i) an individual who is licensed as a mortgage loan originator acting as a mortgage loan originator on behalf of such mortgage loan originator's sponsoring mortgage lender, mortgage correspondent lender, mortgage broker or exempt registrant, or (ii) an individual exempt from mortgage loan originator licensure under subdivision (2) of subsection (b) of section 36a-486 when acting within the scope of such exemption;

(18) “Mortgage correspondent lender” means a person engaged in the business of making residential mortgage loans in such person's own name where the loans are not held by such person for more than ninety days and are funded by another person through a warehouse agreement, table funding agreement or similar agreement;

(19) “Mortgage lender” means a person engaged in the business of making residential mortgage loans in such person's own name utilizing such person's own funds or by funding loans through a warehouse agreement, table funding agreement or similar agreement;

(20) “Mortgage loan originator” means an individual who for compensation or gain or with the expectation of compensation or gain, either for such individual or for the person employing or retaining such individual, (A) takes a residential mortgage loan application, or (B) offers or negotiates terms of a residential mortgage loan. “Mortgage loan originator” does not include (i) an individual engaged solely as a loan processor or underwriter; (ii) a person who only performs real estate brokerage activities and is licensed in accordance with chapter 392, unless the person is compensated by a mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator or by any agent of such mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator; (iii) a person solely involved in extensions of credit relating to timeshare plans, as that term is defined in Paragraph 53D of 11 USC 101; or (iv) any individual who solely renegotiates terms for existing mortgage loans on behalf of a mortgagee and who does not otherwise act as a mortgage loan originator, unless the United States Department of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction determines that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., requires such individual to be licensed as a mortgage loan originator under state laws implementing said S.A.F.E. Mortgage Licensing Act;

(21) “Office” means a branch office or a main office;

(22) “Person” means a natural person, corporation, company, limited liability company, partnership or association;

(23) “Principal amount of the loan” means the gross amount the borrower is obligated to repay including any prepaid finance charge that is financed, and any other charge that is financed;



(24) “Real estate brokerage activity” means any activity that involves offering or providing real estate brokerage services to the public, including (A) acting as a real estate agent or real estate broker for a buyer, seller, lessor or lessee of real property; (B) bringing together parties interested in the sale, purchase, lease, rental or exchange of real property; (C) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental or exchange of real property, other than in connection with providing financing with respect to any such transaction; (D) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and (E) offering to engage in any activity, or act in any capacity, described in this subdivision;

(25) “Registered mortgage loan originator” means any individual who (A) meets the definition of mortgage loan originator and is an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the Farm Credit Administration; and (B) is registered with and maintains a unique identifier through the system;

(26) "Residential mortgage loan" means any loan, including a shared appreciation agreement, primarily for personal, family or household use that is secured by a mortgage, deed of trust or other equivalent consensual security interest on a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling;

(27) “Residential real estate” means any real property located in this state, upon which is constructed or intended to be constructed a dwelling;

(28) “Secondary mortgage loan” means a residential mortgage loan that is secured, in whole or in part, by a mortgage, provided such property is subject to one or more prior mortgages;

(29) “Shared appreciation agreement” means a nonrecourse obligation in which an advance sum of monetary value is extended to a consumer, as a lump sum or otherwise, in exchange for an equity interest in the subject dwelling or residential real estate or a future obligation to repay a sum upon the triggering of an event including, but not limited to, the transfer of ownership, repayment maturity date, death of the consumer or other event as outlined and explicitly agreed to within said agreement.

[(29)] (30) “Simulated check” means a document that imitates or resembles a check but is not a negotiable instrument;

[(30)] (31) “Sponsored” means employed or retained as an independent contractor;

[(31)] (32) “Table funding agreement” means an agreement wherein a person agrees to fund mortgage loans to be made in another person's name and to purchase such loans after they are made;

[(32)] (33) “Trigger lead” means a consumer report obtained pursuant to subparagraph (B) of subdivision (1) of subsection (c) of Section 604 of the Fair Credit Reporting Act, 15 USC 1681b, as amended



from time to time, where the issuance of the report is triggered by an inquiry made with a consumer reporting agency in response to an application for credit;

[(33)] (34) “Unique identifier” means a number or other identifier assigned by protocols established by the system; and

[(34)] (35) “Warehouse agreement” means an agreement to provide credit to a person to enable the person to have funds to make residential mortgage loans and hold such loans pending sale to other persons.



Sec. 2. Section 36a-598 of the 2018 supplement to the general statutes, as amended by section 51 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) Each application for an initial or renewal license required under sections 36a-595 to 36a-612, inclusive, shall be made and processed on the system pursuant to section 36a-24b, in the form prescribed by the commissioner. Each such form shall contain content as set forth by instruction or procedure of the commissioner and may be changed or updated as necessary by the commissioner in order to carry out the purposes of sections 36a-595 to 36a-612, inclusive. The applicant shall, at a minimum, furnish to the system information concerning the identity of the applicant, any control person of the applicant, the qualified individual and any branch manager responsible for the actions of the licensee, including, but not limited to, information related to such person's personal history and experience and any administrative, civil or criminal findings by any governmental jurisdiction. As part of an application, the commissioner may, (1) in accordance with section 29-17a, conduct a state or national criminal history records check of the applicant, any control person of the applicant, the qualified individual and any branch manager, and, (2) in accordance with section 36a-24b, (A) require the submission of fingerprints of any such person to the Federal Bureau of Investigation or other state, national or international criminal databases, and (B) investigate the financial condition of any such person and require authorization from any such person for the system and the commissioner to obtain an independent credit report from a consumer reporting agency, as described in Section 603(p) of the Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time. An application for an initial license shall also include:

(i) A copy of the applicant's audited financial statements for the most recent fiscal year. If the applicant is a wholly-owned subsidiary of another corporation, the applicant shall include the most recent audited consolidated annual financial statements of the parent corporation or the applicant's most recent audited consolidated annual financial statement, and the most recent audited unconsolidated financial statement of the applicant, including its balance sheet and receipts and disbursements for the preceding year. If the applicant is



publicly traded, the applicant shall include a copy of the most recent 10-K report that such applicant filed with the Securities Exchange Commission or, if the applicant is a wholly-owned subsidiary of a publicly traded company, a copy of the parent company's most recent 10-K report that was filed with the Securities and Exchange Commission. If the applicant or parent company of a wholly-owned subsidiary applicant is publicly traded on a foreign exchange, the applicant shall include a copy of documentation similar to the report that was filed with the applicable securities regulator[;]. If the applicant or parent company of a wholly-owned subsidiary applicant is a start-up company, only an initial statement of condition shall be required;

(ii) A list of the applicant's permissible investments, the book and market values of such investments, and the dollar amount of the applicant's aggregate outstanding money transmissions (I) as of the date of the financial statement filed in accordance with clause (i) of this subparagraph; and (II) as of a date no earlier than thirty business days prior to the filing of the application;

(iii) (I) The surety bond required by subsection (a) of section 36a-602, if applicable;

(II) A list of the investments maintained in accordance with subsection (d) of section 36a-602, if applicable, and the book and market values of any such investments as of the date of the financial statement filed in accordance with clause (i) of this subparagraph; and as of a date no earlier than thirty business days prior to the filing of the application;

(iv) A statement describing the type of money transmission business that will be conducted by the applicant in this state and whether such money transmission will include the transmission of monetary value in the form of virtual currency;

(v) The name and address of any financial institution used by the applicant for its money transmission business in this state;

(vi) For each authorized delegate, a sample of the contract evidencing the proposed arrangement between the applicant and the authorized delegate; and

(vii) Any other information the commissioner may require.



(b) The commissioner may deem an application for a license to engage in the business of money transmission in this state abandoned if the applicant fails to respond to any request for information required under sections 36a-595 to 36a-612, inclusive, or any regulations adopted pursuant to said sections. The commissioner shall notify the applicant on the system that if the applicant fails to submit such information not later than sixty days after such request, the application shall be deemed abandoned. An application filing fee paid prior to the date an application is deemed abandoned pursuant to this subsection shall not be refunded. Abandonment of an application pursuant to this subsection shall not preclude the applicant from submitting a new application for a license under sections 36a-595 to 36a-612, inclusive.

(c) Except as otherwise specified in subsections (d) and (e) of this section, each applicant, licensee, control person and qualified individual shall file with the system any change in the information most recently submitted to the system by such licensee, control person or qualified individual in connection with the application or license, or, if the information cannot be filed on the system, notify the commissioner, in writing, of such change in the information not later than fifteen days after the date the applicant, licensee, control person or qualified individual has reason to know of such change.

(d) (1) A money transmission license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or a change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval.

(2) No licensee may use any name other than its legal name or a fictitious name approved by the commissioner, provided such licensee may not use its legal name if the commissioner disapproves use of such name. No licensee shall use any name or address other than the name and address specified on the license issued by the commissioner. A licensee may change the name of the licensee or the address of the office specified on the most recent filing with the system if, at least thirty calendar days prior to such change, the



licensee files such change with the system and provides a bond rider, endorsement or addendum, as applicable, to the surety bond on file with the commissioner that reflects the new name or address, and the commissioner does not disapprove such change, in writing, or request further information within such thirty-day period.

(3) The commissioner may automatically suspend any license for a violation of this subsection. After a license has been automatically suspended pursuant to this subsection, the commissioner shall (A) give the licensee notice of the automatic suspension, pending proceedings for revocation of or refusal to renew the license pursuant to section 36a-608, and an opportunity for a hearing in accordance with section 36a-51, and (B) require the licensee to take or refrain from taking action as the commissioner deems necessary to effectuate the purpose of this section.

(e) A licensee shall file with the system or, if the information cannot be filed on the system, provide a written notice to the commissioner not later than one business day after the licensee has reason to know of the occurrence of any of the following events:

(1) The filing of a petition by or against the licensee under the United States Bankruptcy Code for bankruptcy or reorganization or the filing of a petition under the United States Bankruptcy Code for bankruptcy or reorganization by any control person, qualified individual or authorized delegate of the licensee;

(2) The filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors;

(3) The commencement of a proceeding to revoke or suspend its license to engage in money transmission in another state or a foreign country, or other formal or informal regulatory action by any governmental agency against the licensee or any control person, qualified individual or authorized delegate of the licensee and the reasons therefor;



(4) The commencement of any action by the Attorney General or the attorney general of any other state against the licensee or any control person, qualified individual or authorized delegate of the licensee and the reasons therefor;

(5) The cancellation or other impairment of the licensee's bond or other security, including notice of claims filed against the licensee's bond or other security;

(6) A conviction or indictment of the licensee or of any control person or qualified individual of the licensee for a misdemeanor involving the money transmission business or a felony; or

(7) A conviction or indictment of an authorized delegate for a misdemeanor involving the money transmission business or a felony.

Statement of Purpose: To define the transaction wherein a consumer receives an advance lump sum of money in exchange for a promise of repayment at a future date or equity interest wherein said obligation is secured by a consensual encumbrance on the homeowner's property and to require licensure of entities and individuals that make, originate or broker said transactions. Also, to ease the financial reporting requirements of money transmission applicants by requiring only a statement of condition if the applicant is a start-up company.



Agency Legislative Proposal - 2019 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): [Click here to enter text.](#)

(If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Banking

Liaison: [Click here to enter text.](#)

Phone: [Click here to enter text.](#)

E-mail: [Click here to enter text.](#)

Lead agency division requesting this proposal: Consumer Credit Division

Agency Analyst/Drafter of Proposal: Melissa Desmond/ Stacey L. Serrano

Title of Proposal: AAC Temporary Authority

Statutory Reference: 36a-485, 36a-486, 36a-490(b)(1), 36a-540(a), 36a-566(a), 36a-583(a)(1), 36a-598(d)(1), 36a-658, 36a-671(h), 36a-719a(a), 36a-801(f)(2), 36a-848

Proposal Summary:

This proposal implements mortgage loan origination temporary authority for individuals who either have been licensed as a mortgage loan originators in another state or employed as federal registered loan originators, in accordance with Section 106 of Public Law 115–174 and clarifies the circumstances constituting a “change in control” for purposes of filing an advance change notice with the commissioner with respect to a change of a director, general partner or executive officer of a consumer credit licensee.

Section 1 adds the definition of “out-of-state mortgage loan originator” to the mortgage licensing statutes.

Section 2 provides temporary authority for individuals previously licensed with another state as a mortgage loan originator or registered as a loan originator to conduct mortgage loan origination business while their application is pending in accordance with Public Law 115-174.

Sections 3 -12 clarifies the definition of “change in control” for purposes of filing an advance change notice with respect to a change of a director, general partner or executive officer of a mortgage lender, mortgage correspondent lender, mortgage broker, lead generator, sales finance, small loan company, check casher, money transmission, debt adjuster, debt negotiator, mortgage servicer, consumer collection agency or student loan servicer licensee.



PROPOSAL BACKGROUND

◇ Reason for Proposal

To implement federal law in Connecticut concerning temporary authority of mortgage loan originators. To clarify the term “change-in-control” requiring advance change notices to be filed by licensees for changes in directors, general partners and executive officers.

◇ Origin of Proposal

New Proposal

Resubmission

PROPOSAL IMPACT

◇ AGENCIES AFFECTED *(please list for each affected agency)*

Agency Name: Click here to enter text.

Agency Contact (name, title, phone): Click here to enter text.

Date Contacted: Click here to enter text.

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

Click here to enter text.

Will there need to be further negotiation? YES NO

◇ FISCAL IMPACT *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

Municipal *(please include any municipal mandate that can be found within legislation)*

None.

State

None.



Federal

None.

Additional notes on fiscal impact

None.

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

None.

Insert fully drafted bill here

AN ACT CONCERNING TRANSITIONAL AUTHORITY

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Sec. 1. Section 36a-485 of the 2018 Supplement to the general statutes, as amended by section 7 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

As used in this section and sections 36a-486 to 36a-498e, inclusive, as amended by this act, 36a-498h, 36a-534a and 36a-534b, as amended by this act, unless the context otherwise requires:

(1) “Advance fee” means any consideration paid or given, directly or indirectly, by a consumer to a person for a residential mortgage loan prior to the closing of such residential mortgage loan, including, but not limited to, loan fees, points, broker's fees or commissions, transaction fees or similar prepaid finance charges;

(2) “Advertise”, “advertisement” or “advertising” means the use of any announcement, statement, assertion or representation that is placed before the public in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster or over any radio or television station, by means of the Internet, or by other electronic means of distributing information, by personal contact, or in any other way;

(3) “Branch office” means a location other than the main office at which a licensee or any person on behalf of a licensee acts as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator;

(4) “Control person” means an individual that directly or indirectly exercises control over another person. Any person that (A) is a director, general partner or executive officer; (B) in the case of a corporation, directly or indirectly has the right to vote ten per cent or more of a class of any voting security or has the power to sell or direct the sale of ten per cent or more of any class of voting securities; (C) in the case of a limited liability company, is a managing member; or (D) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten per cent or more of the capital, is presumed to be a control person. For



purposes of this subdivision, “control” means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract or otherwise;

(5) “Depository institution” has the same meaning as provided in Section 3 of the Federal Deposit Insurance Act, 12 USC 1813, and includes any Connecticut credit union, federal credit union or out-of-state credit union;

(6) “Dwelling” means a “dwelling”, as defined in Section 103 of the Consumer Credit Protection Act, 15 USC 1602, that is located in this state;

(7) “Employee” means an individual (A) whose manner and means of work performance are subject to the right of control of, or are controlled by, a person, and (B) whose compensation is reported or required to be reported on a W-2 form issued by the controlling person. For purposes of the definition of “registered mortgage loan originator”, “employee” has the foregoing meaning or such other meaning as the federal banking agencies may issue in connection with such agencies' implementation of such agencies' responsibilities under the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC 5101 et seq.;

(8) “Federal banking agency” means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration and the Federal Deposit Insurance Corporation;

(9) “First mortgage loan” means a residential mortgage loan that is secured by a first mortgage;

(10) “Immediate family member” means a spouse, child, sibling, parent, grandparent or grandchild and includes stepparents, stepchildren, stepsiblings and adoptive relationships;

(11) “Independent contractor” means an individual retained on a basis where the individual is not an employee of any person in connection with the services such individual provides and whose compensation is reported or required to be reported on an Internal Revenue Service Form 1099 issued by the retaining person;

(12) “Individual” means a natural person;

(13) “Lead” means any information identifying a potential consumer of a residential mortgage loan;

(14) “Lead generator” means a person who, for or with the expectation of compensation or gain: (A) Sells, assigns or otherwise transfers one or more leads for a residential mortgage loan; (B) generates or augments one or more leads for another person; or (C) directs a consumer to another person for a residential mortgage loan by performing marketing services, including, but not limited to, online marketing, direct response advertising or telemarketing;

(15) “Loan processor or underwriter” means an individual who performs clerical or support duties. The term “clerical or support duties” includes, subsequent to the receipt of an application, (A) the receipt, collection,



distribution and analysis of information common for the processing or underwriting of a residential mortgage loan, and (B) communication with a consumer to obtain the information necessary for the processing or underwriting of a loan to the extent that such communication does not include offering or negotiating loan rates or terms or counseling consumers about residential mortgage loan rates or terms;

(16) “Main office” means the main address designated on the system;

(17) “Mortgage broker” (A) means a person who (i) for compensation or gain or with the expectation of compensation or gain (I) takes a residential mortgage loan application, or (II) offers or negotiates terms of a residential mortgage loan, and (ii) is not the prospective source of the funds for the residential mortgage loan, and (B) does not include (i) an individual who is licensed as a mortgage loan originator acting as a mortgage loan originator on behalf of such mortgage loan originator's sponsoring mortgage lender, mortgage correspondent lender, mortgage broker or exempt registrant, or (ii) an individual exempt from mortgage loan originator licensure under subdivision (2) of subsection (b) of section 36a-486 when acting within the scope of such exemption;

(18) “Mortgage correspondent lender” means a person engaged in the business of making residential mortgage loans in such person's own name where the loans are not held by such person for more than ninety days and are funded by another person through a warehouse agreement, table funding agreement or similar agreement;

(19) “Mortgage lender” means a person engaged in the business of making residential mortgage loans in such person's own name utilizing such person's own funds or by funding loans through a warehouse agreement, table funding agreement or similar agreement;

(20) “Mortgage loan originator” means an individual who for compensation or gain or with the expectation of compensation or gain, either for such individual or for the person employing or retaining such individual, (A) takes a residential mortgage loan application, or (B) offers or negotiates terms of a residential mortgage loan. “Mortgage loan originator” does not include (i) an individual engaged solely as a loan processor or underwriter; (ii) a person who only performs real estate brokerage activities and is licensed in accordance with chapter 392, unless the person is compensated by a mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator or by any agent of such mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator; (iii) a person solely involved in extensions of credit relating to timeshare plans, as that term is defined in Paragraph 53D of 11 USC 101; or (iv) any individual who solely renegotiates terms for existing mortgage loans on behalf of a mortgagee and who does not otherwise act as a mortgage loan originator, unless the United States Department of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction determines that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., requires such individual to be licensed as a mortgage loan originator under state laws implementing said S.A.F.E. Mortgage Licensing Act;

(21) “Office” means a branch office or a main office;

(22) “Out-of-state mortgage loan originator” means an individual who maintains a unique identifier through the Nationwide Mortgage Licensing System and Registry and holds a valid loan originator license issued pursuant to the law of any state or jurisdiction within the United States, other than the state of Connecticut.



[(22)] (23) “Person” means a natural person, corporation, company, limited liability company, partnership or association;

[(23)] (24) “Principal amount of the loan” means the gross amount the borrower is obligated to repay including any prepaid finance charge that is financed, and any other charge that is financed;

[(24)] (25) “Real estate brokerage activity” means any activity that involves offering or providing real estate brokerage services to the public, including (A) acting as a real estate agent or real estate broker for a buyer, seller, lessor or lessee of real property; (B) bringing together parties interested in the sale, purchase, lease, rental or exchange of real property; (C) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental or exchange of real property, other than in connection with providing financing with respect to any such transaction; (D) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and (E) offering to engage in any activity, or act in any capacity, described in this subdivision;

[(25)] (26) “Registered mortgage loan originator” means any individual who (A) meets the definition of mortgage loan originator and is an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the Farm Credit Administration; and (B) is registered with and maintains a unique identifier through the system;

[(26)] (27) “Residential mortgage loan” means any loan primarily for personal, family or household use that is secured by a mortgage, deed of trust or other equivalent consensual security interest on a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling;

[(27)] (28) “Residential real estate” means any real property located in this state, upon which is constructed or intended to be constructed a dwelling;

[(28)] (29) “Secondary mortgage loan” means a residential mortgage loan that is secured, in whole or in part, by a mortgage, provided such property is subject to one or more prior mortgages;

[(29)] (30) “Simulated check” means a document that imitates or resembles a check but is not a negotiable instrument;

[(30)] (31) “Sponsored” means employed or retained as an independent contractor;

[(31)] (32) “Table funding agreement” means an agreement wherein a person agrees to fund mortgage loans to be made in another person's name and to purchase such loans after they are made;

[(32)] (33) “Trigger lead” means a consumer report obtained pursuant to subparagraph (B) of subdivision (1) of subsection (c) of Section 604 of the Fair Credit Reporting Act, 15 USC 1681b, as amended from time to time, where the issuance of the report is triggered by an inquiry made with a consumer reporting agency in response to an application for credit;



[(33)] (34) “Unique identifier” means a number or other identifier assigned by protocols established by the system; and

[(34)] (35) “Warehouse agreement” means an agreement to provide credit to a person to enable the person to have funds to make residential mortgage loans and hold such loans pending sale to other persons.

Sec. 2. Section 36a-486 of the 2018 Supplement to the general statutes, as amended by section 8 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) No person shall engage in the business of making residential mortgage loans or act as a mortgage broker in this state unless such person has first obtained a license for its main office and for each branch office where such business is conducted in accordance with the provisions of sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a and 36a-534b, as amended by this act. Any activity subject to licensure pursuant to sections 36a-485 to 36a-498e, inclusive, as amended by this act, 36a-534a or 36a-534b, as amended by this act, shall be conducted from an office located in a state, as defined in section 36a-2. Any such person who is an individual shall also obtain a mortgage loan originator license prior to conducting such business unless such individual does not engage directly in the activities of a mortgage loan originator or conducts such business pursuant to the temporary authority provided in (e). A person, other than a licensed mortgage loan originator acting on behalf of a mortgage lender or mortgage correspondent lender, shall be deemed to be engaged in the business of making residential mortgage loans if such person advertises, causes to be advertised, solicits or offers to make residential mortgage loans, either directly or indirectly. A person, other than a licensed mortgage loan originator acting on behalf of a mortgage broker, shall be deemed to be acting as a mortgage broker if such person advertises or causes to be advertised that such person will negotiate, solicit, place or find a residential mortgage loan, either directly or indirectly. A mortgage correspondent lender shall not be deemed to be acting as a mortgage lender if such mortgage correspondent lender makes a loan utilizing its own funds in a situation where another person does not honor such person's commitment to fund the loan. A licensed lead generator shall not be deemed to be acting as a mortgage lender, mortgage correspondent lender, mortgage broker or mortgage loan originator when engaged in the activities of a lead generator, as described in section 36a-485, as amended by this act, if such person does not: (1) Obtain compensation or gain contingent upon the consummation of a residential mortgage loan or the receipt of a residential mortgage loan application, or (2) utilize financial criteria particular to the consumer or the residential mortgage loan transaction to selectively place a lead or to steer a consumer to a specific person for a residential mortgage loan.

(b) (1) No person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker shall engage the services of a mortgage loan originator or of a loan processor or underwriter required to be licensed under this section unless such mortgage loan originator or loan processor or underwriter is licensed under section 36a-489 or acting pursuant to the temporary authority provided in (e). An individual, unless specifically exempted under subdivision (2) of this subsection or acting pursuant to the temporary authority provided in (e), shall not engage in the business of a mortgage loan originator on behalf of a licensee or a person exempt under section 36a-487 with respect to any residential mortgage loan without first obtaining and maintaining annually a license as a mortgage loan originator under section 36a-489. An individual, unless specifically exempted under subdivision (2) of this subsection, shall be deemed to be engaged in the business of a mortgage loan originator if such individual: (A) Acts as a mortgage loan originator in connection with any



residential mortgage loan on behalf of a licensee or person exempt under section 36a-487; or (B) makes any representation to the public through advertising or other means of communication that such individual can or will act as a mortgage loan originator on behalf of a licensee or person exempt under section 36a-487. Each licensed mortgage loan originator and each licensed loan processor or underwriter shall register with and maintain a valid unique identifier issued by the system. No individual may act as a mortgage loan originator for more than one person at the same time. No loan processor or underwriter licensee may be sponsored by more than one person at a time. The license of a mortgage loan originator or a loan processor or underwriter is not effective during any period when such mortgage loan originator or a loan processor or underwriter is not sponsored by a licensed mortgage lender, mortgage correspondent lender or mortgage broker, or by a person registered as an exempt registrant under subsection (d) of section 36a-487, or during any period in which the license of the mortgage lender, mortgage correspondent lender or mortgage broker with whom such originator or loan processor or underwriter is associated has been suspended. Either the mortgage loan originator, the loan processor or underwriter or the sponsor may file a notification of the termination of sponsorship with the system.

(2) The following are exempt from this section: (A) A registered mortgage loan originator or an employee of an institution or subsidiary described in subdivision (25) of section 36a-485 who is not required to be registered under Section 1507 of the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., when acting for such institution or subsidiary; (B) an individual who offers or negotiates the terms of a residential mortgage loan with or on behalf of an immediate family member of such individual; (C) an individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that served as the individual's residence, unless the context demonstrates that such individual engaged in such activities with a degree of habitualness or repetition; (D) a Connecticut licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator or by any agent of such mortgage lender, mortgage correspondent lender, mortgage broker or other mortgage loan originator; (E) an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan as an employee of a federal, state or local government agency or housing finance agency exempt from licensure pursuant to section 36a-487, and who does so only pursuant to such individual's official duties as an employee of such agency; (F) an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan as an employee of an organization that has obtained bona fide nonprofit status from the commissioner and is exempt from licensure pursuant to section 36a-487, and who does so only pursuant to such individual's official duties as an employee of such organization; and (G) an individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that is not the individual's residence but is owned by such individual, unless the context demonstrates that such individual engaged in such activities with a degree of habitualness or repetition.

(3) No individual shall engage in the activities of a loan processor or underwriter unless such individual obtains and maintains a license as a loan processor or underwriter under section 36a-489. The following individuals are exempt from the foregoing license requirement:



(A) An employee of a licensed mortgage lender, mortgage correspondent lender or mortgage broker who engages in loan processor or underwriter activities (i) in connection with residential mortgage loans either originated or made by such licensee, and (ii) at the direction of and subject to the supervision of a licensed mortgage loan originator of such licensee;

(B) An employee of a person exempt from licensure under subdivision (1), (2) or (3) of subsection (a) of section 36a-487 who engages in loan processor or underwriter activities at the direction of and subject to the supervision of either a licensed mortgage loan originator or a registered mortgage loan originator of such exempt person; or

(C) Any individual engaged, in any capacity, in loan processor or underwriter activities in connection with a residential mortgage loan originated by an individual not required to be licensed or registered as a mortgage loan originator under this part.

(4) An individual engaging solely in loan processor or underwriter activities shall not represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists or other promotional items, that such individual can or will perform any of the activities of a mortgage loan originator.

(5) On and after January 1, 2018, no person shall, directly or indirectly, act as a lead generator without first obtaining a license under section 36a-489, unless such person is exempt from licensure. The following persons shall be exempt from licensure as a lead generator:

(A) Any bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, provided such bank or credit union is federally insured;

(B) Any wholly owned subsidiary of any such bank or credit union;

(C) Any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same such bank or credit union;

(D) Any person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker in this state, provided such exemption shall not be effective during any period in which the license of such person is suspended;

(E) A consumer reporting agency, as defined in Section 603 (f) of the Fair Credit Reporting Act, 15 USC 1681a, as amended from time to time; and

(F) An employee of a person licensed as a lead generator or exempt from licensure as a lead generator, while engaged in lead generator activities on behalf of such person.

(c) If the United States Department of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction determines that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101 et seq., requires an individual described in subparagraph (B) (iv) of subdivision (20)



of section 36a-485 to be licensed as a mortgage loan originator under state laws implementing said S.A.F.E. Mortgage Licensing Act, such individual may continue to act in such individual's current capacity, provided such individual files an application for a mortgage loan originator license not later than the date sixty days from the date of such determination by the United States Department of Housing and Urban Development, the Bureau of Consumer Financial Protection or a court of competent jurisdiction.

(d) Each residential mortgage loan taken, offered, negotiated, solicited, arranged, placed, found, made, processed or underwritten without a license shall constitute a separate violation for purposes of section 36a-50.

(e)(1) On and after the effective date of Section 106 of Public Law 115-174, upon being employed by a person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker in this state, an individual who is a registered mortgage loan originator shall be deemed to have temporary authority to act as a mortgage loan originator in this state for the period described in paragraph (3) if the individual (A) has not had (i) an application for a loan originator license denied in any governmental jurisdiction; or (ii) a loan originator license revoked or suspended in any governmental jurisdiction; (B) has not been subject to, or served with, a cease and desist order (i) in any governmental jurisdiction; or (ii) by the Bureau of Consumer Financial Protection pursuant to 12 USC section 5113(c) (C) has not been convicted of a misdemeanor or felony that would preclude licensure in this state under section 36a-489(b)(1); (D) has submitted an application to be a licensed mortgage loan originator in this state pursuant to section 36a-488(c)(1); and (E) was registered in the system as a loan originator during the 1-year period preceding the date on which the individual submits personal history and experience, including authorization to obtain an independent credit report, criminal background check and information relating to administrative, civil or criminal findings by any governmental jurisdiction in connection with an application to be a licensed mortgage loan originator in this state pursuant to section 36a-488(c)(1).

(2) On and after the effective date of Section 106 of Public Law 115-174, an out-of-state mortgage loan originator shall be deemed to have temporary authority to act as a mortgage loan originator in this state for the period described in paragraph (3) if the individual (A) meets the requirements of subparagraphs (A), (B), (C) and (D) of paragraph (1); (B) is an employee of a person licensed as a mortgage lender, mortgage correspondent lender or mortgage broker in this state, and (C) was an out-of-state mortgage loan originator during the 30 day period preceding the date on which the individual submits personal history and experience, including authorization to obtain an independent credit report, criminal background check and information relating to administrative, civil or criminal findings by any governmental jurisdiction in connection with an application to be a licensed mortgage loan originator in this state pursuant to section 36a-488(c)(1).

(3) The period of temporary authority for an individual seeking licensure as a mortgage loan originator pursuant to paragraph (1) or (2) shall commence on the date that such individual submits the information required by section 36a-488(c)(1) and shall end on the earliest of the date: (A) on which the individual withdraws the application to be a licensed mortgage loan originator in this state; (B) on which the commissioner denies the application; (C) on which the commissioner issues a mortgage loan originator license; or (D) that is 120 days after the date on which the individual submits the application, if the application is listed on the system as incomplete.



(4) Any person employing an individual who is deemed to have temporary authority to act as a mortgage loan originator in this state under this subsection shall be subject to the requirements of title 36a and Connecticut law to the same extent as if the individual employed was licensed as a mortgage loan originator in this state. Any individual who is deemed to have temporary authority to act as a mortgage loan originator in this state under this subsection who engages in residential mortgage loan origination activities shall be subject to the requirements of title 36a and to Connecticut law to the same extent as if that individual was licensed as a mortgage loan originator in this state.

Sec. 3. Section 36a-490(b)(1) of the 2018 supplement to the general statutes, as amended by section 12 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

A mortgage lender, mortgage correspondent lender, mortgage broker or lead generator license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of director, general partner or executive officer that is not the result of an acquisition or change in control of the licensee, shall be the subject of an advance change notice filed on the system not later than thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 4 Section 36a-540(a) of the general statutes as amended by section 27 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) Each license shall specify the location at which the business is to be conducted. Such license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change in control of the licensee, shall be the subject of an advance change notice filed on the system not later than thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 5. Section 36a-566(a) of the general statutes as amended by section 37 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

No license issued under section 36a-556 shall be assignable or transferable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.



Sec. 6. Section 36a-583(a)(1) of the general statutes as amended by section 45 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

A license issued under section 36a-581, as amended by this act, shall not be transferable or assignable. A change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 7. Section 36a-598(d)(1) of the 2018 supplement to the general statutes as amended by section 51 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

A money transmission license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or a change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 8. Section 36a-658(a) of the general statutes, as amended by section 65 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

Each license shall state the location at which the business is to be conducted and shall state fully the name of the licensee. If the licensee desires to engage in the business of debt adjustment in more than one location, the licensee shall procure a license for each location where the business is to be conducted. A license issued under section 36a-656, as amended by this act, shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 9 Section 36a-671(h) of the 2018 supplement to the general statutes, as amended by section 67 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*)

The license shall not be transferable or assignable. Any change in any control person of the license, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least



thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Sec. 10 . Section 36a-719a(a) of the general statutes, as amended by section 73 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

A mortgage servicer license shall not be transferable or assignable. Any change in any control person of a licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons. Any licensee who intends to permanently cease acting as a mortgage servicer at any time during a license period for any cause, including, but not limited to, bankruptcy or voluntary dissolution, shall file a request to surrender the license in accordance with subsection (c) of section 36a-51, as amended by this act, for each office at which the licensee intends to cease to do business, on the system, not later than fifteen days after the date of such cessation, provided this requirement shall not apply when a license has been suspended pursuant to section 36a-51, as amended by this act. No surrender shall be effective until accepted by the commissioner.

Sec. 11. Section 36a-801(f)(2) of the 2018 supplement to the general statutes, as amended by section 79 of public act 18-173 is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

Except as otherwise specified in subsection (i) of this section, each consumer collection agency applicant or licensee, and each individual designated as a control person, qualified individual or branch manager of such applicant or licensee, shall file on the system any change in the information such applicant, licensee, control person, qualified individual or branch manager most recently submitted to the system in connection with the application or license, or, if the information cannot be filed on the system, notify the commissioner of such change, in writing, not later than fifteen days after the date the applicant, licensee, control person, qualified individual or branch manager had reason to know of the change. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.



Sec. 12 Section 36a-848(b) of the general statutes, as amended by section 86 of public act 18-173, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

A license shall not be transferable or assignable. Any change in any control person of the licensee, except a change of a director, general partner or executive officer that is not the result of an acquisition or change of control of the licensee, shall be the subject of an advance change notice filed on the system at least thirty days prior to the effective date of such change and no such change shall occur without the commissioner's approval. For purposes of this section, "change in control" means any change causing the majority ownership, voting rights or control of a licensee to be held by a different control person or group of control persons.

Statement of Purpose: To implement mortgage loan origination temporary authority for individuals who either have been licensed as a mortgage loan originators in another state or employed as federal registered loan originators, in accordance with Section 106 of Public Law 115–174. To define the circumstances constituting a “change in control” for purposes of filing an advance change notice with the commissioner with respect to a change of a director, general partner or executive officer of a consumer credit licensee.