STATE OF CONNECTICUT
DEPARTMENT OF BANKING

Annual Report
Of the Banking Commissioner

To His Excellency
Dannel P. Malloy, Governor

For the Year Ending December 31, 2017
Hartford, Connecticut
Submitted July 31, 2018

July 31, 2018

To His Excellency, Dannel P. Malloy, 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 2017.

Respectfully yours,

Jorge L. Pèrez
Banking Commissioner

CONTENTS

BANKING COMMISSIONERS
(1900-2017)

BANKING COMMISSIONERS	FROM	TO
Jorge L. Pèrez	2015	--
Howard F. Pitkin	2006	2014
John P. Burke	1995	2006
Ralph M. Shulansky	1991	1995
Howard B. Brown Jr.	1985	1991
Brian J. Woolf	1981	1985
David H. Neiditz	1977	1981
Lawrence Connell Jr.	1975	1977
James E. Hagen	1971	1975
Gerald A. Lamb	1970	1971
Philip Hewes	1960	1970
Henry H. Pierce Jr.	1955	1960
Lynwood K. Elmore	1951	1955
Richard Rapport	1943	1951
Walter Perry	1933	1943
George J. Bassett	1931	1933
Lester E. Shippee	1927	1931
John B. Byrne	1922	1927
John K. Bissland	1922	1922
Everett J. Sturges	1915	1922
Fred P. Holt	1911	1915
Norris S. Lippitt	1911	1914
Norris S. Lippitt	1907	1911
Charles H. Noble	1907	1911
George F. Kendall	1900	1906
Charles H. Noble	1900	1906

Note: From 1837 to 1915 two Banking Commissioners served concurrently.

For a more complete history of the Department of Banking please visit:
http://libguides.ctstatelibrary.org/ld.php?content_id=11021267

DEPUTY BANKING COMMISSIONERS
(1900-2017)

DEPUTY BANKING COMMISSIONERS	FROM	TO
NONE	2012	--
Alan J. Cicchetti	1999	2011
NONE	1996	1998
Robert B. Titus	1993	1995
Barbara S. McGrath	1991	1993
Paul J. McDonough	1988	1991
NONE	1986	1987
Howard B. Brown Jr.	1982	1985
Linda J. Kelly	1979	1981
Kay V. Bergin	1975	1978
Thomas E. Canfield	1974	1975
Patsy J. Piscopo	1971	1974
Maurice J. Ferland	1970	1971
Reinhard J. Bardeck	1951	1969
Lynwood K. Elmore	1943	1950
Richard Rapport	1938	1942
R. Gordon Baldwin	1928	1937
Lester E. Shippee	1922	1927
John K. Bissland	1917	1921

ADMINISTRATION

Agency Mission

The Department of Banking is the primary state regulator for state chartered banks and credit unions, securities, and consumer credit. Its mission is to protect users of financial services from unlawful or improper practices by ensuring that regulated entities and individuals adhere to state banking and securities laws. We accomplish this through regular, thorough, and cost-effective examinations of the entities we supervise. The Department also engages the public and other stakeholders through a variety of media platforms, educational outreach initiatives, and press communications.

Organization

The Department of Banking is a state agency headed by the Banking Commissioner who reports directly to the Governor. The Department regulates and examines financial institutions and various related entities that are chartered, licensed or registered by the state; the Banking Commissioner administers state banking and credit union laws, securities laws, consumer credit laws, and a major portion of the law concerning rental security deposits.

The Department is comprised of four operational divisions and three support divisions. Specific regulatory functions are assigned to each operational division within the Department.

The **Financial Institutions Division** is responsible for the supervision of state-chartered bank and trust companies, savings banks, savings and loan associations and credit unions. The Division also licenses foreign banking organizations that establish and maintain representative offices, agency offices and branch offices in Connecticut, and supervises bank holding companies. It has responsibility for analyzing applications for new bank or credit union charters, acquisitions, mergers, conversions, branches, changes in corporate structure, and credit union field of membership expansions. In addition, the Division licenses business and industrial development corporations and certain non-banking corporations that exercise fiduciary powers, including limited purpose trust companies. In 2016, the legislature created a new international trade and investment corporations license.

The **Consumer Credit Division** is responsible for examination, enforcement, and licensing of mortgage lenders, brokers, servicers and loan originators; loan processors and underwriters and lead generators of residential mortgage loans; small loan companies; sales finance companies; debt adjusters; debt negotiators; consumer collection agencies, including debt buyers; money transmitters; issuers of money orders and travelers checks; check cashing services; and student loan servicers. In addition, Consumer Credit also administers Truth-in-Lending laws and retail installment sales financing laws.

The **Securities and Business Investments Division** is responsible for registering securities and business opportunity offerings sold in or from Connecticut; registering (licensing) broker-dealers, agents, investment advisers and investment adviser agents who transact business in Connecticut and registering branch offices of broker-dealer and investment advisory firms. The Division also conducts on-site examinations of broker-dealers, investment advisers and branch office registrants. The Division enforces the Connecticut Uniform Securities Act and the Connecticut Business Opportunity Investment Act.

The **Government Relations and Consumer Affairs Division** assists consumers with issues involving banks, credit unions, mortgage lending and other consumer credit matters, securities and business opportunity investments, and oversees the administration and enforcement of the rental security deposit laws. The Division also directs the agency's legislative program, manages communications and media relations for the Department, coordinates financial and investor-education outreach efforts and handles calls to the Foreclosure Assistance Hotline.

There are three support divisions at the Department of Banking: the Business Office, which is responsible for the accounting, budgeting, fiscal, payroll, purchasing and financial reporting functions; Human Resources, which addresses day-to-day employee issues and prepares the agency's affirmative action plan; and the MIS unit that provides information technology and office automation support.

As of December 31, 2017, the agency had 120 full-time budgeted positions with 108 filled.

Equal Opportunity and Affirmative Action

The Department of Banking continues its longstanding commitment to providing equal employment opportunity based on merit, assuring nondiscrimination, and implementing affirmative action and contract compliance programs, as required by law. The Department files its affirmative action plan on a biennial schedule. In January 2018, Human Resources began developing the Plan for the July 1, 2016-June 30, 2018 reporting period. The Department's affirmative action plan, which will be submitted to the Commission on Human Rights and Opportunities in October 2018, reflects the agency's commitment to achieving workforce balance and fairness in all terms and conditions of employment.

The Department of Banking understands that equal employment opportunity means making employment decisions without consideration for race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, mental disability, physical disability, past or present history of mental disability, learning disability, sexual orientation, genetic background information, or criminal record, unless the provisions of Sections 46a-80(b) or 46a-81(b) of the Connecticut General Statutes are controlling. It further recognizes that affirmative action and equal employment opportunity are distinct in definition and that equal employment opportunity is the purpose and goal of affirmative action.

The Department of Banking recognizes the unique hiring difficulties experienced by the physically disabled and by many older persons. The Department will continue to provide equal employment opportunities to such persons and will establish and uphold affirmative action program goals to overcome the effects of discrimination and to achieve balanced utilization in our workforce.

LEAN Activities

In an effort to make state government leaner and more efficient, Governor Malloy directed all state agencies to implement the "LEAN Process." According to the Office of Policy and Management, LEAN refers to the application of specific tools that are used to identify and implement the most efficient and value-added way to provide government services. The Department held its first LEAN events in 2016. The project management practices and principles used led to increased efficiencies across the agency.

In 2017, the Department held two 5-day LEAN events and a two-day LEAN workshop. In late February 2017, the Government Relations and Consumer Affairs Division met to review the Foreclosure Hotline workflow. (See page 36.) That same week a team consisting of employees from the Consumer Credit, Financial Institutions and Securities Divisions convened for an agency-wide LEAN event.

The focus of the agency-wide LEAN event was to review existing new applicant licensing processes, identify ways to streamline and gain efficiencies in the collection and analysis of licensing information, and to identify opportunities for cross training and sharing of resources across divisions. The Team met on a number of occasions prior to the LEAN event to brainstorm and identify areas of their respective licensing processes that needed improvement. During the LEAN Event, the Team used the LEAN concept of "Value Stream Mapping" to identify and map the current steps in the licensing process for new applicants in each division. Team members identified ways to improve efficiency and reduce the number of steps in the licensing process and created an Implementation Plan containing items for improvement that are attainable within the next year and those that will take longer than one year to implement.

In early 2017, Commissioner Pérez convened the agency's executive management team for a two-day workshop to develop a strategic plan for the agency using LEAN tools. During this workshop, management outlined its chief priorities to move the Department forward while outlining specific targets and metrics to achieve these broad objectives. Each Division head conducted a Strengths, Weakness, Opportunities and Threats (SWOT) analysis, which informed the crafting of the plan. Highlights of the long-term goals included:

- Obtain/maintain accreditation for all applicable divisions by 2019;
- Increase economic opportunities through charter and licensing innovations;
- Establish an internal DOB University to invest in staff training;
- Elevate agency profile through new branding, communications and educational initiatives;
- Meet the minimum CSBS, NASCUS and FINRA industry best practices for examinations;
- Establish a high performance organization to meet agency needs and become an employer of choice; and

- Drive efficiency through e-government and technology.

In June 2017, Commissioner Pérez held an agency-wide meeting to introduce the plan to the entire staff, and continues to discuss these initiatives at Division meetings.

The Department took part in the 4th annual LEAN CT Showcase, hosted by the Office of Policy and Management. This expo, which took place in the State Capitol building in Hartford, was an opportunity for state agencies to share their LEAN initiatives for improving customer service. Department of Banking staff engaged with the public and fellow state agency personnel in promoting the agency's achievements, specifically related to our complaint process. As a result of LEAN, consumer affairs personnel transitioned from using a paper system of logging consumer calls to an online system, developed by MIS staff. GRCA staff wrote a manual of Standard Operating Procedures for the division to serve as a reference source and to help cross-train employees and future staff. An online complaint form has enhanced and improved our customer service greatly, by making it possible for staff to process complaints more efficiently with less wait time. The agency's table display shared these accomplishments with attendees in a visually pleasing manner.

LAW PreDiscovery & Concordance Desktop

Continuing in our efforts to make the agency operate efficiently, the Department implemented electronic systems designed to facilitate more easily the processing of documents - LAW PreDiscovery and Concordance Desktop.

LAW PreDiscovery is an e-discovery engine in which the user can scan, import, and produce all of the potential evidentiary documents needed during legal discovery. It converts files into a format that can be loaded into the Concordance Desktop program for review; helps to eliminate duplicate, irrelevant and non-responsive files and process only the essential data prior to document review; and creates databases for discovery documents.

Concordance Desktop is a program in which users can manage and review the high volume of documents generated during a litigation matter, including scanned papers, e-mails, and PDFs. Some of the key processes that can be performed in this program are searching, reviewing and organizing documents; producing and sharing documents internally and externally; highlighting, redacting, annotating and stamping documents (confidential, privileged, etc.); and creating customized reports for fact review and trial preparation, including, but not limited to, document lists, Q&A sets and production history reports.

eLicensing

The Enterprise License System, known as eLicense, is an information technology application administered by DAS/BEST for use among state agencies. Elicensing encompasses any function related to licensing, including renewals, examinations and investigations, and complaints. At the Department of Banking, this system will interface with the current systems we use for licensing, including NMLS (Nationwide Multistate Licensing System), CRD (FINRA's Central Registration Depository), and IARD (Investment Adviser Registration Depository). NMLS is the licensing system for non-depository financial institutions and individuals, and is used by our Consumer Credit Division for all licensee types. Web CRD and IARD are the licensing and registration systems used by the securities industry.

In addition to accessing the data from these national licensing systems, eLicensing will replace CELS, BIPSS, and other locally-developed systems currently utilized by the Department. The combined data from all these systems through eLicensing will allow a complete history of these companies and individuals to be accessed by agency staff. For instance, someone in Securities will be able to go into the eLicensing system and find out if a potential investment adviser had any prior disciplinary action in the Consumer Credit industry. The flow of information among Divisions will be greatly improved.

Financial Statement

Receipts, expenditures and adjustments relating to the fiscal year ending June 30, 2017 were as follows:

Receipts
(Banking Fund)

Examination of banks etc. assessed in accordance with Section 36a-65, as amended	$ 2,989,948
Examination of credit unions, assessed in accordance with Section 36a-65, as amended	295,214
Other license and examination fees	60,507
Registration, filing and transfer fees from securities brokers, etc.	21,916,705
License and registration fees: mortgage brokers, loan originators, check cashers, money transmitters, sales finance companies, small loan companies, debt adjusters, debt negotiators, collection agencies	$ 5,182,227
Prior period refunds and miscellaneous receipts	0
Total Banking Fund Receipts	$ 30,444,601

Receipts
(Non-lapsing)

RBS Settlement	$ 250,000
Student Loan Servicers Fees	$ 36,000
Total Non-lapsing Receipts	286,000

Receipts
(General Fund – deposited directly)

Registration of securities and business opportunities	$ 5,679,750
Penalties	2,279
Recoveries Negotiated Settlements	119,750,000
Total General Fund Receipts	$ 125,432,029
TOTAL RECEIPTS	**$ 156,162,630**

Expenditures
(Operating)

Personnel services	$ 10,333,909
Fringe benefits	8,261,662
Travel expenses, including motor vehicle rentals, fuel, repairs	307,252
Other expenses	1,112,738
Indirect overhead and equipment	122,245
Total Operating Expenditures	$ 20,137,806

Expenditures
(Recognized by Other Agencies)

Judicial	$ 3,652,413
Department of Housing	670,000
Department of Labor	1,615,000
Total Expenditures Recognized by Other Agencies	$ 5,937,413
TOTAL EXPENDITURES	**$ 26,075,219**

Fund Adjustments

Transferred to the General Fund (Deficit Fund Mitigation)	$ 7,000,000

FINANCIAL INSTITUTIONS DIVISION

Subject to the general supervision of the Banking Commissioner, the Financial Institutions Division is charged with administering Chapter 664a of the Connecticut General Statutes, Administration and Enforcement, Chapter 664b of the Connecticut General Statutes, Corporate Organization and Administration of Connecticut Banks, Chapter 664c of the Connecticut General Statutes, Fundamental Changes Involving Banks, Branches, Automated Teller Machines, Home Banking and Bank Holding Companies, Chapter 665 of the Connecticut General Statutes, Powers, Loans and Investments, Chapter 665a of the Connecticut General Statutes, Deposits, Chapter 665b of the Connecticut General Statutes, Fiduciary Powers, Chapter 666 of the Connecticut General Statutes, Out-of-State Banks, Chapter 666a of the Connecticut General Statutes, Out-of-State Trust Companies, Chapter 667 of the Connecticut General Statutes, Credit Unions, and parts of Chapter 668 of the Connecticut General Statutes, Nondepository Financial Institutions.

The Financial Institutions Division is responsible for the supervision and regulation of Connecticut-chartered commercial banks, savings banks, savings and loan associations, trust banks and credit unions. The Division also regulates one Connecticut-chartered bankers' bank, as well as one uninsured bank, which does not accept retail deposits. In addition, the Division supervises the activities of state-licensed foreign banking organizations with branches, agencies, and representative offices located in Connecticut.

Through a combination of continuous off-site reviews and periodic on-site examinations, the Division monitors these institutions for compliance with Connecticut banking law, as well as applicable rules and regulations of the institutions' respective federal regulators. The Division is also responsible for processing applications for new banks and credit unions, branches, acquisitions, mergers and consolidations, conversions, bank holding company formations, and requests for credit union field of membership expansions. The Division also licenses business and industrial development corporations and certain non-banking corporations exercising fiduciary powers in the State.

Connecticut-Chartered Banks' Consolidated Financial Condition & Operating Results

As of December 31, 2017, there were nine Connecticut-chartered commercial banks (including one bankers' bank), twenty-four Connecticut-chartered savings banks and two trust banks. There were no Connecticut-chartered savings & loan associations. All Connecticut-chartered commercial banks and savings institutions are insured by the Federal Deposit Insurance Corporation ("FDIC").

Connecticut-chartered commercial banks and savings institutions, collectively, reported total assets of $38.1 billion as of December 31, 2017, a 7.4% increase from December 31, 2016. Total loans and total deposits for year-end 2017 were $29.5 billion and $29.5 billion, respectively. The values represent an 8.0% increase in total loans and a 7.9% increase in total deposits from year-end 2016. Total equity capital was $4.3 billion as of December 31, 2017, an 8.8% 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 11.24% as of December 31, 2017, compared to 11.09% as of December 31, 2016.

The net-interest-margin ("NIM") for Connecticut-chartered commercial and savings banks remained stable at 3.16% for year-end 2017 compared to 3.15% at year-end 2016. Aggregate earnings performance for the year ended December 31, 2017 declined from the prior year levels. The return on average assets ("ROA") decreased to 0.59% for 2017, from 0.69% for 2016. ROA was impacted by accounting adjustments related to changes in the tax code. These changes will benefit the ROA in future periods. The return on average equity ("ROE") also declined from 6.19% for 2016 to 5.29% for 2017.

Number of Connecticut-Chartered Institutions
(As of December 31, 2016 & December 31, 2017)

Institution Type	Institutions 12/31/2016	Conversion	Liquidation	Net Change	Institutions 12/31/2017
Commercial Banks	**8**	1	0	0	**9**
Savings Banks	**24**	0	0	0	**24**
Uninsured Banks	**1**	0	0	0	**1**
Trust Banks	**2**	0	0	0	**2**
Credit Unions	**32**	0	(1)	(1)	**31**
Totals	**67**	**1**	**(1)**	**0**	**67**

March 24, 2017 – Fieldpoint Private Bank & Trust received Commissioner approval to convert from a federal savings association to a Connecticut bank & trust company.

November 1, 2017 – East Haven Municipal Employees Credit Union merged into America's First Network Credit Union, along with East Hartford Federal Credit Union on March 10, 2017.

Connecticut-Chartered Commercial Banks

There were nine Connecticut-chartered commercial banks operating in the State as of December 31, 2017 including one bankers' bank. The number of Connecticut-chartered commercial banks increased by one during 2017. As of June 30, 2017, the nine Connecticut-chartered commercial banks collectively operated thirty-nine offices with aggregate deposits of $4.4 billion. Within the Connecticut market, this group of institutions operated twenty-eight offices with aggregate deposits of $3.8 billion.

Connecticut-Chartered Savings Banks

There were twenty-four Connecticut-chartered savings banks (fifteen mutual and nine capital stock institutions) operating in the State as of December 31, 2017. The number of Connecticut-chartered savings banks remained unchanged during 2017. As of June 30, 2017, the twenty-four Connecticut-chartered savings banks collectively operated 367 offices with aggregate deposits of $24.5 billion. Within the Connecticut market, this group of institutions operated 338 offices with aggregate deposits of $22.7 billion.

Connecticut-Chartered Uninsured Bank

UPS Capital Business Credit ("UPSCBC"), a wholly-owned subsidiary of UPS Capital Corp., operates under an uninsured depository bank charter and does not accept retail deposits. UPSCBC focuses on originating, underwriting, and managing various small business and government guaranteed loan products.

Connecticut-Chartered Trust Banks

There were two Connecticut-chartered trust banks operating in the State as of December 31, 2017 with fiduciary and related trust assets of $84.7 billion. This total consisted of $8.7 billion in managed assets and $76.0 billion in non-managed assets, with an additional $9.1 billion in custody and safekeeping assets.

Connecticut-Chartered Bank Name Changes

There were no Connecticut-chartered bank name changes during 2017.

Connecticut-Chartered Banks' Fiduciary & Related Trust Assets

As of December 31, 2017, seven Connecticut-chartered banks operated trust Departments with fiduciary and related trust assets of $3.7 billion, consisting of $2.0 billion in managed assets and $1.7 billion in non-managed assets, with an additional $392 million in custody and safekeeping assets.

Connecticut-Chartered Credit Unions

As of December 31, 2017, there were thirty-one Connecticut-chartered credit unions operating in the State. The number of state chartered credit unions was reduced by one in 2017 due to the merger of East Haven Municipal Employees Credit Union into America's First Network Credit Union.

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

Connecticut-chartered credit unions reported total assets of $6.4 billion as of December 31, 2017, a 5.2% increase from December 31, 2016. Aggregate shares and deposits totaled $5.7 billion as of December 31, 2017, a 4.9% increase from December 31, 2016. Total loans were $3.7 billion as of December 31, 2017, an 11.2% increase from December 31, 2016. Total equity capital for Connecticut-chartered credit unions was $624 million for December 31, 2017, a 7.9% increase versus December 31, 2016. Connecticut-chartered credit unions' earnings performance for 2017 improved from the prior year level, generating a ROA of 0.54% versus 0.40% for 2016 assisted by a thirteen basis point year-over-year increase in the net interest margin from 2.24% to 2.37%.

Federal & Out-of-State Banks

In addition to the twenty-nine Connecticut-chartered, insured depository institutions operating in the state as of December 31, 2017, there were seven banks chartered by a state other than Connecticut, eighteen national banks and four federal savings associations regulated by the Office of the Comptroller of the Currency ("OCC"). Of the eighteen national banks, six institutions are headquartered in Connecticut. Of the four federal savings banks, three institutions are headquartered in Connecticut.

Connecticut Deposit Market Share by Charter Type
As of June 30, 2017

Institution Type	Number of Institutions	Deposits in Market ($000s)	Offices in Market	Deposit Market Share %
Connecticut-chartered Savings Banks	24	22,717,394	338	17.02%
Connecticut-chartered Commercial Banks	9	3,841,114	28	2.87%
Other State-chartered Banks [1]	7	2,096,456	26	1.57%
National Banks [2]	6	36,220,218	290	27.17%
National Banks [3]	12	67,930,763	485	50.96%
Federal Savings Associations [2]	3	429,960	13	0.32%
Federal Savings Associations [3]	1	58,625	2	0.04%
Totals	**62**	**133,294,530**	**1,182**	**100.00%**

[1] Excludes institutions chartered by a state other than Connecticut operating loan production offices that and do not accept deposits.
[2] Indicates headquartered in Connecticut.
[3] Indicates headquartered outside of Connecticut.

Community Reinvestment Act ("CRA")

Since 1990, the Banking Commissioner has been required to assess the community reinvestment performance of state-chartered financial institutions and to consider their reinvestment efforts as a basis for approving or denying bank expansion.

CRA Ratings of Connecticut-Chartered Banks & Credit Unions
As of December 31, 2017

Institution Type	#	Outstanding	Satisfactory	Not Rated
Connecticut-chartered Savings Banks	**24**	5	19	0
Connecticut-chartered Commercial Banks [1]	**9**	0	8	1
Connecticut-chartered Credit Unions [2]	**31**	1	13	17
Totals	**64**	**6**	**40**	**18**

[1] Bankers' Bank, Northeast is not subject to CRA.

[2] CRA examinations are performed only for credit unions that meet BOTH of the following criteria: 1. Community fields of membership and 2. Have total assets over $10 million. As of December 31, 2017, fifteen Connecticut-chartered credit unions met these criteria, and sixteen did not. One community credit union which recently exceeded the $10 million asset threshold has a CRA examination pending.

No institutions were rated Needs to Improve or Substantial Noncompliance.

Federal & Out-of-State Trust Entities

In addition to the two Connecticut-chartered trust banks operating in Connecticut as of December 31, 2017, there were three limited purpose trust companies chartered by states other than Connecticut; one federally-chartered savings bank operating exclusively as a limited purpose trust company headquartered in Connecticut; and one national bank limited to trust activities in Connecticut.

Federal & Out-of-State Credit Unions

In addition to the thirty-one Connecticut-chartered credit unions operating in the State as of December 31, 2017, there were sixty-seven federally-chartered credit unions headquartered in Connecticut, eleven federally-chartered credit unions headquartered out-of-state, and one credit union chartered by a state other than Connecticut. All credit unions operating in Connecticut are insured by the National Credit Union Administration (NCUA).

Foreign Banking Organizations

As of December 31, 2017, there were two branch offices and one representative office of foreign banking organizations 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.

Foreign Banking Organizations Operating In Connecticut

Institution Name	Office Type	Approval/ License Date	Assets As of 12/31/2015 ($ millions)	Assets As of 12/31/2016 ($ millions)	Assets As of 12/31/2017 ($ millions)
Abbey National Treasury Services plc	Branch	9/17/2001	11,157	10,592	15,708
Bank of Ireland	Branch	6/15/2006	1,402	1,221	1,735
Royal Bank of Scotland plc	Representative Office	2/1/2017	Representative Offices do not hold assets.		

March 31, 2017 – Royal Bank of Scotland plc branch closed
June 1, 2017 – UBS AG converted to an OCC charter

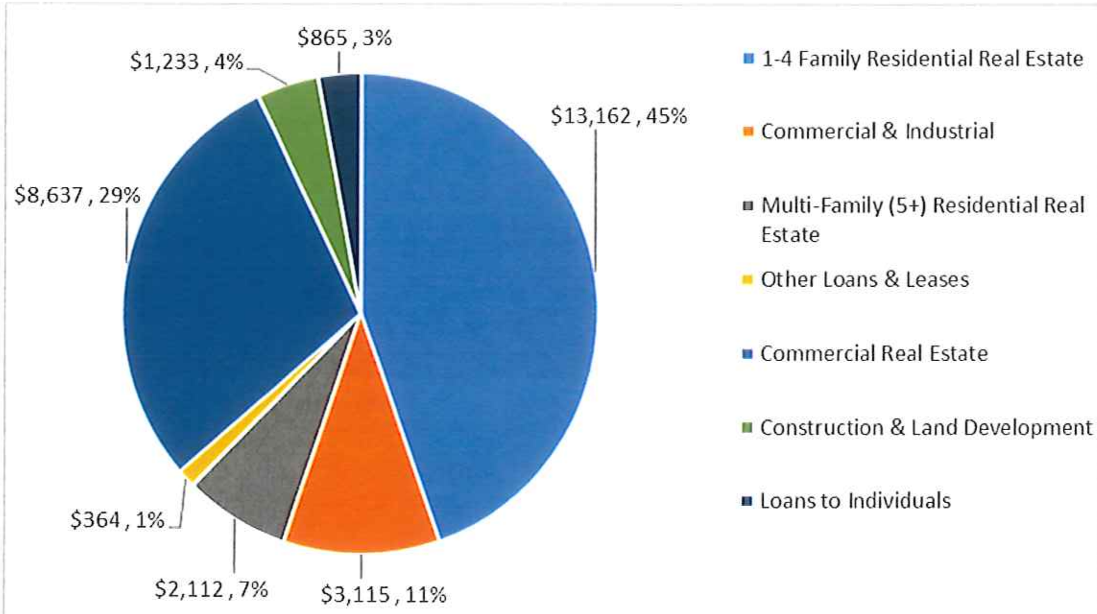
Banking Institution	Total Assets (in thousands) (As of 12/31/2017)
United Bank	7,112,603
Liberty Bank	4,768,556
Farmington Bank	3,049,790
Union Savings Bank	2,181,709
Bankwell Bank	1,790,766
First County Bank	1,581,168
Savings Institute Bank and Trust Company	1,570,653
Fairfield County Bank	1,507,851
Ion Bank	1,265,069
Newtown Savings Bank	1,234,252
Chelsea Groton Bank	1,074,599
Thomaston Savings Bank	987,937
Salisbury Bank and Trust Company	986,691
Savings Bank of Danbury	984,794
The Torrington Savings Bank	834,743
Dime Bank	829,469
Fieldpoint Private Bank & Trust	929,129
The Guilford Savings Bank	742,248
Darien Rowayton Bank	605,917
Putnam Bank	525,811
The Simsbury Bank & Trust Company	504,081
The Milford Bank	441,694
Northwest Community Bank	389,316
Essex Savings Bank	385,994
The First Bank of Greenwich	329,890
Stafford Savings Bank	287,741
Jewett City Savings Bank	278,722
Litchfield Bancorp	247,544
Eastern Savings Bank	182,899
Bankers' Bank, Northeast	166,298
Collinsville Savings Society	162,809
Start Community Bank	134,027
Prime Bank	68,142
TOTAL COMBINED ASSETS	**38,142,912**

Credit Union	Total Assets (in thousands) (As of 12/31/2016)
Connecticut State Employees Credit Union	1,792,951
American Eagle Financial Credit Union	1,657,050
Sikorsky Financial Credit Union	732,867
Connex Credit Union	565,194
Nutmeg State Financial Credit Union	427,617
Dutch Point Credit Union	300,420
Mutual Security Credit Union	280,685
Achieve Financial Credit Union	129,626
Finex Credit Union	78,646
State Police Credit Union Inc.	61,194
Cornerstone Community Credit Union	48,126
First Connecticut Credit Union	38,678
Norwalk Hospital Credit Union	35,572
Soundview Financial Credit Union	33,101
America's First Network Credit Union	31,032
Northwest Hills Credit Union	30,989
Members Credit Union	28,670
Metropolitan District Employees Credit Union	24,305
Connecticut Community Credit Union	20,175
Stamford Healthcare Credit Union	18,730
New Haven County Credit Union	18,636
Community Credit Union of New Milford	12,834
Community Healthcare Credit Union	11,082
Northeastern CT Health Care Credit Union	9,515
Danbury Cyanamid Employees Credit Union	6,851
Regional Water Authority Employees Credit Union	6,762
New Haven Firefighters Credit Union	6,560
Trumbull Credit Union	3,449
New London Municipal Employees Credit Union	2,915
CT1 Media Credit Union	1,312
Kief Protective Mutual Benefit Assoc. Credit Union	1,063
TOTAL COMBINED ASSETS	**6,416,607**

*Total on this page may differ from other reports due to rounding.

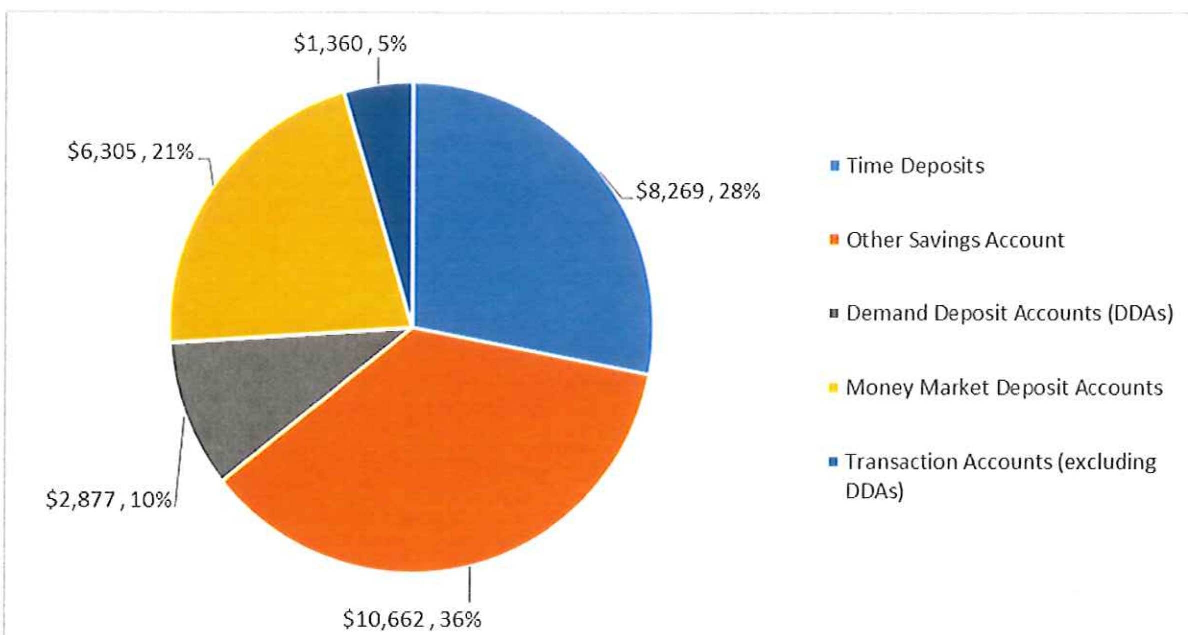
Connecticut-Chartered Banks' Gross Loans & Leases and Total Deposits Composition

Gross Loans & Leases of Connecticut-Chartered Banks
December 31, 2017
(Millions & %)

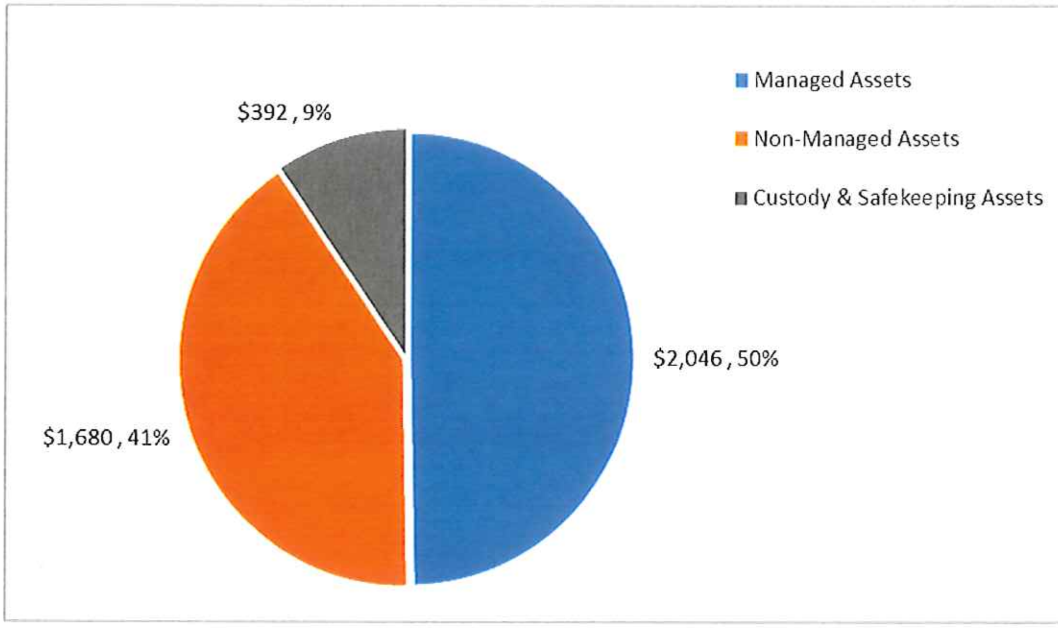


The above graph does not include Farmland & Farm loans totaling $28.1 million, or less than 0.1% of gross loans.

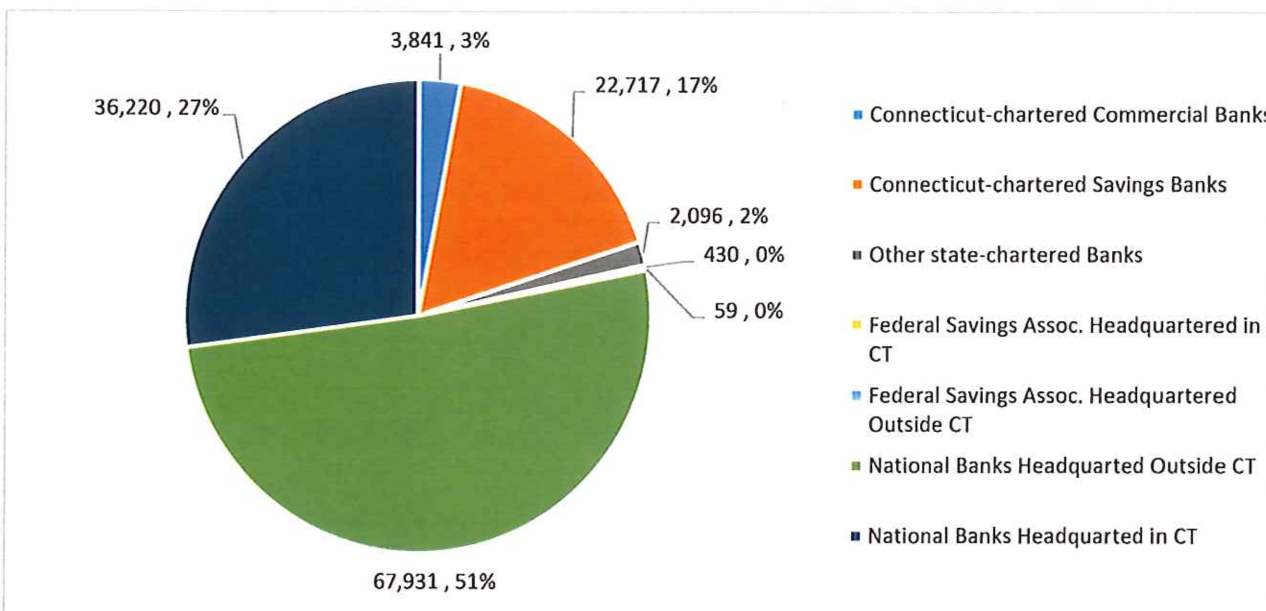
Total Deposits of Connecticut-Chartered Banks
December 31, 2017
(Millions & %)



Fiduciary & Related Trust Assets of Connecticut-Chartered Banks
December 31, 2017
(Millions & %)

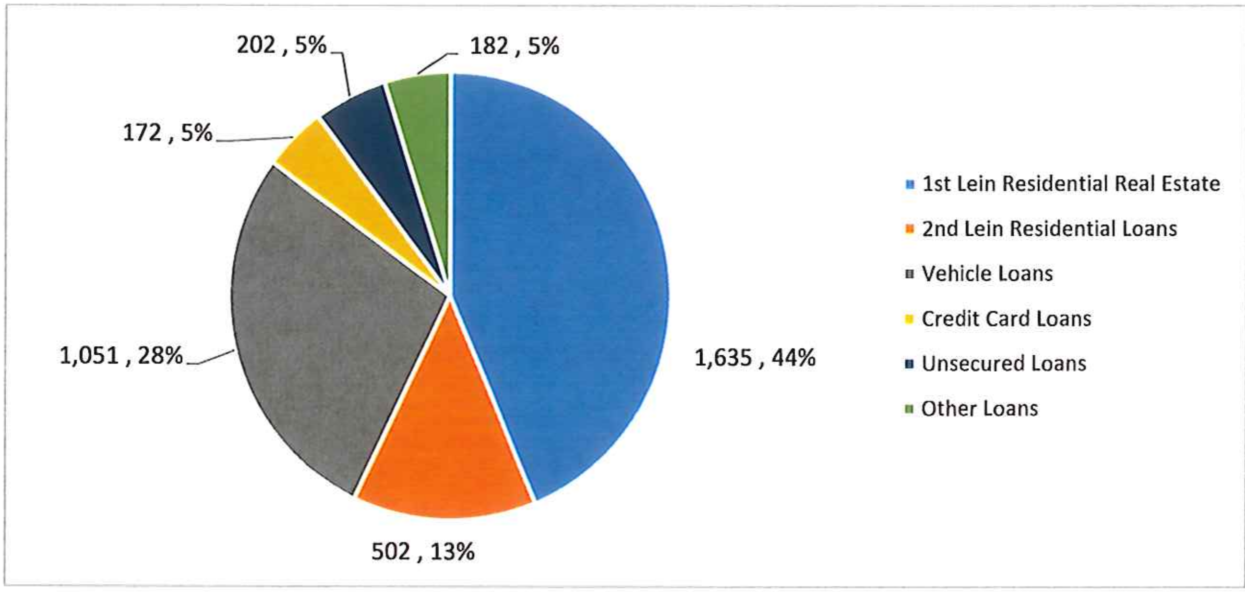


Connecticut Deposit Market Share by Charter Type
June 30, 2017
(Millions & %)

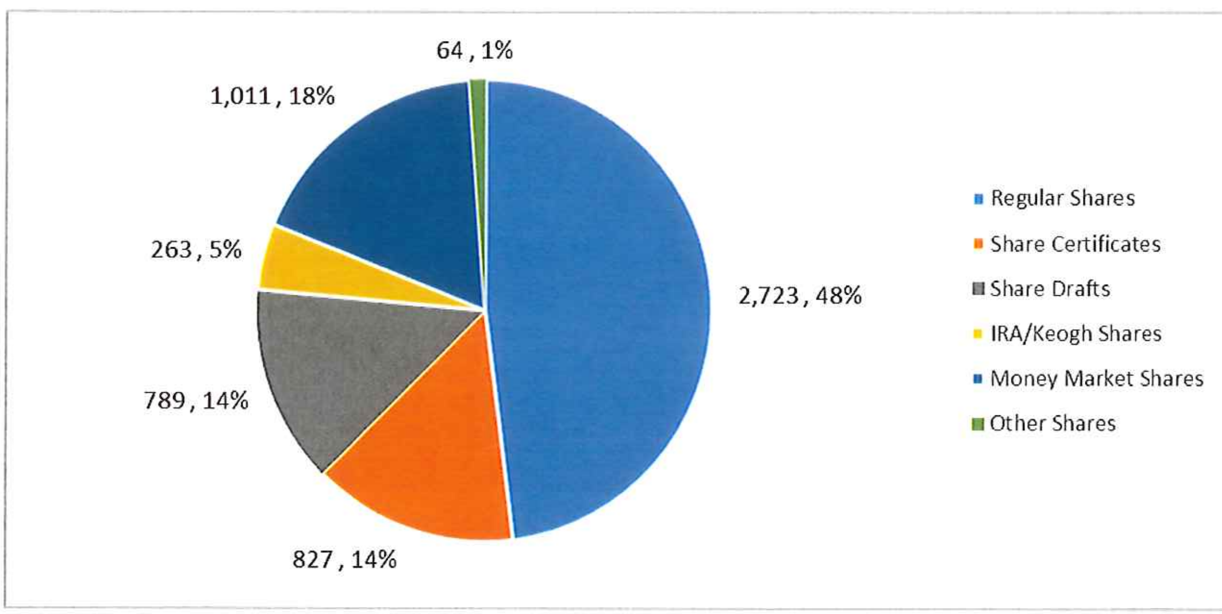


Connecticut-Chartered Credit Unions' Total Loans and Total Shares/Deposits Composition

Total Loans of Connecticut-Chartered Credit Unions
December 31, 2017
(Millions & %)



Total Shares/Deposits of Connecticut-Chartered Credit Unions
December 31, 2017
(Millions & %)



DIVISION ACTIVITIES WITH INDUSTRY PARTNERS

CEO Roundtables

During 2017, we held CEO Roundtables with the Connecticut Bankers Association and the Connecticut Banking Industry representatives. Three sessions were held with groups of Large/Regional Connecticut-based banks to smaller community banks. The Roundtable sessions are an opportunity for Connecticut community bankers to have direct dialogue with the Banking Commissioner and senior Department of Banking staff about industry, regulatory, or other key issues facing community banks.

Participation in the "Community Banking in the 21st Century" Research and Policy Conference

The Department of Banking participated in the 21st Century Research and Policy Conference, co-sponsored by the Federal Reserve System and the Conference of State Bank Supervisors (CSBS), in October 2017. The conference brought together community bankers, academics, policymakers and bank regulators to discuss the latest research on community banking.

The conference presented an innovative approach to the study of community banks. Fairfield University students and First County Bank participated in the 2017 Community Bank Case Study Competition. Academics explored issues raised by the industry and presented their findings at the conference. Community bankers and key regulatory officials participated directly in the conference by serving as keynote speakers and panelists and by providing feedback to the research presented.

The Department of Banking hosted a series of meetings, "5 Questions for 5 Bankers", in conjunction with the fifth annual "Community Banking in the 21st Century" Research and Policy Conference hosted by the Federal Reserve and the Conference of State Bank Supervisors. The meetings with the CEOs provided the foundation for Connecticut's written submission for the Conference publication that outlined the Connecticut bankers' views on Community Banking. In addition to the hosted meetings with the Community Bank CEOs, the Department promoted the participation of Connecticut Community Bankers in a national survey, the data of which was shared with the research and academic participants. Banking Commissioner Perez also attended the Research and Policy Conference.

NASCUS Executive Forum

On November 6, 2017, the Department of Banking co-hosted a National Association of State Credit Union Supervisors (NASCUS) Executive Forum for Credit Unions in Connecticut. The full-day event included remarks by NASCUS CEO Lucy Ito, Banking Commissioner Jorge Perez and Credit Union League of Connecticut CEO Jill Nowacki. The agenda included Washington updates and national issues, special guest speaker Connecticut Attorney General George Jepsen on Equifax and data breaches, a Fintech presentation, fraud case review, a regulatory and legislative update, and presentations by Banking Commissioner and Connecticut Department of Banking staff.

National Accreditation Programs

The Department of Banking has achieved and maintains national accreditation status in two programs: the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS).

CONSUMER CREDIT DIVISION

Subject to the general supervision of the Banking Commissioner, the Consumer Credit Division is charged with administering Chapter 668 of the Connecticut General Statutes, Nondepository Financial Institutions, and Chapter 669 of the Connecticut General Statutes, Regulated Activities.

The Division is responsible for the licensing and examination of the following nondepository financial institutions: mortgage lenders, brokers and originators; mortgage servicers; loan processors and underwriters and lead generators of residential mortgage loans; sales finance companies; small loan lenders; check cashing services; payment instrument providers; money transmitters; debt adjusters; debt negotiators; consumer collection agencies and student loan servicers. The Division is also responsible for the enforcement of the state's banking laws related to these entities and for regulating certain activities regarding: collection practices of creditors; interest and finance charge rebates; consumer credit reporting; mortgage processing; mortgage servicing; mortgage insurance; Connecticut abusive home loan lending practices; other mortgage and loan practices; retail installment sales financing; and the Truth-in-Lending Act.

Activities

During 2017, the Consumer Credit Division through the Nationwide Multi-State Licensing System and Registry (NMLS) reviewed, vetted and processed applications for all of the financial services industries subject to licensing under the Commissioner's jurisdiction. In addition to licensing mortgage lenders, correspondent lenders, brokers, mortgage servicers, loan originators, loan processors and underwriters, NMLS functionality allows the Division to maintain licensees on the system for money transmitters, consumer collection agencies, check cashing services, debt adjusters, debt negotiation, sales finance companies, small loan companies and student loan servicers. By year-end, the Division issued a total of 1,028 main office licensed locations and 497 branch office licensed locations in the non-mortgage area, including thirty-two student loan servicer main office locations and eight branch office locations, bringing the total licenses in the financial service industries to 1,525.

The relatively new required licensure for mortgage servicers maintained a steady presence in Connecticut with ninety-eight main office locations, with an additional forty-three licensed branch locations. In addition, the total licenses issued for mortgage lenders, correspondent lenders and mortgage brokers for 2017 was 530 main office locations, with an additional 759 licensed branch locations. Mortgage loan originators have continued to increase the number of applications submitted for licensure in Connecticut, with approved licenses totaling 8,791 and an additional 252 loan processors and underwriters.

A number of administrative actions resulted after examinations of our mortgage licensees found, among other violations, altered loan file documents.

Other significant enforcement matters involved an unlicensed consumer collection agency that agreed to reduce unpaid balances by fifteen percent for all Connecticut debtors which resulted in loan forgiveness in excess of $1.8 million dollars.

As a result of Division intervention relating to consumer complaints, a total of $18,175 was reimbursed to Connecticut residents, while the issuance of administrative actions for repayment of fees/restitution resulted in additional payments received of $2,202,766.

A total of sixty-four administrative actions were issued across all license types, resulting in the imposition and collection of $441,467 in civil penalties. In addition, consumers received refunds in the amount of $2,792,545 as a result of the examination findings of improper conduct and/or calculations.

In addition to leading multi-state examinations, members of the Division were actively involved in national and multi-state initiatives by participating in various task forces or work groups involving the Conference of State Bank Supervisors, the Consumer Financial Protection Bureau, the North American Collection Agency Regulatory Association, and the American Association of Residential Mortgage Regulators.

Enforcement Activities
Consumer Credit Division

	2017
Investigations Opened	108
Investigations Closed	101
Investigations in Progress	46
Subpoenas Issued	22
Consent Orders	21
*Settlement Agreements	2
Notices of Intent to Refuse to Renew (Licensing)	5
Refusing to Renew Orders (Licensing)	4
Notices of Intent to Revoke (Licensing)	1
Denial Orders (Licensing)	4
Summary Suspension Orders (Licensing)	0
Automatic Suspension Orders (Licensing)	1
Revocation Orders (Licensing)	1
Notices of Intent to Impose Civil Penalty	9
Orders Imposing Civil Penalty	23
Notices of Intent to Issue Cease and Desist Orders	10
Temporary Cease and Desist Orders	5
Cease and Desist Orders	7
Findings of Fact Conclusions of Law and Order	0
Activity Restrictions/Bars	1
**Repayment of Fees Ordered	$2,202,766
Monetary Sanctions Imposed	$741,467
***Restitution/Rescission offers	$2,810,721
****Law enforcement actions taken through cooperation with DOB	2
Referrals to Connecticut Attorney General	0
Other Agency Referrals	2

*Participant in multi-state actions
**Repayment of Fees Ordered:
Hylan Debt Fund, LLC – Portfolio Series 66 (totaled $1,803,135)
***Restitution/Rescission Offers:
American Adjustment Bureau (Rebates from exam $2,557,817)
****Criminal Referrals:
American Billing & Collections, Inc. (Chief State's Attorney)
Devonit Finance, Fullerton Solutions, Dolphin Solutions (DOJ Washington D.C.)

Examinations / Investigations
Consumer Credit Division

License Type	Examinations/Investigations 2017
Mortgage Brokers, Mortgage Lenders, Mortgage Correspondent Lenders, Mortgage Servicers, Loan Processors/Underwriters and Mortgage Loan Originators	84
Money Transmitters	17
Check Cashers	1
Consumer Collection Agencies, including Debt Buyers	49
Debt Adjusters	0
Debt Negotiators	23
Small Loan Companies	10
Sales Finance Companies	11
Student Loan Servicers	7
*Lead Generator	0

* An Act Concerning Lead Generators of Residential Mortgage Loans, effective October 1, 2017. Licensing requirement, effective January 1, 2018.

Consumer Credit Licensees
As of Year End

License Type	2017
Licensed Mortgage Companies	530
- Licensed Mortgage Branches	759
Mortgage Loan Originators	8,791
Loan Processor/Underwriters	252
Mortgage Servicers	98
- Servicer Branches	43
Money Transmitters	114
Check Cashers	61
- Check Casher Branches	63
Consumer Collection Agencies	634
- Collection Agency Branches	365
Debt Adjusters	33
- Debt Adjuster Branches	11
Debt Negotiators	7
- Debt Negotiator Branches	1
Small Loan Companies	27
- Small Loan Company Branches	4
Sales Finance Companies	120
- Sales Finance Company Branches	45
Student Loan Servicers	32
- Student Loan Servicer Branches	8
Bona Fide Nonprofit Organizations	4
Exempt Registrants	6

Consumer Credit Licensees
New Licenses

License Type	New Licenses Issued 2017	Number Not Renewed 2017	Net New Licenses
Mortgage Broker	16	17	(1)
Mortgage Broker Branch	7	7	n/a
Mortgage Correspondent Lender	7	56	(49)*
Mortgage Correspondent Lender Branch	23	120	(97)*
Mortgage Lender	79	15	64
Mortgage Lender Branch	335	139	196
Mortgage Loan Originator	2,146	2,288	142
Loan Processor/Underwriter	85	49	36
Mortgage Servicer	20	13	(7)*
Mortgage Servicer Branch	11	11	n/a
Check Casher	10	11	(1)
Check Casher General Facility Branch	1	2	(1)
Check Casher Limited Facility Branch	0	1	(1)
Consumer Collection Agency	67	73	(6)
Consumer Collection Agency Branch	46	23	23
Debt Adjuster for Profit	0	0	n/a
Debt Adjuster for Profit Branch	0	0	n/a
Debt Adjuster Non Profit	3	2	1
Debt Adjuster Non Profit Branch	0	2	(2)
Debt Negotiation	1	1	n/a
Money Transmitter	15	2	13
Sales Finance Company	9	11	(2)
Sales Finance Branch	1	1	n/a
Small Loan Company	12	2	10
Small Loan Branch	1	1	n/a
Student Loan Servicer	17	1	16
Student Loan Servicer Branch	3	0	3

*Mortgage Correspondent Lender and Mortgage Servicer licensing numbers went down as a direct correlation of Mortgage Lender licensing numbers going up. Mortgage Correspondent Lenders were found to be holding an improper license. Therefore, they were required to transition to a Mortgage Lender License. In addition, Mortgage Lenders were advised that they could act as a Servicer if they hold a Servicer bond. Therefore, the Mortgage Servicer numbers went down.

SECURITIES AND BUSINESS INVESTMENTS DIVISION

Subject to the general supervision of the Banking Commissioner, the Securities and Business Investments Division is primarily responsible for administering Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act, and Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act.

The Division is responsible for: 1) the registration of securities and business opportunity offerings for sale in Connecticut; 2) the registration of broker-dealers, agents, investment advisers and investment adviser agents as well as the registration of broker-dealer and investment adviser branch offices; 3) the examination of broker-dealer, investment adviser and branch office registrants; and 4) enforcement of the state's securities and business opportunity laws.

Activities

During this report period, the Division continued its comprehensive review of the Regulations promulgated under the Connecticut Uniform Securities Act with an eye toward updating content in light of recent regulatory developments. The Division also took steps to explore making the processing of private placement notice filings more efficient.

For the calendar year 2017, Securities and Business Investments Division intervention resulted in restitution and rescission offers to the investing public totaling \$286,097. In addition, the Division imposed \$1,608,900 in fines for violations of the state's securities and business opportunity laws. Of this amount, \$108,900 was attributable to Division settlements, \$900,000 was attributable to court ordered penalties and the balance was due to formal agency orders imposing fines.

During the year, the Division pursued a number of enforcement cases involving firm supervisory lapses that lead to dishonest or unethical practices being committed by agents. The Division also took action against individuals who misappropriated investor monies or who were otherwise involved in fraudulent conduct relating to the sale of securities.

The Division continued to face challenges stemming from staff attrition and an increase in the number of cases involving complex fact patterns or securities fraud.

In conjunction with the Division's enforcement program, a total of fifty-eight securities and business opportunity investigations were opened in 2017, seventy-two investigations were closed and seventy-four investigations were in progress as of December 31, 2017.

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 eight Consent Orders and five Stipulation and Agreements in calendar year 2017. Three matters involved activity restrictions or the barring of affected individuals from securities-related activity in Connecticut. The Division found the use of Stipulation and Agreements and Consent Orders to be an effective supplement to its array of enforcement tools.

In June, 2017 the United States Attorney's Office for the District of Connecticut presented a Certificate of Recognition to one of the Division's Principal Examiners for his assistance in the prosecution of a major fraud case that resulted in the sentencing of an individual who had bilked investors out of approximately $480,000.

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

During 2017, several Division employees represented the Department on Project Groups and Committees of the North American Securities Administrators Association, Inc. (NASAA). NASAA is a voluntary association whose membership consists of sixty-seven state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico.

The Securities Advisory Council, comprised of industry representatives, academics and members of the bar, all of whom serve without compensation, assists the Division by offering advice and insight to the Commissioner and staff on proposed regulatory initiatives. The Division obtained critical input from Advisory Council members in formulating the Division's response to federal legislative changes and the need to update the agency's securities regulations.

Securities Industry Registrants and Notice Filers
As of Year End

	2013	2014	2015	2016	2017	5 Year % Change
Broker-dealer firms	2,239	2,215	2,183	2,139	2,116	(5.49)
Broker-dealer agents	151,123	152,522	157,900	159,184	163,204	7.99
Broker-dealer branch offices	2,716	2,717	2,655	2,599	2,568	(5.44)
Investment Adviser firms	530	514	508	509	491	(7.35)
SEC Registered Investment Advisory Firms Filing Notice*	1,946	2,005	2,036	2,042	2,119	8.89
Investment Adviser Agents	11,413	11,829	12,330	12,937	13,579	18.97

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

Registrations and Notice Filings
Securities and Business Opportunities

	2013	2014	2015	2016	2017	5 Year % Change
Offerings Reviewed	128	152	131	172	198	54.68
Investment Company Notice Filings*	9,102	9,647	9,261	9,751	9,218	1.27
Exemptions and Exemptive Notices†	2,562	3,424	3,418	3,389	3,806	48.55

*Effective October 11, 1996, the National Securities Markets Improvement Act of 1996 (NSMIA), Public Law 104-290, preempted the states from registering securities offerings by investment companies subject to Securities and Exchange Commission oversight. State authority to require notice filings was preserved by the federal legislation.

†NSMIA also preempted the states from substantively reviewing private offerings under Rule 506 of federal Regulation D. State authority to require notice filings was preserved by the federal legislation.

Examinations
Broker-dealers and Investment Advisers

	2017	2016
Broker-dealers	96	112
Investment Advisers	128	147

Enforcement Activities
Securities and Business Opportunities

	2017	2016
Investigations Opened	58	81
Investigations Closed	72	101
Investigations in Progress	74	92
Subpoenas Issued	54	26
Administrative Actions	7	21
Consent Orders	8	12
Stipulation and Agreements	5	3
Notices of Intent to Deny (Licensing)	1	2
Notices of Intent to Revoke (Licensing)	0	5
Denial Orders (Licensing)	0	2
Suspension Orders (Licensing)	0	0
Revocation Orders (Licensing)	1	3
Notices of Intent to Fine	3	11
Orders Imposing Fine	3	4
Cease and Desist Orders	3	12
Activity Restrictions/Bars	3	2
Monetary Sanctions Imposed	$1,608,900	$120,902,730
Offered/Returned to Investors Following Informal Division Intervention	$286,097	$1,489,685
Criminal Referrals	0	0
Referrals to Connecticut Attorney General	0	1
Other Agency Referrals	0	3

GOVERNMENT RELATIONS AND CONSUMER AFFAIRS

The Government Relations and Consumer Affairs Division 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 performs community outreach efforts.

Consumer Assistance

The Department protects Connecticut citizens and consumers in transactions with financial institutions and other financial service providers, and assists them with complaints and dispute resolution. In 2017, examiners in the Division handled approximately 2,824 telephone inquiries and 1,141 written complaints from the public. As a result of their efforts, the Department obtained $272,825 in adjustments or reimbursements on behalf of consumers during the period. In 2017, the Foreclosure Hotline staff handled 2,169 telephone calls. The security deposit investigator received approximately 1,552 telephone calls and 117 complaints related to rental security deposits in 2017. Following an investigation into each complaint, the Department recovered $28,163 for tenants during this same time period.

Media Relations

The Government Relations and Consumer Affairs Division serves as the public face of the Department. As such, the Division coordinates all media requests and inquiries. In 2017, the Division fielded approximately thirty-seven requests for information from media outlets on the local, state and national level. Business reporters contacting the agency regarding specific licensees or regulatory issues comprise the majority of press inquiries. Nonetheless, the Division is responsive to calls from all types of media outlets regarding a wide range of issues in the financial services sector.

Through the efforts of the Government Relations and Consumer Affairs Division, the Department utilizes social media as a means of communicating with its stakeholders that include consumers, investors, and industry professionals. Through its Facebook page (facebook.com/ctdob) and its Twitter account (twitter.com/ctbanking), the Department shares news and updates, as well as financial education information, to the public and industry alike.

Outreach

The primary focus of the Department's educational outreach program is to help Connecticut's consumers and investors make informed financial decisions and to learn how to avoid fraud and scams. Protecting seniors from financial exploitation has long been a priority, and Division staff continues to develop strategies to educate seniors as well as those that work with them. Helping Connecticut homeowners prevent and navigate the foreclosure process remains a strong component of the Department's outreach initiatives.

In 2017, agency staff took part in approximately seventy-two outreach events, including forty-five speaking opportunities. Consumers and industry professionals received relevant information and training regarding credit and debt management, financial fraud and identity theft, reverse mortgages, investor education and personal financial management. The Division participated in several foreclosure prevention clinics during the year, conducting presentations and providing one-on-one counseling to homeowners. High school students benefitted from financial fraud and cyber fraud trainings, and learned about budgeting and money management. Agency staff offered a series of four "Lunch and Learn" programs at UConn in the fall of 2017. The University employees were provided information on investment planning, identity theft, credit repair, and banking scams.

Inspired by the successful Actuarial Boot Camp that the Connecticut Insurance and Financial Services (CT IFS) cluster of the Metro-Hartford Alliance runs on an annual basis, Commissioner Pèrez urged CT IFS to develop a "Banking Boot Camp" for students interested in pursuing a career in banking. Following more than a year of planning, more than twenty students participated at the five-day Banking Boot Camp May 15-19, 2017. The Department served as the daily starting point, with welcoming remarks from Commissioner Pèrez and various Division Directors. From there, students proceeded each day to a different host bank for hands-on training. Through direct interaction with bankers and regulators, participating students were exposed to a variety of rewarding careers in banking and regulation, including wealth management, marketing and sales, underwriting, IT, customer engagement, examinations, compliance, and much more. Feedback from students was positive, and Banking Boot Camp met all our expectations!

Governor Malloy proclaimed the week of February 27–March 4, 2017 as *Connecticut Saves Week*, and encouraged citizens to assess and improve their personal finances by taking positive wealth-building action. As a partner of the Connecticut Saves campaign, the Department hosted its fifth annual *Connecticut Saves at the Capitol*, an expo of agencies and organizations that promote financial education and money management. Division staff conducted *Taking Financial Action* workshops on the importance of monitoring our credit reports at American Job Centers in Bridgeport, Hamden, Hartford and Waterbury, and at the Hartford Job Corps Academy.

We shared the Connecticut Saves message of saving and managing debt with our own employees with a daily message about saving via e-mail. We reminded employees to save automatically, to save for retirement, to save at tax time, to pay off high-interest debt and to save for emergencies. We also engaged staff and made it fun by offering the opportunity to participate in "Facebook Live" events and share savings tips with colleagues through an online video. This use of social media was a powerful communication tool that helped increase our outreach efforts.

The last week of February was also Military Saves Week, a time to focus on the financial well-being of servicemembers and their families. Agency staff addressed approximately 1,200 cadets at the U.S. Naval Submarine Base in New London on March 2, 2017, and encouraged the students to start saving early for future financial success.

The Department continued to focus our outreach efforts on senior financial exploitation. Protecting seniors has long been a priority of the agency, and through our outreach program, we continue to utilize partnerships with state, federal and community organizations. In February of 2017, the agency's Banking Education Coordinator trained a group of AARP Fraud Watch volunteers to assist with a fun outreach initiative: *Financial Fraud Bingo.* The Pennsylvania Department of Banking and Securities had created a Bingo program that focused on investor fraud. Our Department modified this program to encompass all types of financial fraud aimed at seniors. This type of outreach has proven to be a fun way to share important tips and reminders on smart ways to protect their money and avoid being scammed. In 2017, the education coordinator presented seventeen Financial Fraud Bingo programs at senior centers and senior housing authorities throughout the state. In addition, approximately sixty veterans participated in the Bingo program at their weekly meeting in Danielson, and thirty-five attendees learned about fraud at a program sponsored by People's United Bank at the Continuum of Care in New Haven. Both events took place in December 2017.

Through our educational outreach program, we have aimed to empower seniors with the knowledge to protect their finances. We have done this through our various presentations and speaking events, through senior expos, and in our handouts and giveaways. In addition to this direct communication, we have recently taken a different approach by training financial professionals who work with seniors to spot signs of fraud and exploitation. In 2016, the Department used *Senior$afe,* a program developed by the North American Securities Administrators Association (NASAA), to train financial planners to identify and report suspected senior abuse and exploitation. In June 2017 we planned a half-day *Senior$afe* program in collaboration with the Connecticut Insurance Department to help financial advisers understand the issue of cognitive decline that happens as we age, using research and statistics, and provided common red flags of financial abuse. In October 2017, a presentation was given to the Eastern Chapter of the Connecticut Credit Union League at their quarterly meeting in Waterford. In November, Division staff gave an overview of the Senior$afe program to credit union officers at the National Association of State Credit Union Supervisors Executive Forum in Rocky Hill, resulting in several requests for trainings.

Division staff remain active on several state coalitions, including the Connecticut Jump$tart Coalition for Personal Financial Literacy, the Coalition for Elder Justice in Connecticut, and the Military Community Coalition.

LEAN Activities

The Government Relations and Consumer Affairs (GRCA) Division held a LEAN event February 27 through March 3, 2017. Their focus was to examine and integrate, where possible, the Foreclosure Hotline into the process model general complaint system from one dedicated Consumer Information Representative and one part-time back-up Examiner to having basic mortgage default and foreclosure information calls answered by all GRCA staff.

The team learned that they could do a lot with the resources of people and tools that are currently in-house. Over the months that followed, GRCA's Standard Operating Procedures were updated to be more consumer friendly, and the Hotline's intake application was reviewed for integration with the electronic general complaints phone log and on the website for consumers to use directly.

Legislation

Each year the Government Relations and Consumer Affairs Division, spearheads an active legislative program. The Department pursued an ambitious agenda during the 2017 session. The legislative package was designed to enhance consumer protections and create the ability for the agencies to achieve efficiencies to better carry out its mission. Below are highlights of the agency bills passed:

- *Public Act 17-38, An Act Concerning Lead Generators of Residential Mortgage Loans*
    - establishes licensure requirements and sets fees for initial licenses and renewals;
    - establishes related record keeping and notification requirements for licensees;
    - requires lead generators to include a disclosure statement in their residential mortgage loan advertisements and lead solicitations; and
    - gives the Banking Commissioner investigatory and enforcement authority over licensees, including allowing him to take certain disciplinary actions against licensees who fail to comply with the bill's requirements.

- *Public Act 17-233, An Act Concerning Secured and Unsecured Lending*
    - applies certain mortgage servicers' and student loan servicers' prohibited acts to other licensees;
    - requires nondepository licensees to establish, enforce, and maintain policies and procedures that are reasonably designed to achieve compliance with applicable laws and regulations;
    - allows the Banking Commissioner to require the use of electronic bonds to participate in the Nationwide Multi-state Licensing System;
    - reduces the pre-licensing education requirements for mortgage loan originators, loan processors, and underwriters and establishes when the education requirements must be retaken;
    - allows the Commissioner to provide certain notices to licensees by personal delivery (i.e., email) and establishes when such a notice is deemed received;
    - and sets limits for money transmitters regarding virtual currency transactions and timeframes for remitting money.

- *Public Act 17-236, An Act Concerning The Department Of Banking's Enforcement Authority, The Issuance Of Certain Reports, Requiring The Return Of Certain Portions Of Security Deposits And Making Minor Revisions To The Banking Statutes.*

- increases, from 20 to 25 years, the maximum maturity period Connecticut credit unions can establish for second mortgages and mobile home loans and updates the approval process for changes to their bylaws (Sections 2 & 3);
- adds to the documentation a bank must file with the Commissioner as part of its annual audit (Section 4);
- expands the definition of "sales finance company" to include persons who transfer interest in retail installment or installment loan contracts but continue servicing such contracts or loans (Section 12);
- requires money transmission licensees to establish an anti-money-laundering program with specific features, such as an independent audit function to test the program's effectiveness (Section 13);
- requires consumer collection agencies to have a minimum tangible net worth of $50,000 before licensure and prohibits them from retaining unlicensed consumer collection agencies (Sections 14 & 15);
- authorizes the Banking Commissioner to impose a fine of up to $100,000 per violation on any person who engages in dishonest or unethical practices (Section 16);
- requires landlords, at the tenant's request, to return any security deposit that exceeds one month's rent if the tenant turned age 62 after paying the deposit (Section 17).

Government Relations and Consumer Affairs Division

Consumer Affairs	2017	2016
Telephone Inquiries	2,824	4,544
Written Complaints	1,141	1,562
Adjustments/Reimbursements on behalf of consumers	$272,825	$625,207

Rental Security Deposit	2017	2016
Telephone Inquiries	1,552	1,535
Written Complaints	117	175
Reimbursements on behalf of tenants	$28,163	$32,018

Foreclosure Hotline	2017	2016
Telephone Calls	2,169	3,106