



General Assembly

**Substitute Bill No. 6993**

January Session, 2019



**AN ACT CONCERNING TEMPORARY AUTHORITY TO ACT AS A  
MORTGAGE LOAN ORIGINATOR AND DEFINING THE  
CIRCUMSTANCES CONSTITUTING A CHANGE OF CONTROL  
PERSON.**

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

1 Section 1. Section 36a-485 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2019*):

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

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

11 (2) "Advertise", "advertisement" or "advertising" means the use of  
12 any announcement, statement, assertion or representation that is  
13 placed before the public in a newspaper, magazine or other  
14 publication, or in the form of a notice, circular, pamphlet, letter or  
15 poster or over any radio or television station, by means of the Internet,  
16 or by other electronic means of distributing information, by personal

17 contact, or in any other way;

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

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

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

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

42 (7) "Employee" means an individual (A) whose manner and means  
43 of work performance are subject to the right of control of, or are  
44 controlled by, a person, and (B) whose compensation is reported or  
45 required to be reported on a W-2 form issued by the controlling  
46 person. For purposes of the definition of "registered mortgage loan  
47 originator", "employee" has the foregoing meaning or such other

48 meaning as the federal banking agencies may issue in connection with  
49 such agencies' implementation of such agencies' responsibilities under  
50 the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC 5101 et seq.;

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

55 (9) "First mortgage loan" means a residential mortgage loan that is  
56 secured by a first mortgage;

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

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

65 (12) "Individual" means a natural person;

66 (13) "Lead" means any information identifying a potential consumer  
67 of a residential mortgage loan;

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

75 (15) "Loan processor or underwriter" means an individual who  
76 performs clerical or support duties. The term "clerical or support

77 duties" includes, subsequent to the receipt of an application, (A) the  
78 receipt, collection, distribution and analysis of information common  
79 for the processing or underwriting of a residential mortgage loan, and  
80 (B) communication with a consumer to obtain the information  
81 necessary for the processing or underwriting of a loan to the extent  
82 that such communication does not include offering or negotiating loan  
83 rates or terms or counseling consumers about residential mortgage  
84 loan rates or terms;

85 (16) "Main office" means the main address designated on the  
86 system;

87 (17) "Mortgage broker" (A) means a person who (i) for  
88 compensation or gain or with the expectation of compensation or gain  
89 (I) takes a residential mortgage loan application, or (II) offers or  
90 negotiates terms of a residential mortgage loan, and (ii) is not the  
91 prospective source of the funds for the residential mortgage loan, and  
92 (B) does not include (i) an individual who is licensed as a mortgage  
93 loan originator acting as a mortgage loan originator on behalf of such  
94 mortgage loan originator's sponsoring mortgage lender, mortgage  
95 correspondent lender, mortgage broker or exempt registrant, or (ii) an  
96 individual exempt from mortgage loan originator licensure under  
97 subdivision (2) of subsection (b) of section 36a-486, as amended by this  
98 act, when acting within the scope of such exemption;

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

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

108 (20) "Mortgage loan originator" means an individual who for  
109 compensation or gain or with the expectation of compensation or gain,  
110 either for such individual or for the person employing or retaining  
111 such individual, (A) takes a residential mortgage loan application, or  
112 (B) offers or negotiates terms of a residential mortgage loan. "Mortgage  
113 loan originator" does not include (i) an individual engaged solely as a  
114 loan processor or underwriter; (ii) a person who only performs real  
115 estate brokerage activities and is licensed in accordance with chapter  
116 392, unless the person is compensated by a mortgage lender, mortgage  
117 correspondent lender, mortgage broker or other mortgage loan  
118 originator or by any agent of such mortgage lender, mortgage  
119 correspondent lender, mortgage broker or other mortgage loan  
120 originator; (iii) a person solely involved in extensions of credit relating  
121 to timeshare plans, as that term is defined in Paragraph 53D of 11 USC  
122 101; or (iv) any individual who solely renegotiates terms for existing  
123 mortgage loans on behalf of a mortgagee and who does not otherwise  
124 act as a mortgage loan originator, unless the United States Department  
125 of Housing and Urban Development, the Bureau of Consumer  
126 Financial Protection or a court of competent jurisdiction determines  
127 that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101  
128 et seq., requires such individual to be licensed as a mortgage loan  
129 originator under state laws implementing said S.A.F.E. Mortgage  
130 Licensing Act;

131 (21) "Office" means a branch office or a main office;

132 (22) "Out-of-state mortgage loan originator" means an individual  
133 who maintains a unique identifier through the system and holds a  
134 valid loan originator license issued pursuant to the laws of any state  
135 other than this state;

136 [(22)] (23) "Person" means a natural person, corporation, company,  
137 limited liability company, partnership or association;

138 [(23)] (24) "Principal amount of the loan" means the gross amount  
139 the borrower is obligated to repay including any prepaid finance

140 charge that is financed, and any other charge that is financed;

141       [(24)] (25) "Real estate brokerage activity" means any activity that  
142 involves offering or providing real estate brokerage services to the  
143 public, including (A) acting as a real estate agent or real estate broker  
144 for a buyer, seller, lessor or lessee of real property; (B) bringing  
145 together parties interested in the sale, purchase, lease, rental or  
146 exchange of real property; (C) negotiating, on behalf of any party, any  
147 portion of a contract relating to the sale, purchase, lease, rental or  
148 exchange of real property, other than in connection with providing  
149 financing with respect to any such transaction; (D) engaging in any  
150 activity for which a person engaged in the activity is required to be  
151 registered or licensed as a real estate agent or real estate broker under  
152 any applicable law; and (E) offering to engage in any activity, or act in  
153 any capacity, described in this subdivision;

154       [(25)] (26) "Registered mortgage loan originator" means any  
155 individual who (A) meets the definition of mortgage loan originator  
156 and is an employee of a depository institution, a subsidiary that is  
157 owned and controlled by a depository institution and regulated by a  
158 federal banking agency, or an institution regulated by the Farm Credit  
159 Administration; and (B) is registered with and maintains a unique  
160 identifier through the system;

161       [(26)] (27) "Residential mortgage loan" means any loan primarily for  
162 personal, family or household use that is secured by a mortgage, deed  
163 of trust or other equivalent consensual security interest on a dwelling  
164 or residential real estate upon which is constructed or intended to be  
165 constructed a dwelling;

166       [(27)] (28) "Residential real estate" means any real property located  
167 in this state, upon which is constructed or intended to be constructed a  
168 dwelling;

169       [(28)] (29) "Secondary mortgage loan" means a residential mortgage  
170 loan that is secured, in whole or in part, by a mortgage, provided such

171 property is subject to one or more prior mortgages;

172 [(29)] (30) "Simulated check" means a document that imitates or  
173 resembles a check but is not a negotiable instrument;

174 [(30)] (31) "Sponsored" means employed or retained as an  
175 independent contractor;

176 [(31)] (32) "Table funding agreement" means an agreement wherein  
177 a person agrees to fund mortgage loans to be made in another person's  
178 name and to purchase such loans after they are made;

179 [(32)] (33) "Trigger lead" means a consumer report obtained  
180 pursuant to subparagraph (B) of subdivision (1) of subsection (c) of  
181 Section 604 of the Fair Credit Reporting Act, 15 USC 1681b, as  
182 amended from time to time, where the issuance of the report is  
183 triggered by an inquiry made with a consumer reporting agency in  
184 response to an application for credit;

185 [(33)] (34) "Unique identifier" means a number or other identifier  
186 assigned by protocols established by the system; and

187 [(34)] (35) "Warehouse agreement" means an agreement to provide  
188 credit to a person to enable the person to have funds to make  
189 residential mortgage loans and hold such loans pending sale to other  
190 persons.

191 Sec. 2. Section 36a-486 of the general statutes is repealed and the  
192 following is substituted in lieu thereof (*Effective October 1, 2019*):

193 (a) No person shall engage in the business of making residential  
194 mortgage loans or act as a mortgage broker in this state unless such  
195 person has first obtained a license for its main office and for each  
196 branch office where such business is conducted in accordance with the  
197 provisions of sections 36a-485 to 36a-498e, inclusive, as amended by  
198 this act, 36a-534a and 36a-534b. Any activity subject to licensure  
199 pursuant to sections 36a-485 to 36a-498e, inclusive, as amended by this

200 act, 36a-534a or 36a-534b shall be conducted from an office located in a  
201 state, as defined in section 36a-2. Any such person who is an  
202 individual shall also obtain a mortgage loan originator license prior to  
203 conducting such business unless such individual does not engage  
204 directly in the activities of a mortgage loan originator or conducts such  
205 business pursuant to the temporary authority provided in subsection  
206 (e) of this section. A person, other than a licensed mortgage loan  
207 originator acting on behalf of a mortgage lender or mortgage  
208 correspondent lender, shall be deemed to be engaged in the business of  
209 making residential mortgage loans if such person advertises, causes to  
210 be advertised, solicits or offers to make residential mortgage loans,  
211 either directly or indirectly. A person, other than a licensed mortgage  
212 loan originator acting on behalf of a mortgage broker, shall be deemed  
213 to be acting as a mortgage broker if such person advertises or causes to  
214 be advertised that such person will negotiate, solicit, place or find a  
215 residential mortgage loan, either directly or indirectly. A mortgage  
216 correspondent lender shall not be deemed to be acting as a mortgage  
217 lender if such mortgage correspondent lender makes a loan utilizing  
218 its own funds in a situation where another person does not honor such  
219 person's commitment to fund the loan. A licensed lead generator shall  
220 not be deemed to be acting as a mortgage lender, mortgage  
221 correspondent lender, mortgage broker or mortgage loan originator  
222 when engaged in the activities of a lead generator, as described in  
223 section 36a-485, as amended by this act, if such person does not: (1)  
224 Obtain compensation or gain contingent upon the consummation of a  
225 residential mortgage loan or the receipt of a residential mortgage loan  
226 application, or (2) utilize financial criteria particular to the consumer or  
227 the residential mortgage loan transaction to selectively place a lead or  
228 to steer a consumer to a specific person for a residential mortgage loan.

229 (b) (1) No person licensed as a mortgage lender, mortgage  
230 correspondent lender or mortgage broker shall engage the services of a  
231 mortgage loan originator or of a loan processor or underwriter  
232 required to be licensed under this section unless such mortgage loan  
233 originator or loan processor or underwriter is licensed under section



234 36a-489 or acting pursuant to the temporary authority provided in  
235 subsection (e) of this section. An individual, unless specifically  
236 exempted under subdivision (2) of this subsection or acting pursuant  
237 to the temporary authority provided in subsection (e) of this section,  
238 shall not engage in the business of a mortgage loan originator on  
239 behalf of a licensee or a person exempt under section 36a-487 with  
240 respect to any residential mortgage loan without first obtaining and  
241 maintaining annually a license as a mortgage loan originator under  
242 section 36a-489. An individual, unless specifically exempted under  
243 subdivision (2) of this subsection, shall be deemed to be engaged in the  
244 business of a mortgage loan originator if such individual: (A) Acts as a  
245 mortgage loan originator in connection with any residential mortgage  
246 loan on behalf of a licensee or person exempt under section 36a-487; or  
247 (B) makes any representation to the public through advertising or  
248 other means of communication that such individual can or will act as a  
249 mortgage loan originator on behalf of a licensee or person exempt  
250 under section 36a-487. Each licensed mortgage loan originator and  
251 each licensed loan processor or underwriter shall register with and  
252 maintain a valid unique identifier issued by the system. No individual  
253 may act as a mortgage loan originator for more than one person at the  
254 same time. No loan processor or underwriter licensee may be  
255 sponsored by more than one person at a time. The license of a  
256 mortgage loan originator or a loan processor or underwriter is not  
257 effective during any period when such mortgage loan originator or a  
258 loan processor or underwriter is not sponsored by a licensed mortgage  
259 lender, mortgage correspondent lender or mortgage broker, or by a  
260 person registered as an exempt registrant under subsection (d) of  
261 section 36a-487, or during any period in which the license of the  
262 mortgage lender, mortgage correspondent lender or mortgage broker  
263 with whom such originator or loan processor or underwriter is  
264 associated has been suspended. Either the mortgage loan originator,  
265 the loan processor or underwriter or the sponsor may file a notification  
266 of the termination of sponsorship with the system.

267 (2) The following are exempt from this section: (A) A registered

268 mortgage loan originator or an employee of an institution or  
269 subsidiary described in subdivision [(25)] (26) of section 36a-485, as  
270 amended by this act, who is not required to be registered under  
271 Section 1507 of the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC  
272 Section 5101 et seq., when acting for such institution or subsidiary; (B)  
273 an individual who offers or negotiates the terms of a residential  
274 mortgage loan with or on behalf of an immediate family member of  
275 such individual; (C) an individual who offers or negotiates the terms of  
276 a residential mortgage loan secured by a dwelling that served as the  
277 individual's residence, unless the context demonstrates that such  
278 individual engaged in such activities with a degree of habitualness or  
279 repetition; (D) a Connecticut licensed attorney who negotiates the  
280 terms of a residential mortgage loan on behalf of a client as an ancillary  
281 matter to the attorney's representation of the client, unless the attorney  
282 is compensated by a mortgage lender, mortgage correspondent lender,  
283 mortgage broker or other mortgage loan originator or by any agent of  
284 such mortgage lender, mortgage correspondent lender, mortgage  
285 broker or other mortgage loan originator; (E) an individual who takes  
286 a residential mortgage loan application or offers or negotiates terms of  
287 a residential mortgage loan as an employee of a federal, state or local  
288 government agency or housing finance agency exempt from licensure  
289 pursuant to section 36a-487, and who does so only pursuant to such  
290 individual's official duties as an employee of such agency; (F) an  
291 individual who takes a residential mortgage loan application or offers  
292 or negotiates terms of a residential mortgage loan as an employee of an  
293 organization that has obtained bona fide nonprofit status from the  
294 commissioner and is exempt from licensure pursuant to section 36a-  
295 487, and who does so only pursuant to such individual's official duties  
296 as an employee of such organization; and (G) an individual who offers  
297 or negotiates the terms of a residential mortgage loan secured by a  
298 dwelling that is not the individual's residence but is owned by such  
299 individual, unless the context demonstrates that such individual  
300 engaged in such activities with a degree of habitualness or repetition.

301 (3) No individual shall engage in the activities of a loan processor or

302 underwriter unless such individual obtains and maintains a license as  
303 a loan processor or underwriter under section 36a-489. The following  
304 individuals are exempt from the foregoing license requirement:

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

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

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

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

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

332 (A) Any bank, out-of-state bank, Connecticut credit union, federal

333 credit union or out-of-state credit union, provided such bank or credit  
334 union is federally insured;

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

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

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

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

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

348 (c) If the United States Department of Housing and Urban  
349 Development, the Bureau of Consumer Financial Protection or a court  
350 of competent jurisdiction determines that the S.A.F.E. Mortgage  
351 Licensing Act of 2008, 12 USC Section 5101 et seq., requires an  
352 individual described in subparagraph (B) (iv) of subdivision (20) of  
353 section 36a-485, as amended by this act, to be licensed as a mortgage  
354 loan originator under state laws implementing said S.A.F.E. Mortgage  
355 Licensing Act, such individual may continue to act in such individual's  
356 current capacity, provided such individual files an application for a  
357 mortgage loan originator license not later than the date sixty days from  
358 the date of such determination by the United States Department of  
359 Housing and Urban Development, the Bureau of Consumer Financial  
360 Protection or a court of competent jurisdiction.

361 (d) Each residential mortgage loan taken, offered, negotiated,  
362 solicited, arranged, placed, found, made, processed or underwritten

363 without a license shall constitute a separate violation for purposes of  
364 section 36a-50.

365 (e) (1) On and after the effective date of Section 106 of Public Law  
366 115-174, an individual who is employed by a person licensed as a  
367 mortgage lender, mortgage correspondent lender or mortgage broker  
368 in this state shall have temporary authority to act as a mortgage loan  
369 originator in this state for the period of time described in subdivision  
370 (3) of this subsection, provided the individual (A) has not had (i) an  
371 application for a loan originator license denied in any governmental  
372 jurisdiction, or (ii) a loan originator license revoked or suspended in  
373 any governmental jurisdiction; (B) has not been subject to, or served  
374 with, a cease and desist order in any governmental jurisdiction or by  
375 the Bureau of Consumer Financial Protection pursuant to 12 USC  
376 5113(c); (C) has not been convicted of a misdemeanor or felony that  
377 would preclude licensure in this state under subdivision (1) of  
378 subsection (b) of section 36a-489; (D) has submitted an application for  
379 licensure as a mortgage loan originator in this state pursuant to  
380 subsection (c) of section 36a-488; and (E) was registered in the system  
381 as a registered loan originator, as defined in 12 USC 5102, during the  
382 one-year period immediately preceding the date on which the  
383 individual submits in connection with the application for licensure as a  
384 mortgage loan originator in this state, the individual's personal history  
385 and experience, including authorization to obtain an independent  
386 credit report, criminal background check and information relating to  
387 administrative, civil or criminal findings by any governmental  
388 jurisdiction.

389 (2) On and after the effective date of Section 106 of Public Law 115-  
390 174, an out-of-state mortgage loan originator employed by a person  
391 licensed as a mortgage lender, mortgage correspondent lender or  
392 mortgage broker in this state, shall have temporary authority to act as  
393 a mortgage loan originator in this state for the period described in  
394 subdivision (3) of this subsection, provided the individual (A) meets  
395 the requirements of subparagraphs (A) to (D), inclusive, of subdivision

396 (1) of this subsection; and (B) was an out-of-state mortgage loan  
397 originator during the thirty-day period immediately preceding the  
398 date on which the individual submits in connection with the  
399 application for licensure as a mortgage loan originator in this state, the  
400 individual's personal history and experience, including authorization  
401 to obtain an independent credit report, criminal background check and  
402 information relating to administrative, civil or criminal findings by any  
403 governmental jurisdiction.

404 (3) The period of temporary authority described in subdivisions (1)  
405 and (2) of this subsection shall commence on the date the registered  
406 loan originator or out-of-state mortgage loan originator submits the  
407 information required by subsection (c) of section 36a-488 and shall end  
408 on the earliest of (A) the date the individual withdraws the application  
409 to be a licensed mortgage loan originator in this state; (B) the date the  
410 commissioner denies the application; (C) the date the commissioner  
411 issues the mortgage loan originator license; or (D) one hundred twenty  
412 days after the date the individual submits the application, provided  
413 such application is identified as incomplete on the system.

414 (4) Any person employing an individual who has temporary  
415 authority to act as a mortgage loan originator in this state pursuant to  
416 this subsection shall be subject to the laws of this state to the same  
417 extent as if the employed individual is licensed as a mortgage loan  
418 originator in this state. Any individual who has temporary authority to  
419 act as a mortgage loan originator in this state pursuant to this  
420 subsection and who engages in residential mortgage loan origination  
421 activities shall be subject to the laws of this state to the same extent as  
422 if the individual is licensed as a mortgage loan originator in this state.

423 Sec. 3. Subdivision (1) of subsection (b) of section 36a-490 of the  
424 general statutes is repealed and the following is substituted in lieu  
425 thereof (*Effective October 1, 2019*):

426 (b) (1) A mortgage lender, mortgage correspondent lender,  
427 mortgage broker or lead generator license shall not be transferable or

428 assignable. Any change in any control person of the licensee, except a  
429 change of director, general partner or executive officer that is not the  
430 result of an acquisition or change [in] of control of the licensee, shall be  
431 the subject of an advance change notice filed on the system not later  
432 than thirty days prior to the effective date of such change and no such  
433 change shall occur without the commissioner's approval. For purposes  
434 of this section, "change of control" means any change causing the  
435 majority ownership, voting rights or control of a licensee to be held by  
436 a different control person or group of control persons.

437 Sec. 4. Subsection (a) of section 36a-540 of the general statutes is  
438 repealed and the following is substituted in lieu thereof (*Effective*  
439 *October 1, 2019*):

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

451 Sec. 5. Subsection (a) of section 36a-566 of the general statutes is  
452 repealed and the following is substituted in lieu thereof (*Effective*  
453 *October 1, 2019*):

454 (a) No license issued under section 36a-556 shall be assignable or  
455 transferable. Any change in any control person of the licensee, except a  
456 change of a director, general partner or executive officer that is not the  
457 result of an acquisition or change of control of the licensee, shall be the  
458 subject of an advance change notice filed on the system at least thirty  
459 days prior to the effective date of such change and no such change

460 shall occur without the commissioner's approval. For purposes of this  
461 section, "change of control" means any change causing the majority  
462 ownership, voting rights or control of a licensee to be held by a  
463 different control person or group of control persons.

464 Sec. 6. Subdivision (1) of subsection (a) of section 36a-583 of the  
465 general statutes is repealed and the following is substituted in lieu  
466 thereof (*Effective October 1, 2019*):

467 (a) (1) A license issued under section 36a-581 shall not be  
468 transferable or assignable. A change in any control person of the  
469 licensee, except a change of a director, general partner or executive  
470 officer that is not the result of an acquisition or change of control of the  
471 licensee, shall be the subject of an advance change notice filed on the  
472 system at least thirty days prior to the effective date of such change  
473 and no such change shall occur without the commissioner's approval.  
474 For purposes of this section, "change of control" means any change  
475 causing the majority ownership, voting rights or control of a licensee to  
476 be held by a different control person or group of control persons.

477 Sec. 7. Subdivision (1) of subsection (d) of section 36a-598 of the  
478 general statutes is repealed and the following is substituted in lieu  
479 thereof (*Effective October 1, 2019*):

480 (d) (1) A money transmission license shall not be transferable or  
481 assignable. Any change in any control person of the licensee, except a  
482 change of a director, general partner or executive officer that is not the  
483 result of an acquisition or a change of control of the licensee, shall be  
484 the subject of an advance change notice filed on the system at least  
485 thirty days prior to the effective date of such change and no such  
486 change shall occur without the commissioner's approval. For purposes  
487 of this section, "change of control" means any change causing the  
488 majority ownership, voting rights or control of a licensee to be held by  
489 a different control person or group of control persons.

490 Sec. 8. Subsection (a) of section 36a-658 of the general statutes is



491 repealed and the following is substituted in lieu thereof (*Effective*  
492 *October 1, 2019*):

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

508 Sec. 9. Subsection (h) of section 36a-671 of the general statutes is  
509 repealed and the following is substituted in lieu thereof (*Effective*  
510 *October 1, 2019*):

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

521 Sec. 10. Subsection (a) of section 36a-719a of the general statutes is  
522 repealed and the following is substituted in lieu thereof (*Effective*

523 *October 1, 2019*):

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

543 Sec. 11. Subsection (i) of section 36a-801 of the general statutes is  
544 repealed and the following is substituted in lieu thereof (*Effective*  
545 *October 1, 2019*):

546 (i) No person licensed to act within this state as a consumer  
547 collection agency shall do so under any other name or at any other  
548 place of business than that named in the license. No licensee may use  
549 any name other than its legal name or a fictitious name approved by  
550 the commissioner, provided such licensee may not use its legal name if  
551 the commissioner disapproves use of such name. A licensee may  
552 change the name of the licensee or address of the office specified on  
553 the most recent filing with the system if, at least thirty calendar days  
554 prior to such change, (1) the licensee files such change with the system  
555 and provides a bond rider, endorsement or addendum, as applicable,

556 to the surety bond on file with the commissioner that reflects the new  
557 name or address, and (2) the commissioner does not disapprove such  
558 change, in writing, or request further information from the licensee  
559 within such thirty-day period. Not more than one place of business  
560 shall be maintained under the same license but the commissioner may  
561 issue more than one license to the same licensee upon compliance with  
562 the provisions of sections 36a-800 to 36a-814, inclusive, as to each new  
563 licensee. A license shall not be transferable or assignable. Any change  
564 in any control person of the licensee, except a change of a director,  
565 general partner or executive officer that is not the result of an  
566 acquisition or change of control of the licensee, shall be the subject of  
567 an advance change notice filed on the system at least thirty days prior  
568 to the effective date of such change and no such change shall occur  
569 without the commissioner's approval. For purposes of this section,  
570 "change of control" means any change causing the majority ownership,  
571 voting rights or control of a licensee to be held by a different control  
572 person or group of control persons. Any licensee holding, applying for,  
573 or seeking renewal of more than one license may, at its option, file the  
574 bond required under section 36a-802 separately for each place of  
575 business licensed, or to be licensed, or a single bond, naming each  
576 place of business, in an amount equal to twenty-five thousand dollars  
577 for each place of business. The commissioner may automatically  
578 suspend a license for any violation of this subsection. After a license  
579 has been automatically suspended pursuant to this section, the  
580 commissioner shall (A) give the licensee notice of the automatic  
581 suspension, pending proceedings for revocation or refusal to renew  
582 pursuant to section 36a-804 and an opportunity for a hearing on such  
583 action in accordance with section 36a-51, and (B) require such licensee  
584 to take or refrain from taking such action as the commissioner deems  
585 necessary to effectuate the purposes of this section.

586 Sec. 12. Subsection (b) of section 36a-848 of the general statutes is  
587 repealed and the following is substituted in lieu thereof (*Effective*  
588 *October 1, 2019*):

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2019	36a-485
Sec. 2	October 1, 2019	36a-486
Sec. 3	October 1, 2019	36a-490(b)(1)
Sec. 4	October 1, 2019	36a-540(a)
Sec. 5	October 1, 2019	36a-566(a)
Sec. 6	October 1, 2019	36a-583(a)(1)
Sec. 7	October 1, 2019	36a-598(d)(1)
Sec. 8	October 1, 2019	36a-658(a)
Sec. 9	October 1, 2019	36a-671(h)
Sec. 10	October 1, 2019	36a-719a(a)
Sec. 11	October 1, 2019	36a-801(i)
Sec. 12	October 1, 2019	36a-848(b)

**BA** Joint Favorable Subst.