



STATE OF CONNECTICUT
DEPARTMENT OF BANKING
CONSUMER CREDIT DIVISION
260 CONSTITUTION PLAZA – HARTFORD, CT 06103



MEMORANDUM

TO: All Connecticut Mortgage Lender, Mortgage Correspondent Lender, Mortgage Broker, Mortgage Loan Originator, Loan Processor or Underwriter, Lead Generator, Sales Finance Company, Check Cashing Service, Money Transmission, Debt Adjuster, Debt Negotiator, Mortgage Servicer, Consumer Collection Agency and Student Loan Servicer Licensees

FROM: Jorge L. Perez, Banking Commissioner *J. L. P.*

RE: No Action Position Regarding the U.S. Office Location Requirement

DATE: August 22, 2018

This Department has recently received several inquiries concerning the effect that certain provisions of Public Act 18-173, An Act Concerning Consumer Credit Licenses, have on Connecticut licensees currently maintaining licenses for non-U.S. locations. Effective October 1, 2018, Public Act 18-173 amends various consumer credit licensing provisions to require that any Connecticut activity be conducted from an office located in a “state” as defined in Section 36a-2 of the Connecticut General Statutes. “State” as defined in Section 36a-2(64) of the Connecticut General Statutes means “any state of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the trust territory of the Pacific Islands, the Virgin Islands and the Northern Mariana Islands.” As certain licenses effective through December 31, 2018 may be held for locations that do not meet the definition of “state”, the issue was raised whether the activities conducted at non-state locations would be in violation of the licensure requirements amended by Public Act 18-173 despite the licensee holding an otherwise valid license for the remainder of the year. As further explained herein, this Department takes a no-action position for activities conducted from an office in a location that does not meet the definition of “state” as defined in Section 36a-2 of the Connecticut General Statutes for the period from October 1, 2018 through December 31, 2018, provided that the person engaged in such activity is otherwise in compliance with the licensure requirements in effect prior to the amendments contained in Public Act 18-173.

Licensure Requirement

Connecticut’s licensure requirements for the above-referenced licensees are set forth in various sections of the Connecticut General Statutes, which generally provide that no person shall engage in business activities as defined by the applicable statutes for each type of entity and individual in this state, or advertise or solicit such services, without a license issued by the commissioner. However, until the enactment of Public Act 18-173, there was no requirement that an office be located in a “state”.

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<http://www.ct.gov/dob>

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Public Act 18-173¹ amends statutes controlling the licensure requirements of the above-referenced licensees and provides, in pertinent part, that:

Any activity subject to licensure . . . [pursuant to applicable statutory provisions] shall be conducted from an office located in a state, as defined in section 36a-2.

No Action Position

The Department recognizes that Connecticut licenses for offices not located in a “state” have already been issued and, by their terms, are effective through December 31, 2018. Accordingly, pursuant to Section 36a-1-8 of the Regulations of Connecticut State Agencies, this Department takes a no-action position concerning the requirement that any Connecticut activity by the above-referenced licensees be conducted from a “state”, as defined in Section 36a-2, for the period of October 1, 2018 to December 31, 2018, when the following condition is present:

The entity or individual engaging in business is deemed to have an otherwise valid license for such activity, effective through December 31, 2018, to conduct said business under the controlling statutes prior to the requirement that the licensed activities be conducted from an office located in a “state”, as defined in Section 36a-2(64) of the Connecticut General Statutes.

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¹For specific reference, see the relevant sections of Public Act 18-173: Sec. 8 (mortgage lenders, mortgage correspondent lenders, mortgage brokers, mortgage loan originators, loan processors or underwriters, and lead generators), Sec. 24 (sales finance companies), Sec. 43 (check cashing services), Sec. 50 (money transmission), Sec. 63 (debt adjusters), Sec. 67 (debt negotiators), Sec. 71 (mortgage servicers), Sec. 79 (consumer collection agencies), and Sec. 85 (student loan servicing).

https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Public+Act&which_year=2018&bill_num=173.