The following legislative amendments were enacted during the 2014 session of the Rhode Island General Assembly. This bulletin is being provided for informational purposes only and may not be an all-inclusive list of enactments that impact the banking industry. Licensees should refer to the statute itself to determine the impact. Any person wishing to be included on notices from the Banking Division who is not currently on the interested parties list should send an email request to DBR.Bankinquiry@dbr.ri.gov

Banking Statutes

S2787A  2014 P.L. ch. 106  Effective June 16, 2014

This legislation was introduced at the request of the Department to remove outdated provisions from Title 19 to simplify licensing without effecting consumer safeguards. The substantive changes to Title 19 as a result of this legislation are:

1. Confirms the ability of licensees to use electronic transactions that are in accordance with R.I. Gen. Laws 42-127.1-1 et seq;

2. Removes the requirement for prior approval of ATMs for financial institutions and credit unions;

3. Eliminates the need to file a bond rider for each branch. Applicants may license a main office and three branches with the original bond posted for the main office. Licensees with four to seven branches must post an additional $10,000 and those with more than seven branches must post an additional $25,000. Licensees must file the additional bond amounts by filing riders to their existing bonds. Also provides specifics on notification and suspension of licenses when a bond is cancelled by the surety issuer.

4. Allows the Director to substitute an electronic record as confirmation of a license status. Effective immediately, licensees will no longer be
provided with a physical license. The electronic record in NMLS will serve as the confirmation of the license status.

5. Eliminates the requirement that licenses and branch certificates must be posted at the place of business of the licensee. Effective immediately, licensees will no longer be provided a physical license.

6. Allows the designation of the appointment of an agent for service of process in whatever manner the Director elects. Effective immediately, the designation of the agent for service of process in NMLS is the only designation that needs to be made by a licensee. A hard copy confirmation of appointment is no longer required to be provided to the Banking Division.

7. Eliminates the need for a branch certificate to be issued and lowers the charge for notification of a change of a branch address. Effective immediately, the electronic record in NMLS will be the confirmation of a branch’s licensure and no certificates will be issued.

8. The insurance requirement for Debt Management Companies has been changed to allow for a deductible of not more than $10,000. This change is made as a result of the coverage available from insurers.

9. Effective January 1, 2015 Debt Collector licenses have been changed from a three year term to a one year term. On renewal debt collectors will be notified to renew their license for a one year term in NMLS.

### Mortgage Servicers

<table>
<thead>
<tr>
<th>Bill</th>
<th>Title</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>H7997A</td>
<td>2014 P.L. ch. 522</td>
<td>Effective July 1, 2015</td>
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<tr>
<td>S2789A</td>
<td>2014 P.L. ch. 487</td>
<td>Effective July 1, 2015</td>
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This legislation was introduced at the request of the Department to provide for the licensure of mortgage servicers. Information concerning licensing procedures will be provided closer to the effective date of July 1, 2015.

### Mortgage Foreclosure Mediation

<table>
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<tr>
<th>Bill</th>
<th>Title</th>
<th>Effective Date</th>
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<tr>
<td>H8293A</td>
<td>2014 P.L. ch. 543</td>
<td>Effective October 6, 2014</td>
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This legislation made some clarifying amendments to the mortgage foreclosure process enacted last year. The amendments are designed to clarify the process and provide the forms requested by statute. The Department will be amending Banking Regulation 5 to incorporate these amendments.
Mortgage Foreclosure Tenants Rights

H7449A  2014 P.L. ch. 513  Effective July 8, 2014
S2659A  2014 P.L. ch. 486  Effective July 8, 2014

This legislation adds notification requirements to the tenant(s) in connection with foreclosure of property occupied by tenant(s). The Department will be amending Banking Regulation 5 to promulgate the notification form required by the statute.

Title Insurance Closing Protection Letters

H7792A  2014 P.L. ch. 393  Effective July 2, 2014
S2447aa  2014 P.L. ch. 354  Effective July 2, 2014

This legislation codifies and authorizes title insurance companies to provide closing protection letters to protect consumers from the adverse effects of defalcation of distributions at the closing of a real estate transaction.

Copies of applicable Rhode Island General Laws are accessible through these links or by visiting the Department’s website at www.dbr.ri.gov. Copies of the Senate and House bills and the Public Laws are accessible through these links or by visiting the Rhode Island General Assembly website at www.rilin.state.ri.us.

Joseph Torti III
Superintendent of Banking
August 26, 2014