



The Quarter

Newsletter of the Pennsylvania Department of Banking



pennsylvania
DEPARTMENT OF BANKING

Protect. Regulate. Inform.



Pennsylvania Mortgage Law Now "S.A.F.E."

Pennsylvania now meets federal standards for licensing and regulating mortgage loan professionals. The General Assembly passed, and Governor Rendell signed into law, Act 31 to amend the state Mortgage Licensing Act to comply with the requirements of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. [Learn more](#)



Pennsylvania Financial Institutions Respond to Community Needs

This summer, more than 800 state residents received free help from more than 1,000 financial and legal professionals through the "Get Help Now, Pennsylvania!" initiative. [Learn more](#)

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Pennsylvania Banks and Credit Unions Respond to State Employee Needs

For about one month during Pennsylvania's budget impasse, nearly 70,000 state employees were at work, but not being paid. Secretary of Banking Steve Kaplan appealed to Pennsylvania banks and credit unions to help workers through the impasse. [Learn more](#)

New Leadership for Office of Financial Education

Mary Rosenkrans has been appointed director of the Department of Banking's Office of Financial Education and will oversee the Office's initiatives to increase the quality and availability of financial education in Pennsylvania's schools, communities and workplaces. [Learn more](#)

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Strategic Plan Positions Department for 21st Century Challenges

by Steve Kaplan, Secretary of Banking

Welcome to the first issue of "The Quarter." I am pleased to send you this newsletter about the work of the PA Department of Banking, which is a direct offshoot of our strategic planning initiative announced last year.

It is worth noting that this strategic plan expands our historical mission to reflect the needs of Pennsylvania consumers:

The Pennsylvania Department of Banking protects the public from financial abuse, promotes financial education, ensures the safety and soundness of depository institutions, and fosters a strong economy for all Pennsylvanians.

While reaffirming a strong commitment to "safety and soundness" principles and practices, we are now formally recognizing the urgent need for consumer protection as well as financial education.

Along with an upgrade to our mission, we are building a strong foundation for our work in the 21st century built upon six strategic goals and objectives:

- Complete the implementation of a mortgage reform mandate;
- Develop a focused consumer information campaign that can span financial issues;
- Complete a review of the Department's information management systems and make recommendations regarding on-going improvements in the integrity of data and usefulness of reports;
- Create a succession plan for key positions;
- Develop desk manuals for critical procedures; and
- Develop and operate a Department of Banking Academy to provide research, education and professional development of Department staff.

I am pleased to announce that we have launched the Department of Banking Academy, are implementing the new consumer information campaign and have completed our succession plan.

Our desk manuals will be finished by year's end and we can point to major legislative and operational accomplishments with regard to mortgage reform.

We have also made significant strides in addressing our information systems challenges, but all executives and managers will recognize the need for continual, ongoing work in this area.

I hope you enjoy the first issue of "The Quarter" and do not hesitate to contact me.



Pennsylvania Mortgage Law Now "S.A.F.E."



Pennsylvania now meets federal standards — for licensing and regulating mortgage loan professionals.

The General Assembly passed, and Governor Rendell signed into law, Act 31 to amend the state Mortgage Licensing Act to comply with the requirements of the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Despite missing the July 31 deadline for states to update their statutes, Pennsylvania will retain its regulatory authority over the mortgage industry.

Act 31 builds upon the significant progress already made in Pennsylvania to protect homebuyers from unscrupulous lenders and brokers. In July 2008, legislation sponsored by Representative Peter J. Daley and Senator Patrick M. Browne gave the Department of Banking the authority to license individual loan professionals (also known as mortgage originators), not just their employers, and require them to register in the Nationwide Mortgage Licensing System, a centralized database used by state regulators to share information and monitor the industry. The

Pennsylvania mortgage reform package of 2008 also restricts prepayment penalties, increases fines for professional misconduct by real estate appraisers, and allows the Department to publish enforcement actions against licensees sooner than before.

Most significantly, Act 31 expands the definition of a mortgage originator to include entities engaged in mortgage modifications, requires surety bonds for mortgage companies and originators, strengthens the Department's authority to deny licenses to felons, and increases the hours of education required to obtain and keep a license. Detailed information for the mortgage industry on implementation of the bill is available at the Department's Web site, www.banking.state.pa.us.

Still have questions about Act 31 and how it may affect you? [Ask us.](#)



Pennsylvania Financial Professionals Respond to Call for Help



Governor Edward G. Rendell and mortgage broker and volunteer Barbara Irwin-Mayercheck spoke during the National Day of Service and Remembrance in Pittsburgh on September 11.

Inspired by the White House's call in June for statewide service projects, Pennsylvania Governor Edward G. Rendell and First Lady Judge Marjorie O. Rendell launched the "Get Help Now, Pennsylvania!" volunteer initiative to provide help to Pennsylvanians facing difficult financial situations brought on by the recession.

Beginning July 7 and closing on the National Day of Service and Remembrance on September 11, legal and financial professionals volunteered at 19 locations throughout the commonwealth by providing free assistance and referrals to Pennsylvanians who have been affected by the financial downturn. More than 800 state residents received help from more than 1,000 legal and financial professionals who gave a combined 5,000 hours of voluntary service.

"I believe that the response of Pennsylvania financial professionals to this call for help

proves the willingness of our financial community to be part of the solution to the economic crisis we face," Secretary of Banking Steve Kaplan remarked. "Based on what we saw this summer, I look to our financial community to be active participants in the economic recovery in Pennsylvania."

Secretary Kaplan worked with leaders of the Pennsylvania Bankers Association, the Pennsylvania Credit Union Association, the Pennsylvania Association of Community Bankers, the Mortgage Bankers Association of Pennsylvania, the Pennsylvania Association of Mortgage Brokers and the Pennsylvania Financial Services Association to recruit volunteers from financial services industries. The program was a collaborative effort of the Pennsylvania Bar Association, the Office of the First Lady and the Pennsylvania Department of Banking.



Pennsylvania Banks and Credit Unions Respond to State Employee Needs

For about one month during Pennsylvania's budget impasse, nearly 70,000 state employees were at work, but not receiving full pay. Secretary of Banking Steve Kaplan appealed to Pennsylvania banks and credit unions to help workers through the impasse. More than 30 banks and credit unions created plans to provide eligible customers affected by the impasse with no-interest or low-interest loans or lines of credit, "skip-a-payment" programs and other forbearance on payments.

The state employees' credit union, PSECU, and the largest state-chartered bank, Citizens Bank, participated along with the following institutions:

- Altoona VA Hospital Federal Credit Union
- Americhoice Federal Credit Union
- BELCO Community Credit Union
- Central Keystone Federal Credit Union
- Citizens & Northern Bank
- Corning Credit Union
- Cross Valley Federal Credit Union
- Diamond Credit Union
- Erie Federal Credit Union
- Erie General Electric Federal Credit Union
- First Capital Federal Credit Union
- Franklin-Johnstown Federal Credit Union
- Fulton Financial Corporation (includes Fulton Bank; Lafayette Ambassador Bank; FNB Bank, N.A.; and Swineford National Bank)
- GNC Community Federal Credit Union
- Grove City Area Federal Credit Union
- JSTC Employees Federal Credit Union
- Members 1st Federal Credit Union
- NE PA Community Federal Credit Union
- New Cumberland Federal Credit Union
- Norristown Bell Credit Union
- NORSCO Federal Credit Union
- Oil Country Federal Credit Union
- Orrstown Bank
- Patriot Federal Credit Union
- PNC Bank
- Sovereign Bank
- Superior Credit Union
- Tobyhanna Army Depot Federal Credit Union
- Wyrope Williamsport Federal Credit Union
- Your Choice Federal Credit Union

New Leadership for the Office of Financial Education



Mary C. Rosenkrans has been appointed director of the Office of Financial Education and will oversee the Office's initiatives to increase the quality and availability of financial education in Pennsylvania's schools, communities and workplaces.

She has worked in the Office since 2006 helping teachers incorporate age-appropriate financial concepts into their existing lesson plans, a role she will continue to maintain.

Governor Rendell established the Office in 2004 in recognition of the fact that financial education can help Pennsylvanians achieve greater economic self-sufficiency, higher levels of homeownership, enhanced retirement security and improved quality of life. Pennsylvania is one of only two states that has such an office (Wisconsin being the other state).

The Office of Financial Education also hosts Your Money's Best Friend, a consumer-oriented Web site that provides information on a wide array of personal finance topics such as credit, budgets, investments and homeownership, as well as links to other reputable resources on the Web by government agencies, non-profits and other organizations. To learn more, visit

www.moneysbestfriend.com



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Pennsylvania Mortgage Foreclosures Started Over Time (1st Quarter 2003 - 1st Quarter 2009)

