Strategic Positioning
By Glenn E. Moyer, Secretary of Banking
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Learn more

Governor Corbett Signs Budget on Time
Governor Tom Corbett signed the commonwealth’s $27.15 billion budget on June 30, the first on-time budget in Pennsylvania in eight years. “It spends no more than we have and it doesn’t pretend we have more than what we have budgeted,” he remarked at the ceremony. Among others in attendance at the signing was Senator Pat Browne (far left), a member of the Senate Banking & Insurance Committee.

Did you Know?
The PA Department of Environmental Protection has created an extensive resource library on the Marcellus Shale. This information can be accessed here.

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Strategic Positioning

by Glenn E. Moyer
Secretary of Banking

Halfway through the first year of the Corbett Administration, it should come as no surprise that Governor Corbett is acting on his commitment to fostering a business environment conducive to job creation, attracting new business ventures and growing existing businesses. At the Pennsylvania Department of Banking, we support that commitment and are forming our action plans accordingly.

As Pennsylvania works its way into economic recovery, the Department of Banking is envisioning what the financial marketplace will look like in 10-20 years and the role the department will play in the development of financial service industries.

The department will continue with its strategic initiatives while refocusing on “safety and soundness” and consumer protection issues, which are the key building blocks in creating a good environment for business and consumers.

We recognize that the business of banking has changed a lot in the last 50 years. We must modernize to ensure a strong Pennsylvania banking community. However, the statute that provides the foundation for banking regulation in Pennsylvania was signed into law 46 years ago. And so I look forward to working with our stakeholder groups to review the Pennsylvania Banking Code of 1965 and -- where our interests align -- make recommendations for changes and updates in the law to Governor Corbett and the General Assembly.

At the same time, we will focus on helping to ensure the integrity of the financial marketplace. People and businesses must have the tools they need to create and fairly execute financial transactions as well as a clearly defined, common understanding of the rules. We will be working to ensure that licensing and compliance issues, access to funding sources and consumer protection are transparent, not confusing.

The Department of Banking’s operations are funded through a system of assessments, fees and penalties last revised in the 1990’s. We will undertake a comprehensive review of the department’s revenue model to determine its sustainability and its ability to provide effective regulation and supervision.

My colleagues and I want to make sure that all Pennsylvania financial institutions are aware of the department’s strengths, our support for a strong economy and our interest in supporting the business models that our chartered and licensed entities have determined to be good for their markets.

The Department of Banking is more accessible and less costly than the federal regulators, and we understand better the financial needs of Pennsylvania communities. We are open to charter conversion applications from well-capitalized and well-run federally chartered depository institutions. I believe that making Pennsylvania the “charter or license of choice” should be part of every Pennsylvania financial institution’s business model.

As the Department of Banking moves forward with strategic initiatives, I welcome hearing ideas from consumers, businesses and other stakeholders. And I look forward to listening to the concerns from our chartered and licensed businesses and having candid, “fact-based” discussions that anticipate where Pennsylvania financial service industries will be in the new financial landscape. Together, we will forge a strong Pennsylvania economy and advance the cause of strong Pennsylvania communities.
Advancement

After 30 years of distinguished service with the Department of Banking, Ray Harper retired this spring as Director of the Bureau of Commercial Institutions. Rob Lopez has been appointed to succeed Ray as bureau director. Rob joined the department’s legal office in 2004 and has been serving as Deputy Chief Counsel for the past four years. David Bleicken, Deputy Secretary for Non-Depository Institutions and Consumer Services, has accepted a position with the new federal Consumer Financial Protection Bureau, where he will be working with former Massachusetts Banking Commissioner Steve Antonakes. Linda Zang retired in June as Director of the Office of Consumer Services. Linda had served with the Department of Banking for 33 years and was instrumental in the formation of the Office of Consumer Services.

Social Media Questionnaire

As more government agencies seek new ways to interact with their stakeholders, constituents and consumers, the PA Department of Banking is considering adding social media to its outreach program. Your answers to this short survey will help us develop the appropriate social media tools to help us better serve financial professionals, teachers, employers, community groups and other consumers who work with us on a regular basis. The survey can be found online here.

Mortgage Licensees to File Call Reports with NMLS by August 15

The Department of Banking reminds mortgage licensees that the NMLS Mortgage Call Report is due August 15. The NMLS Mortgage Call Report is a quarterly report of mortgage activity and company information. All state-licensed mortgage companies and all state-registered companies that employ licensed mortgage loan originators must complete the NMLS Mortgage Call Report. Information on the NMLS call reports can be found on the NMLS website.
Department to Share in Weichert Financial Services Settlement

The Department of Banking will receive $300,000 as part of a 10-state settlement resulting from an examination of Mortgage Access Corp., doing business as Weichert Financial Services.

The examination, conducted jointly by banking regulatory agencies from each state, found that Weichert, headquartered in Morris Plains, N.J., circumvented state mortgage licensing laws and allowed and paid for unlicensed individuals to originate and process mortgage loan applications.

"In order to ensure the integrity of the real estate marketplace, Pennsylvania consumers must believe that mortgage companies meet the professional standards set by Pennsylvania law," said Secretary of Banking Glenn E. Moyer. "This settlement protects marketplace integrity as well as proving that state financial regulators can cooperate to protect consumers across state lines."

Among the other terms of the settlement, Weichert will be required to:

- Review their internal management controls regarding the oversight of mortgage loan originator activity and to implement appropriate technology that will prevent an application from being processed by an unlicensed individual;
- Implement a system that will allow for the full investigation of complaints submitted by consumers, state or federal agencies, or other individuals alleging that Weichert has employees acting in the capacity of an unlicensed mortgage loan originator; and
- Identify an independent auditing firm to, at the company’s expense, conduct a review of all mortgage loan applications taken from Sept. 1, 2010, through March 31, 2011, for compliance with state mortgage licensing laws.

The $3 million settlement is to be divided equally among the 10 states, including Pennsylvania, Connecticut, Kentucky, Louisiana, Massachusetts, New Jersey, New York, North Carolina, Vermont and Virginia.

Did you Know?

The Auditor General was the original state supervisor of banks, savings funds and trust companies in Pennsylvania. In 1891, following an increasing number of bank failures, with no deposit insurance, the General Assembly created the Office of the Superintendent of Banking, which supervised 173 banking institutions. Charles Krumbhaar was appointed the first Superintendent and was authorized to employ not more than three clerks. However, the General Assembly did not fund the Office until 1893; by the end of 1894, Superintendent Krumbhaar reported that all banks in Pennsylvania had been visited – some more than once!
Department Announces 2nd Quarter Enforcement Actions

The Department of Banking’s Bureau of Compliance, Investigation and Licensing took 209 enforcement actions during the second quarter of 2011. Within these actions, the department:

- Issued 51 orders against companies for statutory violations resulting in fines of $496,850. Of the 51 orders, 25 companies were engaged in unlicensed mortgage loan origination activity, four companies were engaged in unlicensed mortgage loan modification activity, 17 companies were engaged in other unauthorized mortgage loan activity and five companies engaged in various other unauthorized non-mortgage related activity.

- Suspended 158 mortgage originator licenses.

- Prohibited two individuals from engaging in the mortgage business in Pennsylvania.

A comprehensive list of enforcement actions taken against nondepository institutions and individuals by the Department of Banking is available online at www.banking.state.pa.us.

Common Wealth Symposium 2011

Secretary of Banking Glenn E. Moyer (left) addressed human resources professionals and representatives from community organizations across Pennsylvania at the fifth annual Common Wealth Symposium.

Ted Beck from the National Endowment for Financial Education led a discussion on the new National Strategy for Financial Literacy and learned how Pennsylvania is incorporating many of these ideas already. Workshops were offered on best practices, retirement planning and social media. John Gannon from the FINRA Foundation provided closing remarks about their study on the financial capability of U.S. adults.

One heavily attended workshop focused on the new field of financial entertainment, presented by Nick Maynard of the D2D Fund. The D2D Fund is partnering with the Office of Financial Education to promote new ways to engage people in learning about personal finance.

For more information, visit: www.moneysbestfriend.financialentertainment.org.
FHA Lending in PA
2006 - Present

Mortgages Serviced

All Mortgages Serviced in PA
2006 - Present

Data Source: Mortgage Bankers Association