

the quarter

newsletter of the pennsylvania department of banking and securities



pennsylvania
DEPARTMENT OF BANKING
AND SECURITIES

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Office of the Secretary of Banking and Securities



Helping to Restore Business 'Certainty'

By **Glenn E. Moyer**,
Secretary of Banking and Securities

What I hear in my travels around Pennsylvania is that business and financial professionals are hindered in making decisions about the future by "uncertainty." When I am asked about the role of the Department of Banking and Securities in helping the recovery and alleviating uncertainty, I mention five things:

[Learn more](#)



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Financial Expert Michelle Singletary to Address 'Money Matters' Investor Education Conference in Pittsburgh Area

"Money Matters" will be held from 6:00-9:00pm on April 30 at the Pittsburgh Marriott North in Cranberry Township.

[Learn more](#)



Governor Corbett Proclaims April as "Financial Education Month"

"As our economy continues to improve, it is important for Pennsylvanians to make educated decisions about how to invest and protect their money."

[Learn more](#)



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Helping to Restore Business ‘Certainty’

by **Glenn E. Moyer**, Secretary

None of us can predict the future with certainty. At best, we make educated guesses. However, since the onset of the recession, decline of the financial sector and passage of the federal Dodd-Frank Act, what I hear in my travels around Pennsylvania is that business and financial professionals are hindered in making decisions about the future by “uncertainty.”

This uncertainty is most visible in three areas: 1) the pace of the economic recovery; 2) how post-recession business models will change; and 3) how new and as-yet-unwritten Dodd-Frank rules and regulations will affect the ability of financial services businesses to, well, do business. As economists, lawmakers, pundits and bureaucrats of every stripe discuss and disagree about these uncertainties, it might be easy for even the sharpest financial services professional to feel less and less “educated” about when and how to make decisions about the future.

When I am asked about the role of the Department of Banking and Securities in helping the recovery and alleviating uncertainty, I mention five things:

1. **Pennsylvania did not go over the cliff.** I remember the mood in the financial services community in 2008 when Lehman Brothers declared bankruptcy. People feared the worst. However, Pennsylvania’s economy has proven to be resilient, we fared better than many other states and every economic and business indicator points to a slow, but sure, recovery.
2. **We are forward looking.** I believe it is important to learn from the past, but it is also important not to dwell and brood too much upon that past. The Department of Banking and Securities is focused sharply on where the industries under our supervision are headed as well as how we can work together to contribute to economic recovery and prosperity for Pennsylvanians.
3. **We are taking a prescriptive, not punitive, approach.** The Department of Banking and Securities is dedicated to working with our financial services “clients” to help ensure that they are in compliance with statutes, regulations and policies, as well as financially safe and sound. We are also dedicated to identifying and dealing with “bad actors” and helping ensure the integrity of the financial services marketplace, so that consumers, investors and businesses feel confident that they are being treated fairly.
4. **We are reducing complexity and unnecessary regulatory burden.** Working with the General Assembly, we are updating and modernizing the laws governing Pennsylvania’s financial services marketplace. Last year, the General Assembly passed, and Governor Corbett signed into law, amendments to our banking laws that take a common-sense approach to ensuring the safety and soundness of a healthy Pennsylvania banking industry. This year, we will be working to update and modernize the mortgage laws and the Securities Act of 1972. Passage of these laws will help ensure that Pennsylvania is well-positioned to compete in the 21st century financial services marketplace.
5. **We are “at the table” with federal regulators.** As Dodd-Frank continues to roll out, my staff and I are in regular conversation with our counterparts in the federal regulatory bodies that will implement the new rules and regulations. We are hard at work to make sure that

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Pennsylvania interests and concerns are heard, understood and taken into account.

As Pennsylvania financial services industries seek ways to grow and contribute to the 21st century economy, the Department of Banking and Securities is positioning itself as a 21st century regulator: forward-looking, prescriptive, reducing complexity and advocating for Pennsylvania's interests. We want to make sure that the financial services industries we supervise can return to focusing on their core concerns: serving their customers and staying competitive.



Governor Corbett Proclaims April as 'Financial Education Month'

Governor Tom Corbett has proclaimed April to be "Financial Education Month" in Pennsylvania.

"As our economy continues to improve, it is important for Pennsylvanians to make educated decisions about how to invest and protect their money," Governor Corbett said. "I salute those institutions and agencies committed to providing education and services that will improve the quality of life for Pennsylvanians, provide them with skills for financial success, as well as strengthen Pennsylvania's economy."

Governor Corbett noted that many Pennsylvania banks will be participating in "Teach Children to Save Day" on April 23 and many Pennsylvania credit unions, will be participating in "National Credit Union Youth Week," celebrated April 21-27.

He also praised the Department of Banking and Securities for co-sponsoring the "Money Matters" investor education conference on April 30 in the Pittsburgh area (see Page 4); the PA Housing Finance Agency, which provides the "Building Your Financial House" program; and the Jump\$tart Coalition for Personal Financial Literacy, which works to improve financial education in kindergarten through twelfth grade.



Financial Examiners Wanted

The Department of Banking and Securities is looking for professionals to join our staff as financial examiners working in the oversight of the banking and securities industries. Entry-level positions for recent college graduates (with 9 – 12 credits in accounting), as well as more senior-level positions for trained, experienced financial industry professionals are available.

These positions offer excellent career opportunities with flexibility in hours, and many are headquartered from home. In addition, the positions offer opportunity for advancement, competitive health and retirement benefits, and life insurance.

For more information, contact us at (717) 783-3611 or RA-DOBS-Recruit@pa.gov.



MONEY MATTERS \$

2013 > SAVE > INVEST > PROTECT

Financial Expert Michelle Singletary to Address 'Money Matters' Investor Education Conference

Personal finance expert Michelle Singletary, an author and nationally syndicated columnist for *The Washington Post*, will be the keynote speaker for the "Money Matters" investor education conference that will take place at the Pittsburgh Marriott North in Cranberry Township on **Tuesday, April 30**.

Singletary's column, "The Color of Money," is syndicated in more than 100 newspapers. She is the author of three books devoted to personal finance topics: "*Spend Well, Live Rich*," "*Your Money and Your Man*" and "*The Power to Prosper*."

The "Money Matters" conference is free to the public and will run from 6 to 9 p.m. Registration is required and available online at www.dobs.state.pa.us or by calling **1-800-PA-BANKS**.

This year's conference will be geared toward working adults, veterans and senior citizens. Sessions include:

- Investing 101: Getting Started and Building Wealth for Long Term Goals
- Teaching Kids and Young Adults to Be Financially Independent
- Retirement and Estate Planning — Finding Your Way
- Your Retirement Plan — On Track and Keeping it There

- No Free Lunch — Avoiding Financial Scams
- Seniors and Finances: What to Know, Precautions to Consider
- Veterans Issues — Where to Turn
- Investing — A Closer Look
- Saving for College with the PA 529 College Savings Program
- "One on One" with the DoBS

"For 10 years, 'Money Matters' conferences have been delivering high-quality investor education to Pennsylvanians of all ages," said Secretary of Banking and Securities Glenn E. Moyer. "I am pleased that we can continue this tradition by providing our citizens with face-to-face education on how to be wiser and safer investors."

Related "Money Matters" presentations will take place in retirement communities and high schools in the Pittsburgh area in late April as part of Financial Education Month.

"Money Matters" is part of The Campaign for Wise and Safe Investing™ Pennsylvania, a collaboration between the AARP Foundation, the Investor Protection Trust, the Pennsylvania Department of Banking and Securities and AARP Pennsylvania.





2013 COMMONWEALTH HOUSING FORUM

2013 Housing Forum Registration Open

The PA Housing Finance Agency announces that registration is now open for the 2013 Commonwealth Housing Forum on May 2 and 3. The three plenary keynote speakers include **Mark Zandi**, chief economist with Moody's Analytics; **Joseph Smith**, monitor of the National Mortgage Settlement; and **Alan Heavens**, longtime residential real estate reporter with the *Philadelphia Inquirer*. The Forum offers 32 educational sessions, evening networking events and an awards ceremony to recognize leaders in the industry.

Registration from April 5-26 is \$175. The event will take place at the Hilton Harrisburg. Learn more on the 2013 Housing Forum [here](#).

PHFA Honors Top Mortgage Originators



Secretary of Banking and Securities Glenn E. Moyer (left) and PA Housing Finance Agency Executive Director and CEO Brian Hudson (right) honor Keith Wright of Allegheny Mortgage Corporation as the Top Mortgage Originator in PHFA's Homeownership Program during an awards luncheon in March.



NMLS Update

Effective April 1, 2013, a new National SAFE MLO Test Component with uniform state content is available in 20 states, including Pennsylvania. Mortgage loan originators (MLOs) seeking licensure with the Department of Banking and Securities will no longer be required to take a second, state-specific test component. This new component creates a single test that can meet both national and state testing requirements of the federal Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act. Learn more [here](#).



Retail Grocery Store Check Casher Registration Clarification

A retail food store that charges customers to cash checks must register annually with the Department of Banking and Securities using NMLS. For help with completing the NMLS license application and renewal, see the **Quick Guide** for submitting a complete Company Form through NMLS.

If you have questions about **your application**, you can contact the Department of Banking and Securities, Non-Depository Licensing Division by phone at (717) 787-3717 or e-mail to **ra-asklicensing@pa.gov**. If you have questions about **how to use NMLS**, please contact the NMLS Call Center at (240) 386-4444.

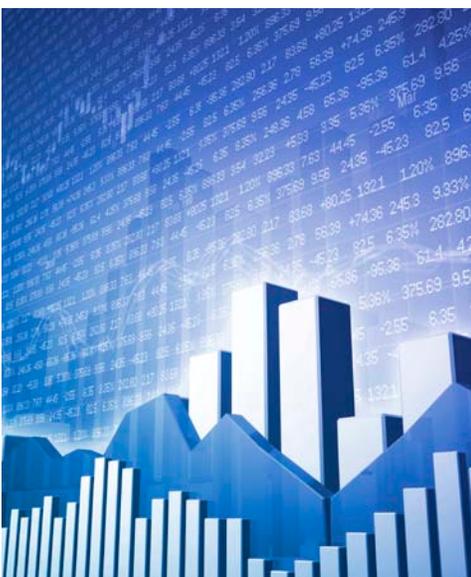
Helpful Hints:

- "Qualifying Individual" may be a Direct Owner, Executive Officer or another Management Level individual designated by the company to be the "Qualified Individual" on the NMLS Company Form.
- "Branch Manager" may be the same person who is designated as the Qualifying Individual on the company application (MU1Form), or may also be a Direct Owner or Executive Officer.



- One individual (Direct Owner, Executive Officer or Management Level individual) is permitted to serve as the Qualifying Individual and/or also a Branch Manager for multiple locations.
- Even though the Disclosure questions are required to be answered on the MU1, MU2 and MU3 forms, no additional information/ documentation pertaining to the disclosure questions is required to be submitted.

Please Note: Retail Grocery Store Check Casher Registrants are not required to undergo criminal background checks.



Update on Credit Exposures to Derivatives and Securities Financing Activities

The Department of Banking and Securities will begin reviewing the credit exposures of depository institutions with regard to derivatives and securities financing transactions effective July 1, 2013. This date replaces a previously announced deadline of April 1, 2013. Read **this** Interpretive Letter for more information. If your depository institution is currently engaged in or intends to engage in derivatives and securities financing transactions, please contact Robert C. Lopez, Director, Bureau of Commercial Institutions, at **rolopez@pa.gov** if you have not already contacted him.

CYBERsection



SECURITY

The U.S. Department of Treasury has provided guidelines for companies and institutions responding to a Distributed Denial of Service “DDoS” attack, which were prepared by White Hat Security. The guidance ([download here](#)) covers many points that could easily be overlooked in preparing to combat the DDoS threat. The document contains a model incident response plan and run-book template that may be useful to institutions in our state.

In addition, companies and institutions should make themselves aware of the Executive Order “Improving Critical Infrastructure Cybersecurity” issued by President Obama on February 12, 2013 ([view here](#)). The order directs federal authorities to improve information sharing on cyber threats and directs the Attorney General, the Secretary of Homeland Security and the Director of National Intelligence to issue instructions to private-sector entities on information sharing by mid-May. These instructions “shall address the need to protect intelligence and law enforcement sources, methods, operations, and investigations.”



Advancement

Jamie Robenseifner has been appointed Director of the Bureau of Securities Licensing, Compliance and Enforcement. Previously, she served the department as Chief of the Non-Depository Licensing Division. She has also served as an investigator with the PA Board of Probation and Parole and the PA Office of the Inspector General, and is a Certified Fraud Examiner. She began her career as a jet engine mechanic in the U.S. Air Force and then cross-trained into the paralegal field before obtaining a bachelor’s degree in Criminal Justice.

Glenn Skreppen has joined the department as Securities Regulatory Affairs Liaison. He will be primarily involved with relationship management and work with securities industry, especially clearing broker dealers, to develop an effective oversight program. Previously, he served with BNY Mellon in many capacities as Vice President and Head of Equity Trading. He earned a bachelor’s degree in accounting from Indiana State University and an MBA from the University of Pittsburgh.





COMPLIANCE CORNER

First Quarter 2013 Public Enforcement Orders

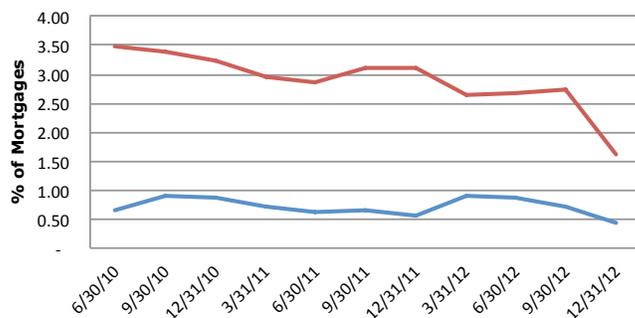
The Department of Banking and Securities issued 27 public enforcement orders during the first quarter of 2013, which included fines in the amount of \$224,700 and reimbursement of investigative costs of \$11,500:

- Three Summary Orders to Cease and Desist issued against companies for violations of the Pennsylvania Securities Act of 1972
- Two Summary Orders to Cease and Desist issued against companies for violations of the Mortgage Licensing Act; and
- One Summary Order to Cease and Desist issued against a company for violations of the Consumer Discount Company Act and the Loan Interest and Protection Law.
- Twenty-one Consent Agreements and Orders were issued, which included:
 - Three companies engaged in unregistered securities activity; one of these companies was also engaged in conduct in violation of the anti-fraud provisions of the Pennsylvania Securities Act of 1972;
 - One company and one individual engaged in dishonest and unethical conduct in the securities industry;
 - Two companies were engaged in unregistered securities sales activity;
 - One company engaged in unlicensed mortgage loan modification activity;
 - Four companies engaged in other unauthorized mortgage loan activity;
 - One company engaged in unlicensed debt management services activity; and
 - Eight companies engaged in unlicensed auto sales finance activity.

These orders also include the suspension of one license for unauthorized mortgage loan activity in Pennsylvania.

RESEARCH QUARTER

PA Foreclosures and Mortgage Delinquencies 2010-Present



Data Source: National Delinquency Survey by the Mortgage Bankers Association.