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April 24, 2009

TO: CHIEF EXECUTIVE OFFICERS OF ALL PENNSYLVANIA STATE CHARTERED BANKS, BANK AND TRUST COMPANIES, TRUST COMPANIES, SAVINGS BANKS, SAVINGS ASSOCIATIONS AND CREDIT UNIONS

The Commonwealth of Pennsylvania Department of Banking (the “Department”) is issuing this letter to remind banks, bank and trust companies, trust companies, savings banks, savings associations and credit unions under the Department’s jurisdiction (“Institutions”) of the confidentially provisions contained in the Department of Banking Code (“DOB Code”), 71 P.S. § 733-1 *et seq.*, relating to (i) reports of examination prepared solely by the Department or jointly with an Institution’s federal regulator and (ii) Department enforcement proceedings.

Institutions are not permitted to disclose or disseminate reports of examination or the information contained therein to third parties other than an Institution’s attorneys, without the written permission of the Department.¹ This means that absent the permission of the Department, an Institution may not divulge a report of examination or the information contained therein to third parties such as certified public accountants, outside auditors, potential officers or directors, investment advisors or other consultants. Permission may also be needed from the Institution’s federal regulator.²

To request permission to disclose a report of examination or the information contained therein, an Institution must submit a written request to the Department stating (i) the purpose of the requested disclosure, (ii) to whom the Institution wishes to make the disclosure to and (iii) whether or not the Institution has received permission from the Institution’s federal regulator to make the requested disclosure. The request must also include a resolution by the board of directors or trustees of the Institution authorizing the release of such information upon the Department’s approval.

¹ Section 404.A of the DOB Code provides that “[u]nder no circumstances shall the institution or any of its directors, trustees, officers or employes make copies of the report of examination or any portion thereof available to any organization or person who is not officially connected with such institution as a director, trustee, officer, attorney or employe without the prior written approval or nonobjection of the department.” 71 P.S. § 733-404.A. The confidentiality provisions of the DOB Code apply to the information contained within a report of examination as well as to the report of examination itself.

² *See, e.g.*, 12 CFR Part 309.

Regarding Department enforcement proceedings, the DOB Code provides that enforcement proceedings and decisions of the Department relating to Institutions may not be published or divulged to anyone.³ This would include any orders issued by the Department with the consent of the Institution or memoranda of understanding. However, Institutions may disclose the existence and contents of an order or other enforcement proceeding by the Department to the extent federal or state securities law may require such disclosures.⁴ Additionally, an Institution may request that the Department disclose to individuals selected by the Institution any matter related to the financial condition of the Institution, which may include enforcement proceedings.⁵ Such requests shall be made in conformity with the procedure outlined above for disclosure requests concerning Department reports of examination.

The Department considers violations of state and federal confidentiality laws serious and regards such violations to be an unsafe and unsound practice.

Any questions regarding this letter or the issues raised therein should be directed to:

For Credit Unions:

Tim Blase, Director, Credit Unions Office, (717) 787-7333

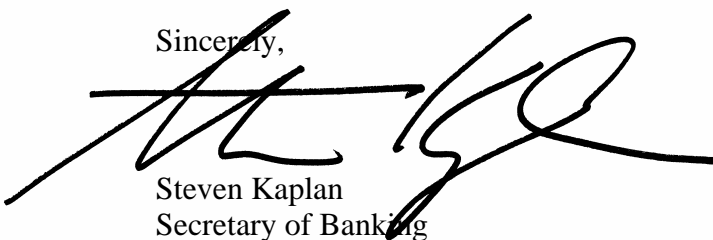
For Trust Companies:

Jim Acri, Director, Trusts Office, (717) 787-7333

For Banks, Bank and Trust Companies, Savings Banks and Savings Associations:

Raymond Harper, Director, Bureau of Commercial Institutions, (717) 783-8240

Sincerely,



Steven Kaplan
Secretary of Banking

³ See 71 P.S. § 733-501.B.

⁴ See 71 P.S. § 733-404.A.

⁵ See 71 P.S. § 733-404.B.