



# THE QUARTER

Newsletter of the PA Department of Banking and Securities

## **SUSTAINING ENDEAVOURS**

Adherence to statutory mandates  
amidst uncertainty in the sector

**Diamond Money  
Order Claims**

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**Pennsylvania Schools  
Excel in Community  
Bank Case Study**



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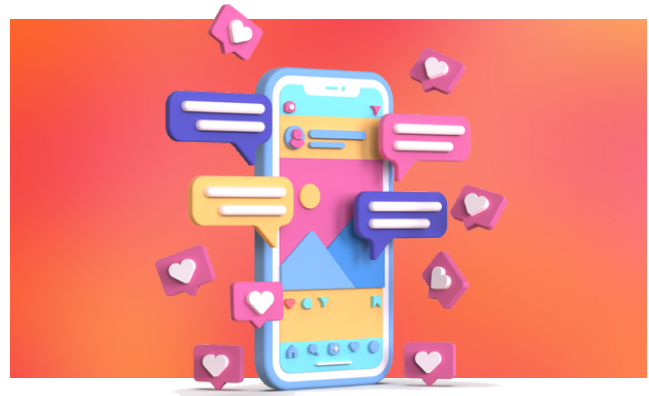
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**Consumer Financial Protection Events are taking place each week. [See the complete listing of events on our brand new events calendar.](#)**



**Keep up with DoBS news, tips, and more! Follow us on Facebook, Twitter, and LinkedIn.**



PA Banking and Securities



@PABankingDept

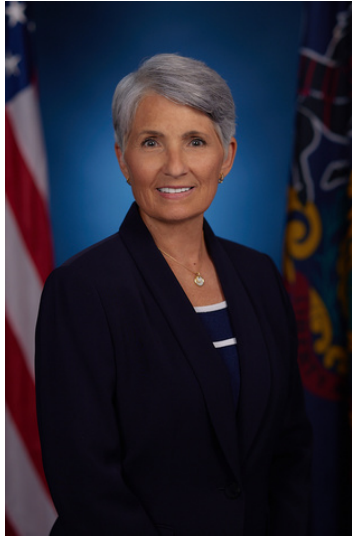


@PADOBSSecretary



PA Department of Banking and Securities





**Acting Secretary**

[dobssecretary@pa.gov](mailto:dobssecretary@pa.gov)

# Wendy Spicher

## **From the Desk of the Acting Secretary**

It has been six months since the last issue of the Quarter. While we as an agency strive to put out this newsletter quarterly to provide updates about important happenings, this year our quarter newsletter will end up as a triumvirate newsletter. Don't worry, we aren't changing the name.

It is important to start off by looking back over the past six months as a period marked by significant changes and events amidst the financial services industry. Back in March, we saw the sudden failure of three regional banks that triggered liquidity concerns and much uncertainty and speculation about the banking system.

As a former Chair of the Federal Deposit Insurance Corporation once remarked, "Banks are in the business of taking risks. It is the role of regulators to ensure those risks are managed prudently to protect the stability of the financial system."

As a regulatory agency, our work promotes the safety and soundness of financial institutions and compliance with statutory requirements that provide protections to Pennsylvania residents. As we always have, we continue to work with federal regulators to protect Pennsylvanians and their finances and continue to monitor any events impacting the health of the financial services sector.

The work of the department is ongoing and there is often a need to distinguish signal from noise to be most effective at performing the inherent role of supervision. Our statutory mandates will always drive our work so that we are consistent in the operational aspects of examining and supervising regulated entities and being responsive to Pennsylvania residents and consumers.

Addressing headwinds is not a new trend for the financial sector and has become more the norm than the outlier especially true in recent years. Change is constant and the need to mitigate against risks, known and unknown, help ensures strategic direction does not become a casualty in responding to challenges that present. Merely acknowledging uncertainty is not in and of itself a panacea but does allow for intentionality in how responses are formed, as well as communicated.

I'm pleased to announce that our Securities Compliance Conference will resume this year, after a Covid hiatus, with panels that address some of the issues that are on the horizon and approaching with rapid acceleration. This conference provides an excellent opportunity for open communication between the industry and our agency so that regulatory expectations are clear and unambiguous.

Under the leadership of the Shapiro-Davis administration, the department will continue to position itself as a forward-looking and innovative regulator, responsive to the needs of businesses and consumers alike.



# Department of Banking and Securities is Accepting Claims Against Diamond Money Order Company, LLC



## ***Claimants must have a copy of the money order to make a claim***

Harrisburg, PA - The Department of Banking and Securities is informing consumers who have purchased or are holding a money order from Diamond Money Order Company, LLC, or a “DMC Money Order,” that is not being honored, that the Department is now accepting claims against the company. The Department will work to recover funds for eligible consumers - more information on how to file a claim can be found below.

On February 1, the Department [announced that it issued a cease-and-desist order](#) against Diamond, a Pennsylvania-licensed money transmitter located in Levittown, and its owners Han-Young Huang and Michael Blicharski. The Department found that Diamond violated several provisions of the Money Transmitter Act and has been unable to fund any money orders since late January. Diamond and its owners were ordered to immediately cease all money transmitter activities and their transmitter license was revoked.

[Read the full Cease and Desist Order.](#)

Claim information: The Department will work to recover funds for those who hold a money order issued by Diamond under Diamond’s money transmitter surety bond. (NOTE: In order to make a claim for the recovery of funds, claimants must have a copy of the money order that was returned by the bank/business or a copy of the uncashed money order.) The holder of the claim may be the person who originally purchased it or may be the recipient of the money order that was used by the consumer as a payment. Claims can be filed by individuals, or by the companies that received money orders as payments from multiple individuals.

**How to Make a Claim:** The Department is urging those who hold a money order issued by Diamond to [file a complaint with the department online](#). A complaint can also be filed by calling the Consumer Services Office at 1-800-PA-BANKS (1-800-722-2657). It is critical that claimants have a copy of the money order available and in hand prior to attempting to make a claim. Individuals who have already contacted the department and filed a complaint online do not need to submit another complaint. If additional information or documentation is needed, a representative from the Consumer Services Office will contact claimants through the contact information provided.

# COMPLIANCE 2023

Statewide Securities Conference

This fall will mark the return of the Department of Banking and Securities conference designed to keep investment professionals and their firms up to date on changes to federal and state securities laws and regulations. This conference, Compliance 2023, will be held at the Penn Harris Hotel, 1150 Camp Hill Bypass in Camp Hill on **November 8, 2023**.

**The sessions will include:**

- Investment Adviser 3rd Party Relationships
- Enforcement, Regulatory, and Policy Updates
- Accounting for IA Firms
- How to Effectively Protect Clients from Financial Scams
- AI and the Future of Regulation
- What to Expect from an Investment Adviser Exam

Stay tuned for more details by visiting the DoBS website. Questions can be sent to [compliance2023@pa.gov](mailto:compliance2023@pa.gov). Seats are limited. **Register by October 24, 2023, to reserve your spot at the conference.**

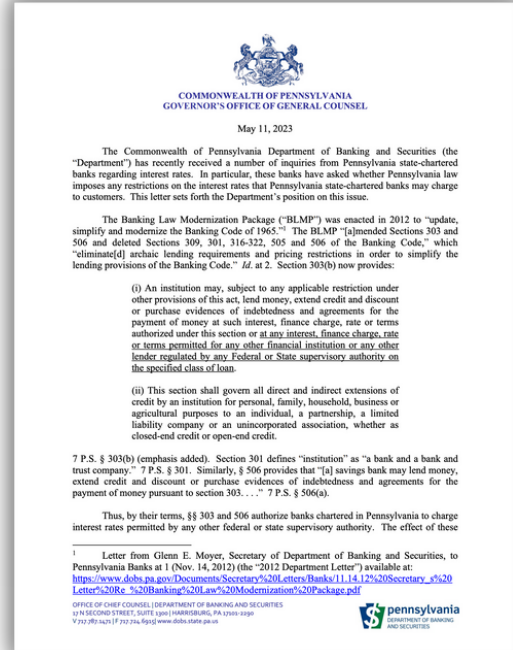




# Interpretive Letter on Non-Applicability of LIPL interest rate restrictions for Pennsylvania state-chartered Banks

On May 11, 2023, the Department issued an interpretive letter concerning Section 604-Effect on Inconsistent Acts under the Loan Interest and Protection Law.

[Read the full letter.](#)



## 2023 Act 6 Residential Lending Rates

Act 6 of 1974 requires that the Department on or before the twentieth day of each month, determine the maximum lawful rate of interest for residential mortgages for the next succeeding month.

January	6.50%
February	6.25%
March	6.25%
April	6.25%
May	6.25%
June	6.25%
July	6.25%

[2023 Act 6 Base Figure: \\$301,022](#)

Historical Act 6 Base Figures:

- 2022 - \$278,204
- 2021 - \$263,975
- 2020 - \$260,404
- 2019 - \$256,023
- 2018 - \$250,324
- 2017 - \$244,856
- 2016 - \$241,324
- 2015 - \$241,111



# DoBS in the Community

## Strong Showing by Pennsylvania Schools in CSBS Community Bank Case Study Competition

Eight Pennsylvania colleges and universities entered the [2023 Community Bank Case Study Competition](#) this year, more than any other state.



The following colleges and universities are representing Pennsylvania in the 2023 Case Study Competition:

- Bloomsburg University (advanced to final round)
- Gannon University
- La Salle University
- Mansfield University (advanced to second round)
- Messiah University (advanced to final round)
- Rosemont College
- The Pennsylvania State University
- University of Pittsburgh at Johnstown



Congratulations to all of the students for their hard work, and [a special congratulations to the team from Messiah University for placing 3rd!](#)



## DoBS Joins Pennsylvania Sheriff's Association Annual Meeting to Talk Financial Exploitation

Tina Kotsalos and Katrina Boyer spoke before the Pennsylvania Sheriff's Association annual meeting in February to talk about detecting and reporting suspected elder financial exploitation.

**Contact us to schedule an investment protection presentation**

## Department Testifies at House Aging Committee on Scams Targeting Seniors

The Department and Office of the Attorney General provided testimony at an information meeting for the House Aging and Older Adult Services Committee about the latest scams targeting older adults throughout the Commonwealth.



# DoBS in the Community

## Department of Aging Launches Pilot of HelpVul Tool for Reporting Elder Financial Exploitation

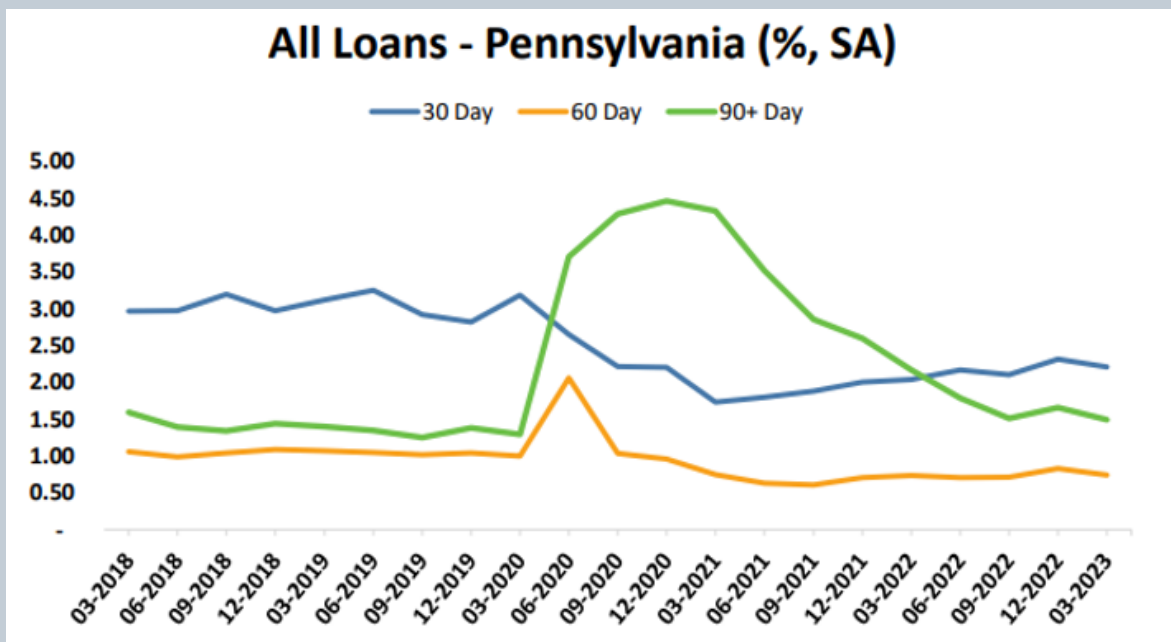
The Department of Aging is collaborating with the Pennsylvania Department of Banking and Securities (DoBS) to identify and engage financial institutions in corresponding service areas to participate in the use of a new secure reporting portal, HelpVul, with the stated objective to reduce and prevent financial exploitation of older adults.

The Department of Aging has made it a priority to improve the awareness and support of older adults who are victims of financial exploitation. Previously the Department of Aging led a Financial Exploitation Task Force in response to the significant increase in financial exploitation cases targeting older adults.



## Data Snapshot: Consumer Services Complaints in FY 21-22

2023 Q1 Seasonally Adjusted Delinquency Rates – All Loans – Pennsylvania (% SA)



Source; Mortgage Bankers Association National Delinquency Survey

[dobs.pa.gov](http://dobs.pa.gov) | 1.800.PA.BANKS | [informed@pa.gov](mailto:informed@pa.gov)





# DoBS Highlights

## Banking and Securities Commission

On May 25, 2023, the Banking and Securities Commission met in Harrisburg. The current membership of the Commission includes:

- Chair Jim Biery
- Vice Chair Acting Secretary Wendy Spicher
- Commissioner Vincent Gastbeg
- Commissioner William Luterman
- Commissioner Mary Zenner

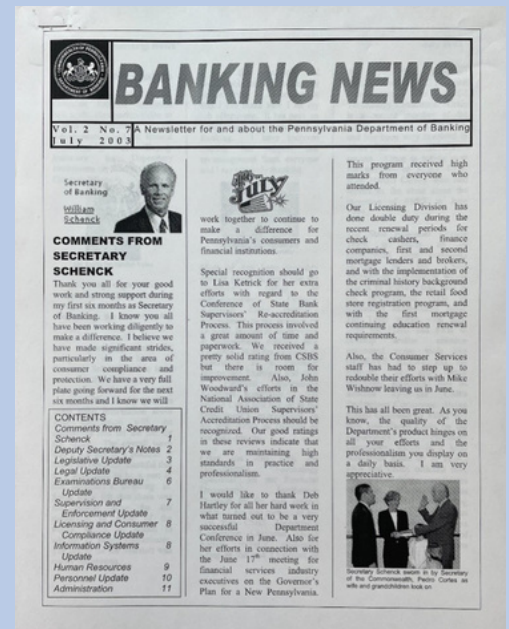
**Next meeting August 31, 2023**



## ICYMI: Department Issues Annual Consumer Services Report

The Department issued its annual Consumer Services Report highlighting trends and aggregate numbers of consumer complaints, as well as other consumer activities. [Read the full report.](#)

## From the Archives Twenty Years ago the precursor to the Quarter looked a little different



## "A Newsletter for and about the Pennsylvania Department of Banking," July 2003

## Compliance Corner: 2023 Enforcement Orders (as of June 20, 2023)

The Department of Banking and Securities issued 21 enforcement orders during the first 6 months of 2023. Fines and assessments for these orders total \$1,113,816.30. To see details on these enforcements, visit the [Enforcement Orders](#) section of the website.



# Check Out Our New Events Calendar

The Department has upgraded its events calendar. Be sure to check out what events are happening in your community! Contact [informed@pa.gov](mailto:informed@pa.gov) to schedule a free, non-commercial presentation on a variety of topics.

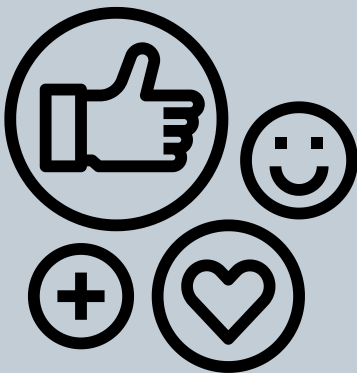
Bookmark [our new calendar](#) for information on events happening every week near you!

July 2023

< Month Week >

Sun	Mon	Tue	Wed	Thu	Fri	Sat
25	26	27	28	29	30	1
2 9:00 AM The Impo	3	4	5	6 10:30 AM Fraud Bif 2:00 PM Fraud BIN	7	8
9	10	11 10:00 AM Popular s	12 11:00 AM Avoiding 12:00 PM Fraud Bif	13 10:30 AM Popular s 6:00 PM Cybersecu	14 12:30 PM Spending	15
16	17 1:00 PM Working V 1:00 PM Working V	18 11:30 AM Retireme 1:00 PM Fraud BIN	19 12:00 AM Spending	20 9:00 AM Fraud BIN 1:00 PM Fraud BIN	21 10:00 AM Represen 1:00 PM Represent	22
23	24 9:00 AM Rep Arma	25 1:00 PM Fraud BIN	26 10:00 AM ScamJan	27 10:00 AM Avoiding	28	29
30 4:00 PM Abington	31	1	2	3	4	5

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