
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 995 Session of
2003

INTRODUCED BY WASHINGTON, MYERS, BISHOP, WATERS, CREIGHTON,
DALEY, HORSEY, KIRKLAND AND THOMAS, MARCH 26, 2003

REFERRED TO COMMITTEE ON COMMERCE, MARCH 26, 2003

AN ACT

1 Amending the act of May 15, 1933 (P.L.565, No.111), entitled "An
2 act relating to the powers and duties of the Department of
3 Banking and the Secretary of Banking in exercising
4 supervision over, and taking possession of and conducting or
5 liquidating the business and property of, corporations,
6 associations, and persons receiving deposits or otherwise
7 transacting a banking business, corporations acting as
8 fiduciaries, and building and loan associations; providing
9 for the payment of the expenses of the Department of Banking
10 by supervised corporations, associations, or persons, and
11 appropriating the Banking Department Fund; authorizing the
12 Department of Banking, under certain circumstances, to
13 examine corporations, associations, or persons affiliated, or
14 having business transactions with supervised corporations,
15 associations or persons; authorizing appeals to the Supreme
16 Court, and prescribing and limiting the powers and duties of
17 certain other courts and their prothonotaries, registers of
18 wills, recorders of deeds, and certain State departments,
19 commissions, and officers; authorizing certain local public
20 officers and State departments to collect fees for services
21 rendered under this act; providing penalties; and repealing
22 certain acts and parts of acts," further providing for
23 disclosure.

24 The General Assembly of the Commonwealth of Pennsylvania
25 hereby enacts as follows:

26 Section 1. Section 302 of the act of May 15, 1933 (P.L.565,
27 No.111), known as the Department of Banking Code, amended
28 December 9, 2002 (P.L. , No.209), is amended to read:

1 [Section 302. Disclosure of Information Forbidden; Penalty;
2 Exceptions.--A. (1) This section applies to matters relating
3 to institutions, credit unions and licensees.

4 (2) Neither the secretary, nor any deputy, examiner, clerk,
5 or other employe of the department, shall publish or divulge to
6 anyone any information contained in or ascertained from any
7 examination or investigation made by the department, or any
8 letter, report, or statement sent to the department, or any
9 other paper or document in the custody of the department, except
10 when the publication or divulgement of such information is made
11 by the department pursuant to the provisions of this act, or
12 when the production of such information is required by subpoena
13 or other legal process of a court of competent jurisdiction, or
14 when it is used in deciding whether to prosecute or in
15 prosecutions or other court actions instituted by or on behalf
16 of or at the request of the department, or when referring for
17 investigation to any Federal, State or local law enforcement or
18 any Federal or State financial regulatory agency, including
19 banking, insurance and securities regulatory agencies, or when
20 the department provides information to any Federal or State
21 financial regulatory agency, including banking, insurance and
22 securities regulatory agencies, when the information pertains to
23 an enforcement concern. The information shall be provided as may
24 be necessary or appropriate, as determined in the discretion of
25 the secretary.

26 (3) The service of a subpoena upon the secretary, deputy,
27 examiner, clerk or other employe of the department shall not be
28 construed as requiring such person to disclose any information,
29 but such person shall have all the rights and privileges as any
30 other subpoenaed party to object to production of information on

1 the same basis as provided in the Rules of Civil Procedure,
2 statute, regulation or common law. The department may condition
3 the release of such information on an order from a court of
4 competent jurisdiction protecting the information from general
5 disclosure to the public. The department retains and may
6 exercise any and all remedies at law and in equity to quash a
7 subpoena.

8 (4) Any privileges available to Federal financial
9 institution regulators under Federal statute, regulation or
10 common law shall be available to the department.

11 (5) The department may provide to any person, Federal, State
12 or local government agency the following information regarding
13 licensees, to the extent that the department has such
14 information in its possession: whether and for what time period
15 a person's license is current, suspended or revoked pursuant to
16 a final order issued by the department; whether and for what
17 time period an individual is or has been suspended or prohibited
18 from working for or otherwise participating as a licensee
19 pursuant to a final order issued by the department.

20 (6) The department may condition the release of subpoenaed
21 information on an order from a court of competent jurisdiction
22 protecting the information from general disclosure to the
23 public.

24 (7) If the department is subpoenaed for a report of
25 examination information, the department may refuse to release
26 the requested information, as the secretary deems necessary and
27 appropriate under the circumstances, for the following reasons:
28 safety and soundness; if the department requests and is denied a
29 protective order; or if the department requests and is denied
30 redaction of the report of examination to protect the privacy of

1 persons not involved in the litigation.

2 B. A violation of the provisions of this section by the
3 secretary, or by any deputy, examiner, clerk, or other employe
4 of the department, shall be sufficient ground for his removal
5 from office. In addition the secretary, deputy, examiner, clerk,
6 or other employe who willfully or knowingly commits such
7 violation shall be deemed guilty of a misdemeanor, and shall,
8 upon conviction thereof, be subject to imprisonment for a period
9 not exceeding one year, or a fine not exceeding one thousand
10 dollars, or both.]

11 Section 2. This act shall take effect immediately.