

**Council of the District of Columbia**  
***Committee on Business and Economic Development***  
***Councilmember Kenyan McDuffie, Chairperson***

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**Department of Insurance, Securities and Banking**  
**FY 2022 and FY 2023**  
**Responses to Performance Oversight Questions**

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**Racial Equity**

- 1. Please discuss the Department’s engagement with the District’s Chief Equity Officer, including how often the Department engages with the Chief Equity Officer, topics of discussion, and any Department action that has resulted from that engagement.**

The Department of Insurance, Securities and Banking (DISB) served as a member agency of the Racial Equity Pilot Cohort managed by the Office of Racial Equity (ORE). This cohort aimed to encourage further improvements to District agencies’ racial equity focus through monthly meetings of all cohort agencies and smaller agency clusters. This project includes ongoing conversations with the Chief Equity Officer and her staff on how DISB can improve racial equity in its programs and literature, and protect minority residents from being disproportionately disadvantaged. Although the cohort’s activities concluded as of November 2022, DISB is also in the review process with ORE on the Racial Equity Action Plan (REAP). DISB also informs ORE on the progress of our Diversity, Equity, and Inclusion initiatives across the agency excluding legislation and rulemaking.

- 2. Please provide a summary of the Department’s participation in the Mayor’s Office of Racial Equity’s Racial Equity Pilot Cohort. What are the Department’s lessons learned?**

In coordination with the Mayor’s Office of Racial Equity, our team was tasked with identifying components that should be included in the Government of the District of Columbia’s agency Racial Equity Action Plans (REAPs). DISB is currently working with ORE on developing the agency REAP. The Office of Racial Equity is working with 12 District agencies to pilot racial equity tools, complete a departmental assessment of racial equity, and develop a racial equity action plan. DISB has identified, modified, and worked to implement various community engagement, cultural, financial decision-making, human resources, and performance planning practices.

- 3. In the context of the Department and its mission, describe three areas, programs, or initiatives where the Department had the greatest opportunity to address racial equity.**

***DC BizCAP***

DISB established and administers the DC BizCAP Program to provide capital to District small business owners and entrepreneurs who continue to encounter reductions in the availability of credit and heightened requirements to obtain financing. DC BizCAP provides critical capital and

subsidized interest rates through three programs that offer alternatives to commercial financing. The program facilitates private lending and investments to small businesses including those that are Certified Business Enterprises, minority- and woman-owned. In FY 2022, there were nine transactions completed for a total of \$4,405,000 for small business loans and investments. Eight out of the nine businesses that received funding through DC BizCAP in Fiscal Year 2022 are minority-owned.

In FY 2023 to date, DISB has funded two transactions for a total of \$250,000 for small business loans and investments; one of those businesses is minority-owned. The current DC BizCAP pipeline includes an additional \$2,275,000 in approved support for five small businesses, all of which are minority- or women-owned; these funds will be disbursed by the end of February 2023.

### ***Financial Empowerment and Education***

DC Opportunity Accounts, Bank on DC, and Financially Fit DC are three current DISB programs that work to empower District residents in their finances and promote greater racial equity. Below is an overview of the programs:

- The DC Opportunity Accounts Program encourages residents to establish savings and set savings goals that may include home ownership and renovation, higher education, small business start-up, and debt reduction.
- The Financial Fit DC Program provides comprehensive financial education opportunities via workshops and online tools that help residents save money, manage credit, buy homes, plan for retirement, and build wealth.
- Bank on DC provides access to traditional bank accounts and banking services for unbanked and underbanked residents.

### ***Unintentional Bias in Insurance Underwriting/Rating***

DISB is in the process of a first-in-the nation evaluation of automobile insurance for potential unintended racial bias in rate setting. This project is a continuation of work DISB has conducted to address equity concerns in insurance. The Department has engaged one of the foremost experts in the field, Cathy O’Neil, author of “Weapons of Math Destruction” and her firm O’Neil Risk Consulting and Algorithmic Auditing (ORCAA). DISB is conducting this review in a deliberative and transparent way to ensure the outcomes properly address this complex issue. DISB will be issuing a data call to all insurers writing private passenger auto insurance in the District in February, and ORCAA will analyze the results for DISB.

#### **4. Describe any programs or policies where the Department has had success in building racial equity during Fiscal Year 2022 and Fiscal Year 2023, to date.**

##### ***Student Loans***

The Student Loan Ombudsman is reaching District residents in historically underserved communities. Approximately half of the District residents who received direct services from the Student Loan Ombudsman in the past year live in Wards 7 and 8. This is particularly important as the heaviest burden of student loan debt falls on those who started, but did not finish, a post-secondary degree program—a circumstance that disproportionately impacts black and brown District residents.

### ***Foreclosure Mediation***

The efforts of DISB’s Foreclosure Mediation Program also address racial inequity. Program outcomes include a decrease in default rates and preservation of home ownership, which are serious concerns for communities of color, particularly in the aftermath of the COVID-19 pandemic.

### ***Opportunity Accounts***

The DC Opportunity Accounts Program is a 4:1 matched savings program that helps qualified District residents potentially save up to \$7,500. Those funds can be used to help pay for a variety of expenses, including education, first-time home purchases and renovations, small business startup, retirement contributions and debt reduction. While this program is available to all income-eligible residents, participants of this program typically reside in underserved communities within the District, which includes Wards 8, 7, 5 and 1. This program helps build financial stability and resiliency for residents.

**5. Consider demographic data that the Department collects, tracks, and evaluates as part of its operations. Does the Department collect information on race and geographic area? If not, why not?**

Historically, the Department has not collected or evaluated information on race in assessing the effectiveness of its operations. DISB does collect certain geographical information related to some of its programs and outreach (*e.g.*, home or business address, ward, etc.). The collection and evaluation of demographic data is one of the areas the Department is considering as part of its DEI efforts. Since June 2022, the Department has collected data on race, income, and gender from consumer complaints that have been filed with the Department. During FY 2023, the agency will evaluate and analyze the data for operational and programming initiatives.

**6. Consider one operational data point and performance data point where the Department collects information on race or could collect information on race. How could the Department use this data to inform future programmatic decisions?**

#### ***Performance data point for race data collection***

DISB could collect data on race, Student Loan Ombudsman program participants, and the DISB Office of Financial Empowerment and Education program participants, as well as from our foreclosure mediation and mitigation program vendors. This demographic information could be used to identify regulatory issues in the design and delivery of financial service products and services; create incentives for our partners to increase lending and investments in businesses owned by people of color; and/or to identify foreclosure trends more readily in communities of color to more efficiently design approaches to curtail those trends; and track residents who are seeking financial education to identify trends by ward, gender, and age.

#### ***Operational data point for race data collection***

Historically, the Department did not collect and/or evaluate information on race in assessing the effectiveness of its operations. However, DISB did collect certain geographical information related to some programs and outreach efforts (*e.g.*, home or business address, ward, etc.). The Department is beginning to collect and evaluate demographic data as part of its DEI initiatives.

Specifically, since June 2022, the Compliance & Analysis Division has started to ask for gender (and added a nonbinary category), age, race, military status, and annual income on its consumer complaint form. The Department is working with the National Association of Insurance Commissioners (NAIC) Technology Team to build the capability to capture the information in the State-Based System (SBS) database. This demographic information can be used to analyze who is accessing the Department's services, better identify any barriers to access, and assist in creating targeted future programs and educational efforts.

**7. Describe two programs or policies where the Department can build racial equity.**

In FY 2022-23, DISB's DEI Working Group hosted multiple meetings with stakeholders regarding its DEI initiative. The goal was to share draft recommendations developed by the agency to advance diversity, equity, and inclusion across the financial services industry, solicit feedback from external stakeholders, and draw on the expertise of the industry. Additionally, the agency expanded its engagement to include one-on-one discussions focused solely on insurance recommendations.

As a result of DISB's ongoing DEI efforts over the past year, we have identified two areas of policy within the insurance industry that can be addressed: (1) prohibiting the use of credit scores, education, type of employment, household composition, prior insurance carrier, homeownership and other factors unrelated to a person's driving record in pricing personal auto insurance; and (2) insurance fraud detection models based on data that may have a disparate impact on communities of color. Requiring insurers to identify and eliminate algorithmic bias and proxy discrimination is a key component of addressing these issues.

**8. Describe what a racially equitable DC would look like and how the Department's operations would reflect this achievement.**

DISB is committed to advancing the DC Values of equity, diversity, and inclusivity in the financial services sectors. DISB will strive to tackle economic barriers to opportunity by expanding inclusive access to financial resources and services to help the community thrive and ensure that every resident gets a Fair Shot in the District's financial services marketplace.

To help achieve a racially equitable DC, DISB is actively working to:

1. Propose recommendations to DISB leadership on actions the Commissioner should implement internally to ensure that DISB operates through a lens of diversity, equity, and inclusion. These recommendations emphasize diversity training for staff and managers, review of HR hiring and recruiting practices related to staff and internship programs, and staff engagement on DEI topics.
2. Conduct research and analysis on the level of diversity and inclusion within the insurance, securities and banking industries in the District based on consumer data that is segmented by race, gender, age, and sexual orientation.
3. Engage with a broad group of stakeholders on issues related to racial diversity and inclusion within the District's insurance, securities, and banking sectors.
4. Determine whether current practices exist within the insurance, securities, and banking sectors that potentially harm underrepresented groups in the District.
5. Make recommendations to DISB leadership to:

- Address inequities or disparities through better enforcement, new regulations, policies, or programs;
- Advise the insurance, securities, and banking industries on steps that may be taken to ensure diversity, equity and inclusion. Actions should be categorized by voluntary measures, measures to report on, and measures to better comply with existing law.
- Review existing regulations, rules and laws and make recommendations regarding new, local legislative actions that would promote access and equity within the insurance, securities, and banking industries. For matters subject to federal regulation and law, propose any needed regulatory changes to the appropriate federal officials.

### **General Questions**

9. **Please provide a current organizational chart of the Department, including the number of vacant, frozen, and filled full-time equivalents (“FTEs”) in each division or subdivision, as well as the names and titles of all senior personnel. Please include the date when the information was collected. Additionally, please provide the following:**

*See Appendix 1*

- a. **An explanation of the roles and responsibilities of each division and subdivision, including specific programs and projects administered by each division. Please also explain the administrative organization within each division and provide the number of personnel allocated to each division; and**

### **OFFICE OF THE COMMISSIONER**

- Oversees the regulation of the insurance, securities and banking industry in the District of Columbia under its statutory authority;
- Reviews and evaluates Departmental performance;
- Leads the Department's planning and implementation process; and
- Exercises its statutory authority by ensuring that each Office/Bureau/Division carries out its functions effectively and efficiently.

The Commissioner:

- Identifies emerging trends in the insurance, securities and banking industries and recommends changes in policy and administrative practices to address these issues;
- Provides support, coordination and advisory functions to the insurance, securities, banking, and risk finance bureaus; and the compliance analysis, enforcement and consumer protection, and market examinations divisions; and
- Attends and participates in meetings for the national association of insurance commissioners and other insurance, securities and banking regulatory organizations.

### **OFFICE OF MARKET OPERATIONS**

- Provides technical and administrative authority over the Department's operational areas, which include the Insurance Bureau, Securities Bureau, Banking Bureau, and Risk Finance Bureau;
- Develops plans for work to be performed by subordinates, sets priorities, and prepares schedules for completion of work;
- Develops quantitative and qualitative measures for evaluating the performance standards of subordinate employees; and
- Oversees the Department's Hearing Officer which manages the regulatory adjudication and other administrative proceedings for the Department.

### **Insurance Bureau**

- Conducts on-site financial examinations on all domiciled insurance companies and monitors the financial solvency of insurance companies doing business in the District of Columbia;
- Issues licenses to insurance companies, insurance producers and health maintenance organizations, and mediates disputes between consumers and insurance industry;
- Handles issues related to the review and approval of rates and policy forms of insurance products marketed in the District of Columbia;
- Performs on-site examinations on the underwriting, policyholder service, claims, marketing, producer licensing and compliant handling processes of licensed companies to determine compliance with District of Columbia laws and industry practices; and
- Monitors the activities of health maintenance organizations to determine compliance with pertinent District of Columbia and federal laws.

The Insurance Bureau consists of two offices and five divisions:

#### *Office of the Insurance Associate Commissioner*

- Oversees the daily operations of the Insurance Bureau;
- Plans and directs, in conjunction with the Insurance managers, a refined and well-coordinated insurance regulatory program;
- Makes final determination on the licensing status of regulated entities; and
- Recommends programs and courses to develop and train subordinates, evaluates subordinates, recommends promotions and reassignments.

#### *Financial Examination Division*

- Ensures that all licensed insurance companies, health maintenance organizations and continuing care retirement communities have sufficient capital and surplus to meet the requirements of District of Columbia law.

#### *Financial Surveillance Branch*

- Performs analysis and reviews on the annual and quarterly statutory financial statements filed by domestic insurance companies, health maintenance organizations and continuing care retirement communities to determine compliance with District of Columbia laws, regulations, accounting standards and filing requirements;

- Performs reviews of the audited financial statements, Management, Discussion and Analysis Statements, Actuarial Opinions, Risk Based Capital filings, holding company registration statements and SEC information for public companies;
- Evaluate proposed affiliated transactions including documentation regarding the acquisition or merger with a domestic insurer and prior notice of a material transaction;
- Reviews financial information, ratios and disclosures in order to monitor solvency and assess risks to determine priority ratings, identify adverse findings and to recommend regulatory action; and
- Evaluates the financial condition of foreign and alien companies seeking to operate in the District of Columbia.

#### *Financial Examination Branch*

- Conducts financial examinations of domestic insurance companies, health maintenance organizations and continuing care retirement communities to ensure that entities doing insurance business in the District of Columbia are in compliance with its insurance laws, regulations and statutory accounting principles;
- Prioritizes companies for examination, prepares and reviews planning and examination work papers, and prepares examination reports in accordance with District of Columbia statutes and NAIC Examination Procedures; and
- Identifies adverse findings and recommends regulatory action.

#### *Property & Casualty Actuarial Division*

- Analyzes rating rules, rate manuals and rating schedules issued by insurance companies;
- Conducts actuarial and statistical analysis for the proper analysis of rate increase requests, and maintains a database for claims and investment experience;
- Performs reviews on the actuarial opinions provided by domestic companies;
- Assists the Financial Examination Division during the examination process by evaluating the loss and loss reserve methodology used by the company;
- Prepares an analysis report of the premium rates charged by automobile liability insurance companies in our jurisdiction; and
- Prepares reports as requested on all lines of business underwritten in the District.

#### *Insurance Products Division*

- Analyzes rate and policy forms pertaining to approximately 29 lines of insurance to determine compliance with D.C. statutes;
- Performs on-site examinations and analyses of licensed insurance companies, health maintenance organizations and insurance producers;
- Conducts examinations of premium finance companies and surplus line brokers to ensure compliance with D.C. Code; and
- Determines if Free Clinics located in the District of Columbia meet the requirements for liability coverage assistance outlined in the Free Clinic Assistance Program;
- Reviews all types of insurance and health maintenance organizations policy forms and actuarial memoranda to determine whether they conform to D.C. insurance laws and regulations;
- Administers the statutory requirements concerning the prohibition of discrimination based on AIDS;

- Determines if the nonforfeiture benefits and cash surrender values of life insurance policies meet the minimum statutory standards; and
- Enforces the flesh reading scores requirements on all insurance policy forms.

#### *Producer and Insurer Licensing*

- Governs the licensing of insurance companies, fraternal benefit organizations, insurance producers, insurance agencies and Premium Finance Companies, Continuing Care Retirement Facilities, as well as health maintenance organizations operating in the District of Columbia;
- Administers written examinations to candidates for bail bondsmen and public insurance adjusters; oversees the administration of producer licensure examinations;
- Maintains and updates the licensing database;
- Registers foreign risk retention and domestic and foreign purchasing groups pursuant to the Liability Risk Retention Act of 1986;
- Provides licenses to Managing General Agents and Reinsurance Intermediaries;
- Plans and implements the comprehensive pre-licensing and continuing education programs for insurance producers; and
- Establishes requirements and review and processes applications for continuing education providers.

#### *Health Actuarial Division*

- Analyzes rating rules, rate manuals and rating schedules issued by health insurers and health maintenance organizations;
- Conducts actuarial and statistical analysis for the proper analysis of rate increase requests, and maintains a database for claims and investment experience;
- Performs reviews on the actuarial opinions provided by health insurance providers;
- Ensures that all applicable health filings are in compliance with the Affordable Care Act or ACA standards;
- Assists other internal departments within the agency on matters involving insurance rates;
- Administers the department's health insurance rate review process;
- Responds to public correspondence on received health insurance rate filings; and
- Prepares reports as requested on all lines of health insurance underwritten in the District.

#### *Office of Health Insurance Policy*

- Develops policy recommendations for the Mayor's Health Reform Implementation Committee (HRIC) as well as the D.C. Health Benefit Exchange Executive Board pursuant to enactment of the ACA;
- Enforces rate making regulations and prohibitions on underwriting enacted in 2011 pursuant to the ACA; and
- Works closely with the Health Care Reform and Innovation Administration (HCRIA) within the Department of Health Care Finance to coordinate implementation of the D.C. Health Benefit Exchange insurance marketplace.

#### **Risk Finance Division**

- Regulates captive insurance companies, risk retention groups, and other kinds of non-traditional risk transfer mechanisms that operate in or from the District of Columbia;

- Licenses qualified institutions, performs financial analyses, and conducts regular financial examinations to ensure fiscal stability; and
- Provides practical and innovative regulatory responses in a timely manner to captive insurance companies and other risk finance organizations seeking to establish operations or transact business in the District.

### **Securities Bureau**

- Regulates securities professionals in the District of Columbia;
- Licenses broker-dealer firms and their agents, agents of issuers, and investment advisers and their representatives;
- Protects investor/consumers by enforcing the legal requirements applicable to securities entities and representatives operating in the District; and
- Conducts investor education through outreach activities in the community.
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The Securities Bureau has one office and three divisions:

#### *Office of Securities Associate Commissioner*

- Oversees the daily operations of the Securities Bureau;
- Plans and directs a refined and well-coordinated securities regulatory program;
- Makes final determinations on the licensing status of regulated securities entities and individuals;
- Plans and maintains creative outreach programs to meet the informational needs of DC investors; and
- Recommends securities programs and courses to develop and train Securities Bureau personnel.

#### *Licensing Division*

- Administers the licensing requirements applicable to investment advisers, investment adviser representatives, broker-dealers and broker-dealer agents, and agents of issuers operating in the District of Columbia; and
- Monitors the Continuing Education program applicable to licensed securities professionals.

#### *Corporation Finance Division*

- Administers registration filings and notice filings of securities offerings; and
- Reviews and analyzes financial statements of issuers to achieve full disclosure in dc-registered securities offerings.

#### *Examinations Division*

- Conducts on-site inspections of investment advisers and broker-dealers to ensure compliance with applicable rules and statutes;
- Investigates and resolves complaints regarding allegations of misconduct by securities professionals operating in the District of Columbia; and
- Refers suspected illegal activities to the enforcement and consumer protection division for investigation.

## **Banking Bureau**

The Banking Bureau regulates District of Columbia Chartered Banks and Trust Companies, as well as District Mortgage and Consumer Finance Companies. The Bureau also regulates non-depository financial institutions such as check cashers, money lenders, and money transmitters that operate in the District of Columbia.

The Banking Bureau has three Divisions:

### *The Market Services Division*

- Oversees the daily operations of the Banking Bureau;
- Reviews and responds to consumer complaints regarding banks and non-depository financial institutions to determine compliance with District of Columbia laws and regulations;
- Plans and directs Bank and Non-depository Regulatory Programs;
- Issues final approval to grant licenses to regulated entities;
- Selects programs and training courses for staff development; and
- Oversees Market Services Programs (such as Foreclosure Mediation and Small Business Lending).

### *The Examination Division*

- Reviews applications for DC banking charters, branches, mergers, and other activities of DC depository financial institutions;
- Examines DC chartered banks for safety and soundness as well as compliance with established laws and regulations;
- Examines DC licensed non-depository financial institutions for safety and soundness and compliance with established laws and regulations;
- Works with federal and state bank supervisory agencies on matters of mutual interest; and
- Reviews banking law and regulation to determine applicability to DC chartered and licensed institutions.

### *The Licensing Division*

- Reviews license applications for non-depository financial institutions including check cashers, consumer credit service organizations, money lenders, money transmitters, mortgage brokers and lenders, and consumer sales finance companies;
- Maintains and updates the non-depository licensing database;
- Reviews annual reports received from mortgage brokers and lenders and issues annual assessments;
- Collects and processes ATM registrations and fees paid by registered entities; and
- Responds to consumer and professional licensing inquiries, and assists licensees as needed.

## **OFFICE OF MARKET COMPLIANCE**

- Has technical and administrative authority over the Department's functional areas, which include the Enforcement and Consumer Protection Division, Market Examinations Division, and Compliance Analysis Division;

- Develops quantitative and qualitative measures for evaluating the performance standards of subordinate employees;
- Develops plans for work to be performed by subordinates, sets priorities and prepares schedules for completion of work; and
- Establishes a functional process and reporting regimen to receive information from market operations that: a) identifies current and emerging market conditions and issues which may affect the development, design, and/or distribution of financial products and services in each industry sector, and b) evaluates the effect of current and proposed financial products and services on individual and business consumers.

#### *Market Examinations Division*

- Conducts on-site examinations of all domiciled insurance companies, inspections of investment advisers and broker-dealers, District-chartered banks and non-depository financial services institutions doing business in the District of Columbia;
- Prioritizes companies for examination or inspection of financial records, prepares and reviews planning and examination work papers, and prepares examination reports in accordance with District of Columbia statutes and appropriate industry examination procedures; and
- Monitors the solvency of financial firms doing business in the District of Columbia.

#### *The Enforcement and Consumer Protection Division*

- Plans and directs well-designed anti-fraud programs to detect, investigate, and conduct enforcement activities on behalf of the residents and businesses in the District of Columbia; and
- Takes referrals, investigates, and turns the findings over to the appropriate law enforcement or regulatory agency, if there is a suspicion of securities, banking or financial institutions fraud; and provides mandated anti-fraud regulatory and compliance guidance, training, data analysis to licensed financial service entities.

#### *Compliance and Analysis Division*

- Develops research and analysis of industry sectors to establish “best practices” standards and guidelines for design, delivery, and results monitoring of financial products and services;
- Reviews consumer complaints regarding financial institutions and firms operating in the district to determine compliance with District of Columbia laws and regulations;
- Conducts analysis and investigates matters regarding consumer issues, such as claim disputes, cancellation or non-renewal of insurance policies, improper insurance producer conduct and uninsured motorist fund claims, complaints regarding allegations of misconduct by securities professionals operating in the District of Columbia and complaints regarding banks and non-depository financial institutions to determine compliance with District of Columbia laws and regulations;
- Refers suspected illegal activities to the enforcement and consumer protection division for investigation; and
- Coordinates information from the market examinations division with the bureaus to identify and define key market factors that drive changes in each industry sector.

The Compliance and Analysis Division includes the District's Consumer Advocate:

*Consumer Advocate*

- Solicits and evaluates information concerning consumer protection issues;
- Serves as the chief advocate against consumer related financial service abuses; and
- Provides financial education and fraud prevention education to District residents.

**OFFICE OF POLICY, PLANNING, AND ADMINISTRATION**

- Has the technical and administrative authority over the Department's management, including agency performance, organizational and financial planning, policy analysis, risk management, and fiscal administration;
- Assists management in the development of strategies to support the Department's priorities, plans and assessments;
- Develops quantitative and qualitative measures for evaluating the performance standards of all employees; and
- Coordinates the Department's Summer Youth Employee Program and other special District projects assigned.

The Office of Policy, Planning and Administration consists of three offices:

*The Office of Administrative Services*

- Provides management, administrative and program planning services to the Department;
- Provides procurement coordination, supply management, inventory control, space utilization, telephone and other equipment installation and limited transportation services;
- Serves as the Department's liaison with the DC Procurement Office to coordinate, order, receive and inventory supplies, equipment and services;
- Acts as the Department's Fleet Service Coordinator;
- Undertakes special studies dealing with administrative problems;
- Coordinates matters related to building maintenance; and
- Provides clerical and administrative services to the Department.

*The Human Resources Division*

- Provides management, administrative and employment planning services to the Department;
- Serves as the Department's liaison to the District's Human Resources Department;
- Serves as the coordinator of the Department's employee wellness initiatives;
- Coordinates the Department's employee compensation and benefits systems; and
- Troubleshoots employment and compensation matters including credentialing services for the Department's offices, bureaus, and divisions.

*The Office of Technology and Systems*

- Provides network administration and support of the Department's computer system and develops workflow management and analysis for the Department;
- Operates and maintains the Department's computer and computer related equipment;

- Ensures systems compatibility between the Local Area Network (LAN) and various equipment and software configurations being utilized by the Department's user community and the District's Wide Area Network through The Supervisory Computer Specialist;
- Performs searches for records and serves as the Department's Record Retention Coordinator.

### **OFFICE OF COMMUNICATIONS**

- Conducts public education and outreach programs to increase the public's awareness of insurance, securities, and banking programs and resources, and fraud;
- Develops and promotes publications and marketing assets related to insurance, securities, and banking issues;
- Coordinates information from the NAIC and other financial industry regulatory organizations on current and emerging marketplace issues;
- Promotes the Department's legislative, regulatory, and policy positions to regulated industries, media, community associations, residents, and elected officials in order to increase public awareness of departmental programs, issues and challenges;
- Manages social media engagement and promotion;
- Assists in website management;
- Prepares speeches, fact sheets and news releases for the Department; and
- Handles inquiries from the press and public.

### **OFFICE OF THE CHIEF OF STAFF**

- Supports all program areas, as directed by the Commissioner, pertaining to agency operations, intergovernmental cross-cutting initiatives, performance management, and provides support for overall policy development;
- Provides administrative authority over the Department's Office of Financial Empowerment and Education;
- Manages the Policy Advisor in the agency's legislative and rulemaking priorities, and interaction with the Council of the District of Columbia;
- Oversees the Department's Hearing Officer, which manages the regulatory adjudication and other administrative proceedings for the Department;
- Supervises the agency's DEI efforts including initiatives with DISB's Financial Services Academy; and
- Manages DC REACH (Roundtable for Economic Access and Change) partnership with the U.S. Treasury's Office of the Comptroller of the Currency.

#### *Office of Financial Empowerment and Education*

The OFEE oversees the following programs:

- Bank On DC
- Financially Fit DC
- Financial Navigators
- EITC DC
- The Financial Literacy Council

- Financial Empowerment Center
- Opportunity Accounts

### **Agency Fiscal Office**

- Provides overall general financial support to the Department including budgeting, short term planning, forecasting, and procurement services, accounting operations and payroll activities; and
- Administers the Insurance Bureau and Health Division assessment programs.

### **General Counsel**

- Provides legal guidance on insurance, securities, and banking issues to the Department as well as District of Columbia regulated entities and consumers;
- Drafts laws and regulations addressing insurance, securities and banking issues;
- Negotiates and/or drafts settlement agreements, administrative bulletins, consent orders, administrative orders, rules, adjudicatory petitions, responses to motions, legal memoranda, and briefs;
- Develops charges and specifications relative to the denial, suspension and revocation of companies and insurance producers;
- Conducts legal research on issues related to insurance, securities, and banking;
- Represents consumers and the Department before the Office of Adjudication, the Commissioner of Insurance, Securities and Banking or his designee during administrative proceedings; and
- Participates in administrative hearings and recommends decisions and orders to the Commissioner.

*See - Appendix 2 (Schedule A) for the number of personnel allocated to each division.*

### **b. A narrative explanation of any changes made during the previous year.**

#### **Office of Innovation**

DISB established an Office of Innovation in FY 2023. This Office supports the adoption of technology-driven innovation in the financial services sector in the District to (1) enhance customer experience; (2) promote financial inclusion for underserved residents; (3) spur competition among market participants; and (4) protect consumers.

This Office is engaging with stakeholders to (1) identify market needs, opportunities, and challenges, (2) leverage District and private sector resources to impact specific issues identified, (3) propose laws, regulations and policies that create a regulatory environment that promotes the adoption of new technologies by financial institutions while ensuring consumer protection, and (4) increase employment opportunities and tax revenues.

**10. Please provide a current Schedule A for the Department, which identifies all employees by title/position, current salary, fringe benefits, and program. This Schedule A should also indicate whether the positions are continuing/term/temporary/contract and whether they are vacant or frozen positions.**

- a. For each vacant position, please state how long the position has been vacant, and provide the status of the Department's efforts to fill the position, as well as the position number, the title, the program number, the activity number, the grade, the salary, and the fringe associated with each position. Please also indicate whether the position must be filled to comply with federal or local law, and whether there are impediments to the Department's ability to fill those vacancies.
- b. For each filled position, please provide the employee's length of service with the Department. Please provide any available information on turnover rates and/or trends identified by the Department.

*See Appendix 2*

**11. Please list all employees detailed to or from the Department, if any. For each employee identified, please provide the name of the agency from/to which the employee is detailed, the reason for the detail, the date of the detail, and the employee's projected date of return.**

No employees are currently detailed to or from the Department.

**12. Please provide the Committee with the following:**

- a. **A list of all employees who received or retained cellphones, personal digital assistants, or similar communications devices at Department expense in Fiscal Year 2022 and Fiscal Year 2023, to date;**

The Department has 137 cell phones issued to staff. The Department also has 16 mobile broadband/wireless air devices distributed and/or available to staff, as needed. The staff-issued cell phones are listed below:

Abdullah, Idriys	Cell Phone
Adu, George	Cell Phone
Afolabi, Christine	Cell Phone
Alexander, Kathy	Cell Phone
Alexander, Laura	Cell Phone
Anderson, Lloyd	Cell Phone
Andrew, Anu	Cell Phone
Arnold, Benjamin	Cell Phone
Arriola, David	Cell Phone
Bakker, Sara	Cell Phone
Ball, Chastity	Cell Phone
Barlow, Philip	Cell Phone
Beard, Andre	Cell Phone
Belay, Dereje	Cell Phone
Benson, Rashaunda	Cell Phone

Blackstone, Lilah	Cell Phone
Bouchard, Stephen	Cell Phone
Bramble, Jocelyn	Cell Phone
Bressman, Brian	Cell Phone
Bright, Eva	Cell Phone
Brown, Cameron	Cell Phone
Brown, Nathaniel Kevin	Cell Phone
Bryant, Tanya	Cell Phone
Bunyasrie, Surayuth	Cell Phone
Calhoun, Ayinde	Cell Phone
Christhif, David	Cell Phone
Claros, Victoria	Cell Phone
Clifton, Aaron	Cell Phone
Cole, Miriam	Cell Phone
Collins, Thedford	Cell Phone
Cooper, Lakishia	Cell Phone
Davis, Dionne	Cell Phone
Davis, LaTasha	Cell Phone
Davis, Rebecca	Cell Phone
Dickens, Marionnetta	Cell Phone
Drehoff, Paul	Cell Phone
Duckett, Alfonzo	Cell Phone
Dyson, Monica	Cell Phone
Edmonds, Philip	Cell Phone
Ellis, Gregory	Cell Phone
Farquharson-Reid, Angela	Cell Phone
Fenwick, Aaron	Cell Phone
Flick, Stephen	Cell Phone
Fuller, Samuel	Cell Phone
Gibbs, Ebony	Cell Phone
Glass, Kendra	Cell Phone
Goines, Robsine	Cell Phone
Gray, Erris	Cell Phone
Guishard, Angela	Cell Phone
Guishard, Michael	Cell Phone
Hammonds, Michelle	Cell Phone
Hawi, Chibessa	Cell Phone
Hicks, Jazman	Cell Phone
Hicks, Willie	Cell Phone
Huber, Timothy	Cell Phone
Irwin, Trey	Cell Phone
Jefferson, Ricardo	Cell Phone
Johnson, Colin	Cell Phone

Johnson-Parker, Sheila	Cell Phone
Jordan, Brianna	Cell Phone
Jordan-Robinson, LuCynthia	Cell Phone
Joseph, Lester	Cell Phone
Kerr, Monique	Cell Phone
Key, Roderica	Cell Phone
King, Angela	Cell Phone
Lele, Pratima	Cell Phone
Levi, Adam	Cell Phone
Liebers, Howard	Cell Phone
Loproto, Robert	Cell Phone
Mabry, Kamaria	Cell Phone
Martin, Lucinda	Cell Phone
Mathis, Michelle	Cell Phone
May, Julia	Cell Phone
McBride, Keenan	Cell Phone
McLendon, Kokeeta	Cell Phone
McManus, James	Cell Phone
Mengesha, Gerbrie	Cell Phone
Merlo, Samuel	Cell Phone
Moore, David	Cell Phone
Murat, Maureen	Cell Phone
Murphy, Marcus	Cell Phone
Nangialay, Najibullah	Cell Phone
Negash, Yohaness	Cell Phone
Nikoi, Gail	Cell Phone
Nkojo, Robert	Cell Phone
O'Brien, David	Cell Phone
O'Donnell, P. Sean	Cell Phone
Onifade, Oluwatosin	Cell Phone
Ozer, Acya	Cell Phone
Patterson, Deserie	Cell Phone
Pedroso, Tamisha	Cell Phone
Pendleton, Mark	Cell Phone
Pereira, Aristides	Cell Phone
Pettigrew, Alice	Cell Phone
Purdie, Katrice	Cell Phone
Reed, Anissa	Cell Phone
Rendel, Rebecca	Cell Phone
Richardson, Bijan	Cell Phone
Rielley, John	Cell Phone
Ross, Michael	Cell Phone
Rouse, Brian	Cell Phone

Sanyang, Sainey	Cell Phone
Sassa, Claudine	Cell Phone
Savoy, Jasmine	Cell Phone
Saxton, Shanta	Cell Phone
Sheppard, Dana	Cell Phone
Shipp, Sharon	Cell Phone
Shirley, Darniece	Cell Phone
Simmons, Marlene	Cell Phone
Slade, Arthur	Cell Phone
Smith, Kevin	Cell Phone
Smith, Leonard	Cell Phone
Stinson, Douglas	Cell Phone
Storr, Tywanda	Cell Phone
Swift, Arthur	Cell Phone
Tadesse, Tadele	Cell Phone
Tanhehco, Efren	Cell Phone
Tengen, Juliana	Cell Phone
Turcios, Cynthia	Cell Phone
Turner, Dolly	Cell Phone
Turner, Kimberly	Cell Phone
Turner, Randal	Cell Phone
Ukairo, Chidinma	Cell Phone
Umoete, Faith	Cell Phone
Vaidyanathan, Shankar	Cell Phone
Vaughn-Cooke, Faye	Cell Phone
Wade, Alicia	Cell Phone
Wade, Cheryl	Cell Phone
Wagner, Peggy	Cell Phone
Walton, Brittany	Cell Phone
Williams, Shahidah	Cell Phone
Woods, Karima	Cell Phone
Zeidan, Tamara	Cell Phone
Fraud Investigator*	Cell Phone
Fraud Investigator*	Cell Phone
Fraud Investigator*	Cell Phone

*\*These cell phones are assigned as needed for staff in the Fraud Investigation Unit.*

- b. A list of all vehicles owned, leased, or otherwise used by the Department and to whom the vehicle is assigned, as well as a description of all vehicle accidents involving the Department’s vehicles in Fiscal Year 2022 and Fiscal Year 2023, to date;**

DISB currently leases a 2020 Dodge Caravan and participates in the DC Fleet Share Program when appropriate. Employees registered in DC Fleet Share Program can utilize the vehicle. DISB staff have not been involved in any accidents involving District-owned vehicles.

- c. A list of travel expenses, arranged by employee, for Fiscal Year 2022 and Fiscal Year 2023, to date, including the justification for travel and description of activities engaged in during the travel;**

*Appendix 3– FY 2022-2023, to date Travel Expenses*

- d. A list of employee bonuses or special award pay, raises, and step increases granted in Fiscal Year 2022 and Fiscal Year 2023, to date; and**

*Appendix 4 - Bonuses or Special award pay.*

<b>Step Increases awarded FY22 to date</b>
Afolabi, Christine
Alexander, Kathy
Benitez, Carla M
Bunyasrie, Surayuth
Christhilf, David
Clifton, Aaron
Cole, Miriam A
Collins, Thedford L
Davis, Dionne
Duckett, Alfonzo
Farquharson-Reid, Angela
Glass, Kendra
Goines, Robsine M
Gray, Erris
Guishard, Michael

Iglesias Alves Pereira
Aristides, Emmanuel
Joseph, Lester C.
Levi, Adam
Martin, Lucinda D
Mathis, Michelle D.
Pendleton, Mark A
Sanyang, Sainey
Saxton, Shanta
Shirley, Darniece
Simmons, Marlene O
Slade, Arthur F
Smith, Leonard
Stinson, Douglas
Turner, Kimberly A
Wagner, Peggy A.
Walton, Brittany
Williams, Shahidah

- e. **A list of the total overtime and workers’ compensation payments paid in Fiscal Year 2022 and Fiscal Year 2023, to date, including the number of employees who received overtime and workers’ compensation payments, in what amounts, and for what reasons.**

*Appendix 5 - Overtime and workers’ compensation payments*

**13. Regarding the use of communication devices:**

- a. Please describe procedures that are in place to track which individuals or units are assigned mobile devices (including, but not limited to, smartphones, laptops, and tablet computers) and how the usage of these devices is monitored.**

All DISB staff members are provided with government-issued mobile phones, and certain staff members are provided with a mobile broadband/MiFi device. All telephone transactions (including purchases, disconnections, transfers, and installations) are managed by the Agency Telecom Coordinator who accounts for inventory of all billable assets (e.g., landlines and cell phones) billed to each account each month, and reviews and certifies all vendor invoices. Agency IT also uses several tools such as KACE, AirWatch and Absolute software for inventory, and to wipe data or lock down at-risk devices.

- b. How does the Department limit the costs associated with its mobile devices?**

DISB has 16 mobile broadband wireless air devices distributed and/or available to staff. While mobile phones are issued to all staff members, mobile broadband wireless air devices (MiFi) are issued only to management or to employees on an emergency basis. The Department rotates the devices as necessary, reducing the number of devices needed, thereby reducing communication costs.

DISB's Agency Telecom Coordinator (ATC), who is also the Fixed Cost Management System (FCMS) Coordinator, accounts for inventory of all billable assets (e.g., landlines and cell phones) billed to each account each fiscal year. The FCMS Coordinator reviews and certifies all vendor invoices. The FCMS Coordinator works with DCNET to make sure all mobile devices are on the correct voice/data plan, identifies unusual trends and investigates their causes, and takes remedial action and other cost avoidance measures.

All requests for telephone issues, including purchases, disconnections, transfers, and installations, are managed by the Department's Request for Telecommunications Services (RTS) Administrator. The RTS Administrator confirms with the CFO that appropriate funds have been allocated to the budget for RTS requests and maintains records of expenditures.

- c. For Fiscal Year 2022 and Fiscal Year 2023, to date, what was the total cost including, but not limited to, equipment and service plans for mobile communications and devices? Please indicate whether the total cost has been impacted by the need for employees to work remotely due to the COVID-19 pandemic.**

For FY 2022, the total cost for equipment and service plans for mobile communications and devices was \$80,038.18. For FY 2023, the total cost, to date, for equipment and service plans for mobile communications and devices is \$17,042.93.

14. **For Fiscal Year 2022 and Fiscal Year 2023, to date, please list any purchase card spending by the Department, including the employee making each expenditure and the general purpose for each expenditure.**

*See Appendix 6*

15. **Please provide a chart showing the Department’s approved budget, revised budget (after reprogramming, etc.) and actual spending, by division, for Fiscal Year 2022 and Fiscal Year 2023, to date. Include a description and explanation for any variance between fiscal year appropriations and actual expenditures.**

*See Appendix 7 – FY 2022-2023 Budget & Expenditures*

16. **For Fiscal Year 2022 and Fiscal Year 2023, to date, please identify any special purpose revenue funds maintained, used, or available for use by the Department. For each fund identified, please provide:**

- a. The revenue source name and code;
- b. The source of funding;
- c. A description of the program that generates the funds;
- d. The amount of funds generated by each source or program; and
- e. Expenditures of funds, including the purpose of each expenditure.

*See Appendix 8 – FY 2022-2023 Special Purpose Revenue Funds*

17. **For Fiscal Year 2022 and Fiscal Year 2023, to date, please list all intra-District transfers to or from the Department. For each transfer, include all the following details:**

- a. Buyer agency;
- b. Seller agency;
- c. The program and activity codes and names in the sending and receiving agencies’ budgets;
- d. Funding source (i.e., local, federal, SPR);
- e. Description of memoranda of understanding (“MOU”) services;
- f. Total MOU amount, including any modifications;
- g. Whether a letter of intent was executed for FY 2021 or FY 2022, and if so, on what date;
- h. The date of the submitted request from or to the other agency for the transfer;
- i. The dates of signatures on the relevant MOU; and
- j. The date funds were transferred to the receiving agency.

*See Appendix 9– FY 2022-2023 Intra-District Transfers*

18. **Please list any additional intra-District transfers planned for Fiscal Year 2023, including the anticipated agency(ies), purposes, and dollar amounts.**

*See Appendix 10– FY 2022 Planned Intra-District Transfers*

**19. Please list each contract, procurement, lease, and grant (“contract”) awarded, entered into, extended, or option years exercised, by the Department during Fiscal Year 2022 and Fiscal Year 2023, to date. For each contract, please provide the following information, where applicable:**

- a. The name of the contracting party;
- b. The nature of the contract, including the end product or service;
- c. The dollar amount of the contract, including amount budgeted and actually spent;
- d. The status of deliverables;
- e. The term of the contract;
- f. The Certified Business Enterprise status;
- g. Whether the contract was competitively bid;
- h. The name of the Department’s contract monitor and the results of any monitoring activity; and
- i. The funding source.

*See Appendix 11*

**20. Please list all MOUs entered into by the Department during Fiscal Year 2022 and Fiscal Year 2023, to date, as well as any MOU currently in force. For each, indicate the date entered and the termination date.**

<b>PARTIES</b>	<b>PURPOSE</b>	<b>EXECUTION DATE</b>	<b>EXPIRE DATE</b>
<b>FINGERPRINT &amp; CHANNELING - SERVICES AGREEMENT</b>	DISB’s MOU with Fieldprint, Inc. to perform “Channeler” functions on behalf of DISB.	12/29/13	N/A
<b>MOU between DISB and the Department of Employment Services (DOES)</b>	MOU between DISB and DOES to develop Summer Youth Employment Program (SYEP) to train and employ District youth enrolled in the SYEP within DISB.	DISB: 03/23/22 DOES: 02/22/22	09/30/22
<b>MOU between DISB and the Department of Health Care Finance (DHCF)</b>	MOU between DISB and DHCF DHCF to assess all insurers for the operations of the Health Care Ombudsman.	DISB: 11/30/22 DHCF: 10/21/22	09/30/23 The MOU contains yearly option periods.

<b>MOU between DISB and DC Financial Crimes Task Force</b>	Information Sharing and Confidentiality Agreement to combine investigative efforts relative to bank fraud, political corruption, controlled substances healthcare fraud, bulk cash smuggling, elder abuse, wire and mail fraud, bulk cash shipment, money laundering, violations of the Bank Secrecy Act, and other related statutes.	DISB: 11/01/19	N/A
<b>MOU between DISB and District of Columbia Office of Cable Television, Film, Music and Entertainment (“OCTFME”)</b>	DISB to engage the services of OCTFME to produce six (6) closed captioned professional video presentations promoting DISB’s mission and programs.	DISB: 10/19/22 OCTFME 11/29/22	09/30/23
<b>MOA between DISB and the Department of For-Hire Vehicles (“DFHV”)</b>	The Parties expect to establish standard processes related to reviewing insurance for new and renewal applications for Private Sedan Businesses (PSB) that are forwarded to DISB by DFHV.	DISB: 03/04/20 DFHV: 03/05/20	N/A
<b>Multistate Investigation Sharing Agreement</b>	MOU to share information between NASAA members. The Parties expect to consult one another throughout the investigation and enforcement process and agree that the sharing of information by their employees, consultants, agents and counsel will further their common enforcement goals.	By New York State Department of Financial Services: 05/15/ 20  By DISB: 05/11/20	N/A
<b>MOU between DISB and the District of Columbia Motor Vehicles (DMV)</b>	DMV DMV maintains a database of District drivers that includes insurance information. Funding from DISB is used to maintain that database.	DISB: 12/28/21  DMV: 12/20/21	09/30/22
<b>DISB-HBX MOA</b>	The objective of this MOA is for HBX to secure services from DISB to assess health carriers on HBX's behalf for a total amount specified by HBX (the "Requested Amount").	DISB: 11/10/22 HBX: 12/01/22	09/30/23

<p><b>MOU between DISB and the Office of the Chief Financial Officer’s (OCFO), Office of Finance and Treasury (OCFO-OFT) and the Department of Human Resources (DCHR)</b></p>	<p>To increase financial literacy among District employees. The grant will be used to raise awareness of city-sponsored benefits along with nonprofit and private sector resources available to help District employees reach their financial goals. Funding from the grant will enable the development of the Financially Fit DC @ Work program, which will include the creation and maintenance of an online educational platform, securing marketing services to advertise the program, organizing promotional events, and incentivizing employee engagement.</p>	<p>DISB: 01/11/21  OCFO: 02/09/21  DCHR 02/03/21</p>	<p>09/30/22</p>
<p><b>MOA between DISB and Department of Employment Services</b></p>	<p>The goal of this MOA is to establish a framework to facilitate coordination and communication between the DOES Office of Worker’s Compensation (OWC) and the DISB/Enforcement and Consumer Protection Division in promoting anti-fraud efforts within the workers’ compensation community. The objective of the MOA is to confirm responsibilities for the Parties relative to workers’ compensation anti-fraud activities.</p>	<p>DOES 03/30/18 DISB 05/16/18</p>	<p>09/30/23</p>
<p><b>MOA between the DISB Office of Financial Empowerment and Education (“DISB-OFEE”), and the DC Department on Disability Services/Rehabilitation Services Administration (“DDS/RSA”)</b></p>	<p>The purpose of this MOA is to establish the terms, conditions, and procedures under which the Parties will collaborate to create a financial literacy program for DC students with disabilities (ages 14 to 22). The financial literacy program will provide an opportunity for students with disabilities to engage in pre-employment transition skills such as work readiness training, including independent living skills, by participating in at least one financial literacy workshop</p>	<p>DISB 03/17/21 DDS/RSA 05/20/21</p>	<p>09/30/22</p>

	hosted by DISB-OFFE and/or DDS/RSA during the academic school year. Students will receive the basics of banking and financial literacy instruction from DISB-OFFE or one of its partners.		
<b>Multijurisdictional Investigative Information and Documentation Agreement between DISB and multiple jurisdictions (Common Interest Agreement) (First Class Wealth Preservation)</b>	The purpose of the Common Interest Agreement is to promote effective and efficient use of public resource for investors protection and law enforcement purposes and facilitate communication of Shared Information among the Parties without waiving any privilege.	DISB 06/07/21	N/A
<b>Multistate Sharing Agreement (MOU) regarding crypto depository accounts</b>	A group of state regulators have been closely reviewing products offered by unregistered firms dealing in cryptocurrency depository accounts. These products generally promise to pay fixed or variable returns to investors after they deposit their cryptocurrencies in an account maintained at the firm.	DISB 06/07/21	N/A
<b>Multijurisdictional Investigative Information and Documentation Agreement Regarding a matter of common interest (Common Interest Agreement)</b>	The purpose of the Common Interest Agreement is to promote effective and efficient use of public resources for investors protection and law enforcement purposes and facilitate communication of shared information among the Parties without waiving any privilege.	DISB 06/08/21	N/A

<b>Multistate Agreement with Quicken Loans/Rocket Mortgage</b>	The purpose of this Settlement Agreement and Order (“Agreement”) is to resolve certain disputes and require certain corrective action in relation to issues noted in the Non-Depository Supervisory Committee’s (“NDSC”) 2018 inquiry into the advertising practices of Quicken Loans (n/k/a Rocket Mortgage, LLC) (the “Matter”).	DISB 09/22/21 Rocket Mortgage 09/05/21	09/23/23
<b>DISB AND GALLAUDET UNIVERSITY</b>	The MOU formalizes an already-existing relationship and expands it beyond its current scope, giving Gallaudet students practical work experience in municipal government and in financial services regulation.	DISB 01/13/22 Gallaudet 12/15/22	12/15/22
<b>MOU DISB &amp; GWU BUSINESS FOR FISCAL YEAR 2022 (The DISB Financial Services Academy)</b>	The purpose of this MOU is to establish the terms, conditions, and procedures under which the Parties will collaborate to advance the goals and purpose of DISB’s Financial Services Academy, a year-round public private partnership between DISB, local education institutions, and private companies, providing youth and undergraduate and graduate students the opportunity to gain experience in the financial services industry.	DISB 01/13/22 Gallaudet 12/15/22	10/05/22
<b>DISB - District of Columbia Department of Human Resources “(DCHR)” Executive Leadership Program</b>	The objective of this MOU is to allow DCHR to provide DISB with executive level learning and development opportunities for DISB’s senior-level employees.	DCHR 11/02/21  DISB 11/12/21	06/30/22
<b>SSBCI LOAN BizCAP Settlement Doc Execution: Union Kitchen - 2021: Subordinated</b>	The proposed request is to provide support to fund a \$1,200,000 business term loan to cover the purchase of equipment	Union Kitchen 09/09/21	N/A

<b>Guarantee, Cash Collateral Agreement, &amp; Microloan Fund Transfer</b>	and build out associated with a new location. As a condition of approval, the lender is requiring \$600,000 of Collateral Support through DC BizCAP.	Sandy Spring Bank 09/09/21	
<b>DISB and the District of Columbia Department of General Services “(DGS”) COVID-19 cleaning</b>	The purpose of this MOU is to accommodate the intra-District funds transfer from DISB to DGS for the daily enhanced routine COVID-19 cleaning of common areas (per the District's pro-rata share of 58.53%) and DISB interior premises located at 1050 First Street NE, Washington, DC 20002 (7th and 8th Floors).	DISB 10/14/21  DGS 10/18/21	09/30/22
<b>Masterworks.io, DC Multijurisdictional Investigative Information and Documentation Confidentiality Agreement</b>	The purpose of this Common Interest Agreement is to promote effective and efficient use of public resources for investor protection and law enforcement purposes and facilitate communication of Shared Information among the Parties without waiving any Privilege.	DISB 03/31/22	N/A
<b>DISB and City First Enterprises (CFE)</b>	DISB is providing debt funding of \$472,500 (the “Debt Investment”) to Black and Forth, LLC, a for-profit social enterprise, to acquire and renovate a new store location for a Spice Suite store and warehouse at 2201 Channing Street NE, Washington, DC 20018.	DISB 02/10/22  CFE 12/10/21	N/A
<b>MOU Between The United States Department of Labor The National Association of Insurance Commissioners and State Insurance Regulatory Agencies (MEWA Information Sharing)</b>	The purpose of this MOU is to promote cooperation, supervisory coordination, and the sharing of information among the USDOL, state insurance agencies, and the NAIC concerning the oversight of Multiple Employer Welfare Arrangements (“MEWAs”)	USDOL 03/01/22  NAIC 01/05/22	09/30/27

	which provide coverage or services to employers.		
<b>MOU Between The U.S. Department of Labor, The National Association of Insurance Commissioners and State Insurance Regulatory Agencies (General Enforcement)</b>	This MOU is to ensure enforcement concerning the oversight of insurance issuers providing coverage or services to ERISA covered plans.	USDOL 03/01/22  NAIC 01/05/22	09/30/27
<b>DISB - District of Columbia Department of Human Resources (“DCHR”) District Leadership Program (“DLP”) (\$216,333.81)</b>	DCHR administers the District Leadership Program (“DLP”), a program which provides interns with unique opportunities to work on a wide range of practical and developmental projects alongside leading professionals and practitioners.	DISB: 10/31/22  DCHR: 11/21/22	08/25/23
<b>NASAA/DOL Examination Initiative MOU</b>	United States Department of Labor, Employee Benefit Securities Administration (the “USDOL”) and the individual state securities administrators in the undersigned jurisdictions agreed to share information and examination results impacting compliance by securities professionals providing certain services to qualified benefit plans with the DOL’s fiduciary duty standards and the Securities Exchange Commission’s Regulation Best Interest.	DOL: 01/13/22  DISB: 03/21/22	N/A
<b>MOU DISB &amp; Department of Housing and Community Development Homeowners Assistance Fund Program (HAF)</b>	The purpose of the MOU is to provide housing counseling funding to DISB through the HAF Program.	10/01/22 To 09/25/25	09/25/25
<b>MOU between DISB and Department of Consumer and Regulatory Affairs (DOB ) for General Contractors and Home Improvement Contractors to obtain insurance</b>	The objective of this MOU is for DISB to provide guidance and assistance to include stakeholder engagement, research and insurance products and policy analysis to DCRA as it considers additional permit, project-based insurance and/or bond requirements which would provide protections to third	DISB: 07/01/22  DCRA 06/14/22	09/30/22

	parties who may be impacted by construction activity.		
<b>MOU DISB - District of Columbia Department of Human Resources “(DCHR”) Compliance Services</b>	The Seller will provide the Buyer with employment compliance services for its candidates, employees, and volunteers who are subject to fitness evaluations, suitability screenings, or both. The objective of the fitness evaluations and suitability screenings is to determine whether each specific candidate, employee or volunteer is suitable for District employment.		09/30/23
<b>Healthcare Fraud Prevention Partnership (HPP MOU)</b>	The Partnership's purpose is to exchange information between public and private sector partners in order to be more informed and better detect and reduce healthcare fraud. The Partnership will also enable members to individually share successful anti-fraud practices and effective methodologies and strategies for detecting and preventing healthcare fraud. HFPP membership is voluntary.	DISB 9/19/22	N/A
<b>MOU DISB and the Office of the Chief Financial Officer’s Office of Finance and Treasury (OCFO-OFT) FY22 - Financial Wellness Grant - MOU and IDSR</b>	As part of the Financially Fit DC @ Work program, the grant will be used to secure marketing services for the purpose of advertising the program, procuring promotional items, and incentivizing employee engagement.	DISB 09/23/22  OCFO  07/05/22	09/30/22
<b>DISB and Office of Deaf, Deaf Blind, and Hard of Hearing (ODDHH) - Sign Language Interpretation (SLI)</b>	Under the MOU, ODDHH will provide SLI Services to the agency, and the agency will be responsible for the following:  Establishing an Interagency Project in DIFS, in the amount of \$532, by January 15, 2023,	DISB 01/205/23	09/20/23

	for SLI services to be provided by ODDHH to the agency.		
<b>MOU regarding The Treatment of Non-Public Information Shared Between State Securities Administrators and the Commodity Futures Trading Commission</b>	MOU intended to facilitate state securities administrators ability to join the CFTC in commodities and derivatives fraud actions.	DISB 12/01/22	N/A
<b>Vanguard MOU DC Multijurisdictional Investigative Information and Documentation Confidentiality Agreement regarding Matter of Common Interest</b>	The purpose of this Common Interest Agreement is to promote effective and efficient use of public resources for investor protection and law enforcement purposes and facilitate communication of Shared Information among the Parties without waiving any Privilege.	DISB 09/02/22	N/A

**21. Please list the ways, other than MOU, in which the Department collaborated with analogous agencies in other jurisdictions, with federal agencies, or with non-governmental organizations in Fiscal Year 2022 and Fiscal Year 2023, to date.**

**Insurance Bureau**

The National Association of Insurance Commissioners (NAIC) is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review of analysis and examination files, and coordinate their regulatory oversight.

Commissioner Woods serves as a member of the Innovation, Cybersecurity, and Technology Committee as well as the Life Insurance and Annuities Committee and the Market Regulation and Consumer Affairs Committee and as a member of task forces and working groups, including the NAIC Special Committee on Race and Insurance. Insurance Bureau staff participate on many committees of the NAIC, including as Chair of the Life Risk-based Capital Working Group, Chair of the Risk-Based Capital (RBC) Investment Risk and Evaluation (E) Working Group, Vice Chair of the Examination Oversight Task Force and Vice Chair of the Risk Retention Group Task Force, along with regulators from other jurisdictions. Several Insurance Bureau staff members also participate on regulator-only bulletin boards to collaborate and share information with subject matter experts in other states. Financial examination staff worked on examinations of the Amerihealth companies with regulators from other jurisdictions.

The Insurance Bureau interacts with both the Center for Consumer Information and Insurance Oversight (CCIIO), which is part of the U.S. Department of Health and Human Services, and the Federal Insurance Office, which is part of the U.S. Department of the Treasury. CCIIO oversees the Affordable Care Act (ACA) and has provided the Department with two grants that are currently

supporting ACA-related work. The Insurance Bureau works with CCIIO for information and interpretations of the ACA federal requirements and CCIIO established the State Engagement Coordinator to facilitate information exchange between the Insurance Bureau and CCIIO.

The Department collaborates with non-governmental organizations through its Insurance Advisory Committee (IAC), which includes various stakeholders from industry, consumers, and advocacy organizations. The IAC meets quarterly and provides input on policy and regulatory decisions made by the Department. The IAC has established Property & Casualty and Health Subcommittees to discuss, in more detail, related issues between the quarterly IAC meetings.

Department staff are active participants in the Mayor's Autonomous Vehicle Interagency Working Group. The Department works collaboratively with the District of Columbia Office of the Health Care Ombudsman and Bill of Rights. Department staff also work with the Ombudsman's Office on handling complaints, particularly those which require medical necessity review. Finally, the Supervisory Insurance Examiner serves as a member of the District's Interagency Coordinating Council. The Department serves as a voting member of the DC Flood Task Force and chairs one of the Residential Resiliency Action Teams.

### **Securities Bureau**

The Securities Bureau collaborates extensively with other federal and state securities and other financial regulators, industry self-regulatory organizations, and sister District government agencies in the performance of its regulatory responsibilities. Through access letters, the Bureau collaborates with other state regulators, the Securities and Exchange Commission ("SEC"), and the Financial Industry Regulatory Authority ("FINRA") regarding specific firms and individuals.

### ***Licensing Division***

Licensing Division staff interact frequently with other state regulators, particularly the Maryland and Virginia regulators, because many securities firms have offices in two or three of the local jurisdictions. They also interact with FINRA regarding individual and firm licensing concerns impacting DC licensees and applicants.

### ***Corporation Finance Division***

Corporation Finance Division staff participate extensively in coordinated reviews of multi-state offerings, often serving as the lead disclosure state—coordinating the comments of the disclosure states that are reviewing the offering. They participate in monthly national calls at which current filings and compliance and disclosure issues are discussed. NASAA provides its members with daily news briefings on major enforcement and regulatory developments.

The Securities Bureau utilizes the EDGAR database, which is the repository of all corporate filings with the SEC, including registrations and notice filings for exempt offerings. In one category of securities offerings that must be registered with the Department—registration by coordination—the Corporation Finance Division interacts regularly with SEC staff regarding offerings that are being reviewed by both agencies to make sure that the features of the offerings are properly disclosed to investors. The Bureau also consults with the SEC's Office of Small Business, regarding questions of policy and interpretation of SEC regulations that apply to small offerings and exempt offerings, and Bureau staff attend the Annual Conference of Small Business.

### ***Examinations Division***

Examinations, Licensing and other DISB staff participate in a quarterly conference call of the regulators in the Mid-Atlantic region hosted by FINRA. During the call, staff discuss upcoming cycle exams, firms identified as high risk, trends, patterns, and product concerns. Staff also discuss significant investigations, enforcement trends, cases, sweeps and multi-jurisdiction initiatives. As an open dialogue, staff discuss new priorities or regulatory focus, recently approved FINRA new Membership Applications and state registration actions including upcoming meetings, conferences, and training opportunities.

### ***SEC and FINRA Training and Other Engagement***

The SEC and FINRA conduct extensive training programs and regulatory events throughout the year, many of which are available to state securities regulators and other law enforcement personnel. DISB staff attend an Annual Northeast Regional Securities Conference hosted by the SEC's New York Regional Office to hear the SEC's view of the latest enforcement and compliance trends nationally and in the region. The conference is attended by federal and state regulators, law enforcement agencies, and prosecutors from the Northeast and mid-Atlantic regions. FINRA hosts an annual training for state securities examiners and investigators to share FINRA examination and enforcement priorities and techniques. Staff also attend the FINRA Annual Conference and FINRA training programs on such issues as the regulatory principles applicable to the conduct of broker-dealers who are involved in offerings of securities.

### ***North American Securities Administrators Association (“NASAA”)***

NASAA is the association of state and provincial securities regulators throughout North America. DISB is a full participating member. Associate Commissioner Bouchard is the Chair of NASAA's Broker-Dealer Section Committee. Eight DISB staff are members of various Working Groups in NASAA's Broker-Dealer, Corporation Finance, Enforcement, and Investor Education sections. NASAA conducts critical training sessions in the five key areas of securities regulation --Broker-Dealer, Corporation Finance, Enforcement, Investment Adviser, and Investor Education. Staff attend the NASAA Annual Conference and the Spring Conference.

### ***Diversity, Equity, and Inclusion (DEI)***

Both DISB and NASAA have established committees to look at how each organization and its divisions or members, and the regulated industry, are addressing the underlying issues. Both committees are engaging in research, outreach, and development of possible recommendations to their respective organizations.

### **Banking Bureau**

The Banking Bureau regularly collaborates with the American Association of Residential Mortgage Regulators (AARMR), Federal Deposit Insurance Corporation (FDIC), Consumer Financial Protection Bureau (CFPB), Conference of State Bank Supervisors (CSBS), Money Transmitter Regulators Association (MTRA), Mortgage Bankers Association (MBA), Student Borrower Protection Center (SBPC), Federal Student Aid/U.S. Department of Education, and the MD|DC Credit Union Association. The Student Loan Ombudsman has actively collaborated with other state ombudspersons to advocate on behalf of student loan borrowers within the District and

throughout the country; Colorado Department of Law-Consumer Credit Unit; Illinois Attorney General's Office; Maine Bureau of Consumer Protection; Office of Nevada State Treasurer; State Council of Higher Education for Virginia; and Washington (State) Student Achievement Council.

Throughout the year, Banking Bureau staff have participated in conferences and training held by AARMR, CSBS, MTRA, and the FDIC. Also, the Bureau regularly works with the FDIC to coordinate joint examinations of financial institutions and participates in multi-state examinations with CSBS. Additionally, the Banking Bureau reviews and monitors the CFPB Compliant Portal for trends and complaint data that could impact District residents. The Foreclosure Mediation Administer also works with the Urban Institute, National Consumer Law Center, Core Logic, and Black Knight Financial to stay abreast on mortgage industry trends and forecasts. In FY 2022, the Banking Bureau partnered with the CFPB to present a residential housing appraisal forum. The launch of DC REACH involves an ongoing partnership with the federal Office of the Comptroller of the Currency as part of the national Project REACH program.

### **Risk Finance Bureau**

The Risk Finance Bureau communicates regularly with captive insurance regulators in other states to share best practices, exchange ideas, address concerns and common problems, and to promote uniform and consistent regulation in the captive insurance industry.

### **Enforcement and Consumer Protection Division**

The Department's Enforcement and Consumer Protection Division (ECPD) has interacted with the following agencies:

- Security Association of Financial Institutions (SAFI)--ECPD staff met with SAFI members at financial crimes intelligence meetings and shared information concerning fraud trends and suspicious activities by individuals and entities.
- DELMARVA-SIUINTEL--regional intelligence meeting attended by ECPD along with insurance company SIUs and enforcement agencies.
- U.S. Attorney for the District of Columbia Financial Crimes/Suspicious Activity Report Task Force--ECPD staff is a member of the SARs Task Force and attends monthly meetings along with other local, state, and federal task force agency members to identify cases of financial fraud for investigation and criminal prosecution.
- North American Securities Administrators Association (NASAA)--Information sharing within multi-state regional information and intelligence sharing and case collaboration at spring, summer, fall, and winter NASAA meetings and conferences.
- National Association of Insurance Commissioners (NAIC)--ECPD attends NAIC meetings and shares information relating to insurance fraud.
- National Insurance Crime Bureau (NICB)--ECPD participates in the annual NICB National Fraud Directors' Conference and maintains a close working relationship with this industry-funded organization. NICB is a source of intelligence and investigative assistance. ECPD assists with NICB-initiated matters impacting the District.
- Federal Bureau of Investigation (FBI)--ECPD works closely with the FBI on joint investigations into businesses and individuals defrauding the District's residents and its financial sector companies.

- Office of the U.S. Attorney for the District of Columbia--ECPD works cooperatively in the investigation and prosecution of criminal financial fraud cases affecting District residents and District businesses.
- U.S. Securities and Exchange Commission (SEC)--ECPD shares information with the SEC and provides mutual assistance in securities enforcement matters.
- Financial Industry Regulatory Authority (FINRA)--ECPD collaborates with FINRA's Enforcement Department and Office of Market Surveillance on investigative matters involving FINRA member firms and their associated persons.
- Commonwealth of Virginia Corporation Commission (Bureau of Financial Institutions, Bureau of Insurance, Division of Securities) and Virginia State Police--ECPD exchanges information and provides investigative assistance on matters impacting both VA and the District in the areas of insurance, securities and banking. ECPD collaborates with the VA State Police on criminal matters related to insurance, securities and banking affecting both VA and the District.
- The Coalition Against Insurance Fraud (CAIF)--CAIF is a national alliance of consumer groups, public interest organizations, government agencies, and insurers. ECPD works with CAIF on insurance fraud deterrence.
- U.S. Attorney for the Eastern District of Virginia Financial Crimes/Suspicious Activity Report Task Force (NOVA SARS)--ECPD staff are members of the SARs Task Force and attends monthly meetings along with other local, state, and federal task force agency members to identify cases of financial fraud for investigation and criminal prosecution.
- ECPD also is part of a multi-state task force examining the recent phenomena of companies making loans to employees of various companies nationwide in ways that may constitute payday advance lending.
- Maryland Insurance Administration--ECPD and MIA regularly exchange information in areas of mutual concern.

### **Office of Financial Empowerment and Education**

In FY 2022, staff in the Office of Financial Empowerment and Education worked with a number of organizations to provide educational resources, access to speakers, and financial education materials to District residents. The Bank on DC program held a banking conference, co-sponsored by the FDIC, the Federal Reserve Bank of Richmond, and the Office of the Comptroller of the Currency (OCC), to engage financial institutions in the work of the Department. Bank on DC engages with the FDIC to ensure that more financial institutions offer affordable financial products and connect with residents within the District of Columbia.

The Bank on DC team worked with the financial institutions to identify additional ways to bring banking access to participants of workforce development programs in the District. Additionally, the team conducted financial workshop series with The Excalibur Group, Office of Neighborhood Safety and Engagement (ONSE), and PNC/Giant Food.

OFEE staff expanded a partnership with the Securities and Exchange Commission (SEC) Office of Investor Education and Advocacy (OIEA) to provide financial education material to veterans, and investor education sessions to residents and participants in the DISB Financial Services Academy, in partnership with the Marion S. Barry Summer Youth Employment Program.

OFEE staff also, through the Bank on DC Program, worked with the DOES Infrastructure Academy (DCIA) to provide access to banking resources to program participants in partnership with financial institutions such as Bank of America, Chase, M&T Bank, Truist, Wells Fargo, and DC Credit Union.

**22. Please describe any anticipated spending pressures for Fiscal Year 2023. Include a description of the pressure, the estimated amount, and any proposed solutions.**

The Council directed the CFO to transfer \$1,403,348 each year from “recurring vacancy savings” from DISB’s budget in FY 2020 through FY 2023. This factor could potentially affect DISB’s ability to fill vacant positions and will certainly hinder the Department’s efforts to address additional staffing needs as the number of regulated entities under DISB’s jurisdiction continues to grow and require additional examination and licensure.

Our solution to address funding pressures is eliminate any future Council mandated sweeps going forward to support hiring budgeted FTEs, and ensure that DISB is able to fulfill its regulatory oversight function for examination and licensure of more than 20,000 companies with the appropriate staff of subject matter experts.

**23. Please list all capital projects in the financial plan and provide an update on all capital projects under the Department’s purview in Fiscal Year 2022 and Fiscal Year 2023, to date, including the amount budgeted, actual dollars spent, and any remaining balances. In addition, please provide the following:**

- a. An update on all capital projects begun, in progress, or concluded in Fiscal Year 2021, Fiscal Year 2022, and Fiscal Year 2023, to date, including the amount budgeted, actual dollars spent, and any remaining balances;
- b. An update on all capital projects planned for Fiscal Year 2023 through Fiscal Year 2027; and
- c. Whether the capital projects begun, in progress, or concluded in Fiscal Year 2021, Fiscal Year 2022, or Fiscal Year 2023, to date, have an impact on the operating budget of the Department. If so, please provide an accounting of such impact.

DISB does not have any capital projects.

**24. Please provide a list of all budget enhancement requests (including, but not limited to, capital improvement needs), for Fiscal Year 2022 and Fiscal Year 2023, to date. For each, please include a description of the need and the amount of funding requested.**

DISB has not made any budget enhancement requests in FY 2022 or FY 2023, to date.

**25. Please list, in chronological order, every reprogramming in Fiscal Year 2022 and Fiscal Year 2023, to date, which had an impact on the Department, including those which moved**

**funds into, out of, and within the Department. For each reprogramming, please list the date, amount, rationale, and reprogramming number, and indicate whether a reprogramming impacted the Department’s ability to carry out a directive or recommendation of the Committee. Please also include the program, activity, and CSG codes for the originating and receiving funds. Finally, provide the revised, final budget for the Department after reprogramming for Fiscal Year 2022.**

There have been no reprogramming actions in FY 2022 or FY 2023, to date.

**26. Please list each grant or sub-grant received by the Department in Fiscal Year 2022 and Fiscal Year 2023, to date. List the date, amount, and purpose of the grant or sub-grant received. Additionally, provide the following:**

- a. Whether any FTEs are dependent on grant funding and, if so, how many; and
- b. A description of the terms of this funding, and, if it is set to expire, what plans, if any, are in place to continue funding.

*Appendix 12 – FY 2022-2023 Federal and Private Grants*

**27. Please describe any grant the Department is, or is considering, applying for in Fiscal Year 2023.**

The Department is not currently considering applying for grants in FY 2023.

**28. Please list any pending lawsuits that name the Department as a party. Please identify any lawsuits that could potentially expose the District to significant financial liability and/or result in a change to Department practices, and please include the current status of the litigation. Please provide the basis and extent of each claim, regardless of its likelihood of success. For those identified, please include an explanation of the issues involved in each case.**

<b>Case Name</b>	<b>Docket #</b>	<b>Description</b>
Langston Washington v. DISB	OHR Docket No.: 22-349-DC(CN)	Plaintiff’s offer of employment with DISB was conditional upon him receiving a religious accommodation or becoming fully vaccinated. On July 27, 2022, DISB received his proposed COVID-19 vaccination decision from DCHR denying him an exemption from the District government’s vaccination requirement. On August 11, 2022, DISB issued a final decision denying plaintiff the exemption. On September 21, 2022, plaintiff filed a complaint with OHR. On October 3, 2022, OHR issued a Notice of Stay in the matter pending further direction and clarification from the District.

Karen Coles v. DISB	OEA Docket No.: 1601-0047-20 (Termination)	Former employee was terminated for sending a series of emails to high-ranking District personnel containing unauthorized, in appropriate, and offensive rumors. DISB charged employee with conduct prejudicial to the District government in violation of : 1) 6-B D.C. Municipal Regulations (DCMR) §§ 1605.4(a)(4) and 1607.2(a)(5), off-duty conduct that adversely affects the employee’s job performance or trustworthiness, or adversely affects her agency’s mission or has an otherwise identifiable nexus to the employee’s position; 2) 6-B DCMR § 1607.2(a)(10), unauthorized disclosure or use of protected information; and (3) 6-B DCMR § 1607.16, use of offensive, unprofessional, or otherwise unacceptable language. On November 1, 2022, ALJ Dohnji issued her Initial Decision. DISB prevailed on all six (6) issues. Complainant has appealed the ALJ’s Initial Decision.
Coles v. DC Gov.	DISB [19-399 DC(DCFMLA) & 19-400 DC(CN)]	This case involves three charges of discrimination and retaliation against DISB management. DISB, through counsel, will submit a supplemental position statement and additional information. OHR will make a determination as to whether probable cause exists to believe that the charged offenses were committed. If it is determined that probable cause exists, the case will proceed.
Payton v. DISB	Case Number 2022-CAB-005501	On November 22, 2022, plaintiff filed a breach of contract claim against DISB in DC Superior Court. Plaintiff alleges that in 2011 she had worked for several years above her pay grade and was not adequately compensated. In addition, she asserts that in 2018, she interviewed for a position within DISB and DISB retaliated against her by conducting a sham interview process and subsequently awarding the position to another individual. She seeks \$250,000 in damages.

**29. Please list all settlements entered into by the Department, or by the District on behalf of the Department, in Fiscal Year 2022 or Fiscal Year 2023, to date. Include the parties’ names, the amount of the settlement, and, if related to litigation, the case name and a brief description of the case. If unrelated to litigation, please describe the underlying issue or reason for the settlement (e.g., administrative complaint, etc.).**

Case Name	Docket #	Description	Date
DISB v. Trustworthy Mortgage Corporation	Case No. BB-CD-04-21	The Department filed a Notice of Charges against Trustworthy Mortgage Corporation (“TMC”), based on a full-scope examination of TMC’s mortgage-related activities, including the company’s residential mortgage books and records, and accompanying accounting records, TMC was found to be engaging in prohibited activity in violation of DC Official Code §§ 26-1114(a)(1), 26-1114(a)(11), 26-1118(a)(3)(C), and 26-1118(b)(2). TMC and the Department entered into an Administrative Consent Order wherein TMC agreed to pay a fine in the amount of <u>\$33,000</u> .	January 13, 2022
DISB v. Gusto, Inc. f/k/a ZenPayRoll, Inc	Case No. BB-05-21	The Department filed a Notice of Charges against Gusto, Inc. (“Gusto”) because in its application for a money transmitter license to operate in the District Gusto self-reported that it had been engaging in unlicensed money transmission activity, in violation of DC Official Code § 26-1002 (a). Gusto and the Department entered into an Administrative Consent Order wherein Gusto agreed to pay a fine in the amount of <u>\$20,000</u> .	April 8, 2022
DISB v. BlockFi Lending, LLC	Case no. SB-CO-0122	BlockFi offered and sold BlockFi Interest Accounts (“BIAs”) in the District of Columbia that were not registered or exempt in the District. BlockFi agreed to pay a Civil Penalty in the amount of \$943,396.22 in five installment payments. They made two payments totaling \$377,358.48 and then filed for bankruptcy on November 28, 2022.	April 25, 2022
DISB v. District Capital Management		District of Columbia investment adviser failed to ensure that employee was registered before providing investment advice. District Capital agreed to pay a civil penalty and fees in the amount of \$10,090.	October 18, 2022

**30. Please list and describe any ongoing investigations, audits, or reports on the Department or any employee of the Department, including, but not limited to, personnel complaints, or any investigations, studies, audits, or reports on the Department or any employee of the Department that were completed during Fiscal Year 2022 and Fiscal Year 2023, to date, along with the Department’s compliance or non-compliance with any recommendations.**

DISB does not have any ongoing investigations, audits, or reports on the Department or any employee of the Department that were completed in FY 2022 or FY 2023 to date.

**31. Please provide the total number of administrative complaints or grievances filed against the Department in Fiscal Year 2022 and Fiscal Year 2023, to date, broken down by source. Please describe the process utilized to respond to any complaints and grievances received and any changes to Department policies or procedures that have resulted from complaints or grievances. As it relates to a constituent challenging the Department's response to grievances, please indicate:**

- a. Whether a formalized process is in place to request a hearing by the Commissioner;
- b. If so, whether the Commissioner's decision is appealable; and
- c. If there is a formalized hearing process, whether that process is described on the Department's website.

The Department received two grievances in FY 2022 and one grievance has been filed in FY 2023, to date, pursuant to the collective bargaining agreement. DISB also received one complaint through the Office of Human Rights in FY 2022.

In addition, the Consumer Services Division (CSD) provides informal dispute resolution to address disputes between consumers and financial services providers licensed by and operating in the District. While there is no formalized process to appeal the Department's findings, if a consumer challenges the Department's response, the issue is elevated for management review. If the consumer is not satisfied with the management review, the consumer may seek judicial remedies through the courts. There is no provision for a Department hearing or appeal.

<b>Industry Sector</b>	<b>Complaints Received FY21</b>	<b>Complaints Received for FY22 to date</b>
Insurance	632	186
Securities	10	8
Banking	125	30
<b>Total</b>	<b>767</b>	<b>224</b>

**32. Please describe the Department's procedures for investigating allegations of sexual harassment or misconduct committed by or against its employees. Please list and describe any allegations received by the Department in Fiscal Year 2022 and Fiscal Year 2023, to date, whether those allegations were resolved.**

The Department follows the guidelines mandated under Mayor's Order 2017-313. The Department designated a Sexual Harassment Officer to investigate allegations of sexual harassment, train all employees on related laws and policies, and provide response training for all managers and supervisors.

**33. Please provide the number of FOIA requests received by the Department during Fiscal Year 2022 and Fiscal Year 2023, to date. Please include the number of requests which were granted, partially granted, denied, or pending. Please also provide the average response time, estimated number of FTEs required to process requests, and the estimated number of hours spent responding to these requests.**

- a. For FOIA requests disposed of because no records or Department records containing the requested information exist, please describe the nature of the request.

A. DISB FOIA in FY 2022 to date:

a. FY 2022 (October 1, 2021, through September 30, 2022)

1.	Number of FOIA requests received during reporting period	25
2.	Number of FOIA requests pending on October 1, 2021	2
3.	Number of FOIA requests pending on September 30, 2022	0
4.	Number of requests granted, in whole	2
5.	Number of requests granted, in part, denied, in part	5
6.	Number of requests denied, in whole	2
7.	Number of requests withdrawn	0
8.	Other disposition	18
9.	Estimated number of hours spent responding to these FOIA requests	140
10.	Average response time	9.24
11.	Estimated number of FTEs required to process requests	2

b. FY 2023 – to date (October 1, 2022 through January 12, 2023).

*\*Note: Date Range for the report generation by FOIAXpress is 10/01/2022 - 03/31/2023*

1.	Number of FOIA requests received during reporting period	10
2.	Number of FOIA requests pending on October 1, 2022	0
3.	Number of FOIA requests pending on January 12, 2023	0
4.	Number of requests granted, in whole	0
5.	Number of requests granted, in part, denied, in part	3
6.	Number of requests denied, in whole	0
7.	Number of requests withdrawn	0
8.	Other disposition	7
9.	Estimated number of hours spent responding to these FOIA requests	26
10.	Average response time	7.14
11.	Estimated number of FTEs required to process requests	2

34. Please provide a list of all studies, research papers, reports, and analyses that the Department prepared, or contracted for, during Fiscal Year 2022 and Fiscal Year 2023, to date. Please state the status and purpose of each and attach a copy.

- a) The Insurance Bureau prepared an Insurance Code Modernization Report, which resulted from a review of the District’s current insurance code and regulations. The

report identified provisions that are outdated, impede or prohibit the use or sale of technology-based insurance products and services. The report includes recommendations to remove barriers to insurers entering the DC market, encourage electronic delivery of required notices, and update guidelines for insurance product review and services. This effort focused on property and casualty laws, including consumer protection and enforcement.

*See Appendix 13*

- b) The Department contracted with Echelon Economic Development, LLC to provide analysis of key fintech industry trends, applicable law and policy, and business models. Echelon identified industry-wide regulatory challenges and vulnerabilities that DISB will need to address. Echelon also identified strategies DISB can use to make the District more competitive in its efforts to attract fintech companies to DC.

*See Appendix 14*

- c) The Banking Bureau engaged The Georgetown Firm, a consulting firm that specializes in banking and financial services, to review and update the District of Columbia Banking Code (the “Code”) as many sections of the Code are outdated and do not meet the needs of our current regulatory environment. The Georgetown Firm reviewed the District’s current banking code and regulations and compared the provisions of the law to equivalent laws in other states like North Carolina, New York, Massachusetts, Pennsylvania, and California.

The Georgetown Firm will make written recommendations to the Department regarding:

- Sections of the code and regulations that need to be revised to be consistent with Dodd-Frank, and codify and preserve the District’s “visitorial powers” over national banks;
- Sections of the code and regulations that need to be revised to comply with best practices for consumer protection, incorporating rules and guidance issued by the Consumer Financial Protection Bureau; and
- Sections of the code and regulations that need to be revised to improve the viability of District-chartered banks and trusts and further the District’s competitive banking position by ensuring that it is an increasingly appealing destination for domestic and international financial institutions.

The project along with the final report are not yet complete and are anticipated to be completed before the end of FY2023 as the Banking Bureau is in the process of reviewing and revising the draft new banking code and regulations.

**35. Please list all reports or reporting currently required of the Department by the District of Columbia Code or Municipal Regulations. Please indicate whether the Department complies with these requirements, and if not, why (e.g., the purpose behind the requirement is moot, etc.).**

<b>Title of Report</b>	<b>Report Sent to</b>	<b>Source of Requirement</b>	<b>Frequency of Report</b>	<b>Due Date</b>	<b>Submitted in FY 22</b>
Annual Financial Report of Insurers	Mayor	D.C. Official Code § 31-206	Annual	31-Mar	No (1)
Annual Financial Report of Insurers	Congress	D.C. Official Code §31-207	Annual	1st Day Congress is in session	No (1)
Report of Health Insurance Ratemaking	Council	D.C. Official Code § 1-3311.08	Annual	1-Jun	Yes
Health Benefit Plans Behavioral Health Compliance	Council	D.C. Official Code § 31-3175.03(b)	Annual	1-Oct	No (2)
Annual Report on Life Insurers	Mayor	D.C. Official Code §31-4301(f)	Annual	Date Not Specified	No (1)
Uninsured Motorist Fund	Council	D.C. Official Code § 31-2408.01(j)(2)	Annual	Date Not Specified	Yes
Student Loan Ombudsman	Mayor and Council	D.C. Official Code § 31-106.01(d)	Annual	1-Mar	Yes
Student Loan Servicers	Mayor and Council	D.C. Official Code § 31-106.02(j)	Annual	30-Jan	Yes
Financial Institution Community Development Plan	Mayor and Council	D.C. Official Code § 26-431.05(b)	Annual	Due Date Not Specified	No (2)
Applications for Licenses for International Banks	Council	D.C. Official Code § 26-636(e)	Annual	Date Not Specified	No (3)
Interstate Banking and Branching	Council	D.C. Official Code § 26-702.01(b)(22)	Annual	Date Not Specified	No (3)
FOIA Reporting	EOM	D.C. Official Code § 2-538(a)	Annual	1-Feb	Yes
Filer Designation	BEGA	D.C. Code § 1-1162.25(c)	Annual	1-Mar	Yes
Filer Review	BEGA	D.C. Code § 1-1162.25(d)	Annual	1-Jun	Yes

- 1) The Annual Financial Report of Insurers and the Annual Report on Life Insurers were combined into one report. The Department recently discovered these reports were inadvertently not filed in FY 2022. The Department is currently working on finalizing the report. The Report has been completed and is in the process of formal submission.
- 2) This report is required to be filed if the National Association of Insurance Commissioners makes changes to the Affordable Care Act, and since the NAIC has not made any changes to the ACA, the Department did not file this report.
- 3) The Department files the Applications for Licenses for International Banks and Interstate Banking and Branching reports if it receives applications for international banks or if there is activity in Interstate Banking and Branching. The Department did not file these reports because there was no activity in either area.

**36. Please provide an update on the status of the Department’s annual report on financial institution compliance with community development plans required pursuant to DC Code § 26-431.05(b).**

The Department completes ongoing reviews of both of its chartered depository institutions for safety and soundness and adherence to the District’s community development requirements for chartered depository institutions. Due to limited examination resources, and as permitted by the D.C. Official Code § 26-431.07(b), the Department accepted the performance evaluations conducted by federal regulators.

Industrial Bank continues to maintain a satisfactory Community Development Plan and received a rating of ‘Outstanding’ at its last Community Reinvestment Act (CRA) examination. Founders Bank, the Department’s other chartered depository institution, chartered in April 2020, is implementing its Community Development Plan. Founders Bank received a rating of ‘Satisfactory’ at its 2022 CRA examination. The Department will monitor and review Founders Bank’s progress with its Community Development Plan in FY 2023.

**37. Please identify any boards or commissions associated with the Department, and provide a chart listing the names, confirmation dates, terms, wards of residence, and attendance of each member. Include any vacancies. Please also attach agendas and minutes of each board or commission meeting in Fiscal Year 2022 or Fiscal Year 2023, to date, if minutes were prepared. Please inform the Committee if the board or commission did not convene during any month. Finally, please indicate whether the board or commission met virtually or in person.**

The District of Columbia Financial Literacy Council is comprised of the following members.

<b>Name</b>	<b>Terms</b>	<b>Ward of Residence</b>
Jeffrey A. Banks	4/2/2024	Ward 3
Sybongile Cook	4/2/2024	Ward 5
Allen C. Cheaves	4/2/2024	Ward 7
Michelle Hammonds	4/2/2025	Ward 5
Chip Lusk	1/2/2023	Ward 1
Anthony V. Stevens	4/2/2025	Ward 8
Melissa Mazard	4/2/2025	Ward 6
<b>VACANT</b> – Office of the Chief Financial Officer, Office of Finance and Treasury		
<b>VACANT</b> – DC Public Schools		

The District of Columbia Financial Literacy Council meeting minutes from meetings held in FY 2022 are in the Appendices attached. Please note that all meetings after March 13, 2020, were held virtually.

*See Appendix 15*

**38. Please describe how the Department solicits feedback from customers.**

The Department solicits feedback from customers using several methods. Whenever the Department holds public hearings and proposes a new rule, it solicits public comments through public notices in the *D.C. Register*, on its website, and announcements via Twitter. As a rule, the Department gives due consideration to all comments received from the public.

The Department solicits information from the public regarding issues of concern and fraudulent or otherwise unlawful conduct by regulated service providers through the Department’s consumer complaint process. Additionally, Department staff, such as the Student Loan Ombudsman, and the Consumer Protection Advocate, regularly engage the public through large community events and small group or individual meetings. The Department also regularly solicits feedback on outreach programs such as its Housing Resource Forum, Mental Health Parity Forums, DC Flood Task Force working group, Bank on DC, Foreclosure Mediation, and Coffee & Capital workshops. The Department also invites customer feedback through its web based “Ask the Commissioner” link.

The Department also continues to utilize the Insurance Advisory Committee (IAC) (<https://disb.dc.gov/page/insurance-advisory-committee-iac-meetings-agenda>) to obtain feedback on insurance matters. The Committee includes representatives from the insurance industry, insurance producers, and the medical community as well as consumer advocates. The IAC provides suggestions to, and reviews legislation and regulations proposed by, the Department. Finally, the Department solicited feedback from insurance industry stakeholders on our proposed DEI initiatives through the IAC.

With respect to health insurance in the District, the Department held a virtual public hearing on September 1, 2022. The focus of the hearing was the 2023 rates for policies to be sold on DC Health Link. At the hearing, the Department heard from health insurance carriers, DC Health Link’s Executive Director, District residents, producers, and small business owners, in addition to the Department’s consulting actuary. All health insurance rate filings are posted to the Department’s website to allow input from the public prior to resolving the filings.

In addition, through the Securities Bureau’s presentations and panel discussions, the Department asks the industry and consumer representatives to provide the agency with their feedback. Furthermore, NASAA has an Ombudsman session twice a year at its national conferences, and the Department also receives feedback from those events.

- a. Please explain what the Department has learned from this feedback, including specific examples; and**

The Department uses the feedback received from regulated entities and individuals, the public, and other stakeholders to propose legislation and rulemakings; improve the Department's operations; and target, improve, and expand the Department's outreach and public engagement activities.

Specifically related to insurance, the Insurance Advisory Committee has been an invaluable tool to bring stakeholders from diverse backgrounds together to discuss significant insurance regulatory issues. The diversity of the group has led to compromise, consensus, conclusions, and valuable recommendations to the Department. The health insurance rate hearings gave the Department an opportunity to hear directly from consumers and understand how the change in insurance rates affects them and their businesses and explore ways to obtain cost savings for consumers. The DEI Committee has solicited specific feedback from the insurance stakeholders that is helping to shape our path forward on considering DEI recommendations.

**b. Explain how the Department has changed its practices due to such feedback.**

The Department values the feedback it receives from the public and its licensees. The Department will continue to solicit feedback as it works to protect and advance the interests of the District and its residents; promotes modern and innovative regulations; and supports efficient business operations. Feedback has been used to develop consumer guides to assist residents in making more informed choices when it comes to financial and economic needs. DISB issues consumer alerts regarding financial scams to help District residents protect their financial history, identity, and security. Consumer Feedback from virtual Mental Health Parity Forums, and the working groups within the DC Flood Task Force, are being used to develop additional outreach programs and proposals related to access to healthcare and insurance products and education programs.

**39. Please attach copies of the required annual small business enterprise ("SBE") expenditure reports for the Department for Fiscal Year 2021, Fiscal Year 2022, and Fiscal Year 2023, to date.**

- a. DC Official Code § 2-218.53(b) requires each District agency to submit supplemental information with their annual SBE expenditure report, including a description of the activities the Department engaged in to achieve their fiscal year SBE expenditure goal and a description of any changes the Department intends to make during the next fiscal year to achieve their SBE expenditure goal. Has the Department submitted the required information for Fiscal Year 2022? If so, please provide a copy as an attachment. If not, please explain.

*See Appendix 16 – SBE Expenditures Reports*

**40. Please provide a copy of the Department's Fiscal Year 2022 performance plan. Please explain which performance plan objectives were completed in Fiscal Year 2022 and whether they were completed on time and within budget. If they were not, please provide an explanation.**

*See Appendix 17*

**41. Please provide a copy of the Department’s Fiscal Year 2023 performance plan, as submitted to the Office of the City Administrator.**

*See Appendix 18*

**Personnel**

**42. Please separately list each Department employee whose salary was \$100,000 or more in Fiscal Year 2022 and Fiscal Year 2023, to date. Please provide the name, position number, position title, program number, activity number, salary, and fringe for each. In addition, please state the amount of any overtime or bonus pay received by each employee on the list.**

*See Appendix 19 – Earners of Over \$100,000*

**43. Please list, in descending order, the Department’s top 25 overtime earners during Fiscal Year 2022 and Fiscal Year 2023, to date. For each, please state the employee’s name, position number, position title, program number, activity number, salary, fringe, and the aggregate amount of overtime pay earned.**

*See Appendix 20 – Top 25 Overtime Earners*

**44. For Fiscal Year 2022 and Fiscal Year 2023, to date, please provide a list of employee bonuses or special award pay granted, which identifies the employee receiving the bonus or special pay, the amount received, and the reason for the bonus or special pay.**

*See Appendix 21 – Bonuses or special award pay*

**45. Please provide each collective bargaining agreement that is currently in effect for Department employees and include the bargaining unit and the duration of each agreement.**

Two collective bargaining agreements are currently in effect for Department employees:

- Master Agreement between the American Federation of State, County and Municipal Employees (AFSCME), District Council 20, AFL-CIO, and the Government of the District of Columbia (the Union or AFSCME) are covered. These Union or AFSCME employees have two agreements, a Collective Bargaining (Master Agreement) and a Compensation Agreement, with the Labor Organizations who represent Units 1 and 2. The last formal agreements were effective through Fiscal Year (FY) 2010. While negotiations continued after FY 2010, the formal agreements remain in place.
- Most Department attorneys are represented under the American Federation of Government Employees, Local 1403, Compensation Unit 33. The Mayor signed new compensation and collective bargaining agreements on January 16, 2018; the agreements are effective October 1, 2017 through September 30, 2020.

*See Appendix 22 – Collective Bargaining Agreements*

**46. Please explain how the Department conducts annual performance evaluations of its employees, including who conducts the evaluations and what steps are taken to ensure that all Department employees are meeting individual job requirements.**

DISB conducted annual performance evaluations of all its employees for the fiscal year ending on September 30, 2022. Evaluations were completed by the employees' immediate supervisor/manager. The evaluations were reviewed by each manager in the supervisory chain in accordance with District-wide performance evaluation criteria and timetables. In addition, DISB managers and supervisors exercised thorough and consistent management throughout FY 2022 by holding periodic meetings and providing additional support to staff as they adjusted to telework. The Department also mandates mid-year reviews for all DISB employees to ensure that employees are meeting individual job requirements.

**47. Does the Department conduct employee satisfaction surveys or otherwise solicit such information from employees? If so, please explain how such information is collection and evaluated, including whether responses are anonymous and/or confidential. Please explain what steps are taken to ensure that all Department employees are comfortable in the work environment.**

In FY 2022, DISB implemented an Employee Wellness program. The Department did not conduct employee surveys.

In FY 2023, the Department plans to use surveys to ensure that the programming and support services align with employee needs. In addition, to maintain a comfortable work environment, the senior leadership and management employ a liberal communications approach. Staff are encouraged to engage with management at all levels. Managers are required to hold regular meetings to facilitate information sharing. Open communication provides the foundation for resolution of concerns in an efficient manner.

**48. Please provide the total number of complaints or grievances from employees or former employees that the Department received or was made aware of in Fiscal Year 2022 and Fiscal Year 2023, to date, including, but not limited to, matters concerning program implementation and work environment.**

The Department received two grievances filed in FY 2022 and one grievance has been filed in FY 2023 to date pursuant to the collective bargaining agreement. DISB also received one complaint through the Office of Human Rights in FY 2022 and five additional personnel complaints.

**49. Please provide a list of any additional training or continuing education opportunities made available to Department employees. For each additional training or continuing education program, provide the subject of the training, the names of the trainers, and the number of Department employees who participated. Please discuss whether the Department accepts requests from employees to engage in specific training opportunities.**

**Office of the General Counsel Trainings/Courses**

	<b>Subject of the Training</b>	<b>Names of the Trainers</b>	<b>Number of DISB employees who participated</b>
1.	2022 NASAA Conference	NASAA	2
2.	CSBS Regulatory Summit	CSBS	1
3.	2022 NOLGHA Conference at Ritz Carlton	NOLGHA	1
4.	U.S. Securities and Exchange Commission (SEC) Northeast Regional Securities Conference	SEC	2
5.	Berkeley Law: Leadership in the Legal Profession (10-week Online Course)	Berkeley Law	2
6.	ABA: Business Law Hybrid Section Annual Meeting 2022	ABA	1
7.	Wharton Fintech Certificate Program vs. Fintech offered by the University of Chicago (Commissioner recommendation)	University of Chicago	1
8.	2022 NASAA Fall Annual Meeting (Virtual)	NASAA	2
9.	2022 NASAA Advanced Litigation Training (In-Person)	NASAA	1
10.	2022 NASAA Enforcement Training	NASAA	1
11.	PLI Understanding the Securities Laws 2022	PLI	5
12.	ABA Membership	ABA	5
13.	IPE Continuing Education Specifically Designed for Paralegals	IPE	1

**Risk Finance Bureau attended the following trainings:**

<b>Training</b>	<b>Training Subject</b>	<b>Trainer Information</b>	<b>Agency Employees Trained</b>
Society of Financial Examiners 2022 Conference and Training	Financial Examination topics	SOFE staff and financial examination professionals	5
National Association of Insurance Commissioners Financial Summit	Financial Examination and Analysis topics	NAIC staff	4
NAIC Accreditation Webinar	Accreditation Updates	NAIC staff	2

NAIC Financial Analysis Webinar	Financial Analysis Solvency Tools Enhancements	NAIC staff	1
NAIC Northeast Zone Training	Financial Analysis and Examination topics	NAIC staff	4
Exam Peer Review NAIC Training	Financial Examination topics	NAIC staff	2
NAIC Advanced Regulator Training	Financial Analysis and Examination topics	NAIC Staff and Noble Consulting Staff	2
Financial Analysis Solvency Tools Update Webinar	Financial Analysis topics	NAIC staff	31
Ethics Webinar – Is Burnout Burning Your Ethics	Ethics	Noble Consulting Staff	1
Financial Examiners Handbook Updates Webinar	Financial Examination topics	NAIC Staff	1
Government Alliance for Race and Equity (GARE) Conference	Topics on Race and Equity	Various experts	1
Captive Insurance Companies Conference	Captive insurance topics	Captive insurance industry professionals	4
StateRAMP - What State and Local Govt Auditors Need to Know	Financial audit topics	Various experts	1
How to Get on With Anyone: Inspiring Others to Build Successful Relationship	Building professional relationships	Various professionals	1
Insurance Hot Topics	Accounting and tax updates	Industry professionals	1
Pennsylvania Insurance Department, Bureau of Financial	Financial and Examination topics	Pennsylvania Insurance Department staff	5

Examinations annual training			
World Captive Forum	Various topics on captive insurance	Captive insurance regulators and industry professionals	2
TeamMate Training	TeamMate software updates	NAIC Staff	2
National Risk Retention Association Conference	Various topics on captive insurance	Captive insurance regulators and industry professionals	3
Vermont Captive Association Conference	Various topics on captive insurance	Captive insurance regulators and industry professionals	2
Captive Insurance Council of the District of Columbia Conference	Various topics on captive insurance	Captive industry professionals	8
Wharton Executive Education	How Fintech is Transforming Financial Services	Various Wharton professors	1

**Office of Financial Empowerment and Education attended the following trainings:**

<b>Training</b>	<b>Training Subject</b>	<b>Trainer Information</b>	<b>Agency Trained</b>	<b>Employees</b>
Wharton Executive Education	How Fintech is Transforming Financial Services	Various Wharton professors	1	
National Financial Educators Council	Teach Money Management	Various professionals	7	
Urban Equity	Teambuilding and Communication	Various Professionals	9	

**Training for Enforcement and Consumer Protection Division attended the following trainings:**

<b>Subject of the Training</b>	<b>Names of the Trainers</b>	<b>Number of DISB employees who participated</b>
2022 North American Securities Administrators Association (NASAA) Conference	Various NASAA members	3

2022 NASAA Enforcement Training	NASAA members	2
Responding to Transnational Elder Fraud	The National White Collar Crime Center (NW3C)	2
Targeting Investment Fraud	NW3C	5
Financial Crimes Against Seniors	NW3C	2
Blackhat Open Source Intelligence Techniques	Black Hat	2
National Association of Insurance Commissioners (NAIC) Fall 2022	NAIC members	1
Basic Cyber Investigations: Digital Footprints	NW3C	4
2022 NASAA Advanced Litigation Training	NASAA members	1
FIFEC Insurance Fraud Training	FL Insurance Fraud Education Comm.	1
Coalition Against Insurance Fraud (CAIF) Annual Training	CAIF and industry members	1
CAIF Mid-Year training & membership meeting	CAIF and Industry members	1
Intermediate Cyber Investigations: Virtual Currency	NW3C	1
Cognition: Problems and Solutions	NASAA members	1
Classic Securities Fraud	NASAA members	1
Best Practices for Cooperative Enforcement Investigation	FBI	1
Leveraging Open-Source Intelligence	(Intl Assoc of Chiefs of Police (IACP)	1
Metaverse, Web3, and Blockchain – Security Observations	NW3C	1
Vision Zero Traffic Training	DC GOVT	1
Anti-money Laundering act of 2022	Greenhouse and Pillsbury	1
Anti-money Laundering	Securities Industry and Financial Markets Association (SIFMA)	1
Financial Crime Training Conference	Federal Deposit Insurance Corporation (FDIC)	4
Emotional Intelligence	NW3C	1
Northeast Regional Securities Conference	Securities and Exchange Commission (SEC)	1
NASAA Enforcement Training Track (Multiple topics)	NASAA	1
Cyber Security Training	OCTO	7

**Diversity, Education and Inclusion Training for staff**

Subject of the training	Name of the trainers	Number of DISB participants
DEI in the workplace for managers	Inclusion score	22
DEI within Government	Government Alliance for Race and Equity (GARE) Conference	17
Racial Inequality without Racism	DISB	25

**50. Please discuss any training deficiencies the Department identified during Fiscal Year 2022 and Fiscal Year 2023, to date, and any plans the Department has to address those deficiencies.**

The Department did not have any training deficiencies in FY 2022 and FY 2023, to date. DISB continues to ensure all staff are availing themselves of training opportunities. The Department leverages District, federal and private sector partnerships to provide valuable training opportunities.

**51. Since the beginning of the COVID-19 public health emergency, employers, including the District government and its agencies, have adjusted to remote work. More recently, some employers have begun implementing hybrid remote work/in-person work schedules. Please describe how the Department has been operating during the public health emergency (i.e., whether employees have been working remotely, in-office, or hybrid, whether certain positions require in-person work, etc.). Include any plans for future adjustments.**

The Department transitioned from full situational telework to a hybrid model in July 2021. The physical location was opened to staff and the public. Safety procedures were implemented based on CDC guidance to promote a balance in accessibility and safety. Most staff were provided the option to telework up to two days a week, except for positions that had predominately in-person duties. Staff continued to use laptops and mobile telephones to continue the Department’s operations. This allowed for easy transition from in-office to virtual reporting.

Staff continue to use secured VPN access to the Department’s systems and data. Along with the expansion of online complaints and regulatory procedures, the Department continues to provide virtual and in-person access for residents who seek assistance.

**52. Please describe any teambuilding exercises, outreach, or other activities the Department has engaged in to support employees working remotely.**

The Department has conducted several engagements to facilitate communication and comradery among the staff. Monthly “All Staff” meetings are held where DISB and District-wide updates are shared. Executive and management employees conducted regular meetings with staff to ensure that they remained informed of the Department’s evolving goals and the connections to their individual duties. The Commissioner has maintained an open-door policy for staff at all levels. In addition, the Department implemented an Employee Wellness Program. Through this program, the Department provides engagement activities and resources for staff. Hybrid engagements also were implemented to allow staff to engage in person and virtually.

## **Agency Operations**

**53. Please describe how the Department has adjusted agency operations due to the COVID-19 public health emergency, including whether and how the public health emergency has affected agency operations and how the Department is supporting employees working remotely to ensure they are able to perform their duties.**

As shared in the response to Q50, The Department transitioned from full situational telework, to a hybrid model in July 2021. The physical location was opened to staff and the public. Safety procedures were implemented based on CDC guidance to promote a balance in accessibility and safety. Most staff were provided the option to telework up to two days a week, with the exception of positions that had predominately in-person duties. Staff continued to use laptops and mobile telephones to continue the Department's operations. This allowed for easy transition from in-office to virtual reporting.

Staff continue to use secured VPN access to the Department's systems and data. Along with the expansion of online complaints and regulatory procedures, the Department continues to provide virtual and in-person access for residents who seek assistance.

**54. Please describe any initiatives that the Department implemented in Fiscal Year 2022 and Fiscal Year 2023, to date, to improve the internal operations of the Department or the interaction of the Department with outside parties. Please describe the results, or expected results, of each initiative.**

During FY 22, the Insurance Bureau changed the way insurers renewed their Certificate of Authority. Previously applications were completed, printed and mailed to a lockbox with a check. In FY22, the process was changed so that applications are completed and submitted electronically along with electronic payment rather than a paper check. This continues the work the Insurance Bureau began a few years ago to eliminate mailed in forms and paper checks. The Department expects the updated process to reduce the turnaround time for Certificate of Authority renewals, boost productivity and efficiency.

**55. Please list each new program implemented by the Department during Fiscal Year 2022 and Fiscal Year 2023, to date. For each initiative, please provide:**

- a. A description of the initiative, including whether it is related to the COVID-19 public health emergency or post-pandemic recovery;
- b. Funding required to implement the initiative and the source of such funding; and
- c. Any documented results of the initiative.

## **Office of Innovation**

DISB established an Office of Innovation in FY 2023. This office supports the adoption of technology-driven innovation in the financial services sector in the District to (1) enhance customer experience, (2) promote financial inclusion for underserved residents (3) spur

competition among market participants, and (4) protect consumers. The Office of Innovation has an FY 2023 budget of \$511,410 for four FTEs. The costs of the office are allocated among the Department's various funding sources. There are no documented results of the new office at this time.

**56. Please explain the impact on the Department of any legislation passed at the federal level during Fiscal Year 2022 and Fiscal Year 2023, to date, which impacted Department operations. If regulations are the shared responsibility of multiple agencies, please note.**

### **Insurance Bureau**

The Inflation Reduction Act of 2022 (H.R. 5376) enacted August 16, 2022, clarifies a rulemaking related to the ACA, which extends the lower premiums under the American Rescue Plan Act of 2021 for three years, through 2025, unless Congress extends them again or makes them permanent (would have ended December 31, 2022). For DC residents, the Inflation Reduction Act extends lower premiums for health insurance through DC Health Link, so residents can get health insurance for as little as \$11/month. The Affordable Care Act lowered premiums for people who had incomes up to 400% of Federal Poverty Level (FPL)—\$51,520 per year (or \$106,000 per year for a family of four). Having a higher income meant that you did not qualify for premium reductions under the ACA. The American Rescue Plan protected everyone. No one pays more than 8.5% of their income on health insurance premiums.

Transparency in Coverage FAQ (Publication Date April 19, 2022) requires non-grandfathered group health plans and health insurance issuers offering non-grandfathered coverage in the group and individual markets to disclose, on a public website, information regarding in-network rates for covered items and services, out-of-network allowed amounts and billed charges for covered items and services, and negotiated rates and historical net prices for covered prescription drugs in three separate machine-readable files.

The federal No Surprises Act protects people covered under group and individual health plans from receiving surprise medical bills when they receive most emergency services, non-emergency services from out-of-network providers at in-network facilities, and services from out-of-network air ambulance service providers.

### **Banking Bureau**

There was no impact related to federal legislation.

### **Securities**

There was no impact related to federal legislation.

**57. Please list all regulations to which the Department is subject at the federal level. Please explain how the Department complies with those regulations and explain any non-compliance or lapses in compliance.**

## **Insurance Bureau**

U.S./EU and U.S./UK Covered Agreements: The U.S. negotiated covered agreements with the EU and UK (with potentially additional covered agreements to follow) to address reinsurance issues. The covered agreements promote U.S. interests by allowing U.S. insurers with EU/UK operations to avoid burdensome worldwide group capital, governance, and reporting requirements, as well as EU/UK local presence and collateral requirements for U.S. reinsurers. The covered agreements also commit the United States to eliminating state-based reinsurance collateral requirements as applied to cessions to EU/UK reinsurers that meet the consumer protection standards specified in the Agreement.

## **Securities Bureau**

The Department's authority to regulate investment advisors, broker-dealers and securities issuers is primarily set forth in District law and regulations. District laws and regulations govern securities entities and transactions that are exempt from federal securities laws, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940 and the Investment Company Act of 1940, and the federal regulations issued for each.

## **Banking Bureau**

The Banking Bureau's authority to regulate depository institutions is set forth primarily in the District's laws and regulations. The authority to license and regulate non-depository institutions is set forth in District laws and regulations which heavily incorporate the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (The SAFE Act) for the mortgage industry. The Banking Bureau also adheres to the regulations associated with the Dodd-Frank Wall Street Reform and Consumer Protection Act, including the Appraisal Management Company rule.

**58. Please list all regulations for which the Department is responsible for oversight or implementation in the District. Please list by chapter and subject heading, including the date of the most recent revision.**

Chapter 37	Department of Insurance, Securities and Banking Infractions (5/27/2005)
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### Title 26 – District of Columbia Municipal Regulations

#### ***Insurance***

Chapter A1.	Licensure as Insurance Producer (10/4/2013)
Chapter A2.	Restrictions on Solicitations and Sales (10/21/1988)
Chapter A3.	Prohibitions on Arbitrary Cancellation (10/21/1988)
Chapter A5.	Motor Vehicle Insurance: Required Insurance (10/21/1988)
Chapter A6.	District of Columbia Automobile Insurance Plan (12/31/2004)
Chapter A8.	Taxicab Insurance (7/23/2004)
Chapter A9.	Ambulance Insurance (10/21/1988)
Chapter A10.	Life Insurance (10/21/1988)
Chapter A11.	Annuity Mortality Tables (4/7/2000)

Chapter A13.	Insurance Placement Facilities (1/7/2005)
Chapter A14.	Insider Trading (10/21/1988)
Chapter A15.	Proxy Solicitation (10/21/1988)
Chapter A16.	Insurance Holding Company System Regulations (4/22/1994)
Chapter A17.	Motor Vehicle Insurance: Administration Fund Bureau and Administration Fund (10/21/1988)
Chapter A18.	Uninsured Motorist Fund (10/21/1988)
Chapter A19.	Insurance Coverage for Drug Abuse, Alcohol Abuse, and Mental Illness (7/14/1989)
Chapter A20.	Certification for Participation in the Medical Liability Captive Insurance Program (1/28/2011)
Chapter A21.	Sinking Fund (7/28/1989)
Chapter A22.	Medicare Supplement Insurance Minimum Standards (11/13/2009)
Chapter A23.	Reinsurance (4/22/1994)
Chapter A24.	Company Organization, Management and Securities (4/22/1994)
Chapter A25.	Annual Statement Filing Requirements (5/19/1995)
Chapter A26.	Long Term Care Insurance (4/11/2008)
Chapter A27.	Variable Life Insurance Contracts (2/24/1995)
Chapter A28.	Credit for Reinsurance Regulations (5/3/1996)
Chapter A29.	Statements of Actuarial Opinion and Memorandum Regulation (3/11/2005)
Chapter A30.	Valuation of Life Insurance Policies (9/26/2008)
Chapter A31.	Investment Guidelines for Health Maintenance Organizations (HMOs) (6/8/2007)
Chapter A35.	Health Maintenance Organizations (HMOs) (7/11/2003)
Chapter A36.	Privacy of Consumer Financial Information (2/14/2003)
Chapter A37.	Captive Insurance Companies (9/20/2013)
Chapter A38.	Rules of Practice and Procedure for Hearings (8/8/2003)
Chapter A39.	Licensure as a Public Insurance Adjuster (4/25/2003)
Chapter A40.	Reciprocal Insurance Companies (1/18/2008)
Chapter A41.	Title Insurance Rate Making (3/18/2011)
Chapter A42.	Uniform Credentialing and re-Credentialing Form (8/11/2006)
Chapter A43.	Uniform Consultation Referral Form (5/25/2007)
Chapter A44.	Child-Only Policies (3/18/2011)
Chapter A45.	Oversight Role and Fiduciary Obligations of Members of the Board of Directors of a Hospital and Medical Services Corporation (9/17/2004)
Chapter A46.	Procedures for the Determination of Excess Surplus (11/13/2009)
Chapter A50.	Unfair Trade Practices (4/16/2004)
Chapter A51.	Standard Non-forfeiture Law for Individual Deferred Annuities (5/28/2004)
Chapter A52.	Military Sales Practices (12/7/2007)
Chapter A53.	Medical Malpractice Liability Hearing Rules and Rate Filing Requirements (12/12/2008)
Chapter A56.	Certified Capital Companies (3/11/2011)
Chapter A58.	Senior-Specific Certifications, Designations and Credentials (7/30/2010)
Chapter A82.	Continuing Care Requirement Communities (10/20/2006)
Chapter A84.	Suitability in Annuity Transactions (12/24/2010)
Chapter A88.	Health Benefit Plans Prompt Payment (6/16/2006)

**Securities**

Chapter B1.	Broker-Dealers, Agents, Investment Advisers, and Investment Adviser Representatives (12/6/2013)
Chapter B2.	Registration of Securities Offerings (11/30/2001)
Chapter B3.	Rules of Practice and Procedures for Hearings (10/11/2002)

**Banking**

Chapter C1.	General Provisions (8/19/1988)
Chapter C2.	Applications (8/19/1988)
Chapter C3.	Powers (8/19/1988)
Chapter C4.	Administrative Procedures (8/19/1988)
Chapter C6.	Fees and Assessments (2/15/2008)
Chapter C11.	Mortgage Lenders, Mortgage Brokers and Mortgage Loan Originators (12/24/2010)
Chapter C18.	Automated Teller Machines (12/5/2003)
Chapter C20.	Predatory Lending (11/29/2002)
Chapter C21.	Opportunity Accounts (5/31/2002)
Chapter C22.	Money Transmitters (12/5/2003)
Chapter C25.	Consumer Retail Credit (1/11/1991)
Chapter C26.	Loaning Money (12/12/1988)
Chapter C27.	Foreclosure Mediation (6/27/2014)
Chapter C28.	Capital Access Program (9/30/2011)
Chapter C29.	State Small Business Credit Initiative (9/5/2014)
Chapter C30.	Student Loan Servicers (8/10/2018)
Chapter C31.	Appraisal Management Companies (12/5/2019)*1

**59. Please identify any statutory or regulatory impediments to the Department's operations, including any outstanding legislative requirements of the Department (e.g. implementation of rulemakings).**

There are no statutory or regulatory impediments to the Department's operations and there are no outstanding legislative requirements that are pending implementation.

**60. Please identify all electronic databases maintained by the Department, including the following:**

- a. A detailed description of the information tracked within each system;
- b. The age of the system and any discussion of substantial upgrades that have been made or are planned to the system; and
- c. Whether each system is publicly accessible, in whole or in part.

Please find responses to a., b., and c. for each bureau below:

**Insurance Bureau Electronic Databases:**

- **State-Based System (SBS)**—SBS was created in 2000 by the National Association of Insurance Commissioners in collaboration with a few states and the District of Columbia.

DISB was the first department to take on the service. SBS is a comprehensive system used to license and renew insurance producers and companies. It has expanded to include consumer complaints, enforcement, and online continuing education for resident producers. SBS is being used to report information to the U.S. Department of Health and Human Services (HHS), as part of health care reform. Currently, 33 states use the SBS system. NAIC has upgraded the SBS system to the new version called SOLAR and the District went live with the new system on November 9, 2016.

The Insurance Bureau, as well as Compliance Analysis Division staff, access SBS on a daily and continuous basis. Consumers can access the status of insurance companies and producers through SBS directly from the DISB website. The public is also able to identify registered agents for insurers through SBS from the DISB website.

- **National Insurance Producers Registry (NIPR)** – NIPR provides 24/7 input services for producers desiring licensure in the District, including allowing biographical updates and the ability to upload any required supporting documentation. Initial and renewal licensing processed through NIPR feeds into SBS on a real-time basis. Insurance company appointments and renewals (producers) are processed through NIPR electronically. All fees collected by NIPR are transmitted via EFT daily to the DC Treasurer.

Insurance Bureau staff have access to NIPR on an as-needed basis. The public can access NIPR information through SBS, as discussed above. Producers directly access NIPR to renew licenses and update information. Enhancements to NIPR are approached on the same basis as described above for SBS. DISB has fully participated in all NIPR initiatives since 2000. NIPR makes periodic updates to the system.

- **System for Electronic Rate and Form Filing (SERFF)** – SERFF provides an interface for insurance companies to submit rate and form filings for review and approval by DISB actuaries and analysts. This paperless process for reviewing and approving filings also provides for electronic communication between submitters and reviewers if necessary. SERFF is being used to report information to HHS as part of health care reform. DISB has established a search portal application on its website for District residents and other consumers to have direct access to approved rate and policy form filings. DISB starting using SERFF in 2003. NAIC makes periodic updates to the system.
- **Internet-State Interface Technology Enhancement (I-SITE)**—I-SITE stores financial and other information for all insurance companies licensed in the District. I-SITE has one national database used by all participating jurisdictions. I-SITE was redesigned to the new *I-site+* that provides improved search capabilities, easier navigation, enhanced tools, and additional user preferences. The public has access to some information. I-SITE was created in 1995 and is periodically updated, most recently in 2016.
- **Online Premium Tax for Insurance (OPTins)**—OPTins is a secure Web application, using 128-bit SSL encryption, which facilitates the submission of premium tax, surplus

lines, and other state-specific filings and payments to participating states. There is no public access for OPTins. DISB started using OPTins in 2011 and is periodically update. by the NAIC.

- **Teammate Software (Teammate)**--The Insurance Bureau's and Risk Finance Bureau's Financial Analysis and Examination Divisions use Teammate Software to perform and maintain its financial analyses and examination files of insurance and captive companies. Teammate software was updated to the latest version (v12) for all analysts and examiners. There is no public access to TeamMate. Teammate was created in 1997 and is periodically updated, most recently in 2022.

### **Securities Bureau Electronic Databases**

- **Tyler Technologies (formerly MicroPact) STAR System**--The STAR system has been used at the Department since 2001. STAR is maintained by the Corporation Finance and Licensing Divisions of the Securities Bureau. The system has modules that track licensing activity pursuant to Title II of the Securities Act of 2000 (DCSA) and registration filings and notice filings related to securities offerings subject to the requirements of Titles III and IV of the DCSA. The corporate filings are primarily SEC Uniform Investment Company Notice Filing Form NF for mutual fund offerings, Securities and Exchange Commission Form D for Regulation D offerings, and similar notices of securities offerings in other categories that are not subject to the registration requirements. The securities firm licensing information is tracked in the database. It includes the name and identifying numbers of the licensee or applicant, the licensing category, and the status of the license.

The licensing functionality was enhanced in FY 2013 by enabling the importation of licensing data directly from FINRA. Securities offering information tracked in the database includes the issuer's name; description of securities issued; the amount the of securities offered; names and ID numbers of broker dealer firms and agents; sales information; and status of DISB's processing of these filings. The Licensing and Corporation Finance Divisions staff have access to this system, in addition to DISB's IT staff. The current version of the client application was rolled out in December 2015. Renewed annually, the Securities Bureau has two contracts with the vendor, Tyler Technologies. These contracts are for routine system maintenance and hosting of the STAR servers. The Securities Bureau is currently evaluating available upgrades for STAR.

STAR is not accessible to the public in whole or in part.

- **BlueExpress**--BlueExpress is the database system maintained by the Securities Bureau Corporation Finance Division and DISB IT Administrators that provides electronic filing services for financial institutions. The STAR registration system imports securities filing data from the BlueExpress system. Information tracked within the system includes name of licensed firm or issuer, names and ID numbers of officers and directors, names and ID numbers of broker dealer firms and agents, and descriptions of securities issued and other sales information. Access to BlueExpress is afforded to investment company filers who have executed an MOU with DISB to use the system. BlueExpress is not otherwise

accessible to the public in whole or in part. The BlueExpress system has been in use at DISB since 2002. No upgrades are anticipated.

- **Electronic Filing Depository (EFD)**-- EFD is used by the Corporation Finance Division (CorpFin). Developed and operated by the North American Securities Administrators Association (NASAA), EFD is an online database that allows for the electronic submission of certain state securities filing material. EFD currently allows an issuer to submit Form NF for Unit Investment Trust (UIT) offerings and Form D for Regulation D, Rule 506 offerings, and pay related fees to state securities regulators. The public can search for issuer filings through EFD's public facing portal. CorpFin began receiving Form D filings from the EFD when the system was launched on December 15, 2014.

The Form NF is a state-specific notice filing document that provides certain information related to a UIT or Mutual Fund offering being conducted within a particular jurisdiction.

Rule 506 of Regulation D is a "safe harbor" for the private offering exemption of Section 4(a)(2) of the federal Securities Act and provides an exemption for offerings to verified accredited investors. Issuers relying on the Rule 506 exemption do not have to register their securities offerings with the SEC or state securities regulators. But they must file a "Form D" with the SEC and state securities regulators where they offer the securities, including the District.

EFD was created to provide an efficient, streamlined system for state Form D filing requirements. Issuers benefit from a uniform process to submit their filings to the states. Additionally, the EFD website enables the public, free of charge, to search and view Form Ds for the offerings in the system. As a result, investor protection is strengthened by the improved transparency the system provides for Form D filings. CorpFin currently receives Form D, Form NF, and other state filings through the EFD system. Those filings are then processed into the STAR system. Like the BlueExpress system, EFD interacts electronically with the STAR system.

CorpFin continues to expand how EFD and the STAR system integrate and communicate with each other electronically, as NASAA is continuing its work to expand the types of filings for which filers can submit through the EFD (i.e., SEC Regulation A/A plus, and the mutual fund Form NF (the Securities Bureau now uses the BlueExpress system to accept Form NF filings electronically)).

- **NEMO (NASAA Exam Module)**-- NEMO has been developed by NASAA and is maintained by NASAA. NEMO provides Investment Adviser and Broker-Dealer compliance audit (examination) support to the Examinations Division of the Securities Bureau. The modules of the system include the Pre-Exam Checklist, the Interview(s), the Exam Builder, as well as other appropriate sub-modules. These modules are used to assess the level of completion during an examination. Individuals with access are Examinations Division staff members of the Securities Bureau and DISB IT Administrators. Due to sensitive examination and personal information contained in these databases, it is not available to any other DISB employees, or the public. The NEMO system has been in use since 2007. NEMO is continuously updated to reflect changes in the law, products, and examination techniques. NEMO is not accessible to the public in whole or in part.

- **FINRA Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) Systems**-- CRD and IARD are systems administered by the Financial Industry Regulatory Authority (FINRA). The data consists of records of state and federally licensed broker-dealer (BD) firms and their agents and other associated persons, and Investment Adviser (ADV) firms and their representatives. The basic information is filed on BD and ADV forms. Numerous other forms report actions such as withdrawals, terminations, and disciplinary actions. Access consists of FINRA staff and staff members of the participating state securities regulatory agencies to the “state” portions. Members of the public have limited access to the registration status, employment history, and disciplinary history of licensees through “Broker Check” and “IAPD.” The CRD system has been in use for more than 20 years and the IARD system has been in use for about eight years. The systems are continuously upgraded.

### **Banking Bureau Electronic Databases:**

- **Nationwide Mortgage Lending System (NMLS)**-- Pursuant to an agreement with the Nationwide Mortgage Lending System and Registry (NMLS&R), the Banking Bureau uses the NMLS System to process and store mortgage license information. On September 1, 2014, DISB transitioned to NMLS to process and store all other non-depository licensing and activity information. The system was launched in 2007 and continues to undergo upgrades. Banking Bureau staff and the mortgage industry have access to the system as it is also used to file license applications and engage in other license-related activity. The public has limited access for license verification purposes. The system is maintained by the NMLS&R, a subsidiary of CSBS.
- **IronData STAR System**-- Prior to transitioning to NMLS in FY 2014, the Banking Bureau used the STAR Consumer Services (STAR CS) systems for all non-depository licensing activity. Currently, this system is used only to retrieve prior years licensing activity. Staff in the Banking Bureau have access to the STAR CS module. The public does not have access to the STAR System.
- **CaseAware**-- CaseAware is case management software designed for mortgage attorneys and has been used by the Department since 2012. The Banking Bureau uses this software for scheduling and tracking foreclosure mediation sessions, as well as generating reports about DISB’s Foreclosure Mediation program. The most recent upgrade was completed in 2019. CaseAware is not open to public access.

### **Risk Finance Bureau Electronic Databases:**

- **Internet-State Interface Technology Enhancement (I-SITE)** -- I-SITE stores financial and other information for all risk retention groups licensed in the District. Unlike the other databases described above, I-SITE has one national database used by all participating jurisdictions. I-site was redesigned to the new *I-site+* that provides improved search capabilities, easier navigation, enhanced tools, and additional user preferences. RFB staff have access to I-SITE on an as-needed basis. The public can access risk retention group financial information and complaint information that is stored in I-SITE through the NAIC’s Consumer Information Source, which is accessible from DISB’s website. I-SITE was created in 1995 and is periodically updated, most recently in 2000.

- **Teammate Software (Teammate)**--The Insurance Bureau's and Risk Finance Bureau's Financial Analysis and Examination Divisions use Teammate Software to perform and maintain its financial analyses and examination files of insurance and captive companies. Teammate software was updated to the latest version (v11) for all analysts and examiners. Teammate was created in 1997 and is periodically updated, most recently in 2022. The public cannot access Teammate.
- **Risk Finance Bureau Licensing Database**-- The Risk Finance Bureau maintains its licensing database in Excel files. Every member of the Risk Finance Bureau has access to the licensing files. This database was created in 2003 and no significant upgrades have been made to this database. The public cannot access this database.

#### **Enforcement and Consumer Protection Division Electronic Databases:**

- **WingSwept Case Management System**-- ECPD has used a Case Management System (CMS) for five years that went live in early December 2017. The system contains sensitive case management information, including investigative plans, written evidence, and other investigative information. The system includes allegations, suspect's names, and protected criminal investigative information and is firewalled from other DISB Bureaus. Only ECPD investigation personnel have access to the system. The new system takes things one step further in allowing for an option to preclude all access to certain cases except for the case investigator(s) and supervisor(s).

#### **Office of the General Counsel (OGC) Electronic Databases:**

- **Freedom of Information Tracking System Database**--The OGC migrated to the new enterprise FOIA request management tool called "FOIAXpress" in July 2014 and the vendor has been making periodic updates to the system. The database is maintained by the FOIA Officer and contains detailed information about the requestor, the request, timeframes for tracking and the timeliness of the response, denials, and fees generated by the requests. The database contains fields for the name, address, and telephone numbers of requestors, a description of the request, where it was sent, when it was received from the program staff, whether the request was denied or granted, what exemptions were claimed, whether extensions for time to respond were requested, the fees that were generated, when the fees were paid, the processing time, and processing cost. Information in the database is used to produce the statutorily mandated annual FOIA report. The public does not have access to this database.
- **Agents for Service of Process Database**-- The Insurer's Service of Process Act of 1994 requires that an insurer licensed to engage in business in the District of Columbia appoint a suitable person in the District, who is not more than 10 miles beyond the territorial limits of the District, as agent for service of legal process. Currently, more than 1,800 registered agents are designated by licensed insurers to receive services of process. The SBS system contains the name of the company, the address of the company, and the name of the registered agent and has been in use by OGC since 2016. The public can contact DISB's OGC to obtain the necessary information to serve process on the appropriate agent of the licensee. All information is updated by the OGC. This information can be accessed by the public via a link on the DISB website. Insurers also send updated information to the OGC to update contact information as it changes.

- **Memoranda of Understanding / Agreements Database--** The OGC maintains memoranda of understanding and agreements database between DISB and other entities and has been in use since 2006. Information includes involved parties, purpose, date fully executed, expiration dates, supporting documents and comments. The public does not have access to this database.

**Office of Communications**

- **Meltwater**—Meltwater is a media monitoring and distribution service that allows the Department to develop lists/databases of media outlets, i.e., all journalists in the District and surrounding localities who write about financial matters. The Department has used this service for approximately two years. It is not available to the public through DISB.
- **Lumen5**—Lumen5 is a video creation platform that allows the Department to produce engaging video content for social posts, stories and ads. The Department has used this service for approximately one year. It is not available to the public through DISB.

**Office of Financial Empowerment and Education (OFEE)**

- **Smartsheet**--OFEE utilizes Smartsheet as a database and project management program. The information tracked includes community outreach event logistics, Bank on DC account referral requests, and speaker requests. Smartsheet is a secure cloud-based platform that is not accessible to the public. The system has been in use by DISB since 2012.

**Department-wide Electronic Databases:**

**IBM FileNet Document Management System (FileNet)**-- FileNet is used as a file repository to store all scanned paper documents associated with a document class type. DISB has approximately 10 document classes in the system used to import documents for insurance and securities filings, premium tax documents, licensing, financials, legal cases, etc. All DISB staff have logins that allow them to view scanned documents in their respective division/document class. The Department has had this system since year 2000 and upgraded the P8 to version 5.5.7 in 2022. Public does not have access to the system.

**61. Please provide a detailed description of any new technology acquired by the Department in Fiscal Year 2022 and Fiscal Year 2023, to date, including the cost of the new technology and its purpose. Please explain if there have there been any issues with implementation.**

Technology	Fiscal Year	Cost	Where Used	Use
Dell 7420 laptops	FY22	\$133,905.60	Agency wide	Refresh older Dell model 7480 used by DISB staff
Surface Pro	FY22	\$25,707.05	Staff in Office of Financial Empowerment	To provide support at agency outreach events organized by OFFE

**62. Please describe any efforts by the Department in Fiscal Year 2022 and Fiscal Year 2023, to date, to improve the transparency of Department operations. Please describe whether the COVID-19 public health emergency posed any impediment to the Department's transparency efforts and, if so, how the Department addressed those challenges.**

Transparency in operations is directly correlated to open communication with all constituents through a variety of mediums. The Department refreshed and updated its website with enhanced navigation, design, and content. Information on all public facing programs was updated, along with the ability for residents to search programs and for regulated entities to search rules and regulations. The Department continues to use its website, social media platforms, advertising and marketing materials, and events (both virtual and in person) to communicate the mission, vision and operations of the Department and improve transparency of Department operations. The general public is also invited to ask the Department questions about operations, programs and resources through its Ask The Commissioner email inbox—[disb.askthecommissioner@dc.gov](mailto:disb.askthecommissioner@dc.gov).

The COVID-19 public health emergency did not pose a significant impediment to the Department's transparency efforts.

**63. Please list the top five priorities for the Department and provide a detailed explanation for how the Department expects to achieve or work toward those priorities in Fiscal Year 2023.**

1. Provide high quality and efficient consumer protection services to District residents and businesses.
  - a. Complete DISB's unintentional bias in automobile insurance review and take the necessary regulatory action to ensure District residents are treated fairly by insurers writing private passenger automobile insurance. The Department is collecting relevant data from private passenger auto insurers. To initiate the data call, the Department will issue a market conduct examination warrant that will require the data call information to be completed by all insurance groups identified in the warrant. The Department has engaged the services of a nationally known data expert to review the data to identify unintentional bias, if any, with a focus on race and ethnicity.
  - b. Complete the DC REACH (Roundtable for Economic Access and Change) study to identify barriers and solutions to increase financial inclusion through greater access to credit and capital. The project brings together leaders from the banking industry, national civil rights organizations, business, and technology to reduce specific barriers that prevent full, equal, and fair participation in the nation's economy. DC REACH is comprised of three workstreams from local leaders from the private, public and nonprofit sector in affordable homeownership, credit counseling and repair, and small and minority business opportunity. Each workstream will produce a white paper and list of recommendations to the Department in 2023.

2. Establish the District as a premier destination for financial services firms to increase the number of financial services industry jobs available for District residents, and to generate additional revenue for the District.
  - a. DISB established an Office of Innovation in FY 2023. This office supports the adoption of technology-driven innovation in the financial services sector in the District to (1) enhance customer experience, (2) promote financial inclusion for underserved residents, (3) spur competition among market participants, and (4) protect consumers. The office will engage with stakeholders to (1) identify market needs, opportunities, and challenges, (2) leverage District and private sector resources to impact specific issues identified in strategy number, (3) propose laws, regulations and policies that create a regulatory environment that promotes the adoption of new technologies by financial institutions while ensuring consumer protection, and (4) increase employment opportunities and tax revenues.
  - b. Banking laws/regulations/policies are being reviewed and recommendations are being prepared for amendment or revision, as necessary, to modernize the District's financial services regulatory regime.
  - c. The Department will propose legislation to modernize the insurance code to facilitate the use of innovative insurance practices to remove barriers to innovation, and enhance affordability, availability, and accessibility of property and casualty insurance products in the District.
3. Provide high quality services to financially empower residents to create pathways to the middle class.
  - a. The Office of Financial Empowerment and Education (OFEE) will have new and expanded programming from federal funds allocated by the Mayor and DC Council. OFEE will enhance offerings provided by Financially Fit DC to create a multi-tiered approach to empower returning citizens. DISB has developed a customized online tool to connect returning citizens to resources and financial coaching utilizing the current Financial Empowerment Center. The center's soft launch/pilot was in FY22, and during FY23, the center's target is to engage in approximately 660 client interactions. The FEC aims to empower DC residents to achieve their financial goals. In particular, the FEC focuses on ensuring clients are 1) comfortable using traditional low-cost banking services; 2) have an error-free credit report and a reasonable and adequate credit score; 3) are regular and consistent savers; and 4) have plans to manage and reduce debt. In each of these areas, the financial counselors are trained to meet the client where they are, set goals, and coach them to achieve outcomes.
  - b. The Opportunity Accounts program was expanded through an additional \$1,036,916 in American Rescue Plan Act (ARPA) funding to add 108 participants; this will help clear the backlog of hundreds of residents currently on the waiting list for the program. These expansions required new programming, reporting and additional staffing to implement.
4. Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.

- a. DC BizCAP held 52 outreach events for small businesses, financial institutions, and business organizations, including small business assistance clinics.
  - b. DC BizCAP and the Department's SSBCI Program will be expanded by \$62 million through additional federal funding over the next five years.
5. Create and maintain a highly efficient, transparent, and responsive District government.
- a. DISB developed and launched a comprehensive new rebranding program including marketing strategies and a revitalized public engagement campaign aligned with the Department's mission and vision. In addition, DISB provides program-specific contact information on our website to expedite responsiveness.
  - b. Regulatory Sandbox initiative -- On March 14, 2022, the Committee on Business and Economic Development held a public hearing on the District of Columbia Financial Services Innovation and Regulatory Sandbox Creation Act of 2021. The bill would have allowed the Department to establish a regulatory sandbox for financial services companies operating in the District. The Office of the Attorney General opposed the legislation. The Department made significant changes to the legislation to address the OAG's concerns but it was unwilling to grant the OAG with the authority to approve sandbox applications. No further action was taken on the bill, and no further action will be taken for this initiative.

**a. How did the Department address its top priorities listed for this question last year?**

- 1. Provide high quality and efficient consumer protection services to District residents and businesses.
  - a. 11,284 residents received in-person fraud abuse prevention, financial literacy training and/or consumer protection information.
  - b. 160 examinations of non-depository financial institutions, domestic insurance companies, and investment firms were completed during the fiscal year.
  - c. 24 fraud alerts were issued.
  - d. 44 cyber fraud enforcement cases were initiated.
  - e. DISB developed a multi-agency resiliency virtual forum and podcast, in partnership with HSEMA, DC Water and DOEE, to inform residents on cross cutting issues related to flooding and natural disasters.
- 2. Establish the District as a premier destination for financial services firms to increase the number of financial services industry jobs available for District residents and generate additional revenue for the District.
  - a. To make DC a preferred destination for financial services companies, the agency reviewed its laws, regulations, policies, and procedures to ensure they are updated and business and consumer friendly.
    - o This includes a banking and insurance code modernization review; a review of technology laws to make sure there were not impediments to companies locating in the District; expansion of the Department's Financial Services Academy with a focus on high school, college, and graduate students; and establishment of the Office of Innovation in FY 2023.

- b. Regulatory Sandbox initiative-- On March 14, 2022, the Committee on Business and Economic Development held a public hearing on the District of Columbia Financial Services Innovation and Regulatory Sandbox Creation Act of 2021. The bill would have allowed the Department to establish a regulatory sandbox for financial services companies operating in the District. The Office of the Attorney General (OAG) opposed the legislation. The Department made significant changes to the legislation to address the OAG's concerns but it was unwilling to grant the OAG with the authority to approve sandbox applications. No further action was taken on the bill, and no further action will be taken for this initiative.
3. Provide high quality services to financially empower residents and create pathways to the middle class.
  - a. The Office of Financial Empowerment and Education held 177 Financially Fit DC workshops, webinars, and events; and opened 375 new bank accounts for residents through the Bank on DC Program. Additionally, 170 additional residents participated in the Opportunity Accounts 4:1 matched savings saving program to purchase a home, pay for home renovations, start a business, pursue education, plan for retirement, or reduce debt.
4. Provide valuable assistance and support to District-based small businesses and entrepreneurs that will create or retain jobs.
  - a. DC BizCAP held 52 outreach events both in-person and virtual, including small business assistance clinics, for small businesses, financial institutions, or business organizations.
5. Create and maintain a highly efficient, transparent, and responsive District government.
  - a. DISB continuously updates its website with relevant timely information for financial services companies, associations, and residents. DISB also conducted a new marketing program review for the Captives Insurance Program. The Risk Finance Bureau licensed 25 new captive insurers in FY 2022, including ones owned by the National Basketball Association, American Airlines, and Footlocker.

**64. Please describe the Department's current legislative priorities, whether/why/when consideration by the Committee is warranted, and if the Department foresees introducing additional measures for the Council's consideration during the remainder of Fiscal Year 2023 and Q1 Fiscal Year 2024.**

DISB's most pressing legislative priorities are:

- **Life and Health Guaranty Association Amendment Act of 2022:** Adoption of this bill will allow the District to better address future Long-term Care insurer (LTC) insolvencies. Most significantly the law will split the coverage of LTC insolvencies 50%/50% between companies writing life insurance and companies writing health insurance and HMOs will be incorporated in the guaranty fund law.
- **Proposed Motor Vehicle and Homeowner Insurance Prior Approval Rate Filing Emergency Amendment Act of 2022:** This bill seeks to amend An Act To provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, to change the motor vehicle and homeowner insurance rate filing standard from file and use

to prior approval with a 90-day deemer, to provide notice and opportunity for a hearing before a rate filing is determined to be excessive or unfairly discriminatory; and to require insurers to provide policyholders 60 day advance written notice of any rate increase of 10% or more. The Department is considering legislation that would strengthen the authority to force compliance with the Hospital and Medical Services Act of 1996 in the event of a determination of excess surplus.

### **Program Specific Questions**

**65. What role is the Department playing to address climate change and the incident of severe weather events, i.e., flooding? What more should the District do, through the Department and other partners, to ensure that it is prepared to aptly respond to extreme weather events?**

The Department is engaged in several initiatives to help address climate change and the potential impact of extreme weather events. These activities include engagement in the DC Flood Task Force and specifically, the Residential Resilience Action Team within the Task Force. The Task Force is charged with identifying equitable ways to reduce flood and water damage risk from coastal, interior, riverine, and sewer back up floods in the District, as well as reduce financial impacts of flooding on low- and fixed-income homeowners. DISB designed 5 proposals for consideration, which included: 1) the Water Damage Remediation Grant Program; 2) the Water Damage Remediation Insurance Program; 3) a Flood Outreach Program; 4) a Premium Discount Program; and 5) an Enhanced Water Damage Coverage requirements.

The agency is also engaged in national efforts to monitor the impact and help mitigate climate change risk on the financial sector. The Department participates in the National Association of Insurance Commissioners' (NAIC) Climate Resiliency Task Force and the Climate Risk Disclosure Survey Work Stream to issue guidance and learn more regarding how the insurance sector measures and executes against climate related risk and the potential impact on the companies' business strategy.

**66. If not redundant, please provide an update on the Department's enforcement of the notice requirement for consumer flood insurance coverage found here: <https://code.dccouncil.us/us/dc/council/code/sections/31-2502.28a>**

The Department has responsibility to enforce the notice requirements of D.C. Official Code § 31-2502.28a. The enforcement framework in place ensures that companies selling homeowner's insurance policies in the District comply with the provisions of the statute through the Department's forms filing review process, which ensures that the notice requirement is included in all homeowner's policy forms filed with the Department.

After collection and review of policy forms for compliance with the respective notice requirement, the agency will notify insurers of any concerns. The agency also responds to consumer inquiries and complaints to ensure compliance with the notice requirement.

**67. Please provide updates on the Financial Empowerment Center program and any innovative approaches to expanding outreach efforts in Fiscal Year 2022 and Fiscal Year 2023. If there is no progress to report, please explain.**

In FY 2022, DISB focused on program infrastructure, staffing, and engagement. DISB has identified a vendor for implementing the FEC as United Planning Organization (UPO) through the RFP process with the Office of Contracting and Procurement. DISB and UPO are in the process of implementing the deliverables to bring this project to market for all District residents. There will be an emphasis on Wards, 1, 5,7 and 8 in the program development.

This fiscal year, DISB will partner with District agencies and external partners to best serve the community, connect with residents in this population, and ensure success with accountability partners and support systems. These partners include the Mayor's Office of Returning Citizens, CSOSA, Department of Human Services. We will also identify and external community partners through an RFP. Lastly, our Financial Empowerment Center will provide one on-one counseling services to residents who are returning citizens.

**68. Please describe the Department's new Office of Financial Empowerment & Education and provide an update on its Opportunity Accounts program.**

DISB's Office of Financial Empowerment & Education (OFEE) was created in 2020 to empower District residents with resources and actionable information on ways to manage expenses, increase generational wealth and maximize income. OFEE partners with community stakeholders, financial institutions, government agencies and non-profit organizations to provide innovative financial education initiatives that safeguard the financial future of Washingtonians by promoting inclusiveness and resilience through financial education.

The OFEE team has expanded its number of FTEs, primarily through 5 new ARPA-funded positions to support the Financial Empowerment Center efforts and the Opportunity Accounts expansion.

The Opportunity Accounts Program at DISB is currently administered by a vendor, Capital Area Asset Builders. This program is a matched savings program that encourages savings habits for District residents. The program benefits low to moderate income, working residents of the district with a 4-to-1 savings match. Residents may save up to \$1,500 and receive matching funds up to \$6,000 in matched savings from the District and private donors and potentially save up to \$7,500.

Participants must contribute to the account for at least six months and take part in money management and asset-specific training before they can make a matched withdrawal. Participants who plan to use the matched savings to buy homes must qualify as first-time homebuyers.

Savings Goals/ Use of Funds Categories:

- To purchase a primary resident in the District;
- To launch a small business in the District;

- To pay for post-secondary educational costs;
- To pay for the purchase of a vehicle;
- To pay for job training costs;
- To pay for major repairs or improvements to a primary residence;
- To pay for costs associated with a medical emergency if those costs are not covered by insurance;
- To fund an Individual Retirement Account; and
- To pay for costs and expenses incurred during retirement.

To qualify for the program, applicants need to meet specific requirements:

- Be a District resident;
- Have a maximum annual household income of \$54,250, for households with one adult and \$62,000 for two adults living in the same household;
- Have earned income; and
- Have less than \$10,000 in net assets (excluding a primary home and one vehicle).

In FY 2022, 122 residents received the \$7,500 in matched savings. To date, 607 residents have opened accounts. Of these participants, 270 have received the total match amount of \$7,500.

Residents have used the funds for the following items: Small Business (101), Education (17), Home Purchase or upgrades (7), vehicle purchase (13) and medical expenses (1).

Additionally, the participants represent all 8 wards, with the following breakdown: Ward 8 (202 participants), Ward 7 (101 participants), Ward 6 (23 participants), Ward 5 (93 participants), Ward 4 (78 participants), Ward 3 (10 participants), Ward 2 (49 participants) and Ward 1 (51 participants).

**69. Please discuss how the Department tracks, analyzes, and intervenes to prevent foreclosures, highlighting any recent changes or updates, particularly as it related to the COVID-19 pandemic. Please provide the following information relating to foreclosures:**

- a. Resources the Department currently makes available to residents who are struggling with mortgage payments or facing foreclosure, including a description of how residents can access those resources and what community outreach efforts have been made to make residents aware of the availability of such resources;**

Through the Department's Housing Counseling Services (HCS) contract, DISB provides a foreclosure prevention hotline to answer broad questions concerning the foreclosure process. The hotline is used as an entry point to engage District residents in the foreclosure prevention process. The foreclosure mitigation process consists of presenting residents with all viable options to prevent foreclosure. Counselors provide an in-depth budget analysis to fully understand the resident's financial situation.

Once viable options have been established, HUD-Certified Housing counselors work with the borrower as well as the lender to assist in pursuing the best loss mitigation option. This is done by completing loss mitigation packages, attending mediations, attending court hearings, and participating in conference calls with lenders. The Department has an allowable line item to

provide up to 5 hours of legal assistance to residents who may be facing predatory lending matters or who are currently facing an immediate foreclosure (sale date). Additionally, the Department hosts a weekly foreclosure prevention clinic to provide an overview of loss mitigation options and to explain the foreclosure process.

To engage delinquent homeowners with the Department's services, the Department conducts outreach (through fairs, community meetings, mailings, advertisements on Metro, radio, and print). The Department also monitors the District of Columbia Recorder of Deeds online services system to locate delinquent homeowners. Typically, the Department assists delinquent borrowers until a sustainable plan of action has been established or until the homeowner decides he or she no longer wants to receive the Department's services. In some circumstances, retaining the home is not a viable option; so, the Department continues to work with these individuals to help them release their homes in the most advantageous way. These liquidation options include Short Sale, Deed-in-Lieu, Cash for Keys, and Graceful Exits.

During FY22 there were 23 English language PSAs and five Spanish language PSAs distributed regarding Foreclosure Prevention services (attached) to 1,067 media contacts. Regarding Twitter postings, we made six Twitter posting regarding Student Loans and 65 Twitter postings regarding Foreclosure Prevention for a total of 71 Twitter postings to a total of 16,188 contacts. Regarding Facebook postings, there were nine Facebook postings that were made available to a total of 747 contacts. There were also three foreclosure related email blasts to a total of 17,432 contacts. The HCS webinar calendars were distributed eight times throughout the year to a total of 536 contacts.

During the second quarter of the reporting period HCS staff developed a marketing graphic (see attached flyer) to help promote the virtual housing security forum held on January 27, 2022, that was hosted by DISB and the CFPB. DHCD, the Office of the Tenant Advocate, and HCS were participants. The graphic was produced in multiple formats and sizes. HCS also purchased advertising space in two editions of *The Washington Informer* newspaper, three email blasts by *The Washington Informer*, and space on the websites for *The Washington Informer*, *Hill Rag*, *East of the River News*, and *MidCity DC*. There was one email blast by HCS that included the housing security forum flyer to 8,705 contacts. HCS and DISB staff also participated in a television interview for the NBC4 program called "Your Sunday" that aired on January 22, 2022, to help promote the housing security forum.

(Link to interview: <https://www.nbcwashington.com/community/news-4-your-sunday/news-4-your-sunday-rental-assistance/2945482/?fbclid=IwAR272Fj69hxxLnMb8q7A8w0MM-V0nUrJI2DUnUxacvNHkyvW6nlHd55ZiNE>)

Also, during the second quarter HCS placed two full page ads promoting our foreclosure prevention services in *The Washington Informer*, with that publication sending two email blasts of the same graphic to 10,300 people each time. HCS also aired the radio spot from our fall campaign again on WHUR-FM for six days. Later in the year during the four quarter a half page Foreclosure Prevention ad was placed in the *Washington Informer* four times. In addition, paid radio advertising was aired during the entire month of September on WHUR-FM promoting our Foreclosure Prevention services.

Regarding community outreach, HCS staff participated in 25 events that were a combination of in-person and virtual events and hosted 50 webinars where information was shared regarding our

foreclosure prevention services and 2,501 people were present. The Foreclosure Mediation Administrator directly assisted 96 homeowners and attended 19 virtual events in FY 2022.

**b. The number of foreclosures reported in Fiscal Year 2022 and Fiscal Year 2023, to date;**

The Department only has authority to receive, investigate, and process the Notices of Default (initial foreclosure filings for residential mortgages) from the lenders who are pursuing foreclosure through the non-judicial track on residential mortgages, pursuant to the Saving D.C. Homes from Foreclosure Amendment Act of 2010. For a lender to foreclose on a residential mortgage, the lender is required by law to record a final mediation certificate prior to filing a Notice of Foreclosure Sale (notice that sets the auction date). The Department relies on the Recorder of Deeds to provide data on the number of Trustees Deeds (actual foreclosures) where ownership changes hands.

As a result of the legislation and Mayor’s Orders surrounding the public health emergency, a moratorium was placed on all owner-occupied residential properties. The moratorium remained in effect until June 30, 2022, and an additional 90 days if the homeowner is under review for the Homeowner Assistance Fund. For this reason, there have been very limited judicial foreclosures since March 11, 2020. Many homeowners have certainly become delinquent during Fiscal Years 2022 and 2023 year to date, but not many have been foreclosed upon.

Currently the Recorder of Deeds classifies all foreclosures with Trustee Deeds. A Trustee Deed is when an actual foreclosure sale takes place and ownership changes. There are challenges with drilling down to residential foreclosures since commercial foreclosures are included and residential foreclosures with business entities as homeowners are also represented. DISB implemented a process to drill down on residential foreclosures by performing a manual scrub to bifurcate foreclosures zoned as commercial properties and differentiate foreclosures between business entities and natural person ownership. Previously we were able to only report on all foreclosures at the macro level. DISB continues to track foreclosure filings and delinquency numbers using industry reporting and judicial foreclosure docket review. DISB is also working with the Superior Court to get more robust statistics and reporting.

The Department developed a process to differentiate commercial foreclosures from residential foreclosures specifically focusing on foreclosures of homeowners rather than including LLC’s. This new process became effective in FY 2022 and will be utilized moving forward.

***Number of Notices of Default and Mediation Certificates Issued by DISB***

	<b>Notices of Default</b>	<b>Mediation Certificates Issued</b>
<b>FY 2022</b>	6	6
<b>FY 2023, to date</b>	1	0

***Total Number of Notices of Trustees Deed (Actual Foreclosures)- Residential Only***

	<b>Total – Notice of Trustees Deeds</b>
<b>FY 2022</b>	13

**c. Whether the foreclosure rate is improving in the District, and if it is not, whether the Department has determined why and what action has been taken or is planned to correct course; and**

As a result of the declaration of the Public Health Emergency on March 11, 2020, residential properties were protected from foreclosure. As such, the rate of residential mortgage foreclosures in the District of Columbia remained low due to the legislative protections in place during FY22. The delinquency rate has stabilized since the Pandemic and numerous homeowners have been able to receive COVID-19 relief in the form of Pandemic Forbearance, and COVID-19 loan modification programs. Additionally, the Homeowner Assistance Fund became fully available city-wide in June, which has allowed homeowners to apply for HAF benefits and additional foreclosure protections while their application is being processed.

As of September 2022, the District has a delinquency rate of 2.58% compared to the national average of 2.78%. Now that the moratorium has been lifted, the Department has placed housing counselors and legal assistance providers onsite at the courthouse during the foreclosure docket which is held on Thursdays and Fridays at the DC Superior Court. These resources are pivotal to assist homeowners in their judicial foreclosure cases. The Court has applauded, recognized and appreciated the level of assistance and resources we are providing through our Foreclosure Prevention services contract with Housing Counseling Services.

The Department continues to engage homeowners facing foreclosure and holds weekly foreclosure prevention clinics. DISB worked closely with DHCD, DCHFA, and local community-based organizations to ensure homeowners in financial distress have access to all of the tools and services available in the District to prevent foreclosure.

**d. Which Wards and/or neighborhoods are impacted the most by foreclosures.**

Below is a breakdown, by ward, which shows the percentage of residents served over the past four fiscal years and the first two fiscal months of the current fiscal year through the DISB/HCS contract. These figures do not necessarily correspond to overall foreclosure rates across all wards of the District. It should be noted that we saw the largest increase in delinquency in Ward 8 and Ward 5. Ward 4 saw the largest decrease in delinquency year over year.

<u>Ward</u>	<u>Oct '22 –Dec'22</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
1	9%	7%	10%	6%	7%
2	5%	5%	2%	2%	2%
3	6%	5%	3%	3%	2%
4	15%	8%	18%	19%	18%
5	12%	23%	16%	17%	19%
6	6%	6%	11%	7%	10%
7	26%	25%	27%	22%	30%
8	21%	21%	13%	23%	12%

**70. Please provide an update on the agency’s foreclosure mediation program, including the number of residents that contract DISB for foreclosure assistance, the number of cases opened, and the outcomes of Department assistance.**

Due to the Public Health Emergency the Department received a limited amount of Notice of Defaults and issued very few mediation certificates. The Notice of Defaults received were on properties that were either vacant or met the Foreclosure Moratorium exemption criteria. As a result of the Foreclosure Moratorium, the Department did not have any mediations in FY22, and one mediation scheduled for FY23. With the potential of an uptick in foreclosures once the Public Health Emergency was lifted, the Department hired a dedicated Foreclosure Prevention and Mediation Administrator to support the Foreclosure Prevention and Mediation Program Manager. The Department established a hybrid mediation process where homeowners and lenders can either meet in person or virtually to conduct mediations moving forward.

Through a Department-supervised contract, Housing Counseling Services, a local non-profit, provides free comprehensive housing counseling, training, and advocacy to tenants, homebuyers, and homeowners facing home foreclosure. Funds are allocated for legal aid and for supporting a hotline for distressed homeowners. Since the passage of the Saving D.C. Homes from Foreclosure Amendment Act of 2010, the District of Columbia has seen a decrease in non-judicial foreclosure filings. The Judges have been very responsive to every issue the Department has raised and appears to give homeowners every opportunity to retain their home within the law. The mediation program has prevented foreclosures with lenders and homeowners agreeing to loan modifications, repayment plans, reinstatements, short sales, and other alternatives.

Due to the direct outreach by lenders and government entities (Fannie Mae, Freddie Mac, FHA, VA, etc.) many individuals were able to secure pandemic related assistance (forbearance, etc.) by speaking directly to their lender and for that reason we did not receive as many calls from borrowers that were directly affected by COVID-19 this year. Most calls received were from individuals with pre-existing mortgage delinquency status prior to the start of the pandemic.

It should be noted servicers were proactive per investor requirements and contacted homeowners about return from COVID-19 payment deferral programs, and modification programs. This allowed homeowners to resume their current mortgage payments and placed the forbearance amount to the end of the loan. This benefited homeowners by catching up on their delinquencies rather than having to reinstate or set up a repayment plan.

**Foreclosure Prevention Results**

	<b>Q1 FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
<b>District residents served</b>	481	547	449	440
<b>Positive Outcomes-Foreclosure Prevented</b>	39	122	143	233
<b>Loan Modifications</b>	1	49	30	54
<b>Mortgages Brought Current</b>	9	31	46	54
<b>Forbearance</b>	0	27	25	54

<b>Outreach Letters Sent</b>	31	469	630	1,208
<b>Hotline Calls</b>	251	925	947	587
<b>Judicial Hearings Assisted</b>	466	251	336	1,179
<b>Attorney Referrals</b>	23	1	20	99
<b>Values of Properties Saved</b>	\$4,867,690	\$53,555,713	\$68,810,053	\$98,331,175

**71. In Fiscal Year 2022 and Fiscal Year 2023, to date, has the number of judicial foreclosures decreased, increased, or remained the same?**

While the Department is unable to provide information on the actual number of judicial foreclosure filings, there has been a backlog due to the Public Health Emergency, a moratorium was placed on all owner-occupied residential properties. For the 2022 fiscal year, the judicial foreclosure process was limited to by the Mayor’s Public Health Emergency which restricted foreclosures to nonowner-occupied properties. Even though the moratorium ended for nonowner-occupied properties, the Council extended foreclosure protections through the “Foreclosure Moratorium Extension Revision and Homeowner Assistance Fund Promotion Emergency Amendment Act of 2022.” This Act provided further protections for individuals who submitted HAF (Homeowner Assistance Fund) applications by 9/30/22. The legislation protects applicants from initiated or conducted foreclosures, judgments foreclosing on the right of redemption while an application is under review, pending approval, pending payment or under appeal. Most recently the Council passed an additional Act requiring lenders to send a warning notice to homeowners and provide information regarding the HAF program on a go forward basis. This legislation was adopted in the form of the “Foreclosure Moratorium and Homeowner Assistance Fund Coordination Emergency Amendment Act of 2022” and B24-1081 “Foreclosure Moratorium and Homeowner Assistance Fund Coordination Temporary Amendment Act of 2022.”

Due to the moratorium, filings, hearings, and referrals remained very limited for the 2022 fiscal year. We assisted with a total of 251 hearings and provided one attorney referral. We expect to see an increase of foreclosure filings and judicial cases in the upcoming months.

**72. Please describe any Department programs or procedures to prevent or address deceptive mortgage practices.**

The Department’s Banking Bureau addresses deceptive mortgage practices through three processes. First, the Banking Bureau conducts regular examinations of mortgage brokers and lenders (“mortgage licensees”). As part of the examination process, the Banking Bureau reviews statements and claims made by mortgage licensees in advertising that may be misleading to District residents. Mortgage licensees found to be in violation of the law are subject to fines and penalties from the Commissioner. Second, the Banking Bureau tracks complaints from consumers, which allows the Banking Bureau to conduct more targeted examinations and take enforcement action when necessary. If a complaint trend is detected, an examination can be conducted outside of the regular examination cycle. Finally, the Banking Bureau continues to engage in financial literacy education at community events hosted by DISB and other agencies.

In addition, steps have been taken at the national level to give the District a greater ability to address deceptive mortgage practices. Under the federal Safe and Fair Enforcement for Mortgage

Licensing Act (SAFE Act), mortgage loan originators are required to be licensed or registered through the Nationwide Multistate Licensing System (NMLS). The NMLS allows state regulators to share complaint information that often leads to multistate examinations and enforcement actions that quickly address bad actors in multiple states.

Additionally, the Banking Bureau continues to prepare and issue consumer guides regarding mortgage scams and deceptive practices within the mortgage industry and to provide information on mortgage lending products.

Finally, the Banking Bureau's Subcommittee of DISB's Diversity, Equity and Inclusion Initiative continues to address areas in which the Department can mitigate the effects of predatory lending on diverse communities in District. In FY2022, the Banking Bureau's DEI Subcommittee produced and hosted a virtual forum titled "Racial Bias in the Home Appraisal Process," that sought to educate District residents on the importance of the home appraisal process and how to ensure a fair market value for their home. Banking Bureau staff also attended multiple trainings and seminars offered by the CFPB addressing the changes in the mortgage industry, including servicing standards, qualified mortgage guidelines, and protections against steering.

**73. Please describe what programs, financial assistance, or other support is available to District residents struggling to make mortgage payments due to financial hardship related to the COVID-19 pandemic.**

DHCD (Department of Housing and Community Development) instituted the Treasury funded HAF (Housing Assistance Fund) program. The fund, created through the American Rescue Plan Act of 2021, provided \$50 million to DC homeowners who were negatively impacted by the COVID pandemic. HAF began as a pilot program for condo owners in select ZIP codes who purchased their units with HPAP (Home Purchase Assistance Program) assistance, but in June the fund was expanded to include all DC residents who meet the various eligibility requirements. By the end of the FY 2022, a total of 1,640 applications had been submitted. Approved applicants can receive up to \$100,000 of mortgage, association, property tax, property insurance and utility assistance.

The Department worked directly with DHCD on developing a consumer-friendly application process and performed testing on the application system. Additionally, the Foreclosure Mediation Administrator provided direct assistance to homeowners that did not have an email address or computer. The Mediation Administrator also met with homeowners and applied for the HAF program as well as monitored status updates.

**a. Please also describe any outreach efforts by the Department to inform the public about the availability of such assistance.**

To engage delinquent homeowners with the Department's services, the Department conducts outreach (through fairs, community meetings, mailings, advertisements on Metro, radio, and print). The Department also monitors the District of Columbia Recorder of Deeds online services system to locate delinquent homeowners. HCS reaches out directly to homeowners through direct mailings. In rare circumstances, HCS conducts home visits if the homeowners are not responsive.

During FY22 there were 23 English language PSAs and five Spanish language PSAs distributed regarding Foreclosure Prevention services to 1,067 media contacts. Regarding Twitter postings, we made six Twitter posting regarding Student Loans and 65 Twitter postings regarding Foreclosure Prevention for a total of 71 Twitter postings to a total of 16,188 contacts. Regarding Facebook postings, there were nine Facebook postings that were made available to a total of 747 contacts. There were also three foreclosure related email blasts to a total of 17,432 contacts. The HCS webinar calendars were distributed eight times throughout the year to a total of 536 contacts. As part of our outreach plan HCS staff participated in 25 events that were a combination of in-person and virtual events and hosted 50 webinars where information was shared regarding our foreclosure prevention services. A total of 2,501 people attended across the different events. The Foreclosure Mediation Administrator directly assisted 96 homeowners and presented foreclosure prevention options and resources at 19 virtual events in FY 2022. As part of the outreach plan, he focused on reaching Seniors and Wards 5,7, and 8 based on delinquency numbers.

**74. Please provide an update on the “Financially Fit DC” initiative and any innovative approaches to expanding outreach efforts in Fiscal Year 2023. If there is no progress to report, please explain.**

Financially Fit DC is an initiative of Mayor Bowser that launched January 2017 with the goal to make the District the most financially fit city in the nation. It is a comprehensive program designed to empower all District of Columbia residents to take control of their financial health. There are five core components:

1. Making a Budget
2. Managing Credit
3. Buying a Home
4. Planning for Retirement
5. Building Wealth

Financially Fit DC partners include the Mayor’s Office on African American Affairs (MOAAA), the Department of Housing and Community Development (DHCD), and DISB, along with its Bank on DC program.

In FY 2022, DISB updated the curriculum provided on the online financial tool, FinanciallyFitDC.com. Additionally, DISB partners with DCHR and OCFO to establish and Financially Fit DC At Work initiative to bring a financial wellness program to District Government employees, and retirees. Also, DISB created a Financially Fit DC version to support Returning Citizens.

Through FY 2022, Financially Fit DC At Work provided monthly webinars to District employees on financial topics such as budgeting, insurance, investing, and retirement.

In FY 2023 to date, Financially Fit DC and Financially Fit DC at Work will host a monthly financial webinar for both residents and employees which targets financial topics such as Budgeting, Managing Credit, estate planning, and retirement. By producing these workshops as webinars, residents and employees will be able to watch webinars live or on-demand within the Financial Fit DC platform.

Additionally, DISB expanded its partnership with the Mayor's Office on Women's Policy and Initiatives, to produce the Financially Fit DC-Women series. The series incorporated numerous financial education events to support women on their financial journey. Topics include Women in Financial Careers, Investing, Budgeting, and the Intersection of Domestic Violence and Finance.

**75. Please provide the number of District-wide town hall meetings the Department held in Fiscal Year 2022 and Fiscal Year 2023, year to date. For each meeting, please discuss the locations, dates, topics of discussion, and number of attendees. Include whether the meeting was held virtually or in person. If it was held virtually, please describe how the public was able to participate.**

The Department participated in 243 presentations, panel discussions, expos, summits, and other events throughout the District in FY 2022 that reached 13,688 District residents; in FY 2023 to date, the Department has participated in 54 events that have reached 3,023 District residents. The Department has attended events in each ward of the city. DISB encourages event attendees to ask question at both in-person and virtual events. The questions may be submitted via the chat tools in the virtual event platforms, over the phone, or by direct emails to listed contacts and speakers.

*Below are highlights of the Department's outreach efforts:*

In FY 2022, the Department continued its Coffee & Capital event series, which provides small business owners and lenders detailed information about small business financing available through the DC BizCAP Program. The events were hosted online and in person and gave small business owners an opportunity to learn about ways to gain financial support to start or expand businesses. DISB also partnered with the Department of Consumer and Regulatory Affairs, the Department of Small and Local Business Development, the Department of Homeland Security and Emergency Management Agency and DC Health Link to inform District small business owners about the DC BizCAP Program.

The Department's Office of Communications, in conjunction with the DC Elder Abuse Prevention Committee, continued to promote programs to reach seniors, disabled persons and other vulnerable populations through targeted outreach at senior wellness centers, AARP neighborhood chapters, recreation centers, senior housing and religious institutions. The promotion resulted in 16 events at senior centers across the city that reached 449 seniors with financial education and consumer protection information. Covered topics included financial fraud and prevention, life and health insurance, investor protection, renters' insurance, COVID-19 vaccine scams, aging in place and living wills.

The Department continued its role as a resource for financial education by co-hosting and offering train-the-trainer sessions on economic issues affecting individuals, families and communities. The sessions were co-produced by DISB, federal financial regulatory agencies and local nonprofits. Participants discussed cross-sector strategies and recommendations to contribute significantly to a more inclusive, equitable District economy.

Below are some additional highlights from DISB's outreach efforts:

- In partnership with the Washington, DC Economic Partnership (WDCEP), DISB attended WDCEP's Annual Meeting and ECON Showcase and supplied content for its Doing Business Guide in DC to promote the DC BizCAP Program, which provides capital resources for those looking to start or expand businesses in the District. The Department also featured speakers to discuss business financing options available through the program.
- DISB conducted several small group presentations and meetings in collaboration with the DC Elder Abuse Prevention Committee; Community Clergy for Wealth Preservation; the Federal Deposit Insurance Corporation; the North American Securities Administrators Association's Investor Education Working Group; AARP community chapters; senior wellness centers; nonprofit organizations; and District agencies including the Department of Aging and Community Living, Office on Latino Affairs, Department of Small and Local Business Development, Department of Homeland Security and Emergency Management Agency, Department of Consumer and Regulatory Affairs, Mayor's Office on Veterans Affairs, Mayor's Office on African American Affairs, and the District's Mayor Marion S. Barry Summer Youth Employee Program in conjunction with the Department of Employment Services.
- DISB also participated in several financial education campaigns including America and Military Saves Week, National Consumer Protection Week, Financial Literacy Month, National Retirement Week, National Homeownership Month, Insurance Awareness Day, National Retirement Planning Month, and the District's Earned Income Tax Credit initiative.
- DISB continued its higher education series in collaboration with regional universities (e.g., University of the District of Columbia, Howard University, University of Maryland at College Park and Morgan State University) to provide recent District high school graduates and their families with resources to help navigate college entry successfully, especially amidst the public health emergency.
- In FY 2022, DISB partnered with DC Water, FEMA, the District's Homeland Security and Emergency Management Agency, the District's Department of Energy and Environment and the District of Columbia Insurance Federation to provide the Flood and Water Damage: Prevention, Protection and Programs series.
- In FY 2022, DISB partnered with the Mayor's Office on Women and Policy initiatives to provide a Financially Fit series for District women and the Maternal Health Summit. The Financial Wellness Series consisted of several modules including Raising Money Smart Kids, Loan to Own, Budgeting, Introduction to Homeownership and Financial Wellness.
- In FY 2022, DISB continued sharing online consumer education videos and podcasts. Topics included the Student Loan Ombudsman Program and Higher Education Series, How to File a Complaint with DISB, the DC BizCAP Program, Foreclosure Prevention Scams, Cryptocurrency 101, the DC Captives Program, Insurance Intelligence: Your Business Policy, Financial Navigators Program and a collaboration with the North

American Securities Administrators Association for a segment of Real Life Regulators that covers a DISB investigation case on investment fraud.

- In FY 2022, DISB partnered with the U.S. Treasury Department Office of the Comptroller of the Currency (OCC) to launch DC REACH (or Roundtable for Economic Access and Change). As an outgrowth of the OCC's national Project REACH, the District is just the second location in the U.S. to develop a local initiative. The initiative will promote greater access to credit and capital and financial inclusion for underserved communities.

For more information on the Department's community outreach events including event dates, locations and attendees see:

*See Appendix 23– Outreach Events.*

**76. Please provide a detailed update on the “State Small Business Credit Initiative.” Explain how the Department has engaged Ward 7 and 8 businesses to participate in the Initiative during Fiscal Year 2022 and Fiscal Year 2023, to date.**

Through the DC BizCAP Program, we supply needed capital to District small businesses and entrepreneurs. Since inception, DISB has provided more than \$17.5 million to small businesses with DC BizCAP's funding to 39 qualifying businesses. The support given by DISB was used to help these small businesses access more than \$41 million in private capital and create or retain 2033 District-based jobs.

The American Rescue Plan of 2021 reauthorized and amended the Small Business Jobs Act of 2010 to provide an additional \$10 billion to fund the SSBCI as a response to the economic effects of the COVID-19 pandemic. The District of Columbia has been allocated an additional \$62 million in SSBCI funding, which will be used to improve and create new programs for District based small businesses. Within this new SSBCI allocation, DISB is working directly with the Office of the Deputy Mayor for Planning and Economic Development, CDFI's and venture capital firms to provide access to capital to small businesses operated by socially economically disadvantaged individuals (SEDI) operating in the District. The District's application was initiated in February 2022 and is still under review for final approval by the U.S. Treasury. DISB has completed and submitted its portion of the application and DMPED has to complete and submit its portion of the application to the U.S. Treasury for the entire application to be approved.

As a part of our commitment to assisting those individuals within Wards 7 and 8, DISB partnered with the Anacostia Economic Development Corporation, United Way and the Greater Washington Urban League to spread awareness about the District's access to capital programs. DISB continues to develop workshops, webinars and seminars focused on access to capital, financial literacy, and small business resources. New partnerships include the DC Women's Business Center, NCRC, and United Way NCA's Financial Empowerment Center. It should also be noted that DC BizCAP has provided more than \$904,000 in loan support to small businesses in Ward 8 since inception.

**77. Please provide a detailed update on the District's “Business Capital Program,” including detailed updates on the “Collateral Support Program” the “Innovation Finance Program.”**

- a. Please explain how these programs are administered, including which division(s) or subdivision(s) are responsible, how many employees are engaged in the administration of the program, whether the Department has sufficient professional staff to administer the programs, and whether the Department faces impediments to the successful administration of the programs;**

DISB staff ensure that each loan or investment complies with District and federal law, including guidance from the U.S. Treasury Department. The DISB team includes bank examiners with experience conducting loan review along with professionals with experience administering economic development incentive programs to encourage investment in District businesses and economic development projects.

Leadership and oversight of the SSBCI program is provided by the Associate Commissioner for Banking and the SSBCI Program Administrator. The safety and soundness review of financial institutions is handled by the Associate Commissioner for Banking and the Depository Examination Team. The review of individual loan transactions and the day-to-day operation of the programs is conducted by the SSBCI Program Manager and Program Analyst. The Associate Commissioner for Banking along with the Department's Office of General Counsel also provide consultation on reporting and compliance.

As a part of the new allocation of SSBCI funding the District has initiated the RFP process to contract out more than half of the federal funding received. The potential contractor will have the ability to leverage SSBCI capital with a ratio greater than 10:1 and have access to a private funding that deploys more than \$50 million in small business lending, annually. The funding DISB proposes to contract out will include loan participations deployed through the DC BizCAP.

Lastly, DC BizCAP has plans to add two additional staff members in FY 2023-2024 that will include a program support specialist and community outreach specialist. A new economic development software will be added, and standard operating procedures will be drafted and adopted.

- b. Please provide the number of small businesses and entrepreneurs who have engaged with the programs and include the Wards where these businesses are located; and**

Since the inception of the SSBCI DC BizCAP the District has provided capital to support 47 loans and investments that were issued to 39 District based small businesses. Over the course of the year DC BizCAP engaged with more than 1,200 individuals that represent businesses in all 8 wards.

Ward	# of Transactions
1	2
2	13
3	7
4	6
5	10
6	7
7	0
8	2

<b>Total</b>	<b>47</b>
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- c. Please describe what outreach has been done to make District-based businesses, especially Certified Business Enterprises, aware of these programs. Please explain what innovative ideas the Department has to expand its outreach efforts in for the remainder of Fiscal Year 2023 and for Fiscal Year 2024.**

In FY 2022 and continuing in FY 2023, DISB formed additional partnerships with small business trade associations, government agencies, CDFI’s, venture capital firms and private lenders to continue to get the word out regarding the program. This includes webinars, in person seminars and consultative workshops. The Department is also forming partnerships with organizations focused on providing technical assistance and capital to minority and CBE based businesses.

As previously noted, the American Rescue Plan of 2021 reauthorized and amended the Small Business Jobs Act of 2010 to provide an additional \$10 billion to fund the SSBCI as a response to the economic effects of the COVID-19 pandemic. The District of Columbia has been allocated an additional \$62 million in SSBCI funding which will be used to improve and create new programs for District based small businesses. Within this new SSBCI allocation, DISB will be working directly with CDFIs and venture capital firms to provide access to capital to small businesses operated by socially and economically disadvantaged individuals (SEDI) operating in the District.

Moreover, in partnership with the Washington, D.C. Economic Partnership, the Anacostia Economic Development Corporation, the Department of Small and Local Business Development, the DC Department of Licensing and Consumer Protection, DC Women’s Business Center, Latino Economic Development Center (LEDC) and the Office of the Deputy Mayor for Planning and Economic Development, the Department has provided program information and support to entrepreneurs and to those District government agencies that also serve small businesses in webinars, seminars, and other events focused on empowering and educating individuals and businesses regarding DC BizCAP.

**78. In Fiscal Year 2022 and Fiscal Year 2023, to date, how has the Department collaborated with the Department of Small and Local Business Development and the Department of Consumer and Regulatory Affairs on the District’s Business Capital Program?**

In FY 2022, the Department continued the “Coffee & Capital” and DISB’s Business Capital Series for District Small Business. Attendees heard directly from small businesses capital providers and organizations about the small businesses who have successfully obtained funding. In May 2022 DISB and DSLBD co-hosted the first the DC Busine\$\$ EXPO: Resources for Financial Success. The Expo’s target audience included aspiring and seasoned business owners looking to obtain the financial resources necessary to grow and operate their companies. The event featured panel discussions, consultations with lenders and experts, computer training, technology demonstrations and rooftop networking.

The Department has collaborated with the DSLBD in cases in which borrowers may approach the Department directly for help with commercial funding but need technical assistance before approaching a lender. The technical assistance provided by DSLBD has contributed to the success of the program. DSLBD has the requisite mission and staff dedicated to providing assistance directly to small businesses to prepare them at every stage of capital formation.

In addition, Department staff conduct regular discussions with DSLBD and the Department of Licensing and Consumer Protection (DCLP) staff about the DC BizCAP funding options for entrepreneurs. DC BizCAP has regular interactions with these sister agencies in the ordinary course of attending District of Columbia economic development events and in referring small businesses to District government offices for assistance.

**79. Please detail how many businesses have benefited from participation in the Department’s small business programs in Fiscal Year 2022 and Fiscal Year 2023, to date and include the Ward where each business is located.**

In FY 2022 there were nine transactions completed for a total of \$4,405,000 for small business loans and investments. In FY 2023 to date, DISB has funded two transactions for a total of \$250,000 for small business loans and investments. The current DC BizCAP pipeline includes an additional \$2,275,000 in approved support that will be disbursed by the end of February 2023.

The transactions were allocated as follows:

- Ward 2 – Nine support transactions totaling \$3,722,572
- Ward 3 – One support transaction totaling \$200,000
- Ward 4 – Two support transactions totaling \$497,500
- Ward 5 – Four support transactions totaling \$1,847,500
- Ward 6 – One support transaction totaling \$475,000
- Ward 8 – Two support transactions totaling \$940,008

It should be noted that 82% of the DC BizCAP total support disbursed are either women or minority owned small businesses. 39 total businesses have enrolled in the program and 32 are minority or women owned. The 32 minority or woman led organizations were provided \$12,256,633 of support issued through DC BizCAP.

**80. Please provide a detailed update on the Crowdfunding program. Please describe any modifications or innovative solutions to attract more entrepreneurs and small business.**

There were no crowdfunding offerings in FY 2022 or FY 2023, to date. The District’s state crowdfunding securities offering continues to be available to the District’s small businesses. In 2018, the federal Securities and Exchange Commission issued regulations permitting multi-state crowdfunding, which rendered the District’s program less appealing to companies desiring to raise capital from the “crowd.”

**81. Please outline any other “access to capital programs” the Department provides to businesses under the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”). When providing data for each program, please include dates relative to agency action under the program or funding disbursement.**

No other access to capital programs has been established by the Department outside of the SSBCI DC BizCAP programs as outlined above.

**82. How many banks are domiciled in the District? Please identify the Ward where each bank is located. Please provide the names of the banks and whether they are the following:**

- a. A bank chartered in the District;
- b. A national bank; or
- c. A federal savings bank.

There are four banks domiciled in the District of Columbia. Of the four, two are District- chartered and two are national banks.

<b>Institution Name</b>	<b>Charter Type</b>
Industrial Bank	District
Founders Bank	District
City First Bank of D.C., National Association	National
The National Capital Bank of Washington	National

As of September 30, 2022, there are 33 banks with 204 branches in the District.

*See Appendix 24 District Bank Branches.*

**83. Please provide the number of applications for licenses for international banks to do business in the District that the Department has received in Fiscal Year 2022 and Fiscal Year 2023, to date.**

The Department did not receive any applications for licenses for international banks to do business in the District in FY22 or FY23 to date.

**84. Please explain how the Department has actively tried to attract additional bank branch locations in the District, specifically in Wards 5, 7, and 8.**

The Department supports but does not have the capacity to incentivize banks to expand branch networks into targeted areas in the District. In addition, as a supervisory authority, it is inappropriate to leverage our authority to encourage regulated entities to make specific investments or strategic business decisions. These decisions are the responsibility of senior management and boards of directors. Our objectives are ensuring the safety and soundness of regulated entities and monitoring their compliance with applicable laws and regulations.

- a. How many banks did the Department meet with in Fiscal Year 2022 and Fiscal Year 2023, to date, expressing interest in operating bank branches in Wards 5, 7, and 8?**

The Department did not meet with any banks expressing interest in opening new branches in Wards 5, 7, or 8.

**85. Please explain how the Department has actively tried to attract additional banks to charter in the District.**

The Department supports but does not have the capacity to incentivize banks to charter a de novo depository institution in the District. We believe that we are more than competitive with our neighboring states as an attractive location to charter a bank, however, the high capital costs and the enormous regulatory burden to obtain depository insurance combine to create very high hurdles to clear to start a de novo institution.

Additionally, as a supervisory authority, it is inappropriate to leverage our authority to encourage regulated entities to make specific investments or strategic business decisions; these decisions are the responsibility of senior management and boards of directors. Our objectives are ensuring the safety and soundness of regulated entities and monitoring their compliance with applicable laws and regulations.

**86. Please provide an update regarding the Department’s accreditation status with the Conference of State Bank Supervisors (“CSBS”). If the Department is not accredited, please explain and discuss the Department’s efforts to obtain accreditation.**

The Department is working toward becoming accredited by CSBS, however a transition to new leadership in the Banking Bureau and several new staff members created a delay in the Department’s accreditation efforts.

The CSBS Accreditation Program involves an in-depth review of an agency’s policies, procedures, and operations to determine if it meets the standards set forth by the Performance Standards Committee (PSC). Accreditation through CSBS ensures an agency uses standardized processes for licensing and examination of the financial services industry and certifies that the agency follows the best practices for the regulation of financial services.

The CSBS Accreditation Program helps an agency to strengthen its bank, mortgage, and money services business (MSBs) regulations by meeting a shared set of principles. While accreditation is completely voluntary, it demonstrates that an agency meets the shared standards for state bank regulation and supervision along with the licensing and supervisions standards for the mortgage industry and the money services business (MSBs) industry.

The Department has completed its self-evaluation and is working on several areas noted as weaknesses that can be improved before submitting the formal application to the CSBS Accreditation Program.

**87. Please describe the ways in which the Department has worked to support small and local businesses in the District during the COVID-19 pandemic, including whether and how the Department engaged with small businesses and/or lending institutions to support administration of PPP loans.**

The supervisory divisions of the Department do not intervene in the operations of nonregulated entities. Support for small, local businesses would be provided through the Department’s SSBCI program. Only one of the Department’s regulated entities, Industrial Bank, participated in the Paycheck Protection Program (PPP) which was voluntary, but supported by the Department. The PPP ended in the first half of 2021.

Through the SSBCI program, we were informed by primary lenders that in some cases they provided loan extensions and modifications to businesses enrolled in the Paycheck Protection Program. None of these extensions or modifications fell outside of the Treasury’s or District’s policy guidelines and the Department did not encounter any defaults because of the pandemic.

It is noteworthy to mention that the amount of engagement with SSBCI did increase post-PPP as the SBA product overshadowed ours with its ability to forgive loans. Many participating lenders found the opportunity to re-engage the SSBCI program once their workload was reduced after the PPP funding ended.

**88. Please provide the data accumulated by the Department’s banking division for the biennial report for Fiscal Year 2021, Fiscal Year 2022, and Fiscal Year 2023, to date.**

See the chart below:

<b>DISB - Banking Bureau Licensing Statistics</b>				
<b>Category</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023, YTD</b>
Mortgage Lenders/Brokers	1,510	1,692	1,962	1,719
Mortgage Loan Originators	6,003	7,480	10,050	5,926
Check Cashers	64	37	48	36
Money Transmitters	133	144	171	180
Retail Seller and Consumer Sales Finance Companies	95	102	114	74
Money Lenders	55	59	71	75
Student Loan Servicers	45	47	48	47
Appraisal Management Companies	103	86	95	81
<b>Total</b>	<b>8,008</b>	<b>9,647</b>	<b>12,559</b>	<b>10,809</b>

**89. Please provide the data accumulated by the Department’s risk finance bureau for the two most recent biennial reports.**

See the charts below:

Below is the insurance premium volume through 2021. DISB does not have the 2022 financial information currently. The 2022 annual statements from the insurers operating in the District are not due until March 1, 2023.

<b>Volume of District Insurance Premiums (in thousands) *</b>		
<b>Category</b>	<b>CY20</b>	<b>CY21</b>
Health	\$6,624,794	\$7,152,294
Life/Annuities	\$2,208,408	\$2,215,241
Property/Casualty	\$2,069,900	\$2,269,042

Surplus Lines	\$345,817	\$446,595
Title	\$81,742	\$105,141
RRG	\$540,088	\$631,050
<b>Total</b>	<b>\$11,870,749</b>	<b>\$12,819,363</b>

*\*Data based on calendar year financial information*

Approximately 1,300 insurance companies are licensed to operate in the District. There are 13 domestic companies that are incorporated in the District and 1,326 licensed companies that are incorporated in other states (“foreign companies”). They provide \$161 million in taxes and fees to the District’s General Fund. *See the table below.*

<b>District Insurance Sector Taxes and Fees (in thousands) *</b>		
<b>Revenue Source</b>	<b>CY20</b>	<b>CY21</b>
Taxes	\$122,993	\$131,578
Fees	\$25,954	\$29,850
<b>Total</b>	<b>\$148,947</b>	<b>\$161,428</b>

*\*Data based on calendar year financial information*

Through the National Association of Insurance Commissioners/State Based System services, DISB continues to improve and increase licensing and related processes by converting the previous paper and manual process to an electronic format. For the convenience of producers, birth month renewals have been implemented and notices are transmitted electronically via e-mail. Insurance producers are now able to print their license as soon as they are approved, rather than waiting to receive it in the mail. This speeds up the process of issuing licenses and reducing the cost and workload on licensing staff to prepare and mail the more than 100,000 licenses every two years. *See the table below.*

<b>District Insurance Licenses</b>		
	<b>CY21</b>	<b>CY22</b>
<b>Individual</b>		
Resident	1,491	1,524
Nonresident	113,803	121,262
<b>Total</b>	<b>115,294</b>	<b>122,786</b>
<b>Business Entity</b>		
Resident	151	161
Nonresident	7,635	8,024
<b>Total</b>	<b>7,786</b>	<b>8,185</b>
<b>Grand Total</b>	<b>123,080</b>	<b>130,971</b>

<b>New Captive Insurance Companies Licensed</b>	
<b>FY 2022</b>	<b>FY 2023, to date</b>
26	9

**Captive Insurance Premiums (millions)**

	<b>CY 2020</b>	<b>CY 2021</b>
Gross Premiums Written	\$1,916	\$2,089
Net Premiums Written	\$1,281	\$1,305
Net Premiums Earned	\$1,268	\$1,295
Underwriting Profit	\$400	\$184

**Asset and Capital and Surplus Growth of Captives (millions)**

	<b>CY 2020</b>	<b>CY 2021</b>
Cash and Invested Assets	\$6,407	\$6,821
Total Assets	\$9,543	\$10,340
Total Capital and Surplus	\$1,960	\$2,408

**Premium Tax and Fee Revenue by Calendar Year (millions)**

	<b>CY 2020</b>	<b>CY 2021</b>
Premium Taxes	\$3,209	\$3,228
Fines and Fees	\$66	\$58

**CAPCO Fee Revenue by Calendar Year**

	<b>CY 2021</b>	<b>CY 2022</b>
Annual Fees	\$10,000	\$20,000

**90. Please provide the data accumulated by the Department’s Securities Division for the two most recent biennial reports.**

See the charts below:

	<b>FY21</b>		<b>FY22</b>		<b>FY23 Q1</b>	
	<b>Filings</b>	<b>Fees Collected</b>	<b>Filings</b>	<b>Fees Collected</b>	<b>Filings</b>	<b>Fees Collected</b>
Mutual Funds Notice Filings (Paper)	653	\$268,831	734	\$301,156	272	\$94,791
Mutual Funds Notice Filings (Electronic)	21,939	\$9,819,376	23,870	\$14,980,907	10,431	\$4,928,401

Registrations	75	\$102,402	84	\$129,750	21	\$31,500
Exemption Filings	423	\$87,055	1,765	\$451,550	366	\$87,600
<b>Totals</b>	<b>23,090</b>	<b>\$10,277,664</b>	<b>26,453</b>	<b>\$15,863,363</b>	<b>2,812</b>	<b>\$5,142,292</b>

### Examinations

Category	FY21	FY22	FY23 1Q
Carried over cases	4	3	2
Opened cases	0	9	1
Completed cases	1	10	1
Pending cases	3	2	2

### Enforcement Recommendations

Category	FY21	FY22	FY23 1Q
Carried over cases	4	3	5
Opened cases	0	4	0
Completed cases	1	2	0
Pending cases	3	5	5

### Licensing Statistics

	FY21		FY22		FY23 Q1	
	UNIT	FEES	UNIT	FEES	UNIT	FEES
Broker-Dealer Agent	173,054	7,787,230	191,828	\$8,619,545	170,272	\$7,661,730
Investment Adviser Representative	4,685	\$204,975	4,949	\$222,390	4,189	\$188,505
Broker-Dealer Firms	1,549	\$387,000	1,601	\$400,250	1,520	\$380,000
Investment Adviser Firms	172	\$42,250	150	\$37,500	125	\$31,250
Investment Adviser Firms (Notice Filings)	1,414	\$353,500	1,500	\$375,000	1,440	\$360,000
Agent of Issuers	6	\$270	4	\$180	1	\$45
Total	180,880	\$8,775,225	200,032	\$9,654,865	177,547	\$8,621,530

**91. Please provide the data accumulated by the Department's Insurance Bureau for the two most recent biennial reports.**

Below is the insurance premium volume through 2021. DISB does not have the 2022 financial information at this time. The 2022 annual statements from the insurers operating in the District are not due until March 1, 2023.

<b>Volume of District Insurance Premiums (in thousands) *</b>		
<b>Category</b>	<b>CY20</b>	<b>CY21</b>
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*\*Data based on calendar year financial information*

Through the National Association of Insurance Commissioners/State Based System services, DISB continues to improve and increase licensing and related processes by converting the previous paper and manual process to an electronic format. For the convenience of producers, birth-month renewals have been implemented and notices are transmitted electronically via e-mail. Insurance producers are now able to print their license as soon as they are approved, rather than waiting to receive it in the mail. This speeds the process of issuing licenses and reduces the cost and workload on licensing staff to prepare and mail the more than 100,000 licenses every two years. *See* the table below.

<b>District Insurance Licenses</b>		
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<b>Business Entity</b>		
Resident	151	161
Nonresident	7,635	8,024
<b>Total</b>	<b>7,786</b>	<b>8,185</b>
<b>Grand Total</b>	<b>123,080</b>	<b>130,971</b>

**92. Please provide the data accumulated by the enforcement and consumer protections bureau for the biennial report for Fiscal Year 2022 and Fiscal Year 2023, to date.**

See the chart below:

**Enforcement and Consumer Protection Division (ECPD) DATA**

Referrals (Referrals from insurance, securities, banking entities, the general public, professional organizations, and law enforcement agencies)	FY 2022 Total	FY 2023 As of 12/31/23
Auto/Property Insurance	616	119
Health Insurance	42	16
Life Insurance	16	6
Insurance Regulatory	14	10
Insurance – Other	3	0
Insurance Agent or Adjuster	10	9
Banking Regulatory and/or Fraud	112	53
Securities	16	2
Workers’ Compensation/Disability	14	3
<b>Total</b>	<b>840</b>	<b>218</b>

<b>Results of Investigations</b>	<b>FY 2022 Total</b>	<b>FY 2023 As of 12/31/2022</b>
Cases (Investigations) Opened	171	68
Cases Closed*	143	47
<b>REFERRALS FROM ECPD</b>		
DISB Cases Referred to U.S. Attorney’s Office	3	0
DISB Cases Accepted by U.S. Attorney’s Office	3	1

U.S. Attorney’s Office-DISB criminal case convictions**	3	0
DISB Office of General Counsel Administrative Actions	2	0
Total Restitution/Forfeitures	\$454,070	0
Total Incarceration/Probation Periods	20 months incarceration 9 yrs supervised release	0
Recoveries	\$235,000	0
Fines	\$300	0

\*Cases closed during a fiscal year may include cases that were opened in prior fiscal years.

\*\*Convictions may be from cases initiated in prior fiscal years.

**93. Please discuss the agency’s collaboration with the Health Benefit Exchange.**

The Commissioner serves as a non-voting, *ex-officio* member of the Health Benefit Exchange Authority (“HBX”) Executive Board. Further, DISB, through a memorandum of understanding with the HBX, performs functions related to plan management for the HBX insurance marketplace. This includes reviewing and certifying of qualified health plans (QHPs), ongoing monitoring for market compliance, and resolving complaints from both insurers and residents with regard to plan offerings on DC Health Link, the District’s online marketplace for individual and small group health plans. Further, DISB, through a separate memorandum of understanding with the HBX, assessing of insurers to fund DC Health Link. As the District of Columbia’s insurance regulator, DISB reviews and approves all health insurance policy form and rate filings, including those plans sold on DC Health Link.

The Department has received a grant through CCIIO to conduct the following work:

- Hire a consultant to review health benefit plans and formularies to identify discriminatory benefit designs in District non-grandfathered plans that can result in disparities in health outcomes;
- Assess the extent to which discriminatory benefit designs and formularies contribute to health disparities in the District;
- Identify areas where changes in benefit design and formularies can improve health equity;
- Propose new benefit design review tools and procedures that seek to eliminate discrimination against individuals based on race, color, national origin, disability, age and sex, as well as age, expected length of life, present or predicted disability, quality of life, or other health conditions; and
- Require the consultant to follow the activities of the American Academy of Actuaries’ recently formed Health Equity Work Group (HEWG) and report to the working group, including on the HEWG conclusions and recommendations.

The HBX is implementing the grant on behalf of the District and DISB. Through these efforts, DISB actively collaborates with the HBX on implementation of the Patient Protection and Affordable Care Act (42 U.S.C. §§ 18001, *et seq.* (2010)) (“ACA”).

**94. Please provide updates on the activities of the Student Loan Ombudsman, including the number of education presentations held, the number of District residents in attendance, and any efforts by the Commission to increase public awareness of educational presentations.**

**a. Please provide specific updates on the Public Service Loan Forgiveness Waiver workshops and any lessons learned.**

In FY 2022, the Student Loan Ombudsman achieved unparalleled success in student loan forgiveness that translated into real dollars for District residents and families working to build intergenerational wealth, buy a home, open a business, or save for retirement. The Student Loan Ombudsman’s direct assistance to District residents resulted in the discharge of \$1,050,934 of student loan debt, which is a 398% increase over the previous fiscal year.

In October 2021, the Biden Administration announced the Temporary Public Service Loan Forgiveness Waiver Program to acknowledge the enormous lift provided by our frontline responders, such as teachers, nurses, and health and safety workers during the COVID-19 pandemic, and address the past criticisms of the PSLF program. The Department’s Student Loan Ombudsman led the local effort, in collaboration with the Department of Education, other District government agencies (including the District’s Office of Attorney General), and outside public advocacy groups, especially the Student Borrower Protection Center, to provide 29 workshops that reached 2,335 in person. Recordings of these workshops were made available online and were subsequently viewed 1,720 times.

The Student Loan Ombudsman has made a difference in transforming the financial lives of numerous District residents by providing direct one-on-one support to District residents and District Government employees seeking assistance during the one-year Temporary Public Service Loan Forgiveness Waiver program. Residents and District Government employees contacted DISB to request one-on-one appointments where the Student Loan Ombudsman team interviewed residents to get a sense of their needs, reviewed their loan histories, explained the available options unique to each circumstance, and otherwise provided residents with the information necessary to make an informed decision and take further action necessary to advance their interest. Due to the complex requirements for the waiver program, as well as the short time frame, residents and District employees relied on the Student Loan Ombudsman to guide them through this process. During the waiver program, email inquiries for support from the Student Loan Ombudsman increased by 59.6%, from 7,738 in FY 2021 to 12,351 in FY 2022.

In addition, providing outreach and support to residents regarding the Temporary Public Service Loan Forgiveness Waiver program, the Student Loan Ombudsman continued developing and promoting college readiness and finance outreach programming as the Department held its third annual summer higher education series in July 2022. The three-part series focused on helping recent high school graduates and their families and prospective college students prepare for and navigate college. Topics included assistance with financial aid verification completion, deciphering financial aid awards, understanding your student account—including refunds, book

vouchers, balances, and payment arrangements—as well as strategies and resources to be a successful student. The program was hybrid—in person and virtual--and included opportunities for students and families to receive one-on-one assistance with financial aid paperwork in English and Spanish from qualified financial aid counselors. Participants also received student loan information from the Consumer Financial Protection Bureau (“CFPB”). The event entitled:

Bright Future Summer Series was held at 1050 First Street NE, First Floor, on Thursday, July 28, 6:00-7:00 p.m. “Discovering Financial Aid”, Thursday: August 4, 6:00-7:00 p.m. “I’m In, Now What? Enrollment Requirements Post COVID-19”, and Thursday, August 11, 6:00-7:00 p.m. “What Success Look Like: Tools for Student Success.”

The Student Loan Ombudsman is committed to outreach and support for all District residents who are working diligently to get ahead while managing their monthly student loan payments and/or identifying funding sources for their children. To meet this challenge, the Student Loan Ombudsman collaborates with District agencies and programs including, but not limited to:

- College Bound
- DC College Savings Plan
- Department of Behavioral Health
- The Office of the Attorney General
- The Student Borrower Protection Center
- The Consumer Financial Protection Bureau
- The Department of Education
- Department of Licensing and Consumer Protection
- Department of Buildings
- Department of General Services
- Department of Human Resources
- Department of Youth Rehabilitation Services
- District of Columbia Housing Authority
- District of Columbia Public Schools
- Mayor’s Office of Community Relations and Services
- Mayor’s Office on Latino Affairs
- Metropolitan Police Department
- Office of the Attorney General for the District of Columbia
- Office of the Deputy Mayor for Education
- Office of the Inspector General
- Office of the State Superintendent of Education
- University of the District of Columbia

**95. Please discuss how the Department tracks, analyzes, and intervenes to prevent student loan default or compassionate repayment options, highlighting any recent changes or updates, particularly as it related to the COVID-19 pandemic. Please provide the following information relating to student loan default:**

As a result of the Biden Administration’s extension of the pause on student loan payments originally based on the COVID-19 Public Health Emergency, no one is currently in default on any federal student loan and all collection related activities remain stopped. No one has been in default since February 2020. Under the extension signed by President Biden on November 22, 2022, federal student loan borrowers will not return to repayment until June 30, 2023, or 60 days following a decision by the United States Supreme Court on the legality of the Biden Administration’s student loan debt cancellation program.

We will not have data on private student loan default and related COVID-19 support until after January 30, 2023, when private education loan servicers are required to submit their annual report.

- a. Resources the Department currently makes available to residents who are struggling with student loan payments or facing default, including a description of how residents can access those resources and what community outreach efforts have been made to make residents aware of the availability of such resources;**

As a result of the Biden Administration’s extension of the pause on student loan payments originally based on the COVID-19 Public Health Emergency, no one is currently in default on any federal student loan and all collection related activities remain stopped. No one has been in default since February 2020. Under the extension signed by President Biden on November 22, 2022, federal student loan borrowers will not return to repayment until June 30, 2023, or 60 days following a decision by the United States Supreme Court on the legality of the Biden Administration’s student loan debt cancellation program.

- b. The number of student loan default reported in Fiscal Year 2022 and Fiscal Year 2023, to date;**

As a result of the Biden Administration’s extension of the pause on student loan payments originally based on the COVID-19 Public Health Emergency, no one is currently in default on any federal student loan and all collection related activities remain stopped. No one has been in default since February 2020. Under the extension signed by President Biden on November 22, 2022, federal student loan borrowers will not return to repayment until June 30, 2023, or 60 days following a decision by the United States Supreme Court on the legality of the Biden Administration’s student loan debt cancellation program.

We will not have data on private student loan default and related COVID-19 support until after January 30, 2023, when private education loan servicers are required to submit their annual report.

- c. Whether the student loan default rate is improving in the District, and if it is not, whether the Department has determined why and what action has been taken or is planned to correct course; and**

As a result of the Biden Administration’s extension of the pause on student loan payments originally based on the COVID-19 Public Health Emergency, no one is currently in default on any federal student loan and all collection related activities remain stopped. No one has been in default since February 2020. Under the extension signed by President Biden on November 22, 2022, federal student loan borrowers will not return to repayment until June 30, 2023, or 60 days

following a decision by the United States Supreme Court on the legality of the Biden Administration's student loan debt cancellation program.

We will not have data on private student loan default and related COVID-19 support until after January 30, 2023, when private education loan servicers are required to submit their annual report.

**d. Which Wards and/or neighborhoods are impacted the most by student loan default and why?**

Historically, Ward 8 has been the most impacted because it had the highest percentage of defaulted federal student loans among persons who attended college but did not complete their postsecondary credential. Persons who attended college but failed to complete a credential earn less than their counterparts who completed their postsecondary credential, making it harder to repay their student loan debt. As a result of the Biden Administration's extension of the pause on student loan payments originally based on the COVID-19 Public Health Emergency, no one is currently in default on any federal student loan and all collection related activities remain stopped. No one has been in default since February 2020. Under the extension signed by President Biden on November 22, 2022, federal student loan borrowers will not return to repayment until June 30, 2023, or 60 days following a decision by the United States Supreme Court on the legality of the Biden Administration's student loan debt cancellation program. However, if the Supreme Court sustains the program, Ward 8 residents who owe less student loan debt than other residents stand to have the most federal student loan debt cancelled.

**96. If not duplicative, please describe any Department programs or procedures to prevent or address deceptive student lending practices.**

The Department publishes consumer alerts and uses every opportunity to remind consumers that they should never share their personal information with unknown parties or pay for student loan debt assistance. In instances where consumers have been potentially scammed by debt relief companies or lenders, the Department refers those matters to the Office of the Attorney General for investigation. In fact, the Department confers with the Office of the Attorney General quarterly on trends and resident complaints.

**97. If not duplicative, please describe available avenues for relief for private education loan borrowers during the COVID-19 pandemic and please explain how residents can find information about any such options.**

Private education borrowers must request assistance directly from their lender or servicer. The Department publishes consumer alerts and uses every opportunity to remind consumers that if they face financial distress, they must proactively contact their servicer for assistance and that the Department is available to assist them. In instances where consumers hit a brick wall working with private servicers, the Department investigates the handling of the file and, when necessary, refers matters to the Office of the Attorney General for further action. In fact, the Department confers with the Office of the Attorney General quarterly on trends and resident complaints.

**98. What policies or programs does the Department have to prevent any type of insurance policy from lapsing? What policies and procedures does the Department have to ensure that consumers can reinstate policies after they have lapsed for non-payment?**

Lapse and reinstatement are terms generally applied to life and health insurance policies that are long term in nature. District law for life insurance policies requires life insurance policies sold in the District to contain provisions addressing lapse and reinstatement. This includes the allowance of a 30-day grace period for the payment of premiums and the right to reinstate a policy, after providing evidence of insurability, for three years after default. Health policies similarly are required to have a grace period and reinstatement provisions.

Property & casualty policies are more generally discussed in terms of policy cancellation and nonrenewal. District regulations provide requirements for cancellations and nonrenewals for property & casualty insurers and, when those standards are not followed, the Department requires the insurer to void the cancellation or nonrenewal.

Any District policyholder with an issue related to their insurance policy should file a complaint with the Department and staff will assist them in obtaining the protections provided by District laws and regulations.

**99. Please provide information on any rate increases across all insurance products of more than 10% in the last three fiscal years.**

A list of all rate filings above 10% is reported in the attachment below. The Department follows the standards set by District law which requires that rates not be excessive, inadequate, or unfairly discriminatory. As discussed in the responses to the questions below, the Department pushes insurers to phase in large rate increases. However, forcing insurers to use inadequate rates may cause them to leave the market, or lead to solvency concerns that threaten all policyholders. There are also several factors which influence the size of a rate increase and below are a few examples:

- Though we discourage the practice, some insurers wait several years between rate filings.
- The cost to repair cars has become more expensive as cars include more technological upgrades. For example, a fender-bender may require the replacement or adjustment of sensors or cameras rather than simply replacing a bumper, and this drives up insurance costs.
- The costs of repairing damage to a home have increased recently with the supply chain issues that have caused the price of materials to increase dramatically.
- Health insurance rates are impacted not just by the inflationary pressures on the cost of care, but also by the frequency of subscribers receiving care-- even if the cost of care stayed the same, if twice as many people sought medical care, this will drive up the cost of health insurance.

The Department has submitted a proposed legislative amendment that would provide additional authority in the review of property & casualty policies.

[disb.dc.gov/release/dc-announces-2023-health-insurance-rates-half-insurers-decrease-rates-after-district-review#:~:text=Rates%20will%20increase%20overall%20by,Kaiser%20Permanente%20and%20United%20Healthcare.](https://disb.dc.gov/release/dc-announces-2023-health-insurance-rates-half-insurers-decrease-rates-after-district-review#:~:text=Rates%20will%20increase%20overall%20by,Kaiser%20Permanente%20and%20United%20Healthcare.)

*See Appendix 25*

**100. What is the process for approving rate increases across all insurance products? What is the process for notifying consumers? And what is the process of easing the burden of large increases on consumers, especially for low-income residents?**

All rate filings are reviewed by our in-house actuarial staff. The standard for that review is set in District law--that rates are not excessive, inadequate, or unfairly discriminatory.

The Department does not notify consumers about rate changes to their policies. Insurers have many different products that they sell in the District and rate filings come in throughout the year. The Department does not have specific information about which rate filings impact which policyholders and, even within an individual rate filing, not all policies receive the same rate change. Consequently, while the Department has discussed ways to communicate rate changes to consumers, it has determined that the complexity of the communication would likely create more confusion than useful information. All approved rate filings are available for review on the DISB website. District law does require insurers to communicate rate changes to their policyholders in advance, to give them an opportunity to shop around if necessary.

The Department does several things to address the burden of large increases on consumers. As indicated above, the first step is a thorough actuarial review of the rate filing. Additionally,

1. For personal lines (auto, homeowners') policies, before any rate filings above 5% are approved, the actuaries present information about the filings to the Commissioner and other senior staff members. When large increases are proposed, the Department pushes the insurer to phase in the increase over time.
2. For health insurance, the filing of individual and small group rates, under the ACA, are all filed at the same time. To review those rates, the Department contracts with an outside actuarial firm to assist DISB in-house actuaries with the review. The HBX also engages outside actuaries to review the rate filings and provide suggestions to the Department's actuaries. In addition, the Department holds a public hearing to get input on the proposed rates after its actuarial review is complete, and before the Department makes a final determination on the rates. In many cases, including last year's review, the public hearing led to additional decreases.
3. Medical malpractice filings in excess of 10% are required by law to be released for public comment for 60 days after DISB actuaries complete their review, before the rates can be approved.
4. For long term care insurance (LTC), the Department implemented a 10% cap on increases in 2003, which has protected District policyholders from the very large double-digit rate increases seen in other states. The Department also requires the LTC insurers to notify policyholders if they plan to submit 10% rate changes in future years when notifying them of a rate increase.
5. Life insurance policy premiums are generally fixed when they are issued, and rate changes are not a concern.

**101. Please provide the number of consumer complaints the Department received during Fiscal Year 2022 and Fiscal Year 2023, to date. Please distinguish the complaints by the following types:**

- a. Insurance;
- b. Securities; and
- c. Banking.

See the chart below:

Industry Sector	Complaints Received FY22	Complaints Received for FYTD23
Insurance	632	186
Securities	10	8
Banking	125	30
<b>Total</b>	<b>767</b>	<b>224</b>

**102. Please identify any trends in the complaints received in Fiscal Year 2022 and Fiscal Year 2023, to date.**

The Compliance and Analysis Division (CAD) observed a year-over-year increase in non-renewals and premium increases of homeowners and auto policies for FY 2022 and FY 2023, to date.

Claim handling represents the single largest category of complaints for FY 2022 and FY 2023, to date.

**Health Insurance Complaints**

Complaints regarding delays, claim denials, non-renewals, and unsatisfactory settlement of claims represent the highest number of complaint types in FY 2022 and FY 2023, to date. In FY 2022, health insurance complaints accounted for 37% of insurance complaints, and in FY 2023, to date, the trend continues with 31% of insurance complaints attributed to health insurance.

**Auto Insurance Complaints**

Auto insurance complaints continue to be the second-highest category of complaints. In FY 2022, 23% of insurance complaints were related to auto insurance claim handling, pricing, and coverage termination. In FY 2023, to date 27% of insurance complaints are auto related.

**Homeowners Insurance Complaints**

In FY 2022, 16% of insurance complaints were attributed to homeowners and 18% in FY 2023, to date.

**Banking Complaints**

Banking complaints represent 17% of the total number of complaints in FY 2022. Mortgage related complaints account for approximately 29% of all banking complaints, year over year.

**103. Please provide a list of all Consumer Alerts issued by the Department in Fiscal Year 2022 and Fiscal Year 2023, to date, that are related to the COVID-19 pandemic and please describe:**

**a. The nature of each alert; and**

DISB issued three consumer alerts related to the COVID-19 pandemic in FY 2022 and FY 2023 to date.

- [Residential Mortgage Foreclosure Moratorium Expires June 30, 2022](#): Warned District residents that the foreclosure moratorium expired on June 30, 2022.
- [Beware of Fake COVID-19 Test Kits](#): Cautioned residents against purchasing fake COVID-19 test kits.
- [Resumption of Student Loan Payments](#): Alerted residents with student loans that the Biden-Harris Administration extended the pause on federal student loan payments from January 31 to May 1.

**b. How the Department intervened or otherwise responded.**

DISB promoted these consumer alerts on its website, in social media, and via GovDelivery to distribution lists that include District residents and key stakeholders.

**104. How is the Department using federal ARPA funds in Fiscal Year 2023 to support the District's recovery?**

The following two DISB programs are ARPA funded:

***Financial Coaching for Returning Citizens***

Financial Coaching for Returning Citizens funding for FY 2023 totals \$662,108 in federal recovery funds from the District of Columbia's share of the American Rescue Plan Act (ARPA). With this allocation of funds, DISB expanded existing Financial Empowerment Center programming to provide financial coaching and supportive resources to Returning Citizens. These expansions include the development of a specific Financially Fit DC curriculum for online learning dedicated to returning citizens populations. In FY23, DISB will expand the program to provide additional financial education training and funding; the program will include one-on-one financial coaching to assist returning citizens and other vulnerable populations, and allow access to the Financial Empowerment Center (i.e., financial education, coaching, and other programs).

Additionally, funds will be used to support two DISB FTEs; two financial coaches at the Financial Empowerment Center; provide financial education for returning citizens; and work with non-profit organizations to engage with returning citizens.

***Opportunity Accounts Program Expansion***

DISB is seeking approval to spend \$1,042,823 in federal recovery funds that are available from the District of Columbia's share of the American Rescue Plan Act (ARPA). This funding will pay for Opportunity Accounts Program (OAP) expansion, as described below.

DISB will utilize the Federal Revenue Replacement for Government Services Funds to respond to pandemic's the public health and economic impact on households by providing infrastructure support to increase the Opportunity Accounts Program. This will expand the existing funding for

up to 107 additional income-eligible District residents. Additionally, the ARPA funds will support three new FTEs to support the OAP.

**105. Please describe the goals and the activities of the Financial Coaching for Returning Citizens project, which was enhanced by ARPA funds in Fiscal Year 2023.**

In FY 2022, our office conducted a series of returning citizen focus groups, to understand how to support and meet the needs of this population, and we will continue these throughout the program. DISB launched and trained its counselors at the Financial Empowerment Center, developed customized tools for the returning citizens' community, and researched and engaged internal government and external partners that work with the community regularly.

The Financial Empowerment Center (FEC) was launched in furtherance of Mayor Bowser's commitment to create pathways to the middle class and ensure all District residents have a fair shot at economic prosperity. Through trained financial counselors, the FEC provides complimentary financial counseling for low-to-moderate income District residents, with specialized services provided for returning citizens. The FEC is also a way for DC residents to engage with other DC/OFEE asset-building programs including *Bank On DC*, *Financially Fit DC*, and the *Opportunity Accounts Program*.

FEC trained counselors will provide specialized financial counseling services that assist in the reentry efforts of those who were recently released from incarceration (returning citizens) primarily within the last two years. Residents will receive and financial health and wellness assessment, one on one counseling and tools customized for the population that include both an online on demand portal as well as printed materials. The target population are justice involved men, women, young adults, and families.

In order to target and provide consistent supports to the residents, access to resources, and accountability partners, DISB and the FEC will identify reentry program partners via an RFP. These subject matter reentry program partners will 1) identify candidates for the program; 2) train FEC staff on reentry matters; and 3) integrate FEC financial counseling into the reentry process.

The Department is also actively engaged with District agencies and external partners to gain best practices to ensure program success. They include the Mayor's Office of Returning Citizens, CSOSA, the DC Public Defenders Office, and Office of Youth and Rehabilitative Services to name a few. Lastly, the Department plans to also engage District residents through the DC Jail, in partnership with the DC Ready Center, with financial counseling to better prepare them for their return home.

**106. Please provide updates on the status of the matched savings program pilot for Park Morton residents.**

***Park Morton Matched Savings Pilot Program***

Ward 1 Councilwoman Nadeau allocated \$300,000 towards a matched savings program for 40 Park Morton residents. DISB's Office of Financial Empowerment and Education (OFEE) has been tasked with piloting and administering the matched savings program, in partnership with Deputy

Mayor's Office of Planning and Economic Development (DMPED) and DC Housing Authority (DCHA), with a tentative kick-off date of March 2023.

The Park Morton Pilot will be an addition to the matched saving program to make materials and information available to all Park Morton residents. DISB in partnership with DCHA and DMPED will provide a holistic approach to bring financial literacy and education to this community through resident engagement, financial coaching, Bank on DC and the matched savings program, to allow for multiple touchpoints.

DCHA has issued a survey to residents to gather details on the financial needs and goals for residents. Gathering this information will inform the resident engagement process. During the resident engagement phase, the information on the following topics will be shared with residents, through a financial literacy series, personal money management, saving for the future/ basics of banking, credit, and investing. Additionally, Park Morton residents will be offered the option to participate in financial coaching through the DISB Financial Empowerment Center. The matched savings program will be a 4:1 match, where participants may save up to \$1,500 that will be matched with up to \$6,000, for a total of \$7,500 in savings.

The matches saving program promotes the following key savings areas: purchasing a primary residence in the District; making major repairs or improvements to a primary residence; managing educational costs for the Account Holder or a spouse, domestic partner, father, mother, child, or dependent of the Account Holder at an accredited institution of higher education; job training costs for the Account Holder or a spouse, domestic partner, father, mother, child, or dependent; funding start-up costs of a business for the account holder or a spouse, domestic partner, father, mother, child, or dependent of the account holder; managing costs and expenses incurred during retirement, or purchasing a federally qualified individual retirement account.

Additionally, the Bank on DC program will provide support to the residents of Park Morton by providing access to safe and affordable checking and savings accounts through its banking partners.