

January 17, 2024

The Honorable Kenyan R. McDuffie, At-Large
Chairperson, Committee on Business and Economic Development
Council of the District of Columbia
1350 Pennsylvania Ave. NW, Ste. 506
Washington, DC 20004

Re: Department of Insurance, Securities and Banking Performance Oversight Hearing

Dear Chairperson McDuffie:

Thank you for your December 11, 2023 letter regarding the upcoming Committee on the Business and Economic Development (Committee) performance oversight for the Department of Insurance, Securities and Banking (Department) for FY 2023 and FY2024.

In your letter, you requested that the Department provide responses to questions in preparation for the hearing. The attached document contains the Department's responses to the Committee's questions.

I look forward to appearing before the Committee on Wednesday, February 7, 2024 to discuss the Department's work.

Please feel free to contact me with any questions or require additional information at karima.woods@dc.gov or by phone at (202) 727-8000. Thank you for your support.

Sincerely,



Karima M. Woods
Commissioner

Enclosure

**Council of the District of Columbia
Committee on Business and Economic Development**

**Department of Insurance, Securities and Banking
FY23 and FY24 Performance Oversight Hearing Responses**

Section	Page
Racial Equity	2
General Questions	5
Personnel	49
Agency Operations	64
Program Specific Questions	82

Racial Equity

- 1. Describe any programs or policies where the Department has had success in building racial equity during Fiscal Year 2023 and Fiscal Year 2024 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 or 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 (which disproportionately affect and hinder economic prospects for people of color) and preservation of home ownership, which is a serious concern for communities of color, particularly in the aftermath of the COVID-19 pandemic. The Foreclosure Prevention and Mediation Program prevented 213 foreclosures in FY23. Out of the homeowners assisted, 82% were Black, 2% were Asian, 3% were Hispanic, and 13% were White. In Fiscal Year 2024 through early January, the Department has prevented 19 foreclosures. Out of the homeowners assisted, 80% were Black and 20% were White. Additionally, DISB targets outreach in areas with the highest concentrations of delinquency. In Fiscal Year 2023, Ward 7 had the largest increase in mortgage delinquency, and DISB performed concentrated marketing and outreach in this Ward.

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 existing home renovations, small business startup, retirement contributions and debt reduction. While this program is available to all income-eligible residents, participants of this program predominately reside in underserved communities within the District, which include Wards 8, 7, 5 and 1. This program helps build financial stability and resiliency for residents.

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

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 Fiscal Year 2022, there were nine transactions completed for a total of \$4,405,000 in 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 FY23 and FY24 to date, DISB funded six transactions for a total of \$2.9 million in small business loans and investments; five of those businesses are woman- or minority-owned. The current DC BizCAP pipeline includes an additional \$200,000 in approved support for three small businesses, two of which are minority- or women-owned; these funds will be disbursed by the end of January 2024. DC BizCAP has \$1.2 million in applications for funding that will be submitted for approval. The Department expects final approvals to take place by the end of February.

Financial Empowerment and Education

The DC Opportunity Accounts Program, Bank on DC, and Financially Fit DC are three DISB programs that work to empower District residents in their finances and promote greater racial equity.

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 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 outcomes properly address this complex issue. DISB issued a data call to all insurers writing private passenger auto insurance in the District, and ORCAA analyzed the results for DISB. The report is expected to be issued in late January. DISB will provide the report when it is available.

- 3. Last fiscal year, the Department shared that it was in the process of conducting a first-in-the-nation evaluation of automobile insurance for potential unintended racial bias in rate setting. Please provide an update on that work. What are the early lessons learned? Has the Department continued to work with Cathy O'Neil and her firm? Was the data call issued to insurers who write private passenger auto insurance? If so, what were the results?**

The Department has a draft report based on the analysis of the data call that is currently under review. by the insurers subject to the study. DISB conducted this work as a market conduct examination. The standard for market conduct examinations is to provide the report to the examined insurers to identify factually incorrect or potentially confidential information in the

report before making the report public. The insurers had until January 12, 2024, to respond, and DISB will make the report available for insurers and interested party comments before finalizing ahead of a public release. The report is expected to be issued in late January.

The Department has conducted this review in an open and transparent manner. Because this type of analysis has not been done previously, DISB shared both the process and results for review and comment by interested parties (insurers, consumer advocates, actuaries, other regulators, etc.) along the way. The Department wants to wait for the interested party review of the draft report before making final conclusions and identifying potential regulatory actions, but some early lessons learned include:

- The systems insurers use to produce quotes reasonably reflect the policies offered to insureds. The Department reviewed quote systems to make sure they were not used to dissuade certain groups from purchasing policies.
- Premiums need to be reviewed in relation to losses to get the best picture of how different classes of policyholders are faring.
- Premiums reviewed are calculated following actuarial standards.

Cathy O’Neil and her firm O’Neil Risk Consulting and Algorithmic Auditing (“ORCAA”) provided technical assistance in the analysis of the data and preparation of the report. Though DISB do not currently have any engagements with ORCAA, there is the possibility of future work.

The data call received data from all insurers writing private passenger insurance in the District of Columbia, regardless of the volume written.

4. Last fiscal year, the Department shared that the collection and evaluation of demographic data is one of the areas that it is considering as part of its DEI efforts. Have there been any updates in this area during Fiscal Year 2023 and Fiscal Year 2024 to date?

The DEI Working Group is developing an agency-wide process to support the collection and evaluation of demographic data. During Fiscal Year 2023, the Working Group held a series of meetings to discuss the needs of each bureau within DISB. Following the meetings, the Working Group is now identifying the demographic data the Department has access to through its regulatory functions such as licensing and examinations, reports from the Compliance and Analysis Division, and outreach initiatives. The data identified will be used to inform strategic initiatives, especially addressing racial inequities in the financial services industry.

5. Please provide an update on the work of DISB’s DEI Working Group, including the existing work on eliminating factors unrelated to a person’s driving record in pricing personal auto insurance and insurance fraud detection models. Please provide any other update where the Department is working to advance racial equity.

During Fiscal Year 2023, the DEI Working Group, comprised of three subcommittees for each bureau—Insurance, Securities, and Banking—primarily focused on consumer education and outreach. Please see below for more information on the work of each subcommittee.

Insurance DEI Subcommittee

The Insurance DEI subcommittee supported the development and review of the Market Conduct Study for unintentional bias in auto insurance. ORCAA provided DISB with their completed

analysis from the data call. The analysis has been used to draft the Market Conduct Study and the draft will be shared with industry partners for their feedback, and then the public. The subcommittee also published a DEI webpage on DISB’s website to provide information on careers and educational requirements, industry resources and networking forums, and insurance entrepreneurship.

Securities DEI Subcommittee

The Securities DEI subcommittee has created a series of consumer investor alerts that were published and posted on the DISB website. The alerts provide information and guidance to protect consumers in vulnerable populations, such as seniors, from financial scams. The alerts covered the following topics:

- Protecting Seniors from Financial Abuse
- Crypto Investor Alert
- Protect Yourself from Financial Exploitation
- Gamification

Banking DEI subcommittee

The Banking DEI subcommittee hosted a series of outreach events including the following:

- A Racial Bias in the Home Appraisal Process webinar explaining what to look for and how to address racial bias. The webinar is available on DISB’s website.
- A reverse mortgage seminar to educate the District’s senior residents and their families about reverse mortgages. The informative session explained reverse mortgages for prospective and current borrowers.
- A fireside chat at Woodson High School presenting the curated “Exploring Careers in Financial Services” video followed by a Q&A with students.

General Questions

- 6. 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 for the current DISB organizational chart and Appendix 2 for Schedule A as of December 27, 2023.

- 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 industries in the District of Columbia under its statutory authority;

- Reviews and evaluates Departmental performance;
- Leads the Department's planning and implementation processes, 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.

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 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 the 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 Associate Commissioner for Insurance

- 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;
- 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.

Financial Surveillance Division

- Performs analyses 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;
- Evaluates 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 recommend regulatory action; and
- Evaluates the financial condition of foreign and alien companies seeking to operate in the District of Columbia

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 DC 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 DC Code;
- 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 DC 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 DC Health Benefit Exchange Executive Board pursuant to enactment of the Affordable Care Act (“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 DC Health Benefit Exchange insurance marketplace.

Risk Finance Bureau

- 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.

The Securities Bureau has one office and three divisions:

Office of the Associate Commissioner for Securities

- 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 one office and two Divisions:

Office of the Associate Commissioner for Banking

- 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
- Supervises market services programs which include Foreclosure Mediation, the District's State Small Business Credit Initiative (SSBCI), and the Office of the Student Loan Ombudsman.

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 District-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 laws and regulations to determine applicability to District-chartered and licensed institutions.

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.

MARKET COMPLIANCE

This Bureau 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. It 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;
- 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;
- Provides mandated anti-fraud regulatory and compliance guidance, training and data analysis to licensed financial service entities; and

- Through work initiated by the division and internal and external referrals, the division conducts regulatory investigations involving compliance issues of DISB licenses or licensees, including but not limited to ATMs, Bitcoin Teller Machines (“Bitcoin ATMs” or “BTMs”), money transmitters, check cashers, residential mortgage lenders, adjusters, insurance and securities producers and brokers.

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 analyses 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 AND ADMINISTRATION

- Has the technical and administrative authority over the Department's management, including agency performance, organizational and financial planning, policy analysis, riskmanagement 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;
- Supervises the agency’s DEI efforts including initiatives with the DISB Financial Services Academy; and
- Coordinates other special District projects as assigned.

The Office of Policy 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;
- 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;
- Coordinates 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; and
- 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; 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 participates in the Financial Literacy Council. Additionally, the OFEE oversees the following programs:

- Bank On DC;
- Financially Fit DC;
- EITC DC;
- Financial Empowerment Center; and
- Opportunity Accounts Program.

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/her designee during administrative proceedings; and

- Participates in administrative hearings and recommends decisions and orders to the Commissioner.

Office of Innovation

- DISB established an Office of Innovation in Fiscal Year 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 engages 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.

See Appendix 1 for Organizational Chart and 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.

The Deputy Commissioner for Market Operations position was vacant for more than a year. Once filled, the Department redistributed the subordinate bureaus/divisions to better align with the functions of the Office of Market Operations.

- 7. 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 for current Schedule A.

- 8. 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.

9. 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 2023 and Fiscal Year 2024, to date;**

The Department has 139 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 as of December 1, 2023.

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
Bakker, Sara	Cell Phone
Ball, Chastity	Cell Phone
Barakat, Omar	Cell Phone
Barlow, Philip	Cell Phone
Belay, Dereje	Cell Phone
Benson, Rashaunda	Cell Phone
Bhatti, Mobin	Cell Phone
Blackstone, Lilah	Cell Phone
Bouchard, Stephen	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
Ching, Tina	Cell Phone
Christhilf, 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
Flanagan, Sydney	Cell Phone
Flick, Stephen	Cell Phone
Fludd, NuDasha	Cell Phone
Fuller, Maurice	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
Herrera, Claudia	Cell Phone
Hicks, Jazman	Cell Phone
Hicks, Willie	Cell Phone
Huber, Timothy	Cell Phone
Irwin, Trey	Cell Phone
Jean, Fania	Cell Phone
Johnson, Colin	Cell Phone
Johnson-Parker, Sheila	Cell Phone
Jordan, Brianna	Cell Phone
Jordan-Robinson, LuCynthia	Cell Phone
Joseph, Lester	Cell Phone
Key, Roderica	Cell Phone
King, Angela	Cell Phone
Lele, Pratima	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

McCargo, Andrea	Cell Phone
McLeod, Shavon	Cell Phone
McLendon, Kokeeta	Cell Phone
McManus, James	Cell Phone
Mengesha, Gebrie	Cell Phone
Merlo, Samuel	Cell Phone
Moore, David	Cell Phone
Murat, Maureen	Cell Phone
Murphy, Marcus	Cell Phone
Negash, Yohaness	Cell Phone
Nikoi, Gail	Cell Phone
Nkojo, Robert	Cell Phone
Nurov, Maxim	Cell Phone
O'Brien, David	Cell Phone
O'Donnell, P. Sean	Cell Phone
Ozer, Ayca	Cell Phone
Patterson, Deserie	Cell Phone
Pedroso, Tamisha	Cell Phone
Pendleton, Mark	Cell Phone
Pettigrew, Alice	Cell Phone
Purdie, Katrice	Cell Phone
Reed, Anissa	Cell Phone
Rendel, Rebecca	Cell Phone
Rhodes, Jeysa	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, 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
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
West, Nicole	Cell Phone
Williams, Shahidah	Cell Phone
Woods, Karima	Cell Phone
Xuetao, Wang	Cell Phone
Yusuff, Zainab	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*

Note: Below are staff members no longer with the agency in FY24 but were employed at DISB in FY23. The total count would be 139+11=150.

Arriola, David
Beard, Andre
Bramble, Jocelyn
Calhoun, Ayinde
Jefferson, Ricardo
Kerr, Monique
Levi, Adam
Onifade, Oluwatosin
Pereira, Aristides
Smith, Kevin
Turcios, Cynthia

- 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 2023 and Fiscal Year 2024, to date;**

DISB currently leases a 2020 Dodge Caravan and participates in the DC Fleet Share Program when appropriate. DISB picked up its leased vehicle from DPW on December 11, 2019. DISB staff have not been involved in any accidents involving District-owned vehicles. The vehicle is managed by

the DISB Office of Policy and Administration (“OPA”). The Department has multiple users who are registered to use the vehicle by reserving the vehicle through OPA.

- c. A list of travel expenses, arranged by employee, for Fiscal Year 2023 and Fiscal Year 2024, to date, including the justification for travel and description of activities engaged in during the travel;**

See Appendix 3 and Appendix 4.

- d. A list of employee bonuses or special award pay, raises, and step increases granted in Fiscal Year 2023 and Fiscal Year 2024, to date; and**

See Appendix 5.

- e. A list of the total overtime and workers’ compensation payments paid in Fiscal Year 2023 and Fiscal Year 2024, to date, including the number of employees who received overtime and workers’ compensation payments, in what amounts, and for what reasons.**

See Appendix 6.

10. 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, Intune and Absolute software for inventory, to wipe data, or to 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 and mitigation 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 expenditure.

- c. For Fiscal Year 2023 and Fiscal Year 2024, to date, what was the total cost including, but not limited to, equipment and service plans for mobile communications and devices?**

For FY 2023, the total cost for equipment and service plans for mobile communications and devices was \$ 91,210.49. For FY 2024, the total cost, as of late December 2023, for equipment and service plans for mobile communications and devices is \$ 15,367.40.

- 11. For Fiscal Year 2023 and Fiscal Year 2024, 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 7 and Appendix 8.

- 12. Please provide a chart showing the Department's approved budget, revised budget (after reprogramming, etc.) and actual spending, by division, for Fiscal Year 2023 and Fiscal Year 2024, to date. Include a description and explanation for any variance between fiscal year appropriations and actual expenditures.**

See Appendix 9 and Appendix 10.

- 13. For Fiscal Year 2023 and Fiscal Year 2024, 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 11.

- 14. For Fiscal Year 2023 and Fiscal Year 2024, to date, please list all intra-District transfers to or from the Department. For each transfer, include all the following details:**

- a. The program and activity codes and names in the sending and receiving agencies' budgets;**

- b. Funding source (i.e., local, federal, SPR);
- c. Description of memoranda of understanding (“MOU”) services;
- d. Total MOU amount, including any modifications;
- e. Whether a letter of intent was executed for Fiscal Year 2023 or Fiscal Year 2024, and if so, on what date;
- f. The date of the submitted request from or to the other agency for the transfer;
- g. The dates of signatures on the relevant MOU; and
- h. The date funds were transferred to the receiving agency.

See Appendix 12.

15. Please list any additional intra-District transfers planned for Fiscal Year 2024, including the anticipated agency(ies), purposes, and dollar amounts.

See Appendix 13.

16. Please list each contract, procurement, lease, and grant (“contract”) awarded, entered into, extended, or option years exercised, by the Department during Fiscal Year 2023 and Fiscal Year 2024, 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 14 and Appendix 15.

17. Please list all MOU entered into by the Department during Fiscal Year 2023 and Fiscal Year 2024, to date, as well as any MOU currently in force. For each, indicate the date entered and the termination date.

	PARTIES	PURPOSE	EXECUTION DATE	EXPIRY DATE
1.	FINGERPRINT & CHANNELING - SERVICES AGREEMENT	DISB’s MOU with Fieldprint, Inc. to perform “Channeler” functions on behalf of DISB.	12/29/13	N/A

2.	MOU between DISB and the Department of Employment Services (DOES)	MOU between DISB and DOES to develop Summer Youth Employment Program (MBSYEP) to train and employ District youth enrolled in the MBSYEP within DISB.	09/06/23	09/30/23
3.	MOU between DISB and the Department of Health Care Finance (DHCF)	MOU between DISB and DHCF. DHCF assesses all insurers.	08/02/23	09/30/24
4.	MOU between DISB and DC Financial Crimes Task Force	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.	11/01/19	N/A
5.	MOU between DISB and District of Columbia Office of Cable Television, Film, Music and Entertainment (“OCTFME”)	OCTFME is the District agency that is charged with, among other things, the responsibilities of managing and operating the following District Government's cable television channels: DC Council Channel (DCC), District of Columbia Network (DCN), the District of Columbia Public Schools' channel, District Knowledge Network (DKN), and producing video programming for District of Columbia Government agencies. DISB engaged the services of OCTFME to produce one (1) closed captioned professional video presentation promoting DISB's Careers in Financial Services ("Project") for FY2023. The video will consist of a multi-camera studio production featuring an interview with a DISB Attorney Advisor, and all shooting was completed before December 31, 2022. The video can be found at youtube.com/watch?v=wfkr4_iYaAU .	DISB: 10/19/22 OCTFME: 11/29/22	09/30/23

6.	Multistate Investigation Sharing Agreement	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/ 11/2020	N/A
7.	MOU between DISB and the District of Columbia Motor Vehicles (DMV)	DISB wants to obtain services from DMV to help reduce the number of uninsured drivers in the District, and in turn, reduce the cost of automobile insurance.	DISB: 03/17/23 DMV: 03/08/23	09/30/23
8.	DISB-HBX MOA	MOA between DISB and the Health Benefit Exchange Authority (HBX). 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 DMV: 12/01/22	09/30/23
9.	MOA between DISB and Department of Employment Services	The goal of this MOA is to establish a framework to facilitate coordination and communication between the DOES Office of Workers' 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.	DOES 03/30/18 DISB 05/16/18	09/30/23
10.	MOA between DISB's Banking Bureau, Office of Financial Empowerment and Education ("DISB-OFEE"), and the DC Department on Disability Services/Rehabilitation Services	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 14-22). The financial literacy program will provide an opportunity for students with disabilities to engage in pre-employment transition skills such as	DISB 03/17/21 DDS/RSA 05/20/21	N/A

	Administration (“DDS/RSA”)	work readiness training, including independent living skills, by participating in at least one financial literacy workshop per academic school year hosted by DISB-OFFE and/or DDS/RSA. Students will receive the basics of banking and financial literacy instruction from DISB-OFFE or one of its partners.		
11.	Multijurisdictional Investigative Information and Documentation Agreement between DISB and multiple jurisdictions (Common Interest Agreement) (First Class Wealth Perseveration)	The purpose of the Common Interest Agreement is to promote effective and efficient use of public resources for investors’ protection and for law enforcement purposes. It also facilitates communication of Shared Information among the Parties without waiving any privilege.	DISB 06/07/21	N/A
12.	Multijurisdictional Investigative Information and Documentation Agreement Regarding a matter of common interest (Common Interest Agreement)	The purpose of the Common Interest Agreement is to promote effective and efficient use of public resources for investors’ protection and for law enforcement purposes. It also facilitates communication of Shared Information among the Parties without waiving any privilege.	06/08/21	N/A
13.	Multistate Agreement with Quicken Loans/Rocket Mortgage	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
14.	MOU DISB & GWU BUSINESS FOR FISCAL YEAR 2022 (The DISB Financial Services Academy)	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	DISB 10/06/21 GWU 10/06/21	10/05/22

		youth and undergraduate and graduate students the opportunity to gain experience in the financial services industry.		
15.	MOU DISB & Gallaudet Univ. FISCAL YEAR 2022 (The DISB Financial Services Academy)	To introduce and expose GU undergraduate and graduate students, especially unrepresented students, to the financial services sector; to use unpaid internships or scarce pre-career opportunities to eliminate barriers to allow full participation in the financial services sector; and to provide GU students an opportunity to apply the knowledge and skills learned in the classroom to support organizations in the DC community.	DISB: 01/13/22 GU: 12/15/21	N/A
16.	Masterworks.io, DC Multijurisdictional Investigative Information and Documentation Confidentiality Agreement.	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
17.	DISB and City First Enterprises (CFE)	DISB is providing debt funding of \$472,500.00 (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
18.	MOU Between The United States Department of Labor The National Association of Insurance Commissioners and State Insurance Regulatory Agencies (MEWA Information Sharing)	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”) providing coverage or services to employers.	USDOL 03/01/22 NAIC 01/05/22	09/30/27

19.	DISB - District of Columbia Department of Human Resources “(DCHR)” District Leadership Program (“DLP”) (\$216,333.81)	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. The interns will be able to readily apply these experiences to their future challenges and pursuits.	DISB: 10/31/22 DCHR: 11/21/22	10/11/22 To 08/25/23
20.	MOU DISB & Department of Housing and Community Development Homeowners Fund program (HAF)	The purpose of the MOU is to provide housing counseling funding to DISB through the HAF program. The purpose of the MOU shall be achieved by the Parties entering into an arrangement for DISB to execute payments for housing counseling for qualified participants in the Homeowners Assistance Fund program (HAF), consistent with the HAF plan submitted to US Treasury.	10/01/22 To 09/25/25	09/25/25
21.	MOU DISB - District of Columbia Department of Human Resources “(DCHR)” Compliance Services	DCHR will provide DISB 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
22.	Healthcare Fraud Prevention Partnership (HPP MOU)	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. The Partnership shall not provide group consensus advice or recommendations to the Federal	DISB 09/19/22	N/A

		Government, any Federal official, or any Federal agency.		
23.	DISB HCS Sole Source	DISB sought a contractor to provide housing counseling services in support of their implementation of the District of Columbia Mortgage Servicer Settlement Agreement Fund Pursuant to: United States of America et al. v. Bank of America Corp et al., CA No. 12-0361 and provide housing counseling services from U.S Department of Housing and Urban Development (HUD) certified counselors for District residents applying for and receiving Homeowners Assistance Funds (HAF) that were in financial distress before the COVID-19 pandemic or are repeat applicants for HAF post pandemic pursuant to a statement of work addendum and Memorandum of Understanding (MOU) with the Department of Housing and Community Development (DHCD) executed in June 2022 and terminating in 2026.	06/01/22	06/30/26
24.	DISB and Office of Deaf, Deaf Blind, and Hard of Hearing (ODDHH)- Sign Language Interpretation (SLI)	Under the MOU, ODDHH provided Sign Language Interpretation (SLI) Services to DISB, and DISB was responsible for establishing an Interagency Project in DIFS, in the amount of \$532.00, by January 15, 2023, for SLI services to be provided by ODDHH to DISB,	DISB 01/25/23	09/20/23
25.	MOU regarding The Treatment of Non-Public Information Shared Between State Securities Administrators and the Commodity Futures Trading Commission	This is an information sharing agreement between DISB and the Commodity Futures Trading Commission.	DISB 12/01/22	N/A
26.	MOU DISB and the District of Columbia Office of Inspector	The purpose of this MOU is to accommodate the intra-District transfer of certain funds from OIG to	DISB 02/07/23	09/30/23

	General (“OIG”) EDGE2 – SLV EDGE Series Dual Monitor Arm in Silver	DISB for EDGE Series Dual Computer Monitor Arms in Silver.	OIG 02/22/23	
27.	MOA among the District of Columbia Public Library (“DCPL”), and DISB	Together DCPL and DISB will collaborate to offer preprogramming to support a Black Homeownership Conference in the District of Columbia to support DISB’s mission of financial empowerment for District residents.	DCPL 02/15/23 DISB 02/15/23	09/30/23
28.	Memorandum of Agreement (“MOA”) Department of Licensing and Consumer Protection (“DLCP”) and DISB	The objective of this MOA is to allow DISB to exercise the authority vested in DLCP by Titles 26-C and 16 of the DCMR and Title 28, Chapter 46 of the D.C. Official Code, to effectively license and regulate retail sellers, sales finance companies, and consumer credit service organizations operating in the District. The Parties agree that DISB has both the experience and infrastructure necessary to carry out this responsibility.	DCPL 01/20/23 DISB 03/06/23	09/30/25
29.	DISB and Department of Small and Local Business Development (“DSLBD”) Re: Salesforce licenses for access to DSLBD’s District Enterprise System	DISB has requested that DSLBD provide Salesforce licenses for access to DSLBD’s District Enterprise System (“DES”). Such licenses are mandatory to access the DES.		07/09/27
30.	Multistate Sharing Agreement (MOU) regarding crypto depository accounts	This is an information sharing agreement between DISB and NASAA regulators regarding cryptocurrency depository accounts and their investigations.	02/08/2023	N/A
31.	MOU Between The United States Department of Labor, The National Association of Insurance Commissioners, and	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 insurance	USDOL 03/01/22 NAIC 01/05/22	09/30/27

	State Insurance Regulatory Agencies (General Enforcement)	issuers providing coverage or services to ERISA-covered plans.		
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18. 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 2023 and Fiscal Year 2024, 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 intra-District initiatives. For instance, staff participate in the Mayor’s Autonomous Vehicle Interagency Working Group. The Department also works collaboratively with the District of Columbia Office of the Health Care Ombudsman and Bill of Rights. Department staff from the Insurance Bureau are invited to participate on the Ombudsman’s

Advisory Council, and representatives from the Ombudsman’s Office are invited to participate on the Insurance Advisory Committee. Staff from the Department’s Consumer Services Bureau 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 served as a voting member of the DC Flood Task Force and chaired one of the Residential Resiliency Action Teams.

Securities Bureau

The SEC and FINRA

The Securities Bureau collaborates extensively with other securities regulators and District government agencies in the performance of its regulatory responsibilities. Through access letters, DISB collaborates with other state regulators, the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”).

The Licensing and Examinations Divisions participate in a quarterly conference call of the securities regulators in the Mid-Atlantic region hosted by FINRA. During the call, participants discuss upcoming cycle exams, firms identified as high-risk, trends, patterns and product concerns. Participants also discuss significant investigations, enforcement trends, cases, sweep exams and multi-jurisdiction initiatives. As an open dialogue, participants share new priorities or regulatory focus, recently approved FINRA new Membership Applications, and state registration actions, including upcoming meetings, conferences and training opportunities. This collaboration helps participants to avoid duplication and overlap and to be aware of developments that may affect their areas of responsibility.

The SEC and FINRA conduct extensive training programs from time to time, many of which are available to state securities regulators and other law enforcement personnel. In most years, DISB staff attends a regional conference attended by securities regulators from the northeast and mid-Atlantic 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. Securities Bureau staff also attend FINRA conferences and FINRA training programs on such issues as the regulatory principles applicable to the conduct of broker-dealers involved in securities offerings.

The Securities Bureau utilizes the SEC’s 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 Bureau regularly interacts with SEC staff regarding offerings that both agencies are reviewing 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.

NASAA and other State Securities Regulators

The North American Securities Administrators Association (“NASAA”) is the association of securities regulators throughout North America. DISB is a fully participating member. 14 DISB staff currently are members of 18 various NASAA Committees and Working Groups, including one who serves as a NASAA Board member. Staff attend the NASAA Annual Conference and the

Spring Conference, which always takes place in Washington, DC. NASAA conducts critical training sessions in the six key areas of Securities regulation – Broker-Dealer Examinations, Corporation Finance, Enforcement, Investment Adviser Examinations, Investor Education, and Licensing and Registration.

Corporation Finance Division staff members participate extensively in coordinated reviews of multi-state offerings, often serving as the lead disclosure state to coordinate the comments of all 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 primary enforcement and regulatory developments. DISB staff participate in NASAA’s responses to new developments in the securities field and coordinate activities such as the issuance of investor advisories.

The Licensing and Examinations Divisions 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. So, for example, if a firm that is licensed in a neighboring jurisdiction applies for a license in the District, DISB can find out what a sister agency has learned about the firm through its licensing and examination processes. The state regulators also share with other state regulators how they have handled similar situations that arise in the regulatory process.

Both DISB and NASAA have established committees to look at how the organization, its members, and the regulated industry are addressing the underlying issues. Commissioner Woods has instructed the Securities staff to make sure that the work of the two committees is mutually supportive and reinforcing. Both committees are engaging in research, outreach, and development of possible recommendations to their respective organizations. The Securities Bureau DEI Committee produced several consumer alerts regarding recent trends in investment risks targeted to underserved at-risk communities including seniors and communities of color. NASAA has also participated in several DISB community outreach programs and events.

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, including the 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. The Banking Bureau also 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

Complaint 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 of mortgage industry trends and forecasts. In FY 2023, the Banking Bureau partnered with the CFPB to present a reverse mortgage seminar. Additionally, 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. The Risk Finance Bureau staff also attend the National Association of Insurance Commissioners (“NAIC”) training sessions, meetings and share information relating to Risk Retention Groups.

Enforcement and Consumer Protection Division

The Enforcement and Consumer Protection Division works closely with federal law enforcement agencies including the United States Secret Service and the Federal Bureau of Investigation on joint investigations into businesses and individuals suspected of defrauding District residents and its financial sector companies.

Office of Financial Empowerment and Education

In FY23, staff in the Office of Financial Empowerment and Education (“OFEE”) 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 Federal Deposit Insurance Corporation (“FDIC”), 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 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 Department of Employment Services (“DOES”), Office of Neighborhood Safety and Engagement (“ONSE”), Bank of America, DC Credit Union, PNC Bank and Truist Bank.

OFEE 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 returning citizens as well as 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, through the Bank on DC program, also worked with the DOES Office of Youth Programs 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.

Additionally, OFEE worked with numerous partners for the Financially Fit DC initiatives. DISB has responded to the need to provide financial education support and access to bank accounts for justice involved individuals and returning citizens by establishing partnerships with the Department of Corrections READY Center, Corrections Information Council, and Clemency Board. In partnership with the Bank on DC Program, DISB has worked with Industrial Bank to support banking access specifically around access to bank accounts for returning and currently incarcerated individuals.

19. Please identify all recommendations identified by the Office of the Inspector General, D.C. Auditor, or other federal or local oversight entities during the previous 3 years. Please provide an update on what actions have been taken to address these recommendations. If the recommendation has not yet been implemented, please explain why.

The Office of the Inspector General, D.C. Auditor nor any other federal or local oversight entities have provided DISB with recommendations during the previous three years.

20. Please describe any anticipated spending pressures for Fiscal Year 2024. Please 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 FY20 through FY23. This 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.

The Department’s solution to address funding pressures is to continue 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.

21. 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 2023 and Fiscal Year 2024, 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 2022, Fiscal Year 2023, and Fiscal Year 2024, to date, including the amount budgeted, actual dollars spent, and any remaining balances;**
- b. An update on all capital projects planned for Fiscal Year 2024 through Fiscal Year 2029; and**
- c. Whether the capital projects begun, in progress, or concluded in Fiscal Year 2022, Fiscal Year 2023, or Fiscal Year 2024, to date, have an impact on the operating budget of the Department. If so, please provide an accounting of such impact.**

DISB is currently working with the Department of General Services to secure 12,000 square feet of office space at agency headquarters (1050 First Street, NE). DISB has increased its divisions and FTEs since moving into the space in December 2017. The Department has a number of new divisions and staff associated with the Office of Financial Empowerment and Education, the Student Loan Ombudsman Office, and the Office of Innovation. Additional office space is needed to accommodate increases in FTEs. DISB has not received a cost analysis from DGS for this proposed FY24 project. DISB does not have other capital projects in progress.

- 22. Please provide a list of all budget enhancement requests (including, but not limited to, capital improvement needs), for Fiscal Year 2023 and Fiscal Year 2024, to date. For each, please include a description of the need and the amount of funding requested.**

The Department had no budget enhancement requests for FY23 or FY24.

- 23. Please list, in chronological order, every reprogramming in Fiscal Year 2023 and Fiscal Year 2024, 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 2023.**

There were no reprogramming actions in FY23 or FY24 to date that had an impact on the Department.

- 24. Please list each grant or sub-grant received by the Department in Fiscal Year 2023 and Fiscal Year 2024, 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.**

Securities Bureau

A one-time grant of \$56,400 was approved by the Investor Protection Trust ("IPT") on September 30, 2023, fully executed on October 27, 2023, and funded on November 14, 2023, by IPT to DISB to fund the development and broadcasting of three (3) public service radio spots warning about investment scams and risks (investments in digital assets, investment trading applications using digital enhancements and online investment scams referred to as pig-butcher). Each spot will end with instructions about how to file a complaint with DISB. These ads are expected to be broadcast beginning in late January 2024 and will run during the first quarter of calendar year 2024. The grant is not dependent on new FTEs. The Securities Bureau has budgeted funds for ongoing investor protection outreach that could be used for future public service announcements. IPT will be dissolved in calendar year 2024 so it will not be a source of future grants.

See Appendix 16.

25. Please describe any grant the Department is, or is considering, applying for in Fiscal Year 2024.

There are currently no grants that the Department is, or is considering, applying for in Fiscal Year 2024.

26. 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.

Case Name	Docket #	Description
Coles v. DISB	OEA Docket No.: 1601-0047-20 (Termination)	A former employee was terminated for sending a series of emails to high-ranking District personnel containing unauthorized, inappropriate, and offensive rumors. Agency 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, Administrative Law Judge (“ALJ”) Dohnji issued her Initial Decision. DISB prevailed on all six (6) issues. On December 6, 2023, petitioner filed an Appeal of Petition for Review from the initial decision. On April 13, 2023, the Office of Employee Appeals (“OEA”) Board upheld the ALJ’s findings. On May 15, 2023, the petitioner filed an appeal to D.C. Superior Court. A motion hearing is scheduled for May 9, 2024.
Coles v. DISB	DISB [19-399 DC(DCFMLA) & 19-400 DC(CN)] D.C. Office of Human Rights	On April 1, 2021, DISB received notice that Karen Coles filed a Charge of Discrimination charging DISB managers with three counts of retaliation as a result of her termination. DISB, through counsel, submitted a supplemental position statement and additional information. The Office of Human Rights (“OHR”) will make a determination as to whether probable cause exists that the charged offenses were committed. If it is determined that probable cause exists, the case will proceed.

Slade v. DISB	PERB Case 23-U-06	On March 16, 2023, a union employee filed an unfair labor practice complaint against DISB. Employee alleges that DISB retaliated by taking reprisal against him as a result of his testimony before the D.C. Council and denying him an FY22 performance allowance. Employee also asserts that under the D.C. Personnel Regulations, performance allowances are mandatory. A hearing was held September 20, 2023. Briefs were submitted November 2, 2023. Parties are awaiting a decision.
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27. Please list all settlements entered into by the Department, or by the District on behalf of the Department, in Fiscal Year 2023 or Fiscal Year 2024, 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 Number	Description	Date
Washington v. DISB	OHR No.:22-349-DC(CN) EEOC No.:10C-2022-00362	On August 24, 2022, Complainant filed an Initial Written Complaint with OHR alleging that DISB discriminated against Complainant on the basis of religion by denying Complainant's religious accommodation request for an exemption from the COVID-19 vaccine mandate and thus denying him a position within DISB. On August 2, 2023, DISB entered a settlement and agreed to the following: (1) review the contents of Complainant's official personnel file; and (2) remove any materials related to Complainant's failure to comply with the COVID-19 vaccine mandate, Complainant's request for an exemption from the COVID-19 vaccine mandate, the denial of Complainant's request for an exemption, or any other related documents. OHR administratively dismissed the complaint August 16, 2023.	August 16, 2023
In the Matter of Nexo Capital, Inc.	Case No: SB-CO-01-23	Nexo Capital, Inc offered and sold crypto interest accounts in the District of Columbia that were securities and not registered or exempt in the District. The Department settled the matter and entered into a consent order with Nexo under which Nexo agreed to pay a \$424,528.30 civil penalty to the District in four installments spread out over 270 days. The District received the final payment from Nexo in November.	February 13, 2023

Lear Capital, Inc.	N/A	<p>The Department participated in a multistate settlement with precious metals dealer Lear Capital, Inc. in connection with securities violations, including charging excessive markups, failing to adequately disclose information about the markups customers were paying to purchase precious metals from the company, and engaging in unlicensed investment adviser activity by advising customers about investment decisions. Under the terms of the settlement, Lear agreed to pay restitution to affected customers to compensate for the excessive markups and revise its sales practices to prevent further violations.</p>	March 28, 2023
DISB v. Purchasing Power, LLC	BB-03-23	<p>As part of Purchasing Power’s application for a retail seller license, the company self-reported that it had engaged in unlicensed activity from 2018 through 2021 in the District.</p> <p>The Department issued a Notice of Charges and Notice of Opportunity for Hearing pursuant to D.C. Official Code § 26-551.13, notifying Purchasing Power of its alleged violations. After receiving the notice, Purchasing Power sought to settle the matter as opposed to requesting a hearing.</p> <p>As part of the settlement, Purchasing Power has agreed to pay a civil penalty in the amount of \$45,000 (forty-five thousand).</p>	July 28, 2023
In the Matter of Robinhood Financial, LLC	Case No. SB-CO-05-23	<p>The Department entered into a settlement and consent order with Robinhood Financial, LLC following a multistate investigation into Robinhood’s management of its activities with respect to the retail market, including platform outages, deficiencies in supervision of options and margin trading eligibility and approval processes, deficiencies relating to Robinhood’s operational structure for controls, customer service and relating to significant operational issues during the period of approximately October 1, 2019 to March 2021. The consent order concluded that Robinhood failed to maintain adequate supervisory systems in several areas, including customer support, approving customers for options trading, and risk disclosures. Under the settlement, Robinhood agreed to pay the District a monetary penalty of \$200,000 and to undertake a number of remedial steps to prevent the same issues from happening in the future.</p>	October 4, 2023

<p>In re: ACI Worldwide Corp and ACI Payments, Inc.</p>	<p>None</p>	<p>The purpose of the Settlement Agreement was to resolve disputes concerning the conduct related to the Money Transmission Instruction Error that resulted from a money transmission error that initially affected accounts of 478,568 customers with a dollar value of \$2,389,173,559.05. The error was as a result of legacy vendors’ circumvention of internal data security controls and a lack of segregation between internal production and testing environments when processing ACH payments for its client, a mortgage company. A multi-state investigation was conducted that covered the facts and circumstances surrounding the incident, evaluating consumer impact, analyzing the root cause of the incident, evaluating remedial steps taken by ACI, and investigating other associated matters.</p> <p>ACI agreed to pay an administrative penalty fee of \$9,509,999.84 which would be distributed equally among each Participating State (each Participating State, including DC, to receive payment of \$216,136.36).</p>	<p>October 5, 2023</p>
<p>In the Matter of: True Bullion, LLC d/b/a Gold Silver International Exchange d/b/a GSI Exchange and Anthony Allen Anderson</p>	<p>Case No: SB-CO-06-23</p>	<p>The Department settled a matter involving a precious metals dealer operating under the name GSI Exchange following a multistate investigation into its sales practices. The allegations included the following: GSI Exchange (1) did not disclose the amount of a mark-up or spread they would charge purchasers, (2) did not disclose the risks of liquidating traditional investment accounts to invest in precious metals, and (3) acted as an investment adviser without a license by recommending that investors sell their investments to buy precious metals. The settlement required GSI to reach out to all people who purchased precious metals from them prior to July 2021 and offer them the option to return the metals they purchased and receive a refund. The case has limited impact on DC – only three investors purchased precious metals from GSI during the relevant time period. Nonetheless, the Department wanted to offer this option to the District’s affected investors, who collectively purchased over \$400,000 worth of silver and gold.</p>	<p>October 26, 2023</p>
<p>In the Matter of Raymond James & Associates,</p>	<p>Case No SB-CO-10-23</p>	<p>The Department participated in a multistate settlement of claims against broker-dealers Raymond James & Associates, Inc. and Raymond James Financial Services, Inc. In this matter, Raymond James charged its customers excessive commissions on certain low-</p>	<p>November 17, 2023</p>

<p>Inc. and Raymond James Financial Services, Inc.</p>		<p>principal equity transactions. Pursuant to the consent order entered with the Department on November 17, 2023, Raymond James agreed to (1) cease and desist from further violations of D.C.’s Securities Act; (2) to reimburse affected customers for the overcharges (amounting to \$8,250,000 in restitution to be paid to customers nationwide of which \$16,292 will be paid to customers residing in the District); (3) pay total fines and administrative costs of \$4,200,000 to participating states including payment of a \$75,000 fine to the District; (4) implement remedial measures to prevent future overcharges; and (5) provide a report a year after the remedial changes reporting on the efficacy of such measures.</p>	
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28. What is the status of the settlement from the BlockFi lawsuit? The Department previously stated that BlockFi agreed to pay a civil penalty in the amount of \$943,396 in five installments. What is the status of those funds? Will these funds be used for consumer protections? How specifically are they intended to be used? And how does BlockFi’s decision to file for bankruptcy affect their ability to pay?

DISB received total payments of \$373,358 from BlockFi during FY22 towards the total \$939,396 penalty owed pursuant to the 2021 consent order between DISB and BlockFi. The payments received were paid to the DC General Fund and are not available for use by DISB. Upon its entry into bankruptcy in November 2022, no further payments were received from BlockFi. DISB, along with the Securities and Exchange Commission (“SEC”) and other state securities regulators, became general unsecured creditors of BlockFi in its bankruptcy proceeding with regards to their total assessed penalties. BlockFi’s eventual bankruptcy liquidation plan approved by the court and currently underway prioritized distributions to retail customers and investors which will only partially reimburse them for their losses. DISB and other regulators do not expect to receive any further payments from the bankrupt estate. Specifically, DISB does not expect to receive the assessed but unpaid penalty amount of \$566,038.

29. 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 2023 and Fiscal Year 2024, to date, along with the Department’s compliance or non-compliance with any recommendations.

Fiscal Year 2023

There was an administrative investigation of a complaint filed by Complainant IBG Consulting, Inc. with the Department. The complaint was filed on July 12, 2023, against the Respondent--the Department’s Director of the Office of Financial Empowerment and Education. The Complainant alleged that the respondent made comments that violated provisions of the ADA as

it relates to an employer's ability to respond to an intern's question of where she may be allowed to use her breast pump and alleged a violation of Title VII of the Civil Rights Act of 1965 regarding alleged comments as it pertains to an intern's dress code or personal appearance. The Department investigated the complaint. A final report and recommendation were issued August 15, 2023. The allegations were unsubstantiated, and training was recommended. The Department complied with the proposed recommended training.

There are currently no other 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.

30. Please provide the total number of administrative complaints or grievances filed against the Department in Fiscal Year 2023 and Fiscal Year 2024, 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.**

Total administrative complaints in FY23: 1 (outside contractor complaint)

Total grievances FY23: 2 (District Council 20, AFGE Local 2743: demanded performance bonus and challenging verbal counseling)

Internal agency grievances are processed according to the employee's specific collective bargaining agreement and the DC Personnel Manual. If an employee is not a member of a labor organization, then the grievance is processed according to D.C. Department of Human Resources personnel rules and regulations as outlined below:

- **File:** Submit DCHR grievance form to an official who has the authority to resolve your dispute.
- **Discuss:** After receiving employee's grievance, the official will schedule a time to discuss your concerns.
- **Mediate:** If your employee chooses, they may request that all parties sit down and attempt to find a mutually acceptable resolution to the grievance.
- **Investigate:** If warranted, the official handling the grievance will investigate the grievance. This might involve interviewing additional people.
- **Resolve:** Employee will receive a written resolution to grievance. A grievance may be "sustained," in which case, the official will specify the remedy to be applied. A grievance may also be "denied," which means the complaint could not be substantiated. Depending on the complexity of the grievance, a resolution may be provided within 45 days.

If a complaint is filed before the department against the department or an employee of the department an internal Hearing Examiner will hear the matter.

As a result of internal bullying complaints in FY20 and FY21, the department issued a Workplace Anti-Bullying Policy. This new policy was effective December 12, 2022. As a result of the new policy, followed by agencywide training, workplace bullying complaints have been substantially reduced (3 in FY22 and 0 in FY23).

31. 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 2023 and Fiscal Year 2024, to date, whether those allegations were resolved.

The Department follows the guidelines mandated under Mayor’s Order 2017-313 and Mayor’s Order 2023-131. 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. No allegations were received in FY23 or FY24, to date.

32. Please provide the number of FOIA requests received by the Department during Fiscal Year 2023 and Fiscal Year 2024, 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.

FY 2023 (October 1, 2022, through September 30, 2023)

1.	Number of FOIA requests received during reporting period	33
2.	Number of FOIA requests pending on October 1, 2022	0
3.	Number of FOIA requests pending on September 30, 2023	1
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	5
7.	Number of requests withdrawn	0
8.	Other disposition	20
9.	Number of staff hours devoted to processing FOIA requests	380
10.	The average number of days unfilled requests have been pending before each public body as of September 30, 2022	16

FY 2024 – to date (October 1, 2023, through December 20, 2024).

**Note: Date Range for the report generation by FOIAXpress is 10/01/2023 - 03/31/2024*

1.	Number of FOIA requests received during reporting period	9
2.	Number of FOIA requests pending on October 1, 2023	0
3.	Number of FOIA requests pending on December 20, 2023	0
4.	Number of requests granted, in whole	0
5.	Number of requests granted, in part, denied, in part	2
6.	Number of requests denied, in whole	2
7.	Number of requests withdrawn	0
8.	Other disposition	5
9.	Number of staff hours devoted to processing FOIA requests	33
10	The average number of days unfilled requests have been pending before each public body as of September 30, 2021	8

33. Please provide a list of all studies, research papers, reports, and analyses that the Department prepared, or contracted for, during Fiscal Year 2023 and Fiscal Year 2024, to date. Please state the status and purpose of each and attach a copy.

The Insurance Bureau prepared a market conduct report on unintentional bias in automobile insurance. The report is currently in draft form. When the report is finalized, it will be shared with the Council.

34. 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.).

Title of Report	Report sent to	Source of Requirement	Frequency of Report	Due Date	Submitted in FY23
Annual Financial Report of Insurers	Mayor	D.C. Official Code § 31-206	Annual	March 31	Yes
Annual Financial Report of Insurers	Congress	D.C. Official Code § 31-207	Annual	1 st day Congress is in session	Yes
Report of Health Insurance Ratemaking	Council	D.C. Official Code § 1-3311.08	Annual	June 1	N/A (1)

Health Benefit Plans Behavioral Health Compliance	Council	D.C. Official Code § 31-3175.03(b)	Annual	October 1	Yes
Annual Report on Life Insurers	Mayor	D.C. Official Code § 31-4301(f)	Annual	Date not specified	Yes
Uninsured Motorist Fund	Council	D.C. Official Code § 31-2408.01(j)(2)	Annual	Date not specified	Yes
Student Loan Ombudsman	EOM and Council	D.C. Official Code § 31-106.01(d)	Annual	March 1	Yes (2)
Student Loan Servicers	EOM and Council	D.C. Official Code § 31-106.02(j)	Annual	January 30	No (4)
Financial Institution Community Development Plan	EOM and Council	D.C. Official Code § 26-431.05(b)	Annual	Date not specified	No (4)
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	February 1	Yes
Filer Designation	BEGA	D.C. Code § 1-1162.25(c)	Annual	March 1	Yes
Filer Review	BEGA	D.C. Code § 1-1162.25(d)	Annual	June 1	Yes
Sexual Harassment Data	EOM	D.C. Code § 1-5406.01	Annual	December 3	New (submitted in FY24)

(1) 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.

(2) DISB has legislation pending to change the submission date of this report to June 30 to allow adequate time to review data from student loan servicers.

(3) No applications were filed and there was no information to report.

(4) Due to vacancies at DISB that have since been filled, some reports were inadvertently not submitted in FY23. All reports are currently in progress and on track to be submitted in FY24.

35. Please provide an update on the status of the Department’s annual report on financial institution compliance with community development plans required pursuant to D.C. 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. 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 District’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 both institutions’ progress with their respective Community Development Plan in FY24.

36. 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 2023 or Fiscal Year 2024, 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.

DC Financial Literacy Council

Names	Position	Ward	Term Expiration	Other Designations	Attendance Record
Jeffrey A. Banks	Chairperson	3	4/2/2024	United Bank, Vice President	FY23 – 4/4
Sybongile Cook	Secretary to Council	5	4/2/2024	Office of the Deputy Mayor for Planning and Economic Development Appointee to Council & Director of Business Development & Strategy	FY23 – 2/4

Allen C. Cheaves	Commissioner		4/2/2024	CEO & Principal/ Founder, Extra Credit Financial Solutions, LLC	FY23 – 1/4
Michelle Hammonds	Government Representative	5	4/2/2025	DC Government Representative to the Council & Director for DISB Office of Financial Empowerment and Education	FY23 – 4/4
William L. (Chip) Lusk, Jr.	Commissioner		1/2/2023	CEO, IDB Global Federal Credit Union	FY23 – 3/4
Anthony V. Stevens	Commissioner	8	4/2/2025	Financial Representative Northwestern Mutual	FY23 – 3/4
Melissa Mazard	Commissioner	4	4/2/2025	Self-employed	FY23 – 3/4
Benedict Richardson	OCFO Appointee	N/A	4/2/2025	Office of the Chief Financial Officer, Office of Finance and Treasury Appointee to Council	FY23 – 4/4
Jennifer Burkett	DCPS Appointee	N/A	4/2/2025	Director, Math Strategy and Advancement Office of Teaching and Learning Social Emotional Academic Development	FY23 – 3/4

2023 FLC Public Meetings

MEETING	DAY, DATE AND YEAR	TIME	LOCATION
1 st Quarter Meeting	3 rd Thursday, January 19, 2023	3:00 p.m. - 5:00 p.m.	Virtual

2 nd Quarter Meeting	3 rd Thursday, April 20, 2023	3:00 p.m. - 5:00 p.m.	Virtual
3 rd Quarter Meeting	3 rd Thursday, July 20, 2023	3:00 p.m. - 5:00 p.m.	Virtual
4 th Quarter Meeting	3 rd Thursday, October 19, 2023	3:00 p.m. - 5:00 p.m.	Virtual

See Appendix 17.

37. 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 X. 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 that include its Housing Resource Forum, Mental Health Parity Forums, DC Flood Task Force working group, Bank on DC Program, Foreclosure Mediation Program, and Coffee & Capital workshops. The Department also invites customer feedback through its web based “Ask the Commissioner” link.

The Department continues to utilize the Insurance Advisory Committee (IAC) (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 proposed DEI initiatives through the IAC.

With respect to health insurance in the District, the Department held a virtual public hearing on August 24, 2023. The focus of the hearing was the 2024 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.

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 insurance stakeholders that is helping to shape a 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; promote modern and innovative regulations; and support 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 protect District residents. 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.

38. Please attach copies of the required annual small business enterprise (“SBE”) expenditure reports for the Department for Fiscal Year 2022, Fiscal Year 2023, and Fiscal Year 2024, to date.

- a. D.C. 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 2023? If so, please provide a copy as an attachment. If not, please explain.**

Please see below – FY22 and FY23 SBE Expenditure Reports to date (DSLBD has not finalized the FY23 SBE goals). Please note that SBE Expenditure Reports are not available for FY24.

FY22

SBE Goal: \$2,088,053.74

SBE Spend = \$2,130,830.63

SBE Goal Completion: 102.05%

FY23 (as of 12/12/23)

SBE Goal: \$1,735,517.72

SBE Spend = \$1,438,131.28.00

SBE Goal Completion: 82.86%

FY24 (as of 12/12/23)

SBE Goal: \$4,734,634.64

SBE Spend = \$0.00

SBE Goal Completion: 0%

See Appendix 18 and Appendix 19.

39. **Please provide a copy of the Department's Fiscal Year 2023 performance plan. Please explain which performance plan objectives were completed in Fiscal Year 2023 and whether they were completed on time and within budget. If they were not, please provide an explanation.**

See Appendix 20.

40. **Please provide a copy of the Department's Fiscal Year 2024 performance plan, as submitted to the Office of the City Administrator.**

See Appendix 21.

Personnel

41. **Is the Department operating under a full or partial hiring freeze? If so, why?**

No, the Department is not operating under a full or partial hiring freeze.

42. **Please separately list each Department employee whose salary was \$100,000 or more in Fiscal Year 2023 and Fiscal Year 2024, 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 22.

43. **Please list, in descending order, the Department's top 25 overtime earners during Fiscal Year 2023 and Fiscal Year 2024, 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 23. Note: only 15 employees received overtime in FY23 and 5 in FY24.

44. **For Fiscal Year 2023 and Fiscal Year 2024, 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 5.

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 October 27, 2021; the agreements are effective October 1, 2020, through September 30, 2023.

See Appendix 24 and Appendix 25.

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, 2023. 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 participated in three mandatory performance management training sessions designed to address common questions and to provide support in using the performance management program. The Department also mandates mid-year reviews for all DISB employees to ensure 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 collected 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 2023, the Department used surveys to solicit feedback on the all-staff retreat, wellness programming, and DEI committee participation. The surveys were anonymous, and the feedback is being used to plan FY 2024 staff engagement and programming. 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. The

Commissioner also meets with Labor monthly to share and discuss any issues or developments. This forum facilitates an active labor management dialogue.

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 2023 and Fiscal Year 2024, to date, including, but not limited to, matters concerning program implementation and work environment.

The Department received one grievance filed in FY23 and one grievance has been filed in FY24 to date pursuant to the collective bargaining agreement.

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.

Insurance Bureau Trainings/Courses

Training	Training Subject	Trainer Information	Agency Employees Trained
NAIC Webinar	Corporate Governance: Regulatory Requirements and Beyond	NAIC staff	2
Teammate Webinar	A week in the life of an agile auditor	Wolters Kluwer (Teammate)	2
Teammate Webinar	Strategic risk assessment for governmental entities	Wolters Kluwer (Teammate)	2
Teammate Webinar	Exploring Benford’s Law in Excel and how it supports the work of Internal Audit	Wolters Kluwer (Teammate)	2
Teammate Webinar	How to sell audit improvement ideas & influence managers to act	Wolters Kluwer (Teammate)	2
Society of Financial Examiners 2023 Conference and Training 7/16/2023 through July 7/20/2023	Auditing/Regulatory Ethics/Computer Science/Specialized Knowledge & Application/Accounting	NAIC staff and financial examination professionals	5
Pennsylvania Insurance Department, Bureau of	Financial and Examination topics	Pennsylvania Insurance Department staff and financial	5

Training	Training Subject	Trainer Information	Agency Employees Trained
Financial Examinations annual training		examination professionals	
National Association of Insurance Commissioners Financial Summit	Financial Examination and Analysis topics	NAIC staff and financial examination professionals	5
Johnson Lambert LLP (Webinar)	Beyond the Balance Sheet: Navigating Mental Health in the Workplace	Financial examination professionals	1
Teammate Webinar	Delivering ESG assurance in the new era of corporate integrity	Wolters Kluwer (Teammate)	3
Teammate Webinar	ESG assurance for Financial Services: What Internal Audit needs to know	Wolters Kluwer (Teammate)	3
National Association of Insurance Commissioners Insurance Summit	Advanced Financial Regulator Training	NAIC staff and financial examination professionals	4
Teammate Webinar	Teammate and Financial Analysis Template Training	NAC Staff	1
Foundations of Insurance Regulation	Insurance Regulation	NAIC Staff	2
Introduction to Financial Regulation	Insurance Regulation	NAIC Staff	1
Audit: Real-world business risk assessment and response	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
Risk Focused Examinations	Insurance Regulation	NAIC Staff	1
Company Licensing Application Review Process	Insurance Regulation	NAIC Staff	1
Basics of Investing	Accounting and Finance	NAIC Staff	1

Training	Training Subject	Trainer Information	Agency Employees Trained
Best Practices in Company Licensing 2023	Insurance Regulation	NAIC Staff	1
ESG: A practical overview for internal audit	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
Agile Audit: Unleash the power of Kanban	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
Analytics: Analytics to get to the heart of the matter	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
Cybersecurity Discussion for State and Local Auditors	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
NAIC Capital Markets Quarterly Update	Insurance Regulation/Finance	NAIC	1
Internal Controls: What works, what doesn't work and how to plug the holes	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
Emerging Investment Risks	Investments	NAIC Staff	1
RBC Updates Webinar	Insurance Regulation	NAIC Staff	2
StateRAMP- What State and Local Agencies Should Know	Auditing	Audit professionals (Vendor - Wolters Kluwer)	1
Agile Audit - Rapid Feedback Loops	Auditing	Audit professionals (Vendor - Wolters Kluwer)	2
The Evolution of Loss Reserves:	Insurance Accounting and Auditing	Industry professionals	1

Training	Training Subject	Trainer Information	Agency Employees Trained
Prepare for New Requirements		(Vendor - Johnson Lambert)	
Fraud: Three cases, two lesson and one critical action	Auditing	Audit professionals (Vendor - Wolters Kluwer)	2
2023 Insurance Industry GAAP Accounting and Tax Update	Insurance Accounting and Auditing	Industry professionals (Vendor - Johnson Lambert)	2
ORSA Changes to NAIC Guidance Manual and Financial Handbook	Financial Analysis topics	NAIC Staff	1
American Academy of Actuaries Annual Meeting	Actuarial	American Academy of Actuaries	3
American Academy of Actuaries Webinars	Actuarial	American Academy of Actuaries	3
Market Conduct Examinations	Market Conduct Examinations	NAIC - instructor-led/self-guided	1
The Regulator's Guide to the Surplus Lines Industry	The Regulator's Guide to the Surplus Lines Industry.	NAIC - instructor-led/self-guided	1
SERFF Modernization-KC	SERFF updates training on updated system	NAIC Staff	1
EDU 370-174: The NAIC's Pet Insurance Model Act	Pet Insurance Model Act standards and coverage	NAIC - Property and Casualty Insurance (C) Committee - webinar	2
Prescription Drugs Webinar	Curing What Ails Prescription Drugs	CareFirst Staff	1
Dental Webinar	Dental Affordability Problems and Potential Solutions	Healthcare Value Hub Staff	1

Training	Training Subject	Trainer Information	Agency Employees Trained
Public Health Emergency Webinar	Public Health Emergency Unwinding: Implications and Strategies for Support	Healthcare Value Hub Staff	1

Securities Bureau Trainings/Courses

Subject of the Training	Names of the Trainers	Number of Securities Bureau staff who participated in person or virtually
North American Securities Administrators Association (NASAA) Training Tracks on 1. Fundamentals of State Securities Regulation 2. Broker-Dealer Training 3. Investment Adviser Training	NASAA members and experts	6
2023 NASAA Licensing & Registration Training	NASAA members and FINRA staff	4
SEC Northeast Regional Securities Conference	FINRA, SEC, CFTC, DOJ, Federal Prosecutors and Other Law Enforcement Agencies staff	2
FINRA Small Firm Conference	FINRA staff and Industry experts	1
2023 FINRA Get Set Training	FINRA staff	4

2023 NASAA Spring Conference SEC Section 19d Conference and Public Policy Symposium	NASAA members, SEC staff, CFTC staff and Industry experts	13
2023 NASAA Corporation Finance Training	NASAA members, SEC staff and Industry experts	4
2023 NASAA Enforcement Training	NASAA members, SEC staff, CFTC staff and Industry experts	3
NASAA Administrators Professional Development Symposium	NASAA Members, FINRA staff and Professional Development Consultants	1
2023 IMF Institute for Capacity Development (ICD) Macroeconomics of Climate Change - Climate Risks for the Financial	IMF Institute for Capacity Development (ICD) Experts	1
2023 NASAA Broker Dealer Training	NASAA members, SEC staff, CFTC staff and Industry experts	4
2023 NASAA Investor Education Training	NASAA Members, SEC staff, FINRA staff and Industry experts	1
2023 NASAA Investment Adviser Training	NASAA members, SEC staff and Industry experts	4
2023 NASAA Fall Conference	NASAA members, SEC staff, CFTC staff and Industry experts	4
NASAA What You Need to Know about Changes to FINRA Expungement Procedure Webinar	NASAA members and FINRA staff	4
NASAA Regulator Workspace Workshop	NASAA and FINRA experts	5
2023 The Securities Experts Roundtable Conference	SEC Regulation Best Interest Panel with Christine Lazaro (Law Professor), Stephen Bouchard (DISB staff representing NASAA), Peter Tepley (Attorney) and James Wrona (FINRA staff)	1

PitchBook Financial Data Analytics: How FinTechs are wielding AI to change fintech and financial services	PitchBook analysts, Venture Capitalists, and FinTech startup founders	1
2023 DC FINTECH Week	Fannie Mae, BIS, SEC, CFTC and Industry experts	2
NASAA Crypto Investment Scams: Blockchain Tracing and Social Media Webinar	NASAA members, SEC, CFTC and Industry experts	2
NASAA Bankruptcy Issues in Securities Cases and the Role of Regulators Webinar	NASAA members, SEC, CFTC and Industry experts	1
NASAA Self-Directed IRAs Webinar	NASAA members, SEC, CFTC and Industry experts	2
NASAA Multi-State Case Management: Evidence Collection, Storage and Sharing, Etc.	NASAA members, SEC, CFTC and Industry experts	2
NASAA Who Will Fail to Renew Next Year	NASAA Members and FINRA staff	4
NASAA A Brave New World - Social Media, the Retail Investor and Challenges facing NASAA's international regulators Webinar	NASAA Members and Industry Experts	3
FINRA Diversity Leadership Summit – Building Strategies to Build Bridges	FINRA and Industry experts	4
Detecting Fraud with Data Analytics	Association of Certified Fraud Examiners (ACFE)	1
Game of Frauds: How Youth and Tech Are Reshaping Financial Crime	ACFE	1
Poverty and Place: Exploiting the Legacy of Persistent Poverty in America	Urban Institute and Diversity Industry experts	2

Banking Bureau Trainings/Courses

Training	Training Subject	Trainer Information	Agency Employees Trained
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AARMR Annual Regulatory Conference	Mortgage Examination topics	American Association of Residential Mortgage Regulators (AARMR) Staff	7
NMLS Annual Regulatory Conference and Training	Non-depository licensing, examination and analysis topics	Nationwide Multistate Licensing System (NMLS) Staff	6
Cybersecurity Audit School	Cybersecurity fundamentals and core security principles.	Conference of State Bank Supervisors (CSBS) Staff	7
MTRA Annual Conference and Schools	Money transmitter licensing and examination topics	Money Transmitter Regulator Association (MTRA) Staff	1
AARO 2023 Conference and Training	Appraisal Management Company (AMC) licensing topics	Association of Appraiser Regulatory Officials (AARO) Staff	1
Enhanced Financial Analysis for Mortgage Examinations	Financial examination topics	American Association of Residential Mortgage Regulators (AARMR) Staff	4
Cyber & IT Supervisory Forum	Cyber threats and technological advances in the financial and supervisory industries	Conference of State Bank Supervisors (CSBS) Staff	1
Fundamentals of Cryptocurrency	Understanding of cryptocurrency technology and its functions relative to the traditional financial system	Conference of State Bank Supervisors (CSBS) Staff	1

Risk Finance Bureau Trainings/Courses

Training	Training Subject	Trainer Information	Agency Employees Trained
Society of Financial Examiners 2023 Conference and Training	Financial Examination topics	SOFE staff and financial examination professionals	6
National Association of Insurance Commissioners Financial Summit	Financial Examination and Analysis topics	NAIC staff	7
NAIC Accreditation Webinar	Accreditation Updates	NAIC staff	3
NAIC Financial Analysis Webinar	Financial Analysis Solvency Tools Enhancements	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	6
Ethics Webinar – Is Burnout Burning Your Ethics	Ethics	Noble Consulting Staff	1
Financial Examiners Handbook Updates Webinar	Financial Examination topics	NAIC Staff	5
Captive Insurance Companies Conference	Captive insurance topics	Captive insurance industry professionals	2
StateRAMP - What State and Local Government Auditors Need to Know	Financial audit topics	Various experts	1
Insurance Hot Topics	Accounting and tax updates	Industry professionals	2
Pennsylvania Insurance Department, Bureau of Financial Examinations annual training	Financial and Examination topics	Pennsylvania Insurance Department staff	6

World Captive Forum	Various topics on captive insurance	Captive insurance regulators and industry professionals	3
TeamMate Training	TeamMate software updates	NAIC Staff	6
National Risk Retention Association Conference	Various topics on captive insurance	Captive insurance regulators and industry professionals	4
Vermont Captive Association Conference	Various topics on captive insurance	Captive insurance regulators and industry professionals	5
Captive Insurance Council of the District of Columbia Conference	Various topics on captive insurance	Captive industry professionals	10
2023 New Financial Regulator Training	Financial Analysis and Examination topics	NAIC Staff	1
AR 121 P/C Annual Statement Preparation 2023	P/C Annual Statement Preparation	NAIC Staff	2
Katie School	Financial and Examination topics	NAIC Staff	1
SR 143 Risk-Focused IT Review	Financial Examination topics	NAIC Staff	1
2023 Business Ethics - Issues, Challenges & Actions	Topics on Business Ethics	Noble	1
SAP Webinar (A) Updates and Hot Topics	Updates and Hot Topics	NAIC Staff	2
SAP Webinar Part B: Reporting Updates and Hot Topics Webinar	SAP Reporting Updates and Hot Topics Webinar	NAIC Staff	2
2023 GAAP and Statutory Accounting Update	Topics on Statutory Accounting	Johnson Lambert	1
2023 Corporate Governance: Regulatory Requirements and Beyond	Topics on Regulatory Requirements and Beyond	Johnson Lambert	1

2023 Mental Health in the Workplace	Topics on Mental Health	Johnson Lambert	1
2023 The Evolution of Auditing Loss Reserves	Topics on Auditing Loss Reserves	Johnson Lambert	1
2023 Insurance Industry GAAP Accounting & Tax Update	Topics on Accounting & Tax Update	Johnson Lambert	1

Office of the General Counsel Trainings/Courses

	Subject of the Training	Names of the Trainers	Number of DISB employees who participated
1.	2023 NASAA Conference	NASAA	3
2.	CSBS Regulatory Summit	CSBS	1
3.	2023 NOLGHA Conference at Ritz Carlton	NOLGHA	1
4.	U.S. Securities and Exchange Commission (SEC) Northeast Regional Securities Conference	SEC	3
5.	Berkeley Law: Leadership in the Legal Profession (10-week Online Course)	Berkeley Law	2
6.	ABA: Business Law Hybrid Section Annual Meeting 2023	ABA	1
7.	Wharton Fintech Certificate Program vs. Fintech offered by the University of Chicago (Commissioner recommendation)	University of Chicago	1
8.	2023 NASAA Fall Annual Meeting (Virtual)	NASAA	2
9.	2023 NASAA Advanced Litigation Training (In-Person)	NASAA	1
10.	2023 NASAA Enforcement Training	NASAA	1
11.	PLI Understanding the Securities Laws 2023	PLI	5
12.	ABA Membership	ABA	5
13.	IPE Continuing Education Specifically Designed for Paralegals	IPE	1

Office of Financial Empowerment and Education Trainings/Courses

Training	Training Subject	Trainer Information	Agency Employees Trained
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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

Enforcement and Consumer Protection Division Trainings/Courses

Subject of the Training	Names of the Trainers	Number of DISB employees who participated
2023 North American Securities Administrators Association (NASAA) Conference	Various NASAA members	3
2023 NASAA Enforcement Training	NASAA members	2
Responding to Transnational Elder Fraud	The National WhiteCollar 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 2023	NAIC members	1
Basic Cyber Investigations: Digital Footprints	NW3C	4
2023 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 – SecurityObservations	NW3C	1
Vision Zero Traffic Training	DC GOVT	1
Anti-money Laundering act of 2022	Greenhouse andPillsbury	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 formanagers	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 2023 and Fiscal Year 2024, to date, and any plans the Department has to address those deficiencies.

The Department did not have any training deficiencies in FY 2023 and FY 2024, 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 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 the Department’s hybrid/in-person work policy, whether and when the Department requires employees to physically be in the office, and whether there are 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 with 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 an 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 conduct 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 have continued to allow staff to engage in-person and virtually.

Agency Operations

53. Please list each new program implemented by the Department during Fiscal Year 2023 and Fiscal Year 2024, to date. For each initiative, please provide:

- a. A description of the initiative;**
- b. Funding required to implement the initiative and the source of such funding; and**
- c. Any documented results of the initiative.**

Securities Bureau

During FY23, the Securities Bureau implemented continuing education requirements for licensed investment adviser representatives (“IARs”) pursuant to a rule adopted by DISB in July 2022 effective commencing Calendar Year 2023 (the “IARCE Rule”). The rule is intended to place IARs on par with agents of broker-dealers who have continuing education requirements

administered by the Financial Industry Regulatory Authority (“FINRA”). The rule is based upon a North American Securities Administrators Association (“NASAA”) model rule and effected pursuant to continuing education courses approved and other requirements administered by NASAA on behalf of participating states. Reporting is made by IARs on the Investment Registration Depository administered by FINRA for state securities regulators and the SEC. Two years delinquency can trigger license revocation. The IARCE Rule is unrelated to COVID-19 public health emergency or post-pandemic recovery. No special funding was required to implement the rule. First year results will be available early in Calendar Year 2024.

Office of Innovation

The Office of Innovation (“OOI”) was established in FY23. OOI was established to attract financial services companies to the District that offer a variety of products and services and use innovative technologies in order to foster economic growth and financial inclusion. OOI’s FY23 budget was \$706,410 and its FY24 budget is \$800,059. OOI’s budget is funded with special purpose revenue.

OOI’s FY23 accomplishments include:

- Establishing an application review process for fintech companies;
- Conducting outreach and marketing activities to attract fintech companies to DC;
- Providing regulatory clarity and consistency for fintechs;
- Establishing partnerships with District agencies, private sector entities, and funders; and
- Promoting financial inclusion.

See Appendix 26.

54. Please explain the impact on the Department of any legislation passed at the federal level during Fiscal Year 2023 and Fiscal Year 2024, to date, which impacted Department operations. If regulations are the shared responsibility of multiple agencies, please note.

Insurance Bureau

There was no impact related to new federal legislation.

Securities Bureau

There was no impact related to new federal legislation.

Banking Bureau

There was no impact related to new federal legislation.

55. 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.

The Department is responsible for complying with all applicable federal laws and

regulations. The financial services entities that the Department licenses also are responsible for complying with applicable federal statutes and regulations, and the Department plays a role in ensuring that these entities meet those standards.

Examples of federal regulations that the Department is subject to include:

Insurance

- Regulations associated with the Health Insurance Portability and Accountability Act (HIPAA), the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Patient Protection and Affordable Care Act (ACA), as well as the US and EU/UK covered agreements.

Securities

- Regulation Best Interest
- Regulations associated with the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, and the Investment Company Act of 1940

Banking

- Regulations associated with the Dodd-Frank Wall Street Reform and Consumer Protection Act, including the Appraisal Management Company rule.
- The SAFE Act (Secure and Fair Enforcement for Mortgage Licensing Act of 2008)

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 advisers, broker-dealers and securities issuers is primarily set forth in District law and regulations. District law and regulations govern securities entities and transactions concurrent with or 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 regulations issued pursuant to each.

Banking Bureau

The Department's authority to regulate depository financial institutions and non-depository financial institutions that include mortgage lenders and brokers, money transmitters, check cashers, and money lenders is primarily set forth in District law and regulations. District law and regulations govern both depository financial institutions and non-depository financial institutions and their respective transactions concurrent with or exempt from federal banking laws, including the Banking Act of 1933, the Banking Act of 1935, the Federal Deposit Insurance Act of 1950, Bank Secrecy Act of 1970, Real Estate Settlement Procedures Act of 1974, Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, and the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, and the accompanying regulations issued pursuant to each.

56. 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 (11/24/2023)
Chapter C30.	Student Loan Servicers (8/10/2018)
Chapter C31.	Appraisal Management Companies (12/5/2019)

57. 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.

58. 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 certain 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. Consumers 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.

- **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.
- **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 all approved form and rate filings in SERFF through the DISB website.
- **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.
- **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.
- **Nationwide Multistate Licensing System (NMLS)** – The NMLS is the system of record for non-depository, financial services licensing or registration in participating state agencies, including the District of Columbia. The Banking Bureau uses the system to manage and regulate companies and individuals seeking to apply for, amend, renew and surrender license authorities. The system was launched in 2008 and is upgraded regularly. On September 1, 2014, DISB transitioned to NMLS to process and store all other non-depository licensing and activity information. Banking Bureau staff and the non-depository financial services 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 State Regulatory Registry LLC (SRR), a limited liability corporation, manages the development and operations of the NMLS as a licensing and registration system for the non-depository financial services industries.

- **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. STAR CS is not open to public access.
- **CaseAware** – CaseAware is case management software designed for mortgage attorneys. 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.

Securities Bureau Electronic Databases

- **Tyler Technologies (formerly MicroPact) STAR System** – The STAR system has been used in 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 (the “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 opportunities for replacements of 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 system imports securities filing data from the BlueExpress system. Information tracked within the system includes the 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 through EFD when the system was launched in December 2014.

The EFD 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 continues its work to expand the types of filings for which filers can submit through the EFD (e.g., SEC Regulation A/A+ and the mutual fund Form NF). The Securities Bureau now uses the BlueExpress system to accept Form NF filings electronically.

- **NEMO (NASAA Exam Modules)**–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 and other appropriate sub-modules. These modules are used to assess the level of completion during an examination. NEMO is accessible to the Securities Bureau’s Examinations Division staff members and DISB IT Administrators. Due to sensitive examination and personal information contained in these databases, it is not available to any other DISB employees, nor is it accessible to the public in whole or in part. The NEMO system has been in use since 2007. NEMO is continuously updated to reflect changes in the law, products and examination techniques.
- **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 is available to FINRA staff, SEC staff and staff members of the participating state securities regulatory agencies including DISB 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 more than 10 years. The systems are continuously upgraded by FINRA in consultation with SEC staff and NASAA committees and project groups representing the interests of state users.

Banking Bureau Electronic Databases:

- **Nationwide Multistate Licensing System (NMLS)**-- The NMLS is the system of record for non-depository, financial services licensing or registration in participating state agencies, including the District of Columbia. The Banking Bureau uses the system to manage and regulate companies and individuals seeking to apply for, amend, renew, and surrender license authorities. The system was launched in 2008 and is upgraded regularly. On September 1, 2014, DISB transitioned to NMLS to process and store all other non-depository licensing and activity information. Banking Bureau staff and the non-depository financial services 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 State Regulatory Registry LLC (SRR), a limited liability corporation, manages the development and operations of the NMLS as a licensing and registration system for the non-depository financial services industries.
- **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. STAR CS is not open to public access.

- **CaseAware**-- CaseAware is case management software designed for mortgage attorneys. 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. Consumers 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.
- **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.
- **Risk Finance Bureau Licensing Database** – The Risk Finance Bureau maintains its licensing database in Excel and Access files. Every member of the Risk Finance Bureau has access to the licensing files. Information tracked within the Excel files includes company name and address; the type of company; license date; license status; license number; name, address, email and phone number for the companies' manager, attorney, actuary, auditor, and registered agent; lines of business; the name, address, email, telephone number and name of industry/sector for the companies' parent; letters of credit and custodial agreements; invoice and fees and other payment information. Information tracked within the Access files includes names and titles, background check dates and contact information for all approved officers, directors, auditors, and actuaries. There is discussion about creating an upgraded licensing database to provide a more efficient means to maintain and sort licensing data and prepare reports.

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 the 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.
- **Legal Files Case Management Software** - Legal Files Software is a case management system that will enable the Office of the General Counsel to organize and share access to DISB matters. This software is crucial to help OGC attorneys and staff manage their legal cases and keep DISB matters organized. The public does not have access to this database.

Office of Communications Electronic Databases:

- **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 four 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 two years. It is not available to the public through DISB.

Office of Financial Empowerment and Education (OFEE) Electronic Databases:

- **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.
- **LifeCents** is an online financial education platform that is white labeled to support Financially Fit DC. The platform gathers demographic information for users. Additionally, data is collected in an aggregate fashion regarding the topics of budgeting, credit, homeownership, planning for retirement and building wealth. The learning platform is public facing. The demographic information is private, cloud based, and password protected. The system has been in use since 2017. Regular maintenance and updates are conducted. Anticipating a system update in FY24.

Office of Innovation Electronic Databases:

- **Hubspot** – HubSpot is a versatile CRM platform that's particularly beneficial for the Office of Innovation in managing relationships with fintech companies. Its ability to centralize customer data, including interactions, feedback, and progress of various fintechs, streamlines the tracking and support process. HubSpot provides a comprehensive solution for managing and nurturing these vital relationships. Its analytical capabilities enable the Office to monitor engagement effectiveness and adapt strategies to better support the evolving needs of fintech partners, ensuring a more targeted and efficient approach in fostering innovation in the financial sector.
- **PitchBook** – PitchBook is a comprehensive data platform widely recognized for its in-depth insights into the global venture capital, private equity, and M&A landscapes. It's an invaluable tool for the Office of Innovation, particularly for tracking and supporting fintech startups and companies. By using PitchBook, the Office gains access to detailed information about the fintech market, including investment trends, funding rounds, and industry analyses. This wealth of data assists in understanding the financial health, growth trajectories, and competitive landscapes of fintechs they are engaged with. PitchBook's ability to provide real-time data and analytics helps the Office make informed decisions, identify emerging opportunities, and craft strategies to effectively support and collaborate with fintech entities, ensuring they are always at the forefront of financial innovation

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 the year

2000 and upgraded the P8 to version 5.5.7 in 2022. The public does not have access to the system.

59. Please provide a detailed description of any new technology acquired by the Department in Fiscal Year 2023 and Fiscal Year 2024, 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
Laptops/Tablets	FY23	\$61,373.27	Agency wide	Refresh older Dell model 7400 used by DISB staff
Dual monitor arms	FY23	\$24,225.00	Agency wide	Replace Dual monitor stands with arms
Dual 24” monitors w3-year warranty	FY23	\$31,042.00	Agency wide	Replace older 22” monitors
Landline phone upgrade	FY23	119,221.00	Agency wide	Replace older Avaya desk phones to Cisco.
LUMEN5 ENTERPRISE subscription	FY23	\$13,053.18	Office of Communication	To create engaging videos on demand.
HP COLOR LASERJET printers, warranty and accessories	FY23	\$16,204.40	Securities Bureau	MFP scanner will used to scan documents into STAR so Securities Division when reviewing forms and filings.
TRM Labs	FY23	\$93,500.00	ECPD	Analytical tool to trace the source and destination of cryptocurrency transactions.

60. Please describe any efforts by the Department in Fiscal Year 2023 and Fiscal Year 2024, to date, to improve the transparency of Department operations.

Transparency in operations is directly correlated to open communication with all constituents through a variety of mediums. In FY23, 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.

61. 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 2024.

The top five priorities in FY24 for the Department are as follows:

1. As part of the DC Flood Task Force, the Department developed an initiative to conduct outreach to District residents about water damage and the need for flood insurance. DISB will develop and implement its own outreach plan and metrics to measure its success. DISB aims to inform residents of the myriad of insurance programs that help mitigate potential flood and water damage related hazards, provide information on insurance options, programs, tools and services. DISB will develop outreach initiatives that promote participation in flood insurance programs or the increase in flood coverage(s) by underserved and disadvantaged individuals. DISB will create targeted messages, such as through radio, television, videos and printed materials for distribution, and collaborate through partnership with other agencies to develop, promote, and distribute materials, geared to varying audiences to cross promote flood mitigation and preparedness tools. Finally, the Compliance and Analysis division will develop metrics to track and evaluate the effectiveness of the outreach initiatives annually.
2. The Office of Financial Empowerment and Education (“OFEE”) will expand the Financially Fit DC Program with a workshop series for residents including: The Fundamentals of Credit, Credit Scoring Models, and Credit Repair. The series will be tailored to the needs of a diverse community through user-friendly website resources, educational materials, and outreach.

DISB’s OFEE will create a summer workshop series that will provide credit information to residents. Topics will cover understanding credit, new credit scoring models, and credit repair. DISB also will produce a know your credit toolkit to connect residents to resources about credit and will promote it through a social media campaign.
3. The Department will complete its initiative to modernize the District's banking code and regulations. The Department is charged with regulating depository and non-depository institutions, money services businesses, and other entities such as student loan servicers and appraisal management companies. The depository and non-depository laws were last updated in early 2000. The goals of the modernization project is to ensure that the District has the regulatory authority to address the activities and trends in the banking industry and money services businesses, which will enhance DISB’s ability to provide robust consumer protection, while also making the District an attractive jurisdiction for the

chartering of banks, international representative offices, and other financial companies such as fintech companies.

DISB hired a consulting firm with a background in financial services to review the District's banking laws and regulations, and make recommendations to modernize them with the aforementioned goals. DISB is currently drafting legislation to send to the EOM for review and approval.

4. The Banking Bureau will conduct outreach to seniors regarding the importance of estate planning as part of the enhanced Foreclosure Prevention Services contract that provides free legal assistance to seniors for estate planning, reverse mortgage assistance, and expanded legal assistance.

DISB will design and conduct a workshop series for seniors, their families, and caretakers. The workshops will take place in various locations throughout the District and will focus on reverse mortgages, estate planning, and aging in place.

5. The Enforcement and Consumer Protection Division (ECPD) will undertake regular proactive monitoring and quarterly onsite inspections of the District's cryptocurrency ATMs, also known as BTMs, to detect scams and violations of the District's regulatory and criminal laws, particularly money transmission licensing requirements. ECPD will collaborate with federal, state and local regulatory and criminal law enforcement authorities in the investigation and prosecution of BTM fraud, as well as other crimes perpetrated using the District's BTMs.

ECPD investigators will work proactively and collaboratively with federal, state, and local law enforcement to gather intelligence about the illegal operation of BTMs in the District. ECPD will also conduct field inspections at BTM locations throughout the District. ECPD will initiate investigations into the unlawful operation of BTMs by unlicensed money transmitters, including the investigation of criminal activities by third parties against the District and its residents through the use of BTMs, including money laundering and fraud. ECPD will refer criminal investigations to the Office of the United States Attorney for criminal prosecution and regulatory violations internally for administrative enforcement action.

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.

The unintentional bias in automobile insurance review was underway throughout FY23. The Department's Insurance Bureau issued a data call to all insurers writing private passenger automobile insurance in the District, and worked with data firm ORCAA to analyze the results for DISB. of Columbia. The report is expected to be issued in late January 2024.

The DC REACH study is in progress and each workstream (affordable homeownership, credit counseling and repair, and small and minority business opportunity) have developed deliverables and activities and are finalizing recommendations.

In FY23, the Enforcement and Consumer Protection Division (“ECPD”) investigated two large-scale District consumer scams including a romance scam and a pig butchering scam and inspected 138 ATMs and BTMs to verify registration and licensure.

The Department’s Banking Bureau provided foreclosure prevention services to help 137 homeowners obtain relief under the Homeowner Assistance Fund and another 13 homeowners receive modifications from their lenders. In total, 213 foreclosures were prevented through the program and \$102.3 million in property value was saved in FY23.

Through the Department’s Office of Financial Empowerment and Education (“OFEE”), the Department provided educational resources focused on consumer protection in financial services for District residents.

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.

In FY23, the Department’s Office of Innovation (“OOI”) played a pivotal role in successfully attracting two diverse-led fintech companies to the district, including a fintech specializing in financial inclusion. This firm's entry into the district not only expanded the local financial sector but also brought innovative solutions to enhance financial accessibility for underserved and underbanked residents.

The Department worked to develop recommendations for modernizations of insurance and banking laws in FY23. Each set of updates are being reviewed by internal teams and are expected to move forward in FY24.

3. Provide high quality services to financially empower residents to create pathways to the middle class.

Through the Department’s Office of Financial Empowerment and Education (OFEE), the Department provided resources specifically designed to financially empower residents. OFEE oversees DISB’s participation in a number of outreach, education, and financial services programs including Bank on DC, Financially Fit DC, EITC DC, the Financial Empowerment Center, and the Opportunity Accounts program, and participates in the Financial Literacy Council. Through these programs, OFEE provided educational material and participated in dozens of in-person and virtual events to share resources with District residents, including targeted engagement with underserved populations such as returning citizens, veterans, and youth.

The Student Loan Ombudsman provided 26 virtual and in-person workshops about the Public Service Loan Forgiveness (PSLF) Program, reaching 2,578 residents. In FY23, the

Ombudsman direct assistance to District residents resulted in the discharge of \$1,273,270 of student loan debt, a 21% increase over the prior fiscal year. The Ombudsman's office additionally received and responded to over 10,000 email requests for assistance and guidance related to student loan forgiveness.

4. Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs.

Through its District of Columbia Business Capital ("DC BizCap") Program, the Department provided over \$2.95 million in funding to four District small businesses, helped create 81 jobs, and provided \$5.5 million in private capital to District small businesses in FY23. Additionally, BizCAP expanded relationships with local Community Development Financial Institutions (CDFIs) to partner in deploying funds to minority-owned and women-owned businesses, businesses with fewer than ten employees, and businesses in specific CDFI zones.

The Department also spearheaded the DC Small Business Expo at the Martin Luther King, Jr. Memorial Library, in Partnership with the DC Department of Small and Local Business Development (DSLBD) during Small Business Week in May, connecting District entrepreneurs with lenders and financial professionals.

5. Create and maintain a highly efficient, transparent, and responsive District government.

The Department's Compliance and Analysis Division (CAD) maintained a consumer complaint closure rate of 99% in FY23, closing 769 complaints and recovering \$1,721,441.71 for constituents. CAD also presented and participated in 15 community events related to life insurance, estate planning, flood insurance, and mental health parity to spread awareness of the services and support offered by the Department.

- 62. Please describe the Department's current legislative priorities, whether 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 2024 and Q1 of Fiscal Year 2025.**

Insurance

- Amendments to Holding Company Law - Group Capital and Liquidity Stress Testing: This bill is an NAIC accreditation requirement with an effective date of January 1, 2026. The revisions implement a Group Capital Calculation (GCC) for the purpose of group solvency supervision and a Liquidity Stress Test (LST) for the purpose of macroprudential surveillance.
- 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.
- The Department is in the internal review phase of legislation to modernize filing options and align the District with NAIC model laws.

Securities

- The Department plans to propose adoption of the NASAA Model Act to Protect Vulnerable Adults from Financial Exploitation. The act will give industry participants and District regulators new tools to help detect and prevent financial exploitation of vulnerable adults. The act will mandate reporting to DISB and District adult protective services when a qualified individual has a reasonable belief that financial exploitation of an eligible adult has been attempted or has occurred. The act will also provide exemptions for an industry participant to place a hold on transactions and cash disbursements that the institution believes are the result of suspected abuse. The act also authorizes disclosure to third parties only in instances where an eligible adult has previously designated the third party to whom disclosure may be made.

Banking

- The Department is in the internal review phase of the ongoing Banking Code Modernization project, which will update legislation and regulations to reflect new technologies in banking regulation, updated model laws and regulations, and consumer protection and DISB's enforcement capabilities.

While these bills are the most pressing legislative priorities for the agency, DISB also anticipates additional legislative proposals in mid- to late FY24 intended to increase consumer protection and address diversity, equity, and inclusion shortcomings within the provision of financial services. DISB will follow up with the Committee on these additional legislative priorities when more information becomes available.

Program Specific Questions

63. Recently, the Executive announced that the District will receive \$62 million from the US Department of the Treasury to support small businesses (under the State Small Business Credit Initiative) and that \$19 million will be available through DISB. How does the Department plan to use that assistance? When does it anticipate making funds available to small businesses? What types of businesses will be eligible for assistance? How does the Department plan to partner with the Office of the Deputy Mayor for Planning and Economic Development (DMPED) on this work?

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 State Small Business Credit Initiative ("SSBCI") as a response to the economic effects of the COVID-19 public health emergency. The District of Columbia was allocated an additional \$62 million in SSBCI funding to expand and create new business access to capital programs for District based small businesses. The District of Columbia's application was approved on September 27, 2023, and the first allocation of \$19.8 million was received on October 2, in FY24.

With the new SSBCI funding, DISB is allocating \$2.6 million to the District of Columbia's Collateral Support Program ("CSP"), and \$8 million to the Loan Participation Program ("LPP"). The additional \$2.6 million in CSP funding will continue to be administered through DISB while the LPP funds will be administered through a contract with local Community Development Financial Institutions (CDFI). The remaining \$8.5 million in funding will be transferred to the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to deploy a venture capital program once their allocation has been approved by the Treasury.

The \$8 million allocated to the LPP will be branded and disbursed as three separate programs. \$5 million will be allocated to the DC Small Business Commercial Real Estate ("DC SBCRE") program which will support eligible District small businesses by providing subordinated debt to fund the renovation, build out, and down payment expenses associated with the acquisition or refinance of commercial owner-occupied real estate located in the District of Columbia. \$2 million will be disbursed through the DC Space & Equipment Loan Program ("DC SELP") which will support eligible District small businesses by providing subordinate debt to fund the acquisition of equipment and the build out of space used for business operations. Additionally, \$1 million will be disbursed through the DC Start-Up Small Business Loan ("DC SUBL") program will support eligible District small businesses by providing subordinate debt to fund equipment and working capital requirements of start-up businesses needing to support business operations.

64. Please provide any other updates on the State Small Business Credit Initiative that is not redundant, given the prior question. Please explain how the Department has engagement Ward 7 and 8 businesses to participate in this initiative during Fiscal Year 2023 and Fiscal Year 2024, to date.

The State Small Business Credit Initiative ("SSBCI") was established as a part of the Federal Small Business Jobs Act of 2010 which established a \$1.5 million fund to provide capital to small businesses who create jobs. DISB was allocated \$13.2 million dollars from the SSBCI and established the District of Columbia Business Capital Access Program ("DC BizCAP") which administers the Collateral Support Program ("CSP"), the Loan Participation Program ("LPP"), and the Innovation Finance Program ("IFP").

Since inception, DISB has provided more than \$20.5 million of SSBCI funding to 43 qualifying businesses. The support provided by DISB was used to help these small businesses access more than \$52 million in private capital. As a result of the support provided through the SSBCI program participating small businesses were able to create or retain more than 2,100 District based jobs.

In FY23, DISB provided \$2.95 million of SSBCI funding through the CSP. The support provided by DISB was used to help these small businesses access more than \$5.5 million in small business loans through our partnerships with banks and lenders. As a result of the capital provided through SSBCI participating small businesses were able to create and retain more than 81 District based jobs. In FY24 to date, DISB has provided \$87,500 in collateral support to two District based businesses. The District's SSBCI fund has \$1.7 million available in CSP, \$1.7 million available in LPP, and \$404,000 available in IFP to support District small businesses.

As a part of the commitment to assisting those individuals within Wards 7 and 8, DC BizCAP has continued to align lenders, technical assistance providers, and other small business resources to both residents and small businesses in those Wards. Through DC BizCAP, the Department also

works with those partners to develop workshops, webinars and seminars focused on access to capital, capital readiness, and other small business resources. Additionally, since the COVID-19 pandemic, DC BizCAP has provided one million dollars of SSBCI support to three minority owned businesses in Ward 8. As a result, the supported businesses obtained \$4.6 million in private capital and created or retained 45 jobs.

65. Please provide an overview of the Department’s plans to conduct an actuarial study in Fiscal Year 2024, as required by the Expanding Access to Fertility Treatment Amendment Act of 2023.

The Department intends to use the actuarial staff that assist in ACA rate filing review, since this is related work. DISB has defined the scope of work and is currently awaiting the issuance of a purchase order to begin the work.

66. As part of the Committee’s FY 2024 policy recommendations included in its [budget report](#), it summarized and recommended the following (*see below*). Please provide an update on whether the Department pursued the Committee’s recommendation. If not, please be prepared to provide an update during the Department’s upcoming performance oversight hearing.

“During DISB’s budget oversight hearing, a public witness testified that the school-based behavioral health program does not adequately contemplate that 40 percent of DC students have private insurance. According to this witness, when some students with private insurance seek Tier 3 individual treatment, the community-based organization partners have varied responses. Some of the organizations absorb the costs, some refuse service, some can waive co-pays, etc. This witness also recommended that DISB take action to ensure that health plans consider access to behavioral health services in schools as part of health plan reviews of “network adequacy.” The Committee requests that DISB follow-up with private insurance companies and potentially, the Department of Behavioral Health, to remedy this issue and if necessary, make a policy recommendation to the Committee.” -pg. 50.

DISB followed up with the witness on multiple occasions to get a better understanding of the specific insurance concerns attributed to school behavioral health programs, but the witness was not responsive. Without additional information to clarify the issue, DISB has been challenged to propose a policy recommendation because it is unclear whether the issue is related to network adequacy or health plan design. Additionally, the reference to “community-based organization partners” does not inform DISB if these are associated medical providers providing medical services on behalf of the schools. Independently of the witness, DISB has not received any consumer complaints on this matter. DISB is willing to investigate the matter but needs additional information from the witness.

67. Please provide an update on the Department’s engagement with The Georgetown Firm to review and update the DC Banking Code. Has the Department received written recommendations yet? If so, please provide a copy of the final report.

The Department's engagement with The Georgetown Firm is nearing completion as the draft legislation and rulemaking are being reviewed and finalized at the agency level. The Department received the Banking Regulation Modernization Report and Recommendations on July 14, 2023.

See Appendix 24.

68. Please provide an update on the Department's efforts to increase estate planning in the District, and particularly in Wards 5, 7, and 8.

One of the Department's main goals is to empower and educate residents on financial matters. This includes providing information and resources related to financial resiliency and financial products and services that can strengthen asset protection including wills, trusts, and estate planning, flood insurance, life insurance, foreclosure prevention, reverse mortgages, and financial scam awareness. The Department planned and/or participated in the following events related to financial resilience and estate planning:

- On April 22, 2023 – DISB planned, moderated, and participated in a life insurance forum at Shiloh Baptist Church in Ward 2. DISB provided material and information related to how life insurance can be used to improve financial resilience for family members, different product types, budgeting, cost, and myths. Approximately 15 District residents attended.
- On April 25, 2023 – DISB planned and moderated an event on estate planning targeted to the LGBTQ community in partnership with the Mayor's Office on LGBTQ Affairs. The event was held at the Reeves Center located at 2000 14th Street, NW Washington in Ward 4. Approximately 25 District residents attended.
- On May 18, 2023 –DISB participated in a tabling event that provided information regarding financial resiliency including estate planning, flood insurance, and mental health parity. The event was entitled 'Aging Unbound' at Lamond Recreation Center in Ward 5. The Department of Aging and Community Living (DACL) was the lead agency and targeted the Spanish, Amharic, and Asian/Pacific Islander communities. Approximately 45-65 people attended.
- June 28, 2023 – DISB participated in the Mayor's Annual Senior Symposium at Ballou High School in Ward 8. DISB tabled the event and provided written information to seniors about estate planning and foreclosure prevention. DISB employees also served as panelists in sessions related to estate planning and reverse mortgages. DACL was the lead agency. Approximately 20 seniors attended these targeted sessions.
- On October 26 and October 27, 2023 – DISB presented information regarding estate planning including drafting wills and trusts as part of their Financially Fit DC series. Approximately 35 District residents from all 8 wards attended on both days.

- On November 7, 2023 - DISB was a featured presenter at Deanwood Library, Adult Services Forum, in Ward 7. At the event, DISB provided information and material regarding life and flood insurance, two financial services products that are important aspects of asset protection and financial resiliency. Approximately 15 District residents attended.
- On November 17, 2023 - DISB was a featured presenter at Matthews Memorial Baptist Church in Ward 8. DISB provided information regarding fraud awareness, flood insurance, and other topics related to financial resiliency. The event was promoted to foster grandparents and approximately 75 seniors attended.
- On December 4, 2023 - DISB was a featured presenter at an Advisory Neighborhood Commissioners (ANC-8E) meeting through a Zoom platform. The meeting was attended by District residents and Advisor Neighborhood Commissioners from Ward 8. DISB presented information related to flood insurance and homeowner's insurance. Approximately 15 District residents attended.
- On December 5, 2023 - DISB was a featured presenter at Deanwood Library, Adult Services Forum, in Ward 7. At the event, DISB provided information and material regarding financial scams to raise awareness regarding how seniors can protect themselves and their assets. Approximately 15 residents attended.
- On December 13, 2023 - DISB participated in the Mayor's Annual Senior Holiday Celebration at the District Armory located in Ward 7. DISB provided material related to fraud awareness, foreclosure prevention, reverse mortgages, and flood insurance. More than 3,000 District seniors attended.

69. What efforts is the Department making to keep District residents informed about the risk of cryptocurrencies, their platforms, and fintech innovation?

The Office of Financial Empowerment and Education (OFEE) produced webinars and workshops on investing, and "Blockchain and Crypto 101" during FY23. Additionally, the material is accessible via the website financiallyfitdc.com for residents to watch on demand.

70. What steps is the Department taking to monitor up and coming, innovative technologies such as blockchain, cryptocurrency, and nonfungible tokens?

Investments in digital assets such as cryptocurrencies, non-fungible tokens ("NFTs") and metaverse products have seen a convergence between securities and banking regulation. Arguably, most of these investment opportunities and platforms for their trading involve both the issuance of a security, securities broker-dealer and clearing firm activities, and sometimes investment advisory services subject to compliance with federal and state securities law and regulations as well as money transmitter activities subject to state licensing and regulatory requirements.

Since 2021, DISB has engaged actively with other state securities and banking regulators through multi-jurisdictional working groups comprised of members of the North American Securities Administrators Association (“NASAA”) and the Money Transmitter Regulators Association (“MTRA”) to monitor developments and regulatory compliance in this industry both generally and by numerous specific companies. The working groups operate pursuant to several Memoranda of Understanding and Common Defense Agreements referenced in other responses. These working groups alert DISB to emerging trends and offer task sharing at the investigative and legal or enforcement levels. They have been instrumental in DISB bringing enforcement actions along with other federal and state regulators against several companies, including BlockFi, Voyager Digital, Celsius and NEXO. They have also facilitated DISB’s participation in or monitoring of several bankruptcy proceedings by industry participants alongside other state and federal regulators. Finally, these working groups have informed industry guidance and consumer alerts issued by DISB.

DISB has proactively sought to inform industry participants of their regulatory obligations in these rapidly evolving technologies. In August 2022, a bulletin was issued regarding the obligations of certain businesses engaged in transmission of crypto currencies to comply with DISB’s money transmitter licensing and compliance requirements. A second bulletin was issued in March 2023 alerting operators of crypto currency kiosks sometimes referred to as Bitcoin ATMs or BTMs that DISB was commencing investigations of these business to assure their compliance with its money transmitter licensing and compliance requirements. Also in August 2022, a bulletin was issued regarding cryptocurrency interest-bearing accounts obligations for registration under and compliance with federal and state securities law and regulation.

DISB has also issued several Consumer Alerts related to emerging digital products and services. These alerts alerted consumers to investment scams called “pig-butchering” because of the way that the scammer develops an online personal relationship with the victim then steals savings from them through transmission of digital assets. Other alerts warned about online investment trading platforms that promise huge profits if you let them trade your digital assets but instead steal your assets. Also, an alert explained the use by smartphone trading apps and online “do-it-yourself” trading platforms of digital engagement practices often called gamification that encourage investing more and taking greater risks. Furthermore, alerts identified risks of investing in digital assets and shared data that indicates underserved communities, particularly communities of color, have experienced predatory practices by purveyors of these products and services and as a result experienced proportionately greater losses, and explained ways for vulnerable adults to avoid increasing risks they face from online abusers.

In FY23, the Enforcement and Consumer Protection Division acquired access to TRM Labs forensic software that allows for tracing cryptocurrency transactions. The vendor makes advanced training available as part of the package. They also have personnel who assist with complicated investigations.

Staff throughout DISB have also completed extensive training regarding these evolving products and services, their risks, and efforts to enforce legal compliance. See our response regarding training completed by staff members. NASAA, MTRA, FINRA and other organizations provide extensive training opportunities in this evolving industry.

In May 2023, DISB established a Crypto Working Group comprised of the two Deputy Commissioners and executive staff from the Insurance, Securities and Banking Bureau, the Enforcement and Consumer Protection Division, the Compliance and Analysis Division, the Office of Innovation, the Office of Communications and the Office of General Counsel. The Crypto Working Group's mission is to: (1) provide a forum for DISB's senior leadership to monitor and discuss activities involving cryptocurrencies; (2) identify and recommend the development of statutes, regulations and policies governing cryptocurrencies transactions to ensure adequate consumer protection without stifling innovation; (3) monitor enforcement actions taken by federal and state regulators and criminal actions initiated by federal, state, and local prosecutors involving cryptocurrencies; and (4) prepare consumer alerts and regulatory guidance for industry.

71. What steps is the Department taking to help District residents make wise investment decisions and avoid financial fraud?

The Office of Financial Empowerment and Education (OFEE) produced webinars and workshops on investing, retirement planning and "Blockchain and Crypto 101" during Fiscal Year 2023. Additionally, the material is accessible on demand via the website financiallyfitdc.com for residents to watch on demand. OFEE also created a "Financial Empowerment Resources for DC Seniors" guide to prevent fraud, choose insurance, and increase awareness about DISB programs and services.

See Appendix 25.

72. Please provide updates on the Department's work to address climate change and the incident of severe weather events, i.e. flooding?

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) 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.

73. If not redundant, please provide an update on the Department's enforcement of the notice requirement for consumer flood insurance coverage per D.C. Code § 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.

74. Please provide updates on the Financial Empowerment Center program in Fiscal Year 2023 and Fiscal Year 2024. If there is no progress to report, please explain.

The DISB Financial Empowerment Center (FEC) is facilitated through the not-for-profit organization United Planning Organization (UPO), located in Ward 8. Staffed with five (5) certified counselors, and led by a program manager, the program provides complimentary one-on-one financial counseling and coaching aimed at empowering DC residents in achieving 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 prime (620+) credit score; 3) are regular and consistent savers; and 4) have plans to manage and reduce any 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.

The program is open to all DC residents who are 18 years and older but seeks to target certain vulnerable residents who may be especially in need of services, such as low- to moderate-income residents and returning citizens. DISB partners with District agencies and community partners to best connect with residents in these populations. These partners include the Mayor's Office of Returning Citizens (MORCA), Court Services and Offender Supervision Agency (CSOSA), Department of Human Services (DHS), Office of Neighborhood Safety and Engagement (ONSE), Children's National Hospital, So Others Might Eat (SOME), and Martha's Table.

The FEC is also focused on leveraging existing DC programs and services to help clients achieve their goals. In FY23, counselors received training and actively referred clients to DC programs such as Bank On DC, the DC Opportunity Accounts Program, and the Home Purchase Assistance Program (HPAP).

During FY23, the program was able to engage with approximately 1,800 District residents. The counselors have held over 1,000 client counseling sessions, where clients set goals and created spending plans, many for the first time in their financial lives. The FEC also tracked outcomes from the FY23 client counseling sessions, which included 23 clients who opened bank accounts for the first time; 27 clients who established credit or boosted their FICO scores at least 35 points; 42 clients who are on active debt reduction plans; and 71 clients who are engaged in savings plans and are on track to achieve their goals. For FY24, the FEC is focused on increasing client engagement and counseling methods that empower even more clients to achieve their goals.

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

The DISB Office of Financial Empowerment and 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. OFEE promotes inclusiveness and resilience through financial education and access to information to allow for better financial decision making. OFEE programs include Bank on DC, Financially Fit DC, EITC marketing campaign, the Financial Empowerment Center and the Opportunity Accounts Program.

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 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 residence in the District;
- To launch a small business in the District;
- To pay for post-secondary educational costs;
- 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 FY23, 124 residents received the \$7,500 in matched savings. To date, 790 residents have opened accounts. Of these participants, 359 have received the total match amount of \$7,500.

Residents have used the funds for the following items: small business (230), education (30), home purchase or upgrades (31), vehicle purchase (65), retirement (2), and medical expenses (1).

Additionally, the participants represent all 8 Wards, with the following breakdown:

Ward	Number of Participants
1	61
2	65
3	14
4	100
5	131
6	30
7	147
8	242

76. 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 Muriel Bowser that launched in 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 FY23, Financially Fit DC and Financially Fit DC at Work hosted monthly financial webinars for both residents and employees around targeted 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 Financially Fit DC platform.

Additionally, DISB maintains its partnership with the Mayor’s Office on Women’s Policy and Initiatives to produce the Financially Fit DC-Women series. The series has incorporated numerous financial education events to support women on their financial journey. Topics include personal money management, investing, budgeting, and the intersection of domestic violence and finance.

77. Please discuss how the Department tracks, analyzes, and intervenes to prevent foreclosures. 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, U.S. Department of Housing and Urban Development ("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 five 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 FY23, HCS Foreclosure Prevention outreach included distribution of 20 English language public service announcements ("PSAs") and 15 Spanish language PSAs to a total of 1,115 media contacts. Monthly webinar schedules were distributed to the media as well as to another 9,201 non-media contacts. There were also three foreclosure related email blasts to a total of 14,350 contacts. The HCS webinar calendars were distributed eight times throughout the year to a total of 454 contacts. Additionally, DISB sent out 1,351 outreach letters to homeowners who received foreclosure notices.

With respect to social media, there were 49 postings on the "X" platform and nine Facebook postings, reaching a total of 11,973 social media contacts. The social media postings included a 30-second foreclosure prevention promotional video in 5 different languages (English, Spanish, Amharic, Korean, and Chinese), for social media only. Additionally, HCS participated in a podcast interview on WTOP's "DMV Download" where staff referenced our foreclosure prevention services. It may be accessed at the following link:

[wtop.com/podcast/dmv-download-podcast/understanding-dc-real-estate-is-it-time-to-rent-or-buy/?fbclid=IwAR1VA5gPH8_ki6_wyCfOuUm5CyDM7hNrGZ7DdOg--GQlx9yZdfIFu8R-2-8](https://www.wtop.com/podcast/dmv-download-podcast/understanding-dc-real-estate-is-it-time-to-rent-or-buy/?fbclid=IwAR1VA5gPH8_ki6_wyCfOuUm5CyDM7hNrGZ7DdOg--GQlx9yZdfIFu8R-2-8)

Regarding community outreach events, HCS staff participated in 12 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 1,230 people were present. The Foreclosure Mediation Administrator directly assisted 66 homeowners and attended 14 virtual and in-person events collectively in FY 2023 with 640 residents attending.

b. The number of foreclosures reported in Fiscal Year 2023 and Fiscal Year 2024, 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 Trustee’s Deeds (actual foreclosures) where ownership changes hands.

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 narrow in 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, the Department was only able to 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. Presently, DISB is unable to receive foreclosure filings from the DC Superior Court. However, the Department has representation on the judicial foreclosure working group and is able to gauge what resources are needed to support homeowners during the judicial foreclosure process.

In FY22, 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 has allowed us to capture the change of ownership on foreclosures.

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

	Total – Notice of Trustees Deeds
FY 2023	33
FY 2024, to date 110/31/23	9

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

The foreclosure rate continues to increase. As of September 2023, the District has a 1.9% serious delinquency rate compared to the national average of 0.09%. A serious delinquency is a balance that is over 90 days overdue. This increase is due to the moratorium on foreclosures that took place from March 2020 to September 30, 2022. As a result, the Department placed housing counselors and legal assistance providers onsite at the courthouse during the foreclosure docket which is held on Thursdays and Fridays at the D.C. Superior Court. These resources are pivotal to assist homeowners in their judicial foreclosure cases.

The Department continues to engage homeowners facing foreclosure and holds weekly foreclosure prevention clinics. DISB worked closely with the Department of Housing and Community Development (“DHCD”), the District of Columbia Housing Finance Agency, and local community-based organizations to ensure homeowners in financial distress have access to all tools and services available in the district to prevent foreclosure. Additionally, DISB has worked closely with DHCD on escalating time-sensitive Homeowner Assistance Fund (“HAF”) applicants facing foreclosure. The foreclosure prevention administrator continued to meet with Seniors and homeowners directly to assist with applying to the HAF program. DISB has assisted 135 homeowners in receiving funds from the HAF program.

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 through the DISB/HCS contract. These figures do not necessarily correspond to overall foreclosure rates across all Wards of the district. The Department saw the largest increase in delinquency in Ward 7 and Ward 4. Ward 8 saw the largest decrease in delinquency year over year.

<u>Ward</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
1	7%	7%	10%	6%
2	6%	5%	2%	2%
3	5%	5%	3%	3%
4	14%	8%	18%	19%
5	18%	23%	16%	17%
6	7%	6%	11%	7%
7	27%	25%	27%	22%
8	16%	21%	13%	23%

78. 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 outcomes of Department assistance.

Most large lenders opt to go through the courts to foreclose in the District via the judicial foreclosure process. DISB’s Foreclosure Mediation program typically receives foreclosure notices from smaller local lenders. As of December 2023, the lending community continues to wait for the HAF program decisioning prior to starting the foreclosure process if the homeowner has in fact applied for HAF assistance.

Number of Notices of Default and Mediation Certificates Issued by DISB

	Notices of Default	Mediation Certificates Issued
FY 2023	5	3
FY 2024, to date	2	1

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 mediation program has prevented foreclosures with lenders and homeowners agreeing to loan modifications, repayment plans, reinstatements, short sales, and other alternatives.

The entry point of the program begins with the foreclosure prevention hotline. The hotline is designed to assess the callers’ situations, address their concerns and then to schedule their first interaction with a counselor at our weekly foreclosure prevention webinar. The webinar provides an overview of the foreclosure prevention process (court procedure, lender interaction, personal obligation). Once a borrower participates in the webinar, they are then assigned an individual counselor who works with the borrower to assist them with viable options to prevent foreclosure. Counselors work directly with borrowers to evaluate and assist with the different options (based on affordability) offered by the lender to satisfy delinquency. In cases where the lender has started the judicial foreclosure process, counselors attend court hearings and mediations as well as provide attorney referrals. An attorney referral provides up to five hours of free legal assistance/review to help the borrower accurately comprehend their legal standing. Attorney referrals (up to five hours) can also be provided if predatory lending is suspected. Outreach for the program is done through mailings, radio, print, social media, and Metro campaigns.

The foreclosure prevention hotline continued to receive a high volume of callers (1,181). The Department was able to successfully assist 213 homeowners with obtaining a loss mitigation solution and prevent foreclosure.

Foreclosure Prevention Results

	FY 2024 through Nov. 30	FY 2023	FY 2022	FY 2021
District residents served	49	716	547	449
Positive Outcomes-Foreclosure Prevented	19	213	122	143
Loan Modifications	1	12	49	30
Mortgages Brought Current	12	19	31	46
Forbearance	0	6	27	25
Outreach Letters Sent	97	1,351	469	630

Hotline Calls	104	1,181	925	947
Judicial Hearings Assisted	335	2,742	251	336
Attorney Referrals	10	101	1	20
Values of Properties Saved	\$9,670,890	\$102,365,983	\$53,555,713	\$68,810,053

79. In Fiscal Year 2023 and Fiscal Year 2024, 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 was a backlog of foreclosure filings due to the COVID-19 public health emergency, and a moratorium was placed on all owner-occupied residential properties which was lifted on September 30, 2022. The number of filings, hearings, and referrals then increased drastically in the courts. DISB assisted with a total of 716 hearings and provided 101 attorney referrals in FY23. The Department expects to see an increase in foreclosure filings and judicial cases in FY24 due to almost three years of no foreclosure activity. As of November 2023, the Department has assisted with a total of 335 judicial hearings and provided 10 attorney referrals.

80. 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.

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.

81. Please provide the number of District-wide town hall meetings the Department held in Fiscal Year 2023 and Fiscal Year 2024, year to date. For each meeting, please discuss the locations, dates, topics of discussion, and number of attendees. Please include whether the meeting was held virtually or in person.

DISB did not hold any District-wide town hall meetings in FY23 or FY24, to date.

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

The District of Columbia Business Capital Access Program (“DC BizCAP”) provides capital to District based small businesses and entrepreneurs through the funding provided to DISB through the State Small Business Credit Initiative (“SSBCI”). With the newly awarded \$62 million in SSBCI capital, DC BizCAP will expand the access to capital programs it presently administers and partner with the Deputy Mayor for Planning and Economic Development (“DMPED”), who will establish a venture capital program for District based small businesses. In preparation for the additional SSBCI capital, DISB Banking Bureau staff developed and adopted Standard Operating Procedures (“SOPs”) that incorporated program rules, regulations, operational standards, program documents and best practices. The adopted SOPs will be used to reduce program risk and to ensure DC BizCAP is operationally consistent and adheres to federal and local regulations. Additionally, in fiscal year 2024, DC BizCAP has plans to deploy the District of Columbia Capital Readiness Program (“DC CRP”) which will provide District of Columbia based small businesses the training and advisory services needed to obtain access to capital. More specifically, the DC CRP will provide training and curriculum to District based small businesses in the areas of (1) business planning; (2) marketing and social media; (3) contracting and procurement; (4) financial reporting; (5) credit education; and (6) business management. DC CRP will be funded through the income produced through the District’s SSBCI program. Currently, the SSBCI program has generated \$500,000 in program income which will fund the development and deployment of the DC CRP for three years.

The Collateral Support Program (“CSP”) provides capital to small businesses who don’t have the required collateral necessary to obtain loans. In FY21, the CSP funded six transactions that provided District Small Business with \$2.8 million in access to capital. In FY22, the CSP funded five transactions that provided District small businesses with \$3 million in access to capital. In FY23 to date, the CSP funded six transactions for \$2.25 million resulting in District small businesses being provided more than \$5.5 million in small business loans through our partnerships with banks and lenders. With initial disbursement of the newly awarded SSBCI funding the CSP will be allocated an additional \$2.6 million in access to capital for small businesses.

The Innovation Finance Program (“IFP”) provides creative debt and investments for innovative companies who don’t meet traditional funding requirements. In FY21 the IFP provided one business with \$500,000. In FY22 the IFP provided four small businesses with \$1,387,500 in access to capital. No transactions were funded in FY23. The IFP currently has \$404,000 available for co-investments into District based small businesses. The IFP will not be refunded as a part of the newly awarded SSBCI funding.

- a. Please explain how these programs are administered, including which division(s) and 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’s Banking Bureau, led by the Associate Commissioner of Banking, is responsible for overseeing DC BizCAP. The DC Business Capital Access Program has two full time associates administering the program. A Program Analyst, who serves as the Program Administrator,

manages DC BizCAP and there is one vacant full-time career service position that supports the program's administration.

DC BizCAP staff works directly with DISB's staff in the District of Columbia's Office of the General Counsel, Office of the Chief Financial Officer, and Banking Bureau Examiners to confirm the program meets compliance standards. To ensure DC BizCAP can sufficiently administer programs, two additional staff will be needed, including a Financial Analyst and a Community Outreach Specialist. The additional staff will be tasked with making certain the fiscal performance and outreach to the local community meet the program's objectives.

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 DC BizCAP, the District has provided SSBCI capital to support 56 loans and investments which were issued to 43 District-based small businesses. Over the course of the year DC BizCAP engaged with over 1,300 individuals that represent businesses in all eight Wards through workshops, webinars, and seminars focused on access to capital, capital readiness, and other small business resources.

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 2024 and for Fiscal Year 2025.

In FY23, DISB has formed additional partnerships with small business trade associations, government agencies, Community Development Financial Institutions ("CDFIs"), 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.

Moreover, in partnership with the Howard University Small Business Development Center, Washington, D.C. Economic Partnership, the Coalition for Nonprofit Housing and Economic Development, the Anacostia Economic Development Corporation, the Department of Small and Local Business Development, the Department of Licensing and Consumer Protection, DC Women's Business 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 which also serve small businesses via webinars, seminars, and other events focused on empowering and educating individuals and businesses regarding DC BizCAP.

In FY24, DISB will continue this outreach by expanding partnerships within the ecosystem. DISB is aligning its work under DC REACH to identify new products, programs, and policy recommendations to consider in working with small businesses in pursuit of capital. The Department's primary focus will be deploying the funding issued through the SSBCI and DC Capital Readiness Program and will continue to strategize around offering additional programs to support the District's small business access to capital needs.

83. 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 Licensing and Consumer Protection on the District’s BizCAP Program?

In Fiscal Year 2023, the Department continued its “Coffee & Capital” series where listeners heard from organizations like 1863 Ventures, the National Community Reinvestment Coalition, other small business capital providers and the small businesses who have successfully obtained funding. In May 2023, DISB and the Department of Small and Local Business Development (“DSLBD”) co-hosted the second annual “Mayor Muriel Bowser Presents 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. More than 500 people registered and over 250 attendees were present at the event.

The Department also collaborated with the DSLBD in cases in which borrowers may approach the Department directly for help with commercial funding but need technical assistance before obtaining capital. The technical assistance provided by DSLBD contributed to the success of the program.

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

84. Please detail how many businesses have benefited from participation in the Department’s small business programs in Fiscal Year 2023 and Fiscal Year 2024, to date, and include the ward where each business is located.

In FY23 there were four transactions completed for a total of \$2.9 million in small business loans and investments. In FY24 to date, DISB has funded two transactions for a total of \$75,000 in small business loans and investments.

The transactions were allocated as follows:

Ward	Number of Transactions
1	1
2	2
3	0
4	0
5	1
6	1
7	1
8	0

85. 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 FY23 or FY24, to date. While the District’s state crowdfunding securities offering continues to be available to the District’s small businesses, in 2018, the 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.” Accordingly, few if any state crowdfunding offerings have occurred in the country since then.

86. 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. There are no federal savings banks domiciled in the District.

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

87. 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 2023 and Fiscal Year 2024, to date.

The Department has not received any applications for licenses for international banks to do business in the District in FY23 or FY24, to date.

88. 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 Conference of State Bank Supervisors (“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 CSBS Performance Standards Committee. 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 Department plans to submit its formal accreditation application to CSBS by the end of the second quarter of FY24. CSBS is scheduled to conduct its onsite review of the Banking Bureau in late May 2024. DISB 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 helps an agency to strengthen its bank, mortgage, and money services business (“MSB”) 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 industry.

89. Please provide the data accumulated by the Department’s banking division for the biennial report for Fiscal Year 2022, Fiscal Year 2023, and Fiscal Year 2024, to date.

See the chart below:

DISB - Banking Bureau Licensing Statistics				
Category	FY21	FY22	FY23	FY24, YTD 12/31/23
Mortgage Lenders/Brokers	1,692	1,962	1,725	1,509
Mortgage Loan Originators	7,480	10,050	6,610	6,711
Check Cashers	37	48	45	34
Money Transmitters	144	171	190	191
Retail Seller and Consumer Sales Finance Companies	102	114	95	82
Money Lenders	59	71	82	76
Student Loan Servicers	47	48	58	52
Appraisal Management Companies	86	95	84	73
Total	9,647	12,559	8,889	8,728

Licensing renewals begin November of each calendar year.

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

Below is the risk finance data that is currently available, some of which is from calendar year 2022. DISB does not yet have the calendar year 2023 financial information. The 2023 annual statements from the insurers operating in the District are not due until March 1, 2024.

New Captive Insurance Companies Licensed

FY 2023	FY 2024, to date
28	3

Captive Insurance Premiums (millions)

	CY 2022	CY 2023
Gross Premiums Written	\$2,260	Not available yet
Net Premiums Written	\$1,406	Not available yet
Net Premiums Earned	\$1,392	Not available yet
Underwriting Profit	\$62	Not available yet

Asset and Capital and Surplus Growth of Captives (millions)

	CY 2022	CY 2023
Cash and Invested Assets	\$6,569	Not available yet
Total Assets	\$10,281	Not available yet
Total Capital and Surplus	\$2,282	Not available yet

Premium Tax and Fee Revenue by Calendar Year (millions)

	CY 2022	CY 2023
Premium Taxes	\$3,246	\$3,447
Fines and Fees	\$0	\$0

CAPCO Fee Revenue by Calendar Year

	CY 2023	CY 2024
Annual Fees	\$20,000	Not available yet

91. Please provide the data accumulated by the Department's securities division for the two most recent biennial reports.

Corporation Finance

	FY22		FY23		FY24*	
	Filings	Fees Collected	Filings	Fees Collected	Filings	Fees Collected
Mutual Funds Notices Filings (Paper)	734	\$301,156	505	\$199,859	134	\$85,803

Mutual Funds Notices filing (Electronic)	23,870	\$14,980,907	22,675	\$10,759,129	5,019	\$2,309,166
Registrations	84	\$129,750	62	\$89,075	10	\$14,000
Exemption Filings	1,765	\$451,550	1,521	\$348,651	229	\$52,200
Totals	26,453	\$15,863,363	24,763	\$11,396,714	5,392	\$2,461,168

* Year to date as of November 30, 2023

Examinations

Category	FY22	FY23	FY24*
Carried over cases	3	2	0
Opened open cases	9	7	4
Completed cases	10	9	0
Pending cases	2	0	4

* Year to date as of November 30, 2023

Licensing Statistics

	FY22		FY23		FY24*	
	UNITS	FEES	UNITS	FEES	UNITS	FEES
Broker-Dealer Agent	191,828	\$8,619,545	203,015	\$9,067,3600	5,905	\$213,365
Investment Adviser Representative	4,949	\$222,390	4,958	\$220,860	127	\$5,7150
Broker-Dealer Firms	1,601	\$400,250	1,608	\$401,750	16	\$4,000
Investment Adviser Firms	150	\$37,500	138	\$34,250	0	\$0
Investment Adviser Firms (Notice Filings)	1,500	\$375,000	1,557	\$389,250	3	\$750
Agent of Issuers	4	\$180	1	\$45	0	\$0
Total	200,032	\$9,654,865	211,277	\$10,113,515	6,051	\$223,830

* Year to date as of November 30, 2023

Fines

	FY22	FY23	FY24*
BLOCKFI	\$373,358		
NEXO		\$ 330,188	\$94,399
DISTRICT CAPITAL		\$ 10,090	
ROBINHOOD			\$ 200,000
RAYMOND JAMES			\$75,000
Total	\$373,358	\$ 340,278	\$ 369,399

* Year to date as of December 26, 2023

92. 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 2022. DISB does not have the 2023 financial information currently. The 2023 annual statements from the insurers operating in the District are not due until March 1, 2024.

Volume of District Insurance Premiums (in thousands) *		
Category	CY21	CY22
Health	\$7,152,294	\$7,174,391
Life/Annuities	\$2,215,241	\$3,674,796
Property/Casualty	\$2,269,042	\$2,543,369
Surplus Lines	\$446,595	\$538,035
Title	\$105,141	\$83,883
RRG	\$631,050	\$683,076
Total	\$12,819,363	\$14,697,550

**Data based on calendar year financial information*

Approximately 1,300 insurance companies are licensed to operate in the District. There are 12 domestic companies that are incorporated in the District and 1,342 licensed companies that are incorporated in other states (“foreign companies”). They provided \$177 million in CY22 in taxes and fees to the District’s General Fund. See the table below.

District Insurance Sector Taxes and Fees (in thousands) *		
Revenue Source	CY21	CY22
Taxes	\$131,578	\$148,457
Fees	\$29,850	\$28,821

Total	\$161,428	\$177,278
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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 up 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.

District Insurance Licenses		
	CY22	CY23
Individual		
Resident	1,524	1,508
Nonresident	121,262	122,586
Total	122,786	124,094
Business Entity		
Resident	161	157
Nonresident	8,024	8,240
Total	8,185	8,397
Grand Total	130,971	132,491

93. Please provide the data accumulated by the enforcement and consumer protections bureau for the biennial report for Fiscal Year 2023 and Fiscal Year 2024, 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)	FY23 Total	FY24 As of 12/31/23
Auto/Property Insurance	603	119
Health Insurance	83	16
Life Insurance	14	6
Insurance Regulatory	43	10
Insurance – Other	0	0
Insurance Agent or Adjuster	37	9

Banking Regulatory and/or Fraud	155	53
Securities	14	2
Workers' Compensation/Disability	20	3
Total	956ⁱ	218

Results of Investigations	FY 2023 Total	FY 2024 As of 12/12/2022
Cases (Investigations) Opened	293	37
Cases Closed ⁱⁱ	257	96
REFERRALS FROM ECPD		
DISB Cases Referred to U.S. Attorney's Office	4	0
DISB Cases Accepted by U.S. Attorney's Office	3	0
U.S. Attorney's Office-DISB criminal case convictions ⁱⁱⁱ	3	0
DISB Office of General Counsel Administrative Actions	4	0
Total Restitution/Forfeitures	\$155,212.96	0
Total Incarceration/Probation Periods	0	0
Recoveries	\$155,212.96	0
Fines	0	0

ⁱ This number is a reduction of 13 referrals that show in two categories. The column total would otherwise be 969.

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

ⁱⁱⁱ Convictions may be from cases initiated in prior fiscal years.

94. 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 review and certification of qualified health plans (QHPs), ongoing monitoring for market compliance, and resolution of complaints from both insurers and residents regarding 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, carries out the assessment 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 received a grant in 2021 through the Center for Consumer Information and Insurance Oversight 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 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").

95. 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 updates on the number of individuals who have had their public loans forgiven due to some of the federal programs initiated in recent years.

In October of 2022, the Temporary Public Service Loan Forgiveness Waiver Program ("TEPSLF") ended, resulting in a rush of residents requesting information and assistance on how to apply for TEPSLF prior to the October 31st cut off. Additionally, the Department of Education announced return to repayment, lifting the payment pause at the end of September of 2023. This also caused many borrowers who had not made a payment in close to three years to have fears of returning to repayment and request individual appointments with the Student Loan Ombudsman to design the best repayment strategy. The Department's Student Loan Ombudsman led local efforts, in collaboration with the Department of Education, District government agencies (including the District's Office of Attorney General), and outside public advocacy groups, especially the Student Borrower Protection Center, to provide 26 workshops that reached 2,578 attendees. Recordings of these workshops were made available online and posted on DISB's website as well as social media outlets, and shared on our community partners' websites to reach a broader audience. Additionally, the Student Loan Ombudsman met directly with over 60 student loan borrowers in FY23.

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 end of the Temporary Public Service Loan Forgiveness Waiver program and the return to repayment. 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 interests. Because of 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. FY 2023 was bookended with two complex events in the student loan industry. The Department’s Student Loan Ombudsman office met the challenges head on by making staff and resources available to any borrowers requesting assistance directly and was present in the community.

In addition to providing outreach and support to residents regarding the Public Service Loan Forgiveness program, and the Return to Repayment, the Student Loan Ombudsman continued developing and promoting college readiness and financial outreach programming as the Department held its fourth annual summer higher education series in July 2023. 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 a student account (including refunds, book vouchers, balances, and payment arrangements), and strategies and resources to be a successful student. The program was fully in person 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”).

To further support students and student loan borrowers, the Student Loan Ombudsman developed online resources including an interactive college tuition budget calculator, and a student loan repayment curriculum. Both resources as well as all our presentations, frequently asked questions (“FAQs”), consumer alerts, and scholarship information can be found on our website. We continue to update the residents of DC on student loan hot topics and issue warnings through FAQs and our consumer alerts at <https://disb.dc.gov/studentloanhelp>.

Outreach Data

FY 22-23 (October 1, 2022-September 30, 2023)

<u>Quarter</u>	<u># of Events</u>	<u># of Attendees</u>	<u>Wards</u>
Q1	5	1066	3 Total (4,5,6)
Q2	7	503	4 Total (2,3,5,6)
Q3	9	136	5 Total (2,4,5,6,7)
Q4	8	429	5 Total (2,3,5,7,8)

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 Consumer and Regulatory Affairs
- 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

a. Please provide updates on the number of individuals who have had their public loans forgiven due to some of the federal programs initiated in recent years.

In FY23, the Student Loan Ombudsman successfully assisted borrowers 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 student loan debt for seven residents of \$1,273,270, which is a 21% increase over the previous fiscal year.

Furthermore, the Student Loan Ombudsman worked directly with the Department of Education to obtain reporting on the Public Student Loan Forgiveness (“PSLF”) program as a whole pertaining to DC borrowers. Since October 1st, 2021, 4,260 DC borrowers have received a total of \$378.2 million dollars of forgiveness through the PSLF program. Additionally, another 2,510 borrowers have been identified to receive forgiveness in the amount of \$148.3 million dollars through the one-time Income Driven Repayment adjustment process that will be completed by July 2024.

See Appendix 26.

96. Please discuss how the Department tracks, analyzes, and intervenes to prevent student loan default or compassionate repayment options, highlighting any recent changes or updates. Please provide the following information relating to student loan default:

- 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;**

The Department tracks and analyzes student loan default rates through its annual reports, which provide data on student loan borrowers who default on their private loans. DISB also works closely with the Department of Education on federal (public) loan delinquency reporting.

It should be noted that in FY23, federal loans remained in a payment pause, therefore no delinquencies were reported nor were any payments due. The CARES Act, passed in March 2020, provided relief to federal student loan borrowers by suspending loan payments and interest accrual through September 30, 2021. This relief was extended by the Biden administration through October 1, 2023.

To prevent default, the Department of Education developed an additional repayment plan called the SAVE plan to ease the financial burden for borrowers on an Income Driven Repayment plan. The Student Loan Ombudsman continues to meet with borrowers to ensure they fully understand their repayment options and assist in applying for the right repayment plan.

The Student Loan Ombudsman Office is committed to preventing student loan defaults and providing guidance in repayment options for borrowers who are struggling to manage their loan payments. DISB continues to meet directly with borrowers and navigate the repayment options and forgiveness programs available to assist in their student loan journey. In addition, the Department's student loan repayment curriculum walks borrowers through the different options of repayment, forbearance, deferment, and forgiveness.

- b. The number of student loan default reported in Fiscal Year 2023 and Fiscal Year 2024, to date;**

As mentioned above, there was a payment pause on federal student loans up until October 1st, 2023. Additionally, there is an on-ramp process that prevents negative credit reporting on federal loans for one year after the return to repayment. Although borrowers may miss payments, delinquencies will not appear on credit reporting for DC borrowers in FY24. These measures were implemented by the Department of Education to allow borrowers to ease into repaying their loans after multiple years of no payments required.

- c. Whether the student loan default rate is decreasing 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;**

Although it cannot be predicted with certainty that the default rate will increase, DISB believes many borrowers will default on their student loans due to the payment shock with returning to repayment. The Department offers various resources to residents who are struggling with student loan payments or facing default. These resources include scheduling individual meetings to discuss

loan repayment plans, loan consolidation, income-driven repayment plans, and loan forgiveness programs. The Department of Education also instituted the Fresh Start initiative that allows borrowers who were in default previously to come out of default and start fresh with no consequences. The Student Loan Ombudsman has assisted several borrowers in taking advantage of this program. DISB will continue to monitor default rates and remain proactive with our offering of services to the residents of DC.

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

The Department’s annual reporting requirements are furnished at the city level; however, DISB tracks requests for individual assistance. In FY23, Ward 7 had the most requests for student loan assistance.

Although it is difficult to pinpoint one specific reason, some wards or neighborhoods are impacted more than others by student loan delinquencies. Data shows that certain areas have a higher concentration of individuals with higher amounts of student loans, while others may have a higher unemployment rate or lower income levels, which may be correlated with making it more difficult for individuals to pay off their loans.

Additionally, the specific schools attended by individuals in each area can impact the default rate for that location. Ultimately, it's important to take a nuanced approach when analyzing the impact of student loan default on different communities, as the issue is complex and multifaceted. The Student Loan Ombudsman Office focused on community outreach in FY 2023 to target high school students, counselors, and administrators on the value of financial aid and assistance as an alternative to student loans.

97. Last fiscal year, the Department didn’t anticipate having data on private student loan default and related COVID-19 support until after January 30, 2023, when private education loan servicers were required to submit their annual report. Please now provide data on private student loan default, including by ward.

The Department’s annual reports are based on the previous calendar year’s loan activity. Below is Calendar Year 2022 defaulted student loan data. Federal loans were not delinquent due to the pause in payment. The information furnished by the servicers is at the citywide level and DISB tracks Ward information in complaint/inquiry request reporting.

- Private Student Loans in Collection – 368
- Private Student Loans 30-90 Days Delinquent – 413
- Private Student Loans 91-180 Days Delinquent – 198
- Total Private Student Loans that are Delinquent/In Collections – 979

98. Has the Department seen any noteworthy effects of the resumption of federal student loan payments beginning in October 2023?

The Student Loan Ombudsman, in partnership with the Office of the Attorney General, Student Borrower Protection Center, and District of Columbia Department of Human Resources, held a “return to repayment” webinar resulting in over 70 requests for individual appointments to discuss

the best return to repayment strategies in the month of September alone. In October 2023, the Student Loan Ombudsman received an additional 20 requests for individual appointments. The Department expects to see an uptick in delinquencies and more requests for forbearance options. DISB remains committed to helping borrowers mitigate any delinquencies by educating and developing individual plans of action that best suit their needs.

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

The Office of the Student Loan Ombudsman works closely with the Consumer Financial Protection Bureau, the U.S. Department of Education, Federal Student Aid, and state regulators to track student loan borrower complaints focusing on unfair, deceptive, and abusive lending and servicing practices. DISB also performs student loan examinations and supervisory oversight to curb deceptive student lending practices. In FY24, the Student Loan Examination team will conduct a multi-state examination on student loan servicing company Nelnet.

100. 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 and casualty policies are more generally discussed in terms of policy cancellation and nonrenewal. District regulations provide requirements for cancellations and nonrenewals for property and 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.

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

See Appendix 27.

102. Please provide an update on how the process of approving rate increases across insurance products has changed. 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?

With the adoption of the Motor Vehicle and Homeowner Insurance Prior Approval Rate Filing Emergency Amendment Act of 2023 and its corresponding temporary and permanent versions, homeowners and auto rate filings are now subject to prior approval rather than file and use, meaning that insurers are no longer able to implement rate filings prior to the completion of our review. All rate filings above 10% are reviewed by Commissioner Woods prior to their approval and DISB encourages insurers to grade-in larger rate increases.

The external issues driving up the cost of both lines continue to exist, and insurers continue to file for large increases based on their loss experience. DISB is also looking for ways to impact insurance costs. For example, a recent report indicated that over 25% of District drivers were uninsured. This is the highest level in the nation and there has been an increase in uninsured drivers since the start of the COVID-19 public health emergency. The Department has asked, through our Insurance Advisory Committee, for information about the impact of uninsured drivers on auto insurance costs and for successful programs other states have used to reduce the number of uninsured drivers.

Insurers have always given their customers advance notice of premium increases, but with the passing of the legislation, insurers are now required to provide that notice at least 45 days in advance. This will give sufficient time for residents to investigate other options if they do not like their proposed premium.

103. Have private passenger and homeowner insurers begun to comply with the requirement to provide insured individuals with written notice of their renewal policies? What has been the early impact of the Motor Vehicle and Homeowner Insurance Prior Approval Rate Filing Temporary Amendment Act of 2023? Have any rates been determined to be excessive or unfairly discriminatory? Have any consumers reached out to complain about the rates included in their written notices?

Insurers are complying with the requirement to provide that notice at least 45 days in advance of renewal, which will give sufficient time for residents to investigate other options if they do not like their proposed premium.

At a minimum, the new law has slowed the pace of rate increases as insurers now must wait until DISB's review is completed to implement increases. That gives the Department the opportunity to evaluate the filings and to push insurers to grade in large increases. Most rate filings are actuarially supported, but staff does scrutinize the filings and when the Department finds objections, insurers work with the actuaries to clarify the issue or make changes to the filing. Filings are more often modified rather than rejected for being excessive or unfairly discriminatory.

104. Please provide the number of consumer complaints the Department received during Fiscal Year 2023 and Fiscal Year 2024, to date. Please distinguish the complaints by the following types:

- a) Insurance;**
- b) Securities; and**

c) Banking.

a. Insurance Complaints

For FY 2023 (October 1, 2022 – September 30, 2023), DISB received 682 insurance complaints: 144 were confirmed; 525 were not confirmed.

For FY 2024 YTD (October 1, 2023 – December 4, 2023) DISB received 140 insurance complaints: 2 were confirmed; 26 were not confirmed; 112 are pending resolution.

b. Securities Complaints

For FY 2023 (October 1, 2022 – September 30, 2023), DISB received 20 securities complaints, 0 confirmed; 20 were not confirmed.

For FY 2024 YTD (October 1, 2023 – December 4, 2023), DISB received 3 securities complaints, 0 confirmed; 2 were unconfirmed; 1 is pending resolution.

c. Banking Complaints

For FY 2023 (October 1, 2022 – September 30, 2023), DISB received 101 banking complaints, 9 confirmed; 88 were not confirmed; 4 are pending resolution.

For FY 2024 YTD (October 1, 2023 – December 4, 2023), DISB received 23 banking complaints, zero confirmed; 17 unconfirmed; 6 are pending resolution.

Industry Sector	Complaints Received FY 2023	Complaints Received FYTD24
Insurance	682	140
Securities	20	3
Banking	101	23
Total	803	166

105. **Please identify any trends in the complaints received in Fiscal Year 2023 and Fiscal Year 2024, to date.**

Please see below regarding the number of insurance related consumer complaints received by DISB from each Ward for FY 2023 and FYTD 2024. :

Ward	Number of Insurance Related Consumer Complaints in FY23	Number of Insurance Related Consumer Complaints in FY24 (as of December 4, 2023)
Ward 1	62	14
Ward 2	53	10
Ward 3	54	5
Ward 4	65	11
Ward 5	60	11

Ward 6	59	10
Ward 7	52	4
Ward 8	39	5

In FY23, the insurance companies that generated the greatest number of consumer complaints were the following: CareFirst (70), State Farm (49), Travelers (44), United Health Care (34) and Cigna Health (31).

In FYTD 2024, the insurance companies that generated the greatest number of consumer complaints to date are the following: CareFirst (15), State Farm (12), United Health Care (8).

Please see below regarding the types of consumer complaints the department received in FY23-24 to date.

The Compliance and Analysis Division (CAD) observed an increase in non-renewals and premium increases of homeowners' policies and auto policies between FY22 and FY23. The CAD will continue to monitor this trend to determine what factors are the cause of the non-renewals and premium increases and take regulatory action if appropriate.

Claim handling represents the single largest category of complaints for FY23 and FY24, to date.

Health Insurance Complaints

Complaints regarding cancellations, claim delays, claim denials, non-renewals, and unsatisfactory settlement of claims represent the highest number of complaint types in FY23 and FY24, to date. In FY23, health insurance complaints accounted for 39% of insurance complaints, and in FY24, 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 FY23, 26% of insurance complaints were made related to auto insurance claim handling, pricing, and coverage termination. In FY24, to date, 16 % of insurance complaints are auto related.

Homeowners Insurance Complaints

In FY23, 21% of insurance complaints were attributed to homeowners and 21% in FY24, to date.

Banking Complaints

Banking complaints represent 12% of the total number of complaints in FY23. Mortgage servicing and customer account servicing complaints account for approximately 50% of all banking complaints, year over year.

106. Please provide a list of all Consumer Alerts issued by the Department in Fiscal Year 2023 and Fiscal Year 2024, to date, and please describe:

a. The nature of each alert

FY23

1. PSLF Waiver—provided information on the Public Service Loan Forgiveness Waiver.
2. Frozen Pipes—provided information on ways to prevent and address frozen pipes.
3. Beware of IRS Tax Scams—warned of IRS tax scams and how to identify and report them.
4. Single Stock ETFs—warned of the dangers of single stock-exchange traded funds.
5. Crypto Hazards—warned of the dangers of crypto investing.
6. Romance Scams—warned of romance scams and ways to identify and report them.
7. NC Mutual Life Insurance—announced liquidation of North Carolina Mutual Life Insurance
8. Cryptocurrency--warned of the dangers of crypto investing.
9. Social Security and Medicare Scams—warned of social security and Medicare scams.
10. Medicaid Scams—warned of Medicaid scams.
11. Crypto Investments--warned of the dangers of crypto investing.
12. Reverse Mortgages—warned of the pitfalls of reverse mortgages.
13. Grandparent Scam—warned of scammers pretending to be grandchildren of victims.
14. Fresh Start Initiative—announced federal student aid program.
15. Financial Exploitation of Seniors—warned of scams targeting seniors.
16. Hyundai Kia Car Thefts—warned of rise in thefts of cars manufactured by Hyundai and Kia.
17. Precious Metal Scams—warned of precious metal scams.
18. Investment Advisor Scams—warned of scammers who pretend to be investment advisors.
19. Lear Capital—announced recoupment of overcharges for investors in Lear Capital.
20. Gamification—warned of scams perpetrated through gaming applications.
21. Other Peoples' Money—warned of scams that mimic Ponzi schemes.

FY24 Q1

1. Pig Butchering—warned of class of scams that are perpetrated over long periods of time.
2. Open Enrollment—warned of scams related to open enrollment in health insurance.
3. Holiday Scams—warned of scams related to holiday shopping.

PODCASTS

The Department issued five podcasts in FY 23: DISB Student Loan Ombudsman Podcast, How to Avoid Scams, Life Insurance 101, Title Insurance 101, Preparing for Home Ownership. Podcasts may be found here: <https://disb.dc.gov/service/podcasts>

TELEVISION INTERVIEWS

Commissioner Karima Woods appeared four times on ABC 7 Washington's morning program Good Morning Washington. The four interviews were about, respectively, protecting yourself from scams; navigating the student loan and scholarship process; the need for flood insurance; and the programs and services DISB offers to Washington DC.

Commissioner Woods also appeared on ABC 7 to discuss the impact of the closure of banks nationwide on the District's community banks.

RADIO INTERVIEWS

Commissioner Woods hosted Understanding Your Finances with Karima Woods on WOL-AM, featuring discussions on the following topics: captive insurance; SSBCI; Office of Financial Empowerment and Education; how to file a complaint with DISB, student loan services; and protecting yourself from scams.

Deputy Commissioner Dana Sheppard appeared on WTOP Radio to discuss captive insurance, and was joined by two leaders who formed captive insurance in the District as a result of DISB's efforts, Jo Ann Wallace and Karen Hsi.

Associate Commissioner for Banking Sam Fuller appeared on The Daily Drum on WHUR to discuss the impact of bank closures on DC's community banks.

Idrys Abdullah, Shahidah Williams, Sharon Shipp, Michelle Hammonds and Brian Bressman from DISB all appeared on WPGC's Community Affairs Show. Those interviews may be found here: <https://disb.dc.gov/page/disb-news>

TELEVISION ADVERTISING

DISB advertised on ABC 7 Washington for much of FY23, with ad topics including: introducing DISB; protecting yourself against scams; the need for flood insurance and student loan navigation.

RADIO ADVERTISING

DISB advertised on several radio stations in FY 23, including WPGC, El Zol, 106.7 The Fan, WOL, Praise FM, WTOP, and Hot 99.5. The topics of the ads included protecting yourself from scams; the need for flood awareness; DISB working for you; the Small Business Expo.

b. How the Department intervened or otherwise responded.

Each alert was published by the Department via GovDelivery to more than 2,000 subscribers and was posted to social media platforms that included Twitter/X, Facebook and LinkedIn. Most alerts were also developed into short videos that were also posted on social media.

107. How did the Department use federal ARPA funds in Fiscal Year 2023 to support the District's recovery? If applicable, please explain if the Department plans to use any remaining ARPA funds in Fiscal Year 2024.

The following two DISB programs are ARPA-funded:

Financial Coaching for Returning Citizens

Financial Coaching for Returning Citizens funding for FY23 totaled \$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 ("FEC") 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 expanded the program to provide additional financial education training and funding. The program includes one-on-one financial

coaching to assist returning citizens and other vulnerable populations, and allow access to the FEC (i.e., financial education, coaching, and other programs).

Additionally, funds were used to support (1) two DISB FTEs; (2) two financial coaches at the FEC; (3) providing financial education for returning citizens; and (3) work with non-profit organizations to engage with returning citizens.

In FY24, DISB will continue to support the FEC expansion with additional coaches. DISB will also continue to partner with the Department of Corrections READY Center to provide access to bank accounts through the Bank on DC Program as well as provide financial education with online and in-person financial workshops, access to the Financially Fit DC program, and publication of the Returning Citizens Financial Toolkit to residents.

Opportunity Accounts Program Expansion

DISB is seeking approval to spend \$1,048,908 in federal recovery funds that are available from the District of Columbia's share of ARPA. This funding will pay for an expansion of the Opportunity Accounts Program (OAP), as described below.

DISB will utilize the Federal Revenue Replacement for Government Services Funds to respond to the COVID-19 public health emergency's economic impact on households by providing infrastructure support to increase the OAP. 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.

108. Please describe the goals and the activities of the Financial Coaching for Returning Citizens project.

The Financial Empowerment Center ("FEC") was launched in furtherance of Mayor Muriel 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 District residents to engage with other DISB/Office of Financial Empowerment and Education ("OFEE") asset-building programs including Bank On DC, Financially Fit DC, and the Opportunity Accounts Program.

The FEC trained counselors 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 receive financial health and wellness assessments, 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 populations are justice-involved men, women, young adults, and families. In FY23, DISB, in partnership with the Corrections Information Council ("CIC") and the Mayor's Office for Returning Citizens ("MORCA"), held two practitioner listening sessions and one community Financial Literacy Summit for returning citizens.

To target and provide consistent support to residents, access to resources, and accountability partners, DISB and the FEC will continue to identify reentry program partners that support

returning citizens and reentry efforts. 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 actively engaged with District agencies and external partners to incorporate best practices to ensure program success. They include MORCA, CSOSA, the Public Defender Service for the District of Columbia, and the Department of Youth and Rehabilitative Services. Lastly, the Department is currently working with District residents through the Central Detention Facility, in partnership with the Department of Corrections READY Center, with financial education workshops, access to bank accounts, and financial counseling to better prepare them for their return home.

The Office of Financial Empowerment and Education produced a Returning Citizens Financial Tool Kit. The purpose of this toolkit was to provide a written document to provide information and reference material to justice-involved individuals.

See Appendix 28.

109. Please provide updates on the status of the matched savings program pilot for Park Morton residents which the agency anticipated to start in March 2023.

DISB's Office of Financial Empowerment and Education ("OFEE") piloted and administered the Park Morton matched savings program pilot, in partnership with the Deputy Mayor's Office of Planning and Economic Development ("DMPED") and the District of Columbia Housing Authority ("DCHA"). The program kicked off in May 2023.

The Park Morton pilot is an addition to the existing matched saving program to make materials and information available to all Park Morton residents. DISB, in partnership with DCHA and DMPED, created multiple touchpoints to 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.

DCHA issued a survey to residents to gather details on their financial needs and goals. Gathering this information helped to inform the resident engagement process. During the resident engagement phase, information on the following topics will be shared with residents through a financial literacy series: (1) personal money management; (2) saving for the future; and (3) the basics of banking, credit, and investing. Additionally, Park Morton residents were 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 matched saving program promotes the following key savings areas: (1) purchasing a primary residence in the District; (2) making major repairs or improvements to a primary residence; (3) 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; (4) job training costs for the Account Holder or a spouse, domestic partner, father, mother, child, or dependent; (5) 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; (6) managing costs and

expenses incurred during retirement; and (7) purchasing a federally qualified individual retirement account.

DISB worked with Capital Area Asset Builders to conduct outreach and engagement to community members through eight online workshops, attendance at community events, and direct engagement with community members interested in the saving program. The program engaged with over 50 residents and signed up 10 residents to participate in the savings program. All DISB programs are still available to Park Morton residents. DISB will continue to work with developers and community-based organizations to provide residents with access to financial literacy information.

110. What is the status of the REACH/OCC initiative? What progress has been made across each goal? When do you anticipate releasing findings on the initiative?

DISB is in the process of issuing a report which includes the progress made to date and the focus of the individual workstreams. The report is expected to be approved by the Office of the Comptroller of the Currency (OCC) by the end of January. The three workstreams (Small Business, Credit, and Affordable Homeownership) have all identified their top five barriers, and put forth recommendations for products, policy, and program enhancements and development. DISB expects to release the report in February. In partnership with the OCC and workstream members, the initiative will continue in FY24 with additional reporting.

Small Business Workstream

Deliverables

- Product Deliverable
- Develop a list of access to capital providers available to District based small businesses.
- Program Deliverable
- Curate a resource list of access to capital and procurement programs.
- Policy Deliverable
- Explore how the new Community Reinvestment Act can be leveraged to improve bank and CDFI lending.

Activities

- Develop an online resource directory for DC small businesses the small business workstream has separated into small workgroups to complete a business model canvas. The business model canvas (BMC) has nine areas which provide a framework for the development of the online resource directory.

Credit Workstream

Deliverables

- Product Deliverable
- Develop a list of financially focused products aimed at improving access to credit.
- Program Deliverable
- Develop resource list of credible District credit counseling services.

- Policy Deliverable
- Explore how to encourage banks, credit card companies, and fintechs to provide credit education information at the branch and online account sign up / application.

Activities

- To ensure inclusion within the community as we move towards solutions surrounding the barriers affecting minority’s ability to access credit, the credit counseling and repair workstream conducted a listening session. The listening session included District residents who have encountered credit challenges. The attendees were made up of individuals starting the journey of credit, those with credit issues they are looking to improve, individuals who have improved credit based on the support offered in the District, and individuals who experienced a negative encounter with the support offered within the District. In the conclusion of the session attendees confirmed the barriers identified by the workstream and gave feedback on the type of support needed to reduce the barriers that prevent fair access to wealth.
- The workstream also heard from companies that provide traditional and technology based technical assistance aimed to educate individuals on credit and assist them in improving negative credit.

Affordable Homeownership Workstream

Deliverables

- Product Deliverable
 - Create an Urban Heirs’ Fund to allow family members to purchase “family” homes that are secured by a reverse mortgage with favorable terms for the purchaser. This will allow for legacy DC families to keep the home in the family. Projected date December 31, 2024.
- Program Deliverable
 - Develop a dashboard that captures Home Purchase Assistance Program (HPAP) funding, highlights, and demographics of recipients in real time. Already completed in October 2023 and available on the Department of Housing and Community Development’s (DHCD) website (dhcd.dc.gov/service/home-purchase-assistance-program).
- Policy Deliverable
 - Explore how the new Community Reinvestment Act can be leveraged to improve mortgage lending in minority communities. Recommend local and federal policy changes to income limits, program guidelines, and outreach requirements for funded housing related programs. Projected date June 30, 2024.

Activities

- Develop a website like Frontdoor specific to the private sector. This website will include all Special Purpose Credit Programs (SPCPs) and down payment assistance offered by financial institutions lending in DC Projected implementation date June 30, 2024.
