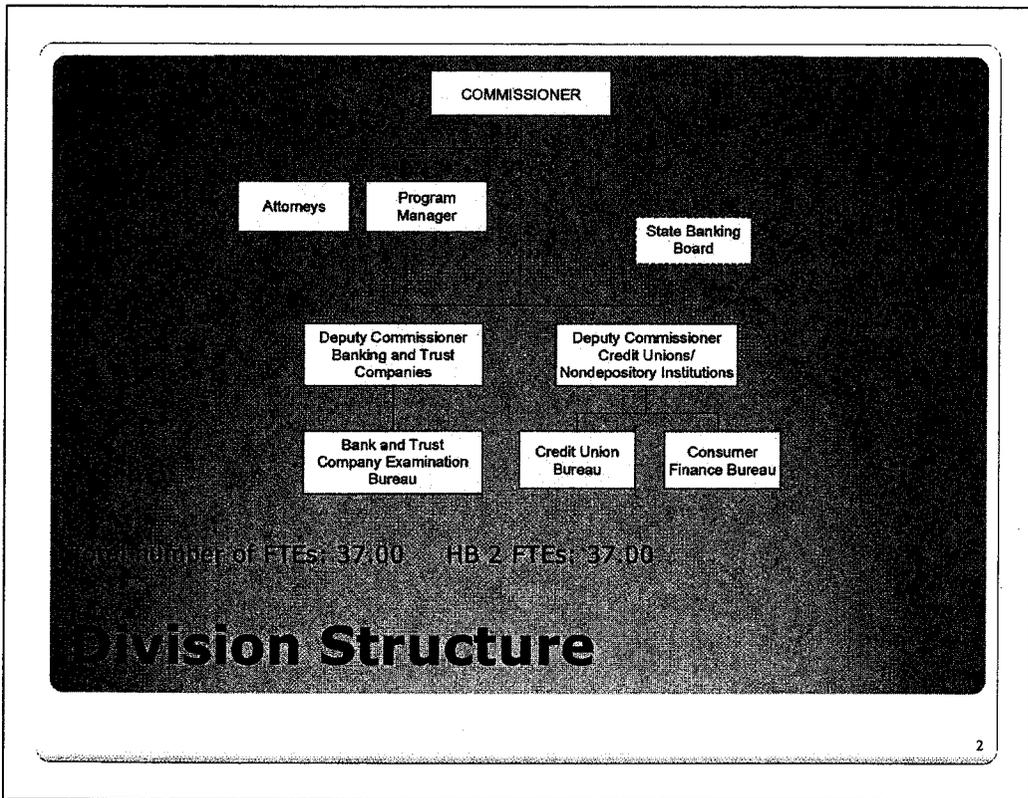


**Department of
Administration**

**Division of Banking and
Financial Institutions**

Commissioner: Melanie Hall
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Charter, supervise, and examine 57 state chartered banks and 7 credit unions with combined assets of over \$25 billion

license and examine 1350 residential mortgage brokers, lenders, servicers, and loan originators

license and examine 165 consumer loan companies, deferred deposit lenders, title lenders, escrow companies and sales finance companies

Provide a complaint process for Montana's financial services consumers

Background

3

100% of all division funding is derived from fees and the state's deposited funds through the state fund

One-time 50% reduction in bank assets in mid-July 2012 (approximately \$600,000)

Reviewing fee structure for all supervised entities due to continued growth in the fund balance

Funding

4

No bank failures in Montana in over 20 years

Converted one nationally chartered bank to a state-chartered bank

Analyzed and approved nine mergers, consolidations, and sales of banks and credit unions

Began regulating mortgage servicers to ensure Montanans do not wrongly lose their homes

Key Accomplishments

5

Suited claims against five largest mortgage servicers for \$1 billion

Montana was awarded with money to help pay for the state's share of the cost of the foreclosure prevention program Keep My Montana Home

Additional \$12 million in mortgage assistance was also resulted from the settlement

Returned \$150,000 to Montanans as a result of errors found during examinations of other non-depository entities

Key Accomplishments

6

Continue to provide effective and efficient service to Montanans and Montana's financial services industry.

- Act as an advocate for Montana's community banks, credit unions, and other providers of local financial services.
- Revamp the career ladder to help retain highly trained examination staff in light of extremely high turnover rates.
- Modernize the Acts over which the Division has statutory authority by bringing nine bills this session.

Upcoming Priorities

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TECHNOLOGY

- Using vacancy savings, the Division is developing a comprehensive database consolidating the Division's current and anticipated business processes into one central database and providing remote access to field staff.
- Seeking legislative authority to expand use of a national licensing system for license processing that will communicate directly with the database.

Budget Issue Background

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7

- The Division's fee structure supports this project without a fee increase to supervised entities.

- Cost savings will be realized through internal efficiencies, improved customer communication, and enhanced security of sensitive information.

- \$92,000/FY appropriation increase requested.

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Licensing and Enforcement System
Maintenance

Change EPIC funding source to provide training as a critical strategic investment

Support the Advisory Council on Workforce Development and Planning emphasizing workforce development and succession planning

Upcoming Priorities

EPIC New Workforce Allocation Model

Change 20-year funding period for EPIC from a fixed cost rate

Provides critical strategic investment for developing and improving the quality and knowledge base of employees

Equalizes and ensures training opportunities across state government

Projected cost: \$34.59 per FTE each fiscal year

Budget Issue Background