

Department of Administration

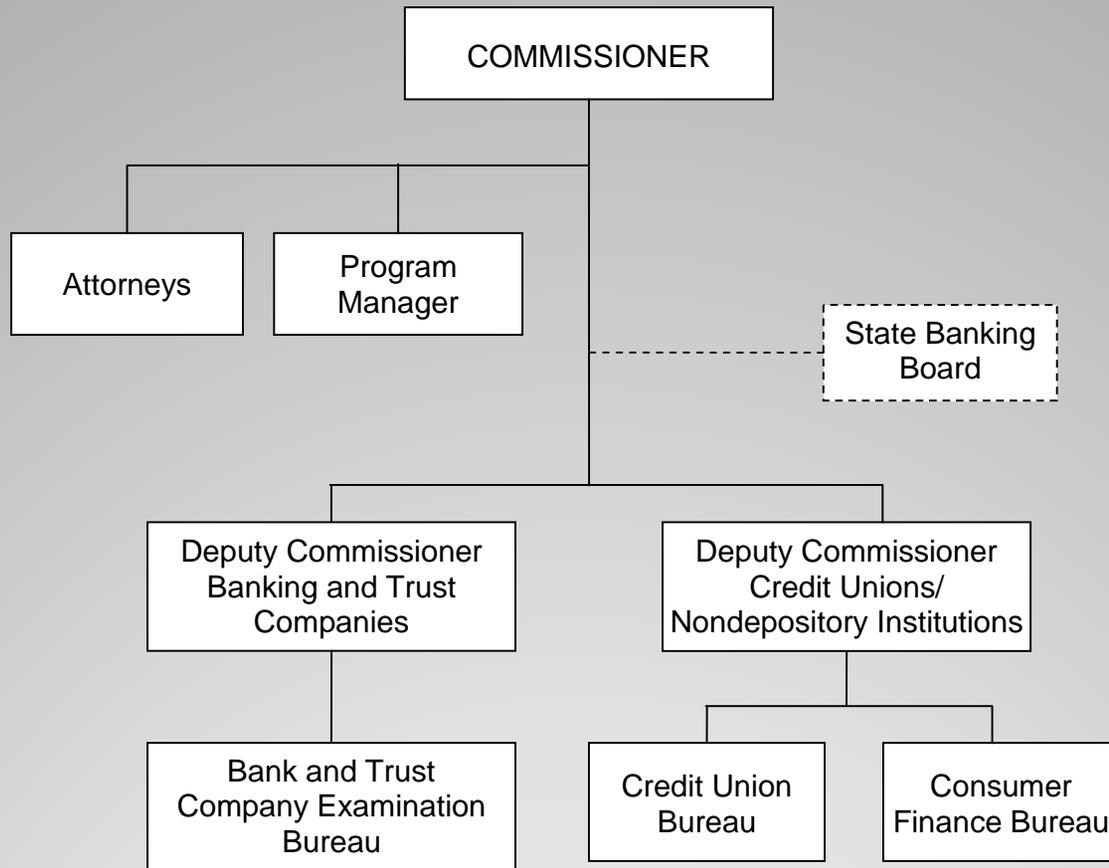
Division of Banking and Financial Institutions

Commissioner: Melanie Hall

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Total number of FTEs: 37.00 HB 2 FTEs: 37.00

Division Structure

- 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

- 100% of Division funding is received from fees and assessments deposited into a special revenue fund
- One-time 50% reduction in bank assessments in July 2012 (approximately \$600,000)
- Reviewing fee structure for all supervised entities due to continued growth in the fund balance

Funding

- **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

- Settled claims against five largest mortgage servicers for \$1 million
 - Money was combined with money received by the AG's Office to fund the foreclosure prevention program "Keep My Montana Home"
 - Additional \$12 million in mortgage assistance has 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

- 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

- TECHNOLOGY!!!

- Using vacancy savings, the Division procured 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

- 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