

OVERVIEW

Department of Administration Director: Misty Giles (Appointed by Governor)
 Commissioner of Banking: Melanie Hall (Appointed January 18, 2011)

The Division of Banking and Financial Institutions became a division of the Department of Administration under 2001 legislation. Previously the Commissioner of Banking and Financial Institutions reported to the Department of Commerce. The Director of the Department of Administration appoints the Commissioner of Banking and Financial Institutions. All statutory duties exercised by the division are carried out on behalf of the Department of Administration. The commissioner's position is exempt from the state classification and pay plan under 2-18-103, MCA.

DUTIES/RESPONSIBILITIES

Licenses, examines, or regulates the following MCA provisions:

- The Bank Act, Title 32, chapter 1
- Mutual Savings and Loan Association Act, Title 32, chapter 2
- The Montana Credit Union Act, Title 32, chapter 3
- The Montana Consumer Loan Act, Title 32, chapter 5
- The Electronic Funds Transfer Act, Title 32, chapter 6
- The Regulation of Escrow Businesses Act, Title 32, chapter 7
- The Montana Mortgage Act, Title 32, chapter 9
- The Business and Industrial Development Corporation Act, Title 32, chapter 11 (repealed 2023)
- The Retail Installment Sales Act, Title 31, chapter 1, part 2
- The Deferred Deposit Loan Act, Title 31, chapter 1, part 7

Licensee Types	As of 7/2023
State-chartered Banks	36
State-chartered Branch Banks	697*
State-chartered Credit Unions	9
State-Chartered Credit Union Branches	42
State-chartered Trust Companies	0
Consumer Loan Companies	235
Consumer Loan Company Branches	146
Deferred Deposit Lenders	0
Sales Finance Companies	136
Sales Finance Company Branches	43
Escrow Companies	8
Mortgage Broker Entities	336
Mortgage Broker Branches	557
Mortgage Lender Entities	288
Mortgage Lender Branches	811
Mortgage Servicer Entities	206
Mortgage Servicer Branches	159
Mortgage Loan Originators	4,068
*697 branches in all states, 298 in Montana	

GOALS

The Division's website states its mission is "to protect Montana citizens by regulating state-chartered and licensed financial institutions under its supervision." Stated goals are to:

- Protect Montanans who enter into consumer and residential mortgage loans with non-depository lenders from abuses that may occur in the credit marketplace;
- Raise the regulator standards for financial services regulation in Montana;
- Provide Montana citizens with a safe and sound system of state-chartered financial institutions;
- Promote the dual regulatory system that allows state and federal governments to act independently to charter, regulate, and supervise financial institutions for the good of Montanans;
- Improve the distribution of information and services through web-based tools; and
- Create and maintain a highly qualified, professional, diverse, and responsive workforce.

FUNDING

State special revenue funding for the division is based on fees assessed against the financial services that are regulated. During the 2023 biennium, two of four semi-annual assessments were reduced or waived to support depository financial institutions in their initial response to provide regulatory relief and lessen the amount of the division's fund balance. The 2025 biennium budget is higher than the 2023 biennium budget, partly due to growing cybersecurity risks and increasing costs of regulating financial institutions with consistently increasing asset sizes.

State Special Revenue	Total All Sources
FY 24 \$4,871,125*	No general fund money is received by Division of Banking and Financial Institutions.
FY 25 \$5,038,351* <ul style="list-style-type: none"> • Currently budgeted total authority 	

LEGISLATIVE AUDITS

The Division of Banking and Financial Institutions is within the Department of Administration. The most recent (2023) audit did not specify any concerns about DBFI.

RELATED LEGISLATION PASSED IN 2023

During the 2021-2022 interim, the Division of Banking & Financial Institutions requested **four** bill drafts. All **four** were drafted, introduced, passed, and approved:

- HB 30** Generally revises Montana mortgage laws; adopts prudential standards for nonbank mortgage servicers; provides for applicability and exclusions; provides for financial conditions and corporate governance of servicers; grants authorization to the Department of Administration regarding servicers; allows remote work for a mortgage business; provides for rulemaking authority and definitions.
- HB 138** Generally revises the Montana Bank Act; abolishes the State Banking Board; provides for the chartering of state chartered banks by the Department of Administration and the Commissioner of Banking; allows rulemaking on implementing the process for new charters; clarifies the application of general corporate law to the Bank Act; allows rulemaking for the approval of a shell bank; requires approval for loan production offices; requires an annual report of officers and directors; requires an annual report of service and technology providers; requires incident reporting; removes call reports from the confidentiality section; allows banks to have treasurers or cashiers; allows out-of-state state-chartered banks to use the word “bank” under certain circumstances; allows banks to pay dividends under certain circumstances; amends emergency closure provisions; simplifies the emergency closure process.
- HB 139** Revises laws related to mutual associations; requires mutual association member approval of a mutual association merger.
- SB 35** Repeals the Business and Industrial Development Corporations Act.

Other banking and financial related legislation:

- HB 371** Revises the Bank Act to allow a bank to own residential real property for the purpose of providing housing accommodations for its employees.
- SB 359** Prohibits financial institutions from mandating the use of firearms codes that are different from general sales; makes a violation of the prohibition an unfair trade practice.
- SB 430** Amends the term of bank directors and allows staggered terms.