

Agency Activity Inventory by Agency

Appropriation Period: 2003-05 Activity Version: 2004 Sup w/ Alloc & Activities

Agency: 102 - Dept of Financial Institutions

Agency Management and Administrative Services

The Administration Division provides administrative and technical services for the Department of Financial Institutions. Activities include policy and legal advice; communications; human resources, financial and budgeting services; and information systems. The activities provide the support and framework to effectively carry out the Department's mission.

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Maintain a healthy business climate

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$2,411,000	\$0	\$2,411,000	23.3	\$2,516,000	\$0	\$2,516,000	23.7

Expected Results:

1) Percentage of employees who express satisfaction with their jobs and maintain that DFI provides a productive climate: Target 80 percent 2) Percentage of employees who indicate on employee survey that they receive opportunities for training and development: Target 85 percent.

Chartering, Licensing and Registration

The Department of Financial Institutions evaluates and approves, for banks and credit unions, new applications, mergers, conversions, branches, and corporate governance changes. The Department also conducts licensing, registration and exemption activities for the following financial entities and persons: broker dealers, broker dealer representatives, investment advisers, investment adviser representatives, securities issuers, franchises, franchise brokers, business opportunities, escrow agents, escrow officers, mortgage brokers, check cashers and sellers (payday lenders), money transmitters, currency exchangers, and consumer loan companies.

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Maintain a healthy business climate

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$2,154,000	\$0	\$2,154,000	22.8	\$2,203,000	\$0	\$2,203,000	22.8

Expected Results:

1) Respond to new credit union charter applications within an average of 30 days from receipt of completed application. 2) By survey, percentage of license applicants giving a Good to Excellent rating for the overall quality of services received from the Consumer Services Licensing Unit during the application process. Target 80 percent 3) Turnaround time in business days for new escrow agent applications. Target 10 business days.

Outcome Measure: By survey, percentage of license applicants giving a Good to Excellent rating for the overall quality of service received from the Consumer Services Unit during the application process.

1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0%	0%	0%	0%	0%	0%

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Education and Public Outreach

The department conducts consumer education and stakeholder outreach activities and provides technical assistance and regulatory guidance to banks, credit unions, securities and consumer lending industry participants. Activities may include, but are not limited to: presentations, town meetings, press conferences, technical assistance, advisory letters and bulletins, addressing consumer concerns, and all other related activities that provide education and information to assist consumers and other stakeholders.

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Maintain a healthy business climate

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$661,000	\$0	\$661,000	7.2	\$664,000	\$0	\$664,000	7.2

Expected Results:

1) By survey, the percentage of investment advisers rating the technical assistance visit as "helpful or better." Target: Year 1: 50 percent Year 2: 75 percent . 2) Number of page views on the consumer education pages of the DFI website. Target: Year 1: 39,774 Year 2: 47,729 3) Number of public functions where DFI is represented and/or DFI educational materials available. Target: Year 1: 90 Year 2: 100.

Enforcement

The department conducts various types of supervisory, surveillance, and enforcement activities to detect and take corrective action for violations of the regulatory and anti-fraud statutes applicable to financial institutions. Activities include: complaint processing, investigation, and appropriate action against securities issuers and brokers, investment advisers, mortgage brokers, check cashers and sellers (payday lenders), money transmitters, currency exchangers, consumer loan companies and escrow agents; and investigation and appropriate actions against banks and credit unions. Coordination and assistance to other law enforcement agencies and prosecutors, and providing testimony in courts of law are additional activities associated with enforcement.

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Provide consumer protection

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$2,568,000	\$0	\$2,568,000	30.7	\$2,655,000	\$0	\$2,655,000	30.7

Expected Results:

1) Number of enforcement actions taken by the Division of Securities. Target 90 per year. 2) Number of enforcement actions taken against licensed persons by the Division of Securities. Target: Year 1: 24 Year 2: 36. 3) Number of enforcement actions carried out and orders issued annually by the Division of Consumer Services. Target: Year 1: 18 Year 2: 20

Outcome Measure: Percent of survey respondents responding good to excellent on quality of customer service received during the consumer complaint process.

1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0%	0%	0%	0%	0%	0%

Output Measure: Number of enforcement actions taken (cease & desist orders, criminal referrals, statement of charges)- Securities Division

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1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0	0	0	0	0	0

Examinations

The department performs several types of examinations. The three primary examinations are: (1) Compliance and for cause examinations of securities broker dealers, mortgage brokers, mortgage broker-dealers, investment advisers, escrow agents, escrow officers, debenture companies, check cashers and sellers (payday lenders), consumer loan companies, money transmitters, and currency exchangers; (2) safety and soundness examinations of banks, credit unions, debenture companies, money transmitters, trust companies, Small Business Association (SBA) lenders, and industrial development corporations; and (3) information system examinations of banks and credit unions.

Statewide Result Area: Improve the economic vitality of businesses and individuals

Category: Maintain a healthy business climate

FY 2004				FY 2005			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$6,183,000	\$0	\$6,183,000	62.3	\$6,407,000	\$0	\$6,407,000	63.8

Expected Results:

1) Percentage of banks with an examination rating of 1 or 2, responding "agree to strongly agree" when surveyed, that the bank's examination report prepared by the Division of Banks was objective, reflected material issues, and was useful for remaining in compliance with regulations. Target 90 percent. 2) Percentage of banks which have a satisfactory examination rating. Target 90 percent. 3) Percentage of surveyed credit unions strongly agreeing or agreeing that the credit union's examination report was objective, reflected material issues, and was useful for remaining in compliance with credit union laws. Target 85 percent 4) Percentage of credit union examinations completed within the statutory time period of 18 months: Target 80 percent. 5) Average number or working days turnaround for Consumer Services examinations. Target 60 days.

Outcome Measure: Percentage of banks with an examination rating of 1 or 2, responding Agree to Strongly Agree on survey that the bank's examination report prepared by the Division of Banks was objective, reflected material issues, and was useful for remaining in compliance

1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0%	0%	0%	0%	0%	0%

Outcome Measure: Percentage of banks with unsatisfactory examination ratings that receive the appropriate written supervisory action.

1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0%	0%	0%	0%	0%	0%

Outcome Measure: Percentage of credit unions which have a satisfactory examination rating (CAMEL rating of 1 or 2)

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1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0%	0%	0%	0%	0%	0%

Outcome Measure: By survey, the percentage of credit unions agreeing that the credit union's examination report prepared by the Division of Credit Unions was objective, reflected material issues, and was useful for remaining in compliance with regulations.

1999-01		2001-03		2003-05	
FY00 Actual	FY01 Actual	FY02 Actual	FY03 Estimate	FY04 Proposed	FY05 Proposed
0%	0%	0%	0%	0%	0%
