

## 102 - Dept of Financial Institutions

### A001 Agency Management and Administrative Services

The Division of Administration provides administrative and advisory services for the Department of Financial Institutions. These services include policy and legal advice, human resources, financial and budgeting functions.

	FY 2008	FY 2009	Biennial Total
FTE's	8.6	8.6	8.6
GFS	\$0	\$0	\$0
Other	\$1,268,000	\$1,164,000	\$2,432,000
Total	\$1,268,000	\$1,164,000	\$2,432,000

**Statewide Result Area: Improve the economic vitality of businesses and individuals**  
**Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency**

#### Expected Results

Implement Washington Works and an approved performance management system, which clarifies and delineates performance management expectations, roles, accountabilities, and competency requirements, and provides viable training for supervisors and employees.

### A002 Chartering, Licensing and Registration

The Department of Financial Institutions evaluates and approves new applications, mergers, conversions, branches, and corporate governance changes for banks and credit unions. The department also conducts licensing, registration, and exemption activities for financial entities, such as broker dealers, investment advisers, securities issuers, escrow officers, mortgage brokers, payday lenders, money transmitters, currency exchangers, and consumer loan companies.

	FY 2008	FY 2009	Biennial Total
FTE's	32.0	35.7	33.9
GFS	\$0	\$0	\$0
Other	\$3,139,000	\$3,517,000	\$6,656,000
Total	\$3,139,000	\$3,517,000	\$6,656,000

**Statewide Result Area: Improve the economic vitality of businesses and individuals**  
**Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency**

#### Expected Results

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

Average number of business days to process and issue a license.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	10		
	7th Qtr	10		
	6th Qtr	10		
	5th Qtr	10		
	4th Qtr	10		
	3rd Qtr	10	21.3	11.3
	2nd Qtr	10	17.7	7.7
	1st Qtr	10	102.3	92.3
2005-07	8th Qtr	5	21.5	16.5
	7th Qtr	5	25.75	20.75
	6th Qtr	5	1.97	(3.03)
	5th Qtr	5	1.5	(3.5)
	4th Qtr	5	2.44	(2.56)
	3rd Qtr	5	2	(3)
	2nd Qtr	5	2.81	(2.19)
	1st Qtr	5	2	(3)

*Licenses issued are related to the consumer services industry. For example: mortgage brokers, consumer loan companies, check cashers and sellers, escrow agents and officers, payday lenders, and money transmitters. The 07-09 target increase is due to 2006 legislation requiring licensing of loan originators. As of July 2007 DFI had received over 15,000 license applications. This new license requires additional time to work with licensees to provide all needed documents for licensure.*

Number of licensees.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	167,706		
	7th Qtr	167,706		
	6th Qtr	167,706		
	5th Qtr	167,706		
	4th Qtr	167,706		
	3rd Qtr	167,706	202,786	35,080
	2nd Qtr	167,706	206,905	39,199
	1st Qtr	167,706	205,159	37,453

*All Divisions.*

*Does not include branches or delegates of licensees; includes individuals that are licensed and companies that are licensed.*

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

Turnaround time in business days for initial response to securities and franchise registration applicants.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	15		
	7th Qtr	15		
	6th Qtr	15		
	5th Qtr	15		
	4th Qtr	15		
	3rd Qtr	15	11.9	(3.1)
	2nd Qtr	15	11.4	(3.6)
	1st Qtr	15	10.6	(4.4)
2005-07	8th Qtr	20	9.9	(10.1)
	7th Qtr	20	8.9	(11.1)
	6th Qtr	20	8.4	(11.6)
	5th Qtr	20	9.6	(10.4)
	4th Qtr	20	13.7	(6.3)
	3rd Qtr	20	9.4	(10.6)
	2nd Qtr	20	9.7	(10.3)
	1st Qtr	20	8.9	(11.1)
<i>Respond in a timely manner to licensing and registration applications. Types of licenses issued are related to the securities services industry.</i>				

**A003 Education and Public Outreach**

The Department conducts education and outreach activities for consumers and stakeholders. Activities include presentations, town meetings, and press conferences addressing consumer and industry concerns; Internet-based information; and interactive programs.

	FY 2008	FY 2009	Biennial Total
FTE's	3.0	3.0	3.0
GFS	\$700,000	\$800,000	\$1,500,000
Other	\$684,000	\$412,000	\$1,096,000
Total	\$1,384,000	\$1,212,000	\$2,596,000

**Statewide Result Area: Improve the economic vitality of businesses and individuals**  
**Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency**

**Expected Results**

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

Percentage of consumers who rate Department of Financial Institutions outreach program and materials as helpful.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	85%		
	7th Qtr	85%		
	6th Qtr	85%		
	5th Qtr	85%		
	4th Qtr	85%		
	3rd Qtr	85%	0%	(85)%
	2nd Qtr	85%	76%	(9)%
	1st Qtr	85%	75%	(10)%
2005-07	8th Qtr	85%	85%	0%
	7th Qtr	85%	85%	0%
	6th Qtr	85%	0%	(85)%
	5th Qtr	85%	82%	(3)%
	4th Qtr	80%	81%	1%
	3rd Qtr	80%	78%	(2)%
	2nd Qtr	80%	75.3%	(4.7)%
	1st Qtr	80%	88%	8%
<p><i>Expand consumer education/outreach and raise awareness of Department of Financial Institutions.</i></p> <p><i>Q6 2005-2007 Biennium data unavailable due to data corruption issue.</i></p>				

**A004 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 processing complaints, doing investigations, and taking appropriate actions against banks, credit unions, and other financial entities. Additional enforcement functions include coordination and assistance to other law enforcement agencies and prosecutors and providing testimony in courts of law.

	FY 2008	FY 2009	Biennial Total
FTE's	48.8	49.7	49.3
GFS	\$0	\$0	\$0
Other	\$5,916,000	\$6,073,000	\$11,989,000
Total	\$5,916,000	\$6,073,000	\$11,989,000

**Statewide Result Area: Improve the economic vitality of businesses and individuals**  
**Statewide Strategy: Provide consumer protection**

**Expected Results**

Average number of business days to review consumer complaints.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	90		
	7th Qtr	90		
	6th Qtr	90		
	5th Qtr	90		
	4th Qtr	90		
	3rd Qtr	90	88	(2)
	2nd Qtr	90	91.4	1.4
	1st Qtr	90	99.2	9.2
2005-07	8th Qtr	120	127	7
	7th Qtr	120	139	19
	6th Qtr	120	124	4
	5th Qtr	120	140	20
	4th Qtr	120	167	47
	3rd Qtr	120	209	89
	2nd Qtr	120	123	3
	1st Qtr	120	135	15
<p><i>Enhance protection for consumers engaging in investments and other financial transactions.</i></p> <p><i>This became a combined measure on July 1, 2007 for the 2007-2009 Biennium. The actual reported is a weighted average based on volume of complaints reviewed between the Divisions of Securities and Consumer Services.</i></p>				

Number of Complaints Received Per Quarter.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	501		
	7th Qtr	501		
	6th Qtr	501		
	5th Qtr	501		
	4th Qtr	501		
	3rd Qtr	501	883	382
	2nd Qtr	501	801	300
	1st Qtr	501	801	300
<p><i>All Divisions.</i></p>				

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

Number of Enforcement Actions Taken Per Year.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	50		
	7th Qtr	50		
	6th Qtr	50		
	5th Qtr	50		
	4th Qtr	50		
	3rd Qtr	50	110	60
	2nd Qtr	50	171	121
	1st Qtr	50	102	52
2005-07	8th Qtr	200	215	15
	7th Qtr	0	128	128
	6th Qtr	0	64	64
	5th Qtr	0	32	32
	4th Qtr	200	146	(54)
	3rd Qtr	0	114	114
	2nd Qtr	0	75	75
	1st Qtr	0	44	44
2003-05	8th Qtr	90	100	10
	4th Qtr	90	90	0
<p><i>Enhance protection for consumers engaging in investments and other financial transactions.</i></p> <p><i>In 2005-2007 this performance measure became a combined performance measure for the Divisions of Securities and Consumer Services.</i></p>				

**A005 Examinations**

The department performs several types of examinations. The three primary examinations are compliance and for-cause examinations of financial entities; safety and soundness examinations of banks, credit unions, debenture companies, money transmitters, trust companies, Small Business Association (SBA) lenders, and industrial development corporations; and information system examinations of banks and credit unions.

	FY 2008	FY 2009	Biennial Total
FTE's	103.0	108.2	105.6
GFS	\$0	\$0	\$0
Other	\$11,762,000	\$12,902,000	\$24,664,000
Total	\$11,762,000	\$12,902,000	\$24,664,000

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

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

**Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency**

**Expected Results**

Number of examinations per quarter.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	128		
	7th Qtr	128		
	6th Qtr	128		
	5th Qtr	128		
	4th Qtr	128		
	3rd Qtr	128	139	11
	2nd Qtr	128	144	16
	1st Qtr	128	157	29
<i>All Divisions.</i>				

Percentage of banking assets held at institutions with satisfactory ratings.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	95%		
	7th Qtr	95%		
	6th Qtr	95%		
	5th Qtr	95%		
	4th Qtr	95%		
	3rd Qtr	95%	98.3%	3.3%
	2nd Qtr	95%	99.3%	4.3%
	1st Qtr	95%	99.3%	4.3%
2005-07	8th Qtr	95%	99.3%	4.3%
	7th Qtr	95%	98.7%	3.7%
	6th Qtr	95%	98.7%	3.7%
	5th Qtr	95%	98.7%	3.7%
	4th Qtr	95%	98.7%	3.7%
	3rd Qtr	95%	96%	1%
	2nd Qtr	95%	96%	1%
	1st Qtr	95%	94%	(1)%
<i>Return problem institutions to a safe and sound condition.</i>				

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

Percentage of banks with satisfactory examination ratings.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	90%		
	7th Qtr	90%		
	6th Qtr	90%		
	5th Qtr	90%		
	4th Qtr	90%		
	3rd Qtr	90%	92.9%	2.9%
	2nd Qtr	90%	96.4%	6.4%
	1st Qtr	90%	96.4%	6.4%
2005-07	8th Qtr	90%	96.5%	6.5%
	7th Qtr	90%	97.6%	7.6%
	6th Qtr	90%	97.5%	7.5%
	5th Qtr	90%	97.5%	7.5%
	4th Qtr	90%	98.67%	8.67%
	3rd Qtr	90%	97%	7%
	2nd Qtr	90%	92%	2%
	1st Qtr	90%	91%	1%
<i>Return problem institutions to a safe and sound condition.</i>				

Percentage of credit union assets held at institutions with satisfactory ratings.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	95%		
	7th Qtr	95%		
	6th Qtr	95%		
	5th Qtr	95%		
	4th Qtr	95%		
	3rd Qtr	95%	98%	3%
	2nd Qtr	95%	99%	4%
	1st Qtr	95%	99%	4%
2005-07	8th Qtr	95%	98%	3%
	7th Qtr	95%	97%	2%
	6th Qtr	95%	97%	2%
	5th Qtr	95%	97%	2%
	4th Qtr	95%	99%	4%
	3rd Qtr	95%	99%	4%
	2nd Qtr	95%	99%	4%
	1st Qtr	95%	98%	3%
<i>Return problem institutions to a safe and sound condition.</i>				

Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast

Percentage of credit unions with satisfactory examination ratings.				
Biennium	Period	Target	Actual	Variance
2007-09	8th Qtr	85%		
	7th Qtr	85%		
	6th Qtr	85%		
	5th Qtr	85%		
	4th Qtr	82.5%		
	3rd Qtr	82.5%	97%	14.5%
	2nd Qtr	82.5%	99%	16.5%
	1st Qtr	82.5%	99%	16.5%
2005-07	8th Qtr	80%	99%	19%
	7th Qtr	80%	90%	10%
	6th Qtr	80%	90%	10%
	5th Qtr	80%	90%	10%
	4th Qtr	80%	92%	12%
	3rd Qtr	80%	91%	11%
	2nd Qtr	80%	89%	9%
	1st Qtr	80%	83%	3%
2003-05	8th Qtr	80%	91%	11%
	7th Qtr	80%	91%	11%
	6th Qtr	80%	92%	12%
	5th Qtr	80%	96%	16%
	4th Qtr	80%	92%	12%
	3rd Qtr	80%	92%	12%
	2nd Qtr	80%	90%	10%
	1st Qtr	80%	86%	6%
<i>Return problem institutions to a safe and sound condition.</i>				

*Appropriation Period: 2007-09 Activity Version: 2C - 08 Supplemental Enacted Recast*

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**Grand Total**

	<b>FY 2008</b>	<b>FY 2009</b>	<b>Biennial Total</b>
FTE's	195.4	205.2	200.3
GFS	\$700,000	\$800,000	\$1,500,000
Other	\$22,769,000	\$24,068,000	\$46,837,000
<b>Total</b>	<b>\$23,469,000</b>	<b>\$24,868,000</b>	<b>\$48,337,000</b>