

**PROGRAM DESCRIPTION**

**Department of Commerce and Insurance**

**HB Section(s):** 7.430

**Bank, Trust, Savings and Loan, and Consumer Credit Regulation**

**Program is found in the following core budget(s):** Division of Finance

**1a. What strategic priority does this program address?**

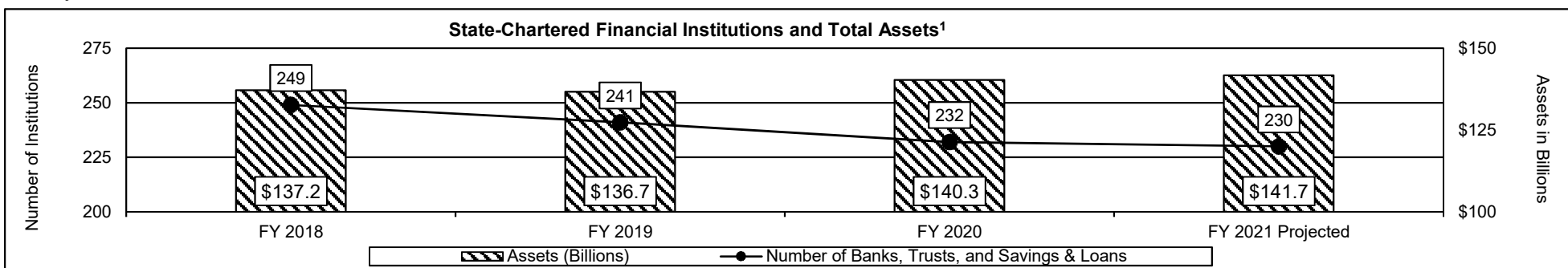
- Strengthen our regulatory relationships while ensuring a level playing field to protect and advocate for the general public
- Develop our team, reward great performance, and retain top talent
- Innovate to make it easier to connect and work with us

**1b. What does this program do?**

- Provides oversight of state-chartered banks, trust companies, and savings and loan associations including compliance examinations with applicable banking laws and to ensure the safety and soundness of these institutions to safeguard the funds of depositors and maintain public confidence in Missouri's financial system.
- Licenses and regulates various consumer credit outlets including finance companies, payday loan companies, consumer installment lender companies, and title loan companies to ensure all lenders are held to the same standards and that borrowers are protected.
- Administers Missouri's laws pertaining to residential mortgage brokers and originators, including pre-license investigation, licensure issuance and renewal, and regulation enforcement, ensuring consistent compliance by lenders and protection for borrowers.

**2a. Provide an activity measure(s) for the program.**

Please Note: The majority of measures for Division of Finance are newly developed and targets will be set when baselines are established. In many cases, prior years' data was not available.



<sup>1</sup>As of the end of each Fiscal Year. Projections for years beyond FY 2021 are not provided because a number of economic factors can affect the number of institutions and assets in any given year, making projections difficult to determine.

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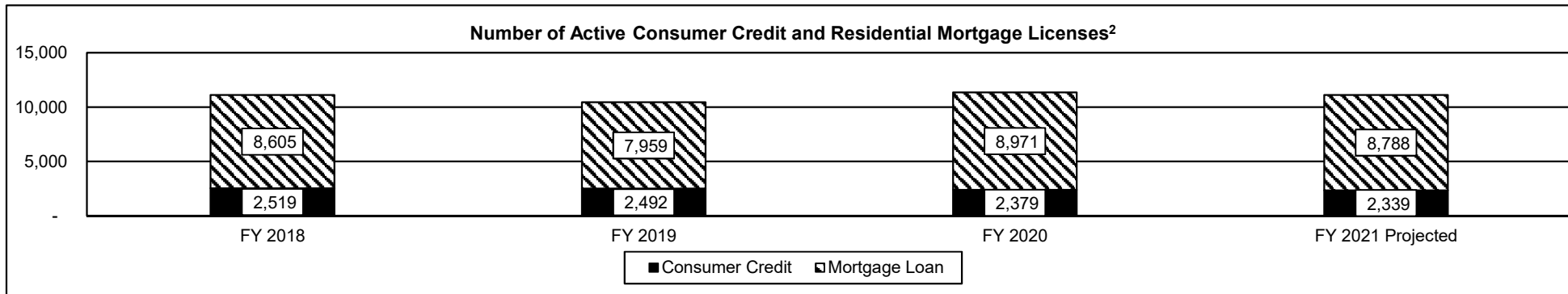
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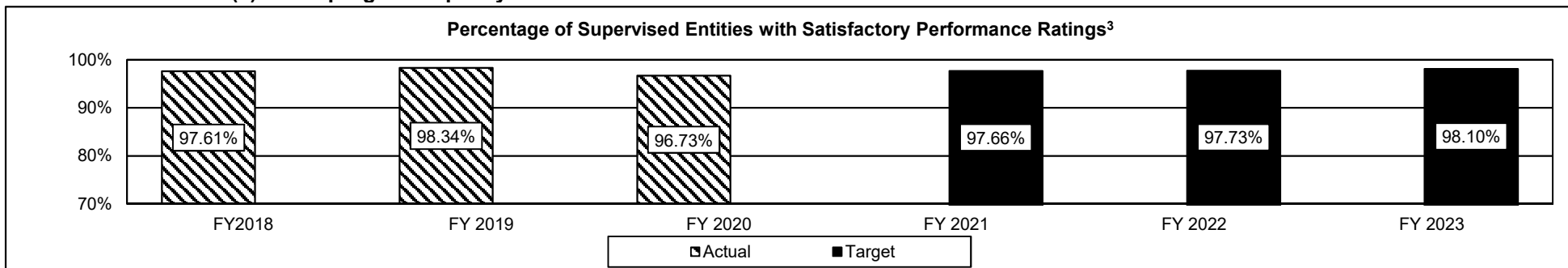
Program is found in the following core budget(s): Division of Finance

**2a. Provide an activity measure(s) for the program (continued).**



<sup>2</sup>As of the end of each Fiscal Year. Projections for years beyond FY 2021 are not provided because a number of economic factors can affect the number of institutions and assets in any given year, making projections difficult to determine.

**2b. Provide a measure(s) of the program's quality.**



<sup>3</sup>Entities include Banks, Savings & Loan Assoc, Mortgage Loan Brokers and Originators, and Consumer Credit providers. The performance of an entity is measured by a rating system (1 to 5). The rating is based on the evaluation of critical elements of operations for each type of entity.

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**2c. Provide a measure(s) of the program's impact.**

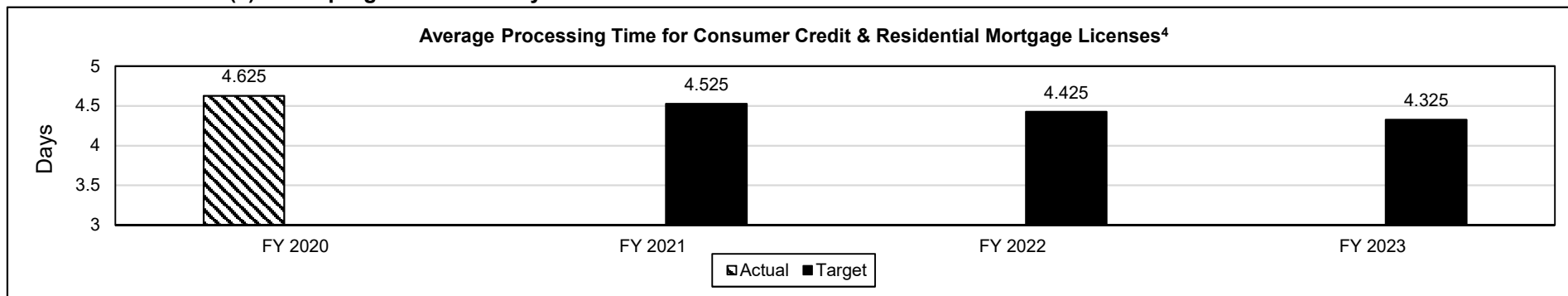
- The Division of Finance performs safety and soundness examinations of state-chartered banks, trusts, and savings and loan associations.
- These examinations protect Missouri's depositors and borrowers and ensure each institution operates on a level playing field.
- Many banks have recognized the advantages to conversion from a national-charter to a state-charter as illustrated in the chart below.
- No banks have converted from a state-charter to a national-charter during the same period.

Number of Banks That Have Converted from a National to a State Charter										
FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1	2	2	3	1	6	1	3	1	1	0

**WHY DOES CONVERSION TO A STATE-CHARTER BENEFIT MISSOURI?**

- A state-charter keeps bank assessment funds in Missouri, rather than sending those funds to Washington, D.C.
- Bank assessments for Missouri's state-chartered banks are generally lower than national-charter assessment amounts.
- If consumers or depositors need assistance or have questions, the Missouri Division of Finance can provide timely and relevant assistance.
- The Missouri Division of Finance is able to identify local and regional economic changes that can affect institutions and take measures to ensure institutions remain successful.

**2d. Provide a measure(s) of the program's efficiency.**



<sup>4</sup>The minimum required to complete due diligence and process licenses is 3 days.

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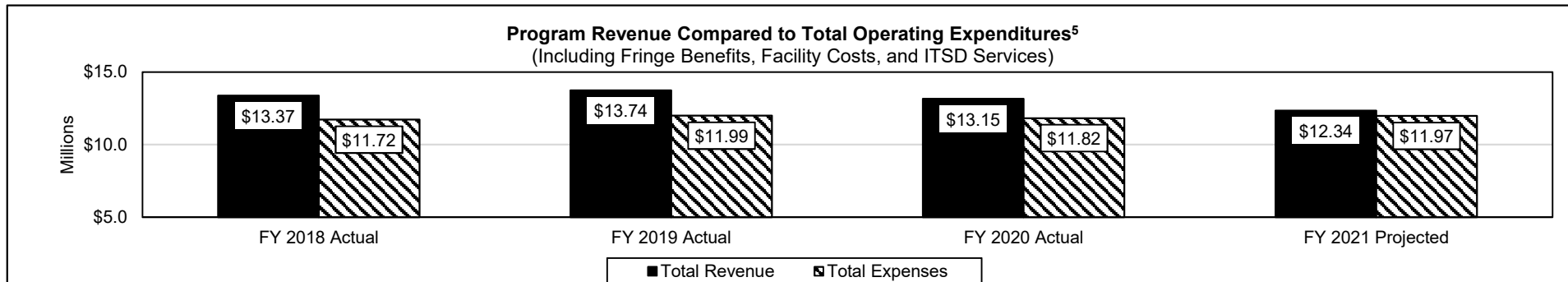
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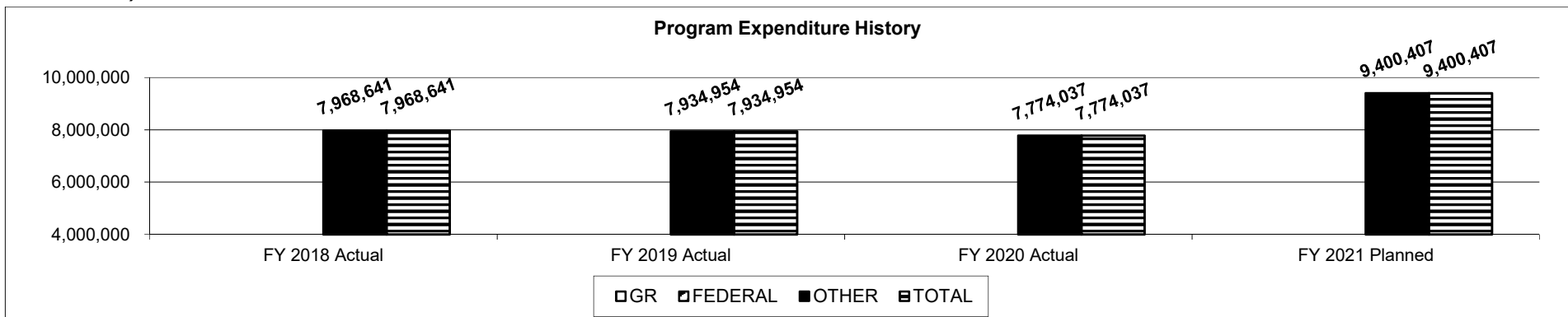
Program is found in the following core budget(s): Division of Finance

2d. Provide a measure(s) of the program's efficiency (continued).



<sup>5</sup>FY 2020 actual expenses were lower than expected because travel and training expenses were substantially reduced during the 3rd and 4th quarters due to the COVID-19 Pandemic. Projections for years beyond FY 2021 are not provided because a number of economic factors can affect program income and expenses each year, making it difficult to calculate projections.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



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**4. What are the sources of the "Other " funds?**

Division of Finance Fund (0550)

**5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)**

State Statute: Chapters 361, 362, 364, 365, 367, 369, 408, and 443 RSMo.

**6. Are there federal matching requirements? If yes, please explain.**

N/A

**7. Is this a federally mandated program? If yes, please explain.**

No