

# Agency 019 - DEPT OF BANKING

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## **STATUTORY AUTHORITY:**

The following statutory provisions contain the authority and responsibilities of the Department of Banking and Finance: Chapter 8, Articles 1-3, 5-17, 19-21, 23-25, and 27 (Financial Institutions, Holding Companies, Money Transmitters, Securities, Commodities); Chapter 21, Article 17 (Credit Unions); Chapter 45, Articles 1-3, 7, 9, and 10 (Installment Sales, Loan Brokers, Mortgage Bankers, Delayed Deposit Services, Installment Loan Companies); Chapter 59, Article 17 (Seller Assisted Marketing Plans); Chapter 69, Article 21 (Consumer Rental Purchase Agreements).

## **VISION:**

The Nebraska Department of Banking and Finance will provide excellent service as the common-sense supervisor of Nebraska's financial industries.

## **MISSION AND PRINCIPLES:**

The Mission of the Department of Banking and Finance is to protect and maintain the public confidence through the fair, efficient, and experienced supervision of state-regulated financial services industries; to assist the public in their dealings with those entities; to assist the supervised industries in a manner which allows them to remain competitive, yet maintain their soundness in compliance with the law; to fulfill the agency's statutory responsibilities with regard to all licensees and registrants; and to investigate possible violations of law and cooperate with federal and other state agencies, local law enforcement, and financial regulators of other states.

## **GOALS:**

- Create opportunities in Nebraska through effective, efficient, customer focused service
- Recruit, retain and recognize the best employees in the State of Nebraska
- Maintain currency with industry, technology, federal financial legislation and best practices
- Improve and expand a central information and licensing database
- Update and modernize agency statutes, rules, interpretations, and policies
- Maintain responsiveness to the public and regulated industries
- Maintenance and improvement of the agency's good working relationship with other state and federal agencies and regulators

# Agency 019 - DEPT OF BANKING

## Financial Data

|                           | FY16 Actual      | FY17 Approp      | FY18 Request     | FY18 Recomm      | FY19 Request     | FY19 Recomm      |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Operations Funding</b> |                  |                  |                  |                  |                  |                  |
| General Fund              | 0                | 0                | 0                | 0                | 0                | 0                |
| Cash Fund                 | 6,515,251        | 7,667,396        | 7,582,396        | 7,477,606        | 7,582,396        | 7,374,428        |
| Federal Fund              | 0                | 0                | 0                | 0                | 0                | 0                |
| Revolving Fund            | 0                | 0                | 0                | 0                | 0                | 0                |
| Other Fund                | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Total Operations</b>   | <b>6,515,251</b> | <b>7,667,396</b> | <b>7,582,396</b> | <b>7,477,606</b> | <b>7,582,396</b> | <b>7,374,428</b> |
| <b>Aid Funding</b>        |                  |                  |                  |                  |                  |                  |
| General Fund              | 0                | 0                | 0                | 0                | 0                | 0                |
| Cash Fund                 | 0                | 0                | 0                | 0                | 0                | 0                |
| Federal Fund              | 0                | 0                | 0                | 0                | 0                | 0                |
| Revolving Fund            | 0                | 0                | 0                | 0                | 0                | 0                |
| Other Fund                | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Total Aid Funding</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| <b>Total Funding</b>      |                  |                  |                  |                  |                  |                  |
| General Fund              | 0                | 0                | 0                | 0                | 0                | 0                |
| Cash Fund                 | 6,515,251        | 7,667,396        | 7,582,396        | 7,477,606        | 7,582,396        | 7,374,428        |
| Federal Fund              | 0                | 0                | 0                | 0                | 0                | 0                |
| Revolving Fund            | 0                | 0                | 0                | 0                | 0                | 0                |
| Other Fund                | 0                | 0                | 0                | 0                | 0                | 0                |
| <b>Total Agency</b>       | <b>6,515,251</b> | <b>7,667,396</b> | <b>7,582,396</b> | <b>7,477,606</b> | <b>7,582,396</b> | <b>7,374,428</b> |

# Agency 019 - DEPT OF BANKING

## Program 065 - FINANCIAL INSTITUTIONS

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### **PROGRAM DESCRIPTION:**

The Financial Institutions Division is responsible for supervising a wide spectrum of financial service providers. As of June 30, 2016, depository institution providers include 162 banks (31 have trust departments), and 14 credit unions. The non-depository providers include 4 trust companies, 13 installment loan companies, and 86 delayed deposit service businesses (commonly known as payday lenders). Also licensed and regulated are 377 mortgage banker entities, 2,693 mortgage loan originators, 9 loan brokers, 91 sales finance companies, and 83 money transmitters. The division also has the authority to examine data processing operations of financial institutions and registers 187 bank holding companies.

### **PROGRAM OBJECTIVES:**

The Division supervises state-chartered and licensed financial institutions, assesses their soundness and compliance with state laws, agency rules, and reviews an applicant's fitness to hold charters or licenses. The Division accomplishes program objectives through examinations, complaint investigations, and application review processes. The Division's overall goals: 1) maintain CSBS bank supervision accreditation, 2) provide employees with current tools to perform their jobs, 3) monitor examination, application and complaint response times, and 4) provide employees with opportunities to advance in responsibility.

### **PERFORMANCE MEASURES:**

Performance is measured both externally and internally. The bank supervision section was first accredited by the Conference of State Bank Supervisors in 1993, with onsite reaccreditation required every five years and an off-site CSBS evaluation every year. Internally, the banking section monitors time frames spent completing the bank exam process as well as complaint processing and application turnaround. Standards set by federal bank and credit union regulatory partners must also be met. Internal measures for non-depository providers include turnaround time of exams, initial applications and renewals.

**Agency 019 - DEPT OF BANKING**  
**Program 065 - FINANCIAL INSTITUTIONS**

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**Financial Data**

|                           | <b>FY16 Actual</b> | <b>FY17 Approp</b> | <b>FY18 Request</b> | <b>FY18 Recomm</b> | <b>FY19 Request</b> | <b>FY19 Recomm</b> |
|---------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| <b>Operations Funding</b> |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 5,110,264          | 6,006,126          | 5,896,126           | 5,813,852          | 5,896,126           | 5,732,863          |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Operations</b>   | <b>5,110,264</b>   | <b>6,006,126</b>   | <b>5,896,126</b>    | <b>5,813,852</b>   | <b>5,896,126</b>    | <b>5,732,863</b>   |
| <b>Aid Funding</b>        |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Aid Funding</b>  | <b>0</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Total Funding</b>      |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 5,110,264          | 6,006,126          | 5,896,126           | 5,813,852          | 5,896,126           | 5,732,863          |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Program</b>      | <b>5,110,264</b>   | <b>6,006,126</b>   | <b>5,896,126</b>    | <b>5,813,852</b>   | <b>5,896,126</b>    | <b>5,732,863</b>   |

# Agency 019 - DEPT OF BANKING

## Program 066 - SECURITIES

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### **PROGRAM DESCRIPTION:**

The Securities Bureau administers the Securities Act of Nebraska. The Bureau's federal counterpart is the Securities and Exchange Commission. The Bureau registers all securities offered and sold in Nebraska or to Nebraska residents unless there is an applicable exemption or it is preempted. The Bureau's responsibilities include the licensing and regulation of broker-dealers, investment advisers and their agents or representatives, whose numbers total over 100,000 as of June 30, 2016. The Bureau is responsible for the enforcement of the Act and may pursue administrative or civil actions and criminal referrals. The Bureau provides industry outreach and investor education to the public.

### **PROGRAM OBJECTIVES:**

The Bureau's objective is to enforce Nebraska's securities laws to protect investors and promote fair and efficient markets in Nebraska so that legitimate businesses may raise capital. Strong state regulation is essential to a stable securities industry and to protect the public from illegal operations. A knowledgeable and professional staff is vital to the effectiveness of the Bureau's supervision. Automation of the Bureau's processes and oversight will be implemented wherever possible.

### **PERFORMANCE MEASURES:**

The majority of investigations are initiated by Investor complaints. Enforcement actions include administrative remedies such as cease and desist orders, fines, revocations, suspensions, and consent orders, or criminal prosecution. State-licensed investment advisers are examined on a 3 to 4-year cycle. Internal measures include turnaround time of examinations, applications, registrations, and renewals. The high volume of registrations and licenses requires efficiency and accuracy.

**Agency 019 - DEPT OF BANKING**  
**Program 066 - SECURITIES**

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**Financial Data**

|                           | <b>FY16 Actual</b> | <b>FY17 Approp</b> | <b>FY18 Request</b> | <b>FY18 Recomm</b> | <b>FY19 Request</b> | <b>FY19 Recomm</b> |
|---------------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| <b>Operations Funding</b> |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 1,404,987          | 1,661,270          | 1,686,270           | 1,663,754          | 1,686,270           | 1,641,565          |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Operations</b>   | <b>1,404,987</b>   | <b>1,661,270</b>   | <b>1,686,270</b>    | <b>1,663,754</b>   | <b>1,686,270</b>    | <b>1,641,565</b>   |
| <b>Aid Funding</b>        |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Aid Funding</b>  | <b>0</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Total Funding</b>      |                    |                    |                     |                    |                     |                    |
| General Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Cash Fund                 | 1,404,987          | 1,661,270          | 1,686,270           | 1,663,754          | 1,686,270           | 1,641,565          |
| Federal Fund              | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Revolving Fund            | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| Other Fund                | 0                  | 0                  | 0                   | 0                  | 0                   | 0                  |
| <b>Total Program</b>      | <b>1,404,987</b>   | <b>1,661,270</b>   | <b>1,686,270</b>    | <b>1,663,754</b>   | <b>1,686,270</b>    | <b>1,641,565</b>   |