

# 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 (Financial Institutions, Holding Companies, Sale of Checks & Funds Transmission, 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 Vision of the Nebraska Department of Banking and Finance is one in which Nebraskans, personally and through their business interests, have equitable access to financial services which are fairly presented and appropriate to their financial standing and that the institutions, entities, and individuals delivering those financial services are willful in their compliance with applicable regulations and capitalized commensurate with the risks they accept.

## **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 those industries regulated by the Department 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 in cooperation with federal and other state agencies, local law enforcement, and financial regulators of other states.

## **GOALS:**

Goals include:

- Remaining current with regulated industries, advancing technologies, and federal financial legislation
- Continuing automation of agency processes
- Updating internal central information and licensing database
- Updating agency rules and interpretations
- Continuing to provide a quality work environment for staff
- Building on the Department's image as an agency which works well with the public in responding to concerns and with industries regulated to ensure continuing safety and competitiveness.
- Maintaining and building on the agency's good working relationship with other state and federal regulators
- Maintenance of the dual-chartering system for financial institutions.

# Agency 019 - DEPT OF BANKING

## Financial Data

	FY10 Actual	FY11 Approp	FY12 Request	FY12 Recomm	FY13 Request	FY13 Recomm
<b>Operations Funding</b>						
General Fund	0	0	0	0	0	0
Cash Fund	6,023,326	6,401,106	6,823,818	6,788,001	6,800,068	6,850,108
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 Funding</b>	<b>6,023,326</b>	<b>6,401,106</b>	<b>6,823,818</b>	<b>6,788,001</b>	<b>6,800,068</b>	<b>6,850,108</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
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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>6,023,326</b>	<b>6,401,106</b>	<b>6,823,818</b>	<b>6,788,001</b>	<b>6,800,068</b>	<b>6,850,108</b>

**Agency 019 - DEPT OF BANKING**  
**Program 065 - ENF OF STDS-FINANCIAL INSTIT**

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**PROGRAM DESCRIPTION:**

Program 65 is the Financial Institutions Division of the Department. This division is responsible for supervising a wide spectrum of financial service providers. Depository institution providers include 178 banks (32 have trust departments), 19 credit unions, and one savings and loan association. The non-depository providers include 3 trust companies, 14 installment loan companies, and 116 delayed deposit service businesses (commonly known as payday lenders). Also licensed and regulated are 282 mortgage banker entities, 976 mortgage loan originators, 7 loan brokers, 106 sales finance companies, and 50 sale of check companies. The division also examines the data processing operations of financial institutions and registers bank holding companies.

**PROGRAM OBJECTIVES:**

The purpose of the Financial Institutions Division is to monitor the condition of Nebraska's state-chartered and licensed financial institutions and entities to insure their soundness and compliance with state laws and agency rules. The Division accomplishes this through on site examinations, both independent and joint with federal regulators, and complaint investigations. The Division has established the following overall goals: (1) provide continuing education for examiners including adequate training for new and existing staff to progress in their careers and maintain appropriate individual certifications (2) provide employees with up-to-date tools to perform their jobs, (3) provide employees with opportunities to advance through promotion.

**PERFORMANCE MEASURES:**

Performance is measured both externally and internally. The banking division was first accredited by the Conference of State Bank Supervisors (CSBS), the association of all states' banking supervisors, in 1993, with reaccreditation required every five years. This accreditation is an on-site evaluation by experienced former state and federal regulators. Off-site evaluation is also completed by CSBS every year. Internally, the Division monitors time frames spent completing the bank exam process. Standards set by federal bank and credit union regulatory partners must also be met. Measures for non-depository providers are based on time frames for completing exams and completion of the review processes for initial and renewal applications.

**Agency 019 - DEPT OF BANKING**  
**Program 065 - ENF OF STDS-FINANCIAL INSTIT**

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**Financial Data**

	<b>FY10 Actual</b>	<b>FY11 Approp</b>	<b>FY12 Request</b>	<b>FY12 Recomm</b>	<b>FY13 Request</b>	<b>FY13 Recomm</b>
<b>Operations Funding</b>						
General Fund	0	0	0	0	0	0
Cash Fund	4,731,395	5,030,803	5,295,881	5,263,897	5,281,631	5,316,632
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 Funding</b>	<b>4,731,395</b>	<b>5,030,803</b>	<b>5,295,881</b>	<b>5,263,897</b>	<b>5,281,631</b>	<b>5,316,632</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	4,731,395	5,030,803	5,295,881	5,263,897	5,281,631	5,316,632
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>4,731,395</b>	<b>5,030,803</b>	<b>5,295,881</b>	<b>5,263,897</b>	<b>5,281,631</b>	<b>5,316,632</b>

# Agency 019 - DEPT OF BANKING

## Program 066 - ENF OF STDS-SECURITIES

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### **PROGRAM DESCRIPTION:**

Program 66 is the Bureau of Securities Division of the Department. The Securities Bureau regulates the sale of securities and the securities industry in Nebraska. The Bureau's federal counterpart is the Securities and Exchange Commission. The Bureau has jurisdiction over all securities offered and sold in Nebraska or to Nebraska residents. The Bureau's responsibilities include the licensing and regulation of broker-dealers, investment advisers and their agents or representatives, whose numbers exceed 80,000. The Bureau is also responsible for the registration of securities, and the enforcement of securities laws. Besides enforcement in the area of securities, the Bureau also regulates the Seller-Assisted Marketing Plan and the Nebraska Commodity Code.

### **PROGRAM OBJECTIVES:**

The Securities Bureau's objective is to enforce Nebraska's securities laws for the protection of the investing public and to encourage confidence in the investment banking industry by providing regulation of a responsible marketplace in which legitimate businesses may generate capital. Strong state regulation is essential in making Nebraska's securities industry stable and attractive to investors and in protecting the public from illegal operations. A staff which is up to date on securities issues is vital to the effectiveness of the Bureau's supervision. Toward that end, the agency will rely on training provided by national industry affiliates. Automation of the Bureau's processes and oversight will be implemented wherever possible.

### **PERFORMANCE MEASURES:**

Advanced technology continues to allow the Bureau to process greater numbers of securities filings and industry registrations without an increase in personnel, as evidenced by the following:

Fiscal Year	Securities firms registered	Individuals registered	Securities filings
2005	2,236	61,716	22,870
2009	2,527	73,513	27,945
Percentage Increase	13%	20%	22%

In regards to the 27,945 securities filings in fiscal year 2009, 62% of these filings were electronically filed.

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**Program 066 - ENF OF STDS-SECURITIES**

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**Financial Data**

	FY10 Actual	FY11 Approp	FY12 Request	FY12 Recomm	FY13 Request	FY13 Recomm
<b>Operations Funding</b>						
General Fund	0	0	0	0	0	0
Cash Fund	1,291,931	1,370,303	1,527,937	1,524,104	1,518,437	1,533,476
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 Funding</b>	<b>1,291,931</b>	<b>1,370,303</b>	<b>1,527,937</b>	<b>1,524,104</b>	<b>1,518,437</b>	<b>1,533,476</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	1,291,931	1,370,303	1,527,937	1,524,104	1,518,437	1,533,476
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>1,291,931</b>	<b>1,370,303</b>	<b>1,527,937</b>	<b>1,524,104</b>	<b>1,518,437</b>	<b>1,533,476</b>