

OFFER FOR IOWANS - FY07 BUDGET

Offer Name: Safety & Soundness of State-Chartered Banks, Financial Institutions & Professions (213_ADM_001)

Participants in the Offer: Department of Commerce, Division of Banking & Professional Licensing Division

Person Submitting Offer: Thomas Gronstal, Director of Department of Commerce/Superintendent of Banking

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The Iowa Division of Banking (IDOB) and the Professional Licensing and Regulation Division (PLD), both of the Department of Commerce, will be combined to one division that regulates all state-chartered banks, financial institutions and professions.

The IDOB charters and regulates 349 commercial banks, 280 bank holding companies and 1 trust company. The IDOB also licenses and regulates 217 regulated loan companies, 199 delayed deposit businesses, 208 industrial loan companies, 23 debt management companies, 721 mortgage bankers, brokers and registrants, and 30 money servicers. The PLD was created to be a self-supporting agency by bringing eight Boards/Commissions together. PLD has the responsibility of protecting the citizens of Iowa in their dealings with members of the professions under its jurisdiction: Accountants, Architects, Engineers and Land Surveyors, Landscape Architects, Real Estate Agents, Real Estate Appraisers, Interior Design and Savings and Loans. The PLD regulates 30,000 licensees, receives and investigates 125 complaints, conducts 200 Trust Account audits, administers uniform national exams to more than 2000 candidates yearly, registers some 1000 new individuals yearly, and renews 13,000 individuals and firms annually.

JUSTIFICATION

Combining these divisions will:

- Reduce initial expenses of \$70,000 – elimination of the PLD Administrator;
- Provide additional expense reductions over the next 2 to 3 years (undetermined);
- Allow ancillary services to be shared within the next 2 years (depending on relocation of the PLD – once co-located, duplicative functions eliminated);
- Allow IT services to be shared; and
- Allow licensing functions to be combined bringing further efficiencies.

In both Divisions, the cost of operation is assessed to the licensees. **IDOB assesses its costs to the industry it regulates and PLD to its licensees.**

PERFORMANCE MEASUREMENTS AND TARGETS

- 100% of state-chartered banks will be examined within statutory time limitations.
- 100% of state-licensed financial institutions will be examined within statutory time limitations.
- 90% of consumer complaints will be responded to (or resolved) within 30 days of receipt.
- The licensing decision will be communicated to 90% of the license applicants within 30 days of receipt of a completed application.
- 95% of written complaints received will be investigated.
- 99% of qualified candidates will be examined.
- 95% of completed license renewals will be processed within five working days of receipt.

PRICE AND REVENUE SOURCE - \$8,077,787

- *THE DIVISION OF BANKING IS NO COST TO IOWA TAXPAYERS.**
- *PROFESSIONAL LICENSING IS NO COST TO IOWA TAXPAYERS.**