

MEETING OF THE BOARD OF FINANCIAL INSTITUTIONS

Utah Department of Financial Institutions

Salt Lake City, Utah

January 14, 2026

MINUTES

BOARD MEMBERS PRESENT: Commissioner Shaun Berrett, Bill Tingy, Paul Atkinson, Brad Baldwin, Andrea Moss

BOARD MEMBERS EXCUSED: Kip Cashmore

DEPARTMENT STAFF PRESENT: Paul Allred, Layne Blanch, Emily Stanton, Dan Gardiner, Bryan Farnsworth, Oakley Nelson, Riley Bergstedt

OTHERS PRESENT: Amy Kurtzweil

1. Call Meeting to Order - Commissioner Shaun Berrett Commissioner

Commissioner Shaun Berrett called the meeting to order and welcomed everyone. Emily Stanton confirmed that the meeting notice was posted on time on the Utah Public Notice website.

2. Approval of Minutes - October 8, 2025

Commissioner Berrett asked if the board had reviewed the circulated minutes and asked for any corrections. Brad Baldwin made a motion to approve the minutes, which was seconded by Andrea Moss. The minutes were approved. Commissioner Berrett led a brief discussion on the length of the minutes, proposing a 40% reduction in length for future meetings, to which the board agreed.

3. Industry Updates

Bill Tingy reported on the insurance industry. Tingy said that employee benefits trends remained unchanged, with healthcare costs consistently rising by 5% to 8% annually, primarily driven by expensive pharmacy costs. He noted that property and casualty insurance coverages were typically flat, except for personal auto insurance, which continued to rise significantly due to expensive repair costs.

Paul Atkinson reported on the credit union industry. Atkinson said a solid year for Utah credit unions in 2025, noting strong capital ratios, gross ratios, and net interest margins. He expressed

concerns over national trends showing increased credit card delinquencies and ongoing affordability issues for members regarding housing and automobiles. Atkinson also raised concerns about potential federal interest rate caps and the negative impact of regulatory uncertainty.

Andrea Moss reported on the industrial bank industry. Moss said the industrial bank (ILC) industry was thriving with great capital levels. She highlighted proactive public relations efforts by the National Association of Industrial Bankers in response to new applications, such as PayPal's. Moss expressed significant concern over a Colorado lawsuit regarding the state's opt-out of the Depository Institutions Deregulation and Monetary Control Act (DIDMCA), noting that the industry was seeking an en banc rehearing and pursuing a legislative fix in Congress to protect the dual banking system.

Brad Baldwin reported on the commercial bank industry. Baldwin noted that banking consolidation continued and expected to pick up. He noted that deposit competition from AI and fintech companies like PayPal and Venmo remained a significant challenge. Baldwin added that broader economic and political uncertainty, such as interest rates and potential government shutdowns, was causing customers to exercise caution, though credit quality in Utah had held up well.

4. 2026 Legislative Session Preview

Paul Allred provided an update on two upcoming legislative bills. He discussed House Bill 72, the Criminal Use of Cryptocurrency Amendments, which would put virtual currency kiosks under the department's jurisdiction and require operators to obtain a money transmitter license. He noted the department had added a fiscal note to the bill due to the required examination resources for the estimated 230 machines in the state. Allred also discussed House Bill 176, which proposed opening trust business to non-depository entities such as attorneys, CPAs, and real estate professionals. He explained that the department had provided input on the bill and raised concerns about determining adequate capital levels and receivership plans for when non-depository trust companies fail.

5. Finance Director's Update

Layne Blanch presented the quarterly financial statement, reporting that the department had received 99.87% of its anticipated revenue. He noted that examination fees were slightly lower than anticipated due to legislative changes regarding title lenders. Blanch provided an update on the restricted account, projecting it to end at approximately \$8.65 million by the end of fiscal year 2027. Blanch also reported that the construction of the department's new office space was ahead of schedule and projected to be substantially complete by February 13, 2026. He anticipated the department would move into the new space in the first and second weeks of March. The project was estimated to be completed for around \$1.5 million to \$1.6 million,

significantly under the \$2 million appropriated budget, which would return approximately \$400,000 to \$500,000 back to the restricted account.

6. Department Operations: Depository Update Commissioner Berrett introduced the topic deep dive on depository operations.

Supervisor of Industrial Banks Bryan Farnsworth provided a historical overview of industrial banks and their regulatory exemptions under the Bank Holding Company Act. He reported that Utah held 90% of the industry's assets across 16 active banks. Farnsworth noted a high interest in the charter, with seven active applications from companies including Ford, General Motors, Stellantis, Nissan, OneMain, Edward Jones, and PayPal. He reported that the industry's overall performance was stable, with strong capital ratios, healthy asset and loan growth, and steady asset quality.

Supervisor of Banks Oakley Nelson concurred with the positive conclusions on the metrics for commercial banks, noting higher levels of Tier 1 capital and asset growth. He also discussed the FDIC's renewed emphasis on ensuring exam findings are focused on material financial risk, which aligns well with the Department's approach.

Supervisor of Credit Unions Riley Bergstedt reported that consolidation in the credit union industry continued, with the number of state-chartered credit unions decreasing to 22. He noted that financial performance was strong, with high net worth and return on assets averages. Bergstedt also mentioned changes at the federal level with the NCUA reducing its workforce.

7. Chief Examiner's Comments

Dan Gardiner announced that the department had successfully completed its reaccreditation with the Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS), achieving very strong scores. He reported nine current examiner vacancies and outlined plans to post open positions after the office move. Gardiner also shared that the department's training program was shifting, with new examiners starting their training on banks rather than credit unions.

8. Consumer Affairs Director's Comments

Commissioner Berrett noted early in the meeting that Andrea Staheli was excused from the meeting and would provide her report in the spring. Later in the meeting, Commissioner Berrett praised Staheli and her team for efficiently handling the renewal of over 1,700 non-depository licenses. He also noted that the department received a special award from the Lieutenant Governor for hiring three employees through the state's "Returners" program.

9. Commissioner's Comments

Commissioner Berrett thanked Dan Gardiner and the team for the successful reaccreditation. He informed the board that UBS Bank USA had applied to convert from an industrial bank to a

national bank to offer more traditional commercial bank products, such as demand deposits. He acknowledged that this departure would negatively impact the department's budget and noted that the department would be working on a fee restructuring proposal ahead of the 2027 legislative session. Berrett also discussed the shift at the federal level toward focusing bank supervision on core financial risks rather than modest process improvements.

10. Other Business No other business was discussed.

11. Determine 2026 Meeting Dates

The board agreed to hold the next meeting on Wednesday, April 22, 2026, at 12:00 PM at the new office building at the Gateway. Commissioner Berrett called for a motion to adjourn. A motion was made and seconded, and the meeting adjourned.