MEETING OF THE BOARD OF FINANCIAL INSTITUTIONS

Utah Department of Financial Institutions
Salt Lake City, Utah
April 22, 2026

MINUTES

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

BOARD MEMBERS EXCUSED: Kip Cashmore

DEPARTMENT STAFF PRESENT: Paul Allred, Layne Blanch, Dan Gardiner, Andrea Staheli, Emily Stanton

OTHERS PRESENT: Amy Kurtzweil, Aaron Waite (virtually)

1. Call Meeting to Order - Commissioner Shaun Berrett

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 - January 14, 2026

Commissioner Berrett asked if the board had reviewed the minutes and requested any corrections. Brad Baldwin made a motion to approve the minutes, which was seconded, and the minutes were approved unanimously. The board provided brief positive feedback on the new, abbreviated minutes format. Commissioner Berrett also noted that the Department had successfully moved into its new office space.

3. Industry Updates

    a. Paul Atkinson reported on the credit union industry. Atkinson noted moderate asset growth and flat loan growth, citing economic challenges such as unemployment and high interest rates. He observed that hiring had become easier compared to past years. Capital, liquidity, and return on assets remained strong, though he noted a slow increase in delinquencies and mild elevations in charge-offs due to inflation and employment challenges.

b. Andrea Moss reported on the industrial bank industry. Moss shared that the industry saw three new de novo approvals in January and February for Ford Credit Bank, GM Financial Bank, and Edward Jones Bank, with several others still pending. She also provided an update on the Depository Institutions Deregulation and Monetary Control Act (DIDMCA) lawsuit in Colorado, noting that the 10th Circuit Court granted an en banc rehearing, which she viewed as a positive development. She reported that overall safety and soundness remained strong.

c. Brad Baldwin reported on the commercial bank industry. Baldwin noted that banks were seeing an influx of applications for mid-level positions. He highlighted that persistently high interest rates and rising costs for energy, labor, and materials were causing a rise in defaults and foreclosures. He observed that economic uncertainty was causing customers to exercise caution. Despite these challenges, overall credit quality remained strong, and home building continued to perform well in Utah.

d. Bill Tingey reported on the insurance industry. Tingey stated that commercial property and casualty insurance rates were remaining flat, while employee benefits continued their year-over-year increases. He noted that personal lines, such as auto insurance, continued to rise due to increased repair costs. Cyber insurance rates remained flat, though carriers were requiring more stringent continuous security monitoring services.

4. 2026 Legislative Session Review - Paul Allred

Paul Allred provided a review of the 2026 Legislative Session, tracking several key bills. He reported that House Bill 72, regarding cryptocurrency kiosks, passed, but regulatory oversight was moved to the Department of Commerce. House Bill 176, concerning trust business modifications, passed with amendments that excluded attorneys and CPAs operating under Title 75b from the department's enforcement. Allred also highlighted Senate Bill 230, which allowed consumer lenders to retain unearned fees upon early payoff, and House Bill 571, an immigrant amendment bill that would have required state-chartered institutions to verify citizenship for accounts. The latter was halted for the session due to concerns that it created an unlevel playing field with federal institutions.

5. Finance Director's Update - Layne Blanch

Layne Blanch presented the quarterly financial update, noting that revenue collection was on track, with only public funds certificate fees remaining to be collected in the spring. He reported

that the Department was operating lean, with 55 of 66 authorized full-time positions filled, resulting in significant labor cost savings that offset overages in the travel budget. Blanch projected the restricted account would end fiscal year 2027 at approximately $10.5 million. He also reported that the new office construction was substantially complete and came in at roughly $1.5 million, returning an estimated $400,000 to $500,000 of the appropriated budget back to the restricted account.

6. Chief Examiner's Comments - Dan Gardiner

Dan Gardiner provided an update on exam trends, noting that the industry remained historically healthy with strong earnings and capital. He mentioned slight credit deterioration and an uptick in technical exceptions, though the median Texas ratio remained under 5%. Gardiner reported that the Department had 12 examiner vacancies and planned to post open Examiner I positions soon to ensure adequate staffing for the newly approved banks.

7. Consumer Affairs Director's Comments - Andrea Staheli

Commissioner Berrett noted that the deep dive presentation on consumer affairs would be postponed to the summer meeting due to time constraints and ongoing state Customer Experience (CX) initiatives. Andrea Staheli confirmed she looked forward to providing the update at the next meeting.

8. Commissioner's Comments & Fee Update Discussion - Commissioner Shaun Berrett

Commissioner Berrett discussed the need for the Department to update its statutory fee schedule, including the asset-based assessment. He reminded the board that UBS Bank USA had officially converted to a national bank on March 20, 2026, resulting in an estimated 21% reduction in the Department's asset-based fee revenue, or roughly $2.3 million. He noted that the Department's record of responsibly seeking legislative approval to raise or lower fees to manage the restricted account to adequate level.

He noted asset-based assessment was last raised in 2006 and had been then lowered in 2014 back to 2001 levels. Berrett shared peer data with the board which illustrates the uncommonly low asset-based assessments the Department has been able to sustain compared to peers given the presence of large banks in Utah. Berrett outlined plans to work with Layne Blanch to create several fee adjustment models, review the tiers in the regressive fee schedule, and potentially adjust the $2,500 de novo application fee, which was significantly lower than peer states. He emphasized the importance of gaining industry support and stated he would meet with the Utah Bankers Association, Utah Association of Financial Services, and Utah's Credit Unionsbefore seeking a legislative sponsor. Board members understood the need for an adjustment.

9. Other Business

No other business was discussed.

10. Determine Next Meeting Date

The board agreed to hold the next meeting on Wednesday, July 15, 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.