

MEETING OF THE BOARD OF BANK ADVISORS

May 10, 2012
9:00 am

Department of Financial Institutions
324 South State Street, Suite 201
Salt Lake City Utah

Minutes

BOARD MEMBERS PRESENT:

Matt Packard, Dave Brown, Curt Taylor, Eric Schmutz, and Craig White.

DEPARTMENT OF FINANCIAL INSTITUTIONS STAFF PRESENT:

Commissioner Ed Leary, Paul Allred, Tom Bay, Shaun Berrett, Eva Rees, and Sonja Long.

OTHERS PRESENT:

Michael Fosmark, Continental Bank; John Sorenson, Home Savings Bank; Jon Allen, Bank of American Fork; Kendall Phillips, Liberty Bank; and Ray Dardano, Marlin Business Bank.

1. Call Meeting to Order – Chairman Matt Packard

2. Minutes –

Dave Brown made the motion to accept the minutes, Craig White seconded the motion.

3. Recognition of previous board members – Commissioner Leary

Commissioner Leary explained that the three previous board members were not able to be here today, but the department has a plaque for each of them. He wanted to thank them for their service to the department and the bankers.

4. Open Meetings Act – Paul Allred

Each year as a public body we are required by the Legislature to give the Open Public Meetings Act training. He gave out a summary on the Act. It is mainly for the benefit of our board members as this is a public body we come under the requirements of the Open and Public Meeting Act found in Title 52 Chapter 4. Paul went through the summary. Dave Brown asked if as a member of the public he wanted to see the minutes after three

days how would he go about that. If the minutes have been approved, then a paper copy is available to anyone. If they wanted to listen to the entire meeting then they would have to come into our office to do that.

5. NMLS Update – Eva Rees

Eva gave out two handouts. Matt asked Eva to explain what NMLS stands for. The NMLS is the Nationwide Mortgage Licensing System and Registry. All loan originators in depository institutions must be registered under the NMLS. She said that there are not a lot of updates on the depository side of this. Under the SAFE Act we do not have jurisdiction for the registrants at depository institutions. We have been denied access to this on NMLS. Her handouts are information from the CFPB. The SAFE Act was written to say that the federal banking agencies had jurisdiction over the registration of the loan originators at depository institutions, that all got transferred over to CFPB last July. The single page handout is in response to an inquiry that she had last week regarding continuing education requirements for loan originators in depository institutions. She wasn't aware of any, so she contacted the CFPB and this morning she received this email from the CFPB. There was a discussion about where the Bureau is going with all of their new areas.

6. Green Dot Overview – Shaun Berrett

In February 2010 we received an application for a change of control for one of our state chartered banks, anytime there is a new market participant in your industry we assume that you are naturally curious about that and who they are and what they are going to be doing. Shaun wanted to give you an overview of Green Dot and what they are planning to do with the Bonneville Bank charter that they acquired. We did ask the bank to come and give this presentation, Lew Goodwin is the president of the bank, but he had a conflict.

A common assumption is that Green Dot came to Utah because they wanted an industrial bank charter. We are trying our best to dispel that that is not the case. Green Dot is now a fully supervised bank holding company subject to the jurisdiction to the Federal Reserve. Shaun went through the overall application and process. There was a brief discussion on what their plan is.

7. Community Bank Performance Trends – Tom Bay

Tom gave out his handout and went over the information.

8. Commissioners comments –

Stan Ivie from the FDIC has announced that there will be a banker's outreach on October 16. They have limited amount of space, about 100. Also Chairman Gruenberg will be in attendance as well. They envision a panel with Chairman Gruenberg and others. Commissioner Leary will be in attendance.

Commissioner Leary took the opportunity to accompany the industrial bankers on their Washington fly-in. They were able to set up a few meetings with the Republican side of the Senate. The GAO has completed their study of what they call limited purpose banks and really came back with no recommendations on it. They left it with some positives and some negatives. Part of the group got to meet with the people at the GAO who did the study. Commissioner Leary went with the group that met with Chairman Gruenberg; his representation was that the economy for banking has dramatically improved almost quarter by quarter. He also let them know that the Bank Insurance Fund is positive now. Commissioner Leary went over a few items that were discussed during that trip.

An update on the State of Utah's email system will move to Google on May 21. Hopefully it will be an easy transition. Our email addresses will not change.

Dave Brown had a follow-up comment from a previous meeting discussion on appraisals. They are still seeing a lot of inconsistency on those. Also the large national banks are incredibly low on their loans rates.

9. Date of next meeting – August 20, 2012 – 9:00 am

10. Adjourn