Promoting Access to Healthy and Comprehensive Financial Services

Idaho Department of Finance
FY 2020 – 2025 Strategic Plan

July 1, 2019
Idaho Department of Finance

FY 2020 – 2025 Strategic Plan

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I. Introduction

The Idaho Department of Finance (Department) regulates all state-chartered financial service providers in Idaho except for those in the business of insurance. Each year, the Department prepares a Performance Plan and a five year Strategic Plan. Through the planning process, input from the Department's employees, representatives of the industries it regulates, legislators and consumers is gathered periodically and reviewed. A summary of the Department’s 2015 Strategic Stakeholder Planning Survey is attached to this report as an Appendix. The next Strategic Stakeholder Planning Survey will occur in 2020. The final Performance Plan and Strategic Plan are posted on the Department’s website and all employees are encouraged to review both documents.

Part of the preparation of the annual performance plan is reviewing and updating the strategic plan. Among the items considered in the strategic planning process are economic conditions, industry trends, human resources, and financial constraints. Responsibility for completion of the strategic actions outlined in the plans is assigned to each bureau and its bureau chief.

We are committed to maintaining outstanding public service and high professional standards. Promptness and accuracy are the touchstones of our operations. All stakeholders of the Department (citizens, the markets, industries regulated, the Legislature, the Governor, and our employees) will be given quality responses in a timely manner and can expect the Department to be in the forefront of all important developments affecting these laws.

II. History

The Department was created in 1905 to ensure the stability of and public confidence in the banks organized under a state charter. At that time, the Department administered only one law, the Idaho Bank Act, and licensed only one industry – banks. Today, the Department regulates in excess of 192,000 financial service providers and products, in 15 industries, under 23 statutes. These include banks, credit unions, broker-dealers and investment advisers and their agents, securities offerings, securities issuers, money transmitters, endowed care cemeteries, mortgage brokers/lenders and their loan originators, finance companies, collection agencies, regulated lenders, and escrow companies.

The Department receives no general fund or tax revenues but is funded exclusively from fees paid by the regulated industries. In FY 2020, the Department has an appropriated budget of $8,934,800 and 63 full time positions, along with three Deputy Attorneys General and a paralegal assigned to the Department. The Department refines its processes continually to become more efficient, proactive, and effective in its operations. The Director is appointed by the Governor with the advice and consent of the Idaho Senate. The Department functions through four bureaus: the Financial Institutions Bureau, the Securities Bureau, the Consumer Finance Bureau, and the Supporting Services Bureau:

- **Financial Institutions Bureau**: The Financial Institutions Bureau is responsible for promoting the safety and soundness of Idaho state-chartered commercial banks, savings banks, credit unions, bank holding companies, trust companies, and business and industrial development corporations. The Bureau assesses the condition of these institutions so that the public can have confidence in the financial system, and so that the interests of depositors, creditors, and shareholders are protected. The Bureau works closely with federal and other state regulators to provide regulated industries with seamless supervision, minimal disruption and costs, and effective use of resources. The Bureau also investigates complaints against state-chartered financial institutions filed with the Department.

- **Securities Bureau**: The Securities Bureau regulates the sale of investment securities and those individuals and entities that offer investment opportunities to the public. The Bureau’s objectives include promoting the integrity and vitality of state and federal financial markets, protecting the investing public from fraudulent investment schemes, and assisting legitimate businesses in their
efforts to raise capital in Idaho. The Bureau is also responsible for the licensing and oversight of money transmitters, those businesses engaged in receiving money for transmission and issuing payment instruments to purchasers (e.g., money orders, stored value products). The Bureau regulates independent escrow companies, as well as those providing 1031 exchange accommodation services. Finally, the Bureau ensures that endowed care cemeteries properly handle the funds and trust placed with them.

- **Consumer Finance Bureau:** The Consumer Finance Bureau is the regulatory and licensing authority for regulated consumer lenders, including consumer finance companies, financial institutions, payday lenders, title lenders, and creditors who take assignments and undertake collection of payments from debtors arising from regulated consumer loans. This supervision also applies to retail sellers of goods and services who extend credit to their customers. The Bureau regulates mortgage brokers, mortgage lenders, mortgage loan originators, and mortgage service providers operating in Idaho. The Bureau has oversight of collection agencies that engage in collection activities in Idaho and those entities that engage in credit counseling, debt counseling, or credit repair in Idaho. Finally, the Bureau regulates loan brokers operating in Idaho to ensure they do not receive any fee, interest, or other charge prior to a loan or extension of credit, or written commitment to loan or extend credit, made by an authorized lender. The goal of the Bureau is to assure the availability and quality of consumer financial services and lawful debt collection practices.

- **Supporting Services Bureau:** The Supporting Services Bureau provides enterprise operational support to the Director, Deputy Director, and Bureau Chiefs in carrying out their program responsibilities. This support is provided through the development and maintenance of the accounting system and records for the Department; maintenance of personnel records; preparation and submission of the Department’s budget; providing financial, management and statistical reports; coordination of the Department’s business services; and maintenance of the Department’s vehicles.
III. Mission Statement

The mission of the Department is to diligently promote access to healthy and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken.

IV. Vision Statement

Within a financial marketplace affected by national and international events, we envision innovation by financial service providers to meet greater public demand for services that complement consumers’ needs, and to mitigate economic and regulatory risks. We anticipate that financial services will shift towards less traditional platforms that align with advances in technology, and the industries we regulate will continue to become more complex as new products, investments and technologies are developed. While we anticipate that some of these advances may be developed internally, a majority will be provided by third-party service providers (TSPs) and financial technology companies (fintechs). These companies may provide new and direct competition to the industries we regulate.

As the industries we regulate become more complex, they will seek regulators who are responsive, flexible and accessible, and who coordinate with other state and federal regulators. To this end we will pursue efficiencies in supervision, and are committed to providing our employees with the knowledge, skills and resources necessary to meet these challenges.
V. **Key External Factors**

During the next five years, various external factors may impact the ability of the Department to meet its goals. Among these factors that are common to the Bureaus are continuing concerns about national and international economies, usurpation of state regulation by the federal agencies and accelerating competitive and perhaps structural changes within the financial services industry. The pace of technological changes within the financial service industries as well as the development of non-traditional financial services business models will present challenges to both traditional providers and their regulators.

The external factors significant to each Bureau are as follows:

**A. Financial Institutions Bureau**

The strength of the economy directly affects the financial services industries’ performance and recent economic news remains positive for the Idaho economy. Within the current strong economy, financial service providers face increasing challenges in protecting consumer data and safeguarding industry proprietary processes due to an increasingly active cybersecurity threat environment. Additional costs and resources may be required of our institutions to manage cybersecurity risk going forward.

Financial service providers may face challenges attracting sufficient and qualified personnel to meet this cybersecurity challenge. Additionally, financial service providers may have difficulties attracting qualified personnel for normal operations due to the strong level of employment and competition.

Financial institutions may also face increased competition for deposits and shares during a time of strong loan demand creating the potential for liquidity stresses and higher liquidity costs.

An unexpected change in interest rates may have a significant impact on Idaho financial institutions and depressed commodity prices pose a concern as international trade disputes may have broad implications for local and national agricultural economies.

Continued industry consolidation and reduction in the number of Idaho state-chartered financial institutions remain a significant concern for the Department, along with industry disruption through the advancement of new technology and nontraditional competitors entering the market.

**B. Securities Bureau**

The Securities Bureau foresees increased attempts at preemption of state authority at the federal level in all aspects of our securities regulation, from duty to clients to capital raising. This trend will undoubtedly continue to affect how the Department can effectively regulate the securities industry in Idaho.

Advances in fintech, in particular the growing acceptance and implementation of virtual currencies in financial services, will challenge the Department to adapt and evolve its regulatory model. Also, the industries we regulate and any bad actors that affect Idaho commerce and consumers, are no longer contained within the borders of the State, but are throughout the country and world. The Department must continue its diligence and scrutiny of the fintech trends due to the potential for fraud and exploitation, including money laundering and terrorist financing, in addition to general consumer protection concerns. The Department’s education efforts will need to focus on the targets of these frauds, the elderly and young adult generations, as they have been, and will increasingly be, vulnerable to these types of scams.
C. Consumer Finance Bureau

New and changing federal regulatory standards will likely affect consumer access to short-term, small-dollar credit products, and may lead to further consolidation within the market for such products.

Growth in unsecured personal student loan debt may tend to affect the credit capacity of this consumer segment, leading them to postpone substantial buying decisions that rely on consumer credit transactions and that tend to increase personal wealth, such as home and other key asset purchases.

Mortgage-related services may continue to shift from traditional financial institutions to non-depository service providers, thereby placing residential mortgage accounts with entities that operate within less structured regulatory frameworks.

Changing regulatory requirements within the debt collection industry may lead to greater uncertainty for credit service providers while also raising compliance costs for smaller debt collection entities, possibly resulting in a continued tightening within the debt collection marketplace.
VI. **Key Internal Factors**

At present, the most pressing workforce issues facing the Department are succession planning for staff retirements and our ability to recruit and retain a knowledgeable professional staff.

By the end of 2019, 31 percent of Department staff will be eligible for retirement (age 55+), increasing to 43 percent within five years (age 50+), and 49 percent in 7 years. Thirty percent of the Department staff has more than 10 years of regulatory experience.

The Strategic Planning Survey conducted last in 2015 showed 99 percent of respondents believe recruiting and retaining a knowledgeable staff is a high priority. Working toward pay parity with our federal counterparts will encourage our staff to remain with the Department rather than leaving for the federal agencies. Similarly, providing “phased retirement” and other family-friendly programs would assist the Department in retaining experienced employees; the federal agencies and private sector already offer such options. Maintaining experienced staff is good for both Idaho’s financial institutions as well as their customers.

The Department's mission will be carried out by leaders who focus on results, collaborate with industry, other regulators and other stakeholders, cooperate internally, and continually strive for excellence. To create a solid foundation for capable leadership in the future, the Department focuses on building successive levels of management within each bureau and section, rather than simply developing individuals. This is done consistent with the Department’s evolving needs and strategic goals. The result will be a stable, capable management culture: one that provides opportunities for movement, development, and challenging assignments, in which an individual can demonstrate high levels of performance and ability and can make productive contributions to the Department’s goals.

Each member of the Department is familiar with the strategic goals of the Department as well as the steps necessary to achieve these goals. A Business Continuity Plan exists which sets forth the details of carrying on day-to-day operations should an emergency occur. The Business Continuity Plan is posted on the Department’s website and all management and staff are required to be familiar with this plan. It is tested periodically and will be tested next in September 2019.
VII. **Red Tape Reduction Act**

In compliance with Executive Order No. 2019.02, the Red Tape Reduction Act (Act), the Department designated the Deputy Director as its Rules Review Officer (RRO). In addition, each Bureau designated one member to participate in a comprehensive review of the Department's rules to identify costly, ineffective, or outdated regulations. These persons participated in training on implementation of the Act.

The 2019 Idaho Legislature did not reauthorize all existing administrative rules. Through the process developed by Governor Little to reauthorize agency rules beyond July 1, 2019, the Department identified eleven rules it intends to let expire. The Department considers this just the first step in an ongoing effort to review its rules in order to make them more effective.

VIII. **Adoption of the NIST Cybersecurity Framework and Implementation of CIS Critical Security Controls 1 - 5**

As a technology customer of the Office of Information Technology Services (ITS) in the Governor’s Office, we are using the cybersecurity systems and technical expertise in ITS to fulfill requirements related to Executive Order 2017-02. Staff from ITS briefed the NIST Core Framework, CIS Controls 1-5, and their plan for adoption of the NIST Cybersecurity Framework. We participate in DHR and ITS administered cybersecurity training, as awareness is a critical component of an effective cybersecurity program. As briefed by ITS staff, implementation of the CIS Controls 1-5 will be their responsibility for the systems they operate and, as technological tools applied to the computer systems, largely invisible to us as a customer. ITS, working through the multi-agency Incident Response Task Force, has developed an Incident Response Program in support of our agency.
IX. Goals, Objectives, Performance Measures and Benchmarks

A. Financial Institutions Bureau

Goal #1: Promote public and industry confidence in the banking and credit union systems through timely, reasonable and effective supervision and regulation.

Objective: Implement sound regulatory policies and programs to safeguard deposits and protect the customers of financial institutions.

Objective: Assist each financial institution’s management in establishing effective risk management policies and procedures.

Objective: Maintain a sufficient number of experienced and professionally competent staff by providing competitive compensation and training opportunities to advance their knowledge and skills.

Performance Measures:

- Idaho state-chartered financial institutions offer products and services that are competitive with those offered by federally-chartered financial institutions.
  
  Benchmark: All Idaho state-chartered financial institutions have the opportunity to offer all of the financial products and services offered by federally-chartered financial institutions.

- Idaho state-chartered financial institutions are operated in a safe and sound manner.
  
  Benchmark: Make every effort to avoid state-chartered financial institution failures through efficient, effective and responsible regulatory supervision.

- Financial Institutions Bureau retains experienced, professional examination staff.
  
  Benchmark: No employee leaves the Financial Institutions Bureau primarily to obtain greater compensation or training benefits with a federal or other state government financial regulator, as determined through an exit interview.

- Retain national accreditation of both the banking and credit union sections of the Financial Institutions Bureau.
  
  Benchmark: Banking and credit union sections re-accredited each time the section is reviewed.

Goal #2: Enhance the examination process to monitor and evaluate internal and external conditions, address industry trends and ensure fiscal integrity.

Objective: Utilize monitoring and examination processes that focus resources on discovering and evaluating risks, including emerging security risks.

Objective: Monitor trends in the financial services industry and develop supervisory programs to effectively monitor and examine new financial products, services and technology, including electronic commerce and banking, information technology and cybersecurity.
**Objective:** Coordinate and cooperate with other regulators to increase regulatory efficiency and reduce regulatory burden on industry.

**Performance Measures:**
- Utilize both on- and off-site monitoring and examination programs to increase quality and effectiveness of financial institution surveillance and reduce on-site examination time.
  
  *Benchmark:* On-site examination time minimized and off-site surveillance optimized consistent with financial institution’s risk profile.

- Percentage of state-chartered banks examined each year.
  
  *Benchmark:* 100 percent of state-chartered banks examined within statutory timeframes.

- Percentage of state-chartered credit unions examined each year.
  
  *Benchmark:* 100 percent of state-chartered credit unions examined within statutory timeframes and meet statutory, policy and accreditation standards for delivering reports of examination.

- Promote the importance of cybersecurity awareness.
  
  *Benchmark:* Review financial institutions’ governance and monitoring of cybersecurity to ensure they are commensurate with complexity of the institutions and to minimize cyber threat incidents.

- Examiners are knowledgeable of new products and technologies being used in the financial institutions.
  
  *Benchmark:* At least one examiner has sufficient training and expertise in each significant product, service and technology used or offered by a financial institution to evaluate its risks and benefits, specifically trust, information technology, BSA, compliance and capital markets.

- Designate subject matter experts (SMEs) in key areas of the examination process.
  
  *Benchmark:* All SME designations have been identified and assigned to the examination staff, who are provided the necessary training to effectively evaluate the risks in the area of expertise.

**Goal #3:** Maintain a strong state regulatory system for depository financial institutions, non-depository trust companies, and business and industrial development companies.

**Objective:** Promote the dual banking system and the state chartering system for banks and credit unions.

**Objective:** Avoid further federal preemption that results in a reduction of state authority and consumer protections.

**Objective:** Provide excellent accessibility, responsiveness and value added services to Idaho state-chartered financial institutions.
Objective: Permit Idaho state-chartered financial institutions to innovate and exercise new powers consistent with the principles of safety and soundness.

Objective: Reduce regulatory burden to the extent possible without compromising safety and soundness or consumer protections.

Performance Measures:

- Actively oppose further federal preemption efforts and federal regulations that adversely affect the ability of Idaho state-chartered financial institutions to be competitive.
  
  Benchmark: Write letters, provide testimony and educate decision-makers about the negative consequences of preemption as opportunities present themselves.

- Review statutes and rules to ensure requirements continue to be necessary.
  
  Benchmark: Review statutes and rules annually for ways to reduce regulatory burden.

- Demonstrate the benefits to financial institutions of choosing the state-charter.
  
  Benchmark: Maintain or increase the number of financial institutions that choose a state, as opposed to a federal, charter each year.
B. Securities Bureau

Goal # 1: **Promote public and industry confidence in the securities markets, Idaho investment professionals, endowment care cemeteries, escrow companies and money transmitters through the registration and examination processes.**

**Objective:** Promote Idaho as a desirable place in which to invest and do business.

**Objective:** Ensure endowment care cemeteries properly account for trust funds so cemeteries are well-maintained in perpetuity.

**Objective:** Ensure that all businesses required to register under the Idaho Money Transmitters Act (IMTA), Idaho Code § 26-2901, *et seq.*, have done so and are operating in compliance with the IMTA.

**Objective:** Ensure that all businesses required to register under the Idaho Escrow Act (IEA), Idaho Code § 30-901, *et seq.*, have done so and are operating in compliance with the IEA.

**Objective:** Maintain a sufficient number of experienced and professionally competent staff by providing competitive compensation and training opportunities, including access to certification programs.

**Objective:** Coordinate and cooperate with other regulators to increase regulatory efficiency and reduce regulatory burden on industry.

**Performance measures:**

- Number of individuals and entities registering with the Department to do business in Idaho.
  
  **Benchmark:** Maintain or increase the number of registrants and securities offerings in Idaho in all years with a positive national economy.

- Number of examinations conducted of broker-dealers registered with the Department to do business in Idaho.
  
  **Benchmark:** Investigate (by examination as needed) every complaint involving Idaho registered and unregistered broker-dealers, broker-dealer home or branch offices, and broker-dealer agents.

- Percentage of state-registered investment advisers for which the Department has completed an onsite examination each year. Investment advisers identified through prior examination as higher risk will be subject to more frequent examinations.
  
  **Benchmark:** Examine 25 percent of state-registered investment advisers each year.

- Percentage of endowment care cemeteries for which the Department has completed an onsite examination each year.
  
  **Benchmark:** Examine 100 percent of all endowment care cemeteries each year.

- Number of Idaho-licensed money transmitters which have been examined by Idaho or a signatory to the Money Transmitter Regulators Association (MTRA) Joint Examination MOU each year.
  
  **Benchmark:** Examine 25 percent of Idaho-licensed money transmitters each year.
- Number of authorized delegates of Idaho-licensed money transmitters which have been examined each year.
  
  **Benchmark:** Examine one or more authorized delegates of 25 percent of Idaho-licensed money transmitters for remitters reporting agent locations in Idaho each year.

- Number of Idaho-licensed escrow companies which have been examined each year by Idaho or other jurisdictions with a similar or superior examination program.
  
  **Benchmark:** Examine 25 percent of Idaho-licensed escrow companies each year, to include examination reports provided by another competent jurisdiction.

- Number of un-licensed escrow companies against which actions have been taken.
  
  **Benchmark:** Respond to 100 percent of complaints involving unlicensed activity each year, including but not limited to, internet-only escrow companies, with some type of public warning, if legally possible.

- Assure sufficient staffing to properly oversee all industries under Bureau’s authority.
  
  **Benchmark:** Staff meets performance measures each year.

- Number of examinations and investigations conducted jointly with other state, SRO and federal regulators.
  
  **Benchmark:** Attend annual joint regulator examination summit and coordinate exams to extent possible.

**Goal #2:** Protect investors from investment fraud through timely enforcement of Idaho’s securities laws.

**Objective:** Bring appropriate legal action against those violating securities and other laws under Department’s authority.

**Objective:** Ensure investment offerings fully comply with Idaho law.

**Objective:** Ensure applicants for broker-dealer, investment advisor and agent registration fully meet qualification standards of Idaho law.

**Objective:** Conduct on-site examinations of firms and applicants to ensure compliance with legal requirements.

**Performance Measures:**

- Conduct timely investigations of suspected violations.
  
  **Benchmark:** Cases more than 6 months old are: being actively investigated, closed or have been referred for legal action.

- Perform a comprehensive and timely review of materials submitted with securities registration applications.
Benchmark: Registration materials are reviewed and any comments letters issued within statutory timeframes.

- Conduct investigations of investment advisors, broker-dealers and their branch offices and agents when red flags are noted.

  Benchmark: On-going frauds or sales practice abuses are halted quickly.

Goal #3: Increase the financial literacy of all Idahoans.

Objective: Give Idahoans the financial knowledge base needed to wisely use credit, save, invest and avoid fraud.

Performance Measures:
- Educate Idaho teachers at all levels on personal finance basics so those principles can be incorporated into everyday lessons.

  Benchmark: Sponsor or participate in yearly teacher financial literacy education programs, if available.

- Educate Idaho professionals and social workers about signs of elder fraud and financial abuse.

  Benchmark: Sponsor or participate in yearly professional/social worker elder financial fraud prevention programs if available.

- Provide speakers and consumer information to schools, senior centers, civic groups and any other interested group to raise awareness of personal finance issues.

  Benchmark: Maintain or increase each year the number of Idahoans to whom educational presentations are made.

- Issue press releases and investor alerts highlighting current frauds and ways to avoid fraud.

  Benchmark: Issue at least one press release each month that incorporates a financial educational component.

Goal #4: Maintain a strong state regulatory system for securities and investment professionals.

Objective: Avoid federal preemption of state laws that results in a reduction of state authority and consumer protections.

Objective: Reduce regulatory burden to the extent possible without compromising safety and soundness or consumer protections.

Performance Measures:
- Actively oppose further federal preemption efforts.

  Benchmark: Write letters, provide testimony and educate decision-makers about the negative consequences of preemption as opportunities present themselves.

- Review statutes and rules to ensure requirements continue to be necessary.
**Benchmark:** Review statutes and rules annually for ways to reduce regulatory burden and update as needed.
C. Consumer Finance Bureau

Goal #1: Promote public and industry confidence in Idaho consumer financial services through the licensing and examination process.

Objective: Promote a healthy, competitive financial services industry in Idaho.

Objective: Ensure that all participants in the financial services industry are properly licensed, where required, and comply with applicable Idaho laws.

Objective: Coordinate and cooperate with other regulators to increase regulatory efficiency and reduce regulatory burden on industry.

Objective: Maintain a sufficient number of experienced and professionally competent staff by providing competitive compensation and training opportunities to keep skills current.

Performance measures:
- Idahoans have access to a sufficient array of competitive financial products.
  
  Benchmark: Through the Department’s licensing and examination processes, financial service products that comply with federal and state laws are available to Idahoans.

- Licensees under the Idaho Credit Code, Idaho Residential Mortgage Practices Act, and the Idaho Collection Agency Act, are examined by the Department to determine compliance with governing laws and rules.
  
  Benchmark: Annually conduct compliance examinations of 20 percent of the Department’s mortgage licensees; Subject to priorities based on risk factors, resources, and the public interest, annually conduct routine compliance examinations of up to 10 percent of the Department’s licensees under the Idaho Credit Code and the Idaho Collection Agency Act.

- Applicants and licensees under the Idaho Credit Code, Idaho Residential Mortgage Practices Act, and the Idaho Collection Agency Act use the Nationwide Multistate Licensing System (NMLS) for license applications and annual license renewals and learn of expanded NMLS functionalities as they are introduced.
  
  Benchmark: Department regularly contributes information to and extracts information from the NMLS and communicates expanded NMLS tools and functionalities to licensees when introduced.

Goal #2: Protect consumers from financial fraud through timely enforcement of Idaho’s mortgage, collection agency, and consumer credit laws.

Objective: Bring appropriate legal action against those violating mortgage and consumer credit laws.

Objective: Ensure consumers obtain appropriate redress for violations, to the extent possible.

Objective: Ensure applicants for licensing under consumer finance laws fully meet qualification standards of Idaho law.
**Objective:** Conduct on-site examinations of licensees to ensure compliance with legal requirements.

**Performance Measures:**
- Conduct timely investigations into consumer complaints and other suspected violations.
  
  **Benchmark:** Cases/complaints more than 6 months old are: being actively investigated, closed or have been referred for legal action.

- Perform a comprehensive and timely review of materials submitted with licensing applications.
  
  **Benchmark:** Licensing materials are reviewed and any comments / letters issued within statutory timeframes.

- Conduct “for cause” examinations of licensees when red flags are noted.
  
  **Benchmark:** Fraudulent and other prohibited practices are halted quickly.

**Goal #3:** Promote the financial literacy of all Idahoans.

**Objective:** Provide Idahoans with financial information, tools, and opportunities to learn how to use credit wisely, save money, and avoid fraud.

**Performance Measures:**
- Provide speakers and consumer information to schools, senior centers, civic groups, and other interested groups to promote personal financial literacy.
  
  **Benchmark:** Ensure that financial literacy information is up to date and accurate and made available through various mediums including, but not limited to, the Department’s website, social media, printed materials, and in-person presentations.

- Issue press releases or consumer alerts highlighting consumer protection issues in financial services.
  
  **Benchmark:** Issue a minimum of four press releases or consumer alerts each year that incorporate a financial educational component relating to mortgage lending, collections, or consumer finance.

**Goal #4:** Maintain a strong state financial services regulatory system.

**Objective:** Avoid federal preemption of state laws that results in a reduction of state authority and consumer protections.

**Objective:** Reduce regulatory burden to the extent possible without compromising consumer protections.

**Performance Measures:**
- Actively oppose federal preemption of state laws relating to financial services.
  
  **Benchmark:** Write letters, provide testimony and educate decision-makers about the negative consequences of preemption as opportunities present themselves.
- Review statutes and rules to ensure requirements continue to be necessary.

  **Benchmark:** Review statutes and rules annually for ways to reduce regulatory burden.

**Description of Performance Benchmarks**

Four general categories of benchmarks are used by the Department in its Strategic Plan. The most frequently used benchmarks are those that dictate that a certain percentage of the time a particular result will occur. Example: “100 percent of state-chartered credit unions [were] examined within statutory timeframes.” Benchmarks of this type were selected because: (1) a statute mandates a particular result, or (2) the benchmark represents the Department’s expected, planned or intended result. This result is based on the Department’s own experience, the experience of other regulators and an analysis of the specific resources available to the Department.

Other benchmarks set minimum targets that must be achieved. Example: “[A]t least one examiner has sufficient expertise in each significant product, service and technology used or offered by a financial institution to evaluate its risks and benefits.” This type of benchmark assures that the Department is able to adequately regulate all products and services under its jurisdiction.

Benchmarks that require some action within a specific timeframe not mandated by statute have been determined based on the Department’s own experience, the experience of other regulators and an analysis of the specific resources available to the Department. Similarly, some benchmarks will measure performance by comparing the number of times an action was taken versus the number of opportunities the Department had to take that action. Example: “Write letters, provide testimony and educate decision-makers about the negative consequences of preemption as opportunities present themselves.”

The final type of benchmark is one that requires the Department to review the financial services marketplace or other non-numeric set of items or events to determine if the benchmark has been met. Example: “Idahoans are able to obtain financial services at a competitive price.”
Appendix

2015 Stakeholder Survey
Performed Every 5 Years
Question 1:  
Maintain a strong state regulatory system for depository and non-depository financial institutions, mortgage brokering and banking services, and securities and investment providers.

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<td></td>
<td>11*</td>
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<tr>
<td>Somewhat important</td>
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<td></td>
<td>1*</td>
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<tr>
<td>Not very important</td>
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How well is the Department meeting this goal?

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<td>Needs Improvement</td>
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Maintain a strong regulatory system - How important?

- Very important: 81%
- Somewhat important: 17%
- Not very important: 2%

Maintain a strong regulatory system - Meeting goal?

- Very well: 45%
- Adequately: 51%
- Needs Improvement: 4%
Question 2: Effectively communicate with all stakeholders (the regulated industries, the Legislature and the public).

Very important: 202
Somewhat important: 51
Not very important: 3

How well is the Department meeting this goal?
Very well: 98
Adequately: 111
Needs Improvement: 35

Communicate with all stakeholders - How important?

Communicate with all stakeholders - Meeting goal?
Question 3:
Study and support methods to reduce regulatory burdens for depository and non-depository financial institutions, mortgage brokering and banking services, and securities and investment providers.

Very important: 231
Somewhat important: 29
Not very important: 2

How well is the Department meeting this goal?
Very well: 86
Adequately: 98
Needs Improvement: 58
Question 4: Retain and recruit a knowledgeable, well-trained, professional staff.

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How well is the Department meeting this goal?

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<tr>
<td>Needs Improvement</td>
<td>28</td>
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</table>

Maintain Knowledgable staff - How important?

- Very important: 88%
- Somewhat important: 11%
- Not very important: 1%

Maintain Knowledgable staff - Meeting goal?

- Very well: 44%
- Adequately: 43%
- Needs Improvement: 13%
- No opinion: 38*
- No response: 5*
**Question 5:**
Increase our coordination and cooperation with other regulators

<table>
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How well is the Department meeting this goal?

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![Chart showing coordination and cooperation with other regulators](chart1.png)

![Chart showing meeting goal](chart2.png)
Question 6:
Retain national accreditation of the Department’s banking, credit union and mortgage sections

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How well is the Department meeting this goal?

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National accreditation - How important?

- Very important: 72%
- Somewhat important: 25%
- Not very important: 3%

National accreditation - meeting goal?

- Very well: 54%
- Adequately: 41%
- Needs Improvement: 5%
Question 7: Increase the financial literacy of all Idahoans

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<tr>
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</table>

**Increase Idahoans financial literacy - How important?**

- Very important: 75%
- Somewhat important: 22%
- Not very important: 3%

How well is the Department meeting this goal?

<table>
<thead>
<tr>
<th>Meeting Level</th>
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<th>No opinion</th>
<th>No response</th>
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<td>Needs Improvement</td>
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</table>

**Increase Idahoans financial literacy - Meeting goal?**

- Very well: 34%
- Adequately: 37%
- Needs Improvement: 29%
**Question 8:**
Maintain sufficient staffing levels to provide adequate oversight of the increasing number of regulated entities

<table>
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<tr>
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<th>No response</th>
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</tbody>
</table>

**Sufficient staffing levels - How important?**

- Very important: 76%
- Somewhat important: 22%
- Not very important: 2%

How well is the Department meeting this goal?

<table>
<thead>
<tr>
<th>Performance</th>
<th>Responses</th>
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<th>No response</th>
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<td>Needs Improvement</td>
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**Sufficient staffing levels - Meeting goal?**

- Very well: 38%
- Adequately: 41%
- Needs Improvement: 21%