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## **NEWS RELEASE**

For Immediate Release

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### **Department of Finance Releases Fiscal Year Highlights** *Record Filings Mean Greater Access To Services For Idahoans*

Boise, Idaho . . . Gavin Gee, Director of the Idaho Department of Finance, today released numbers showing continued growth in the financial services industry in Idaho during the recently completed fiscal year. According to Gee, the Department of Finance set another record with more than 122,000 submissions for business filings, licenses and registrations. These filings are nearly 9% higher than the past fiscal year and continue a growth trend that dates back to the early 1990s. According to Gee,

*“The general interest in offering Idahoans access to quality financial services continues to grow. This speaks well of how Idaho is perceived as a place for doing business and of Idaho’s economic condition and growth prospects when compared to other states and regions.”*

In association with the release of the statistics, the Department provided some highlights from the recently completed fiscal year:

***Idaho Banking Industry Ranked Near The Top*** – According to several measures, Idaho residents have gained improved access to banking services, while the health of the banking industry in Idaho continues to outshine national trends. More specifically:

1. In a recently released study, the FDIC (Federal Deposit Insurance Corporation) ranked all states based on the increase in new bank offices from 1994 to 2003. Idaho ranked seventh highest in the nation with a strong correlation between bank office growth and employment

growth (**fourth in the nation**) and population growth (**sixth in the nation**). Over the past ten years, the number of new bank offices grew 8% nationwide while, in Idaho, the number of new bank offices grew 24.5%. These numbers demonstrate confidence by bankers in Idaho's economy and result in better access to banking services for Idaho residents.

2. Idaho banks have continued their recent trend of robust growth that far outstrips national averages. Idaho institutions have experienced double-digit growth in assets, loans and deposits, while state delinquent loan ratios for Idaho banks remain substantially below the national averages.

***Business Filings With The Department Grow Nearly 9%*** – The total number of business filings with the Department increased to a record 122,100. This represents a nearly 9% increase over the prior fiscal year and continues a pattern of growth for the financial services industries in Idaho. The record number of filings processed by the Department include submissions such as securities filings, registration applications, license applications, and new branch office applications under 20 financial service laws administered by the Department. The total number of these filings with the Department has more than doubled during the past ten years.

***Idaho Credit Unions Remain In Top Shape*** – Continuing a multi-year trend, Idaho chartered credit unions continue to demonstrate positive growth in assets, deposits and loans. Additionally, delinquent loan ratios continued to fall, while the aggregate capital account for all state-chartered credit unions again increased when compared to total assets.

***Enforcement Results Demonstrate Continuing Risk of Financial Fraud*** – The financial impact of investigations conducted by the Department neared the \$24 million mark. In association with these investigations, and as a result of the Department's regulatory enforcement efforts, Idaho residents

were offered, or awarded in judgments by the courts, approximately \$2.8 million in refunds. This total includes amounts refunded to Idaho investors due to administrative, civil and criminal actions initiated or supported by the Department and also includes voluntary rescission offers made in compliance with the laws administered by the Department.

Gee was quick to caution Idahoans to remain vigilant and skeptical when dealing with unknown or un-verified individuals or firms.

*“The risk of financial fraud remains a significant and palpable threat to Idaho’s citizenry. Identity theft remains the fastest growing crime in the country, while investment fraud, “phishing” for financial data, and developing means of cyber-fraud continue to expand.”*

***Education Seen As Key To Avoiding Fraud*** - Beyond initiating enforcement action, the Department also addressed its efforts to fight financial fraud before money is lost. More specifically, the Department noted several resource commitments designed to help derail fraud before it happens:

1. The Department continues its financial education efforts by providing educational materials and presentations to high school classes, civic organizations and retirement centers.
2. The Department is providing resources and helping to sponsor higher profile educational events such as the upcoming Governor’s Conference on Aging and the Idaho State Treasurer’s, “Smart Woman, Smart Money: Idaho Women’s Financial Conference,” while previously providing support for “Financial Literacy and You: Teaching...Assessing,” a financial literacy education conference for teachers.

3. The Department recently signed on to participate in "Fraud-Net", an Idaho Bankers Association sponsored nationwide database of information on current and past financial institution frauds and the persons involved. This program has been an effective tool in other states for sharing "real-time" information between law enforcement, regulators and financial institutions to apprehend criminals and prevent fraud and other crimes against financial institutions.

Gee restated his Department's commitment to ferreting out financial fraud and to further financial education in Idaho to help Idahoan's avoid financial fraud. More specifically, Gee noted recent legislative changes in the Idaho Securities Act, which included enhanced penalty provisions for investment fraud, especially when victimizing senior citizens and vulnerable adults, while providing more specific regulatory authority over investment instruments known variously as "viatical" investments or "life settlements". Gee said that the Department was exploring additional opportunities to support further anti-fraud legislation where appropriate.

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