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NEWS RELEASE

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Department of Finance Reports Record 2013 Business Filings *Department's Mortgage Program Nationally Accredited*

Boise, Idaho . . . Gavin Gee, director of the Idaho Department of Finance, released numbers for calendar year 2013 that continue to demonstrate expansion across large segments of the financial services industry. Gee said the department accepted nearly 160,000 submissions for business filings, licenses and registrations, an increase of more than 2.6 percent over 2012. *"These numbers demonstrate that financial service businesses operating in Idaho continue to grow and that our business environment has broad appeal,"* Gee said. The total number of business filings with the department increased from 155,344 during calendar 2012 to 159,487 in 2013, a new record high. New filings processed by the department include submissions such as securities issuer filings, license applications and financial institution branching applications under 23 financial service laws administered by the department. The securities bureau reported a new record number of securities filings and professionals licensing to do business in Idaho of 107,217. The mortgage industry also continues to show signs of recovery in Idaho with nearly 1,400 new loan originator license applications processed by the department in 2013, more than the prior two years combined, according to Gee. Department-licensed companies and professionals reside in every state and 20 foreign countries.

Department Receives Certificate of Mortgage Accreditation - The Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) announced in December of 2013 that the department had earned a certificate of accreditation for mortgage supervision. This accreditation certifies that the department maintains the highest standards and practices in mortgage supervision set by the CSBS and AARMR Mortgage Accreditation Program. *"The Idaho Department of Finance is the 13th state agency to attain mortgage accreditation under very stringent standards,"* said Gee. *"Idaho is now considered among 12 other states that are on the leading-edge of mortgage supervision."*

Department Expands Online Licensing – The department continued to promote streamlined licensing and reporting processes for the industries it regulates by utilizing technology and online licensing systems through the Nationwide Mortgage Licensing System (NMLS) and Access Idaho. In 2013, online licensing and registration capabilities were extended to consumer finance companies, payday lenders and collection agencies on a voluntary basis, leading to an increase of 1,180 licenses/applicants utilizing this technology.

Department Promotes Community Banking Initiatives - The importance of community banks and credit unions to Idaho consumers and business owners has never been more keenly evident than in the economic crisis. As part of its ongoing support of community banks, the department participated in "Community Banking in the 21st Century," a national community banking and research conference hosted by the Federal Reserve System and the Conference of State Bank Supervisors (CSBS). The conference brought together community bankers, academics, policymakers and bank supervisors to discuss the challenges and opportunities facing community banks. The findings from three Idaho town hall meetings with community bank CEOs were part of a resultant first-of-its-kind report on community banking.

The department also surveyed contributions made by Idaho community banks to their communities. The totals were impressive. For an approximate one year period, sixteen community banks surveyed accounted for more than \$15 million in charitable contributions, donated 41,000 hours, and granted more than 1500

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community-development type loans and mortgages. Community banks and credit unions are the only financial institutions in 16 Idaho towns – providing vital financial support on a daily basis.

Nationwide, although community banks hold only about 14 percent of bank assets, they provide 46 percent of small business loans, 35 percent of commercial real estate loans, 66 percent of farm lending, and 16 percent of mortgages. Community banks and credit unions by their nature are members of their communities. And it is in the best interests of those communities to encourage and support their local institutions.

Financial Fraud Risks Remain Higher Than Average – Active financial fraud investigations conducted by the department during the calendar year involved potential investor losses of nearly \$29 million. During the most recent calendar year, the department initiated or completed 48 enforcement actions. As a result of the department’s enforcement efforts, Idaho residents were offered, or awarded in judgments by the courts, approximately \$1.7 million in refunds. This total includes amounts refunded to Idaho consumers and investors due to administrative, civil and criminal actions initiated or supported by the department. It also includes voluntary rescission offers made to remedy unwitting violations of state law. Moreover, as a result of the historic \$50 billion **2012 National Mortgage Settlement** with the nation’s five largest mortgage servicers, as of the latest report from the Settlement Monitor dated August 22, 2013, 2,980 Idaho homeowners received over \$177 million in gross relief under the Settlement, or an average of \$59,562 per borrower. The department’s investigations and enforcement actions are varied, complex and increasingly international in scope. This past year, the department initiated or completed actions involving commodities, life settlements, unregistered securities and investment advisory activity, unlicensed and online payday lending, as well as unlicensed credit repair and collection activity.

Financial Education Efforts by Department and Its Partners – Consumer and investor education initiatives have long been part of the Department’s mission. This past year’s highlights include:

- Joining other state financial regulators and a broad-based coalition of consumer groups and industry members, the Department again participated in “America Saves Week” in February and in the 15th Annual Financial Literacy Month activities during the month of April.
- This year’s Scam Jam held in Nampa was attended by more than 375 people and offered several bilingual sessions. Director Gee was the keynote speaker at the Scam Jam, and other Department staff made presentations and assisted in making the event a huge success.
- The department provided resources and personnel to sponsor the Smart Women Smart Money: Idaho Everywoman’s Financial Conference.
- The department is a continuing participant in the Idaho Financial Literacy Coalition, a broad-based partnership of private sector, education and government members organized to enhance the financial literacy of all Idahoans.
- The department is also a proud member of the Military Financial Alliance, working to enhance long term financial management for military service members.

The Department of Finance receives no state or federal tax dollars. Regulated entities fund its operations. Department Press Releases and other information can be found on the Internet at <http://finance.idaho.gov> or by contacting the department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.

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