

DEPARTMENT OF BANKING

SUMMARY BY PROGRAM
(amounts expressed in thousands)

| Year Ending June 30, 1986 | | | | | | Year Ending June 30, 1988 | | |
|---------------------------|------------------|---------------------------|-----------------|----------|--|---------------------------|-----------|-------------|
| Orig. & (S) Supplemental | Reapp. & (R) Rec | Transfers (E) Emergencies | Total Available | Expended | | 1987 Adjusted Approp | Requested | Recommended |
| 2,419 | 2 | -26 | 2,395 | 2,368 | Economic Regulation | | | |
| 1,234 | 1 | -21 | 1,214 | 1,198 | Regulation of Banking Industry | 2,798 | 2,756 | 2,656 |
| 627 | --- | 34 | 661 | 645 | Regulation of Savings and Loan Associations | 1,361 | 1,341 | 1,309 |
| 5,000 | --- | --- | 5,000 | --- | Consumer Complaints, Legal and Economic Research | 711 | 729 | 677 |
| 530 | 4 | 159 | 693 | 663 | Pinelands Development | --- | --- | --- |
| | | | | | Credit Bank | --- | --- | --- |
| | | | | | Management and Administrative Services | 748 | 833 | 802 |
| 9,810 | 7 | 146 | 9,963 | 4,874 | Total Appropriation, Department of Banking | 5,618 | 5,659 | 5,444 |

14. DEPARTMENT OF BANKING
50. ECONOMIC PLANNING, DEVELOPMENT AND SECURITY
52. ECONOMIC REGULATION

OBJECTIVES

1. To protect the public from financial loss resulting from the failure of financial and consumer credit institutions.
2. To assure the public of fair and equitable treatment by financial institutions.
3. To inform and educate the public concerning financial matters.
4. To protect the public through the licensure and regulation of cemetery companies and their sales persons.

Program Classifications

01. Regulation of Banking Industry--Charters commercial and savings banks to operate in New Jersey. Responsible for the supervision and examination of these institutions including the regulation, supervision and examination of consumer credit associations such as check cashers, check sellers, insurance premium finance companies, credit unions, pawnbrokers, secondary mortgage loan companies and foreign money remitters for financial soundness and compliance with statutes and regulations. Newly responsible for the examination of bank holding companies (C17:9A-1 et seq.).
02. Regulation of Savings and Loan Associations--Charters savings and loan associations to operate in New Jersey. Responsible for the examination and regulation of both insured and uninsured savings and loan associations, and has legal authority for determination of financial condition and degree of compliance with applicable statutes and regulations. Regulates, supervises and examines mortgage bankers and brokers (C17:11B-1 et seq.).
03. Consumer Complaints, Legal and Economic Research--Informs and educates the public as to its rights and responsibilities pertaining to financial institutions; investigates complaints against these institutions and/or licensees; initiates appropriate action to ensure compliance with existing statutes and regulations. Ensures compliance with the mortgage loan discrimination statute (C17:16F et seq.) and licenses consumer credit lenders, vendors of credit and mortgage bankers and brokers. Provides the required economic and demographic research for all financial institution branch and charter applications.
05. Pinelands Development Credit Bank--Empowered to purchase and sell Pinelands development credits, in accordance with a program included in the Comprehensive Management Plan for the Pinelands. Provides a mechanism to facilitate both the preservation of the resources of this area and the accommodation of regional growth influences in an orderly fashion.
99. Management and Administrative Services--Directs the activities of the Department and provides administrative and support services through the Fiscal and Personnel Offices. The Office of the Commissioner coordinates all regulatory and legislative initiatives in its liaison role with the Legislature, Executive Branch and the financial community at-large; disseminates legislative and policy guidance. Supervises, regulates and licenses cemetery companies and their salespersons as defined in Title 8A:1-1 et seq.

| | Actual FY 1985 | Actual FY 1986 | Budgeted FY 1987 | Budget Estimate FY 1988 |
|---|-------------------|-------------------|---------------------|-------------------------------|
| EVALUATION DATA | | | | |
| Regulation of Banking Industry | | | | |
| State Chartered Banks | | | | |
| Banks..... | 70 | 80 | 73 | 80 |
| Examinations Conducted..... | 38 | 43 | 48 | 47 |
| Bank Holding Companies..... | 27 | 34 | 32 | 34 |
| Consumer Credit Associations | | | | |
| Associations Subject to Examination..... | 953 | 954 | 950 | 954 |
| Examinations Conducted..... | 317 | 192 | 450 | 389 |
| Regulation of Savings and Loan Associations | | | | |
| State Chartered Savings and Loan Associations..... | | | | |
| Examinations Conducted..... | 138 | 137 | 130 | 133 |
| | 87 | 99 | 128 | 100 |
| Consumer Complaints, Legal and Economic Research | | | | |
| Consumer Credit Associations..... | 4,902 | 4,576 | 4,800 | 5,000 |
| Consumer Complaints | | | | |
| Received..... | 2,373 | 3,190 | 3,000 | 3,200 |
| Completed..... | 2,353 | 3,004 | 2,900 | 3,100 |
| Inquiries and Referrals..... | 15,377 | 13,582 | 18,000 | 15,000 |
| Mortgage Bankers and Brokers | | | | |
| Licenses Issued..... | 736 | 850 | 950 | 1,000 |
| Licenses subject to exam..... | 386 | 400 | 450 | 500 |
| Examinations conducted..... | 88 | 34 | 75 | 100 |
| Management and Administrative Services | | | | |
| New Jersey Cemetery Board | | | | |
| Cemetery companies certified..... | 366 | 367 | 369 | 370 |

14. DEPARTMENT OF BANKING--Continued
 50. ECONOMIC PLANNING, DEVELOPMENT AND SECURITY
 52. ECONOMIC REGULATION

| | Actual FY 1985 | Actual FY 1986 | Budgeted FY 1987 | Budget Estimate FY 1988 |
|--------------------------------|-------------------|-------------------|---------------------|-------------------------------|
| AFFIRMATIVE ACTION DATA | | | | |
| Male Minority | 7 | 6 | 12 | 13 |
| Male Minority %..... | 5.3 | 4.5 | 9.1 | 9.0 |
| Female Minority | 10 | 8 | 15 | 11 |
| Female Minority %..... | 7.6 | 6.0 | 11.4 | 7.6 |
| Total Minority | 17 | 14 | 27 | 24 |
| Total Minority %..... | 12.9 | 10.5 | 20.5 | 16.6 |

BUDGETED POSITIONS

| | | | | |
|--|-----|-----|-----|-----|
| Budgeted Positions..... | 157 | 153 | 153 | 153 |
| Regulation of Banking Industry..... | 73 | 69 | 69 | 68 |
| Regulation of Savings and Loan Associations..... | 40 | 39 | 39 | 38 |
| Consumer Complaints, Legal and Economic Research.... | 25 | 25 | 25 | 24 |
| Management and Administrative Services..... | 19 | 20 | 20 | 23 |

APPROPRIATION DATA (amounts expressed in thousands)

| Orig. & (S)Supple- mental | Year Ending June 30, 1986 | | | Total Available | Expended | PROGRAM CLASSIFICATIONS | Ref Key | 1987 Adjusted Approp | Year Ending June 30, 1988 | |
|---------------------------------|---------------------------|-----------------------------------|--|--------------------|----------|---|------------|--|------------------------------|------------------|
| | Reapp. & (R)Rec | Transfers (E) Emer- gencies | | | | | | | Requested | Recom- mended |
| 2,419 | 2 | -26 | | 2,395 | 2,368 | Regulation of Banking Industry | 01 | 2,798 | 2,756 | 2,656 |
| 1,234 | 1 | -21 | | 1,214 | 1,198 | Regulation of Savings and Loan Associations | 02 | 1,361 | 1,341 | 1,309 |
| 627 | --- | 34 | | 661 | 645 | Consumer Complaints, Legal and Economic Research | 03 | 711 | 729 | 677 |
| 5,000 | --- | --- | | 5,000 | --- | Pinelands Development Credit Bank | 05 | --- | --- | --- |
| 530 | 4 | 159 | | 693 | 663 | Management and Administrative Services | 99 | 748 | 833 | 802 |
| 9,810 | 7 | 146 | | 9,963 | 4,874 | Total Appropriation | | 5,618 | 5,659 | 5,444 |
| <u>Distribution By Object</u> | | | | | | | | | | |
| 4,109 | --- | 19 | | 4,128 | 4,049 | Personal Services-- Salaries and wages | | 4,806 | 4,896 | 4,681 |
| 4,109 | --- | 19 | | 4,128 | 4,049 | Total Personal Services | | 4,806(a) | 4,896 | 4,681 |
| 54 | --- | 18 | | 72 | 72 | Materials and Supplies | | 54 | 73 | 73 |
| 529 | --- | 36 | | 565 | 562 | Services Other Than Personal | | 555 | 585 | 585 |
| 20 | --- | 5 | | 25 | 25 | Maintenance and Fixed Charges | | 21 | 26 | 26 |
| <u>Special Purpose--</u> | | | | | | | | | | |
| 5,000 S | --- | --- | | 5,000 | --- | N.J. Banking Oversight and Change of Control Act | 01 | 75 | --- | --- |
| 10 | --- | --- | | 10 | 10 | Pinelands Development Credit Bank | 05 | --- | --- | --- |
| 5,010 | --- | --- | | 5,010 | 10 | Affirmative action and equal employment opportunity program | 99 | 10 | 10 | 10 |
| 88 | 7 | 68 | | 163 | 156 | Total Special Purpose | | 85 | 10 | 10 |
| | | | | | | | | 97 | 69 | 69 |
| | | | | | | | | Additions, Improvements and Equipment | | |

It is recommended that receipts in excess of \$2,577,000 anticipated from examination and licensing fees, excluding those receipts derived from the Bank Holding Company Legislation (C17: 9A-333 et seq.), be appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

It is further recommended that all receipts received from the regulation and examination of bank holding companies be appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

It is further recommended that the unexpended balance as of June 30, 1987 in the Pinelands Development Credit Bank account be appropriated for the same purpose.

(a) The 1987 appropriation has been adjusted for the allocation of the salary program.

NOTES