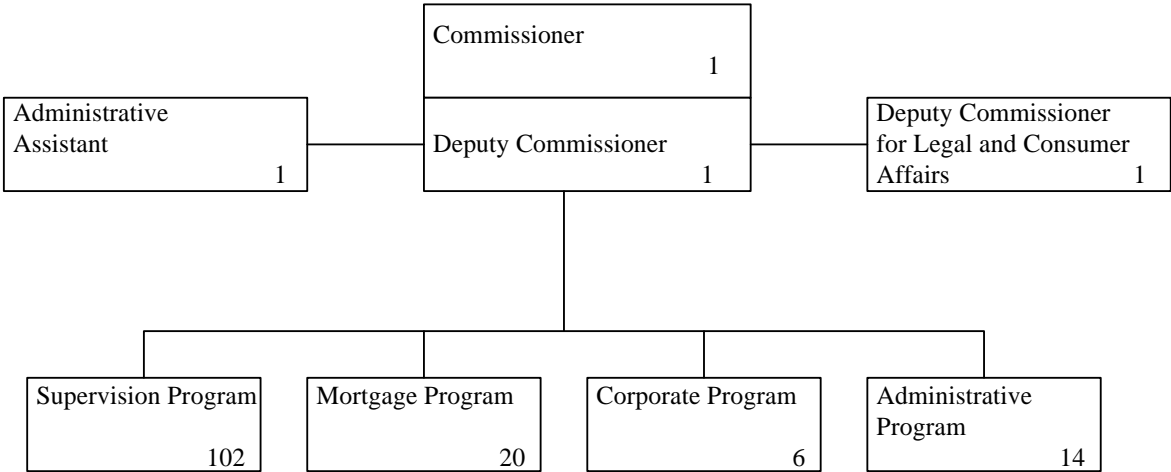


DEPARTMENT OF BANKING AND FINANCE

Total Budgeted Positions -- 146



## DEPARTMENT OF BANKING AND FINANCE -- Financial Summary

### Expenditures, Current Budget and Agency Requests

Budget Classes/Fund Sources	FY 1999 Expenditures	FY 2000 Expenditures	FY 2001 Current Budget	FY 2002 Agency Requests		
				Adjusted Base	Enhancements	Totals
Personal Services	7,817,099	8,333,131	9,203,028	9,274,184	175,504	9,449,688
Regular Operating Expenses	457,742	468,376	471,206	471,206		471,206
Travel	411,153	423,376	475,103	475,103		475,103
Motor Vehicle Purchases	111,430	114,111	112,380	112,380	112,432	224,812
Equipment	138,679	18,927	34,422	34,422		34,422
Real Estate Rentals	392,686	423,995	458,071	487,056		487,056
Per Diem, Fees & Contracts	13,429	13,374	13,435	13,435		13,435
Computer Charges	294,598	281,289	309,790	309,790		309,790
Telecommunications	73,626	75,036	94,392	94,392		94,392
<b>Total Funds</b>	<b>\$9,710,442</b>	<b>\$10,151,615</b>	<b>\$11,171,827</b>	<b>\$11,271,968</b>	<b>\$287,936</b>	<b>\$11,559,904</b>
<b>TOTAL STATE FUNDS</b>	<b>\$9,710,442</b>	<b>\$10,151,615</b>	<b>\$11,171,827</b>	<b>\$11,271,968</b>	<b>\$287,936</b>	<b>\$11,559,904</b>
Positions	140	138	146	146		146
Motor Vehicles	53	52	52	52		52

# DEPARTMENT OF BANKING AND FINANCE -- Financial Summary

## Current Budget and Governor's Recommendations

Budget Classes/Fund Sources	FY 2001 Current Budget	FY 2002 Governor's Recommendations				Totals
		Annualizers and Adjustments	Workload	Adjusted Base	Enhancements	
Personal Services	9,203,028	32,358		9,235,386		9,235,386
Regular Operating Expenses	471,206			471,206		471,206
Travel	475,103			475,103		475,103
Motor Vehicle Purchases	112,380			112,380	19,000	131,380
Equipment	34,422			34,422		34,422
Real Estate Rentals	458,071	28,985		487,056		487,056
Per Diem, Fees & Contracts	13,435			13,435		13,435
Computer Charges	309,790			309,790		309,790
Telecommunications	94,392			94,392		94,392
<b>Total Funds</b>	<b>\$11,171,827</b>	<b>\$61,343</b>		<b>\$11,233,170</b>	<b>\$19,000</b>	<b>\$11,252,170</b>
<b>TOTAL STATE FUNDS</b>	<b>\$11,171,827</b>	<b>\$61,343</b>		<b>\$11,233,170</b>	<b>\$19,000</b>	<b>\$11,252,170</b>
Positions	146			146		146
Motor Vehicles	52			52		52

**DEPARTMENT OF BANKING AND FINANCE**  
**FY 2002 Budget Summary**

Governor's  
Recommendations

ADJUSTMENTS TO CURRENT BUDGET

FY 2001 STATE APPROPRIATIONS	11,171,827
Annualizers:	
1. Annualize the cost of the FY 2001 salary adjustment.	71,156
2. Adjust for DOAS rates.	(38,798)
Other Adjustments:	
3. Fund an increase in real estate rents.	<u>28,985</u>
ADJUSTED BASE	\$11,233,170
ENHANCEMENT FUNDS	
ENHANCEMENTS	
1. Replace 1 motor vehicle with over 125,000 miles.	<u>19,000</u>
TOTAL ENHANCEMENT FUNDS	<u>\$19,000</u>
 TOTAL STATE FUNDS	 \$11,252,170

**DEPARTMENT OF BANKING AND FINANCE**  
**Functional Budget Summary**

	FY 2001 Appropriations		FY 2002 Recommendations	
	Total	State	Total	State
1. Financial Institution Supervision	8,905,129	8,905,129	8,968,159	8,968,159
2. Georgia Residential Mortgage	1,756,027	1,756,027	1,767,374	1,767,374
3. Financial Institutions Applications and Registration	510,671	510,671	516,637	516,637
<b>TOTAL APPROPRIATIONS</b>	<b>\$11,171,827</b>	<b>\$11,171,827</b>	<b>\$11,252,170</b>	<b>\$11,252,170</b>

RECOMMENDED APPROPRIATION: The Department of Banking and Finance is the budget unit for which the following State Fund Appropriation is recommended for FY 2002:        \$11,252,170

# DEPARTMENT OF BANKING AND FINANCE

## Roles and Responsibilities

The Department of Banking and Finance enforces and administers all state laws, rules and regulations governing the operation of state-chartered financial institutions in Georgia.

The department provides for:

- Safe and sound operation of financial institutions.
- Public confidence in our financial institutions.
- Protection for the interests of the depositors, creditor and shareholders of financial institutions.
- Service by financial institutions responsive to the convenience and needs of the public.
- Appropriate competition among all financial institutions to promote economic growth.

The Department of Banking and Finance is 100 percent state funded. However, the department's budget is equal to the estimate of examination and administrative fees collected by the department and deposited into the State Treasury. As of July 1, 2000, the department was authorized 146 positions in 3 program divisions and the Commissioner's Office. The 3 program divisions include the Supervision Program, the Mortgage/Corporate Program and the Administrative Program.

To accomplish its objectives, the department has 3 principal functions:

- Supervise and regulate financial institutions.
- Licensing mortgage brokers and lenders.
- Conduct examinations of financial institutions and mortgage brokers and lenders as required by law.

### SUPERVISION AND REGULATION

The department has the authority to adopt rules and regulations regarding the operation of financial institutions to:

- Allow state-chartered financial institutions to compete fairly with those chartered by the federal government, other states, or foreign governments.
- Protect Georgia financial institutions threatened by economic conditions or new technological developments.

The Department of Banking and Finance is responsible for regulating and monitoring the condition of 281 state-chartered banks, 80 credit unions, 233 Georgia holding companies, 7 international bank agencies, 272 check sale and check cashing companies, and 5 large bank data processing services.

### LICENSING AND REGISTRATION

Article 13 of Title 7 of the Official Code of Georgia Annotated requires mortgage lenders and mortgage brokers to be licensed or registered with the department in order to transact business in Georgia. As of June 30, 2000, 2,771 mortgage brokers and lenders were licensed with the department. The department also conducts investigations and resolves consumer complaints regarding residential mortgage lending.

### FINANCIAL EXAMINATIONS

The department is responsible for examining all financial institutions--except mortgage lenders/brokers--under its regulation at least once each year. Mortgage lenders/brokers are to be examined at least once every 24 months. Exceptions to these examination frequencies are allowed under specific conditions as provided by law. If necessary, the department may require extra reports and conduct additional examinations to obtain essential information. The department is authorized to issue and enforce orders requiring financial institutions to correct unacceptable conditions discovered through financial examinations. During 1999, the department conducted 745 examinations, including 129 banks, 81 credit unions, 520 mortgage broker/lenders, and 15 others.

### OTHER RESPONSIBILITIES

Other responsibilities of the department include approval of all proposals to incorporate as a state-chartered financial institution, approval of all attempts to change existing articles of incorporation, and approval of all mergers and consolidations of financial institutions. Also, the department investigates possible violations of state interest and usury laws. In consultation with the Attorney General, it may issue advisory opinions for the guidance of financial institutions.

### AUTHORITY

Title 7 of the Official Code of Georgia Annotated.



DEPARTMENT OF BANKING AND FINANCE -- Results-Based Budgeting

GEORGIA RESIDENTIAL MORTGAGE PROGRAMS

Purpose: To provide the examination of licensed mortgage lenders and brokers to assure compliance with the Georgia Residential Mortgage Act and investigate potential fraud cases and consumer complaints.

Goal 1: All residential mortgage lenders and brokers licensed in Georgia will comply with the laws of Georgia and operate in a manner which protects the contractual and property rights of the citizens of this state.	FY 2000 Desired	FY 2000 Actual	FY 2001 Desired	FY 2002 Desired
- At least 50% of the licensed mortgage lenders and brokers will comply with requirements at the time of their FY 2002 annual examination.	50%	55% (221 of 405)	50%	50%
- Ninety-five percent of the licensed mortgage lenders and brokers receiving an unacceptable evaluation rating at their annual examination will have improved that rating within 12 months.	N/A	N/A (1.)	95%	95%
Program Fund Allocation -- Total Funds		\$1,590,284	\$1,756,027	\$1,767,374
State Funds		\$1,590,284	\$1,756,027	\$1,767,374

Note:

1. The agency was unable to provide data for this measure.

TOTAL - All Programs	Total Funds		\$10,151,615	\$11,171,827	\$11,252,170
	State Funds		\$10,151,615	\$11,171,827	\$11,252,170