

Part 2
Department of Financial Institutions

7-1-201 Creation of department -- Organization.

- (1) There is created the Department of Financial Institutions that is responsible for the execution of the laws of this state relating to all financial institutions and other persons subject to this title, and relating to the businesses they conduct.
- (2) The department organization includes:
 - (a) the commissioner of financial institutions, who shall be the chief executive officer of the department;
 - (b) the Board of Financial Institutions;
 - (c) the chief examiner;
 - (d) the deputy commissioner;
 - (e) the supervisor of banks;
 - (f) the supervisor of industrial banks;
 - (g) the supervisor of credit unions;
 - (h) the supervisor of money services businesses; and
 - (i) other supervisors, examiners, and personnel as may be required to carry out the duties, powers, and responsibilities of the department.

Amended by Chapter 73, 2013 General Session

7-1-202 Commissioner of financial institutions as executive officer -- Appointment -- Term -- Salary -- Qualifications.

The chief executive officer of the Department of Financial Institutions shall be the commissioner of financial institutions who shall be appointed by the governor with the consent of the Senate. He shall hold office for a term of four years following his appointment and confirmation and until his successor is appointed and qualified, but he shall be subject to removal at the pleasure of the governor. The governor shall establish the commissioner's salary within the salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation. The commissioner of financial institutions shall be a citizen of the United States and shall have sufficient experience with depository institutions or as an employee of a state or federal agency having supervision over financial institutions to demonstrate his qualifications and fitness to perform the duties of his office.

Amended by Chapter 176, 2002 General Session

7-1-203 Board of Financial Institutions.

- (1) There is created a Board of Financial Institutions consisting of the commissioner and the following five members, who shall be qualified by training and experience in their respective fields and shall be appointed by the governor with the consent of the Senate:
 - (a) one representative from the commercial banking business;
 - (b) one representative from the consumer lending, money services business, or escrow agency business;
 - (c) one representative from the industrial bank business;
 - (d) one representative from the credit union business; and

- (e) one representative of the general public who, as a result of education, training, experience, or interest, is well qualified to consider economic and financial issues and data as they may affect the public interest in the soundness of the financial systems of this state.
- (2) The commissioner shall act as chair.
- (3)
 - (a) A member of the board shall be a resident of this state.
 - (b) No more than three members of the board may be from the same political party.
 - (c) No more than two members of the board may be connected with the same financial institution or its holding company.
 - (d) A member may not participate in any matter involving an institution with which the member has a conflict of interest.
- (4)
 - (a) Except as required by Subsection (4)(b), the terms of office shall be four years each expiring on July 1.
 - (b) The governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.
 - (c) A member serves until the member's successor is appointed and qualified.
 - (d) When a vacancy occurs in the membership for any reason, the governor shall appoint a replacement for the unexpired term.
- (5)
 - (a) The board shall meet at least quarterly on a date the board sets.
 - (b) The commissioner or any two members of the board may call additional meetings.
 - (c) Four members constitute a quorum for the transaction of business.
 - (d) Actions of the board require a vote of a majority of those present when a quorum is present.
 - (e) A meeting of the board and records of the board's proceedings are subject to Title 52, Chapter 4, Open and Public Meetings Act, except for discussion of confidential information pertaining to a particular financial institution.
- (6)
 - (a) A member of the board shall, by sworn or written statement filed with the commissioner, disclose any position of employment or ownership interest that the member has with respect to any institution subject to the jurisdiction of the department.
 - (b) The member shall:
 - (i) file the statement required by this Subsection (6) when first appointed to the board; and
 - (ii) subsequently file amendments to the statement if there is any material change in the matters covered by the statement.
- (7) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- (8) The board shall advise the commissioner with respect to:
 - (a) the exercise of the commissioner's duties, powers, and responsibilities under this title; and
 - (b) the organization and performance of the department and its employees.
- (9) The board shall recommend annually to the governor and the Legislature a budget for the requirements of the department in carrying out its duties, functions, and responsibilities under this title.

Amended by Chapter 73, 2013 General Session

7-1-204 Chief examiner -- Powers and duties.

- (1) The commissioner shall designate an examiner as chief examiner, who shall be sufficiently qualified by training and experience in financial institutions or as an employee of a state or federal agency having supervision of financial institutions to perform the duties of the office.
- (2) The chief examiner shall serve at the pleasure of the commissioner. If the office of commissioner is vacant, or in the absence, recusal, or disability of the commissioner, the chief examiner shall exercise all of the powers of the commissioner, except those powers the commissioner otherwise delegates or reserves during a period of absence or recusal. The chief examiner shall assist, advise, and perform administrative duties as directed by the commissioner and may also act as a supervisor.

Amended by Chapter 200, 1994 General Session

7-1-205 Supervisor of banks -- Responsibilities.

- (1) The commissioner shall designate an examiner as supervisor of banks, who shall be sufficiently qualified by training and experience in the banking business or as an employee of a state or federal bank supervisory agency to perform the duties of the office.
- (2) The supervisor of banks is responsible, subject to the direction and control of the commissioner, for the general supervision and examination of all banks and bank-related institutions subject to the jurisdiction of the department. The supervisor shall assist and advise the commissioner in the execution of the laws of this state relating to these institutions and shall perform other duties prescribed in this title or assigned by the commissioner.

Amended by Chapter 200, 1994 General Session

7-1-207 Supervisor of industrial banks -- Responsibilities.

- (1) The commissioner shall designate an examiner as supervisor of industrial banks who shall be sufficiently qualified by training and experience in the business of industrial banks or other financial institutions or as an employee of a state or federal agency supervising financial institutions to perform the duties of the office.
- (2)
 - (a) The supervisor of industrial banks is responsible, subject to the direction and control of the commissioner, for the general supervision and examination of all industrial banks subject to the jurisdiction of the department and other institutions as assigned.
 - (b) The supervisor shall:
 - (i) assist and advise the commissioner in the execution of the laws of this state relating to these institutions; and
 - (ii) perform other duties prescribed in this title or assigned by the commissioner.

Amended by Chapter 92, 2004 General Session

7-1-208 Supervisor of credit unions -- Responsibilities.

- (1) The commissioner shall designate an examiner as supervisor of credit unions who shall be sufficiently qualified by training and experience in the business of credit unions or as an employee of a state or federal agency supervising credit unions to perform the duties of the office.

(2) The supervisor of credit unions is responsible, subject to the direction and control of the commissioner, for the general supervision and examination of all credit unions subject to the jurisdiction of the department and other institutions assigned by the commissioner. The supervisor shall assist and advise the commissioner in the execution of the laws of this state relating to these institutions, and shall perform other duties prescribed in this title or assigned by the commissioner.

Amended by Chapter 200, 1994 General Session

7-1-208.1 Supervisor of trusts -- Qualifications -- Responsibilities.

The commissioner may designate an examiner as supervisor of trusts who shall be a citizen of the United States and shall have sufficient training and experience with regard to trusts to demonstrate his qualifications and fitness to perform the duties of his office. The supervisor of trusts is responsible, subject to the direction and control of the commissioner, for the general supervision and examination of all trusts subject to the jurisdiction of the department under this title. He shall assist and advise the commissioner in the execution of the laws of this state relating to trusts and shall perform other duties prescribed in this title or assigned to him by the commissioner.

Enacted by Chapter 267, 1989 General Session

7-1-208.2 Deputy commissioner.

The commissioner may appoint a deputy commissioner who shall be a citizen of the United States and a member of the Utah State Bar, to serve at the pleasure of the commissioner. The deputy commissioner shall serve as staff attorney for the department and perform all other duties assigned to him by the commissioner.

Enacted by Chapter 267, 1989 General Session

7-1-208.3 Supervisor of money services businesses.

(1) The commissioner shall designate an examiner as supervisor of money services businesses who shall be sufficiently qualified by training and experience in the business of money services businesses or other financial institutions or as an employee of a state or federal agency supervising financial institutions to perform the duties of the office.

- (2)
- (a) The supervisor of money services businesses is responsible, subject to the direction and control of the commissioner, for the general supervision and examination of money services businesses subject to the jurisdiction of the department and other institutions as assigned.
 - (b) The supervisor shall:
 - (i) assist and advise the commissioner in the execution of the laws of this state relating to money services businesses; and
 - (ii) perform other duties prescribed in this title or assigned by the commissioner.

Enacted by Chapter 73, 2013 General Session

7-1-209 Additional supervisors, examiners, and other personnel -- Compensation -- Travel expenses.

- (1) In addition to the supervisors under Sections 7-1-205 through 7-1-208.1, the commissioner may appoint additional supervisors as necessary. The commissioner may assign to any supervisor responsibility, subject to the direction and control of the commissioner, for the general supervision and examination of any class of financial institutions or other persons not specifically assigned to another supervisor.
- (2) The commissioner may employ examiners required for the proper conduct of the department. These examiners may not be interested, directly or indirectly, in any institution under the jurisdiction and supervision of the department. They shall perform duties prescribed by this title or assigned to them by the commissioner.
- (3) The commissioner may delegate to the chief examiner or any supervisor the duty of conducting hearings in carrying out the duties, powers, and functions of the department or he may employ, on a regular or part-time basis, similarly qualified persons to act as hearing officers for those purposes.
- (4) The commissioner may appoint or employ, on a permanent or consulting basis, other persons qualified by education, training, and experience for the needs of the department as the commissioner considers necessary to carry out the duties, powers, and responsibilities of the department.
- (5) The commissioner may employ clerical help to properly carry on the work of the department.
- (6) The salaries of the employees of the department shall be fixed in accordance with salary and merit standards adopted by the Division of Finance and are payable in the same manner as the salaries of other state employees. All actual and necessary traveling expenses of the commissioner, supervisors, examiners, and other employees of the department incurred in the discharge of their duties shall be fully itemized upon proper vouchers and certified by the commissioner to the director of the Division of Finance.

Amended by Chapter 200, 1994 General Session

7-1-210 Records of department required.

The commissioner shall keep as records of the department proper books showing all acts and matters and things done by the department.

Enacted by Chapter 16, 1981 General Session

7-1-211 Reports of commissioner to governor and Legislature.

The commissioner shall submit on or before October 1 of each year a report to the governor and to the Legislature containing information from the last report of condition furnished by each institution under the supervision of the department and any other proceeding had or done by the department showing generally the condition of the businesses under the supervision of the department and such other matters in connection with the businesses as may be of interest to the public; and a detailed statement, verified by oath, of all fees and other money received by the department during the same period.

Enacted by Chapter 16, 1981 General Session