



## NEWS RELEASE

**For Immediate Release**

**February 28, 2013**

### **Department of Finance Releases Year-End Highlights** *Financial Industry Continues to Grow and Improve*

Boise, Idaho . . . Gavin Gee, director of the Idaho Department of Finance, released numbers for calendar year 2012 that continue to demonstrate improvement across large segments of the financial services industry. Gee said the department accepted more than 155,000 submissions for business filings, licenses and registrations, an increase of more than 4% over 2011. *"These numbers demonstrate that Idaho's economy is healing and that many businesses and professionals outside of the state want to do business here,"* Gee said. The year-end statistics highlight several key points:

**Business Filings With The Department Continue To Grow** – The total number of business filings with the department increased from 149,341 during calendar 2011 to 155,355 in 2012. 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 department expanded the capability for on-line licensing to money transmitters in 2012 and plans to further expand on-line licensing in 2013 to collection agencies, consumer lenders and possibly others. The securities bureau reported another new record of securities filings and professionals licensing to do business in Idaho of over 104,000, while total submissions to the department are near levels not seen since 2007. Signs of stability continue to appear in the mortgage industry with the aggregate number of mortgage brokers, lenders and loan originators having increased in recent quarters, and for the first time since 2010 on a year over year basis. Over 95% of department-licensed companies and professionals reside outside of Idaho; from every state and 16 foreign countries.

#### **Idaho Banking/Credit Union Industries Continue To Show Improvement -**

- Idaho had no bank or credit union failures in 2012; nationally there were 51 bank failures and 14 credit union failures in 2012.
- Based on a report issued just this week by the Federal Deposit Insurance Corporation, Idaho-based financial institutions, as of 12/31/2012, outperformed the national averages for all institutions with higher average core capital (leverage ratio) of 11.62% versus 9.15%, higher net interest margins of 3.96% versus 3.42%, lower non-current loans of 2.66% versus 3.60% and fewer charged off loans of 0.73% versus 1.10%. Moreover, 75% of Idaho based institutions were profitable for 2012 compared

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to 55% at year end 2011. And over 81% of Idaho's institutions are "well-capitalized" under state and federal capital standards.

**Financial Fraud Risks Remain Higher Than Average** – Active financial fraud investigations conducted by the department during the fiscal year involved potential investor losses of nearly \$90 million, similar to the prior calendar year, but still elevated from historical levels. As a result of the department's enforcement efforts, Idaho residents were offered, or awarded in judgments by the courts, approximately \$6.3 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 to remedy unwitting violations of state law. Additionally, the department was party to the historic \$25 billion National Mortgage Settlement (NMS) in 2012 and based on a report issued last week by the NMS Monitor, 2,743 Idaho borrowers have received a total of over \$168 million in relief under the settlement. The department's investigations and enforcement actions are varied, complex and increasingly international in scope. This past year, the department initiated or completed more than 67 actions involving real estate, mortgage modification scams, unlicensed Internet financial fraud, Mexican time share scams and affinity frauds.

**Education Efforts by Department and Its Partners To Help Idahoans Avoid Fraud** – Through presentations to the elderly, teens, civic organizations, university students and others, the department continues to educate Idahoans about avoiding financial fraud, as well as the wise use of credit and the importance of savings. The department worked with other non-profits and government agencies to create and promote four Senior Scam Jams held throughout the state. The department provided speakers for the Scam Jam and staffed a booth where free educational materials were delivered to participants. April 2012 was again designated by Governor Otter as "Financial Literacy Month" in Idaho with a host of educational opportunities. Also in 2012, the department provided resources and personnel to sponsor the Smart Women Smart Money: Idaho Everywoman's Financial Conference held in Boise and Coeur d'Alene. 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.

Department of Finance 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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