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## **NEWS RELEASE**

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### **IDAHO DEPARTMENT OF FINANCE SIGNS NATIONWIDE SUPERVISORY AGREEMENTS TO STREAMLINE BANK SUPERVISION AND REDUCE REGULATORY BURDEN**

Boise, Idaho . . . "A new era of bank supervision is one step closer," said the Director of the Idaho Department of Finance, Gavin Gee, today as he signed the Nationwide Cooperative Agreement and Nationwide State/Federal Supervisory Agreement for the coordinated supervision of multi-state, state-chartered banks. The nation's state banking departments, the Federal Deposit Insurance Corporation and the Federal Reserve Board unanimously approved the agreements at a meeting of the Conference of State Bank Supervisors (CSBS), the professional association of state bank regulatory officials.

The nationwide agreements are the culmination of two years of work toward a system of "seamless supervision" for multi-state, state-chartered banks. The agreements build on the Framework for Cooperative Agreement and State-Federal Protocol approved earlier this year, as well as regional agreements signed in the Western, Mid-Atlantic, Midwestern and New England states.

The agreements provide a single regulatory point of contact at both state and federal levels for state-chartered banks that branch across state lines. Under the agreements, home state law will apply in almost every area; state-chartered banks must comply with host state laws governing intrastate branching and consumer protection. Federal regulators will work in similar fashion, designating a single region as responsible for the overall supervision of a multi-state bank. "These agreements will provide increased regulatory certainty, promote uniformity, reduce supervisory burden to these banks by fostering coordination and communication, and help maintain the excellence of the state system," said Gee today. "These agreements are specific enough for the banking industry but flexible enough for the banking departments to fulfill their responsibilities. Through these agreements we can reduce regulatory burden and retain the many benefits of state bank supervision for Idahoans and those banks desiring to operate across state lines."

Over the last 22 months, Idaho and most states have passed laws or adopted policies authorizing banks to operate interstate branches. As a result, many banks have initiated or are expanding interstate banking and branching operations. In Idaho, over 90% of total banking assets is currently in banks with interstate operations. These regulatory agreements will facilitate

supervision of those banks already operating on an interstate basis as well as those planning such operations in the future.

The nationwide agreements should cover the majority of state-chartered banks that branch across state lines, but regulators retain the flexibility to custom-tailor agreements to meet the needs of large, complex multi-state banks.

Copies of both agreements are available from the Idaho Department of Finance (or CSBS, 1015 18th St NW, Washington DC 20036).

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