



COLORADO

**Department of
Regulatory Agencies**

Colorado Office of Policy, Research &
Regulatory Reform

2023 Sunset Review

Division of Financial Services



October 13, 2023



COLORADO

Department of
Regulatory Agencies

Executive Director's Office

October 13, 2023

Members of the Colorado General Assembly
c/o the Office of Legislative Legal Services
State Capitol Building
Denver, Colorado 80203

Dear Members of the General Assembly:

The Colorado General Assembly established the sunset review process in 1976 as a way to analyze and evaluate regulatory programs and determine the least restrictive regulation consistent with the public interest. Pursuant to section 24-34-104(5)(a), Colorado Revised Statutes (C.R.S.), the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) at the Department of Regulatory Agencies (DORA) undertakes a robust review process culminating in the release of multiple reports each year on October 15.

A national leader in regulatory reform, COPRRR takes the vision of their office, DORA and more broadly of our state government seriously. Specifically, COPRRR contributes to the strong economic landscape in Colorado by ensuring that we have thoughtful, efficient, and inclusive regulations that reduce barriers to entry into various professions and that open doors of opportunity for all Coloradans.

As part of this year's review, COPRRR has completed an evaluation of the Division of Financial Services. I am pleased to submit this written report, which will be the basis for COPRRR's oral testimony before the 2024 legislative committee of reference.

The report discusses the question of whether there is a need for the regulation provided under Articles 40 through 49 of Title 11, C.R.S. The report also discusses the effectiveness of the Commissioner of Financial Services and the Financial Services Board in carrying out the intent of the statutes and makes recommendations for statutory changes for the review and discussion of the General Assembly.

To learn more about the sunset review process, among COPRRR's other functions, visit coprrr.colorado.gov.

Sincerely,

Patty Salazar
Executive Director





Sunset Review: Division of Financial Services

Background

What is regulated?

The Division of Financial Services (Division) regulates credit unions, savings and loan associations and life care institutions. Credit unions are thrift institutions that are organized as private, co-operative companies that are owned by the members. Credit union members pool their money to generate funds for loans and other financial products that benefit the credit union members. Savings and loan associations, another type of thrift institution, are often owned and governed by their customers. A life care institution is paid a certain amount of money in exchange for providing a residence, care and other services to an individual for the rest of their life.

Why is it regulated?

Supervision of thrift institutions is necessary to evaluate whether they are operating in a safe and sound manner, to identify problems and to work with management to correct them. Supervision of life care institutions is necessary to make sure that these facilities are managing residents' money responsibly, and they have sufficient resources to care for individuals according to the terms of the life care contracts.

Who is regulated?

As of 2022, Colorado chartered 35 credit unions and 5 savings and loan associations. The Division also regulates 6 life care institutions.

How is it regulated?

The Commissioner of Financial Services (Commissioner) protects the public by chartering thrift institutions and regulating certain functions

of life care institutions and by promulgating rules. The Commissioner also protects the public by overseeing the examination of thrift institutions and life care institutions to verify they are operating in a safe and sound manner and are compliant with relevant laws and by working closely with institutions to correct any problems. The Commissioner also protects the public by enforcing the laws governing thrift and life care institutions.

What does it cost?

In fiscal year 21-22, the Commissioner expended \$1,988,676 to regulate thrift and life care institutions and 14 full-time equivalent employees were dedicated to the Division.

What disciplinary activity is there?

Over the five-year period under review, from fiscal year 18-19 to fiscal year 21-22, the Commissioner issued four preliminary warning letters to credit unions based on various concerns, such as: liquidity, profitability, net worth and strategic planning. The Commissioner also issued one order based on the credit union's failure to timely file quarterly reports on the institution's financial condition.

Key Recommendations

- Continue the Division for 15 years, until 2039.
- Authorize a Colorado-chartered credit union to merge with a credit union chartered in another state, as long as the same requirements for other mergers have been met.

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Background

Sunset Criteria

Enacted in 1976, Colorado's sunset law was the first of its kind in the United States. A sunset provision repeals all or part of a law after a specific date, unless the legislature affirmatively acts to extend it. During the sunset review process, the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) within the Department of Regulatory Agencies (DORA) conducts a thorough evaluation of such programs based upon specific statutory criteria¹ and solicits diverse input from a broad spectrum of stakeholders including consumers, government agencies, public advocacy groups, and professional associations.

Sunset reviews are guided by statutory criteria and sunset reports are organized so that a reader may consider these criteria while reading. While not all criteria are applicable to all sunset reviews, the various sections of a sunset report generally call attention to the relevant criteria. For example,

- In order to address the first criterion and determine whether the program under review is necessary to protect the public, it is necessary to understand the details of the profession or industry at issue. The Profile section of a sunset report typically describes the profession or industry at issue and addresses the current environment, which may include economic data, to aid in this analysis.
- To address the second sunset criterion--whether conditions that led to the initial creation of the program have changed--the History of Regulation section of a sunset report explores any relevant changes that have occurred over time in the regulatory environment. The remainder of the Legal Framework section addresses the fifth sunset criterion by summarizing the organic statute and rules of the program, as well as relevant federal, state and local laws to aid in the exploration of whether the program's operations are impeded or enhanced by existing statutes or rules.
- The Program Description section of a sunset report addresses several of the sunset criteria, including those inquiring whether the agency operates in the public interest and whether its operations are impeded or enhanced by existing statutes, rules, procedures and practices; whether the agency or the agency's board performs efficiently and effectively and whether the board, if applicable, represents the public interest.
- The Analysis and Recommendations section of a sunset report, while generally applying multiple criteria, is specifically designed in response to the fourteenth criterion, which asks whether administrative or statutory changes are necessary to improve agency operations to enhance the public interest.

¹ Criteria may be found at § 24-34-104, C.R.S.

These are but a few examples of how the various sections of a sunset report provide the information and, where appropriate, analysis required by the sunset criteria. Just as not all criteria are applicable to every sunset review, not all criteria are specifically highlighted as they are applied throughout a sunset review. While not necessarily exhaustive, the table below indicates where these criteria are applied in this sunset report.

**Table 1
Application of Sunset Criteria**

Sunset Criteria	Where Applied
(I) Whether regulation or program administration by the agency is necessary to protect the public health, safety, and welfare.	<ul style="list-style-type: none"> • Profile of Financial Services • History of Regulation • Recommendation 1
(II) Whether the conditions that led to the initial creation of the program have changed and whether other conditions have arisen that would warrant more, less, or the same degree of governmental oversight.	<ul style="list-style-type: none"> • History of Regulation • Recommendation 2
(III) If the program is necessary, whether the existing statutes and regulations establish the least restrictive form of governmental oversight consistent with the public interest, considering other available regulatory mechanisms.	<ul style="list-style-type: none"> • Legal Summary • Recommendations 2, 4 and 5
(IV) If the program is necessary, whether agency rules enhance the public interest and are within the scope of legislative intent.	<ul style="list-style-type: none"> • Legal Summary • Recommendation 6
(V) Whether the agency operates in the public interest and whether its operation is impeded or enhanced by existing statutes, rules, procedures, and practices and any other circumstances, including budgetary, resource, and personnel matters.	<ul style="list-style-type: none"> • Legal Summary • Program Description and Administration • Recommendation 3
(VI) Whether an analysis of agency operations indicates that the agency or the agency's board or commission performs its statutory duties efficiently and effectively.	<ul style="list-style-type: none"> • Program Description and Administration • Examination Activity
(VII) Whether the composition of the agency's board or commission adequately represents the public interest and whether the agency encourages public participation in its decisions rather than participation only by the people it regulates.	<ul style="list-style-type: none"> • Legal Summary • Program Description and Administration
(VIII) Whether regulatory oversight can be achieved through a director model.	<ul style="list-style-type: none"> • Consumer Complaints • Recommendation 1
(IX) The economic impact of the program and, if national economic information is not available, whether the agency stimulates or restricts competition.	<ul style="list-style-type: none"> • Profile of Financial Services

Sunset Criteria	Where Applied
(X) If reviewing a regulatory program, whether complaint, investigation, and disciplinary procedures adequately protect the public and whether final dispositions of complaints are in the public interest or self-serving to the profession or regulated entity.	<ul style="list-style-type: none"> • Consumer Complaints • Disciplinary Activity
(XI) If reviewing a regulatory program, whether the scope of practice of the regulated occupation contributes to the optimum use of personnel.	<ul style="list-style-type: none"> • Not Applicable
(XII) Whether entry requirements encourage equity, diversity, and inclusivity.	<ul style="list-style-type: none"> • Not Available
(XIII) If reviewing a regulatory program, whether the agency, through its licensing, certification, or registration process, imposes any sanctions or disqualifications on applicants based on past criminal history and, if so, whether the sanctions or disqualifications serve public safety or commercial or consumer protection interests. To assist in considering this factor, the analysis prepared pursuant to subsection (5)(a) of this section must include data on the number of licenses, certifications, or registrations that the agency denied based on the applicant's criminal history, the number of conditional licenses, certifications, or registrations issued based upon the applicant's criminal history, and the number of licenses, certifications, or registrations revoked or suspended based on an individual's criminal conduct. For each set of data, the analysis must include the criminal offenses that led to the sanction or disqualification.	<ul style="list-style-type: none"> • Not Applicable
(XIV) Whether administrative and statutory changes are necessary to improve agency operations to enhance the public interest.	<ul style="list-style-type: none"> • Recommendations 1-7

Sunset Process

Regulatory programs scheduled for sunset review receive a comprehensive analysis. The review includes a thorough dialogue with agency officials, representatives of the regulated profession and other stakeholders. Anyone can submit input on any upcoming sunrise or sunset review on COPRRR's website at coprrr.colorado.gov.

The functions of the Division of Financial Services (Division), as enumerated in Article 44 of Title 11, Colorado Revised Statutes (C.R.S.), shall terminate on September 1, 2024, unless continued by the General Assembly. During the year prior to this date, it is the duty of COPRRR to conduct an analysis and evaluation of the Division pursuant to section 24-34-104, C.R.S.

The purpose of this review is to determine whether the currently prescribed regulation should be continued and to evaluate the performance of the Division and the Commissioner of Financial Services. During this review, the Commissioner must demonstrate that the program serves the public interest. COPRRR's findings and recommendations are submitted via this report to the Office of Legislative Legal Services.

Methodology

As part of this review, COPRRR staff interviewed Division staff, industry professionals, and officials with state and regional industry associations, and also reviewed Colorado statutes and rules and the laws of other states.

The major contacts made during this review include, but are not limited to:

- Colorado Bankers Association,
- Colorado Health Care Association & Center for Assisted Living,
- Department of Law,
- Division of Financial Services,
- Financial Services Board,
- GoWest Credit Union Association,
- Independent Community Bankers of Colorado,
- Leading Age, and
- National Association of Credit Union Supervisors.

In July 2023, COPRRR staff conducted a survey of all state-chartered credit unions (credit unions), state-chartered savings and loan associations (savings and loan associations) and life care institutions. The survey was sent to 51 individuals representing credit unions, savings and loan associations and life care institutions, and one email was returned as undeliverable. The survey received 14 responses, which is a 22 percent response rate. Survey results may be found in Appendix A.

Profile of Financial Services

In a sunset review, the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) is guided by the sunset criteria located in section 24-34-104(6)(b), Colorado Revised Statutes (C.R.S.). The first criterion asks whether regulation or program administration by the agency is necessary to protect the public health, safety and welfare.

To understand the need for regulation, it is first necessary to recognize what the industry does, who they serve and any necessary qualifications.

The idea of the credit union was born in Germany, where community members pooled their resources so that their neighbors could obtain loans with fair terms.² In the United States, thrift institutions arose out of a desire for homeownership in the 19th century. Later, in the wake of the Great Depression, federal legislation was enacted to protect thrift depositors and spur the growth of homeownership. At one point, two-thirds of U.S. home mortgages came from thrift institutions.³

While similar to banks, thrift institutions, such as credit unions and savings and loan associations, are regulated separately from commercial banks. The regulation of thrift institutions and life care institutions by the Division of Financial Services (Division) is the subject of this report.

Thrift institutions often provide many of the same products that commercial banks offer:⁴

- Checking accounts,
- Savings accounts,
- Certificates of deposit,
- Home loans,
- Auto loans, and
- Credit cards.

However, thrift institutions differ from commercial banks since their clients are primarily individuals and not businesses.⁵

² Education First Credit Union. *The History of Credit Unions*. Retrieved September 27, 2023, from www.educo.org/the-history-of-credit-unions-part-i/

³ The Office of the Comptroller of the Currency. *The Federal Thrift Charter Is Created*. Retrieved September 27, 2023, from [www.occ.gov/about/who-we-are/history/1914-1935/1914-1935-the-federal-thrift-charter-is-created.html](http://www OCC.gov/about/who-we-are/history/1914-1935/1914-1935-the-federal-thrift-charter-is-created.html)

⁴ Bankrate. *Thrifts vs. Banks: What's the Difference?* Retrieved September 27, 2023, from www.bankrate.com/banking/thrifts-vs-traditional-banks-whats-the-difference/

⁵ Bankrate. *Thrifts vs. Banks: What's the Difference?* <https://www.bankrate.com/banking/thrifts-vs-traditional-banks-whats-the-difference/>

Credit unions are organized as private, cooperative companies that are owned by the members. Membership in a credit union is typically tied to a particular affiliation, such as a teachers union or employees of a particular company. Credit unions may also have other types of eligibility requirements, such as a defined geographic location.⁶

Credit union members essentially pool their money to generate funds for loans and other financial products that benefit the credit union members.⁷ Management of a credit union is controlled by a board of directors, and the directors are elected by a vote of the membership, with each member having one equal vote.⁸

Credit unions do not pay federal corporate income tax on their earnings.⁹ However, they do pay other taxes, such as sales tax and state income tax.

While credit unions are typically smaller and provide fewer locations and services than commercial banks, credit union members generally benefit from higher interest rates from their deposit accounts and lower fees than consumers at commercial banks.¹⁰

Savings and loan associations, another type of thrift institution, are often owned and governed by their customers. Savings and loan associations must focus the majority of their loans on residential properties, and because funds are pooled, they are able to offer mortgages and other financial products to consumers who may not be able to obtain them through other means.¹¹

Savings and loan associations are primarily focused on providing mortgage loans and savings accounts to individual consumers.¹² Like credit unions, savings and loan associations are typically smaller than commercial banks, but they are often able to offer higher interest rates on deposit accounts.¹³

The National Credit Union Association, an independent federal agency, regulates federally chartered credit unions, and the individual states regulate state-chartered credit unions. In states that do not charter credit unions, all credit unions must be federally chartered.¹⁴

⁶ Investopedia. *Federal Credit Union (FCU): What It Is, How It Works*. Retrieved June 30, 2023, from www.investopedia.com/terms/f/federal-credit-union-fcu.asp

⁷ Investopedia. *Credit Unions: Definition, Membership Requirements, and vs. Banks*. Retrieved September 27, 2023, from www.investopedia.com/terms/c/creditunion.asp

⁸ Institute for Local Self-Reliance. *Credit Unions*. Retrieved June 30, 2023, from ilsr.org/rule/credit-unions/

⁹ Investopedia. *Credit Unions: Definition, Membership Requirements, and vs. Banks*. Retrieved September 27, 2023, from www.investopedia.com/terms/c/creditunion.asp

¹⁰ Investopedia. *Credit Unions: Definition, Membership Requirements, and vs. Banks*. Retrieved September 27, 2023, from www.investopedia.com/terms/c/creditunion.asp

¹¹ Bankrate. *What Is a Savings and Loan Association?* Retrieved September 27, 2023, from www.bankrate.com/mortgages/savings-and-loan-associations/

¹² Bankrate. *What Is a Savings and Loan Association?* Retrieved September 27, 2023, from www.bankrate.com/mortgages/savings-and-loan-associations/

¹³ Bankrate. *What Is a Savings and Loan Association?* Retrieved September 27, 2023, from www.bankrate.com/mortgages/savings-and-loan-associations/

¹⁴ Investopedia. *State vs. Federally Chartered Credit Unions: What's the Difference?* Retrieved December 2, 2022, from www.investopedia.com/ask/answers/100314/what-difference-between-state-and-federally-chartered-credit-union.asp

Savings and loan associations may be chartered by the federal government¹⁵ or by the states where they operate.

In addition to thrift institutions, the Division also regulates certain financial activities of life care institutions.

Life care institutions, also known as continuing care retirement communities or life plan communities, are a long-term care option for older adults. Life care institutions offer a variety of living arrangements and services, depending on the institution, for the duration of an individual's life. Often, a life care institution may have independent living, assisted living and nursing facilities, so that a resident may be supported as their needs change over time.

Basically, a life care institution is paid a certain amount of money in exchange for providing a residence, care and other services to an individual for the rest of their life. The Division of Financial Services oversees the life care institution to make sure that it is managing the individual's money responsibly so that it has sufficient resources to fulfill its promise to care for the individual as agreed to in a life care contract.

Regulation of life care institutions varies from state to state.¹⁶

The ninth sunset criterion questions the economic impact of the program and whether the agency stimulates or restricts competition. One way this may be accomplished is to look at the financial condition and growth in the industry.

Over the five-year period from 2018 to 2022, credit unions in Colorado experienced solid growth. In 2018, Colorado credit unions held \$21.6 billion in assets and about \$18.2 billion in deposits. In 2022, they held \$34.8 billion in assets and \$28.4 billion in deposits. This represents an average annual growth of 12.2 percent in assets and 11.2 percent in deposits.

During that same five-year period, savings and loans associations in Colorado also grew but at a slower rate. In 2018, Colorado savings and loan associations held nearly \$556 million in assets and \$468 million in deposits. In 2022, they held nearly \$636 million in assets and \$541 million in deposits. This represents an average annual growth of 2.9 percent in assets and 3.1 percent in deposits.

¹⁵ Investopedia. *Federal Savings and Loan (S&L)*. Retrieved April 14, 2023, from www.investopedia.com/terms/f/federal-savings-and-loan.asp

¹⁶ ElderLawAnswers. *What Are Continuing Care Retirement Communities?* Retrieved July 5, 2023, from www.elderlawanswers.com/continuing-care-retirement-communities-ccrcs-12050#:~:text=Regulation%20of%20CCRCs&text=These%20institutions%20are%20strictly%20regulated,CCAC%20accreditation%20process%20is%20voluntary

Legal Framework

History of Regulation

In a sunset review, the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) is guided by the sunset criteria located in section 24-34-104(6)(b), Colorado Revised Statutes (C.R.S.). The first and second sunset criteria question:

Whether regulation or program administration by the agency is necessary to protect the public health, safety, and welfare; and

Whether the conditions that led to the initial creation of the program have changed and whether other conditions have arisen that would warrant more, less or the same degree of governmental oversight.

One way that COPRRR addresses this is by examining why the program was established and how it has evolved over time.

The General Assembly first adopted the Credit Union Act in 1931. The Credit Union Act, currently located in Article 30 of Title 11, C.R.S, required the regulation of, among other financial businesses, credit unions and savings and loan associations.

In 1988, the oversight of state-chartered credit unions (credit unions) was transferred from the Division of Banking to the Commissioner of the Division of Savings and Loan, which was subsequently changed to the Division of Financial Services (Division) in 1989. In 1992, the regulatory oversight of life care institutions shifted from the Division of Insurance to the Division.

Since then, the laws governing thrift and life care institutions have continued to evolve, and the Division has undergone three sunset reviews.

One notable recommendation in the 1993 sunset review was to repeal the regulation of small business development credit corporations. The 1993 sunset review found that there were no licenses issued by the Division and no applications for a license. Therefore, the license was unnecessary and should be repealed. The General Assembly subsequently repealed the license type in 1994.

The 2003 sunset review recommended amending the Credit Union Act to require credit unions to provide notification to the Division that a credit union is opening or closing a branch office, and the General Assembly adopted this recommendation the following year.

Another sunset review was conducted in 2012, and, with the exception of a recommendation to continue the Division, no substantive recommendations were proposed.

In 2016, the General Assembly passed a bill concerning credit union governance that authorized the appointment of an audit committee in place of a supervisory committee and authorized compensation of directors for their service to a credit union.

In 2020, the General Assembly adopted legislation to allow credit unions to open new branches in Colorado and in other states after providing written notice to the Commissioner of Financial Services (Commissioner).

Legal Summary

The third, fourth, fifth and seventh sunset criteria question:

Whether the existing statutes and regulations establish the least restrictive form of governmental oversight consistent with the public interest, considering other available regulatory mechanisms;

Whether agency rules enhance the public interest and are within the scope of legislative intent;

Whether the agency operates in the public interest and whether its operation is impeded or enhanced by existing statutes, rules, procedures, and practices and any other circumstances, including budgetary, resource, and personnel matters; and

Whether the composition of the agency's board or commission adequately represents the public interest and whether the agency encourages public participation in its decisions rather than participation only by the people it regulates.

A summary of the current statutes and rules is necessary to understand whether regulation is set at the appropriate level and whether the current laws are impeding or enhancing the agency's ability to operate in the public interest.

Federal Laws

Several federal laws influence the regulation of credit unions and savings and loan associations, such as:

- The Federal Credit Union Act, enacted in 1934;
- The Bank Secrecy Act (BSA), enacted in 1970;
- The National Credit Union Share Insurance Fund (NCUSIF), enacted in 1970;
- The Community Reinvestment Act, enacted in 1977;
- The Money Laundering Control Act, enacted in 1986;
- The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), enacted in 1989;

-
- The Truth in Savings Act, enacted in 1991;
 - The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Patriot Act), enacted in 2001;
 - The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), enacted in 2010; and
 - The Economic Growth, Regulatory Relief and Consumer Protection Act, enacted in 2018.

THE FEDERAL CREDIT UNION ACT

The Federal Credit Union Act provides the National Credit Union Administration (NCUA) with the authority to oversee the national credit union system. The law creates a dual charter system in which credit unions may be chartered at the state or the federal level.¹⁷ The NCUA regulates and supervises federally chartered credit unions,¹⁸ and it also provides deposit insurance to credit unions chartered at both the federal and state level.¹⁹

THE BANK SECRECY ACT

The purpose of the BSA is to prevent money laundering and other financial crimes.²⁰ Money laundering may be used to enable drug trafficking, terrorism and other criminal activity, and it is detrimental to the global economy.²¹ The BSA has been amended several times since it was enacted.

Among other things, the BSA requires banks and other financial institutions to keep records and report currency transactions and suspicious activity. Specifically, the BSA requires report and documentation filing related to any suspicious cash transactions and all transactions above \$10,000.²²

The Financial Crimes Enforcement Network (FinCEN), which is located within the U.S. Department of the Treasury, is responsible for implementing the BSA. Among its duties, FinCEN is responsible for analyzing and sharing financial transaction data to fight against money laundering and the financing of terrorism.²³

¹⁷ See 12 U.S.C. §§ 1752(1) and (6).

¹⁸ 12 U.S.C. § 1756.

¹⁹ 12 U.S.C § 1781(a).

²⁰ Investopedia. *Bank Secrecy Act (BSA): Definition, Purpose, and Effects*. Retrieved February 21, 2023, from www.investopedia.com/terms/b/bank_secrecy_act.asp

²¹ Financial Crimes Enforcement Network. *History of Anti-Money Laundering Laws*. Retrieved February 21, 2023, from www.fincen.gov/history-anti-money-laundering-laws

²² Encyclopedia Britannica. *Bank Secrecy Act*. Retrieved February 21, 2023, from www.britannica.com/print/article/1977999

²³ Financial Crimes Enforcement Network. *What We Do*. Retrieved February 21, 2023, from www.fincen.gov/what-we-do

THE NATIONAL CREDIT UNION SHARE INSURANCE FUND

The NCUSIF, which is administered by NCUA, is the federal share insurance fund that was created to provide insurance to cover credit union member deposits. A credit union member's individual account is insured up to a total of \$250,000, and the combined interest of a joint account is also insured up to \$250,000. Separate coverage is also provided for Individual Retirement Accounts or Keogh retirement accounts. The NCUSIF is backed by the full faith and credit of the federal government.²⁴

Separate coverage is also provided for trusts that qualify for coverage.²⁵ NCUSIF, however, does not provide coverage for money invested in mutual funds, stocks, bonds, life insurance policies, annuities or municipal securities.²⁶

THE COMMUNITY REINVESTMENT ACT

The Community Reinvestment Act was established with the goal of preventing redlining²⁷ and to encourage banks to provide credit to all segments of the communities, including low- and moderate-income neighborhoods and individuals, where they are located.²⁸ While credit unions are exempt from the Community Reinvestment Act, savings and loan associations are not.

THE MONEY LAUNDERING CONTROL ACT

The Money Laundering Control Act amended the BSA and established money laundering as a federal crime. It also prohibits structuring transactions in order to evade reporting currency transactions, authorizes civil and criminal forfeiture for violations of the BSA, and it requires financial institutions to monitor compliance with BSA recordkeeping and reporting requirements.²⁹

²⁴ National Credit Union Administration. *Share Insurance Fund Overview*. Retrieved June 30, 2023, from [ncua.gov/support-services/share-insurance-fund](https://www.ncua.gov/support-services/share-insurance-fund)

²⁵ National Credit Union Administration. *How Your Accounts Are Federally Insured Brochure*. Retrieved June 30, 2023, from [ncua.gov/files/publications/guides-manuals/NCUAHowYourAcctInsured.pdf](https://www.ncua.gov/files/publications/guides-manuals/NCUAHowYourAcctInsured.pdf)

²⁶ National Credit Union Administration. *How Your Accounts Are Federally Insured Brochure*. Retrieved June 30, 2023, from [ncua.gov/files/publications/guides-manuals/NCUAHowYourAcctInsured.pdf](https://www.ncua.gov/files/publications/guides-manuals/NCUAHowYourAcctInsured.pdf)

²⁷ Redlining refers to a discriminatory practice in which financial services, such as mortgages, are systematically denied to specific areas on the basis of race or ethnicity, regardless of the applicants' qualifications or creditworthiness.

²⁸ Federal Reserve History. *Community Reinvestment Act of 1977*. Retrieved July 5, 2023, from www.federalreservehistory.org/essays/community-reinvestment-act

²⁹ Financial Crimes Enforcement Network. *History of Anti-Money Laundering Laws: Money Laundering Control Act (1986)*. Retrieved February 21, 2023, from www.fincen.gov/history-anti-money-laundering-laws

THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

FIRREA was a response to the savings and loan crisis in the late 1980s, which was caused by substantial investment in risky mortgages. FIRREA transformed the regulation of savings and loan associations and real estate appraisal. Specifically, it required savings and loan associations to obtain deposit insurance from the Federal Deposit Insurance Corporation.³⁰

THE TRUTH IN SAVINGS ACT

The Truth in Savings Act was established to help consumers make informed decisions about bank accounts, and it requires depository institutions, including credit unions, to disclose to consumers the terms and costs of deposit accounts.

THE PATRIOT ACT

Section 314(b) of the Patriot Act created a voluntary information sharing program, which allows banks and other financial institutions to share information with one another with the aim of improving the identification of money laundering or terrorist activities.³¹

THE DODD-FRANK ACT

The Dodd-Frank Act adopted extensive reforms that sought to strengthen the regulation of financial institutions. Its focus was primarily on sectors of the financial industry that led to the 2008 financial crisis. Among its many reforms, the Dodd-Frank Act established additional regulations and oversight for financial institutions that were deemed too big to fail. It also established the Volker Rule, which placed restrictions on how financial institutions could invest, limited speculative and proprietary trading, and prohibited banks from investing in or sponsoring hedge funds or private equity firms. The Volker Rule also addressed the regulation of derivatives, including credit default swaps, which were widely held to have contributed to the 2008 financial crisis.³²

³⁰ Investopedia. *Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA)*. Retrieved July 6, 2023, from www.investopedia.com/terms/f/financial-institutions-reform-recovery-enforcement.asp

³¹ Financial Crimes Enforcement Network. *Section 314(b)*. Retrieved July 5, 2023, from www.fincen.gov/section-314b

³² Investopedia. *Dodd-Frank Act: What It Does, Major Components, and Criticisms*. Retrieved October 9, 2023, from www.investopedia.com/terms/d/dodd-frank-financial-regulatory-reform-bill.asp

THE ECONOMIC GROWTH, REGULATORY RELIEF AND CONSUMER PROTECTION ACT

The Economic Growth, Regulatory Relief and Consumer Protection Act amended the Dodd-Frank Act by increasing the threshold that financial institutions must meet before being considered too big to fail and, therefore, subject to certain additional regulations and oversight. The threshold established under the Dodd-Frank Act was \$50 billion in assets, and the new threshold is \$250 billion in assets. It also eliminates the Volcker rule for financial institutions with assets below \$10 billion.³³

State Law

The statutes that provide regulatory oversight for credit unions, savings and loan associations and life care institutions include:

- Article 44 of Title 11, C.R.S., concerning the Division of Financial Services;
- Article 30 of Title 11, C.R.S., (Credit Union Act) concerning the regulation of credit unions;
- Articles 40 through 48 of Title 11, C.R.S., concerning the regulation of savings and loan associations; and
- Article 49 of Title 11, C.R.S., concerning the regulation of life care institutions.

The Financial Services Board (Board) is vested with the authority to determine policy and establish rules to regulate credit unions, savings and loan associations and life care institutions.³⁴ The Board is also charged with:³⁵

- Making all final decisions regarding the organization, conversion or merger of credit unions and savings and loan associations;
- Making all final decisions regarding the administration of life care institutions; and
- Making all final decisions regarding the suspension or liquidation of credit unions and savings and loan associations.

Members of the Board are appointed by the Governor with the consent of a majority of the members of the Senate.³⁶ The membership of the Board must include:³⁷

- Three executive officers of credit unions, each with a minimum of five years of experience as an executive officer;
- One executive officer of a savings and loan association, with a minimum of five years of experience as an executive officer; and
- One public member with expertise in finance.

³³ Investopedia. *Dodd-Frank Act: What It Does, Major Components, and Criticisms*. Retrieved October 9, 2023, from www.investopedia.com/terms/d/dodd-frank-financial-regulatory-reform-bill.asp

³⁴ § 11-44-101.7(1)(b), C.R.S.

³⁵ § 11-44-101.7(2), C.R.S.

³⁶ § 11-44-101.6(1), C.R.S.

³⁷ § 11-44-101.6(2), C.R.S.

The Commissioner has the authority to issue cease and desist orders if a credit union is engaged in, has engaged in or is about to engage in unsafe or unsound practices.³⁸ The Commissioner may also issue cease and desist orders if a credit union has violated or is about to violate applicable laws or rules or any written condition or agreement made with the Commissioner.³⁹ For savings and loan associations, the Board is granted the authority to issue cease and desist orders in the same manner as the Commissioner.⁴⁰

The Commissioner is also authorized to suspend or remove any director, officer or employee of a credit union for violating Article 30, or a related rule. Additionally, the Commissioner may suspend or remove any director, officer or employee of a credit union or a savings and loan association if such a person has, among other things:⁴¹

- Violated the Credit Union Act or a related rule or the laws governing savings and loan associations, or a related rule, respectively;
- Engaged in or participated in any unsafe or unsound practice in the conduct of a credit union or savings and loan association;
- Committed or engaged in any act, omission or practice that constitutes a breach of fiduciary duty to the credit union or savings and loan association, and the credit union or savings and loan association has suffered or will suffer financial loss or other damage or the interests of members or account holders may be seriously prejudiced; or
- Received financial gain by reason of a violation, practice or breach of fiduciary duty that involved personal dishonesty or demonstrated a willful or continuing disregard for the safety and soundness of the credit union or savings and loan association.

If the Commissioner revokes the state charter of a credit union, they must appoint a liquidating agent to liquidate its assets.⁴²

The Commissioner may also assess civil money penalties for violations of cease and desist or suspension orders,⁴³ and civil money penalties cannot exceed \$1,000 per day. However, the Commissioner may instead assess a lump sum civil money penalty up to \$50,000.⁴⁴

³⁸ § 11-30-106(7), C.R.S.

³⁹ § 11-30-106(7), C.R.S.

⁴⁰ § 11-44-101.7(4), C.R.S.

⁴¹ §§ 11-30-106(8)(a)(I) and 11-44-106.5(1)(a), C.R.S.

⁴² § 11-30-120(1)(c), C.R.S.

⁴³ § 11-30-106.5(1)(a), C.R.S.

⁴⁴ § 11-30-106.5(3), C.R.S.

CREDIT UNIONS

A credit union is defined as

a cooperative association, incorporated pursuant to [Article 30] for the twofold purpose of promoting thrift among its members and creating a source of credit for them at fair and reasonable rates of interest.⁴⁵

Membership in a credit union is limited to groups of people who share a common bond, which include:⁴⁶

- Employment,
- Associations or groups that reside within a well-defined neighborhood or community, or
- Well-defined rural district having a population of less than 25,000 residents.

Small groups of people that have a common bond of employment or association but lack the potential membership to organize their own credit union may be eligible for membership in an existing credit union.⁴⁷ According to rule, a small group consists of 1 to 1,000 individuals.⁴⁸

Credit unions are authorized to engage in a variety of financial services, such as:⁴⁹

- Receiving deposits from members,
- Making loans to members,
- Making loans to other credit unions,
- Making deposits in other state and national financial institutions, and
- Investing in the shares and deposits of a central credit union⁵⁰ chartered under the Act.

Two or more credit unions may merge if they accomplish the following:⁵¹

- The board of directors of each merging credit union approves a plan for the proposed merger,
- The Board approves the merger plan, and
- Two-thirds of the voting members of each credit union approve the merger.

⁴⁵ § 11-30-101(1)(a), C.R.S.

⁴⁶ § 11-30-103(2), C.R.S.

⁴⁷ § 11-30-103(2), C.R.S.

⁴⁸ 3 CCR 703-3 § 3.2, Division of Financial Services Credit Union Rules.

⁴⁹ §§ 11-30-104(1)(a), (b), (c) and (d), C.R.S.

⁵⁰ A central credit union is, for the most part, made up of other credit unions.

⁵¹ § 11-30-122(1), C.R.S.

The Commissioner must examine credit unions for safety and soundness at least once during any 18-month period.⁵² However, the Commissioner may examine credit unions more frequently.

Each credit union is also required to submit a financial report to the Commissioner on an annual basis.⁵³

The Commissioner is required to establish fees based on the cost of regulation.⁵⁴

SAVINGS AND LOAN ASSOCIATIONS

A savings and loan association is defined as:

any domestic or foreign association or corporation formed, created, or organized to carry on the business of a savings and loan association, which is formed to encourage industry, thrift, home building, and saving among its members, by the accumulation of funds through the issuance and sale of its own shares, capital notes, or debentures, the acceptance of savings deposits, or any other manner permitted by the provisions of Articles 40 to 46 of [Title 11], the loaning or investment of the funds so accumulated to assist its members in acquiring real estate, in making improvements thereon, and in paying off existing encumbrances thereon, or for any other purposes or in any other manner permitted by the provisions of Articles 40 to 46 of [Title 11], and which accumulates funds to be returned to its members.⁵⁵

A savings and loan association is only authorized to hold public funds if it is designated by the Commissioner as an eligible public depository or the entire amount of the deposit is insured by the Federal Deposit Insurance Corporation.⁵⁶ When holding public funds, savings and loan associations must comply with the minimum eligible collateral. Specifically, the market value of the pledged eligible collateral of a public depository must be at least 100 percent of the collateral or \$250,000, whichever is greater. Additional collateral may be required depending on the public depository's tangible assets.⁵⁷

In order to form a savings and loan association, five or more persons are required to submit articles of incorporation approved by the Commissioner to the Office of the Secretary of State.⁵⁸ Articles of incorporation must include, among other things:⁵⁹

⁵² § 11-30-106(1)(a), C.R.S.

⁵³ § 11-30-106(2), C.R.S.

⁵⁴ § 11-30-106(1)(a), C.R.S.

⁵⁵ § 11-40-103, C.R.S.

⁵⁶ § 11-47-118(1), C.R.S.

⁵⁷ 3 CCR 703-1 § 4-13(a), Division of Financial Services Savings and Loan Associations Rules.

⁵⁸ §§ 11-41-104(1) and 11-41-106, C.R.S.

⁵⁹ §§ 11-41-104(1)(a), (c), (e) and (j), C.R.S.

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- The name of the savings and loan association;
 - The name of the city or town and county where the principal office is located;
 - The names of the incorporators, their occupations and addresses, a statement of the number of shares or amount of stock of each incorporator and the amount of cash paid upon the shares or stock; and
 - The number of directors and the names and addresses of the directors.

All savings and loan associations are subject to periodic safety and soundness examinations by the Commissioner, and the Commissioner may also conduct audits if necessary.⁶⁰

Additionally, on or before February 1 each year, each savings and loan association is required to submit a financial report of its affairs and operations for the previous year to the Commissioner.⁶¹

The Commissioner is authorized to establish fees to cover the cost to oversee the regulation of savings and loan associations.⁶²

LIFE CARE INSTITUTIONS

Life care is defined as

care provided, pursuant to a life care contract, for the life of an aged person, including but not limited to services such as health care, medical services, board, lodging or other necessities.⁶³

A life care contract refers to:

a written contract to provide life care to a person for the duration of the person's life conditioned upon the transfer of an entrance fee to the provider of the services in addition to or in lieu of the payment of regular periodic charges for the care and services involved [...].⁶⁴

A life care institution is required to establish an escrow account for entrance fees prior to the date that a resident is permitted to move into a facility.⁶⁵ The escrow account is required to be deposited with a bank, trust company or a licensed corporate escrow agent in Colorado.⁶⁶

⁶⁰ § 11-44-109(1), C.R.S.

⁶¹ § 11-40-105(1), C.R.S.

⁶² § 11-40-106(1), C.R.S.

⁶³ § 11-49-101(6), C.R.S.

⁶⁴ § 11-49-101(7), C.R.S.

⁶⁵ § 11-49-102(1), C.R.S.

⁶⁶ § 11-49-102(1), C.R.S.

Additionally, a life care institution must maintain reserves that cover all obligations contained in the life care agreements.⁶⁷

A life care contract must be written in a clear and coherent style and include:⁶⁸

- The value of all property transferred from a new resident;
- The services that the life care institution will provide and all items the resident will receive such as room, board, clothing, incidentals, medical care, transportation and burial;
- A financial statement showing the financial condition of the life care institution, including a statement of earnings for the previous 24-month period;
- The monthly service fee and whether the fee is subject to adjustment; and
- The rights, if any, a resident has to participate in the management of financial decisions affecting the life care institution.

The Commissioner is required to record with the county clerk and recorder in the county where the life care institution is located, a notice of lien on behalf of all residents who enter into life care contracts.⁶⁹

Additionally, life care institutions must file an annual report with the Commissioner within 90 days of the end of the fiscal year. Annual reports must contain certified financial statements for each facility.⁷⁰

Life care institutions are also required to submit to compliance examinations by the Commissioner.⁷¹

Finally, the Commissioner is authorized to establish fees to cover the cost of regulating life care institutions.⁷²

⁶⁷ § 11-49-105(1), C.R.S.

⁶⁸ § 11-49-111(1), C.R.S.

⁶⁹ § 11-49-104(1), C.R.S.

⁷⁰ § 11-49-106(1), C.R.S.

⁷¹ § 11-49-107, C.R.S.

⁷² § 11-49-107, C.R.S.

Program Description and Administration

In a sunset review, the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) is guided by sunset criteria located in section 24-34-104(6)(b), Colorado Revised Statutes (C.R.S.). The fifth, sixth and seventh sunset criteria question:

Whether the agency operates in the public interest and whether its operation is impeded or enhanced by existing statutes, rules, procedures, and practices and any other circumstances, including budgetary, resource, and personnel matters;

Whether an analysis of agency operations indicates that the agency or the agency's board or commission performs its statutory duties efficiently and effectively; and

Whether the composition of the agency's board or commission adequately represents the public interest and whether the agency encourages public participation in its decisions rather than participation only by the people it regulates.

In part, COPRRR utilizes this section of the report to evaluate the agency according to these criteria.

The Commissioner of Financial Services (Commissioner) and the Financial Services Board (Board) within the Division of Financial Services in the Department of Regulatory Agencies (Division and Department, respectively) are vested with the authority to supervise and control state-chartered credit unions (credit unions) and state-chartered savings and loan associations (savings and loan associations).

Additionally, the Commissioner and the Board regulate certain functions of life care institutions.

The authority for the regulation of these entities is established under the following statutes:

- Article 44 of Title 11, C.R.S., which addresses the powers and duties of the Division, the Board and the Commissioner;
- Article 30 of Title 11, C.R.S., (Credit Union Act), which addresses the regulation of credit unions;
- Articles 40 through 48 of Title 11, C.R.S., which address the regulation of saving and loan associations; and
- Article 49 of Title 11, which addresses the regulation of life care institutions.

The Board is made up of five members, appointed by the Governor with consent of the Senate. Membership includes three executive officers of credit unions, one executive officer of a savings and loan association and one public member. The Board meets quarterly.

The Board is granted the authority to establish policies and rules regarding the regulation of credit unions, savings and loan associations and life care institutions. Additionally, the Board is responsible for making final decisions regarding:

- The organization, conversion or merger of credit unions and savings and loan associations;
- The suspension or liquidation of credit unions and savings and loan associations; and
- The administration of life care institutions.

The Commissioner is responsible for completing safety and soundness examinations and audits, reviewing financial statements and completing duties delegated to the Commissioner by the Board.

The Division is a cash-funded agency paid for by assessments charged to credit unions, savings and loan associations, public deposit institutions and life care institutions.

Table 2 illustrates the total expenditures and full-time equivalent (FTE) employees of the Division.

**Table 2
Total Expenditures and Staffing**

Fiscal Year	Total Expenditures	FTE
17-18	\$1,705,982	14.0
18-19	\$1,715,282	14.0
19-20	\$1,868,283	14.0
20-21	\$1,928,570	14.0
21-22	\$1,988,676	14.0

The fluctuations in expenditures are primarily related to personnel and operating expenses, including expenses for travel.

In fiscal year 22-23, the staff dedicated to the Division included 14.0 FTE. The staff positions are outlined below.

- **Commissioner** (1.0 FTE)—This position is responsible for the examination and enforcement functions of the Division, subject to the policymaking and rulemaking authority of the Board, for all credit unions, and oversees the regulation of all savings and loan associations and certain financial aspects of life care institutions in the state.
- **Deputy Commissioner** (Program Management II, 1.0 FTE)—This position oversees the credit union program and the operation of the regulatory programs of the Division and submits monthly reports, board reports and assessments to the Commissioner.

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- **Supervisor** (Financial Credit Examiner IV, 2.0 FTE)—Staff members in this position act as examiners-in-charge; protect all funds deposited in state-chartered savings and loans from loss by promoting lawful, safe and sound operation of these institutions; manage the regulatory program for life care institutions in Colorado; assist as the lead examiner of a troubled credit union; and assist in consumer complaints and rulemaking.
 - **Full Examiner** (Financial Credit Examiner III, 6.0 FTE)—Staff members in this position conduct examinations of institutions statewide; provide technical and practical knowledge to institution management; schedule, coordinate and manage a caseload of institutions of varying sizes and complexity; conduct meetings with officials of the institution; and prepare a written report of examination and supervision contact for the Commissioner.
 - **Mid-Level Examiner** (Financial Credit Examiner II, 1.0 FTE)—This position assists in conducting examinations of institutions statewide; schedules, coordinates and manages assignments of varying size and complexity; and prepares written reports of examination assignments for the examiner-in-charge.
 - **Entry-Level Examiner** (Financial Credit Examiner I, 1.0 FTE)—This position assists in conducting examinations; schedules, coordinates and manages assignments of a non-complex nature; conducts meetings with officials of the institution with a more senior examiner; and prepares written reports of examination assignments for the examiner-in-charge.
 - **Program Assistant** (Program Assistant I, 1.0 FTE)—This position communicates with the Division’s internal and external customers, demonstrates a commitment to the Department’s mission of consumer protection by managing consumer complaints, supports the credit union program and provides administrative support to the Board.
 - **Administrative Assistant** (Administrative Assistant III, 1.0 FTE)—This position performs the Division’s accounting and budget functions, completes general office duties, manages and maintains the Division’s website, monitors purchases and maintains office supplies.

The Division does not charge any licensing fees. Instead, the Division charges assessments based on the cost of regulation. Assessments are paid twice a year.

The Division assesses two percent of its costs to life care institutions and two percent to public deposit institutions. Then, the remaining 96 percent of the Division’s costs are divided among the credit unions and savings and loan associations, and these assessments are based on the asset size of the institution.

State Charters

The eleventh sunset criterion questions whether the scope of practice of the regulated occupation contributes to the optimum use of personnel.

In part, COPRRR utilizes this section of the report to evaluate the program according to this criterion.

To apply for a new charter as a credit union, an applicant must submit the following documents to the Division:⁷³

- Letter of application;
- Draft of the articles of incorporation;
- Draft of the proposed bylaws;
- Biographical reports on the proposed directors, managers and anyone else who signs the articles of incorporation;
- Business plan;
- Certificate of Insurance from the NCUA; and
- Approval from the Federal Reserve Bank.

Similarly, to apply for a new charter as a savings and loan association, an applicant must submit to the Division:⁷⁴

- An application,
- The articles of incorporation, and
- The bylaws.

The Division does not charge an application fee for a new charter.

Life care institutions are not required to secure a charter or be licensed by the Division. However, a provider of a life care institution must notify the Director at least 90 days before entering into an initial life care contract, and the notification must include an affirmation of the provider's intent to comply with Article 49 of Title 11.

Table 3 demonstrates the total number of state-chartered credit unions and savings and loan associations in Colorado and the total number of life care institutions operating in the state.

⁷³ Policy 400-20: Applications for New Credit Union Charters, Division of Financial Services.

⁷⁴ § 11-41-107(1), C.R.S.

**Table 3
Number of Regulated Institutions**

Fiscal Year	Credit Unions	Savings and Loan Associations	Life Care Institutions	Total
17-18	38	5	7	50
18-19	38	5	7	50
19-20	37	5	6	48
20-21	37	5	6	48
21-22	35	5	6	46

The total number of credit unions in Colorado has declined somewhat over the five-year period. This is consistent with declining numbers of credit unions throughout the country. This may be due to increasing costs related to regulation and operations. For example, all financial services businesses must maintain adequate security to protect against cybercrime, and consumers have come to expect certain services, such as online banking, that smaller institutions struggle to provide. In order to compete, smaller credit unions are merging with larger institutions.

However, this trend has been affecting financial institutions for several decades, and while the total number of credit unions in Colorado has declined, the total amount of assets held by credit unions has increased.

While the number of savings and loan associations is small, it remained unchanged over the five-year period. Colorado, like other states, has few savings and loan associations because after the savings and loan crisis in the late 1980s, many of these institutions closed their doors. However, according to the Division, the few surviving savings and loan associations have a loyal customer base and are primarily located in rural areas of the state.

In 2019, one nursing home opted to no longer operate as a life care institution although the facility is still doing business as a nursing home. As it is no longer operating as a life care institution, the Division no longer regulates it.

Examination Activity

The sixth sunset criterion questions whether the agency performs its statutory duties efficiently and effectively. In part, COPRRR utilizes this section of the report to evaluate the program according to this criterion.

The Division annually conducts safety and soundness examinations of credit unions and life care institutions. Depending on resources, the Division may join the Federal

Depository Insurance Corporation (FDIC) when it conducts the examinations of savings and loan associations.

Credit unions undergo two types of examinations: full scope and, if necessary, interim supervisory contacts. Full-scope examinations are comprehensive examinations to ensure safety and soundness of credit unions and to identify those that require additional attention and supervisory actions. They are conducted by the Division's financial examiners, but examiners from the National Credit Union Association (NCUA) may also be present.

Interim supervisory contacts are follow-up examinations to previously completed full-scope examinations. Generally, interim supervisory contacts are conducted solely by Division staff.

When conducting a full-scope examination on a credit union, the Division applies the CAMELS rating system and assigns a rating based on the results of an examination. The ratings are from 1 to 5, with 1 being the best.

The CAMELS rating system covers five areas:

- Capital adequacy,
- Asset quality,
- Management capability,
- Earnings quantity and quality,
- Liquidity management, and
- Sensitivity to market risk.

Credit unions that receive a rating of 1 or 2 are in satisfactory condition and will be examined at least once every 18 months. Credit unions with a rating of 3 have some concerning issues and will be examined between 12 and 18 months with on-site supervisory contacts every six to nine months in between examinations, and credit unions that have a rating of 4 or 5 have more serious issues that warrant careful monitoring or immediate action and will be examined once every 12 months with on-site supervisory contacts every three to four months in between examinations.⁷⁵

Savings and loan associations also undergo full-scope examinations, which are conducted by the FDIC staff. The rating system for full-scope examinations of savings and loan associations is similar to that of credit unions.

Generally, the FDIC conducts full-scope examinations of savings and loan associations every 18 months. Financial examiners with the Division attend these examinations when resources allow.

Table 4 provides the total number of examinations conducted by the Division over a five-year period.

⁷⁵ Policy 300-18: Risk-Based Examination, Division of Financial Services.

**Table 4
Number of Examinations**

Fiscal Year	Credit Unions	Savings and Loan Associations	Life Care Institutions	Total
17-18	38	2	7	47
18-19	37	2	7	46
19-20	35	1	6	42
20-21	37	1	6	44
21-22	40	2	6	48

The total number of examinations conducted each year fluctuates slightly due to scheduling and resource issues. The decrease in examinations in 19-20 was likely due to a decrease in the total number of institutions.

The Division has the authority to approve federally chartered savings and loan associations to hold public funds. As such, they are required to undergo audits conducted by Division staff. Credit unions are not authorized to hold public funds.

Division staff completes on-site and desk audits of state and federally chartered savings and loan associations that hold public funds. During audits, Division staff reviews the records and supporting documentation of state and federally chartered savings and loan associations that are public depositories. On-site audits are more in-depth than desk audits.

The Division conducts annual desk audits of savings and loan associations that hold public funds in Colorado. From fiscal year 17-18 to fiscal year 21-22, the Division conducted nine desk audits of national and state savings and loan associations each year. It did not conduct any on-site audits of these institutions.

Consumer Complaints

The eighth and tenth sunset criteria requires COPRRR to examine whether regulatory oversight can be achieved through a director model, and whether complaint, investigation and disciplinary procedures adequately protect the public and whether final dispositions of complaints are in the public interest or self-serving to the profession or regulated entity.

In part, COPRRR utilizes this section of the report to evaluate the program according to these criteria.

Anyone can file a complaint against a credit union, savings and loan association or life care institution. Members of credit unions may also file complaints with the NCUA, which forwards complaints to the Division. Many of the complaints filed with the Division fall outside its jurisdiction. However, the Division works with institutions to help consumers resolve their complaints.

Occasionally, the Division receives a complaint that warrants a closer look at a particular institution. The Division may conduct an examination based on the complaint or consider the complaint during the next scheduled examination. For example, if a member deposits a cashier’s check into their account and the funds are not released for two weeks, the Division would look more closely at the operations of the institution.

The Division also maintains a complaint log to identify any systemic issues that can be addressed during an examination.

Table 5 provides the total number of consumer complaints filed with the Department against credit unions, savings and loan associations and life care institutions over a five-year period.

**Table 5
Total Number of Consumer Complaints**

Type	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Credit Unions	139	126	112	146	184
Savings and Loan Associations	0	2	0	1	0
Life Care Institutions	0	0	0	0	0
Total Consumer Complaints	139	128	112	147	184

The Division received few complaints against savings and loan associations and no complaints against life care institutions. It is unknown why the consumer complaints against credit unions increased in fiscal years 20-21 and 21-22. According to the Division, some of these complaints may be due to credit union members not receiving immediate responses to their concerns while credit union employees were working from home during the COVID-19 pandemic. However, this is speculation only.

Table 6 breaks down, by complaint type, the consumer complaints that were filed against credit unions over a five-year period.

**Table 6
Credit Union Complaints**

Type of Complaint	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Loan/Credit Problems	53	50	45	45	84
Deposit Problems	17	15	6	12	10
Foreclosure/Repossession	9	5	3	3	6
Fraud Allegations	15	13	19	19	29
Fee Issues	17	13	13	6	9
Other	28	30	26	61	46
Total	139	126	112	146	184

The complaints filed against credit unions and savings and loan associations in Table 5 and Table 6 are primarily related to customer service issues, and the categories of the complaints is self-explanatory. The “other” category covers a wide variety of complaints, and the Division was unable to break down these complaints by type or provide any further information about the subject of these complaints.

About 40 percent of the complaints against credit unions relate to problems with loans or credit. The category of complaints titled “other” makes up about a quarter of the complaints, and about 13 percent of complaints against credit unions relate to allegations of fraud.

Table 7 breaks down, by complaint type, the consumer complaints that were filed against savings and loan associations over a five-year period.

**Table 7
Savings and Loan Complaints**

Type of Complaint	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Loan/Credit Problems	0	1	0	0	0
Deposit Problems	0	0	0	0	0
Foreclosure/Repossession	0	0	0	0	0
Fraud Allegations	0	0	0	0	0
Fee Issues	0	0	0	0	0
Other	0	1	0	1	0
Total	0	2	0	1	0

Few complaints were filed against savings and loan associations. One complaint was related to a problem with a loan or credit. Unfortunately, the Division was unable to provide any additional information about the two complaints in the “other” category.

Table 8 demonstrates the average time it took the Division to close consumer complaints that were filed with the Division.

**Table 8
Average Time to Close Complaints**

Fiscal Year	Number of Days
17-18	15
18-19	13
19-20	14
20-21	14
21-22	14

The Division’s goal is to close complaints within 14 days, and on average, the Division has met or exceeded this goal in four out of five years.

Enforcement Activity

The tenth sunset criterion requires COPRRR to examine whether complaint, investigation and disciplinary procedures adequately protect the public and whether final dispositions of complaints are in the public interest or self-serving to the profession or regulated entity.

In part, COPRRR utilizes this section of the report to evaluate the program according to this criterion.

The Commissioner has the authority to revoke a charter. The Commissioner, with approval by the Board, may assume control and establish a conservatorship of a credit union or a savings and loan association. The Commissioner may also issue a preliminary warning letter and require a net worth restoration plan, and the Board has the authority to issue a cease and desist order. The Commissioner also has the authority to issue an order to an institution.

Table 9 demonstrates the total number of enforcement actions taken against credit unions over a five-year period. No enforcement actions were taken against savings and loan associations or life care institutions during this period.

**Table 9
Enforcement Actions**

Type of Action	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Charter Revocations/Closures	0	0	0	0	0
Conservatorships	0	0	0	0	0
Preliminary Warning Letters	0	1	2	0	1
Net Worth Restoration Plans	0	0	0	0	0
Cease and Desist Orders	0	0	0	0	0
Commissioner Orders	0	0	0	1	0
Total Enforcement Actions	0	1	2	1	1

The Commissioner issued four preliminary warning letters to credit unions based on various concerns, such as liquidity, profitability, net worth and strategic planning. Additionally, the Commissioner issued one order based on the credit union’s failure to timely file quarterly reports on the institution’s financial condition with regulators.

While the Commissioner has the authority to issue a civil money penalty to anyone who has violated an order issued by the Commissioner, no civil money penalties were issued during the five-year period from fiscal year 17-18 to fiscal year 21-22.

Analysis and Recommendations

The final sunset criterion questions whether administrative and statutory changes are necessary to improve agency operations to enhance the public interest. The recommendations that follow are offered in consideration of this criterion, in general, and any criteria specifically referenced in those recommendations.

Recommendation 1 – Continue the Division of Financial Services for 15 years, until 2039.

The Commissioner of Financial Services (Commissioner) and the Financial Services Board (Board) within the Division of Financial Services in the Department of Regulatory Agencies (Division and Department, respectively) are vested with the authority to supervise and control state-chartered credit unions (credit unions) and state-chartered savings and loan associations (savings and loan associations).

The Commissioner and the Board also regulate certain functions of life care institutions.

The authority for the regulation of these entities is established under the following statutes:

- Article 44 of Title 11, C.R.S., which addresses the powers and duties of the Division, the Board and the Commissioner;
- Article 30 of Title 11, C.R.S., (Credit Union Act), which addresses the regulation of credit unions;
- Articles 40 through 48 of Title 11, C.R.S., which address the regulation of saving and loan associations; and
- Article 49 of Title 11, which addresses the regulation of life care institutions.

The Board is made up of five members, who are appointed by the Governor with consent of the Senate. Membership includes three executive officers of credit unions, one executive officer of a savings and loan association and one public member. The Board meets quarterly.

The Board is granted the authority to establish policies and rules regarding the regulation of credit unions, savings and loan associations and life care institutions. Additionally, the Board is responsible for making final decisions regarding:

- The organization, conversion or merger of credit unions and savings and loan associations;
- The suspension or liquidation of credit unions and savings and loan associations; and
- The administration of life care institutions.

The Commissioner is responsible for completing safety and soundness examinations and audits, reviewing financial statements and completing duties delegated to the Commissioner by the Board.

Sunset reviews are guided by statutory criteria established in section 24-34-104, C.R.S., and the first criterion questions whether regulation is necessary to protect the health, safety and welfare of the public.

Similar to banks, thrift institutions, such as credit unions or savings and loan associations, often provide many of the same products that commercial banks offer, such as:⁷⁶

- Checking accounts,
- Savings accounts,
- Certificates of deposit,
- Home loans,
- Auto loans, and
- Credit cards.

Credit unions are organized as private, co-operative companies that are owned by the members. Membership in a credit union is typically tied to a particular affiliation, such as a teachers union, postal workers or employees of a particular company. Credit unions may also have other types of eligibility requirements, such as a defined geographic location.⁷⁷

Credit union members essentially pool their money to generate funds for loans and other financial products that benefit the credit union members.⁷⁸ Management of a credit union is controlled by a board of directors, and the directors are elected by a vote of the membership, with each member having one equal vote.⁷⁹

Savings and loan associations, another type of thrift institution, are often owned and governed by their customers. Savings and loan associations must focus the majority of their loans on residential properties, and because funds are pooled, they are able to offer mortgages and other financial products to consumers who may not be able to obtain them through other means.⁸⁰

Supervision of thrift institutions is necessary to evaluate whether they are operating in a safe and sound manner, to identify problems and to work with management to correct

⁷⁶ Bankrate. *Thrifts vs. Banks: What's the Difference?* Retrieved September 27, 2023, from www.bankrate.com/banking/thrifts-vs-traditional-banks-whats-the-difference/

⁷⁷ Investopedia. *Federal Credit Union (FCU): What It Is, How It Works.* Retrieved June 30, 2023, from www.investopedia.com/terms/f/federal-credit-union-fcu.asp

⁷⁸ Investopedia. *Credit Unions: Definition, Membership Requirements, and vs. Banks.* Retrieved September 27, 2023, from www.investopedia.com/terms/c/creditunion.asp

⁷⁹ Institute for Local Self-Reliance. *Credit Unions.* Retrieved June 30, 2023, from ilsr.org/rule/credit-unions/

⁸⁰ Bankrate. *What Is a Savings and Loan Association?* Retrieved September 27, 2023, from www.bankrate.com/mortgages/savings-and-loan-associations/

them, and effective supervision is critical to preserving public confidence in thrifts, which directly affects the state economy and the wellbeing of Colorado residents.

In addition to thrift institutions, the Division also regulates certain financial activities of life care institutions.

Also known as continuing care retirement communities or life plan communities, life care institutions are a long-term care option for older adults. Life care institutions offer a variety of living arrangements and services, depending on the institution, for the duration of an individual's life. Often, a life care institution may have independent living, assisted living and nursing facilities, and a resident may be supported as their needs change over time.

Basically, a life care institution is paid a certain amount of money in exchange for providing a residence, care and other services to an individual for the rest of their life.

Supervision of life care institutions is necessary to make sure that these facilities are managing residents' money responsibly, and they have sufficient resources to care for individuals according to the terms of the life care contracts.

The Commissioner is responsible for supervision of thrift and life care institutions.

The Commissioner protects the public by chartering thrift institutions and promulgating rules. As of 2022, Colorado chartered 35 credit unions and 5 savings and loan associations. From fiscal year 18-19 to fiscal year 21-22, the total number of Colorado chartered-credit unions declined by about eight percent. However, this decrease was related to mergers rather than closures or conversions, and the total amount of assets held by Colorado credit unions increased.

The Commissioner also protects the public by overseeing the examination of thrift institutions and life care institutions to verify that they are operating in a safe and sound manner and are compliant with relevant laws and by working closely with institutions to correct any problems that are identified.

Over a five-year period, from fiscal year 18-19 to fiscal year 21-22, the Division conducted a total of 227 examinations of credit unions, savings and loan associations and life care institutions.

In addition to protecting the public through the examination process, the Commissioner also protects the public by enforcing the laws governing thrift and life care institutions. Over the five-year period, from fiscal year 18-19 to fiscal year 21-22, the Commissioner issued four preliminary warning letters to credit unions based on various concerns, such as: liquidity, profitability, net worth and strategic planning. The Commissioner also issued one order based on the credit union's failure to timely file quarterly reports on the institution's financial condition. The Commissioner did not revoke any charters or close any thrift institutions.

The Commissioner may also issue a civil money penalty to anyone who violates certain orders issued by the Commissioner. However, no civil money penalties were issued from fiscal year 17-18 to fiscal year 21-22.

The eighth sunset criterion questions whether regulatory oversight could be achieved through a director-model program.

Much of the regulatory authority over thrift and life care institutions rests with the Commissioner. However, the Commissioner values and relies on the expertise of the Board members, who provide guidance and information about the financial institutions supervised by the Division. Also, some duties rest with the Board that should not be transferred or delegated to the Commissioner. For instance, certain decisions of the Commissioner can be appealed to the Board, and the Board must approve field of membership expansion requests from credit unions.

While thrift institutions in Colorado are in good condition, recent failures of banks in other states demonstrate the importance of effective supervision of depository institutions.

This report contains several recommendations for changes to the Credit Union Act and the laws governing savings and loan associations. However, most of these recommendations are fairly minor changes that are intended to clean up ambiguity or modernize the laws. Consequently, a 15-year continuation would be reasonable.

Therefore, the General Assembly should continue the Division for 15 years, until 2039.

Recommendation 2 – Authorize a Colorado-chartered credit union to merge with a credit union chartered in another state, as long as the same requirements for other mergers have been met.

The Credit Union Act does not currently provide clear authority for a Colorado-chartered credit union to merge with a credit union chartered in another state. For a Colorado-chartered credit union to merge with a credit union chartered in another state, it must relinquish its state charter and convert to a federal charter.

Sunset criteria question whether conditions that led to the initial creation of the program have changed and whether the existing regulations establish the least restrictive form of governmental oversight consistent with the public interest.

The Credit Union Act was established in the 1930s. At the time, a handful of teachers or public service employees, for example, could pool their resources and create a cooperative association to benefit members by providing important financial services, such as mortgage loans, which would have likely been unattainable for them at the time. Since then, credit unions have changed considerably. Today, credit unions may

be composed of multiple groups with distinct common bonds, and mergers among credit unions are common.

Credit unions are now expected to provide a host of technological services, such as online banking and mobile transactions, that are expensive for smaller credit unions to provide. Some credit unions are choosing to merge with other credit unions so that they may benefit from economies of scale and provide these and other services to their members. Smaller credit unions may also struggle to find talent, and by growing, they may be able to offer better compensation packages.

While a Colorado-chartered credit union can merge with another credit union chartered in Colorado, for a credit union to merge with a credit union chartered in another state, it must surrender its Colorado charter and convert to a federal charter first. From a public protection perspective, requiring credit unions to do this is unnecessary.

Rather than require a credit union to give up its state charter, the Credit Union Act should be amended to allow a credit union to merge with a credit union chartered in another state.

In order for the two credit unions to merge, one of the state charters would be relinquished. This decision would be based on a number of factors, such as the management, size and condition of each institution. While it is possible that Colorado could still lose the charter, allowing such mergers would increase the chances of the state charter remaining in Colorado. Without this change, the state charter would unavoidably be relinquished.

For a merger to take place, the board of directors of both credit unions and the members of each institution would need to approve the merger as would the state regulator and the National Credit Union Association (NCUA), the federal agency that insures the deposits of credit union members. Before approving a merger, the state regulator would consider the condition of both credit unions and whether a merger is safe and sound, and the NCUA would also consider the risks of merging the two credit unions.

Other states, such as Oregon and Washington, allow state-chartered credit unions to merge with credit unions chartered in other states.

Authorizing Colorado credit unions to merge with credit unions chartered in other states would allow the Colorado charter to stay competitive with the federal charter and other state charters, allow Colorado-chartered credit unions to grow, and it will not compromise the safety and soundness of state-chartered credit unions.

Therefore, the General Assembly should amend the Credit Union Act to authorize a credit union to merge with a credit union chartered in another state, as long as the same requirements for other mergers have been met.

Recommendation 3 – Modernize the authority for the Board and the Commissioner to assess a civil money penalty against anyone who violates a cease and desist order or a suspension order.

The Board and the Commissioner may require anyone who violates a cease and desist order or suspension order to pay a civil money penalty up to \$1,000 per violation, per day.⁸¹

The authority to assess a civil money penalty was established in 1987, and it has not increased since that time.

The purpose of issuing a civil money penalty is to deter misconduct that may negatively impact the financial system. A civil money penalty of \$1,000 was a much stronger deterrent several decades ago than it is today. In order to ensure that a civil money penalty issued by the Board or the Commissioner acts as a deterrent, the maximum fine amount should be modernized.

Sunset reviews are guided by statutory criteria found in section 24-34-104, C.R.S., and the third criterion questions whether the agency operates in the public interest and whether its operation is impeded by existing statutes.

To ensure that the statutes continue to effectively protect the public from the misconduct which may be harmful to the public, the Board and the Commissioner's authority to assess a civil money penalty against anyone who violates a cease and desist order or a suspension order should be increased to a more meaningful amount. Considering inflation and the growth in financial institutions over the last few decades, a civil money penalty up to \$5,000 per day would be reasonable.

The Board and the Commissioner are not required to issue a civil money penalty. When assessing a civil money penalty, the Board and the Commissioner are required to take into account the good faith of the person, the gravity of the violation, any previous violations and any other matters. Additionally, the Board and the Commissioner may only assess a civil money penalty after notice and a hearing and after finding that no other governmental agency has taken a similar action against the individual or institution for the same act or practice.

Therefore, the General Assembly should modernize the Board and the Commissioner's authority by increasing the maximum civil money penalty to \$5,000 per violation, per day.

⁸¹ §§ 11-30-106.5(1)(a) and (3) and 11-44-101.7(4), C.R.S.

Recommendation 4 – Repeal the prohibition on overlapping fields of membership based on geographic location.

While an application for a credit union charter may be approved or denied by the Commissioner, if the field of membership is based on a geographic location, which is referred to as a community field of membership, the Credit Union Act requires the Board to hold a public hearing to approve or deny the charter application. Following the hearing, the Board must issue a written order granting a community field of membership. Among other things, the Board must find:

That the members of other credit unions within the neighborhood, community or rural district are specifically excluded from membership, except as otherwise provided by the Board for good cause.⁸²

Consequently, unless the Board makes an exception, two credit unions are prohibited from having overlapping fields of membership based on geographic locations. In such cases, the Board typically makes an exception and allows the overlapping fields of membership.

Sunset criteria question whether the regulations establish the least restrictive form of governmental oversight consistent with the public interest.

This requirement is unnecessary and overly restrictive, and it should be repealed. It is not uncommon for credit unions to have overlapping fields of membership. Credit unions should be and generally are allowed to compete with each other.

Repealing this provision will not put consumers at an increased risk of harm. Instead, it will increase consumer choice, increase access to financial services and allow credit unions to grow.

Therefore, the General Assembly should repeal the prohibition on overlapping fields of membership based on geographic location in section 11-30-101.7(5)(d), C.R.S.

Recommendation 5 – Authorize the board of directors of each credit union to determine when the fiscal year ends and when the annual meeting is held, as long as the fiscal year coincides with the end of a quarter.

The Credit Union Act currently requires each credit union’s fiscal year to correspond with the end of the calendar year and for the annual meeting to be held five months later. This requirement has been in place for several decades, but it does not appear to be necessary.

⁸² § 11-30-101.7(5)(d), C.R.S.

Sunset criteria question whether the regulations establish the least restrictive form of governmental oversight consistent with the public interest.

While this requirement may have been necessary from a regulatory standpoint at one time, the Commissioner no longer finds that it is necessary.

Rather than require all credit unions to end their fiscal year on December 31, the board of directors of each credit union should be allowed to decide when the fiscal year ends, as long as it coincides with the end of a standard fiscal quarter, and when to hold the annual meeting.

All credit unions are required to undergo annual audits, and only a few firms are qualified to conduct these audits. Allowing credit unions to establish different fiscal years would allow the audits to be spread out, which may reduce the cost of the audits.

Therefore, the General Assembly should authorize the board of directors of each credit union to determine when the fiscal year ends and when the annual meeting is held, as long as the fiscal year coincides with the end of a standard fiscal quarter.

Recommendation 6 – Repeal the requirement that the Board send hearing notices by certified or registered mail.

Section 11-30-101.7(3)(a), C.R.S., requires notices for a community field of membership hearing to be sent by registered or certified mail to banks, savings and loan associations and other credit unions within the community to be served by the proposed credit union.

While certified mail allows the Division and the Board to verify that a delivery attempt was made, it does not guarantee that the addressee actually receives the notice. The addressee can decline to sign for or pick up the notice and then claim the notice was not received. This defeats the purpose of sending a notice by certified mail.

Registered mail takes longer to arrive than regular first-class mail or certified mail, which means the notices sent by registered mail will be delayed.

Additionally, both certified and registered mail also cost more than first-class mail.

The sixth sunset criterion questions whether the agency performs its statutory duties efficiently and effectively.

Repealing the requirement that hearing notices be sent via certified or registered mail would save money and streamline the administrative process, and it will not compromise the notification of financial institutions interested in the Board's hearings.

Therefore, the General Assembly should repeal the requirement that the Board send hearing notices by certified or registered mail.

Recommendation 7 – Make technical amendments.

The laws governing thrift and life care institutions have been in place many decades. As with any law, they contain instances of outdated, duplicative and confusing language, and the laws should be revised to eliminate obsolete references and to reflect current terminology and administrative practices. The following change is technical in nature, so it will have no substantive impact on the regulation of thrift or life care institutions.

The General Assembly should make the following technical change:

- Amend the Act to make it gender neutral by replacing terms such as “him,” “her,” “he” and “she” with a gender-neutral term; and
- Repeal section 11-30-124, C.R.S., as it refers to the transfer of functions of the State Bank Commissioner to the State Commissioner of Financial Services, which took place in 1988.

Appendix A – Customer Service Survey

In July 2023, COPRRR staff conducted a survey of all credit unions, savings and loan associations and life care institutions. The survey was sent to 51 individuals representing credit unions, savings and loan associations and life care institutions, and one email was returned as undeliverable. The survey received 14 responses, which is a 22 percent response rate. Survey results may be found below.

What is your relationship to the Division of Financial Services?

Relationship	Percentage
Credit Union	100%
Savings and Loan Association	0%
Life Care Institution	0%

In the past year, how many times have you interacted with the Division of Financial Services? Please count all forms of interaction (telephone, e-mail, internet or website, regular mail, in person).

Number of Interactions	Percentage
I have not interacted	0%
1 to 2 times	7.1%
2 to 4 times	28.6%
4 to 6 times	7.1%
6 to 8 times	28.6%
8 or more times	28.6%

If you have interacted with the Division of Financial Services, what was your primary purpose in doing so?

Purpose of Interaction	Percentage
Licensing or registration	0%
Inspection, audit or examination	42.9%
To file a complaint	0%
To learn about the requirements for a profession/occupation	0%
To learn about the functions of (insert name of program/agency)	0%
To obtain help with an issue	21.4%
Respond to a complaint	0%
Respond to a request made to you	0%
Participate in a board, committee, commission, taskforce or working group for the agency	14.3%
Comment on or learn about existing/proposed rules or legislation	14.3%
Continuing education	0%
Update my information	0%
Questions about the scope of practice	7.1%
Not applicable	0%
Other	0%

Overall please rate the service provided by the Division of Financial Services.

Service Provided	Percentage
Excellent	64.3%
Good	35.7%
Fair	0%
Poor	0%
Unacceptable	0%
Not Applicable	0%

Please rate the usefulness of the Division of Financial Services' website in answering your questions or providing needed information.

Website Usefulness	Percentage
Excellent	7.7%
Good	53.8%
Fair	23.1%
Poor	0%
Unacceptable	0%
Not Applicable	15.4%

Please rate the usefulness of the Division of Financial Services' communications in answering your questions or providing needed information.

Communications Usefulness	Percentage
Excellent	64.3%
Good	35.7%
Fair	0%
Poor	0%
Unacceptable	0%
Not Applicable	0%

Regardless of the outcome of your most recent issue, do you feel the Division of Financial Services listened to your concerns?

Listening to Concerns	Percentage
Excellent	69.2%
Good	23.1%
Fair	7.7%
Poor	0%
Unacceptable	0%
Not Applicable	0%

Please rate the timeliness of Division of Financial Services in responding to your issues.

Response Timeliness	Percentage
Excellent	92.3%
Good	7.7%
Fair	0%
Poor	0%
Unacceptable	0%
Not Applicable	0%

Please provide the number and types of interactions that were required to resolve or address your most recent issue. (Please select all applicable types of interactions used AND the number times for each type of interaction selected.)

Number of Interactions	Type of Interaction				
	Phone	Website	E-mail	In Person	Regular Mail
0 times	4	8	0	6	8
1 to 2 times	7	3	5	6	2
3 to 4 times	3	1	3	0	0
5 to 6 times	0	0	5	2	0
7 or more times	0	0	1	0	0

Please rate the helpfulness of the Division of Financial Services in resolving your issue or need.

Helpfulness	Percentage
Excellent	64.3%
Good	35.7%
Fair	0%
Poor	0%
Unacceptable	0%
Not Applicable	0%

Please rate the professionalism of the program's staff.

Professionalism	Percentage
Very professional	78.6%
Professional	21.4%
Somewhat professional	0%
Not very professional	0%
Unprofessional	0%
Not applicable	0%

Please rate the accuracy of information provided by the Division.

Professionalism	Percentage
Very accurate	42.9%
Accurate	50%
Somewhat accurate	0%
Not very accurate	7.1%
Inaccurate	0%
Not applicable	0%