

Texas Department of Banking

Press Release

Banking Commissioner Announces a Wholesale Revision of the Department's Policy Memorandum System

Date: October 14, 1996

Today, as part of the Texas Department of Banking's continuing efforts to modernize state banking and reduce regulatory burden, Commissioner Catherine A. Ghiglieri announces a wholesale revision of the Department's policy memorandum system. The revision updates policies issued to the state banking and trust company industries over the last ten years, and rescinds obsolete issuances. In addition, the Commissioner announces a modified system of formulating and distributing policies aimed at increasing industry input and access to policy memorandums.

The process to update and revise the Department's policy memorandums began in late 1995 with the passage of the Texas Banking Act, which modernized the Texas banking laws. Successive efforts have been devoted to reviewing and revising the rules and policy memorandums interpreting the Act to update and clarify industry guidance. The process to revise the policy memorandums included input by the industry and trade groups.

Fifteen of the previously existing twenty-seven policy memorandums (formerly called "Numbered Memorandums") have been rescinded in this process, with the remaining twelve substantially updated and revised. One of the most significant changes in the revision is the rescision of the Department's "Capital Policy" for state banks, which effectively imposed a higher capital burden on state banks than required for federally chartered institutions.

"The hard times for banking in Texas have clearly passed. It is time to allow the banks to pursue business in the most efficient and effective manner possible, while still being mindful of the safety and soundness of the system," stated Commissioner Ghiglieri. "I look forward to working closely with the industry to craft future policy memorandums which provide informed guidance without unduly binding innovative efforts."

The revised and future policy memorandums will be issued in the Interpretive Statements section of the Department's Texas Banking Act Manual.