

Texas Department of Banking

Press Release

Procedures Manual Released for Trust Departments and Trust Companies

Date: October 25, 1999

As part of an ongoing effort to update and refine the Department's supervisory process, Acting Banking Commissioner Randall S. James announces the release of the Texas Department of Banking's *Manual of Examination Procedures for Trust Departments and Trust Companies*. The public release of the procedures will ensure that regulated institutions are aware of, and can prepare for, examinations conducted by the Department's examiners.

These procedures are the result of approximately 36 months of collection, review and field testing by the Department's fiduciary examination staff. Included in each section is a listing of federal, state, and accounting guidance applicable to each subject. The draft examination techniques have been tested for over one year with excellent results.

While federal fiduciary examination procedures provide the basis for reviews of a bank's trust department operations, they do not address the additional complexities of independent trust company operations, nor do they assess compliance with Texas State laws. These items are addressed in detail in the Texas procedures manual. With the public release of the procedures, fiduciary management and directorate will be better informed of the criteria considered important to maintaining a well-run institution. Trust personnel may also use the procedures to conduct self-audits, or as a reference for structuring operations prior to entering a new product line.

"I am extremely proud of the quality of this product developed by our examiners. It is a comprehensive portrayal of the means we use to evaluate fiduciary operations under our supervision," stated Acting Commissioner James. "We are committed to updating the procedures to maintain relevance to quickly-changing supervisory and regulatory issues. I hope that all trust operations receiving a copy of the procedures take a moment to glance through their pages and realize the value of this resource."

All state-chartered trust companies and trust departments will receive one complimentary copy from the Department within the next two weeks. In addition, manuals may be ordered from the Department at a cost of \$97.50 per copy to cover a portion of the publication and mailing expenses. Orders may be placed with Mary Ates at 512-475-1348/mary.ates@banking.state.tx.us. The procedures are also available on the Department's web site at www.banking.state.tx.us under "Publications", and "Exam Procedures."