

Texas Department of Banking

Press Release

Texas Department of Banking Attains 4th National Accreditation

Date: June 3, 2008

WASHINGTON, D.C. – The Conference of State Bank Supervisors (CSBS) is pleased to announce the recent reaccreditation of the Texas Department of Banking, certifying that the Department maintains the highest standards and practices in state banking supervision.

“The Texas Department of Banking is pleased to be recognized by its peers as a highly skilled, competent, professional organization that capably fulfills the important responsibility of ensuring the safety and soundness of our state-chartered banks,” said Banking Commissioner Randall S. James.

The Texas Department of Banking was first accredited by CSBS in 1993, and now has been reaccredited three times – in 1998, 2003 and 2008.

Organizationally, the Department is under the Texas Finance Commission. As of December 31, 2007, the Banking Department licenses, charters and regulates the activities of 330 state-chartered banks with \$154.3 billion in assets with approximately 37,000 employees. In addition, the Department oversees bank holding companies, foreign banks, trust companies, money services businesses, prepaid funeral contracts, perpetual care cemeteries, private child support enforcement agencies, and check verification entities. The Department’s mission is to ensure Texas has a safe and sound financial services system.

The CSBS Performance Standards Committee voted for the accreditation, basing their vote on the reports of the Accreditation Review Team and Audit Team. Those teams evaluated the Department’s ability to fulfill its statutory responsibility to charter, examine, supervise and regulate all state-chartered commercial banks in Texas. Although the Department regulates additional financial institutions, the CSBS accreditation program limited its review to the regulation and supervision of state-chartered commercial banks, bank holding companies and independent trust companies.

The team reviewed seven designated areas: administration and finance; personnel; training; examination policies and procedures; ability to rate financial institutions, recognize problems and initiate effective corrective procedures; supervision; and legislative powers.

The review was conducted primarily on-site at the Department’s Austin office over three days in April. The report and scores are based on documentary evidence, such as a random sample of examination reports and other files. The CSBS Review Team conducted a thorough review of the Department’s self-evaluation questionnaire, interviewed key management personnel and a cross section of examiners and reviewed the products of supervision.

“The accreditation process provides an objective critical analysis to ensure we are current in our examination policies and procedures and that we employ nationally recognized best practices in

regulatory supervision and oversight. I am very proud of the department's staff and their efforts," James said.

CSBS is the nationwide organization for state banking, representing the bank regulators of the 50 states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands, and approximately 6,200 state-chartered financial institutions. The Conference is responsible for defending state authority to determine banking structure and the products and services state-chartered institutions can offer and for improving the quality of state bank supervision by providing department performance evaluation and accreditation programs and supervisory education/training programs for state banking department personnel.

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