

A brief history...

The Department of Financial Institutions (DFI) traces its origin to the Banking Act of 1912, which established the agency initially as the Department of Banking. It was charged with enforcing laws relating to banks, trust companies and savings banks doing business under Kentucky law.

The legislature mandated supervision of state-chartered savings (building) and loan associations in 1918 and added state-chartered credit unions in 1922. When the agency began oversight of the state's securities industry in mid-1932, it was renamed the Department of Banking and Securities.

Over the years, other regulatory responsibilities were added, including consumer and industrial loan companies in 1946, companies that sell money orders in 1966, mortgage loan companies and brokers in 1980 and check-cashing companies in 1992. As the agency's scope increased over the years to include other types of financial institutions, its organizational structure and name changed as well. It was renamed the Department of Financial Institutions in 1984.

COMMONWEALTH OF KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS



If you have questions, would like to request a speaker or additional quantities of this brochure at no cost contact:

Kentucky Department of Financial Institutions

1025 Capital Center Drive, Suite 200
Frankfort, KY 40601
800-223-2579
<http://kfi.ky.gov>

*The Department of Financial Institutions is an agency
of the Public Protection Cabinet*

The Public Protection Cabinet does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, sexual orientation, gender identity, ancestry or veteran status, and provides, on request, reasonable accommodations including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternative format, contact the Department of Financial Institutions. Hearing and speech-impaired persons can contact the agency by using the Kentucky Relay Service, a toll-free telecommunication device for the deaf (TTY). For voice to TTY, call 800-648-6057. For TTY to voice, call 800-648-6056.

Printed on recycled paper with state funds June 2014.

WHAT IS THE KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS?



Kentucky
UNBRIDLED SPIRIT™

KENTUCKY

DEPARTMENT OF FINANCIAL INSTITUTIONS

The Department of Financial Institutions (DFI) is the state agency responsible for chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. Industries and individuals for which it has oversight include:

- State-chartered banks
- State-chartered trust companies
- State-chartered credit unions
- Savings and loan associations
- Consumer loan companies
- Industrial loan companies
- Mortgage loan companies
- Mortgage loan brokers
- Mortgage individuals
- Check cashers/deferred deposit companies
- Sellers of money orders
- Title pledge lenders
- Money transmitters
- State-registered securities
- Broker-dealers and agents
- Investment advisors and investment advisor representatives
- Issuer agents

ORGANIZATION

DFI is headed by a commissioner, who is responsible for its overall administration and is assisted by a deputy commissioner, general counsel and three division directors.

The functional divisions of DFI include:

- Depository Institutions
- Nondepository Institutions
- Securities

THE DFI MISSION STATEMENT

DFI's mission is to serve Kentucky residents by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.

PUTTING THE MISSION TO WORK

In fulfilling its mission, DFI is dedicated to serving the suppliers, as well as the users, of financial services and assuring a stable market that brings the two together.

DFI also works to promote economic growth through increased capital, whether by initial capitalization of private investors or retained earnings, and by flexible policies, laws and regulations that provide for competition within the industries.

It is primarily through the examination process that the department determines if Kentucky's state-regulated financial institutions and individuals are exercising safe and sound practices and/or complying with applicable laws and regulations.

Depository institutions are evaluated in the areas of management, quality of assets, capital adequacy, earnings and liquidity and are checked for compliance with laws and regulations. Securities and nondepository examiners focus primarily on regulatory compliance and consumer protection issues.

DFI's long and continuing tradition of public service is supported and sustained by a highly skilled and diverse workforce that responds rapidly to changes in the financial environment.