

Of Interest In Kentucky

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Outgoing CSBS Chairman Vice Gives Year in Review Remarks

Charles A. Vice, DFI commissioner and immediate past chairman of the Conference of State Bank Supervisors (CSBS), gave remarks in May at the CSBS State-Federal Supervisory Forum where he highlighted state supervisors' regulatory and legislative achievements over the past year.

Vice's first act as CSBS chairman was the signing of the Supervisory Coordination Framework between CSBS and the Consumer Financial Protection Bureau. The framework ensures that state and federal regulators can work together to provide more efficient supervision, reduce burden for the industry, and improve consumer protection.

"Signing the framework was my first act as CSBS chairman," Vice said. "As I step down as chairman of CSBS, I will continue to work toward carrying out the objectives of this framework through the State Coordinating Committee."

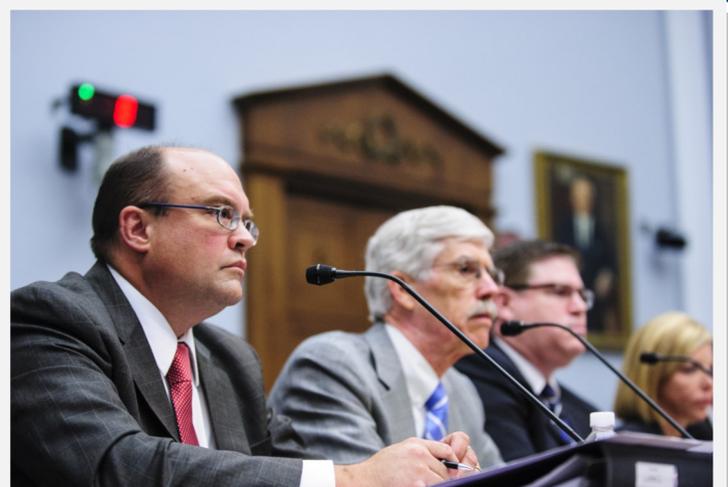
Under Vice's stewardship, CSBS stepped up efforts to increase data and quality research on the viability of the community banking model in 2013 and partnered with the Federal Reserve System to host the first-ever Community Banking in the 21st Century Research Conference. Vice also oversaw the formation

of the Emerging Payments Task Force, formed to study the changes in payments systems to determine the potential impact on consumer protection, state law, and banks and non-bank entities chartered or licensed by state financial regulators.

Vice told federal and state regulators in the audience that while CSBS met many accomplishments over the past year, there is still more work to be done.

"Until we reach a point where we have achieved balanced regulation and ended 'too-big-to-fail', we have not yet attained our ultimate goal of success; and therefore we must continue the important work of striving for a balanced and effective system of supervision that promotes a diverse, safe, sound and fair system."

Commissioner Charles Vice testifies before Congress during his tenure as chair of the Conference of State Bank Supervisors.



Butler Named Acting Deputy Commissioner



Sarah Butler is the acting deputy commissioner for the Kentucky Department of Financial Institutions (DFI). Sarah joined DFI on Feb. 18, 2013.

She oversees the Division of Depository Institutions and is responsible for the regulation of state-chartered banks and credit unions.

Butler has 23 years of experience in banking and lending. From 2009 to 2012 she was a loan review specialist and risk management examiner for the Federal Deposit Insurance Corporation. Prior and since then she worked in commercial lending and banking in Kentucky and Florida.

Moving Up— Several Promoted at DFI

In the past year several DFI employees have been promoted to new positions. Congratulations to these great employees:

Division of Depository Institutions

Credit Union Branch: Kevin Maguire

Bank Branch Manager: Holly Ross

Division of Nondepository

Nonmortgage Examination Branch Manager:

Rebecca Arthur

Licensing Branch: Pam Fitzgerald

Division of Securities

Compliance Branch Manager: Anna Dennis

Enforcement Branch Manager: Chad Harlan

Legal Department

General Counsel: Jessica Sharpe

Scruggs Named Nondepository Director



Tammy Scruggs joined DFI on April 16, 2014. As director she oversees the Nondepository Institutions Division, which

includes consumer loan companies, industrial loan companies, mortgage loan companies and brokers, mortgage loan originators and processors, check cashers, and money transmitters.

Scruggs has 17 years of experience in financial institutions industry, with 13 years in internal auditing. She spent five years as a Director of Internal Auditing in the banking industry and most recently served as an audit consultant at Kentucky Housing Corporation.

New Task Force Works to Prevent Financial Cybercrime



In February DFI formed a new task force with an objective to prevent, detect and respond to cybercriminal activity.

The Financial Cybercrime Task Force of Kentucky intends to serve the financial services industry on behalf of the public. DFI's management officially formed the group Dec. 16 to identify and address emerging threats in cybercrime and security.

“The task force will help alert the industry about cyberattacks that undermine the integrity of the Kentucky financial system,” said DFI Acting Deputy Commissioner Sarah Butler. “We also hope these efforts help protect consumers from fraud.”

Additionally, the task force will educate the industry about cyberthreats, monitor cybercrime and cybersecurity events, respond to attempted breaches and communicate with federal, state and local agencies.

At its inaugural meeting the task force reviewed performance objec-

tives, including a list of long-term issues to address. Three work groups were established: Membership and Structure, Monitoring and Reporting, and Educational Outreach.

“The task force membership offers expert knowledge based on many years of combined experience in the areas of finance and banking, information technology, law and fraud,” said Butler. “We will apply that knowledge to the cyber challenges within the constantly changing technology environment in the financial services industry.”

DFI Participates in Kentucky Saves Week Celebration

Gov. Steve Beshear proclaimed Feb. 24 - March 1, 2014, to be Kentucky Saves Week. The highlight of the week was a celebration event in the Capitol rotunda on Tuesday at 10 a.m. DFI and its partners recognized winners of two student contests emphasizing the importance of saving. Students across the Commonwealth had the opportunity to create original artwork about saving money through the Kentucky Extension Service’s piggy bank contest and the Kentucky Jump\$tart Coalition’s poster contest. These works of art were on display in the rotunda throughout February to remind everyone of the importance of good savings habits.

DFI also celebrated the Kentucky Saves campaign by offering presentations to schools and groups around the state on topics such as smart savings and avoiding fraud.

“Because of compound interest, the earlier you start saving the more you can build,” said DFI Commissioner Charles Vice. “Now is a great time to start – set a goal, make a plan and save automatically.”



Securities Examiner Marti Gibson left and AARP Volunteer Rita Harned register seniors for the Senior Scam Jam.



Students’ artwork on display in the Capitol Rotunda during the month of February, 2014 to celebrate Kentucky Saves Week.

Public Events Help Seniors Avoid Fraud

DFI hosted a Senior Scam Jam event in Maysville in June. Approximately 50 senior citizens attended and were educated about how to avoid falling victim to financial fraud. Attendees rated the overall program very highly, and many commented that they appreciated the resources and contact information to take home.

Find out more about the red flags of fraud at <http://kfi.ky.gov/public/Pages/scam/asp>.

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