

# New Hampshire Banking Department

## Budget Request Presentation

### 2024-2025 Biennium

The New Hampshire Banking Department (“NHBD”) is committed to protecting the public’s interest through the professional supervision of the financial services it regulates, thereby providing consumer protection in vibrant and competitive financial service markets.

#### 1) **Budget Structure of NHBD**

- a) NHBD is organized into two divisions:
  - i) Banking and Trust Division: oversees the activities of 17 state-chartered banks, 8 credit unions, and 42 non-depository trust companies and family trust companies.
  - ii) Consumer Credit Division (“CCD”): oversees several thousand consumer credit licensees (e.g., mortgage brokers, small loan lenders, money transmitters, etc.)
- b) NHBD has 48 positions, including 1 vacant position that is being reclassified, and 2 vacant/funded positions.

#### 2) **Funding**

- a) 100% of NHBD revenues come from Other Sources
- b) NHBD is funded entirely by the private businesses it regulates

#### 3) **Budget Proposal**

- a) Actual expenditures for FY 2022 for both divisions were \$5,838,144
- b) Adjusted Authorized expenses for FY 2023 for both divisions are \$6,857,459
- c) Budget Request for 2024: \$7,304,418
- d) Budget Request for 2025: \$7,821,718
- e) Position Requests:
  - i) 2 new positions in 2024: (1) Assistant Director of Trust Supervision; and (2) CCD Financial Examiner.
  - ii) 3 new positions in 2025: (1) Trust Supervision Financial Examiner; (2) CCD Financial Examiner; and (3) Hearings Examiner.
  - iii) Outside of the budget proposal, NHBD will seek to reallocate 3 positions to efficiently address the department’s staffing needs, creating the following positions: (1) Assistant Director of CCD; (2) Trust Supervision Financial Examiner; and (3) Banking Financial Examiner.

- 4) **Goal Accomplished by Budget Proposal:** Provide the NHBD with adequate, experienced and professional staff to cope with extraordinary growth in the emerging “fintech” companies and the exponential increase in the number of trust companies supervised by the department.

Growth in Licensees Examined by Consumer Credit Division

| Year        | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  |
|-------------|-------|-------|-------|-------|-------|-------|-------|
| # Licensees | 1,059 | 1,108 | 1,140 | 1,211 | 1,247 | 1,348 | 1,435 |

Growth in Trust Companies Supervised by the Trust Division

|                                     | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total # of Trust Companies          | 26      | 28      | 29      | 32      | 33      | 34      | 35      | 39      | 42      | 45      | 49      | 53      |
| Public Trust Co's                   | 24      | 26      | 26      | 28      | 29      | 30      | 31      | 34      | 37      | 40      | 43      | 46      |
| Family Trust Co's                   | 2       | 2       | 3       | 4       | 4       | 4       | 4       | 5       | 5       | 5       | 6       | 7       |
| AUA of Public Trust Co's (Billions) | \$416   | \$436   | \$450   | \$478   | \$544   | \$607   | \$669   | \$933   | \$1,176 | \$1,400 | \$1,700 | \$2,000 |
| Annual Growth Percentage            |         | 5%      | 3%      | 6%      | 14%     | 12%     | 10%     | 39%     | 26%     | 20%     | 20%     | 20%     |
| Exams/Visitations                   | 12      | 14      | 18      | 20      | 23      | 21      | 24      | 26      | 29      | 32      | 35      | 37      |
| # of Examiners                      | 4       | 4       | 4       | 4       | 5       | 5       | 5       | 5       | 6       | 6       | 9       | 9       |

| <b>Banking Division -2046</b>   |                                  | <b>2022 Actual</b> | <b>2023<br/>Appropriations</b> | <b>2024 Proposed</b> | <b>2025 Proposed</b> |
|---------------------------------|----------------------------------|--------------------|--------------------------------|----------------------|----------------------|
| 010                             | Personal Services-Perm.          | 1,495,529          | 1,705,758                      | 1,724,142            | 1,896,692            |
| 011                             | Personal Services-Unclassified   | 121,093            | 133,055                        | 124,390              | 127,854              |
| 017                             | FT Employees Special Payments    | 0                  | 0                              | 42,569               | 50,232               |
| 018                             | Overtime                         | 24                 | 1                              | 1                    | 1                    |
| 020                             | Current Expenses                 | 5,360              | 10,643                         | 10,850               | 10,850               |
| 022                             | Rents-Leases Other Than State    | 103,102            | 96,775                         | 110,378              | 116,896              |
| 024                             | Maint.Other Than Build.- Grnds   | 29                 | 500                            | 491                  | 491                  |
| 026                             | Organizational Dues              | 37,455             | 39,898                         | 33,781               | 42,980               |
| 027                             | Transfers To Oit                 | 205,279            | 214,904                        | 243,280              | 251,695              |
| 030                             | Equipment New/Replacement        | 386                | 500                            | 10,538               | 491                  |
| 039                             | Telecommunications               | 18,684             | 20,250                         | 19,871               | 19,871               |
| 040                             | Indirect Costs                   | 38,580             | 38,294                         | 36,747               | 36,747               |
| 046                             | Consultants                      | 0                  | 1                              | 0                    | 0                    |
| 049                             | Transfer to Other State Agencies | 705                | 705                            | 855                  | 906                  |
| 050                             | Personal Service-Temp            | 0                  | 1                              | 1,000                | 1,000                |
| 060                             | Benefits                         | 846,557            | 964,433                        | 1,046,666            | 1,175,300            |
| 061                             | Unemployment Compensation        | 0                  | 100                            | 100                  | 100                  |
| 062                             | Workers Compensation             | 0                  | 100                            | 9,457                | 9,761                |
| 064                             | Ret-Pension Bene-Health Ins      | 51,605             | 69,022                         | 69,316               | 77,011               |
| 066                             | Employee training                | 10,894             | 30,248                         | 31,155               | 31,155               |
| 070                             | In-State Travel Reimbursement    | 70                 | 44,401                         | 22,201               | 22,201               |
| 080                             | Out-Of State Travel              | 0                  | 54,000                         | 27,000               | 27,000               |
| 202                             | Relocation                       | 0                  | 0                              | 1,938                | 0                    |
| <b>TOTAL - Banking Division</b> |                                  | <b>2,935,352</b>   | <b>3,423,589</b>               | <b>3,566,726</b>     | <b>3,899,234</b>     |

| <b>Consumer Credit Division -2043</b>   | <b>2022 Actual</b> | <b>2023 Appropriations</b> | <b>2024 Proposed</b> | <b>2025 Proposed</b> |
|---|--------------------|----------------------------|----------------------|----------------------|
| 010 Personal Services-Perm.             | 1,342,871          | 1,585,300                  | 1,688,548            | 1,773,001            |
| 012 Personal Services-Unclassified      | 98,791             | 115,805                    | 110,683              | 110,683              |
| 013 Personal Services-Unclassified      | 102,045            | 107,574                    | 102,517              | 102,518              |
| 017 FT Employees Special Payments       | 0                  | 0                          | 46,937               | 53,739               |
| 018 Overtime                            | 406                | 1                          | 1                    | 1                    |
| 020 Current Expenses                    | 6,856              | 12,857                     | 13,357               | 13,357               |
| 022 Rents-Leases Other Than State       | 103,102            | 96,775                     | 123,764              | 121,375              |
| 024 Maint.Other Than Build.- Grnds      | 29                 | 500                        | 509                  | 509                  |
| 026 Organizational Dues                 | 20,105             | 14,202                     | 23,220               | 28,021               |
| 027 Transfers To Oit                    | 200,731            | 222,238                    | 252,639              | 261,377              |
| 030 Equipment New/Replacement           | 386                | 500                        | 11,462               | 510                  |
| 039 Telecommunications                  | 19,214             | 20,250                     | 20,635               | 20,635               |
| 040 Indirect Costs                      | 25,313             | 21,165                     | 24,498               | 24,498               |
| 046 Consultants                         | 0                  | 1                          | 0                    | 0                    |
| 049 Transfer to Other State Agencies    | 139,586            | 144,559                    | 140,459              | 142,873              |
| 050 Personal Service-Temp               | 0                  | 1                          | 0                    | 1                    |
| 060 Benefits                            | 783,062            | 972,813                    | 1,060,285            | 1,145,800            |
| 061 Unemployment Compensation           | 0                  | 100                        | 100                  | 100                  |
| 062 Workers Compensation                | 8,311              | 100                        | 9,820                | 10,136               |
| 064 Ret-Pension Bene-Health Ins         | 46,473             | 61,378                     | 63,984               | 71,089               |
| 066 Employee training                   | 5,445              | 25,253                     | 26,011               | 26,011               |
| 070 In-State Travel Reimbursement       | 66                 | 7,499                      | 3,750                | 3,750                |
| 080 Out-Of State Travel                 | 0                  | 24,999                     | 12,500               | 12,500               |
| 202 Relocation                          | 0                  | 0                          | 2,013                | 0                    |
| <b>TOTAL - Consumer Credit Division</b> | <b>2,902,792</b>   | <b>3,433,870</b>           | <b>3,737,692</b>     | <b>3,922,484</b>     |