

New Hampshire Banking Department Budget Presentation 2022-2023 Biennium

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

1) Structure of the NHBD

- NHBD is organized into two accounting units:
 - Accounting Unit 2046 – Bank, Credit Union and Trust Supervision, which oversees 16 banks, 9 credit unions, 34 non-depository trust companies and 4 family trust companies.
 - Accounting Unit 2043 – Consumer Credit Supervision, which oversees several thousand licensed entities (i.e., mortgage bankers and brokers, small loan companies, money transmitters, etc.).
- NHBD has 54 Authorized positions, including 5 funded but open positions and 6 unfunded positions.
- NHBD is not seeking any additional positions in the 2022-2023 budget request.
- NHBD may consolidate and/or reclassify several existing positions in order to improve service to consumers and businesses, increase budget efficiency, and refocus existing positions in response to an increasing interest in the non-depository trust charter.

2) NHBD Funding

- The NHBD does not use any General or Federal Funds.
- 100% of NHBD revenues come from Other Sources – Agency Income.
- NHBD is funded entirely by fees and fines charged to the private businesses it regulates.

3) Efficiency Budget Figures

- Current fiscal year Adjusted Authorized expenses for both accounting units are \$6,646,153.¹
- Governor and House recommendation for 2022: \$6,424,143
- Governor and House recommendation for 2023: \$6,742,070
- The NHBD supported the Governor’s budget recommendations and also supports the department budget as approved by the House.

¹ The NHBD’s budget details begin on page 176 of HB 1-A as approved by the House of Representatives on April 7, 2021 and available here: [HB1 House Passed 4721.pdf\(state.nh.us\)](#)

4) FY 2020 Actual and FY 2021 Adjusted Authorized compared to House Approved 2022/2023 Operating Budget

- Fiscal Year 2022 House approved NHBD operating budget is \$222,010 or 3.3% less than the 2021 Authorized amount. Savings attributed to:
 - Implementation of a “career ladder” for examination staff;
 - Careful examination scoping; and
 - More use of technology-enabled off-site examinations.
- Fiscal Year 2023 House approved NHBD operating budget represents just a \$95,917 or 1.4% increase over the Fiscal Year 2021 Authorized budget.

	2020	2021	\$ Dif	% Dif	Gov/House	\$ Dif	% Dif	Gov/House	\$ Dif to	% Dif to
	Actual	Authorized			2022	21 Auth		2023	2022	2022
AU 2046 - Banking	\$ 2,686,134	\$ 3,259,935	\$ 573,801	21.36%	\$ 3,201,729	\$ (58,206)	-1.78%	\$ 3,363,952	\$ 162,223	5.06%
AU 2043 - Cons. Credit	\$ 2,884,968	\$ 3,386,218	\$ 501,250	17.37%	\$ 3,222,414	\$ (163,804)	-4.83%	\$ 3,378,118	\$ 155,704	4.83%
Total	\$ 5,571,102	\$ 6,646,153	\$ 1,075,051	19.29%	\$ 6,424,143	\$ (222,010)	-3.34%	\$ 6,742,070	\$ 317,927	4.94%

5) No Significant or Substantial Issues to Report

- The 2022-2023 NHBD operating budget as proposed by the Governor and approved by the House is a maintenance of effort budget.
- The NHBD is experiencing significant growth in the trust company regulation and anticipates the need to request funds for additional staff in Fiscal Years 2024 and 2025 to accommodate this growth responsibly.

6) HB 2 Section 285: Recovery of PDIP Expenses

- Section 285 of HB 2-FN-A-LOCAL (beginning at line 34 on page 141 and copied below), was requested by the NHBD and will allow recovery of actual expenses incurred for operation of the New Hampshire Public Deposit Investment Pool.

285 New Paragraph; Bank Commissioner; Public Deposit Investment Pool. Amend RSA 383:22 by inserting after paragraph IV the following new paragraph:

V. The commissioner shall charge the public deposit investment pool any actual costs incurred by the department for the operation of the pool as well as any expenses of department personnel assisting in the operation of the pool. The cost for personnel assisting in the operation of the pool shall be determined in accordance with the per diem examination charge established in RSA 383:11, I, provided that the requirement that no entity shall be charged or pay less than one full day shall not apply. The private investment advisor retained under paragraph II shall be responsible for processing any invoice submitted for the actual costs incurred by the department and the expenses of department personnel under this paragraph.