

Vision
 Advance a nationally recognized, strong and vibrant financial marketplace benefiting Arizona citizens and businesses.

Mission

To license, examine and supervise Financial Institutions, in compliance with State law, to ensure safety for the Arizona consumer and soundness for Arizona businesses.

Agency Description

The Department of Financial Institutions (DFI) licenses, supervises and regulates state-chartered financial institutions and enterprises to ensure the safety and soundness of these financial entities, and verify compliance with state and federal laws. DFI also serves Arizona citizens by investigating complaints that are filed by consumers against licensed individuals and entities and applies appropriate remedial action when the violations are substantiated.

Executive Summary

The Department of Financial Institutions (DFI) is facing an increasingly complex financial services industry offering products to Arizonans. The increasing number of licensees has significantly out-paced our tools necessary to license and supervise those companies. DFI is currently dependent on an antiquated licensing system that has been utilized since 1996. An integrated electronic content management system is in development in collaboration with other state boards and commissions via the Arizona e-licensing system. The implementation of this system will support more efficient processes, guide new business models, and allow for web based applications and emerging technologies in the Financial Technology (FinTech) industry. FinTech is changing how, where and when payments are made.

Excessive turnover with examiners and other key personnel, promotional opportunities and competitive salaries are challenges causing inefficiencies. DFI will continue to build a more efficient organization that achieves both regulatory requirements and citizen and business expectations.

<i>All dollars in thousands</i>	General Fund	Other Appropriated	Non-appropriated	Total
FY 2019 Enacted	1,984,800	4,012,600	663,000	6,660,400
Goal 2				
Funding Issue #1		0		0
Funding Issue #2		(12,000)		(12,000)
FY 2020 Request	\$ 0.00	\$ (12,000)	\$ 0.00	\$ (12,000)
		<i>\$ Change</i>		<i>\$ (12,000)</i>
		<i>% Change</i>		<i>-0.2%</i>



Goals	Goal Performance Indicator(s)	Objectives FY 2019
1: Establish an integrated and secure electronic content management system for applications, renewals, modification and payments that improves services to licensees and consumers	% of services offered on-line	a) Identify and eliminate roadblocks that prevent electronic services
	Time-savings, reduction in employee data entry	b) Integrate 100% of license types into a new database management system in FY19
2: Develop an engaged, professional workforce that meets the demands of a changing financial marketplace	Employee engagement ratio	a) Develop and implement a training plan for 100% of examiners
		b) Modify employee communication and recognition plan
	Employee attrition	c) Retain 95% of those employees that exceed expectations on MAP scores
3: Achieve and build an efficient organization for Arizona citizens and business expectations and regulatory requirements	Number of regulatory requirements modified	a) Repeal 25% of appraisal rules and modify 20% of Financial Institutions and Enterprise rules
	Number of regulatory requirements repealed	b) Develop a plan to reduce the regulatory burden by 25% on licensees in the Mortgage and Financial Services and examination areas
	Become more efficient and streamline processes to reduce the average time it takes the examiner to complete the report of examination	c) Modify Financial Services examination report and processes to reduce regulatory burden by 25%
		d) Develop and implement an on-line stakeholder survey and implement 25% of suggestions
	Create and maintain policies and procedures for Financial Services and update the examination process to become cost-effective and reduce billable hours	e) Retain accreditation status with 100% of the State supervisory associations to fulfill the statutory requirements of supervision of state Financial Institutions and Enterprises
	Accreditation status (Banks/Credit Unions; Mortgage; RE Appraisal) Approve applications faster to allow companies to start businesses sooner to provide services to Arizona citizens	f) Reduce Financial Services application lead times by 10%
4: Become the leader in emerging financial services technology	25% of employee participation in working groups	a) Participate with Conference of State Bank Supervisors (CSBS) by 25% key department examination staff