

State Banking Board Approves Reduction in 2016 Assessments

State Bank Commissioner Mick Thompson announced this week that the Oklahoma State Banking Board has approved the Commissioner's recommendation to reduce the total collected assessment paid by all state-chartered banks in Oklahoma by 30% for each bank with assets totaling less than \$500 million and by 15% for each bank with assets totaling more than \$500 million. The Commissioner presented a proposed budget to the Board that reflected how the Department can continue its efficient operation even with the reduction in assessments.

This is the fifth year in a row that the Board approved reduced assessment rates for state-chartered banks. Last year the reduction in assessments caused the Department to operate at a deficit and utilize any excess reserve funds. This year's reduction should allow the Department to operate closer to a break-even position. Commissioner Thompson pointed out that the Legislature and Governor are insistent that agencies not create large reserve funds that are unnecessary for the agencies' operations: "With this year's reduction, the Banking Department should be able to maintain a reserve account that will provide a reasonable cushion for unplanned events, but will also fit within Governor Fallin's call to be fiscally responsible."

In addition, the Commissioner stated that a reduction in assessments is one of the ways that the State Banking Department can reduce regulatory burden on state-chartered institutions. He recognized that the vast majority of regulatory matters are issued from the federal government and that the states cannot directly eliminate that burden. However, he stated that any savings achieved by a reduction in assessments can be redirected by the banks toward the increased costs necessary to comply with federal laws.



***The Oklahoma State
Banking Board***
*Pictured top row, left to
right: Sandy Bracken,
First Liberty Bank; Tom
Thompson, Lay Member;
Wade Huckabay, All
America Bank;
Commissioner Mick
Thompson; Brad Krieger
Arvest Bank; Dennis
Brand, BancFirst; and
Bob Newcomb, Bank of
Western Oklahoma*

