



DEPARTMENT OF  
**FINANCIAL INSTITUTIONS**

**STRATEGIC PLAN**  $\frac{2023}{2026}$

Photo: UDFI Team Member Angie Schilhabel

# AGENCY OVERVIEW



## Who We Are

The Utah Department of Financial Institutions (“UDFI”) is a regulatory agency statutorily charged with chartering, supervising, regulating, and examining entities that offer deposit taking, lending, and other financial services in the State of Utah. Established in 1913, UDFI has a proud history of ensuring the citizens of Utah have reliable access to safe and sound financial services, thereby promoting stability, confidence, and fairness in the financial lives of Utah consumers and businesses.

Utah is a significant and strong participant in our nation’s banking system. Our regulated entities provide a wide range of financial services to the public. A safe and sound financial services industry that reliably and fairly meets the credit and deposit needs of Utah families and businesses is essential to a healthy economy. UDFI strives to be a recognized leader in financial services regulation. Through our regulatory oversight, we help ensure the economy can appropriately thrive in the good times and can reasonably adapt in periods of cyclical challenge.

## What We Do

Through a robust program of recurring examinations, the UDFI oversees a mix of industries and entity types, primarily insured depository institutions and non-depository institutions.

### *Depository Institutions*

As of year-end 2022, UDFI regulated 19 state-chartered commercial banks, 15 industrial banks, and 25 state-chartered credit unions. Combined, these institutions help Utah rank sixth in the nation in terms of states with banking assets under

the jurisdiction of the local regulator. These entities provide a trustworthy, federally-insured place for consumers to keep their money; they provide credit to families and small businesses and offer critical stability and reliability in commercial and personal transactions.

As the chartering authority for Utah’s state-chartered depositories, our regulatory work is typically conducted in close partnerships with Federal regulatory agencies, including the FDIC, the NCUA, the Federal Reserve System, and the Consumer Financial Protection Bureau.

### *Non-depository Institutions*

UDFI also registers and regulates several other industries that offer financial services to the public, including non-depository lenders, money transmitters, check cashers, and mortgage servicers.

We maintain strong, cooperative relationships with regulators in other states who also regulate non-depositories. When appropriate, we seek to ensure Utah’s interests are represented in multi-state examinations of such entities.

## Preparing For The Future

UDFI strives to be a leader in financial services regulation. Our strategic plan provides a roadmap to ensure we not only build upon our established credibility and expertise, but that we prepare our staff to be ready to help Utahns safely engage with today’s rapidly evolving financial services landscape.

# OUR PURPOSE AND VALUES



## Mission

Our mission is to charter, regulate, and examine corporations and persons furnishing financial services to the people of Utah.

We ensure financial services are delivered fairly by safe, sound, well-regulated market participants who comply with the law.

We also support the development of a healthy financial services ecosystem in Utah by providing credible regulation that enables responsible innovation, while safeguarding the interests of depositors, borrowers, and shareholders.

## Vision

Utah is a national leader in financial services regulation, and is renowned for its proficient, responsive, and fair approach to supervision.



Commissioner Darryle Rude

## Core Values

### Integrity and Trust

We conduct ourselves with honesty, reliability, and a principled duty of care to safeguard the trust placed in us by the public, our regulated entities, and our regulatory partners. We are approachable and responsive to all stakeholders.

### Fairness

We perform our work objectively and with impartiality, adhering to fundamental principles of safety and soundness and compliance in the review of all supervised entities. We ensure laws and regulations are applied consistently and fairly.

### Adaptability

We are open to new ideas and responsible innovation that is done in a safe and sound manner and without harm to consumers. We adapt to the evolving financial services industry in order to effectively supervise new products, services, and technologies. We are forward-looking and strive to identify emerging risks.

### Teamwork

We maintain strong collaborative relationships with each other and all our stakeholders by communicating openly, resolving conflict respectfully, recognizing success, and sharing expertise. Our employees are our greatest asset. We work as a team and support each other. We treat everyone with respect and value diversity.

### Proficiency

We produce thorough, timely and accurate work that is based on unbiased, well-founded facts. We communicate conclusions clearly. We continually seek to expand our core competencies. We seek to understand new concepts and identify emerging trends.



Photo: UDFI Team Member Dan Gardiner

# GOALS, OBJECTIVES, AND STRATEGIES

Our Strategic Plan is a long range, future-oriented, aspirational tool to help guide the Department's actions, priorities and decision making in the years ahead. The goals, objectives and strategies outlined below are designed to advance the proficiency and efficiency of our operations. Accomplishing our goals will enable us to fulfill our vision for the future as we practice our core values.

Our goals are long-term, high-level statements of the outcomes the UDFI will strive to achieve over a five-to-ten-year planning horizon. Each goal is supported by mid-term objectives to be realized over three-to-five years. Near-term strategies are the methods and tasks the Department will accomplish in the next few years to incrementally meet objectives and, ultimately, our goals.



## GOAL 1

### BE A LEADER IN FINANCIAL SERVICES REGULATION

#### OBJECTIVE: Deliver Proficient, Timely and Responsive Regulation

**Strategy: Conduct Effective Examinations.** Maintain timely examination cycles. Appropriately staff examinations. Expand exam teams for large and complex institutions. Produce timely and thorough exam products that are based on well-founded facts. Communicate clear, timely conclusions. Drive corrective action when necessary.

**Strategy: Communicate with Industry.** Be approachable. Convene and solicit industry input. Build trust through competence. Participate in industry events. Respond to requests in a timely manner.

**Strategy: Support Responsible Innovation.** Find opportunities to engage with and learn from nontraditional market participants. Provide training in new technologies and innovative or emerging financial products.

#### OBJECTIVE: Promote Consumer Protection

**Strategy: Enhance Consumer Experiences.** Study consumer complaint trends. Explore ways to more efficiently process consumer complaints. Reduce friction in the Department's consumer facing processes.

**Strategy: Raise Awareness.** Seek opportunities to educate underrepresented communities on financial literacy and responsible access to the banking system. Develop a program to identify and deliver such content.

#### OBJECTIVE: Identify and Respond to Emerging Trends

**Strategy: Expand data analytics capabilities.** Expand offsite monitoring processes and engage with outliers. Train more staff on data analytics tools.

**Strategy: Gather More Timely Information.** Increase collaboration with federal and state partners to identify emerging issues. Develop strategies to gather industry sentiment and additional data when necessary.

#### OBJECTIVE: Preserve a Strong Dual Banking System

**Strategy: Defend State Supervision.** Participate in national efforts to inform policymakers on the value of state regulation. Volunteer leadership when needed. Identify opportunities to support consistent regulation across states that also preserves state sovereignty.



## GOAL 2

# MAINTAIN AN ENGAGED AND PROFICIENT WORKFORCE

### OBJECTIVE: Increase Employee Engagement and Retention

**Strategy: Enhance Training.** Supplement external training with timely, internally provided curriculum. Reward content developers/trainers. Implement a mentoring program for new employees. Reward effective mentors.

**Strategy: Improve Employee Experience.** Create positive experiences for employees. Communicate proactively. Convene more often. Foster a sense of belonging. Celebrate successes more frequently.

**Strategy: Right-size Staffing.** Advocate for agency resources that align with supervisory demands (e.g., ideal examination participation, expanded support for large or complex institutions, changes in complaint volume and complexity, greater representation on multi-state examinations, etc.). Explore headcount methodologies of peers.

**Strategy: Strive for Competitive Compensation.** Study root causes of turnover and job dissatisfaction. When indicative, use data to advocate for wage-based market comparability studies. Ensure accurate comparison points are deployed by market analysts. Pay for successful and exceptional performance. Incentivize excellence.

### OBJECTIVE: Attract Skilled Talent

**Strategy: Modernize recruiting.** Study effective hiring strategies. Implement best practices that attract skilled candidates and reduce time to fill vacancies. Increase awareness of the Department's mission with job seekers (e.g., establish relationships with Utah's educational facilities, participate in job fairs, etc.).

### OBJECTIVE: Develop Effective Leaders

**Strategy: Expand Development Opportunities.** Improve workforce mobility. Cross train for leadership roles. Provide more leadership training across employee levels.

**Strategy: Assess Department Structure.** Study the Department's organizational structure. Compare and contrast with other agencies and other states. Identify potential load balancing opportunities, efficiency gains, and promotional opportunities.



Photo: UDFI Team Member Dan Gardiner



## GOAL 3

### MODERNIZE INTERNAL PROCESSES TO BOOST EFFICIENCY AND ACCOUNTABILITY



Photo: UDFI Team Member Teri Remington

#### **OBJECTIVE: Ensure Quality and Accountability**

**Strategy:** Broaden internal policies and procedures to strengthen consistency of practices, protect information assets, and better memorialize institutional knowledge.

**Strategy:** Develop a quality assurance role to consistently review, audit, and test internal processes and compliance with procedures.

#### **OBJECTIVE: Deploy Effective Technology**

**Strategy:** Equip our employees and our facilities with the technology resources necessary to work with efficiency and security.

**Strategy:** Modernize internal processes and evolve paper-based work to digital products and processes.

#### **OBJECTIVE: Prepare for Adverse Conditions**

**Strategy:** Strengthen plans and practices to better safeguard against adverse events, economic cycles, and difficult operating conditions.



## GOAL 4

### SUPPORT THE DEVELOPMENT OF RESPONSIBLE FINANCIAL SERVICES IN UTAH

#### **OBJECTIVE: Advocate for Effective, Modern Laws and Rulemaking**

**Strategy:** Support laws and, where necessary, effective rules that permit responsible financial services innovation to develop in Utah.

#### **OBJECTIVE: Modernize Application Processes**

**Strategy:** Review our application process and statutory requirements to identify historical impediments to enable more timely, consistent decision making. Reduce decision time. Establish and expand channels to more clearly communicate approval requirements and operating expectations.

#### **OBJECTIVE: Ensure Responsible Bank Partnerships**

**Strategy:** Study best practices at institutions conducting bank partnerships (e.g., banking-as-a-service, third party lending). Assess the need to establish additional standards to promote strong practices, prevent the dilution of quality, and protect consumers. If standards are warranted, obtain industry feedback and build consensus.

**Strategy:** Develop universal tools and training for examinations involving bank partnerships. Conduct horizontal examinations across industry participants. Develop criteria for conducting examination work at partners.

# MEASURING AND MONITORING SUCCESS



## PERFORMANCE MEASURES

Achieving and Maintaining Desired Outcomes

### GOAL 1: BE A LEADER IN FINANCIAL SERVICES REGULATION

- Percentage of depository examination reports produced under timely accreditation standards
- Percentage of examinations conducted on cycle
- Percentage of large or complex bank examination events with three or more UDFI examiners assigned
- Number of non-depository multi-state examination events participated in

### GOAL 2: MAINTAIN AN ENGAGED AND PROFICIENT WORKFORCE

- Average tenure of all department staff
- Average tenure of examination staff
- Percentage of staff turned over in one year
- Number of employee engagement events held annually
- Percentage of examination staff completing core schools
- Percentage of department staff receiving two training events per year.

### GOAL 3: MODERNIZE INTERNAL PROCESSES TO BOOST EFFICIENCY AND ACCOUNTABILITY

- Percentage of internal policies reviewed and renewed annually
- Average workpaper audit score
- Percentage of strategic plan work plan milestones met on time
- Days to process applications

### GOAL 4: SUPPORT THE DEVELOPMENT OF RESPONSIBLE FINANCIAL SERVICES IN UTAH

- Changes in assets under supervision
- Percentage of institutions with satisfactory or higher CRA evaluations



## ANNUAL WORKPLANS

How We Will Plan for Success, Gauge Improvement and Drive Accountability

The department will develop actionable work plans to ensure that strategies for achieving our goals and objectives are:

- supported by timebound deliverables
- assessed to identify supportive resource needs (e.g., time, budget)
- assigned a champion
- allocated the appropriate resources
- formally monitored, progress tracked, and completion status reported





Photo: UDFI Team Member Shaun Berrett



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