



DEPARTMENT OF
FINANCIAL INSTITUTIONS

STRATEGIC PLAN $\frac{2024}{2027}$

Photo: UDFI Team Member Tonya Long

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 2023, UDFI regulated 19 state-chartered commercial banks, 15 industrial banks, and 24 state-chartered credit unions. Combined, these institutions help Utah rank fifth 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, mortgage servicers, and trust companies.

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 our 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 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.

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 that follow 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 make progress on our objectives and, ultimately, achieve our goals.



Photo: UDFI Team Member Dan Gardiner



GOAL 1

BE A LEADER IN FINANCIAL SERVICES REGULATION

OBJECTIVE 1.1: Deliver Proficient, Timely and Responsive Regulation

Strategy 1.1.1: Conduct Effective Examinations. Maintain timely examination cycles and report production. Appropriately staff examinations. Expand exam teams for large and complex institutions. Communicate clear, timely conclusions.

Strategy 1.1.2: Communicate with Industry. Convene and solicit industry input. Participate in industry events. Build trust through competence.

Strategy 1.1.3: 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 1.2: Promote Consumer Protection

Strategy 1.2.1: Enhance Customer Experiences. Study consumer complaint trends. Explore ways to more efficiently process consumer complaints. Reduce friction in the Department's customer facing processes.

Strategy 1.2.2: Raise Awareness. Participate in the advancement of financial literacy in underrepresented communities. Promote responsible access to the banking system.

OBJECTIVE 1.3: Identify and Respond to Emerging Trends

Strategy 1.3.1: Expand Data Analytics Capabilities. Expand offsite monitoring processes and engage with outliers. Train more staff on data analytics tools.

Strategy 1.3.2: 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 1.4: Preserve a Strong Dual Banking System

Strategy 1.4.1: 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.



Photo: UDFI Team Member Yolanda Valencia-Price



GOAL 2

MAINTAIN AN ENGAGED AND PROFICIENT WORKFORCE

OBJECTIVE 2.1: Increase Employee Engagement and Retention

Strategy 2.1.1: 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 2.1.2: Improve Employee Experience. Create positive experiences for employees. Convene and communicate more often. Foster a sense of belonging. Celebrate successes more frequently.

Strategy 2.1.3: 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 necessary to manage complaint volumes and complexity, greater representation on multi-state examinations, etc.).

Strategy 2.1.4: Strive for Competitive Compensation. Study root causes of turnover and job dissatisfaction. When indicative, use data to advocate for wage-based market comparability studies. Pay for successful and exceptional performance. Incentivize excellence.

OBJECTIVE 2.2: Attract Skilled Talent

Strategy 2.2.1: Modernize Recruiting.

Modernize hiring practices. Implement best practices that attract skilled candidates. 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 2.3: Develop Effective Leaders

Strategy 2.3.1: Expand Development Opportunities. Improve workforce mobility. Cross train for leadership roles. Provide more leadership training across employee levels.

Strategy 2.3.2: 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 Carrie Trujillo



GOAL 3

MODERNIZE OPERATIONS TO BOOST EFFICIENCY AND ACCOUNTABILITY

OBJECTIVE 3.1: Ensure Quality and Accountability

Strategy 3.1.1: Update Internal Policies and Procedures.

Strengthen consistency of practices, protect information assets, and better memorialize institutional knowledge.

Strategy 3.1.2: Develop a Quality Assurance Role.

Consistently review, audit, and test internal processes and compliance with procedures and standards.

OBJECTIVE 3.2: Deploy Effective Technology and Facilities

Strategy 3.2.1: Modernize Equipment and Facilities.

Provide employees with the facilities and technology resources necessary to work with efficiency and improved security and safety.



Strategy 3.2.2: Standardize Document Storage and Retention Criteria. Establish documentation standards that balance paper vs digital solutions that promote security.

OBJECTIVE 3.3: Prepare for Adverse Conditions

Strategy 3.3.1: Strengthen Response Plans. Improve planning and procedures to better prepare for adverse events, economic cycles, and difficult operating conditions.



Photo: UDFI Team Member Laura Olsen



GOAL 4

SUPPORT THE DEVELOPMENT OF RESPONSIBLE FINANCIAL SERVICES IN UTAH

OBJECTIVE 4.1: Advocate for Effective, Modern Laws and Rulemaking

Strategy 4.1.1 Assess Statutory Adequacy. Support laws and, where necessary, effective rules that permit responsible financial services innovation to develop in Utah.

OBJECTIVE 4.2: Modernize Application Processes

Strategy 4.2.1 : Strengthen Application Processes. Review our application process and statutory requirements to identify historical impediments to enable more timely, consistent decision making. Reduce decision time. Establish channels to more clearly communicate approval requirements and operating expectations.

OBJECTIVE 4.3: Ensure Responsible Bank Partnerships

Strategy 4.3.1: Study Best Practices. Document range of industry practice for banking-as-a-service and 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 and build industry consensus.

Strategy 4.3.2: Deploy Standardized Tools. Develop universal tools and training for examinations involving bank partnerships. Conduct horizontal examinations across industry participants. Develop criteria for conducting examination work at partners.

STRATEGIC PLAN: ACCOMPLISHMENTS 2023 – 2024

OBJECTIVE AND STRATEGY ADVANCED	WHAT WE ACHIEVED IN PRIOR PLAN YEAR
1.1.1 Conduct Effective Examinations – Maintain Timely Exam Cycles	✓ Met objectives and maintained timely exam cycles.
1.1.1 Conduct Effective Examinations – Adequately Staff Examinations	✓ Secured budget increase to expand exam staff by five (effective in July 2024).
1.1.2 Communicate with Industry – Participate in Industry Events	✓ Maintained quarterly meeting cadence with banks, credit unions, DFI board. Presented at industry events. Attended conferences.
1.1.3 Support Responsible Innovation – Provide training opportunities in emerging technologies	✓ Established Emerging Tech Team. Enrolled team in blockchain training course.
1.2.1 Enhance Customer Experience – Reduce friction in the DFI consumer facing processes	✓ Completed customer experience enhancements (e.g., forms, website) and expanded feedback channels.
1.2.2 Raise Awareness – Participate in advancement of financial literacy; promote responsible access to the banking system	✓ Provided financial support and time to UFEC and Women in the Money Conference. Presented at Jump\$tart’s \$tart \$mart teacher’s summit.
1.3.1 Expand Data Analytics Capabilities – Train more staff on data analytics	✓ Established Data and Monitoring Team. Provided training opportunities (cross training underway).
1.4.2 Defend State Supervision – Inform policymakers on the value of state regulation; volunteer leadership in national associations	✓ Met with Utah’s congressional delegation and other lawmakers. Testified at Utah legislative hearings. Volunteered in CSBS leadership roles/committees/board. Arranged Utah bankers visit to CSBS.
2.1.1 Enhance Training – Supplement external training; implement mentoring program	✓ Added training to staff meetings. Established Training Team and Mentoring Team. Teams surveyed staff and peers on needs (development of formal programs and internal curriculum underway).
2.1.2 Improve Employee Experience – Create positive experiences; convene and communicate more often	✓ Celebrated and recognized staff. Created employee appreciation moments. Completed service project. Enhanced staff meeting content and frequency.
2.1.3 Right –size Staffing – Advocate for resources; create positive experiences; convene and communicate more often	✓ Secured budget increase to expand exam staff by five (effective in July 2024). Consulted with other states on headcount methodologies.
2.1.4 Strive for Competitive Compensation – Use data to advocate for market comparability studies; deploy pay for performance	✓ While ultimately not awarded by the Legislature, ensured data led the Governor’s budget to recommend market comparability adjustments for certain UDFI roles. Applied pay for performance awards.
2.2.1 Modernize Recruiting – Study hiring strategies	✓ Established Recruiting Team. Team consulted other agencies and began designing revised hiring processes (redesign underway).
2.3.1 Expand Development Opportunities – Improve workforce mobility	✓ Leadership reorg created additional leadership roles/opportunities.
2.3.2 Assess Department Structure – Study structure, identify load balancing opportunities.	✓ Created new Consumer Affairs Director position. Promoted from within. Backfilled vacated role with a supervisor promotion.
3.1.1 Update Internal Policies and Procedures – Strengthen consistency of practice; memorialize institutional knowledge.	✓ Established Exam Processes Team. Team began to centralize exam tools. Established content needs for a <i>Supervisors Guide</i> and began content creation (content underway). Consolidated and updated multiple policies.
3.2.1 Modernize Equipment and Facilities – Provide employees with facilities and technology resources that improve efficiency and security.	✓ Deployed MiFi devices for every field examiner. Deployed badged access to building and office. Began negotiations on office modernization (underway).

STRATEGIC PLAN: ANNUAL WORK PLAN 2024 – 2025

GOAL.OBJECTIVE.STRATEGY	2024 – 2025 TASKS	STATUS/DUE	CHAMPION(S)
1.1.1 Conduct Effective Examinations – Maintain timely exam cycles and report production timeframes.	a. Develop centralized process to track and maintain timeliness measures. b. Reduce average number of days to issue reports. c. Prepare for accreditation reviews in mid 2025.	a. New / 3Q24 b. New / 2Q25 c. New / 2Q25	a. Chief Examiner b. Depository Supervisors c. Chief Examiner
1.1.1 Conduct Effective Examinations – Appropriately staff examinations.	a. Hire and on-board five additional examiners. b. Staff 70%+ large banks events with at least 3 examiners.	a. New / 3Q24 b. In Process / 2Q25	a. Chief Examiner b. Depository Supervisors
1.1.2 Communicate with Industry – Convene and solicit industry input. Participate in industry events.	a. Establish new recurring process to maintain industry engagement (after legislative sunset of UDFI's bank and credit union advisory boards). b. Maintain quarterly meeting cadence; present at industry events; attend conferences.	a. New / 4Q24 b. Ongoing / 2Q25	a. Executive Asst b. Commissioner
1.1.3 Support Responsible Innovation – Provide training opportunities in emerging technologies. Learn from nontraditional market participants.	a. Enroll Emerging Tech Team in second training event. b. Arrange team to meet with WY, NY, CA to learn about their licensing regimes.	a. New / 2Q25 b. New / qtrly, 3Q24+	a. Chief Examiner b. Emerging Tech Team
1.2.1 Enhance Customer Experience – Explore processing complaints more efficiently. Reduce friction in the Department's customer facing processes.	a. Create an administrative team plan to enhance the experience of our internal and external customers. b. Successfully transition consumer lenders to the NMLS. c. Implement ways to more efficiently process complaints.	a. New / 2Q25 b. New / 1Q25 c. New / 2Q25	Consumer Affairs Director, CX Champions
1.2.2 Raise Awareness – Participate in advancement of financial literacy; promote responsible access to the banking system.	a. Sponsor, attend and volunteer at 2024 Women in the Money Conference. b. Present at 2025 Jump\$start teacher summit.	a. New / 3Q24 b. New / 2Q25	a. Project Coordinator b. Consumer Affairs Director, Non-depository Supervisors
1.3.1 Expand Data Analytics Capabilities – Expand offsite monitoring processes and engage with outliers.	a. Establish process to circulate CSBS offsite monitoring products to exam staff. b. Incorporate offsite monitoring into exam prep standards.	a. New / 4Q24 b. New / 4Q24	a. Data Team b. Supervisors of Banks
1.4.2 Defend State Supervision – Inform policymakers on the value of state regulation; volunteer leadership	a. Meet with federal congressional delegation and other policymakers. b. Continue to volunteer leadership roles in national state banking organizations.	a. Recurring / 2Q25 b. Recurring / 2Q25	a. Commissioner b. Commissioner
2.1.1 Enhance Training – Supplement external training; implement mentoring program	a. Training Team complete development of two first year examiner supplemental training modules and deploy one in practice. b. Mentoring Team deploys mentoring program.	a. In Process / 2Q25 b. In Process / 4Q24	a. Training Team b. Mentoring Team
2.1.2 Improve Employee Experience – Create positive experiences; convene and communicate more often.	a. Deliver six employee engagement activities. b. Convene full staff meetings at least quarterly. Provide training at two of four.	a. Recurring / 2Q25 b. Recurring / 2Q25	a. Chief Examiner b. Chief Examiner
2.1.4 Strive for Competitive Compensation – Use data to advocate for market comparability studies; pay for performance	a. Reassess market comparability data and determine if budget advocacy is required. b. Track and award pay for performance compensation.	a. Ongoing / 3Q24 b. Ongoing / 2Q25	Commissioner, Chief Examiner, Finance Director
2.2.1 Modernize Recruiting – Update hiring processes. Expand awareness with job seekers.	a. Recruiting Team propose hiring process revisions and obtain Commissioner concurrence. b. Identify new methods to increase awareness of the Department's mission with job seekers.	a. In Process / 3Q24 b. New/ 2Q25	Recruiting Team
2.3.1 Expand Development Opportunities – Provide more leadership training across employee levels.	Identify two participants for Governor's new leadership training program and enroll.	New / 3Q24	Commissioner
2.3.2 Assess Department Structure – Study structure, identify load balancing and promotional opportunities.	Successfully plan for and execute key leadership role transition upon planned retirement. Assess duties therein and redeploy if warranted.	In process / 3Q24	Commissioner, Finance Director
3.1.1 Update Internal Policies and Procedures – Strengthen consistency of practice; memorialize institutional knowledge.	a. Exam Processes Team delivers common exam tools, identifies centralized and authoritative deployment / storage method. b. "Supervisors Guide" 25 percent complete every quarter. c. Four new/updated/reapproved policies.	a. In Process / 4Q24 b. In Process / 3Q24+ c. In Process / 2Q25	a. Exam Processes Team b. Chief Examiner, Industry Supervisors c. Chief Examiner
3.2.1 Modernize Equipment and Facilities – Provide employees with facilities that improve efficiency and security.	a. Conclude new lease negotiations and arrange funding and appropriations as needed. b. Plan for and execute transition into new space.	a. In Process / 3Q24 b. New / 2Q25	Commissioner, Chief Examiner, Finance Director, IS Manager



STRATEGIC PLAN: ANNUAL WORK PLAN 2024 – 2025, CONTINUED

GOAL.OBJECTIVE.STRATEGY	2024 – 2025 TASKS	STATUS / DUE	CHAMPION(S)
3.3.1 Strengthen Response Plans – Improve planning and procedures to better prepare for adverse conditions.	<ul style="list-style-type: none"> a. Incorporate written procedures for Chapter 2 of Title 7 in “Supervisors Guide.” b. Assign SERT role for EOC coordination, replace COOP Planner. c. Adopt Cyber Incident Response Plan. 	<ul style="list-style-type: none"> a. In Process / 3Q24 b. New / 2Q25 c. In Process / 3Q24 	<ul style="list-style-type: none"> a. Deputy Commissioner, Depository Supervisors b. Commissioner c. Chief Examiner, Commissioner, Project Coordinator
4.1.1 Assess Statutory Adequacy – Support laws and rules that permit responsible financial services in Utah.	Monitor trust company legislative inquiry and advise legislature as needed if legislation materializes.	New / 1Q25	Deputy Commissioner, Supervisor of Banks
4.2.1 Strengthen Application Process – Establish and expand channels to communicate approval requirements and operating expectations.	Establish “Applications FAQ” page on UDFI website.	New / 4Q24	Chief Examiner, IS Manager, Communications Team
4.3.2 Deploy Standardized Tools – Deploy universal tools and training for examinations involving bank partnerships.	<ul style="list-style-type: none"> a. Coordinate with federal partners on new exam work programs for BaaS and third-party lending. b. Provide staff training on exam practices for BaaS and third-party lending. 	<ul style="list-style-type: none"> a. New / 2Q25 b. New / 4Q24 	Chief Examiner, Depository Supervisors



Photo: UDFI Team Member Don Oldroyd

MEASURING AND MONITORING SUCCESS

GOAL 1 – BE A LEADER IN FINANCIAL SERVICES

MEASURE	METRIC	MET IN FY 2024?	LEGISLATIVE OR INTERNAL PERF MEASURE?
Examination events per year per depository institution open at start of year.	≥1	YES	LEGISLATIVE
Assets under supervision per examiner	≥\$3.8 B	YES	LEGISLATIVE
Percent of large bank events with ≥3 examiners assigned	≥70%	<i>NEW for FY 2025</i>	INTERNAL
Number of industry engagement events per year participated in by Commissioner or senior staff	≥10	YES	INTERNAL
Number of roles in national state system organization filled by UDFI staff	≥3	YES	INTERNAL

GOAL 2 – MAINTAIN AN ENGAGED AND PROFICIENT WORKFORCE

MEASURE	METRIC	MET IN FY 2024?	LEGISLATIVE OR INTERNAL PERF MEASURE?
Rate of employee turnover	≤prior 3-year average	YES	INTERNAL
Percentage of examination staff attending at least two training events per year.	≥90%	YES	INTERNAL
Number of employee engagement events per year	≥6	YES	INTERNAL

GOAL 3 – MODERNIZE OPERATIONS TO BOOST EFFICIENCY

MEASURE	METRIC	MET IN FY 2024?	LEGISLATIVE OR INTERNAL PERF MEASURE?
Number of new, updated, or re-approved policies per year	≥4	<i>New for FY 2025</i>	INTERNAL
Percent of internal strategic plan milestones met each year	≥75%	YES	INTERNAL
Number of response plan tests/exercises conducted each year	≥3	<i>New for FY 2025</i>	INTERNAL

GOAL 4 – SUPPORT DEVELOPMENT OF RESPONSIBLE FINANCIAL SERVICES

MEASURE	METRIC	MET IN FY 2024?	LEGISLATURE OR INTERNAL METRIC?
Percent of financial institutions not watched	≥80%	YES	LEGISLATIVE
Percent of depository applications approved in FY that were approved within 6 months of original submission date	≥85%	YES	INTERNAL



Strategic Plan
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Photo: UDFI Team Member Shaun Berrett