



THE VIRGINIA STATE BANKER

Regulatory News for Virginia State-chartered Banks
State Corporation Commission - Bureau of Financial Institutions
Commissioner E.J. Face, Jr.
ISSUE NO. 10 — SUMMER 2000

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The Virginia State Banker is published quarterly by the Virginia Bureau of Financial Institutions to provide useful information to the banks and savings institutions that it regulates, and any of their related interests. Reader comments and suggestions are welcome and should be addressed to:

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Thanks to the following persons for their help in producing this issue of The Virginia State Banker:
Commissioner Face, Nick Kyrus, John Crockett, Charles Dickerson, Jay Russell, and Jane Owen.

GENERAL ASSEMBLY CREDIT CARD SURVEY MOVES FORWARD



House Joint Resolution 14 charges the Bureau with preparing a survey of available rates and terms for credit cards. While Virginia banks will be mailed individual information requests, the survey is much broader; an effort will be made to include any offers available to Virginia citizens. The General Assembly believes making this information more accessible to the public in a manner to facilitate product comparison will result in a more competitive and efficient marketplace.

The Bureau has already begun gathering information. Perhaps some bankers have already seen the Bureau's request for information regarding the rates and terms for credit cards offered by the various institutions. The Bureau is hoping bankers will be responsive in order to assure that accurate and complete information can be presented about their products. The schedule calls for information to be gathered by September, so that the survey results can be completed and ready for the General Assembly by December.

FALL 2000 BANK DIRECTORS' COLLEGE BACK ON TRACK



Commissioner Face recently announced plans for Session II of the Virginia Bank Directors' College. The Fall 1999 Session was postponed due to, most notably, the involvement in Y2K by all of us in the financial services industry.

In writing to the Boards of Directors of Virginia's banks, the Commissioner announced that Session II of the two-day college will begin on October 25, 2000, and be held at the Boar's Head Inn in Charlottesville. He further expressed his delight that the Virginia Association of Community Banks (VACB) will join the Bureau, the Federal Reserve Bank of Richmond, and the Federal Deposit Insurance Corporation in hosting this educational initiative. While there is no requirement for College participants to be members of the VACB, its annual Fall Directors' Conference will immediately follow the Directors' College for the convenience of those attending.

Commissioner Face has stated that this already well-received offering to bank directors is strengthened immensely by the partnering of an association of banks that are under our regulatory umbrella. He also stated, "Pat Satterfield and the VACB are well known to us in the regulatory arena. We could not be more pleased to have them as an active participant."

Early registration forms are now available for the Bank Directors' College. Betty Hicks in the Banks and Savings Institutions Section is the Bureau's contact person for the College and serves as Course Administrator.

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NORTHERN VIRGINIA COMMERCIAL REAL ESTATE MARKET ANALYZED IN RECENT FDIC PUBLICATION

The bankers serving the Northern Virginia area should read about the potential loan hazards they are facing in their market in an article in the Federal Deposit Insurance Corporation's Atlanta Regional Outlook for the second quarter of 2000.

The article highlights how area banks are very active in commercial real estate development and that one-third of the area's banks have not been recession-tested.

The article can be viewed on the Web at:
www.fdic.gov/bank/analytical/regional/index.html

LAW SUPPLEMENT NOW AVAILABLE ON THE WEB

The Acts of the 2000 General Assembly became effective July 1, 2000. A supplement containing the 2000 enactments of the General Assembly affecting financial institution-related laws is now available on the Bureau's website at:
www.state.va.us/scc/division/banking/newlaws.htm

BUREAU PROFILE

- **Name:** Martin B. Williams
- **Current Position and Years of Service:**
Principal Financial Analyst; 29 years
- **Main Responsibilities:**
Supervising Bank Examinations
- **Education and Professional Designations:**
Bachelor Of Science Degree in Business Mangement
Virginia Commonwealth University 1971
- **Family:** Wife, Carol; three sons-- John (age 22),
Christopher (age 19), and Daniel (age 16)
- **Personal Interests:** Hunting, Fishing, and Farming



For the past 29 years, Virginia bankers have been receiving visits from Bureau examiner Martin Williams. Having served under four Commissioners of Financial Institutions, Martin is the most experienced member of the Bureau's team of examiners. He states that some of the biggest changes he has seen during his time are the greater efficiencies resulting from new technologies. Producing examination reports has become more automated and has freed up more time for examiners to focus on more pertinent matters.

Martin grew up in the Northside of Richmond, Virginia. After graduating from John Marshall High School, he attended Virginia Commonwealth University where he earned a degree in Business Management in 1971. After traveling almost thirty years as a bank examiner and working inside banks, Martin mainly spends his free time being with his family, and hunting and fishing close to his home which is near the Pamunkey River in New Kent County. He mainly hunts for deer, but he will sometimes "hunt a little dove and duck." Martin also enjoys the rural pastimes of growing tomatoes, cucumbers, snaps, onions, peppers, and other vegetables in his two-acre garden. As the father of three sons, Martin has also served for many years as a Boy Scout leader for Troop 562 in New Kent.

While Martin has enjoyed his many years with the Bureau, he is looking forward to retirement. Although he wants to spend more time enjoying the great outdoors, banking is in his blood and he foresees himself remaining active in the banking industry on a part-time and more local basis.

BANKERS ALERT!! ACCOUNT AGGREGATORS MAY BE USING YOUR INFORMATION



More and more, we are seeing articles on account aggregators. These services are also known as screen scrapers. In its best light, these services are presented as “work reducers,” gathering an individual’s financial information from multiple sites (financial institutions, brokers, credit extender, etc.) and putting it all together for the customer in one convenient location. At their worst, they can be anyone, anywhere, who wants to gain access to financial data for personal gain.

There can be some benefit to the service, especially if it is offered by a reputable organization. However, since there is no regulation of this business, and since anyone who can convince people or companies to give the aggregator access to their account numbers and password/PINs can be an aggregator, problems develop.

It is possible the aggregators indicate a bank has endorsed their service. Additionally, once the information is aggregated, the screen scraper is not required to make any disclosures on how your customers’ information is protected or secured.

Several articles on this subject have been in the American Banker during June and July. More are likely to follow. In most cases, the owner of the site from which the information is being gathered does not even know it is taking place. In fact, while you are reading this, it could be someone is in the process of scraping data on one or more of your customers from your database.

Perhaps educating customers might be a good course of action to consider.

COMMISSIONER FACE ASSISTING IN COLORADO CASE

Commissioner Joe Face is participating as co-amicus in the case of Colorado v. The Cash Store, Inc. pending in Colorado. In this case, the State of Colorado is seeking review by its Supreme Court of a case brought under the State’s Uniform Consumer Credit Code by the Colorado Attorney General and UCCC Administrator against a local company which “purchases” income tax refunds from individuals at a steep discount.

The Colorado officials contend that this activity is an unlawful consumer lending business. Two lower courts have ruled to the contrary. Commissioner Face, along with government officials and agencies of several other states, is participating in the case in support of the Colorado officials’ position, i.e., that the transactions are — in substance — loans.
