



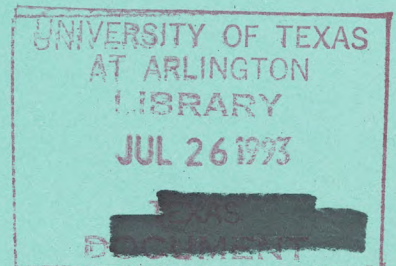
***CAREER OPPORTUNITIES  
AS AN EXAMINER***

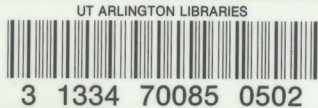
**TEXAS  
DEPARTMENT OF BANKING**

**2601 North Lamar Boulevard**

**Austin, Texas 78705-4294**

**512/475-1300**





H6  
1707.5  
.T45  
1993

### *Mission*

The Department of Banking's mission is to maintain a financial regulatory system for Texas that promotes a stable banking environment, provides the public with convenient, safe, and competitive banking and other legislatively designated financial services, and allows for economic development within this State.

The Department has the responsibility for regulating and effectively supervising the banking industry and related industries under our jurisdiction in a manner that will:

- promote public confidence in the stability of the regulated institutions;
- provide the Texas economy with the benefits of a healthy financial services system;
- implement legislative and administrative policy by enforcing the law;
- support a strong state authority in a dual banking system by effectively managing the chartering and regulatory process; and
- assure that the Department is prepared and able to adapt to a rapidly changing financial services environment.

AGD 67717  
NDLC / no#

**Texas Department of Banking  
2601 North Lamar Boulevard  
Austin, Texas 78705-4294**

**History of State Banking in Texas**

State-chartered banks were not authorized in Texas until the Texas State Bank Law was enacted by the Twenty-ninth Legislature on August 14, 1905. This law provided for the supervision of state banks. It placed the responsibility of examining every corporation doing business under the act with the Commissioner of Agriculture, Insurance, Statistics, and History. The next year the Legislature established a separate department for agriculture and changed the name of the remaining activities to the Department of Insurance and Banking.

Major changes in organization and operations were made when the Texas Banking Code of 1943 became law on April 1, 1943. This Act created a State Finance Commission which today is responsible for three agencies: the Department of Banking, the Savings and Loan Department, and the Office of Consumer Credit.

The Finance Commission consists of nine members who are appointed by the Governor for a term of six years. Two of these members must be banking executives and two must be savings and loan executives. The remaining five members are Texas citizens selected by the Governor because of recognized business ability. At least one of these five members must be a certified public accountant. The Finance Commission appoints a separate commissioner to be in charge of the day-to-day activities of each agency.

Texas ranks second in the nation in the number of state-chartered commercial banks. At the end of calendar year 1992, the Banking Department was responsible for 530 state-chartered banks with total assets of over 45 billion dollars. The deposits of such institutions are insured by the Federal Deposit Insurance Corporation.

**The Texas Department of Banking**

The Department of Banking is responsible for the incorporation and regulation of state-chartered banks, trust companies, and related electronic data processing (EDP) facilities. Banks and other regulated entities must obtain the approval of the Banking Commissioner for many actions. A change in ownership, an increase in the amount of capital, relocation of the bank's office, mergers, acquisitions, and branching are some of the activities requiring the Banking Commissioner's approval. The statutes provide that each state-chartered bank and trust company publish a statement of financial condition four times a year and be examined annually. The commissioner may also require information from these entities as dictated by individual circumstances.

Other responsibilities of the Texas Department of Banking include the licensing and regulation of prepaid funeral contract providers, perpetual care cemeteries, currency exchange activities, and sale of checks operations.

Most of the Banking Department's staff consists of bank examiners whose primary responsibility is the supervision and regulation of banks and trust companies under the Department's purview. Oversight and examinations of these financial institutions are facilitated through examiners located throughout the state. The large size and diverse activities of the Department provide numerous and meaningful career opportunities to anyone interested in the financial industry.

## Entities Regulated by the Department of Banking

<u>REGULATED ENTITIES</u>	<u>NUMBER OF ENTITIES</u>	<u>TOTAL ASSETS OF ENTITIES REGULATED</u> <i>(millions)</i>
Commercial Banks	534	\$ 45,459
Banks with Trust Departments	195	\$ 3,000
Foreign Bank Agencies	21	\$ 5,670
Trust Companies	120	\$ 16,000
Prepaid Funeral Licensees	672	\$ 1,100
Perpetual Care Cemeteries	220	\$ 84
Sale of Checks	27	\$378,000
Currency Exchanges	43	\$ 30
<b>TOTALS</b>	<b>1,832</b>	<b>\$449,343</b>

(September, 1992)

## A Career with the Texas Department of Banking

**Career Opportunities:** A career for a bank and trust examiner normally begins at the entry level of Assistant Examiner. An Assistant Examiner advances to a Senior Assistant as training occurs and experience is gained, and then progresses towards becoming a commissioned examiner. The career path continues thereafter through three levels (Examiner I, II, and III) to the position of Senior Examiner.

**Training:** Two-week beginning, intermediate and advanced examiner schools are supplemented by intense on-the-job training during the first few years of employment. In addition, professional employees may also attend banking courses sponsored by federal regulatory agencies, Conference of State Bank Supervisors (CSBS), the American Institute of Banking and other specialized banking schools, as time and resources allow.

**Career Progression:** Following an initial six-month trial period of satisfactory performance, new employees receive an increase in salary and status as a permanent employee. Salary increases occur as an employee progresses through successive levels of responsibility and supervisory positions. Salary increases are commensurate with performance and funding levels approved by the Legislature.

**Work locations:** Examiners are assigned to one of the Department's four regions with offices located in seven different cities: Austin, Corpus Christi, San Antonio, Houston, Bryan-College Station, Arlington, Tyler, and Lubbock. The designated headquarters is the assigned location of an employee. Reimbursement for travel expenses is authorized for overnight travel to work locations which exceed normal commuting distances from an employee's designated headquarters. The extent of that travel ranges from 20 to 70 percent, depending on the assigned region.

The initial permanent work location for an Assistant Examiner depends on the work requirements of each region. An employee can normally expect to remain in one area until commissioned. As an examiner gains experience and as the Department's needs change, opportunities may exist for relocation to other regions in the state.

**Compensation:** Starting salary for an Assistant Bank Examiner I is \$20,213 per annum, with a performance review occurring at six months and regularly after that on an annual basis. After four to five years of progressive development, a newly-commissioned examiner earns about \$36,000 per annum. In addition to annual salary, the Department pays five and one-quarter percent of the employee's share of Social Security Insurance on the first \$16,000 of salary.

**Benefits:** State employees earn two weeks vacation and twelve days of sick leave annually. In addition, an average of 14 state holidays are observed each year. A comprehensive medical care plan, which includes basic group life and accidental death and dismemberment insurance coverage, is provided at no cost to the employee. Dependent coverage is also available at a nominal additional cost. State employees are automatically enrolled into the State's Employees' Retirement System with pre-tax contributions of six percent of salary. Other fringe benefits include optional life insurance coverage, a dental expense plan, a deferred compensation program, and a plan through which certain child care and medical/dental expenses may be paid with before-tax income.

## BENEFITS OF STATE EMPLOYEES

### Group Health and Life Insurance

The State of Texas offers several plans. An employee may enroll in *HealthSelect* or one of several Health Maintenance Organizations (HMOs), if available in the area of employment. There is no premium cost to the employee for this basic coverage unless an HMO is chosen that exceeds the State's allocated cost. An employee who enrolls in *HealthSelect* or an HMO also receives \$5,000 in basic term life insurance with \$5,000 in accidental death and dismemberment (AD&D) insurance.

Dependents may also be covered, with premiums for dependent coverage partially paid by the State.

### Optional Coverages

An employee who enrolls in the Group Health Plan also becomes eligible for the following optional coverage:

- Election I, II, III, or IV Term Life - for employee only. These options provide one, two, three, or four times the gross annual salary in coverage. Premiums are graduated based on age.
- Dependent Term Life - for eligible dependents only. This is a \$5,000 term life policy with accidental death and dismemberment coverage per dependent. Premium is \$1.92 per month.
- Voluntary Accidental Death and Dismemberment - for employee only or employee and family. An employee may apply for coverage from \$10,000 to \$200,000 in increments of \$5,000. Premium rates are \$0.03 per \$1,000 of coverage for Employee Only and \$0.06 per \$1,000 of coverage for Employee and Family.
- Disability Income (Short-term, long-term, or both) - for employee only. Short Term provides temporary protection of total disability and pays a monthly benefit for up to five months. Long Term disability coverage pays a monthly benefit for the duration of the total disability or until the employee reaches age 65. Premiums for short-term disability are \$0.16 per \$100 of monthly salary and long-term disability is \$0.85 per \$100 of monthly salary.

### Social Security Benefits

State employees are covered by Social Security. Social Security taxes are paid jointly by the employee and the State. Besides the State's share required by law, the State pays five and one-quarter percent of the employee's share on the first \$16,000 of earnings.

## ***TexFlex***

*TexFlex* is a plan that takes advantage of Federal income tax law that allows employees to pay their share of cost of benefits on a tax-free basis. Through *TexFlex*, part of an employee's pay is "redirected" before federal income or social security taxes are computed. Redirected amount allows an employee to pay insurance premium costs and certain other expenses with tax-free dollars. *TexFlex* offers three options of redirecting a portion of monthly salary before taxes are computed:

- Premium conversion - Pays Uniform Group Insurance premiums with tax-free dollars.
- Health Care Reimbursement Account - Tax-free money is deposited into an account. As health care expenses not covered by insurance are incurred, the employee files a claim and is reimbursed from their account.
- Dependent Care Reimbursement Account - Tax-free money is deposited into an account. As dependent care expenses are incurred, the employee files a claim and is reimbursed from their account.

## **Deferred Compensation Programs**

The State offers two supplemental retirement programs, *Texasaver 401 (k) Plan* and *Deferred Compensation Plan 457*. The State's deferred compensation plans work with retirement programs, such as Social Security and the Employees Retirement Program, to help a person reach financial security at retirement. A deferred compensation program is a supplemental payroll-deducted retirement program that allows several tax advantages. The major advantages are that taxable income is reduced by the amount of salary deferred and there is no income tax paid on this amount until funds are withdrawn.

## **Retirement Program**

All full-time employees are required to be contributing members of the *Employees Retirement System of Texas*. Membership begins the first day of employment and continues until retirement, death, or withdrawal of contributions after leaving state service. Six percent of gross monthly salary will be deducted each month as the retirement contribution. Besides the employee's contribution, the state contributes 7.4% of the salary of each state employee to help in the total financing of retirement benefits.

There is a vested interest in retirement after five years of employment. After five or more years of creditable service, an employee is entitled to receive a monthly annuity when retirement age is reached. Normal retirement with full benefits is available with the following years of service and age;

- 10 years' service at age 60 (five years without health insurance eligibility)
- 25 years' service at age 55
- 30 years' service at age 50

## Vacation and Leave Benefits

- Annual Leave - A new employee accrues seven hours of vacation time (annual leave) per month for the first two years of employment and then eight hours for the next two years. The amount of time authorized increases as additional years of service are obtained. Leave may be accrued and carried over from one year to the next within certain limitations. When an employee leaves State employment, any unused Annual Leave is paid in a lump sum.
- Sick Leave - Each employee accrues eight hours of sick leave per month. Sick leave continues to accrue and is carried over from one year to the next with no restrictions. Upon retirement, additional retirement credit may be granted for unused sick leave. One month of additional retirement credit is granted for every 40 days of sick leave.
- Holidays - The Legislature has approved a total of 11 paid holidays. Beyond the National and State holidays, the State allows employees to observe the day after Thanksgiving and December 24 and 26 as paid holidays. Time off on Mondays or Fridays for a holiday falling on Saturday or Sunday is not authorized.
- Other - Paid time is also granted to employees who perform jury duty or perform active duty with the National Guard or one of the Reserve components.

## Travel Expenses

Employees are reimbursed for expenses associated with official business. State-wide travel expenses and travel policies are as follows:

- Mileage reimbursement - 27½ cents per mile authorized when using personal vehicle.
- Meals - Actual expenses, limited to \$25.00 daily, when remaining overnight.
- Lodging - Actual expenses up to \$55.00 per night.
- Miscellaneous - Actual expenses for parking, tolls, etc.
- Travel policies - No expenses for meals and lodging are allowed when working in an employee's designated headquarters or at locations within normal commuting distance of the designated headquarters. Examiners are generally expected to commute to banks located within 50 miles of their designated headquarters. Reimbursement for official business travel is authorized when traveling from the designated headquarters to work locations.



# TEXAS DEPARTMENT OF BANKING

**GOVERNOR**  
Ann Richards

**STATE FINANCE COMMISSION**  
Georgina S. Gonzalez, Chair

**MEMBERS:**  
 James B. Chambers  
 Dana H. Cook  
 David M. Laney  
 Katherine B. (Chula) Reynolds  
 Scott B. Smith  
 Milton H. Thomas, Jr.  
 Ruby J. Winbetley

**BANKING COMMISSIONER**  
Catherine A. Ghiglieri

**DEPUTY COMMISSIONER**  
Randall S. James

**INTERNAL AUDITOR**  
William L. Smith

**SPECIAL AUDITS DIVISION**  
Stephanie Newberg

**CORPORATE ACTIVITIES DIV.**  
William F. Aldridge

**HEARINGS OFFICER**  
Larry J. Craddock

**LEGAL DIVISION**  
Ann Graham, General Counsel

**BANK AND TRUST DIVISION**  
Larry A. Chilton

**BUDGET & PLANNING DIV.**  
David E. Speer

**PERSONNEL & STAFF SVCS. DIV.**  
Jack E. Davenport

**AUSTIN RGN.**  
W. Kurt Purdom

**DALLAS - FW RGN.**  
Gayle L. Griffin

**HOUSTON RGN.**  
Sharon S. Brown

**LUBBOCK RGN.**  
R. Kinney Williams

**MAILING ADDRESS:**  
2601 North Lamar Boulevard  
Austin, Texas 78705-4294  
Phone: (512) 475-1315  
Fax: (512) 475-1313

**NOTE:** The Hearings Officer and Internal Auditor are Department of Banking employees but report to the Finance Commission. Administrative supervision rests with the Department of Banking.

HG  
1707.5  
.T45  
1993

HG  
1707.5  
.T45  
1993