

NEWS RELEASE

**JOSEPH A. SMITH, JR.
COMMISSIONER OF BANKS**

RELEASE:	IMMEDIATE	DATE:	May 25, 2011
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North Carolina Commissioner of Banks Joseph A. Smith, Jr., Confirmed for a Third Term

RALEIGH—Joseph A. Smith, Jr., was sworn in today for a third four-year term as North Carolina Commissioner of Banks at the North Carolina State Capitol. Smith was nominated by Governor Bev Perdue in January 2011.

“North Carolina can be proud to have a leader like Joe Smith strengthening our banks and, in turn, the businesses and families that depend on them,” said Governor Bev Perdue. “In a time when creating and protecting jobs is our No. 1 priority, Joe understands the important role our financial institutions play in ensuring North Carolina's full economic recovery. And, he's a tremendous consumer advocate. Congratulations, Joe.”

Smith's nomination was confirmed by a unanimous vote in both the House and Senate. His term runs through March 31, 2015.

Chairwoman of the State Banking Commission and North Carolina State Treasurer Janet Cowell presided over the ceremony. Special Superior Court Judge John Jolly administered the oath.

“I am very grateful to Governor Perdue for nominating me,” said Smith, “and to the members of the General Assembly for their courteous and prompt confirmation. I am mindful that the authority of my office rests on the actions of officials elected by the people of North Carolina. I look forward to serving the people for another term.”

He also thanked members of the State Banking Commission for their support and his colleagues at NCCOB for their hard work.

“As my third full term begins, our economy and the industries my colleagues and I supervise and regulate are recovering from a deep recession that has resulted in great loss to families, communities and our State,” Commissioner Smith said in his speech. “Until green shoots really appear, we should assume that the recovery will be slow and unemployment stubborn and persistent.”

He suggested four points to help speed economic recovery:

- Attract the capital necessary to strengthen state-chartered banks and to address the needs of our commercial and residential real estate markets;
- Revise State laws to reflect changes in federal law and regulation regarding financial services and the current needs of our State;
- Ensure that the banking, mortgage and consumer finance industries meet the needs of North Carolina today and in the future; and
- To not allow difficulties of the present obscure the opportunities and threats of the future.

Commissioner Smith stated that his suggestions may be a tall order but was possible "...so long as the stakeholders in North Carolina's financial services marketplace – industry, advocates, legislators, regulators – continue to do what we have done in the past, collegially and with a view to the common good." His full speech is available at: <http://www.nccob.gov/public/News/NRTestimonyAndSpeeches.aspx>.

Under Smith's leadership since 2002, achievements of the North Carolina Office of the Commissioner of Banks (NCCOB) include:

- An increase in banking assets under supervision to more than \$240 billion;
- Implementation of the North Carolina Mortgage Lending Act in 2002 and the North Carolina Mortgage Licensing Act in 2009, which struck a proper balance between industry regulation and consumer protection;
- Examination and enforcement efforts over the past four years which led to nearly \$30 million in refunds to North Carolina consumers, including major actions against Countrywide, Beazer, and Vanderbilt;
- Establishment and implementation of the State Home Foreclosure Prevention Project, which to date, has helped more than 5,000 homeowners avoid foreclosure;
- Issuance of a decision and order in December 2005 which ended payday lending in North Carolina. This lending was being conducted by the improper use of state-chartered banks (so called "charter-rental"), despite the expiration of an authorizing statute in North Carolina; and
- Leadership in the creation, development, and implementation of a single-source licensing mechanism and consumer access, covering entities and individuals operating in the mortgage business in all states. The Nationwide Mortgage Licensing System and Registry is currently run by a subsidiary of the Conference of State Bank Supervisors, for which Smith currently serves as Immediate Past Chairman.

NCCOB is responsible for the chartering and regulation of North Carolina's state banks, thrift institutions, and nondepository trust companies. NCCOB also regulates other financial services firms and individuals operating in North Carolina, such as mortgage brokers, mortgage lenders, mortgage servicers, mortgage loan originators, check cashers, consumer finance companies, money transmitters, and refund anticipation loan facilitators. NCCOB is funded by industry fees and assessments and not taxpayer dollars.

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