

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

**August 21, 2003**

Treasurer Moore, members of the Commission, Commissioner Graham, Commissioner Lingerfelt, my friends and colleagues, I appreciate your being here with me today as I begin my first full term of office as North Carolina Commissioner of Banks. While we are together, I would like to take a few moments to express my appreciation for this opportunity and to discuss the direction of the Office of Commissioner of Banks during this new term.

First and foremost, I would like to thank Governor Easley for appointing me. It is an honor to be Commissioner of Banks and I am grateful to the Governor for giving me the opportunity to serve. I will do everything in my power to justify the Governor's faith and continued confidence in me and in the agency over which I have charge.

I would also like to thank the membership of the General Assembly, and their leaders in particular, for confirming my appointment. I am mindful of the fact that my authority in office comes from the representatives of the people of North Carolina and will do my best faithfully to discharge the laws that they have enacted.

Among the many benefits that I have as Commissioner is the opportunity to work with people of a very high caliber. My predecessors have left to me an experienced and able staff in the Office of Commissioner of Banks for which I am very grateful. I am particularly grateful for the quiet and effective leadership of David Hanson, a career banking supervisor, who now serves as Chief Deputy Commissioner. My colleagues and I are overseen by a Banking Commission comprised of business and civic leaders from throughout North Carolina, ably chaired by Treasurer Richard Moore. We are advised as to legal and enforcement matters by Attorney General Roy Cooper and his colleagues at the Department of Justice. The human resources at my disposal are substantial and able. I am very fortunate.

I am also grateful for the “non-governmental organizations” that enrich the Tar Heel State’s policies regarding financial services. In particular, I would like to express my appreciation and thanks to the North Carolina Bankers Association for its support of my appointment and of banking legislation intended to improve financial services in the State. I have also enjoyed and profited from my acquaintance and dialog with the leadership of the mortgage lending and consumer finance industries. Finally, I am grateful for my continuing association with non-profit consumer advocacy groups such as the Coalition for Responsible Lending, CRA-NC and AARP. The organizations I have just mentioned do not always agree;

however, their advocacy is well informed and ably and civilly presented. All North Carolinians are better off because of their participation in the development of public policy.

My colleagues and I also are greatly assisted by able people from North Carolina's universities, including particularly Professor Lissa Broome of the UNC Law School.

Finally, I am blessed with the love and support of two extraordinary women, both of whom are here today. My mother, Helen Smith, taught me by words and deeds the obligation of service to others, in both family and community. Elizabeth Smith has been my wife, advisor and best friend for over twenty-four years. Without her continued support and encouragement I would not be before you today.

When Governor Easley first appointed me, he said that he expected me to maintain and improve the banking climate in North Carolina and to ensure that our citizens received fair and equitable treatment from financial services firms. I agreed with the Governor's expectations then and I enthusiastically agree with them today. A healthy financial services industry and consumer protection are both important to North Carolina, and, in my opinion, you cannot have one without the other. In order to

achieve these goals during the next four years, my colleagues and I will focus on a number of issues, including:

- Modernization of North Carolina's banking laws and our bank supervisory activities to ensure that North Carolina banking organizations have all of the tools necessary to compete effectively in a financial services marketplace that is now global in scope and driven by technology.
- Enhanced enforcement of the Mortgage Lending Act.
- Encouragement of the adoption and implementation of best practices in the mortgage lending and consumer finance industries.
- Development of banking services for the poor and working poor, who are either unbanked or marginally banked.

None of these issues is easy. All of them are important. Banking alone has recently been estimated to comprise ten percent of North Carolina's Gross State Product, and, when other financial services that my office regulates are added, that number goes up.

The good news is that North Carolina has the executive, legislative, industry and non-profit leadership necessary to address all of the issues I have just mentioned successfully. Working together, I like our chances.

Thank you.