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White Paper Reveals Public Benefits of State Regulation

PIERRE, S.D. – A white paper released by the Conference of State Bank Supervisors (CSBS) highlights the critical value state regulators play in local economic development. In the white paper, CSBS examines how state supervisors support a strong community banking system, lead in non-depository supervision and promote local economic development.

“This white paper is important because it provides case studies to show how divisions like ours can weigh in on many local issues,” said state Banking Director Bret Afdahl.

The summary of case studies and research allows state supervisors and regulators to ensure consumer protection and focus on the relationship-based business model of community banks.

Among several key points, the research reveals how:

- State supervisors’ regulatory approach and proximity to their institutions makes them well suited to oversee community banks;
- State supervisors are well positioned to tailor the regulatory framework and supervision for community banks based on the risk and complexity of the institutions;
- State regulators’ local licensing authority and regulatory agility allows them to effectively monitor and protect consumers in the constantly evolving non-bank financial services industry;
- State regulators promote local economic development through their unique position within state government, knowledge of local economies and their distinct approach to supervision; and
- State supervisors’ local presence allows them to fine tune financial services policy and supervision in a way that benefits consumers, institutions and local economies.

If you have questions about South Dakota banking regulations, you may call the Division of Banking at 605-773-3421 for additional information. The white paper is available online at <http://www.csbs.org/news/press-releases/pr2015/Documents/White%20Paper%20Assembled%201-9.pdf>.