



**State of Wisconsin**  
*Department of Financial Institutions*

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Scott Walker, **Governor**

Ray Allen, **Secretary**

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**Department of Financial Institutions**  
**Joint Finance Committee testimony**  
**March 4, 2015**

Co-Chair Darling, Co-Chair Nygren, members of the committee, I am Ray Allen, Secretary of the Department of Financial Institutions, and it is my honor to address you today about the important work being done at DFI to ensure the safety and soundness of state-chartered financial institutions and to protect consumers of financial services.

Currently, DFI is comprised of five divisions:

- The Division of Banking, which oversees 204 state-chartered banks.
- The Office of Credit Unions, which oversees 160 state-chartered credit unions.
- The Division of Securities, which regulates the sale of investment securities and franchises, and registers and monitors the activities of investment professionals.
- The Division of Corporate and Consumer Services, which is the filing office for business entities in the state, of which there were nearly 395,000 as of January 31.
- And the Division of Administrative Services and Technology, which provides support services to the agency.
- DFI also oversees the Office of Financial Literacy, which provides information to the public on matters of personal finance and investor protection, with an emphasis on the financial and economic literacy of Wisconsin's youth.

As you know, Governor Walker has included in his biennial budget proposal a plan to merge DFI with the Department of Safety and Professional Services into a new agency, the Department of Financial Institutions and Professional Standards. DFI is fully supportive of this effort by the Governor to reform and streamline government and create a one-stop shop for hundreds of thousands of Wisconsin businesses and business people. If this proposal is approved by the Legislature, DFI leadership will work to ensure that the merger is completed efficiently, effectively, and in the best interests of our stakeholder groups and Wisconsin taxpayers.

DFI has a proven track record of integrating duties from other state agencies into its structure, with the outcome being improved services for our stakeholders and increased efficiency for state taxpayers. That track record began with DFI's creation in 1996, after the Legislature voted to combine the Offices of Banking, Credit Unions and Securities into one agency. In addition to overseeing Wisconsin's financial institutions, the newly created DFI also assumed responsibility for corporate filings and the Uniform Commercial Code from the Office of the Secretary of State. In the nearly two decades since

that merger, DFI has continuously sought to increase efficiency and improve customer service. We have harnessed the collective talents of our employees and the power of technology to create a more efficient, customer-friendly agency. For example:

- More than 95% of the hundreds of thousands of business documents offered online are now filed online. Online filings are much more efficient for business owners and DFI staff.
- The average turn-around time for new business filings used to be measured in days ... now it is measured in hours. In January, the average processing time for all new business filings was just over five hours.

More recently, in the past four years DFI has assumed responsibility for notary commissions from the Secretary of State's office and charitable organizations from the Department of Safety and Professional Services. Once again, the result has been increased efficiency and improved customer service. For example:

- Notary applications:
  - At the Secretary of State's office, notary applications and renewals used to be processed WEEKLY. They now are processed DAILY at DFI.
- Charitable organizations:
  - Previously, many charitable organizations were not adhering to the requirement to renew their registration annually. DFI has undertaken an aggressive outreach campaign to all charitable organizations reminding them of this requirement. As a result, the number of registered charitable organizations has grown by 28% since Dec. 31, 2013.

I understand that the merger of two state agencies is a major undertaking. But we are up to the task. As previously noted, DFI has proven that it can successfully absorb duties from other state agencies. We can – and will – make a merger work to the advantage of our stakeholders, Wisconsin taxpayers and our employees.

I would like to emphasize clearly that a merger will not have an impact on this agency's regulation and oversight of the state's financial institutions. Our commitment to regulatory responsibility over Wisconsin's banks, credit unions, securities professionals and licensed financial services will remain strong.

Thank you. I would be happy to answer any questions you may have.