

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

Revised Effective: June 17, 2015

**POLICY NO. OFI-E-01-2015
[Rescinds Policy Nos. OFI-E-01-10,
OFI-E-05-01, OFI-E-04-01,
OFI-E-03-01 and OFI-01-88]**

EXAMINER REALLOCATION GUIDELINES

- I. **PURPOSE:** To establish criteria for advancement in the Compliance Examiner (CE) career progression group.
- II. **APPLICABILITY:** All examination personnel.
- III. **ALL COMPLIANCE EXAMINERS:**
 - A. Career Paths and Cross-Training
 1. Career Path – When an examiner is hired, he/she will be assigned a primary career path which includes either a depository/non-depository path or a securities division path. The depository/non-depository path will include banks/thrifts or credit unions as well as a minimum of two non-depository areas which may include residential mortgage lenders, licensed lenders, check cashers, money transmitters (actually a part of the depository and the non-depository division), pawnbrokers, bond for deed agents, or repossession agents within the non-depository division. Each Compliance Examiner Manager (DOM) will decide which examiners are cross-trained in each non-depository area to ensure adequate coverage of each area. Each division will develop training guidelines to provide more detail of the training program that will be used to develop the skills and knowledge necessary to advance through the series.
 2. Cross-Training – All examiners in the depository/non-depository career path will be cross-trained within the two divisions to cover the workload of the district office and fulfill the requirements for advancement; however, it will not be customary to cross-train examiners in the securities division career path. While each situation will be considered on a case-by-case basis, in general, if an examiner's primary career path shifts during his/her employment with this office, the new expectations will be clearly detailed by the appropriate supervisor or division head. The examiner will be required to fulfill the new job expectations before he/she will be considered for advancement.

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- B. Orientation – All examiners will attend a two-day to one-week orientation to be held at the Baton Rouge Main Office (BRMO) within the first month of employment. This orientation will give the employee an opportunity to complete new employee paperwork and introduce the new employee to travel procedures, driving and safety training, insurance and retirement benefits, GroupWise, and basic computer training. The depository/non-depository examiners' orientation will last approximately one week where the examiner will also be introduced to examination tools and business (technical) writing guidelines including punctuation, grammar, and tone.
- C. On-the-Job Training – Coupled with formal, external training, a vast majority of the training provided to examiners will be conducted on the job (described below and in the On-The-Job Training Procedure). The Compliance Examiner Assistant Manager (ADOM), or the DOM's designee when a district office does not have an ADOM, will be responsible for planning and implementing the on-the-job training process for the district's depository/non-depository examiners and will consult with the appropriate Deputy Chief Examiner (DCE) quarterly regarding the ongoing training. The ADOM, or DOM's designee, will assign a mentor to each new examiner based on the assignment.
- D. Advancement Opportunities Based on Primary Career Path

	Compliance Examiner 1	Compliance Examiner 2	Compliance Examiner 3	Compliance Examiner 4
Depository/Non-depository Examiner	X	X	X	X
Residential Mortgage Lender (RML) Only Examiner [phasing out these positions and requiring cross training]	X	X	X	
Non-depository Examiner position domiciled in BRMO to handle complaints	X	X	X	
Securities Examiner	X	X		

- E. Reallocation Process – For a depository/non-depository examiner to be reallocated, the DOM or direct supervisor will submit a written recommendation to the Chief Examiners (CEs) of depository and non-depository through the Administrative Program Director. For a RML examiner or a BRMO non-depository examiner to be reallocated, the direct supervisor will submit a written recommendation to the CE of non-depository through the Administrative Program Director. For a securities examiner to be reallocated, the direct supervisor will submit a written recommendation to the Deputy Commissioner of Securities through the Administrative Program Director. The Administrative Program Director will verify service time, performance ratings, and schools attended and forward the DOM's or direct supervisor's recommendation to the CE(s) or the Deputy Commissioner of Securities. The CE(s) or Deputy Commissioner of Securities will submit their recommendation to the Deputy Commissioner and the Deputy Commissioner will submit the recommendation to the Commissioner for final approval.

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F. Grandfather Provision – There is no grandfather provision. As of the effective date these guidelines, June 17, 2015, all examiners will be required to achieve the requirements contained in these guidelines.

G. Higher Level Promotions – Promotions above the level of Compliance Examiner 4 will be competitive.

IV. DEPOSITORY/NONDEPOSITORY EXAMINERS:

A. Compliance Examiner 1 – The following is a list of requirements for a Compliance Examiner 1 to progress to a Compliance Examiner 2.

- (1) A bank/thrift Compliance Examiner 1 will attend and successfully complete¹ the following schools or training sessions:
 - (a) item nos. 1, 2, and 3 of Section V(E) of OFI's On-The-Job Training Procedures
 - (b) an operations school offered by either the Conference of State Bank Supervisors (CSBS) or the Federal Deposit Insurance Corporation (FDIC)
 - (c) a financial analysis school
 - (d) an asset liability management school (if available)
- (2) A credit union examiner will attend and successfully complete¹ the following National Credit Union Administration (NCUA) schools or training sessions:
 - (a) STEP 3 School (AIRES, Recordkeeping, Internal Controls)
 - (b) STEP 5 School (Lending & Compliance)
 - (c) STEP 7 School (FPR, Total Analysis Process, Intro to DOR)
 - (d) STEP 9 School (Communications, Meetings, DOR)
- (3) In addition to completing either the bank/thrift or credit union training previously listed, the new examiner will receive on-the-job training and any applicable training appropriate for at least one non-depository area. Specific training expectations for each non-depository area are included in the Non-depository Training Procedure.
- (4) The depository/non-depository examiner is eligible for reallocation to a Compliance Examiner 2 when all of the following criteria have been met:
 - (a) a minimum of 24 months of on-the-job service and training related to depository financial institution regulation and supervision and non-depository compliance
 - (b) successful completion of the assigned schools and training sessions previously listed as bank/thrift examiner training or credit union examiner training as well as the appropriate non-depository training
 - (c) served as the Assistant Examiner-in-Charge (AIC) on at least three bank or thrift examinations if a bank/thrift examiner
 - (d) served as the Examiner-in-Charge (EIC) on at least one credit union examination if a credit union examiner
 - (e) proficient in at least one non-depository area

¹ Successful completion will include the improvement of any significant deficiency noted in the school evaluation.

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- (f) completed the requirements for the Education Foundation of State Bank Supervisors' (EFSBS) Certified Operations Examiner (COE) certification if a bank/thrift examiner
- (g) complete the requirements for the National Association of State Credit Union Supervisors' (NASCUS) Certified State Credit Union Examiner (CSCUE) certification if a credit union examiner
- (h) consistent performance that "Meets Expectations" or better that is reflected in comments on the examiner's On-The-Job Training critiques
- (i) exhibits good oral and written communications skills
- (j) consistent overall performance rating of "Successful" or better on annual performance evaluations

B. Compliance Examiner 2 – The following is a list of requirements for a Compliance Examiner 2 to progress to a Compliance Examiner 3.

(1) A bank/thrift Compliance Examiner 2 will attend and successfully complete¹ the following schools or training sessions:

- (a) item nos. 4 and 5 of Section V(E) of OFI's On-The-Job Training Procedures
- (b) a loan review school offered by either CSBS or FDIC
- (c) a Bank Management/EIC school offered by either CSBS or FDIC
- (d) a business writing course (if available)
- (e) a real estate appraisal school (if available)
- (f) CSBS Senior School or CSBS Examiners Forum
- (g) IT Examination Course (if available)

(2) A credit union examiner will attend and successfully complete¹ the following schools or training sessions:

- (a) NCUA STEP 11 School (Problem Identification & Resolution)
- (b) NCUA STEP 12 School (Risk Focused Examination)
- (c) a minimum of one class in the NCUA technical training series or a webinar offered by NASCUS each year after successful completion of NCUA New Examiner Training series
- (d) a business writing course (if available)
- (e) a real estate appraisal school (if available)

(3) In addition to completing the bank/thrift or credit union training previously listed, the examiner will continue to focus on his/her training in one non-depository area and add on-the-job training and any applicable training appropriate for another non-depository area. Specific training expectations for each non-depository area are included in the Non-depository Training Procedure.

(4) The depository/non-depository examiner is eligible for reallocation to a Compliance Examiner 3 when the following criteria have been met:

- (a) a minimum of 60 months of on-the-job service and training related to depository financial institution regulation and supervision and non-depository compliance
- (b) successful completion of the assigned schools and training sessions previously listed as bank/thrift examiner training or credit union examiner

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- training as well as the appropriate non-depository training
- (c) served as the EIC on at least two bank or thrift examinations if a bank/thrift examiner
- (d) proficient as an EIC for credit union examinations if a credit union examiner
- (e) proficient in at least two non-depository areas
- (f) complete the requirements for EFSBS' Certified Credit Examiner (CCE) and Certified Examiner-in-Charge (CEIC) certification if a bank/thrift examiner
- (g) consistent performance that "Meets Expectations" or better that is reflected in comments on the examiner's On-The-Job Training critiques
- (h) exhibits good oral and written communications skills
- (i) consistent overall performance rating of "Successful" or better on annual performance evaluations

C. Compliance Examiner 3 – The following is a list of requirements for a Compliance Examiner 3 to progress to a Compliance Examiner 4.

- (1) A bank/thrift Compliance Examiner 3 will successfully complete¹ and obtain at least one of the following certifications or successfully serve as an EIC of a large, complex or problem depository institution:
 - (a) Diploma from a graduate school of banking or trust
 - (b) Certified Public Accountant
 - (c) Certified Internal Auditor
 - (d) Masters of Business Administration
 - (e) Other equivalent certification
- (2) In addition to completing the bank/thrift or credit union training and either completing one of the certifications previously listed or successfully serving as an EIC of a large, complex or problem depository institution; the examiner will continue to focus on his/her training in two non-depository areas. While not mandatory, training in a third non-depository area is strongly recommended. Specific training expectations for each non-depository area are included in the Non-depository Training Procedure.
- (3) Once the mandatory training previously listed is completed, each examiner at this level will become proficient in a supplemental area for depository examinations or a second depository area. Possible areas include trust/transfer agent, holding company, information technology, BSA/AML, BIDCO/CAPCO, money transmitters, federal compliance, banks, or credit unions. Each DOM will decide which examiners are cross-trained in each supplemental area to ensure adequate coverage of each area.
- (4) Compliance Examiner 3s are encouraged to attend Comprehensive Public Training Program (CPTP) courses for management training.
- (5) The depository/non-depository examiner is eligible for reallocation to a Compliance Examiner 4 when the following criteria have been met:
 - (a) a minimum of 96 months of on-the-job service and training related to depository financial institution regulation and supervision and non-depository compliance

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- (b) successful completion of the assigned schools and training sessions previously listed
- (c) successful completion of one of the certifications listed under Item IV(C)(1) or successfully having served as EIC of a large, complex or problem depository institution
- (d) proficient in all aspects of a safety and soundness examination as a bank/thrift or credit union examiner
- (e) proficient in two non-depository areas
- (f) proficient in one supplemental area for depository institutions or a second depository area
- (g) able to handle himself/herself in a professional manner with the entities he/she regulates as well as the other members of the regional office and BRMO staff
- (h) relied on to complete challenging tasks independently and without supervision, to stay on task, and conduct the work that is necessary to complete an examination/special project
- (i) maintains the certification for EFSBS' CEIC if a bank/thrift examiner
- (j) maintains the certification for NASCUS' CSCUE if a credit union examiner
- (k) exhibits good oral and written communications skills
- (l) consistent overall performance rating of "Successful" or better on annual performance evaluations

D. Compliance Examiner 4

- (1) This level is reserved for examiners who are familiar with all aspects of a safety and soundness examination of a bank or credit union, are proficient in at least two non-depository areas as well as a depository supplemental area or second area, are able to handle themselves in a professional manner with the entities they regulate as well as the other members of the regional office and BRMO staff, may be relied on to complete challenging tasks independently, and require no supervision to stay on task and conduct the work that is necessary to complete an examination or special project.
- (2) The examiner must maintain EFSBS or NASCUS certification by documenting continuing education hours (CEHs) to EFSBS or NASCUS annually. Failure to maintain certification may result in loss of future merit increases.

E. Promotion above Compliance Examiner 4—Depository/non-depository examiners competitively promoted above the level of Compliance Examiner 4 will be expected to achieve and maintain the EFSBS certification of Certified Examinations Manager (CEM), the EFSBS certification of Certified Mortgage Examinations Manager (CMEM), or the NASCUS certification of Certified Credit Union Examinations Supervisor (CCUES).

V. **SECURITIES EXAMINERS:**

A. Compliance Examiner 1

- (1) At the direction of the Deputy Commissioner of Securities, the examiner may be required to attend training sessions, seminars, or schools.

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- (2) The examiner is eligible for reallocation to a Compliance Examiner 2 when the following criteria have been met:
 - (a) a minimum of 24 months of on-the-job service and attendance at North American Securities Administrators Association (NASAA) Broker Dealer and Investment Advisor training
 - (b) consistent performance that "Meets Expectations" or better that is reflected in comments on the examiner's On-The-Job Training critiques
 - (c) exhibits good oral and written communication skills
 - (d) completion of any required training
 - (e) performance rating of "Successful" or better on annual performance evaluations

- B. Compliance Examiner 2 -- The Compliance Examiner 2 is the top level of the career progression group for Securities examiners. They must be able to handle themselves in a professional manner with the entities they regulate as well as the other members of the securities division. They are also often relied upon to complete challenging tasks independently and require little or no supervision to stay on task and conduct the work that is necessary to complete an examination. The examiner will also be expected to attend periodic training seminars and schools as directed.

VI. TRAINING SCHOOL REQUESTS:

A. Depository Examiners

Generally, the Training Director/Deputy Chief Examiner (DCE) and Training Coordinator, with input from an examiner's DOM or immediate supervisor, will schedule mandatory training schools in a manner that will allow examiners to meet their requirements for reallocation in a timely manner.

For credit union examiners, the DCE who specializes in credit unions is responsible for assigning new credit union examiners to the first of the courses in the NCUA's New Examiner Career progression group. Once a credit union examiner is assigned to the first training school, the NCUA automatically assigns the examiner to the remaining mandatory schools.

For non-depository training, the non-depository DCEs will be responsible for assigning examiners to appropriate non-depository training courses with input from the DOMs.

The Commissioner will exercise the authority to make judgment calls regarding reallocation that may arise due to limited availability of mandatory schools, and may make exceptions to the policy as is deemed warranted.

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B. All Examiners

Examiners are also allowed to attend training programs other than those required to qualify for reallocation. External training programs will be reviewed on a case-by-case basis. An examiner must submit a request through his/her DOM or direct supervisor. The request must contain a course outline (including objectives and target audience) and justification regarding the relevance of the course to the examiner's job duties. The appropriate DCE(s) will review the request with consideration given to the content of the course and the job duties of the examiner. The DCE(s) may consult with the Training Director DCE to determine the relevance of the requested course with an examiner's job duties. A recommendation shall be submitted by the DCE(s) to the appropriate CE(s) or Deputy Commissioner of Securities and then by the CE(s) or Deputy Commissioner of Securities to the Deputy Commissioner for interim approval or denial. All requests are subject to the final approval of the Commissioner. Examiners will generally be limited to attending two external seminars and two external schools per year. Exceptions to this limitation will be reviewed on a case-by-case basis with the final approval provided by the Commissioner.

VII. EXCEPTIONS

A. Availability of Funds

All reallocations are dependent upon the availability of funds.

B. Previous Examination-Related Experience

An examiner may be hired that has previous banking, accounting, auditing, or examination-related experience that may not technically equate to the requirements listed above, but otherwise appear to qualify the examiner for a higher level in the career progression group. These situations will be considered by the Commissioner on a case-by-case basis. Written justification is required. In all cases, the examiner must meet the minimum qualification requirements listed on the Civil Service job specification. The Commissioner will exercise the authority to make judgment calls regarding prior experience or other issues that may arise, and may make exceptions to the policy as he deems warranted.



John Ducrest
Commissioner

June 17, 2015

Date