

NEWS RELEASE

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

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COMMISSIONER OF BANKS JOSEPH A. SMITH, JR., WILL LEAVE NCCOB TO SERVE AS MONITOR OF LANDMARK NATIONAL FORECLOSURE SETTLEMENT

RALEIGH— The N.C. Office of the Commissioner of Banks (NCCOB) announced today the resignation of Commissioner of Banks Joseph A. Smith, Jr., effective February 16. Smith has been chosen to serve as the national monitor of the landmark state-federal mortgage foreclosure settlement with the five largest mortgage loan servicers.

Smith has served as Commissioner since 2002 and was nominated in 2011 by Governor Bev Perdue to serve another term. Smith's nomination was confirmed by unanimous votes in both the House and Senate.

"For a decade, Joe has served North Carolina as a staunch defender of consumer rights and a firm but fair regulator of banks and financial institutions," said Governor Bev Perdue. "He played a critical role in eliminating the abuses of payday lending, strengthening antipredatory lending and fighting abuses in mortgage lending."

Smith plans to remain in Raleigh during his 3-year tenure as monitor of the roughly \$25 billion settlement, which was reached last week by Attorney General Roy Cooper and other state attorneys general with the nation's five largest mortgage servicers: Bank of America Corporation, JPMorgan Chase & Co., Wells Fargo & Company, Citigroup, Inc., and Ally Financial, Inc. (formerly GMAC).

"I have enjoyed my tenure as Commissioner of Banks and have done my best to promote the strength and fairness of North Carolina's financial markets," said Smith. "I hope my efforts as monitor will contribute to the recovery of the mortgage market and the health of our economy."

Under Smith's leadership since 2002, achievements of the NCCOB include:

- An increase in banking assets under supervision to more than \$250 billion;
- An ongoing effort to modernize North Carolina Banking law, which has not been substantially rewritten since the Depression Era;
- 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") from other parts of the country, 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 run by a subsidiary of the Conference of State Bank Supervisors, for which Smith currently serves as Immediate Past Chairman.

Smith, 62, a native of Dunbar, West Virginia, previously served as general counsel to a North Carolina bank holding company. He is a graduate of Davidson College and the University of Virginia Law School and is licensed to practice law in New York and North Carolina. He is Immediate Past Chairman of the Conference of State Banks Supervisors and founding member of the Board of Managers of State Regulatory Registry LLC, a limited liability company established to implement a national mortgage licensing system.

Smith is also the author of a number of articles on banking and financial services issues, including: "Savings for the Poor: The Hidden Benefits of Electronic Banking: A Review and Response," 5 NC Banking Inst. 1 (2001); "The Federal Banking Agencies' Guidance on Subprime Lending: Regulation with a Divided Mind," 6 N.C. Banking Inst. 75 (2002); "Federal and State Regulation of Financial Services: Competition and the Search for Comity," Consumer Finance Law Quarterly Report, Vol. 57, Nos. 2-4 (Spring - Fall 2003); "Financial Literacy, Regulation and Consumer Welfare," 8 N.C. Banking Inst. 77 (2004); and "Home Mortgage Lending: Past, Present, and Future," the 2011 Donald F. Clifford, Jr., Distinguished Lecture, UNC School of Law Festival of Legal Learning (2011).

Upon Smith's departure, Chief Deputy Commissioner of Banks Ray Grace, a dedicated public servant at NCCOB for more than 35 years, will serve as Acting Commissioner.

NCCOB regulates state-chartered banks, savings and loans, trust companies, and more than 500 mortgage lenders/servicers/brokers and approximately 5,500 loan officers, as well as numerous consumer finance companies, check-cashers, and other financial services. NCCOB is funded by industry fees and assessments and not taxpayer dollars.

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