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Media Release

Conference of State Bank Supervisors

1155 Connecticut Avenue, NW, Fifth Floor, Washington, DC, 20036

American Association of Residential Mortgage Regulators

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North Carolina Office of the Commissioner of Banks Receives Certificate of Mortgage Accreditation

Washington, D.C. – The Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) announced that the North Carolina Office of the Commissioner of Banks (NCCOB), Mortgage Division, has received a certificate of accreditation for mortgage supervision, certifying that the NCCOB maintains the standards and practices in state mortgage supervision set by the CSBS and AARMR Accreditation Program. North Carolina is the eighth state to receive accreditation for mortgage supervision.

The NCCOB is responsible for the chartering and regulation of North Carolina's state banks, trust companies, and mortgage companies, in addition to registration and licensing of various financial service providers operating in the state of North Carolina. Its principal mission is to promote and maintain the strength and fairness of the North Carolina financial services marketplace through the supervision and regulation of North Carolina's financial service providers.

Joseph A. Smith, Jr., is the North Carolina Commissioner of Banks, an office he has held since June 2002. In his second term as Commissioner, Smith governs an agency responsible for the supervision of state-chartered banks and thrift institutions having aggregate assets in excess of \$200 billion, the licensing and regulation of over 600 organizations and 6,000 individuals involved in mortgage banking and brokerage, and the regulation of a variety of consumer finance enterprises including finance companies, check cashers, money transmitters and refund anticipation lenders. Commissioner Smith is a graduate of Davidson College and the University of Virginia Law School and is licensed to practice law in both New York and North Carolina. He is the immediate past Chairman of CSBS and a founding member of the Board of Managers of State Regulatory Registry LLC, a wholly owned subsidiary of CSBS which operates the Nationwide Mortgage Licensing System and Registry (NMLS) on behalf of state regulators.

“North Carolina has always been on the cutting edge of financial supervision and consumer protection, and Commissioner Smith and his staff have demonstrated their commitment to quality mortgage supervision time and again,” said Neil Milner, President and CEO of CSBS.

AARMR President Darin Domingue stated, "Congratulations to Commissioner Smith and his staff for meeting the high standards required to achieve accreditation."

The CSBS and AARMR mortgage accreditation program aims to strengthen state mortgage regulators and to demonstrate the high quality of state regulatory agencies to the general public, the federal banking agencies, Congress, and other state regulatory agencies.

The accreditation process begins with completion of an extensive self-evaluation questionnaire on all departmental operations: administration and finance, personnel, training, examination, supervision, and legislative powers. Next, an external review team comprised of veteran state and federal regulators performs an on-site review and presents its findings to an audit team and to the Performance Standards Committee, the members of which vote on the reports of the review team and the audit team.

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The Conference of State Bank Supervisors (CSBS) is the nationwide organization for state bank regulation, representing the bank regulators of the 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. State authorities supervise approximately 6,000 state-chartered financial institutions. Furthermore, the majority of state banking departments also oversee mortgage providers and other financial service providers. CSBS is also responsible for improving the quality of state bank supervision by providing performance evaluation and accreditation programs for the banking departments, as well as supervisory education and training programs for state personnel.

The American Association of Residential Mortgage Regulators (AARMR) is the national organization representing state residential mortgage regulators. AARMR's mission is to (a) promote the exchange of information between and among the executives and employees of the various states who are charged with the responsibility, pursuant to the laws of the individual states, for the administration and regulation of residential mortgage lending, servicing and brokering; (b) assist in resolving conflicts of jurisdiction in relation to mortgage lending, servicing, and brokering; (c) promote a better understanding of mortgage regulation; (d) develop model legislation applicable to the administration and regulation of mortgage lending, servicing and brokering; (e) increase the knowledge and ability of those engaged in the administration and enforcement of mortgage regulation and those engaged in mortgage lending, servicing or brokering by organizing and sponsoring lectures, seminars, and training programs and by

providing a forum for the exchange of information; and (f) do everything necessary, proper, advisable or convenient for the accomplishment of the Corporation's purposes and goals.