

## TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS RECOGNIZES ITS 100<sup>TH</sup> ANNIVERSARY

*By Greg Gonzales*

In the early months of the recent financial crisis, we received a variety of reports of anxiety among bank customers throughout the state. In the Department of Financial Institutions, we received enough calls asking whether Tennessee banks were failing that we set up a specific group of people to receive and answer those calls. We then decided that we needed to be proactive and get out around the state to speak to citizens directly. I remember a bright fall day that I was asked to attend a meeting set up by a rural Tennessee bank for some of its customers who were concerned.

As I planned for this meeting, I thought perhaps a couple of dozen people might show up. For a variety of reasons, over 150 interested citizens decided to come and ask questions for the better part of an hour.

One of my main messages that day was that there was a state agency named the Department of Financial Institutions that, in partnership with federal agencies, monitors the condition of state banks and works with financial institutions to provide a safe and sound banking system for the people of Tennessee.

The audience was made up of small business leaders, government officials and a large group of senior citizens who particularly reflected back to the Great Depression and the loss of family savings. We were receiving a few stories at that time of senior citizens buying home safes to hold their savings rather than maintaining deposits in their local bank.

After the meeting, some of the senior citizens came up to me and said that they did not previously know much about our department but now felt a level of comfort that Tennessee was not on the verge of a widespread banking collapse and that the State of Tennessee was actively engaged in monitoring the state banking system.

We are now reflecting on the 100th anniversary of the creation of the Department and I could think of few stories that better represented the reason as to why Governor Ben Hooper on March 20, 1913 approved a bill passed by the General Assembly creating a Tennessee Department of Banking. The Department's jurisdiction has significantly expanded over the last 100 years, but the mission of providing a safe and sound banking system remains the same.

Public confidence is the foundation of the banking system. We saw concern, but the state system weathered the storm relatively well which was a great testament to many in the private and public sectors and ultimately to the citizens of this state who did not give in to fear.

The employees of the Tennessee Department of Financial Institutions counted it a privilege to serve in the Department during this period, to be part of the response to perhaps the greatest banking crisis since the Great Depression and to keep the trust of those in 1913 who knew there would be times where the state needed to have its own agency dedicated to monitoring and protecting the Tennessee banking system.

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