Dent proposes cuts at agency

By The Associated Press

The Louisiana Office of Financial Institutions could eliminate 25 positions and reduce fees mandated on state-chartered banks and savings and loans by 20 percent under a plan by Commissioner Fred Dent.

However, Dent said he will leave it up to his successor next year to determine whether that plan will be implemented. He said the plan is still in rough draft form and that he expects to complete a final version by year's end.

"I don't think it would be fair to my successor to put this into effect before he or she had a chance to review it," Dent said in an interview published Monday in the Shreveport Journal. "Besides, this was never planned for this budgetary year, but it was planned for the next cycle. I do plan to have it ready by the time I leave office."

His term expires on Jan. 4, 1991, and Gov. Buddy Roemer has made it clear that he won't be reappointed. Earlier this fall, Roemer accused the commissioner of improperly engaging in politics.

In proposing scaling down his office, Dent argued that the worst of the state's problems with banks and savings and loans has passed.

"I have closed 46 banks" since 1986, he said, adding that there are currently 240 institutions to watch plus more experience in his office have made reductions appropriate which will allow a 20 percent cut in the fees the financial institutions pay to be examined, Dent said. His office is entirely dependent on those fees and does not receive state tax funds. In fact, his office has carried a surplus the last four years.

The 1990-1991 budget for the office is $6.3 million, up almost 13 percent from the previous year's budget of $5.5 million when there was a $239,000 surplus, he said. His proposed fee reduction would slice the office's budget by more than $1 million.

"Obviously if something happens like a recession, God forbid, this could be modified," he added of the proposal.

Charles Worsham, executive vice president for the Louisiana Bankers' Association, who has seen the rough draft of the plan, said his members would appreciate a fee reduction. He explained that when Louisiana financial institutions started failing about four years ago, banks saw a doubling in the fees to cover the extra costs.

"I think the reduction next year would be even more welcomed since the bank charge for the Federal Deposit Insurance Corp. - which insures deposits in banks and savings and loans up to $100,000 - is going up from 12 cents per $100 in deposits to 19.5 cents and is expected to go up again as the federal government tries to handle potential bank problems elsewhere in the country.

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