

STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

August 1, 2018

10:00 AM

1200 Senate Street, Wade Hampton Building
Governor's Conference Room
Columbia, South Carolina

Upon proper call and due notice to all of its members and after having given required public notice, the State Board of Financial Institutions met on the 1st day of August, 2018, with Chairman Loftis presiding.

Members present were: Messrs. Loftis, Walters, Wright, Pennington, Strickland, Hart Ham, and Wicker.

Members absent were: Messrs. Conley, Saunders and Ms. Marcum.

In attendance from the Examining Division were Commissioner Bob Davis, Deputy Commissioner Kathy Bickham, Senior Review Examiner Renee Dzek, and Chief Examiner Rick Green.

In attendance from the Consumer Finance Division were Commissioner Ron Bodvake and Deputy Commissioner Sally Estes.

In attendance from the State Treasurer's Office were Chief of Staff Clarissa Adams, Deputy State Treasurer Cynthia Dannels, General Counsel Robin Johnson, Counsel Bill Condon, HR Manager Ms. Lisa O'Sullivan, Kevin Dietrich (Communications staff), and Assistant to the Chairman Alicia Sharpe.

Visitors in attendance were Billy Boylston (Carolinas Credit Union League) and new Consumer Finance Division staff Nancy Lewis (Administrative Coordinator), Alyssa Davis (Mortgage Examiner).

The Agenda was approved by General Consent.

The June 6, 2018 Board Minutes were approved by General Consent.

The following Notice / Blue Agenda Items were approved by General Consent:

CONSUMER FINANCE DIVISION

The following Supervised Consumer Finance Licensees have advised of change of address as follows:

1. SunUp Financial, LLC dba Balancecredit.com from 180 North Wacker Drive, Suite 300 to 33 North LaSalle Street, Suite 800, Chicago, Illinois.
2. Regional Finance Corporation of South Carolina from 605 Broadway Street to 854 Jason Boulevard, Suite C, Myrtle Beach, South Carolina.
3. Regional Finance Corporation of South Carolina from 110-A North Memorial Avenue to 2094 Bells Highway, Walterboro, South Carolina.
4. College Ave Student Loan Servicing, LLC from 1105 North Market Street to 233 North King Street, Wilmington, Delaware.
5. Security Finance Corporation of South Carolina dba Security Finance from 528-B Rice Avenue to 408 North Duncan Bypass, Suite C, Union, South Carolina.
6. No Limit, LLC dba No-Limit Financial Services from 675-B Lancaster By-Pass East to 1196 Great Falls Highway, Lancaster, South Carolina.
7. World Finance Company of South Carolina, LLC dba World Finance Corporation from 211 North Main Street to 101-A West 1st Avenue, Lake View, South Carolina.
8. Credit Central, LLC dba Credit Central from 1383 Russell Street to 1356 Grove Park Drive, Orangeburg, South Carolina.
9. Credit Central, LLC dba Credit Central from 1100 West Floyd Baker Boulevard, Suite B to 1100 West Floyd Baker Boulevard, Suite A, Gaffney, South Carolina.
10. Western-Shamrock Corporation dba Western Finance from 665 Silver Bluff Road to 778 Silver Bluff Road, Aiken, South Carolina.
11. OneMain Financial Group, LLC from 7550 Dorchester Road to 7550 Dorchester Road, Suite C, North Charleston, South Carolina.

The following Supervised Consumer Finance Licensees have advised of change of name as follows:

1. Credit Central, LLC from dba Credit Plus to Credit Central, Orangeburg, South Carolina.
2. Credit Central, LLC from dba Credit Plus to Credit Central, Gaffney, South Carolina.
3. Western-Shamrock Corporation from dba National Finance Company to Western Finance, Aiken, South Carolina.
4. Credit Central, LLC from dba Credit Plus to Credit Central, Greenville, South Carolina.

Notification has been received that the following Supervised Consumer Finance Licensees have been voluntarily surrendered for cancellation:

1. Prompt Loans, Inc., 109 East Church Street, Saluda, South Carolina.
2. TitleMax of South Carolina, Inc. dba TitleMax, 105 East McIntyre Street, Mullins, South Carolina.
3. Day Title, LLC, 1305 West Poinsett Street, Suite 300, Greer, South Carolina.
4. CNG Investments, Inc. dba Cash N Go Title Loans, 3009 Wade Hampton Boulevard, Taylors, South Carolina.
5. AC Autopay LLC dba www.acautopay.com, Denver, Colorado.
6. AC Autopay LLC, 1147 Broadway, Suite 100, Denver, Colorado.
7. EmmaLend I, LLC dba Cash Fast Title Loans Of SC, LLC, 130-A South Main Street, Clover, South Carolina.

EXAMINING DIVISION

Employment of John W. Hammond, Associate Examiner, effective July 2, 2018.

Resignation of Benjamin Buzzard, Examiner I, effective September 7, 2018.

REGULAR SESSION

Board member Dan Walters expressed that he may have a conflict of interest with the request of Credit Central, LLC dba Credit Central for a Supervised Consumer Finance License. In his written statement, Mr. Walters stated that the Board was considering taking action on the following matters: “two address changes, three ‘dba’ name changes, and one application for a supervised lending license for Credit Central, LLC.” He then stated, “I...have/has or may have an economic interest in the decision in the matter stated above because I am the Chief Executive Officer of Credit Central, LLC.” Accordingly, Mr. Walters is disqualified from any action, vote, or deliberation concerning Credit Central, LLC.

(A) COMMITTEE UPDATES

1. Budget, Policy and Planning Committee

The Budget, Policy and Planning Committee update was provided by Mr. Pennington. He informed the board of the high-level overview provided by Commissioner Davis regarding two new policies and a new IT position:

- (a) Problem Institution / Enforcement Action policy: the Committee has asked for further clarification on what happens if direction is given to a bank and they disagree. The Committee agreed that there would be no changes to policy but that there would be written procedures to help the Banking division administer it.
- (b) Offsite Surveillance policy: There were no follow up questions from the Committee. The Committee is recommending approval of the policies.
- (c) New IT position: The Committee was briefed on IT needs and security.

Mr. Pennington updated the Board on the briefing the Committee received from Commissioner Bodvake on his division's FY19/20 budget request, specifically additional FTEs and no increase in budget authorization. The Committee is recommending approval of the FTEs.

Finally, Mr. Pennington updated the Board on the presentation by Commissioner Davis concerning the Bank Examining division's FY 19/20 budget request for a 5% increase in appropriations.

On motion of the Budget, Policy and Planning Committee, the Board voted to approve **the two new Banking policies.**

On motion of the Budget, Policy and Planning Committee, the Board voted to approve the **Consumer Finance FY 19/20 budget request to include seven new FTEs.**

On motion of Mr. Pennington duly seconded by Mr. Strickland, and unanimously carried, the Board voted to approve the Bank Examining division's **FY 19/20 budget request for a 5% increase in appropriations**

- 2. Legislative Committee
The committee did not meet.

(B) CONSUMER FINANCE DIVISION

The following applications for Supervised Consumer Finance Licensees have been received by the Consumer Finance Division pursuant to §37-3-503. The division has reviewed and determined these applications meet licensing requirements pursuant to §37-3-503(1) (2). The Board approved the following items 1 through 20 by General Consent, except that Mr. Walters recused himself from any vote on item 6. There were no deliberations on item 6.

IN-STATE

1. Request of AutoMoney, Inc. dba AutoMoney, Inc. - Dillon #2 for a Supervised Consumer Finance License to perform certain lending operations from its location at 2375 Highway 301 North, Hamer, South Carolina 29536. **(#Active81)**
2. Request of Cash Credit Co. for a Supervised Consumer Finance License to perform certain lending operations from its location at 116 North Highway 52, Suite 118-A, Moncks Corner, South Carolina 29461. **(#Active3)**
3. Request of Easley Community Finance, Inc. for a Supervised Consumer Finance License to perform certain lending operations from its location at 706 South Pendleton Street, Easley, South Carolina 29640. **(New)**
4. Request of Hawk, Inc. dba Lenders Loans for a Supervised Consumer Finance License to perform certain lending operations from its location at 331 North Parler Avenue, St. George, South Carolina 29477. **(#Active16)**
5. Request of Hawk, Inc. dba Lenders Loans for a Supervised Consumer Finance License to perform certain lending operations from its location at 216 John Street, Lake City, South Carolina 29560. **(#Active16)**
6. Request of Credit Central, LLC dba Credit Central for a Supervised Consumer Finance License to perform certain lending operations from its location at 2696 Beaver Run Blvd Suite B Surfside Beach, South Carolina 29575

OUT OF STATE

7. Request of Cuzco Capital Investment Management, LLC for a Supervised Consumer Finance License to perform certain lending operations from its location at 111 Great Neck Road, Suite 506, Great Neck, New York 11021. **(New)**
8. Request of Earnest Operations LLC for a Supervised Consumer Finance License to perform certain lending operations from its location at www.navirefi.com. **(#Active3)**
9. Request of Simple Fast Loans, Inc. for a Supervised Consumer Finance License to perform certain lending operations from its location at 8601 Dunwoody Place, Suite 406, Atlanta, Georgia 30350. **(New)**
10. Request of Simple Fast Loans, Inc. for a Supervised Consumer Finance license to perform certain lending operations from its location at www.simplefastloans.com. **(New)**
11. Request of Sofi Lending Corp. dba Sofi for a Supervised Consumer Finance License to perform certain lending operations from its location at 375 Healdsburg Avenue, Suite 280, Healdsburg, California 95448. **(New)**
12. Request of Sofi Lending Corp. for a Supervised Consumer Finance License to perform certain lending operations from its location at www.sofi.com. **(New)**
13. Request of Southern Specialty Finance, Inc. dba Check n' Go for a Supervised Consumer Finance License to perform certain lending operations from its

location at 7755 Montgomery Road, Suite 400, Cincinnati, Ohio 45236.

(#Active30)

14. Request of Southern Specialty Finance, Inc. for a Supervised Consumer Finance License to perform certain lending operations from its location at www.checkngo.com. **(#Active30)**
15. Request of TitleMax of South Carolina, Inc. dba TitleMax for a Supervised Consumer Finance License to perform certain lending operations from its location at 2312 East Trinity Mills Road, Carrollton, Texas 75006. **(#Active84)**

DEFERRED PRESENTMENT

The following applications for Deferred Presentment have been received by the Consumer Finance Division pursuant to §34-39-150. The division has reviewed and determined these applications meet licensing requirements pursuant to §34-39-160 and recommend approval for issuance of a deferred presentment license.

16. Request of Huntington Debt Holding LLC for a license to provide Deferred Presentment services at 210 John Glenn Drive, Suite 10, Amherst, New York 14228. **(New)**

CHECK CASHING LEVEL II SERVICES

The following applications for Level II Check Cashing Services have been received by the Consumer Finance Division pursuant to §34-41-40. The division has reviewed and determined these applications meet licensing requirements pursuant to §34-41-40, §34-41-42 and §34-41-50.

17. Request of El Don Juan LLC for a license to provide Check Cashing Level II services at 1C Mathews Court, Hilton Head Island, South Carolina 29926. **(New)**
18. Request of NAND LLC dba Thomas Food Mart for a license to provide Check Cashing Level II services at 1604 Tribble Street, Anderson, South Carolina 29625. **(New)**
19. Request of OM International Inc. dba Simba Express #5 for a license to provide Check Cashing Level II services at 1830 Frink Street, Cayce, South Carolina 29033. **(New)**
20. Request of YSP Enterprise LLC dba Bless Grocery and Beauty for a license to provide Check Cashing Level II services at 732 East Main Street, Rock Hill, South Carolina 29730. **(New)**

OTHER BUSINESS

Commissioner Bodvake provided the Board with an update on the following:
Meetings and Conferences

- August – American Association of Residential Mortgage Regulators (AARMR) Annual Conference –Boston, MA
- August – American Conference of Uniform Consumer Credit Code States (ACUCCCS) –Lawrence, KS
- September – Veritec Conference – Alexandria, VA
- September – South Carolina Financial Services Association – Amelia Island, FL
- September – National Association Of Consumer Credit Administrators – Fort Lauderdale, FL

Personnel

- Alyssa Davis, mortgage examiner hired
- Program Manager position for Mortgage regulation has been posted

Reports – Power Point presentation: *Consumer Finance Division Overview*

(C) EXAMINING DIVISION

1. Notification of Citizens Building and Loan, SSB, Greer, South Carolina, that it will establish a loan production office in Landrum, South Carolina.
2. Commissioner Davis provided the Board with an update on the following:

Meetings with Management/Boards:

- 1st Federal of South Carolina, Walterboro
(Commissioner Bob Davis traveled to this recently-converted federal savings bank and met with its management team)
- Community First Bank, Walhalla
(Board meeting participated in by Senior Examiner in Charge Remonia Felix and Senior Review Examiner Janeen Hughes)
- Bank of Greeleyville
(Board meeting participated in by Senior Examiner in Charge Rudy Baumann)
- The Peoples Bank, Iva
(Board meeting participated in by Examiner Aaron Fleming)

Conferences, Training, etc.

- FDIC (Examiner Georgia Campbell attended Asset Liability Management School)
- Federal Reserve (All employees attended Board Presentation Training)
- NCUA (Deputy Commissioner Kathy Bickham and Chief Examiner Rick Green attended the Alternating Examinations Joint Working Group Meeting)

- NASCUS (Chief Examiner Rick Green and Senior Review Examiner Janeen Hughes attended the NASCUS Annual Summit)
- CSBS (Chief Examiner Rick Green and Senior Examiner Remonia Felix attended CSBS Senior School)
- IBSC (Commissioner Bob Davis attended the IBSC ANNUAL Conference)

3. Approval of Supervisory Fees for the 2018-2019 Fiscal Year.

Commissioner Davis presented the Supervisory Fees for the 2018 - 2019 Fiscal Year to the Board for discussion and approval.

On motion of Mr. Strickland duly seconded by Mr. Hart, and unanimously carried, the Board voted to approve the 2019 Supervisory fees for Banks as detailed on page 4 of the "Calculating Supervisory Fees" presentation by Commissioner Davis.

On motion of Mr. Hart duly seconded by Mr. Strickland, and unanimously carried, the Board voted to approve the 2019 Supervisory fees for Credit Unions as detailed on page 5 of the "Calculating Supervisory Fees" presentation by Commissioner Davis.

On motion of Mr. Strickland duly seconded by Mr. Pennington, and unanimously carried, the Board voted to approve the 2019 Supervisory fees for Other Institutions, including Trust Companies and Business Development Corporations as detailed on page 6 of the "Calculating Supervisory Fees" presentation by Commissioner Davis.

(D) COMMISSIONERS' ACCOMPLISHMENTS

Commissioner Davis and Commissioner Bodvake presented their accomplishments as part of their annual review.

EXECUTIVE SESSION

On motion of Mr. Wright duly seconded by Mr. Strickland, and unanimously carried, the Board voted to adjourn into Executive Session to receive and discuss information pertaining to contractual arrangements, examination findings, personnel matters, legal advice, or to discuss confidential information or trade secrets of institutions under examination.

On motion of Mr. Walters, duly seconded by Mr. Wicker, and unanimously carried, the Board returned to Regular Session. No other votes were taken in Executive Session.

The following actions were taken in Regular Session on items discussed in Executive Session:

EXAMINING DIVISION

On motion of Mr. Pennington, duly seconded by Mr. Hart, and unanimously carried, the Board voted to approve the request of Carolina Bank and Trust Company, Lamar, South Carolina, to establish a branch at 185 West Evans Street, Florence, South Carolina.

On motion of Mr. Wicker, duly seconded by Mr. Pennington, and unanimously carried, the Board voted, pursuant to section 34-21-10 to approve the request of Great Plains Trust Company to conduct trust business in S.C. because, based on its application and the ensuing investigation, the Board finds that

1. Great Plains has complied with all provisions of law,
2. In the judgement of the Board, Great Plains is qualified to conduct trust business, and
3. The conduct of such business would serve the public interest.

Item 3 was a report by the Commissioner of Banking to discuss confidential information and did not require a vote.

Item C was a discussion of personnel matters and did not require a vote.

The next scheduled Board meeting is for Wednesday, September 1, 2018.

There being no further business, the meeting was adjourned by acclamation.