

Board of Financial Institutions  
Agency Budget Analysis  
July 1, 2018 - June 30, 2019

FM 4 - FY 19 10/31/18	Original Budget	Agency Adj/Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
<b>Personal Services</b>							
Administration	3,465.00	-	3,465.00	700.00	2,765.00	3,465.00	-
Exam	1,475,000.00	-	1,475,000.00	456,758.74	1,018,241.26	1,475,000.00	-
Consumer	1,420,388.78	-	1,420,388.78	422,152.29	960,235.94	1,382,388.23	38,000.55
<b>Total Personal Services</b>	<b>2,898,853.78</b>	<b>-</b>	<b>2,898,853.78</b>	<b>879,611.03</b>	<b>1,981,242.20</b>	<b>2,860,853.23</b>	<b>38,000.55</b>
<b>Employer Contributions</b>							
Administration							
Exam	541,000.00	-	541,000.00	154,650.50	371,658.06	526,308.56	14,691.44
Consumer	525,543.85	-	525,543.85	164,218.15	358,168.01	522,386.16	3,157.69
<b>Total Employer Contribution:</b>	<b>1,066,543.85</b>	<b>-</b>	<b>1,066,543.85</b>	<b>318,868.65</b>	<b>729,826.07</b>	<b>1,048,694.72</b>	<b>17,849.13</b>
<b>Total Per. Serv./Empl. Contr.</b>	<b>3,965,397.63</b>	<b>-</b>	<b>3,965,397.63</b>	<b>1,198,479.68</b>	<b>2,711,068.27</b>	<b>3,909,547.95</b>	<b>55,849.68</b>
<b>Other Operating Expenses</b>							
<b>Contractual Services:</b>							
Administration	125.00	-	125.00	89.63	35.37	125.00	-
Exam	136,350.00	-	136,350.00	12,223.18	124,126.82	136,350.00	-
Consumer	165,000.00	-	165,000.00	67,551.47	97,448.53	165,000.00	-
<b>Total Contractual Services:</b>	<b>301,475.00</b>	<b>-</b>	<b>301,475.00</b>	<b>79,864.28</b>	<b>221,610.72</b>	<b>301,475.00</b>	<b>-</b>
<b>Supplies &amp; Materials:</b>							
Administration	350.00	-	350.00	-	350.00	350.00	-
Exam	12,300.00	-	12,300.00	2,367.21	9,932.79	12,300.00	-
Consumer	34,000.00	-	34,000.00	5,132.97	28,867.03	34,000.00	-
<b>Total Supplies &amp; Materials</b>	<b>46,650.00</b>	<b>-</b>	<b>46,650.00</b>	<b>7,500.18</b>	<b>39,149.82</b>	<b>46,650.00</b>	<b>-</b>
<b>Fixed Charges:</b>							
Administration	23,437.00	7,500.00	30,937.00	25,183.00	5,754.00	30,937.00	-
Exam	55,755.00	-	55,755.00	7,930.00	47,825.00	55,755.00	-
Consumer	46,000.00	(3,000.00)	43,000.00	4,186.68	38,813.32	43,000.00	-
<b>Total Fixed Charges:</b>	<b>125,192.00</b>	<b>4,500.00</b>	<b>129,692.00</b>	<b>37,299.68</b>	<b>92,392.32</b>	<b>129,692.00</b>	<b>-</b>
<b>Travel:</b>							
Administration - Board Member	7,000.00	(1,500.00)	5,500.00	1,576.14	3,923.86	5,500.00	-
Exam	201,915.00	(3,000.00)	198,915.00	59,831.14	139,083.86	198,915.00	-
Consumer	173,073.00	-	173,073.00	54,510.80	118,562.20	173,073.00	-
<b>Total Travel:</b>	<b>381,988.00</b>	<b>(4,500.00)</b>	<b>377,488.00</b>	<b>115,918.08</b>	<b>261,569.92</b>	<b>377,488.00</b>	<b>-</b>
<b>Equipment (cap &amp; non-cap)</b>							
Administration	-	-	-	-	-	-	-
Exam	-	-	-	-	-	-	-
Consumer	31,000.00	-	31,000.00	29,322.00	1,678.00	31,000.00	-
<b>Total Equipment</b>	<b>31,000.00</b>	<b>-</b>	<b>31,000.00</b>	<b>29,322.00</b>	<b>1,678.00</b>	<b>31,000.00</b>	<b>-</b>
<b>Total Other Operating Exp:</b>							
Administration	30,912.00	6,000.00	36,912.00	26,848.77	10,063.23	36,912.00	-
Exam	406,320.00	(3,000.00)	403,320.00	82,351.53	320,968.47	403,320.00	-
Consumer	449,073.00	(3,000.00)	446,073.00	160,703.92	285,369.08	446,073.00	-
<b>Total Other Operating Exp:</b>	<b>886,305.00</b>	<b>-</b>	<b>886,305.00</b>	<b>269,904.22</b>	<b>616,400.78</b>	<b>886,305.00</b>	<b>-</b>
<b>Total Funds Available</b>	<b>4,851,702.63</b>	<b>-</b>	<b>4,851,702.63</b>	<b>1,468,383.90</b>	<b>3,327,469.05</b>	<b>4,795,852.95</b>	<b>55,849.68</b>

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<b>Administration</b>							
<b>Personal Services</b>							
Other Personal Services	3,465.00		3,465.00	700.00	2,765.00	3,465.00	-
<b>Total Personal Services</b>	<b>3,465.00</b>	<b>-</b>	<b>3,465.00</b>	<b>700.00</b>	<b>2,765.00</b>	<b>3,465.00</b>	<b>-</b>
<b>Other Operating Expenses</b>							
Contractual Services	125.00		125.00	89.63	35.37	125.00	-
Supplies & Materials	350.00		350.00	-	350.00	350.00	-
Fixed Charges	23,437.00	7,500.00	30,937.00	25,183.00	5,754.00	30,937.00	-
Travel	7,000.00	(1,500.00)	5,500.00	1,576.14	3,923.86	5,500.00	-
Equipment	-		-	-	-	-	-
<b>Total Other Operating Exp.</b>	<b>30,912.00</b>	<b>6,000.00</b>	<b>36,912.00</b>	<b>26,848.77</b>	<b>10,063.23</b>	<b>36,912.00</b>	<b>-</b>
<b>Total Administration</b>	<b>34,377.00</b>	<b>6,000.00</b>	<b>40,377.00</b>	<b>27,548.77</b>	<b>12,828.23</b>	<b>40,377.00</b>	<b>-</b>

**Board of Financial Institutions**  
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FM 4 - FY 19 10/31/18	Original Budget	Agency Adj/ Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
<b>Banking Examiners</b>							
<b>Personal Services</b>							
Commissioner of Banking	135,273.00		135,273.00	45,090.96	90,182.04	135,273.00	-
Classified Positions	1,339,727.00		1,339,727.00	411,667.78	928,059.22	1,339,727.00	-
<b>Total Personal Services</b>	<b>1,475,000.00</b>	<b>-</b>	<b>1,475,000.00</b>	<b>456,758.74</b>	<b>1,018,241.26</b>	<b>1,475,000.00</b>	<b>-</b>
<b>Other Operating Expenses</b>							
Contractual Services	136,350.00		136,350.00	12,223.18	124,126.82	136,350.00	-
Supplies & Materials	12,300.00		12,300.00	2,367.21	9,932.79	12,300.00	-
Fixed Charges	55,755.00		55,755.00	7,930.00	47,825.00	55,755.00	-
Travel	201,915.00	(3,000.00)	198,915.00	59,831.14	139,083.86	198,915.00	-
Equipment	-		-	-	-	-	-
<b>Total Other Operating Exp.</b>	<b>406,320.00</b>	<b>(3,000.00)</b>	<b>403,320.00</b>	<b>82,351.53</b>	<b>320,968.47</b>	<b>403,320.00</b>	<b>-</b>
<b>Total Employer Contributions</b>	<b>541,000.00</b>		<b>541,000.00</b>	<b>154,650.50</b>	<b>371,658.06</b>	<b>526,308.56</b>	<b>14,691.44</b>
<b>Total Banking Examiners</b>	<b>2,422,320.00</b>	<b>(3,000.00)</b>	<b>2,419,320.00</b>	<b>693,760.77</b>	<b>1,710,867.79</b>	<b>2,404,628.56</b>	<b>14,691.44</b>

**Board of Financial Institutions**  
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FM 4 - FY 19 10/31/18	Original Budget	Agency Adj/ Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
<b>Consumer Finance</b>							
<b>Personal Services</b>							
Director	90,000.00		90,000.00	30,000.00	60,000.00	90,000.00	-
Classified Positions	1,330,388.78		1,330,388.78	392,152.29	900,235.94	1,292,388.23	38,000.55
Other Personal Services			-			-	-
<b>Total Personal Services</b>	<b>1,420,388.78</b>	<b>-</b>	<b>1,420,388.78</b>	<b>422,152.29</b>	<b>960,235.94</b>	<b>1,382,388.23</b>	<b>38,000.55</b>
<b>Other Operating Expenses</b>							
Contractual Services	165,000.00		165,000.00	67,551.47	97,448.53	165,000.00	-
Supplies & Materials	34,000.00		34,000.00	5,132.97	28,867.03	34,000.00	-
Fixed Charges	46,000.00	(3,000.00)	43,000.00	4,186.68	38,813.32	43,000.00	-
Travel	173,073.00		173,073.00	54,510.80	118,562.20	173,073.00	-
Equipment	31,000.00		31,000.00	29,322.00	1,678.00	31,000.00	-
<b>Total Other Operating Exp.</b>	<b>449,073.00</b>	<b>(3,000.00)</b>	<b>446,073.00</b>	<b>160,703.92</b>	<b>285,369.08</b>	<b>446,073.00</b>	<b>-</b>
<b>Total Employer Contributions</b>	<b>525,543.85</b>		<b>525,543.85</b>	<b>164,218.15</b>	<b>358,168.01</b>	<b>522,386.16</b>	<b>3,157.69</b>
<b>Total Consumer Finance</b>	<b>2,395,005.63</b>	<b>(3,000.00)</b>	<b>2,392,005.63</b>	<b>747,074.36</b>	<b>1,603,773.03</b>	<b>2,350,847.39</b>	<b>41,158.24</b>

**Board of Financial Institutions  
Agency Cash/Revenue Analysis  
July 1, 2018 - June 30, 2019**

**CURRENT ACTUAL AND FORECAST REVENUE THROUGH JUNE 30, 2019**

<b>FM 4 - FY 19 10/31/2018</b>	<b>Cash Carryforward from FY 18</b>	<b>Revenue Received To Date</b>	<b>Estimated Revenue To Be Received</b>	<b>Total Est Rev Incl Cash Carryforward</b>	<b>Expended To Date</b>	<b>Projected Remaining Expenditures</b>	<b>Projected Total Expenditures</b>	<b>Projected Variance Fav (Unfav)</b>
Bank Examining	902,139.30	2,344,814.50	5,000.00	3,251,953.80	707,535.16	1,717,281.91	2,424,817.07	827,136.73
Consumer Finance	1,628,413.45	373,945.00	2,056,255.00	4,058,613.45	760,848.74	1,610,187.14	2,371,035.88	1,687,577.57
<b>Total Actual 3035</b>	<b>2,530,552.75</b>	<b>2,718,759.50</b>	<b>2,061,255.00</b>	<b>7,310,567.25</b>	<b>1,468,383.90</b>	<b>3,327,469.05</b>	<b>4,795,852.95</b>	<b>2,514,714.30</b>

# COMMISSIONER OF CONSUMER FINANCE REPORT

December 5, 2018

## **Meetings and Conferences**

- November – Agency Head Summit, Columbia, SC

## **Reports**

- Mortgage Renewal Snapshot
- Monthly Statistics

## South Carolina State Board of Financial Institutions - Consumer Finance Division

### Consumer Licensees

	7/31/2018	9/4/2018	10/2/2018	11/1/2018
Supervised / Restricted Licensees	1539	1552	1560	1567
Current Deferred Presentment Licensees	242	243	243	241
Level 1 Check Cashing Licensees	69	69	68	67
Level 2 Check Cashing Licensees	230	232	233	225
<b>Total Consumer Licenses</b>	<b>2080</b>	<b>2096</b>	<b>2104</b>	<b>2100</b>

### Monthly Consumer Finance Exams

	July	August	September	October
Supervised Out Of Office Exams	104	89	64	63
Supervised In Office Exams	38	31	2	4
Restricted Exams	0	0	0	0
Deferred Presentment Exams	10	2	12	28
Check Cashing Exams (L1)	0	2	3	8
Level 5 Rated Exams	0	1	0	0
Level 4 Rated Exams	1	1	1	0

### Monthly Consumer License Applications

	July	August	September	October
Supervised Applications	13	50	34	9
Deferred Presentment Applications	2	0	0	0
Level 1 Check Cashing Applications	0	0	0	0
Level 2 Check Cashing Applications	4	2	2	0
Supervised Consumer Address Changes	8	11	4	7

### Consumer Applications on Agenda for Board Approval

	August	September	October	November
Supervised Applicatons	15	12	66	11
Deferred Presentment Applications	1	2	0	0
Level 1 Check Cashing Applications	0	0	0	0
Level 2 Check Cashing Applications	4	3	0	3

### Mortgage Licensees

	7/31/2018	9/4/2018	10/2/2018	11/1/2018
Current Mortgage Lender/Service Licensees	402	403	399	404
Current Mortgage Lender/Service OTN Licensees	162	163	162	164
Current Mortgage Lender/Service Branch Licensees	1260	1269	1271	1333
Current Mortgage Lender/Service OTN Branch Licensees	319	330	323	320
Current Mortgage Loan Originator Licensees	8476	8472	8393	8388
Inactive Mortgage Loan Originator Licensees	1943	2147	2405	2575
<b>Total Mortgage Licenses</b>	<b>12562</b>	<b>12784</b>	<b>12953</b>	<b>13184</b>

### Monthly Mortgage License Applications

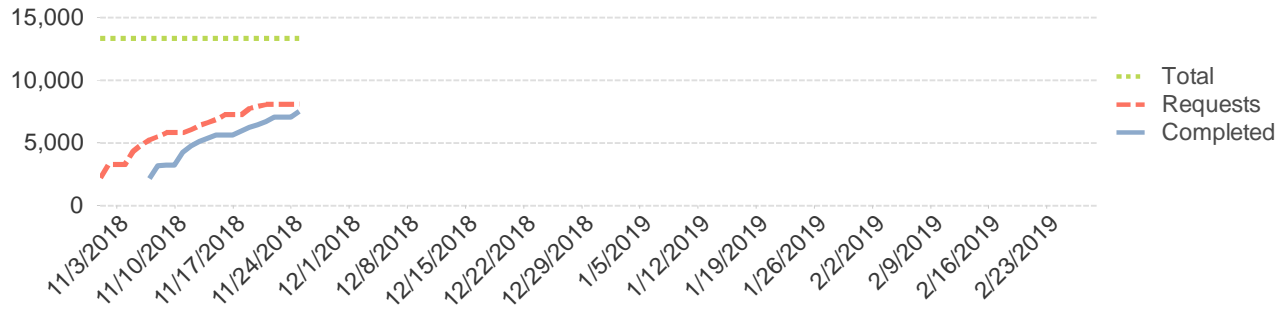
	July	August	September	October
Mortgage Lender/Service Applications	9	4	6	7
Mortgage Branch Applications	54	65	30	47
Mortgage Loan Originator Applications	261	295	187	172
All Monthly Mortgage Licensee Amendments	2752	2915	2321	3589

# Renewal Snapshot Report, 11/25/2018

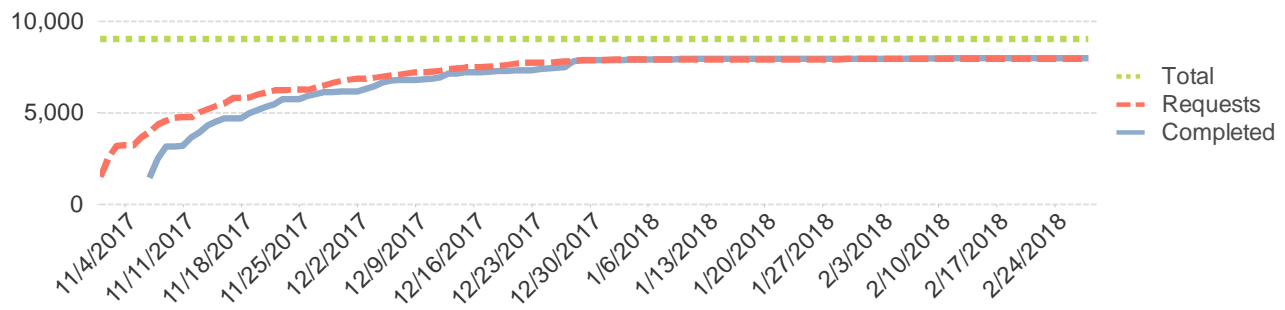
South Carolina Board of Financial Institutions

License Type: All Mortgage

## 2019 Renewal progress



## 2018 Renewal progress



## 2019

Renewable licenses as of 11/25/2018

13,193

Requested renewal by 11/25/2018

8,020      60.8%

Renewal requests completed as of 11/25/2018

7,514      93.7%

Licenses by renewal status, 11/25/2018

Renewal Status	Number of licenses	% of licenses
Renewal Approved	7,514	57.0%
Not Requested	5,044	38.2%
Renewal Requested	506	3.8%
Not Renewing	129	1.0%

## 2018

Renewable licenses as of 11/25/2017

8,980

Requested renewal by 11/25/2017

6,237      69.5%

Renewal requests completed as of 11/25/2017

5,652      90.6%

Licenses by renewal status, 11/25/2017

Renewal Status	Number of licenses	% of licenses
Renewal Approved	5,652	62.9%
Not Requested	2,635	29.3%
Renewal Requested	585	6.5%
Not Renewing	108	1.2%





**SUMMARY OF CSBS**  
**ACCREDITATION RESULTS**



# INTRODUCTION

CSBS examined 51 specific elements falling into five functional areas:

- Administration and Finance;
- Examination Policies and Procedures;
- Examination Capabilities;
- Supervision and Legislation; and
- Personnel and Training.

Each element was evaluated against a specific best-practice standard. Elements exceeding the standard were rated “3;” those meeting the standard were rated “2;” and those judged deficient compared to the standard were rated “1.”

- One element was rated “3.”
- Forty elements were rated “2.”
- Ten elements were rated “1.”

# ADMINISTRATION and FINANCE

## Consumer Education/Financial Literacy

The Agency needs to provide consumer education/financial literacy training to consumers by making more financial literacy information available on the Agency's website.

## Access to Legal Assistance

The Agency should add legal expertise knowledgeable of current financial institution regulatory issues by either hiring in-house counsel or having a dedicated attorney in the AG's office.

## Business Continuity Plan

The Agency must develop a written business continuity plan.

A service level agreement with the Department of Technology Operations should be obtained for IT services.

# EXAMINATION POLICIES and PROCEDURES

## Review and Transmittal of Reports

The Agency needs to continue to evaluate its examination report process to determine whether further improvements are available to reduce turnaround time for state-only examinations.

# EXAMINATION CAPABILITIES

## Ability to Examine and Rate Large Institutions

The Agency should consider additional staffing and expertise in order to provide resources during joint examinations of large institutions.

## Ability to Examine Holding Companies and Third Party Service Providers

The Agency should seek the statutory authority to examine holding companies and third party service providers and ensure that Agency examiners participate in such examinations.

# SUPERVISION and LEGISLATION

## Applications

The Board of Financial Institutions may wish to consider adopting a delegation of authority enabling the Commissioner of Banking to expedite certain routine non-complex applications submitted by well-capitalized and well-managed institutions.

## Adequacy of Statutory Enforcement Authority

The Agency should consider efforts to obtain full statutory enforcement authority, specifically:

- authority to suspend, remove or prohibit industry employment of individuals who have engaged in illegal conduct; and
- authority to assess civil money penalties.

# PERSONNEL and TRAINING

## Performance Appraisal Process

- Formal supervisory training in evaluating personnel should be provided to supervisors.
- The Agency should monitor external compensation factors and continue its efforts to provide an attractive career path and to retain qualified staff.

# *NEXT STEPS*

## 2017 and 2018

- *Many changes.*

## 2019

- *Gain comfort with the changes made.*
- *Determine which CSBS recommendations are desirable; formulate and execute on action plans.*
- *Address staffing challenges.*

## 2020

- *Implement enhanced technology.*