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SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

Legislative and Legal Committee
MINUTES

Thursday, October 31, 2019
9:30 A.M.
1200 Senate Street, Wade Hampton Office Building
Treasurer's Conference Room
Columbia, South Carolina

The Legislative and Legal Committee of the State Board of Financial Institutions met on October 31, 2019.

Members present: Messrs. Ham, Stuart (via phone) and Byrd (via phone).

Others in attendance: Commissioner Ron Bodvake, Commissioner Rick Green, Deputy Commissioner Kathy Bickham, Deputy Commissioner Carl Jeffcoat, Deputy Commissioner Phyllis Wicker, Counsel Shawn Eubanks, Fiscal Analyst Cameron Larkin and Board Administrator Alicia Sharpe.

Mr. Barry Ham was selected by the Committee as a temporary Chairman to preside over the meeting.

The October 31, 2019 Agenda was approved by General Consent.

The **February 20, 2019 Committee Meeting Minutes** were approved by **General Consent**.

There were no member **recusal or conflict of interests** disclosed or identified.

Commissioner Bodvake presented an update on the Check Cashing Regulation to the Committee. There is a change in due date to correspond with NMLS. A notice of draft has been placed in the state register and comments expire November 7, 2019. There are no known outstanding bills this year. Commissioner Bodvake will update the committee once notified of the dates for prefilled bills for this legislative cycle.

Fees will not need to be prorated in the interim and this may bring the budget more in line.

On motion of Mr. Byrd, duly seconded by Mr. Stuart and unanimously carried, the Committee recommended approval of the proposed Check Cashing Regulation to the full Board as presented by Commissioner Bodvake.

Commissioner Green presented a Proposed Operational Instruction to give clarity to institutions and provide parity with national banks. The proposed verbiage reads as follows:

*Disposition of Other Real Estate Owned Acquired Through Merger or Acquisition
When "Other Real Estate Owned" is acquired through merger with or acquisition
of another institution, the acquiring institution's holding period of the acquired
"Other Real Estate Owned" commences on the date of the merger or acquisition.*

On motion of Mr. Byrd, duly seconded by Mr. Stuart and unanimously carried, the Committee approved recommending to the full Board approval of the proposed Operational Instruction as presented by Commissioner Green.

Commissioner Green also provided a Legislative Update to the Committee.

The Senate Banking and Insurance Committee requested from the trade associations some noncontroversial amendments to Title 34. The Bankers Association has provided (CC: Dr. Steven Gilbert of Banking and Insurance Committee) their proposals:

1. Modernize the methods that form de novo banks.
2. Removed branch approval requirements. May have been inadvertently removed.
3. Cross state bank conversions. Creates an avenue to re-designate out of state charters if the institution has a branch in SC. Written with no approval process.
4. Repurchase of bank stock. Would recodify the operational instruction issued last year.
5. Bank Director and Officer Liability Standard.

Commissioner Green discussed the informal FinTech Sandbox Bill and Blockchain Empowerment Act meeting. The organizers are shopping to other states a standard language from Wyoming that does not fit South Carolina.

Renee Dzek retired October 10, 2019.

New Business

On motion of Mr. Byrd, duly seconded by Mr. Stuart and unanimously carried, the Committee nominated and approved Barry Ham as the Legislation and Legal Committee Chairman.

On motion of Mr. Byrd, duly seconded by Mr. Stuart and unanimously carried, the Committee approved the 2020 Committee Meeting schedule:

January 29th

June 17th

February 20th

December 16th

May 27th

The next committee meeting is scheduled for Wednesday, November 13, 2019.

There being no further business, the meeting was adjourned by acclamation at 10:45 AM.