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BILLY D. BYRD, II | *Hartsville*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, November 6, 2019

10:00 A.M.

**1200 Senate Street, Wade Hampton Office Building
Treasurer's Conference Room
Columbia, South Carolina**

Upon proper call and due notice to all its members and after having given required public notice, the State Board of Financial Institutions met on the 6th day of November 2019, with Chairman Loftis presiding.

Members present: Messrs. Walters, Ham, Windley, Wright, Byrd, Pennington, Strickland, Wicker, and (via phone) Stuart and Conley.

Staff present

Banking Division: Commissioner Rick Green and Deputy Commissioner Kathy Bickham.

Consumer Finance Division: Commissioner Ron Bodvake and Deputy Commissioners Carl Jeffcoat and Phyllis Wicker.

State Treasurer's Office: Chief of Staff Clarissa Adams, Deputy General Counsel Bill Condon, Counsel Shawn Eubanks, Finance Specialist Cameron Larkin and Assistant to the Chairman Alicia Sharpe.

Visitors present: Carri Grube Lybarker (Administrator/ Consumer Advocate of SC Consumer Affairs), Kelly Rainsford (Consumer Affairs Deputy of Regulatory Enforcement) and Billy Boylston (Carolinas Credit Union League).

The Agenda for this meeting was approved by General Consent.

The October 2, 2019 Board Minutes were approved by General Consent.

Board Member Recusal or Conflicts of Interest

The Chairman asked if any member had a conflict with an item on the agenda. No member identified a conflict of interest.

Presentations

Carri Grube-Lybarker, Administrator/ Consumer Advocate of SC Consumer Affairs, presented the 2019 State of Credit Report and provided an update on upcoming legislative activity and enforcement actions of the Division.

Committee Reports

Don Pennington, Chairman of the Budget and Operations Committee, reported that the Committee received an update on IT, the Quarterly Expenditure Analysis and the FY18 Audit Results from Commissioner Green and Commissioner Bodvake. The Committee also unanimously voted to approve the 2020 Committee meeting schedule.

Barry Ham, Chairman of the Legislative and Legal Committee, reported that the Committee received an update on Check Cashing Regulation, a proposed Operational Instruction and Legislative events. The Committee voted unanimously to recommend to the full Board approval of the Check Cashing Regulation presented by Commissioner Bodvake and approval of the proposed Operational Instruction presented by Commissioner Green. The Committee also voted to approve the 2020 Committee Meeting schedule and voted to elected Barry Ham as the Chairman.

Commissioner Reports

Rick Green, Commissioner of Banking, reported the following to the Board:

Industry Engagement

- Commissioner Green was a speaker at the SCBA's Community Bankers Forum
- Commissioner Green and Chief Examiner Felix held planning meetings FDIC's Charlotte Field Office leadership
- Commissioner Green, Deputy Commissioner Bickham and Chief Examiner Felix attended the CSBS District III meeting, Atlanta, GA
- Commissioner Green, Deputy Commissioner Bickham and Chief Examiner Felix attended the Interagency meeting with other Southeastern states, FRB, FDIC, and OCC, Atlanta, GA
- Commissioner Green conducted outreach meetings with two banks and the Business Development Corp.

Education/Training

- Assistant Examiner Lindsey Clamp – Introduction to Examinations School
- Examiner II Robert Krattley – Fundamentals of Trust School

Staffing update

- Senior Review Examiner Renee Dzek retired 10/9/2019
- Associate Examiner Kaylee Bryant resigned 11/1/2019

Proposed Operational Instruction

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. Windley, seconded by Mr. Strickland and unanimously carried, the Board adopted a motion to approve the operational instruction presented by Commissioner Green and recommended by the Legislative and Legal Committee.

Commissioner of Consumer Finance, Ron Bodvake, reported the following:

Meetings and Conferences

- October - SC Department of Administration HR advisory meeting
- October - Veritec Training for Consumer Finance Examiners

Personnel

- Pete Bynum hired as Consumer Finance Field Examiner
- Terri Harris hired as Consumer Finance Internet Examiner
- Position opened for Consumer Finance Internet Examiner

Updates

- Mortgage renewal period November 1 to December 31
- NMLS transition notices

Reports

- Monthly statistics
- Deferred presentment and check cashing renewal
- Updated organizational chart

Regulation

- Amend Existing Regulation 15-65 Check Cashing

On motion of Mr. Walters, seconded by Mr. Wicker and unanimously carried, the Board adopted a motion to approve the proposed Check Cashing Regulation as presented by Commissioner Bodvake and recommended by the Legislative and Legal Committee.

Consumer Finance Division Board Approvals

The Consumer Finance Division reviewed the applications for in-state and out-of-state Supervised Consumer Finance Licenses, a Deferred Presentment License, and an application for Level II Check Cashing Services listed on the agenda. The Consumer Finance Division determined that each respective applicant/licensee meets the licensing or other requirements defined in the applicable statutes.

On motion of Mr. Windley, seconded by Mr. Walters and unanimously carried, the Board adopted a motion to approve the following items:

1. Applications for Supervised Consumer Finance Licenses to perform certain lending operations for which the Division has determined that the licensing requirements under Section 37-3-503(1), (2) have been met:
 - a. In-State Applications:
 - i. Close Inc. dba Check loans at 1663 Savannah Highway, Suite 1, Charleston, South Carolina 29407. **(New)**
 - ii. Close Inc. dba Check loans at 3620 Ashley Phosphate Road, Suite 2, North Charleston, South Carolina 29418. **(New)**
 - iii. El Carrito LLC at 2012 Highway 160 West, Suite 19, Fort Mill, South Carolina 29078. **(New)**
 - iv. Upfront Loans LLC dba Upfront Loans at 610 Church Street, Conway, South Carolina 29526. **(Active#1)**
 - b. Out of State Applications:
 - i. Constant Energy Capital Management, Inc. dba Constant Energy Capital at 202 U.S. route one, Suite 102, Falmouth, Maine 04105. **(Active#2)**
 - ii. Constant Energy Capital Management, Inc. at constantenergy.com. **(Active#2)**
 - iii. Marlette Servicing, LLC dba Best Egg at 1521 Concord Pike, Suite 202, Wilmington, Delaware 19803. **(New)**
 - iv. Marlette Servicing, LLC at bestegg.com. **(New)**
 - v. National Energy Improvement Fund, LLC at 1005 Brookside Road, Suite 200, Allentown, Pennsylvania 18106. **(New)**
 - vi. National Energy Improvement Fund, LLC at neifund.org. **(New)**
 - vii. NewRez LLC dba Shellpoint Mortgage Servicing at 1100 Virginia Drive, Suite 125, Fort Washington, Pennsylvania 19034. **(New)**
 - viii. NewRez LLC dba Shellpoint Mortgage Servicing at 2100 East Elliot Road, Suite A, Tempe, Arizona 85284. **(New)**
 - ix. NewRez LLC at shellpointmtg.com. **(New)**
 - x. Uplift, Inc. dba Uplift Travel Services, Inc. at 801 El Camino Real, Menlo Park, California 94025. **(New)**
 - xi. Uplift, Inc. at uplift.com. **(New)**
 - xii. Uplift, Inc. at pay.uplift.com. **(New)**
 - xiii. Upstart Network, Inc. dba Upstart at 2950 South Delaware Street, Suite 300, San Mateo, California 94403. **(Active#2)**
2. Application for a Deferred Presentment License for which the Division has determined that the licensing requirements under Section 34-39-160 have been met:
 - a. Mountain Run Solutions, LLC at 313 East 1200 South, Suite 102, Orem, Utah 84058. **(New)**

3. Applications for Level II Check Cashing Services Licenses for which the Division has determined that the licensing requirements under Sections 34-41-40, 34-41-42, and 34-41-50 have been met:
 - a. DPK LLC dba Orangeburg Wine & Spirits at 360 Stonewall Jackson Boulevard, Orangeburg, South Carolina 29115. **(New)**
 - b. Salekin LLC dba Beer and Tobacco Outlet 2 at 901 A Meeting Street, West Columbia, South Carolina 29169. **(New)**
 - c. S 8 Enterprises LLC dba Twin Lakes Mart at 1230 Bettis Academy Road Trenton, South Carolina 29829. **(New)**

Executive Session

The Board voted unanimously to adjourn into Executive Session.

Deputy General Counsel Bill Condon stated the reasons the Board entered Executive Session: to discuss applications to establish a bank branch and a request for approval to pay a cash dividend.

The Board voted unanimously to end Executive Session.

Actions following Executive Session

Voting on Items Discussed in Executive Session

On motion of Mr. Walters, seconded by Mr. Strickland and unanimously carried, the Board voted to approve, subject to the conditions that the Commissioner provided to the Board, the application of The Peoples Bank, Iva, South Carolina, to establish a branch at 7511 Highway 76, Suite G, Pendleton, South Carolina.

On motion of Mr. Walters, seconded by Mr. Ham and unanimously carried, the Board voted to approve the request of Palmetto State Bank, Hampton, South Carolina, for approval to pay a cash dividend in the amount requested by the bank.

Announcements:

The next board meeting is scheduled for Wednesday, December 4, 2019.

There being no objection, the meeting adjourned at 11:05 AM.