

Chairman

THE HONORABLE CURTIS. M. LOFTIS, JR.
State Treasurer

Chairman Pro Tempore

HOWARD H. WRIGHT, JR.



Board Members

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W. DONALD PENNINGTON | *Simpsonville*
F. JUSTIN STRICKLAND | *Lexington*
J. DANIEL WALTERS | *Greenville*
K. WAYNE WICKER | *Myrtle Beach*
J. BARRY HAM | *Manning*
CHARLES H. STUART | *Mount Pleasant*
BILLY D. BYRD, II | *Hartsville*
JENNY MICHAELS / *Sumter*
THOMAS BOUCHETTE / *Florence*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, August 2, 2023

10:00 AM

**Governor's Conference Room Wade Hampton Bldg
and via WebEx Virtual Conference Room**

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 2nd day of August 2023 with Chairman Loftis presiding.

Other members present: Mrs. Michaels and Messrs. Wright, Ham, Wicker, Byrd, Walters, Pennington, Strickland, Stuart, and Bouchette.

The Chairman stated that a quorum was present.

Staff present:

Consumer Finance Division: Commissioner Ron Bodvake, Deputy Commissioner Phyllis Wicker, and Deputy Commissioner Quinton Creed.

Banking Division: Commissioner Kathy Bickham and Deputy Commissioner Janeen Hughes

State Treasurer's Office: Director of Administration Jordan Dominick, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Human Resources Director Lisa O'Sullivan, and Fiscal Analyst Cameron Larkin

The agenda for this meeting was approved by General Consent.

The June 7, 2023 Board Meeting Minutes were approved by General Consent.

The Chairman asked if any Member needed to be recused from or had any conflict of interest with any item on the agenda. No conflicts were identified.

Committee Reports

Legislative and Regulatory Committee, Mr. Ham informed the Board that The Legislative and Regulatory Committee met on June 27th. Commissioner Bodvake and Commissioner Bickham presented Legislative Tracking Reports for the 2023 – 2024 legislative session, highlighting notable proposed Bills affecting their respective Divisions. Commissioner Bickham presented a list of recommendations for actions or amendments to existing regulations. Mr. Ham noted that Ms. Bickham was prepared to provide more detail and answer any questions about these recommendations during today's meeting. Mr. Ham reported that the next Committee meeting is scheduled for December 12th.

On motion of Mr. Ham on behalf of the Legislative and Regulatory Committee and after Commissioner Bickham presented the proposed regulation updates, the Board voted unanimously to approve the proposed regulations for submittal for publication.

Budget and Operations Committee, Mr. Pennington informed the Board that The Budget and Operations Committee met on July 25th. Commissioner Bickham informed the Committee of a recent promotion and Commissioner Bodvake reported on recent salary updates. Commissioner Bodvake also informed the Board of an issue related to the Deferred Presentment Database contract. Commissioner Bodvake briefed the Board on this later in the meeting during Executive Session. Commissioner Bodvake presented the Consumer Finance Division's proposed supervisory fees for Fiscal Year 2024.

On motion of Mr. Pennington on behalf of the Budget and Operations Committee and after Commissioner Bodvake presented the proposed fees, The Board voted unanimously to adopt the Supervisory Fee Assessment Proposal from the Consumer Finance Division.

Mr. Pennington continued his report by informing the Board that Commissioner Bickham presented two options for proposed supervisory fees for banks, savings associations, savings banks, credit unions, trust companies, and business development corporations for Fiscal Year 2024. Commissioner Bickham recommended the second of the two options presented for bank supervisory fees which would leave the projected carry forward amount for the Banking Division at \$850,000 rather than decreasing the carry forward to \$800,000. Commissioner Bickham expects additional travel in the coming year as more in-field examinations take place. The next Committee meeting is scheduled for August 29th, 2023

Commissioner Bickham presented her 2024 Fee Proposals. Mr. Ham raised a concern about the disparity between the fee assessments for large banks compared to those for smaller banks. Mr. Ham and other Board member concurred that the Commissioner present an alternate option for fees to the Budget and Operations Committee at the August 29th Committee Meeting and bring the agreed upon fees back to the Board at the September Board Meeting.

Commissioner Updates

Commissioner of Consumer Finance, Ron Bodvake, informed the Board of an upcoming CSBS Examiner Training Course in New Orleans, LA.

Commissioner Bodvake provided the Board with reports on monthly statistics and new approved consumer licensees. Mr. Bodvake also provided the Board with an article from CFPB reporting on the state of the Consumer Finance industry in the Southeast. Commissioner Bodvake lastly provided the Board with an Agreed Upon Procedures Report from the Office of the State Auditor. This report was recently conducted to review a number of BOFI financials and transactions to make sure internal procedures were being followed properly. The State Auditor's office found no exceptions.

Commissioner of Banking, Kathy Bickham, informed the Board that IT Examiner Thom Powers recently attended the CSBS IT Examiner School. Commissioner Bickham also reported that Lilasha Dervin was promoted to the Examiner III position effective June 17, 2023.

Commissioner Bickham informed the Board of three recent actions taken under delegated authority and also re-iterated that the recent State Auditor's Office report showed no exceptions.

Executive Session

The Board voted unanimously to adjourn into Executive Session.

Deputy General Counsel Bill Condon stated that the Board will enter Executive Session to discuss information about and review a request by a regulated entity, to discuss negotiations incident to five settlement agreements, to discuss personnel matters related to salary, to discuss a document incidental to proposed contractual arrangements, and to receive legal advice as needed.

The Board voted unanimously to end Executive Session.

Once in open session, the Chairman stated that no votes were taken in executive session except to end executive session.

Actions following Executive Session:

On motion of Mr. Bouchette and duly seconded by Mr. Pennington, the Board voted to approve the application of United Community Bank, Greenville, South Carolina, to establish a branch at 2519 12th Street, Tuscaloosa, Alabama.

On motion of Mr. Strickland and duly seconded by Mr. Ham, the Board voted to approve the application of Countybank, Greenwood, South Carolina, to establish a branch at 530 W. Wade Hampton Boulevard, Greer, South Carolina, subject to any conditions provided by the Commissioner of Banking in Executive Session.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to approve the request by the Commissioner of Consumer Finance to negotiate and execute a settlement

agreement concerning unlicensed check cashing activity with five regulated entities in accordance with the terms discussed in Executive Session.

The Chairman announced that the annual Chairman Pro-Tempore designation remains with Mr. Howard Wright.

The Chairman announced that the next board meeting is scheduled for Wednesday, September 6, 2023.

There being no objection, the meeting adjourned at 11:52 AM.