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TOMMY BOUCHETTE / Florence

SOUTH CAROLINA  
**STATE BOARD OF FINANCIAL INSTITUTIONS**

**Legislative and Regulatory Committee**  
**MINUTES**

**Thursday, August 24, 2021**  
**9:30 A.M.**  
**Via WebEx**

The Legislative and Regulatory Committee of the State Board of Financial Institutions met on August 24, 2021.

Members present (via WebEx): Messrs. Ham (Chair) and Bouchette

Staff in attendance: Commissioner Ron Bodvake, Commissioner Rick Green, Deputy Commissioner Kathy Bickham, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Financial Analyst Cameron Larkin and Board Administrator Alicia Sharpe.

Mr. Ham called the meeting to order and welcomed Tommy Bouchette as the new member in the Committee.

The **August 24, 2021 Agenda** was approved by General Consent.

The **May 27, 2021 Committee Meeting Minutes** were approved by General Consent.

There were no member **recusals or conflicts of interest** disclosed or identified.

**Commissioner Ron Bodvake** provided a summary of a proposed policy statement concerning record-keeping requirements by check-cashing service providers.

Commissioner Bodvake mentioned that the examination teams out in the field have noticed companies are not properly maintaining their records. The proposed policy statement requires the store clerk to make a copy of each check that is cashed to keep in their records. This will allow the examination teams to see the actual check and see what fees are being charged. Different types of checks require different fee percentages and dollar amounts.

Mr. Ham mentioned some concern over whether the new policy might slow down productivity in grocery stores. Clerks would have to stop what they are doing and go make a copy every time someone cashed a check.

Commissioner Bodvake provided a high-level comparison between Level 1 and Level 2 check cashing institutions.

Mr. Bouchette proposed a modified plan that would keep the original proposed requirements for Level 1 check cashing institutions but provide more flexibility for Level 2 check cashing institutions. In lieu of providing copies of the check, Level 2 check cashing institution employees could document the name of the payor of the check and sign/certify the information is accurate.

***On motion of Mr. Bouchette and duly seconded by Mr. Ham, the Committee recommended to the full Board the adoption of the policy statement titled "Maintaining Books, Accounts, and Records by Persons Who Provide Either Level I or Level II Check-Cashing Services" as amended to state that a Level II service provider may make a copy of the check being cashed or, in lieu of making a copy of the check, a Level II service provider shall document the name of the payor of the check on the required written agreement and the signature of the employee of the Level II service provider on the written agreement certifies that the name of payor is accurate and finally to direct staff to make the appropriate changes to the policy statement.***

Commissioner Bodvake provided a summary of the proposed policy statement concerning how to handle abandoned applications by applicants for supervised lending, deferred presentment, and check-cashing licenses.

***On motion of Mr. Bouchette and duly seconded by Mr. Ham, the Committee recommends to the Board the approval of the policy statement concerning how to handle abandoned applications for supervised lending, deferred presentment, and check-cashing licenses***

***Chairman Ham announced that the next committee meeting is scheduled for Thursday December 16, 2021.***

***There being no objection, the meeting was adjourned by acclamation at 10:35 A.M.***