

<b>AGENCY NAME:</b>	State Board of Financial Institutions		
<b>AGENCY CODE:</b>	R23	<b>SECTION:</b>	79

## Fiscal Year 2016-2017 Accountability Report

### SUBMISSION FORM

#### AGENCY MISSION

The mission of the Board of Financial Institutions is to serve the citizens of the State of South Carolina. We will do this by...

- Licensing, supervising, examining, and regulating the financial community in our oversight jurisdiction.
- Protecting the public from unlawful or improper practices of our financial institutions. We will work to ensure that our financial institutions adhere to the law.
- Educating and communicating with the public, giving them the information they need to make wise financial choices.
- Operating a safe and sound financial system so that the public can have the highest confidence possible.
- Promoting the growth, innovation and financial stability of our State financial institutions, which allows them to be more competitive and profitable; therefore offering a broad range of products/services and making them more accessible and affordable to the public.
- Creating an environment where the State charter is the charter of choice for institutions headquartered in the State.

#### AGENCY VISION

The Board of Financial Institutions will create an environment that promotes a thriving, competitive, safe and sound financial community to serve the citizens of South Carolina.

Please select yes or no if the agency has any major or minor (internal or external) recommendations that would allow the agency to operate more effectively and efficiently.

#### RESTRUCTURING RECOMMENDATIONS:

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Please identify your agency's preferred contacts for this year's accountability report.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
<b>PRIMARY CONTACT:</b>	Robert L. Davis	803-734-2001	Robert.Davis@banking.sc.gov
<b>SECONDARY CONTACT:</b>	Ronald Bodvake	803-734-2020	Ron.Bodvake@bofi.sc.gov

I have reviewed and approved the enclosed FY 2016-2017 Accountability Report, which is complete and accurate to the extent of my knowledge.

**AGENCY DIRECTOR**  
**(SIGN AND DATE):**

**(TYPE OR PRINT**  
**NAME):**

  
Robert L. Davis/Ronald Bodvake

**BOARD/CMSN. CHAIR**  
**(SIGN AND DATE):**

**(TYPE OR PRINT**  
**NAME):**

  
Curtis M. Loftis, Jr.

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### AGENCY'S DISCUSSION AND ANALYSIS

The State Board of Financial Institutions is composed of eleven members, one of whom is the State Treasurer who serves as an ex officio member and as the Chairman of the Board. The remaining ten members are appointed by the Governor with the advice and consent of the Senate. The Board's supervision of the State-chartered financial institutions under its jurisdiction is handled through its two Divisions – the Banking Division and the Consumer Finance Division. The Board appoints a Commissioner of Banking who examines and supervises State chartered banks, trust companies, savings and loan associations, savings banks, credit unions, and development corporations. The Board is also authorized to designate or appoint a Commissioner of Consumer Finance who examines and supervises non-depository mortgage lenders/servicers and their branches, loan originators, consumer finance companies, deferred presentment service companies, and check cashing service companies. The first three levels of the Agency's organizational chart are exhibited in Figure 1 below. The Board's oversight includes the promulgation of regulations and instructions relating to the supervision of financial institutions; the consideration of applications for new banks, trust companies, savings and loan associations, savings banks, credit unions, non-depository mortgage lenders/servicers and their branches, loan originators, consumer lenders, deferred presentment providers, and check cashing service providers; and the consideration of applications for branches of banks, savings and loan associations, savings banks, credit unions, and trust companies.

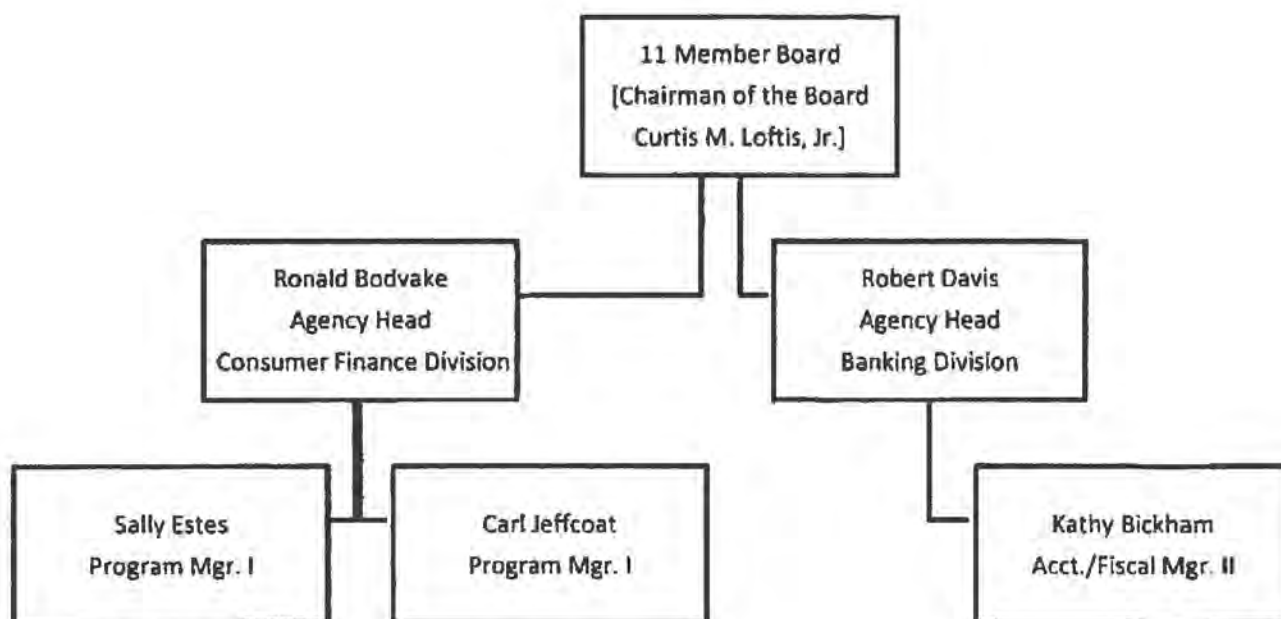


Figure 1

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The key goals of the Agency are to ensure that procedures are in place to adequately monitor the safety and soundness of financial institutions under the Board's jurisdiction, to ensure that statutory responsibilities are met, and to ensure that the interests of the citizens of the State are protected. The Agency strives to keep abreast of changes in financial products and services in order to conduct thorough and comprehensive examinations. The Chairman, Board members, and the Commissioners of the two Divisions are participants in the planning process. Programs and procedures are periodically reviewed, and measures are implemented to be responsive to changes in the financial industry and the economic and regulatory environment.

The Commissioners of the Agency strive to take advantage of all opportunities available to achieve success in fulfilling the Agency's mission and achieving its strategic goals. Because having a competent and effective staff is crucial to fulfilling the mission of the Agency, the Commissioners seek new opportunities for effective recruitment procedures, staff development, staff retention and preservation of diversity in the workforce. Attracting and retaining competent employees is a challenge for the Agency, as evidenced by the fact that the turnover ratio increased to 18% in Fiscal Year 2017. Factors contributing to this statistic include the amount of travel required for the Agency's examiners, competition from other employers for experienced workers and the increasing complexity of financial products, which requires more training and more detailed review. The Commissioners continually evaluate the strategic challenges the Agency faces and alter the Agency's plans accordingly.

The Agency's main service is to regulate South Carolina State-chartered financial institutions in order to ensure a safe and sound financial community that operates in compliance with all applicable laws, regulations and rules. Major products offered by the Board are licenses/charters to operate banks, savings and loan associations, savings banks, credit unions, trust companies, mortgage lenders/servicers and their branches, loan originators, consumer finance companies, deferred presentment service companies, and check cashing service companies. The Agency evaluates and monitors the condition of the institutions it regulates and determines compliance with applicable statutes and regulations. The financial institutions that it regulates, the citizens of South Carolina, the Legislature, and the Governor are the key customers of the Board of Financial Institutions. The Board's customers expect the Board to ensure that the State's financial services industry operates in a safe and sound manner and in compliance with the state banking and consumer finance laws and regulations. The Board's key stakeholders are the taxpayers of South Carolina.

Since the Board of Financial Institutions is a regulatory agency, the employees of the Board are the key suppliers. Offices of the Board are located in Columbia, but employees travel throughout the state examining institutions under the Board's jurisdiction. The Board has two unclassified and 43 classified full time positions. Other regulatory agencies such as the Federal Deposit Insurance Corporation, the Federal Reserve Bank, the Consumer Financial Protection Bureau, and the South Carolina Department of Consumer Affairs are among the Agency's partners in ensuring a safe and sound financial community.

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**I. Banking Division**

The primary responsibility of the Banking Division is to charter and supervise State chartered banks, savings and loan associations, savings banks, trust companies, and credit unions. In addition to meeting the statutory requirements to carry out these responsibilities, the Banking Division has identified several significant accomplishments in FY 2017 which helped the Agency fulfill its mission more effectively and efficiently. These accomplishments are briefly described below.

Fiscal Year 2017 Accomplishments

In January of 2017, a new Commissioner of Banking was appointed. This is the first new Commissioner since 1991. Listed below are some of the more significant actions he has completed since taking office:

- Visited the institutions regulated by the Division and met with their management teams;
- Met with the Chairpersons of the Senate Banking and Insurance Committee; the Senate Labor, Commerce and Industry Committee; and the House Banking and Consumer Affairs Committee;
- Met with key personnel from the federal regulatory agencies, including the FDIC Atlanta Regional Office, the FDIC Charlotte Field Office; the Federal Reserve Bank of Richmond; and the National Credit Union Administration;
- Met with leadership of the various trade groups representing the institutions regulated by the Division, including: South Carolina Bankers Association; Independent Banks of South Carolina; National Association of State Credit Union Supervisors; and Carolinas Credit Union League;
- Attended and been a speaker at conferences sponsored by the South Carolina Bankers Association (SCBA), the Independent Banks of South Carolina, the Conference of State Bank Supervisors (CSBS) and the Maryland Bankers Association;
- Formed a four-person Management Committee to assist in addressing the most significant issues facing the Division;
- Formed a working group to review examination procedures, identify issues and recommend improvements to those procedures; and
- Modernized Division technology through the purchase and installation of a "business hub."



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During FY 2017, all examinations of financial institutions supervised by the Division were completed in the timeframes required by law. A review of capital adequacy, earnings, and past due and nonaccrual loans was performed quarterly on all such institutions. The reviews were used to monitor changes in individual institutions as well as to identify trends in the financial performance of the institutions as a whole. The reviews were also utilized to determine supervisory strategies for ensuring the safe and sound operation of South Carolina's State-chartered financial institutions.

In addition to on-the-job training in the field and computer based training in the office, eight examiners attended Federal Deposit Insurance Corporation (FDIC) sponsored schools, three examiners attended Federal Financial Institutions Examination Council sponsored schools, one examiner attended a National Credit Union Administration sponsored school, and one examiner attended a CSBS sponsored school. Examiners also attended training conferences sponsored by the FDIC, CSBS, and the SCBA. These schools and conferences covered a wide variety of topics including accounting, commercial real estate lending, loan analysis, financial institution analysis, cash flow analysis, asset/liability management, examination management, large bank supervision, trust, and cybersecurity. In addition, one examiner attended the second of three annual sessions needed to complete the Graduate School of Banking at Louisiana State University. Finally, the Agency continued to utilize its training program specifically designed to help new examiners gain the knowledge necessary to effectively and efficiently perform their job duties and to allow them to practice examination procedures in the office.

Given the increasing importance of information technology and information security in the financial industry, the Banking Division selected two examiners to specialize in Information Technology (IT) examinations of banks. One of these examiners attended the Information Technology Examination Course hosted by the FDIC during FY 2017. (The other examiner completed the course during FY 2016.) Both of these examiners have also received on-the-job training from experienced FDIC IT examiners. During FY 2017, all employees completed information security training to enhance awareness of potential threats.

Because the Bank Secrecy Act (BSA) and its related anti-money laundering regulations are specifically federal laws, the Division has historically relied upon the FDIC and the National Credit Union Administration (NCUA) to conduct timely BSA examinations of South Carolina's state-chartered financial institutions. However, during FY 2017, the NCUA announced its Examination Flexibility Initiative which resulted in a significant reduction in the frequency of credit union BSA examinations. In response, the Division's new Commissioner and Management Committee determined it necessary for the Division to begin to conduct its own BSA reviews of the credit unions under its jurisdiction. To implement this significant change, the Division entered into a Memorandum of Understanding (MOU) with the Financial Crimes Enforcement Network (FinCen), which is the bureau of the U.S. Treasury Department responsible for BSA enforcement. This MOU provided the Division with access to the BSA database maintained by FinCen. Division access to this important database did not previously exist and is necessary for it to conduct BSA examinations. Two division examiners were selected and trained to examine the BSA departments of State-chartered credit unions. These examiners attended a BSA examination class given by the Federal Reserve Bank of Richmond and received significant on-the-job training in two state-

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chartered banks from experienced FDIC BSA examiners. During FY 2018 they will receive additional on-the-job training from NCUA examiners and will also attend a Federal Financial Institutions Examination Council (FFIEC) BSA school. It is the Division's plan to conduct BSA examinations of each of its eleven state-chartered credit unions in alternate years. This is an important new initiative in order to ensure that South Carolina's State-chartered credit unions are operated in a safe and sound manner and in compliance with applicable laws, regulations and rules.

In addition to the Division's Field Examiners, who are responsible for conducting periodic on-site examinations of the State-chartered banks, credit unions, savings and loan associations, savings banks and trust companies, the Division also includes a staff of Review Examiners who work in its offices in Columbia. As on-site examinations are completed, these Review Examiners receive them in draft form and operate as part of the team to ensure that the final Report of Examination provides a complete and accurate picture of the institution. Previously, the Review Examiner assigned to each institution may have changed with each examination. During FY 2017, the new Commissioner decided to reorganize the Division's Review Examiner staff into a "case manager model." Under this model, each Review Examiner is assigned a portfolio of specific institutions and remains the Review Examiner for each such institution from examination to examination. This assigned Review Examiner also serves as the institution's primary point of contact with the Division regarding other regulatory issues, including matters that may arise between examinations. This change will improve continuity and develop a resource having additional and ongoing familiarity with each institution regulated by the Division. It will also result in more efficient issue resolution and a better regulatory relationship.

## II. Consumer Finance Division

The primary responsibility of the Consumer Finance Division is to proficiently supervise the licensing and examination of all non-depository mortgage lenders/servicers, their branches and loan originators, consumer finance companies, deferred presentment service companies and check cashing services companies. In addition to meeting statutory requirements for the licensing and examination of these companies, the Consumer Finance Division would like to highlight several significant accomplishments in FY2017.

### Fiscal Year 2017 Accomplishments

During FY2017 mortgage examiners participated in multi-state examinations of mortgage lenders and servicers facilitated by Conference of State Bank Supervisors (CSBS), American Association of Residential Mortgage Regulators (AARMR) and the Multi-state Mortgage Committee (MMC) for large/complex examinations. These examinations were performed concurrently with the Consumer Financial Protection Bureau (CFPB). The Division continues to obtain additional knowledge and information from other state agencies regulating mortgage lenders and servicers.

The Division is dedicated to fostering a well-informed and highly-skilled workforce environment. In addition to on the job training and online training offered by CSBS, examiners participated and

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completed annual training schools offered by the National Association of Consumer Credit Administrators (NACCA) and AARMR. These training opportunities provide information regarding upcoming changes in federal and state regulatory requirements pertaining to: the Real Estate Settlement Procedures Act (RESPA), the Truth-in-Lending Act (TILA), the Equal Credit Opportunity Act (ECOA), pay-day lending, small and large scale consumer lending, installment lending and automotive finance lending. These schools provide input back to the Division so we can adapt programs to ensure we evolve with best practices in the industry. When available the Division enrolls examiners in certification programs. Examiners have obtained Certified Application Specialist and Certified Mortgage Examiner certificates offered by CSBS. Additional examiners have been enrolled in online classes to obtain Certified Mortgage Examiner certifications. Employees continue to participate in online training and maintain Criminal Justice Information System (CJIS) certificates in accordance with federal guidelines. The Division is proud to have two employees who have completed the Certified Public Manager (CPM) program. One employee is currently enrolled in the CPM program and expects to graduate in 2018. Two additional employees have been enrolled in the program and expect to graduate in 2019. To enhance communication with entities regulated by the Division, the Commissioner attended annual conventions with executives from the Independent Financial Services Association, SC Financial Services Association and Mortgage Bankers Association to discuss current topics, concerns, and opportunities. The Division passes along this valuable information to staff by the way of regular office meetings and ongoing training to help prepare staff for the ever-changing financial environment.

The Division continues to embrace new technology. The OnBase secure digital storage system is utilized to store confidential licensee and examination information through the South Carolina Division of Information Security (DIS). All license and examination files have been converted to a digital format in FY 2017. All examiner laptops are encrypted and utilize two-factor authentication for accessing email and network drives. Network drives have been segmented so that the CIO can control information access among staff. Last, a quarterly digital report has been created so that industry can see important dates and important industry information.

To improve policies and procedures it was imperative to review South Carolina statutes. The Division promulgated regulations for check cashing and the mortgage industry to clarify statute. Bill S-366 The Mortgage Lending Act was introduced and passed by the legislature to address changes in the mortgage lending industry. This bill was a result of collaborative effort between the Division, South Carolina Department of Consumer Affairs (SC- DCA) and the mortgage industry.

During FY 2017, consumers were refunded \$13,038,873 due to examination findings and an additional \$164,373 as a result of complaint resolutions. Included in these refunds is a \$9.65 million settlement which was reached with internet lender Cash Call Inc. This was a collaborative effort between the Division and SC-DCA in which Cash Call Inc. refunded \$500,000 to South Carolina consumers as well as \$9.15 million in debt forgiveness. The total in refunds to South Carolina consumers for this fiscal year is \$13,203,246.



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### III. Risk Assessment and Mitigation Strategies

The Agency has identified two potential negative impacts on the public that would result from the Agency's failure to accomplish its goals and objectives. The first potential negative impact on the public is that customer protections could be compromised. For the Banking Division, outside help is required if the number of financial institutions examined in a calendar year is less than twenty. If the number of institutions examined were to fall to this level, the Division could request help from Federal regulatory agencies to complete examinations. The Division will inform the General Assembly if the number of financial institution examinations completed in a calendar year is less than ten. For the Consumer Finance Division, outside help is required if the Division fails to meet statutory responsibilities; however, no outside help is available to mitigate the negative impact. If the Division ever fails to meet statutory responsibilities, the General Assembly will be informed.

The second potential negative impact on the public is that financial institutions may not be able to proceed with some operations in a timely manner. For both Divisions, this would occur if the Divisions are unable to process applications in a timely manner. Outside help is not available to mitigate such a negative impact on the public. The Divisions will inform the General Assembly if completed applications are not evaluated within 90 days.

For both potential negative impacts, the General Assembly could help resolve the issue by amending statutory requirements, increasing authorization for Other Funds, or increasing salaries and travel reimbursement regulations to make agency positions more attractive.

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Strategic Planning Template

Type	Goal	Item # Strat	Object	Associated Enterprise Objective	Description
<b>G</b>	<b>1</b>			<b>Public Infrastructure and Economic Development</b>	<b>Preserve a sound State chartered financial community.</b>
<b>S</b>		<b>1.1</b>			<b>Monitor the safety and soundness of financial institutions and licensees under the Board's jurisdiction.</b>
<i>O</i>			<i>1.1.1</i>		<i>Examine State chartered financial institutions within the timeframes required by law.</i>
<i>O</i>			<i>1.1.2</i>		<i>Examine consumer finance and mortgage licensees within the timeframes required by law.</i>
<b>S</b>		<b>1.2</b>			<b>Ensure that statutory requirements are met.</b>
<i>O</i>			<i>1.2.1</i>		<i>Review and evaluate applications for new financial institutions and branches and for holding company acquisitions.</i>
<i>O</i>			<i>1.2.2</i>		<i>Review and evaluate applications for consumer finance and mortgage licensees.</i>
<b>G</b>	<b>2</b>			<b>Maintaining Safety, Integrity and Security</b>	<b>Protect the interests of the citizens of South Carolina.</b>
<b>S</b>		<b>2.1</b>			<b>Monitor the concerns of the depositing and borrowing public.</b>
<i>O</i>			<i>2.1.1</i>		<i>Respond to consumer complaints against regulated entities.</i>
<b>G</b>	<b>3</b>			<b>Government and Citizens</b>	<b>Maintain competent and well-trained staff.</b>
<b>S</b>		<b>3.1</b>			<b>Hire and retain qualified, diverse employees.</b>
<i>O</i>			<i>3.1.1</i>		<i>Hire employees meeting all job requirements.</i>
<i>O</i>			<i>3.1.2</i>		<i>Maintain a diverse staff.</i>
<b>S</b>		<b>3.2</b>			<b>Provide training opportunities for employees.</b>
<i>O</i>			<i>3.2.1</i>		<i>Ensure compliance with CJS education and certification requirements.</i>
<i>O</i>			<i>3.2.2</i>		<i>Require annual job-specific training for all staff.</i>

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Performance Measurement Template										
Item	Performance Measure	Last Value	Current Target Value	Current Value	Future Target Value	Time Applicable	Data Source and Availability	Calculation Method	Associated Objective(s)	Meaningful Use of Measure
1	State Chartered Financial Institution Examinations	42	30	11	30	January 1 - December 31, 2016	Excel spreadsheet	Totals from all data sources calculated on last day of calendar year	1.1.1	Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State chartered financial institutions.
2	Average Cost per Bank	\$41,814	\$46,250	\$47,406	\$50,875	July 1 - June 30	Excel spreadsheet	Total bank expenditures divided by number of banks	1.1.1	Tracking the cost of examinations promotes sound fiscal stewardship.
3	Consumer Finance Examinations	1,137	1,050	1,167	1,100	July 1 - June 30	Internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.1.2	Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State licensed consumer finance institutions.
4	Mortgage Examinations	15	15	31	75	July 1 - June 30	Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.1.2	Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State licensed non-depository mortgage lenders and servicers.
5	Refunds to Consumers from Examination Findings	\$1,764,444	\$0	\$11,028,878	\$0	July 1 - June 30	Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.1.2	Tracking refunds to consumers assists the agency in monitoring the effectiveness of its examination process.
6	Death Claims	1,785	1,700	8,396	1,250	July 1 - June 30	Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.1.2	Tracking death claims processed by licensees assists the agency in determining the effectiveness of its examination process.
7	Financial Institution Applications Processed	29	35	22	30	July 1 - June 30	Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.1	Tracking the number of applications processed ensures compliance with the agency's statutory requirement to act on applications brought before the Board.
8	Consumer Finance Applications Analyzed and Reviewed	180	140	174	176	July 1 - June 30	Internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.2	Tracking the number of applications ensures compliance with the agency's statutory requirement to act on applications brought before the Board.
9	Consumer Finance Applications Analyzed and Reviewed within 30 days	100%	100%	100%	100%	July 1 - June 30	Internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.2	Tracking the processing time of applications assists the agency in monitoring the efficiency of its application process.
10	Consumer Finance Amendments Processed	New Metric	New Metric	N/A	501	July 1 - June 30	Internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.2	Tracking the number of amendments processed assists the agency in monitoring the efficiency of its amendment process.
11	Mortgage Applications Processed	2,046	1,000	1,845	1,800	July 1 - June 30	NMIS, internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.3	Tracking the number of applications ensures compliance with the agency's statutory requirement to act on applications submitted to the Commissioner.
12	Mortgage Applications Processed within 20 days	100%	100%	100%	100%	July 1 - June 30	NMIS, internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.2	Tracking the processing time of applications assists the agency in monitoring the efficiency of its application process.
13	Mortgage Amendments Processed	10,936	10,000	21,554	10,000	July 1 - June 30	NMIS, internal database & Excel spreadsheet	Totals from all data sources calculated on last day of FY	1.2.2	Tracking the number of amendments processed assists the agency in monitoring the efficiency of its amendment process.
14	Consumer Finance Complaints Investigated within 30 days	100%	100%	100%	100%	July 1 - June 30	SC DCA & Excel spreadsheet	Totals from all data sources calculated on last day of FY	2.1.1	Tracking the processing time of consumer complaints assists the agency in monitoring the efficiency of its complaint process.
15	Mortgage Complaints Investigated within 30 days	100%	100%	100%	100%	July 1 - June 30	SC DCA & Excel spreadsheet	Totals from all data sources calculated on last day of FY	2.1.1	Tracking the processing time of mortgage complaints assists the agency in monitoring the efficiency of its complaint process.

16	Refunds from Complaints	\$54,911	10	\$184,373	50	July 1 - June 30	Excel spreadsheet	Totals from all data sources calculated on last day of FY	2.1.1	Tracking refunds to consumers assists the agency in monitoring the effectiveness of its consumer complaint investigation.
17	Employee Turnover Ratio	7%	5%	12%	5%	July 1 - June 30	SCES & Excel spreadsheet	Number of employees who leave the agency divided by total FTEs	3.1.1	A low turnover ratio increases productivity and reduces costs.
18	Staff Diversity (Minority and Women)	80%	50%	17%	50%	July 1 - June 30	SCES & Excel spreadsheet	Totals from all data sources calculated on last day of FY	3.1.2	Workplace diversity can increase employee morale and bring about increased productivity.
19	Consumer Finance Employees Certified Licit Compliant Where Applicable	100%	100%	100%	100%	July 1 - June 30	Excel spreadsheet	Totals from all data sources calculated on last day of FY	3.2.1	Tracking CFE certification ensures the agency's compliance with federal statutes pertaining to criminal record information.
20	Average Training Hours	78 hours	40 hours	81 hours	50 hours	July 1 - June 30	Excel spreadsheet	Total training hours divided by number of employees	3.2.2	Training increases employee knowledge and job satisfaction.
21	Pass Rate of FDI Core Schools Attended	100%	100%	100%	100%	July 1 - June 30	Excel spreadsheet	Total core schools passed divided by total core schools attended	3.2.3	A high pass rate increases the effectiveness of financial institution examinations.



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						Legal Standards Template	
Item #	Law Number	Jurisdiction	Type of Law	Statutory Requirement and/or Authority Granted	Does this law specify who (customer) the agency must or may serve? (Y/N)	Does the law specify a deliverable (product or service) the agency must or may provide? (Y/N)	
1	34-1-20	State	Statute	Establishes the Board of Financial Institutions (Board) and the appointment of its members.	Yes	Yes	
2	34-1-60	State	Statute	Establishes the Board's authority to supervise banks and building and loan associations.	Yes	Yes	
3	34-1-70	State	Statute	Establishes the Board's authority to approve charters and branches of banks, building and loan associations, savings and loan associations, and savings banks.	Yes	Yes	
4	34-1-80	State	Statute	Establishes the Examining Department, the appointment of the Commissioner of Banking by the Board, and the hiring by the Commissioner of assistants. Allows the Board to examine the Business Development Corporation of South Carolina.	No	Yes	
5	34-30-120	State	Statute	Establishes the Board's authority to approve charters of savings banks.	Yes	Yes	
6	34-26-200	State	Statute	Establishes the Board's authority to supervise credit unions.	Yes	Yes	
7	34-26-310	State	Statute	Establishes the Board's authority to approve charters of credit unions.	Yes	Yes	
8	34-21-10	State	Statute	Establishes that the Board's approval is necessary to conduct trust business.	Yes	Yes	
9	34-9-10	State	Statute	Gives authority to the Board to set capital requirements for new banks.	Yes	Yes	
10	34-25-30	State	Statute	Establishes that the Board's approval is necessary to acquire a South Carolina holding company or a South Carolina State bank.	Yes	Yes	
11	34-28-310	State	Statute	Establishes that the Board's approval is necessary to acquire a South Carolina savings and loan association or savings and loan holding company.	Yes	Yes	
12	34-28-100	State	Statute	Establishes the Board's authority to approve charters of savings and loan associations.	Yes	Yes	
13	34-29-200, 37-22-110(11)	State	Statute	Establishes the Board's authority to designate the Chief Administrative Officer/Commissioner of Consumer Finance Division.	Yes	Yes	
14	37-22-140, 37-22-200	State	Statute	Establishes application qualifications and regulatory compliance for Non-depository Mortgage Lenders and Servicers.	Yes	Yes	
15	37-3-501, 37-3-502, 37-3-503, 37-3-506	State	Statute	Establishes application qualifications and regulatory compliance for Supervised Lenders.	Yes	Yes	
16	34-29-20, 34-29-30, 34-29-40, 34-29-90	State	Statute	Establishes application qualifications and regulatory compliance for Restricted Lenders.	Yes	Yes	
17	34-39-130, 34-39-190	State	Statute	Establishes application qualifications and regulatory compliance for Deferred Presentment Service Providers.	Yes	Yes	
18	34-41-60, 34-41-70	State	Statute	Establishes application qualifications and regulatory compliance for Check Cashing Service Providers.	Yes	Yes	

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Customer Template

Divisions or Major Programs	Description	Service/Product Provided to Customers	Customer Segments	Specify only for the following segments: (1) Industry; Name; (2) Professional Organization; Name; (3) Public; Demographics.
Banking Division	The Banking Division is responsible for establishing and supervising State chartered banks, savings and loan associations, savings banks, trust companies, and credit unions.	Preserve a safe and sound State chartered financial community by examining State chartered financial institutions	General Public	Age: All Gender: All Economic Condition: All Incomes Other Required Conditions: Maintains a relationship with a State chartered financial institution.
Banking Division	The Banking Division is responsible for establishing and supervising State chartered banks, savings and loan associations, savings banks, trust companies, and credit unions.	Process applications for new financial institutions and new branches	Industry	Banking Industry
Consumer Finance Examining Program	The Consumer Finance Examining program regulates and supervises State licensed non-depository mortgage lenders and servicers, supervised lenders, deferred presentment service providers and check cashing service providers	Regulatory Compliance Examinations	Industry	Consumer Finance Industry
Consumer Finance Licensing Program	The Consumer Finance Licensing program regulates and supervises State licensed non-depository mortgage lenders and servicers, supervised lenders, deferred presentment service providers and check cashing service providers.	Licensing Investigations	Industry	Consumer Finance Industry

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Partner Template

Name of Partner Entity	Type of Partner Entity	Description of Partnership	Associated Objective(s)
Federal Deposit Insurance Corporation	Federal Government	Partners to assist agency in completing examinations in required timeframes by either alternating examinations or completing examinations jointly. Also provides examiner training and hosts conferences on industry-related topics.	1.1.1; 3.2.2
National Credit Union Administration	Federal Government	Partners to assist agency in completing examinations in required timeframes by either alternating examinations or completing examinations jointly. Also provides examiner training and hosts conferences on industry-related topics.	1.1.1; 3.2.2
Federal Reserve Bank	Federal Government	Completes examinations of bank holding companies to ensure safety and soundness. Also provides examiner training and hosts conferences on industry-related topics.	1.1.1; 3.2.2
SC Department of Consumer Affairs	State Government	Legal interpretation of statute and enforcement for Title 37	1.1.2, 1.2.2, 2.1.1
SC Secretary of State	State Government	Legal authority for companies to conduct business in SC	1.1.2, 1.2.2
SC Department of Insurance	State Government	Licensing of insurance companies and agents	1.1.2, 1.2.2
SC Attorney General	State Government	Legal enforcement of Title 34 - Deferred Presentment	1.1.2, 1.2.2
Consumer Finance Protection Bureau	Federal Government	Federal regulatory authority	1.1.2, 1.2.2
Conference of State Bank Supervisors	Professional Association	Database provider for mortgage licensing and regulation; Provides examiner training and hosts conferences on industry-related topics.	1.1.2, 1.2.2, 3.2.2
SC Law Enforcement Division	State Government	South Carolina Criminal background checks	3.2.1, 3.2.2

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Report Template

Item	Report Name	Name of Entity Requesting the Report	Type of Entity	Reporting Frequency	Submission Date (MM/DD/YYYY)	Summary of Information Requested in the Report	Method to Access the Report
1	Accountability Report	Executive Budget Office	State	Annually	09/15/17	Agency's mission, objectives to accomplish the mission, and performance measures that show the degree to which objectives are being met	<a href="http://www.scstatehouse.gov/reports/aa/2017/aa12017.php">http://www.scstatehouse.gov/reports/aa/2017/aa12017.php</a>
2	Deferred Presentment Annual Report	House Labor, Commerce, and Industry Committee; Senate Banking and Insurance Committee	State	Annually		Monitor the deferred presentment industry	Veritec (database provider)
3	Capital Reserve Position of Financial Institutions	General Assembly	State	Annually		Capital position of all financial institutions supervised by the agency	Contact Banking Division - 803-734-2001



Agency Name: **State Board of Financial Institutions**

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Accountability Report

Agency Code: **R23** Section: **079**

External Review Template

Item	Name of Entity Conducted External Review	Type of Entity	External Review Timeline (MM/DD/YYYY to MM/DD/YYYY)	Method to Access the External Review Report
1	SC State Auditor's Office	State	07/01/2015 to 06/30/2016	<a href="http://osa.sc.gov/Reports/stateengagements/Pages/FinancialInstitution.aspx">http://osa.sc.gov/Reports/stateengagements/Pages/FinancialInstitution.aspx</a>
2	Comptroller General	State	07/01/2015 to 06/30/2016	<a href="http://www.cg.sc.gov/publicationsandreports/Pages/CAFR.aspx">http://www.cg.sc.gov/publicationsandreports/Pages/CAFR.aspx</a>

Agency Code: **123** Section: **079**

### Program Template

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