

**Chairman**

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

**Chairman Pro Tempore**

HOWARD H. WRIGHT, JR.



**Board Members**

HOWARD H. WRIGHT, JR. | *Rock Hill*  
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, December 1, 2021**

**10:00 AM**

**Governor's Conference Room  
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 1<sup>st</sup> day of December 2021 with Chairman Loftis presiding.

Members present: Ms. Michaels and Messrs. Wright, Pennington, Strickland, Walters, Wicker, Ham, Stuart, Byrd and Bouchette.

The Chairman stated that a quorum was present.

Staff present:

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

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

State Treasurer's Office: Chief of Staff Clarissa Adams, Deputy State Treasurer Cynthia Dannels, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Communications Director Karen Ingram, Board Administrator Alicia Sharpe, HR Director Lisa O'Sullivan, Fiscal Analyst Cameron Larkin, Executive Assistant Edward Frazier and Executive Assistant Lisa Gibson.

**The Agenda for this meeting was approved by General Consent.**

**The November 3, 2021 Board Meeting Minutes were approved by General Consent.**

The Chairman asked if any member had a conflict of interest with any item on the agenda.

No conflicts were identified.

The Chairman stated that the telecommuting policy and pilot program raised during last month's meeting was reviewed in depth and that all was fine. He offered to discuss if there were questions.

**Commissioner of Consumer Finance, Ron Bodvake** provided the Board with an update on several division items. The Commissioner notified the Board that Jackie Green-Cook resigned as Licensing Specialist and that the Division was recruiting for this vacancy and an Administrative Coordinator position. The Commissioner provided an update regarding the progress of ongoing check cashing investigations being performed by the Division. He also reviewed NMLS renewals and discussed the attached Monthly Statistics Report, and the Approved Consumer Licensees Report.

**Commissioner of Banking, Rick Green** provided the Board with an update on several Division items. The Federal Reserve Bank of Richmond held their annual Community Bankers Forum (virtual) with the Commissioner, Deputy Commissioner Kathy Bickham and Chief Examiner Reмония Wright in attendance. Commissioner Green announced retirements of Federal Regulators including Regional Director John Henrie (FDIC), AVP Lauren Ware (holding companies), AVP Adam Drimer (applications) and VP Joan Garton (applications & enforcement) of the Federal Reserve Bank of Richmond. The Commissioner notified the Board that the State Auditor's Office completed their review and noted no exceptions. He also reported on action taken under delegated authority: Enterprise Bank of South Carolina, Ehrhardt, SC – approved extension of time to relocate branch in Ridgeville, SC.

Mr. Wicker asked the Commissioner if banks are coming to the agency for approval to move money up to holding companies for payment. Commissioner Green stated that movement from the bank up to the holding company would be a dividend and if the dividend required our approval (if at 100% of net income or rated less than a 1 or 2) we would bring that to the board.

#### **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 possible unlicensed check-cashing activity, to review a request to convert from a North Carolina state-chartered bank to a South Carolina state-chartered bank and to designate the main office location, to receive confidential information about regulated persons, to discuss employment of an employee and to receive legal advice as needed.

**The Board voted unanimously to end Executive Session.**

#### **Actions following Executive Session:**

***On motion of Mr. Walters and duly seconded by Mr. Strickland, the Board voted to authorize the Commissioner of Consumer Finance to negotiate and execute a settlement agreement concerning unlicensed check-cashing activities by the four companies and approximating the terms discussed in executive session.***

***On motion of Mr. Bouchette and duly seconded by Mr. Strickland, the Board voted to approve the request of First Capital Bank, Laurinburg, North Carolina, to convert from a North Carolina***

***state-chartered bank to a South Carolina state-chartered bank to be named First Capital Bank and to designate the office at 304 Meeting Street, Charleston, as the main office subject to the conditions provided by the Commissioner.***

***On motion of Mr. Walters and duly seconded by Mr. Pennington, the Board voted to approve the appointment of an interim Commissioner of the Banking division effective January 6, 2022.***

**Announcements:**

The Chairman announced that the next board meeting is scheduled for Wednesday, January 5, 2022.

There being no objection, the meeting adjourned at 10:39 AM.

# COMMISSIONER OF BANKING REPORT

## Open Session Talking Points December 1, 2021

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### **External Engagement**

- Federal Reserve Bank of Richmond's Community Bankers Forum (virtual)  
– Green, Bickham, Wright

### **Announced retirements at Federal Regulators**

- FDIC – Regional Director John Henrie
- Federal Reserve Bank of Richmond
  - AVP Lauren Ware (holding companies)
  - AVP Adam Drimer (applications)
  - VP Joan Garton (applications & enforcement)

### **Audit Report**

- State Auditor's Report on Agreed Upon Procedures noted no exceptions.

### **Actions taken under delegated authority**

- Enterprise Bank of South Carolina, Ehrhardt, SC – approved extension of time to relocate branch in Ridgeville, SC

**South Carolina  
Board of Financial Institutions**

**Columbia, South Carolina**

**State Auditor's Report**

**June 30, 2020**



Independent Accountant's Report on Applying Agreed-Upon Procedures

October 14, 2021

The Honorable Curtis M. Loftis Jr., Chairman  
South Carolina Board of Financial Institutions  
Columbia, South Carolina

We have performed the procedures described in Attachment 1 on the systems, processes and behaviors related to financial activity of the South Carolina Board of Financial Institutions (the Board) for the fiscal year ended June 30, 2020. The Board's management is responsible for the systems, processes and behaviors related to financial activity.

The Board's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the systems, processes and behaviors related to financial activity. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Board for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the Board's management. Management of the Board has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$5,000 related to reporting packages.

We are required to be independent of the Board and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board and management of the South Carolina Board of Financial Institutions, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA  
State Auditor

**South Carolina Office of the State Auditor  
Agreed - Upon Procedures Related to the South Carolina Board of Financial Institutions (R23)**

**Cash Receipts/Revenues**

1. Haphazardly select five cash receipts transactions and inspect supporting documentation to determine:
  - Transaction agrees with the general ledger as to amount, date, payor, and account classification.
  - Receipts were deposited in a timely manner, in accordance with Proviso 117.1 of the fiscal year 2020 Appropriations Act.
  - Both revenue collections and amounts charged are properly authorized by State law.
  - Receipts are recorded in the proper fiscal year.

We found no exceptions as a result of the procedure.

**Cash Disbursements/Non-Payroll Expenditures**

2. Haphazardly select five non-payroll disbursements and inspect supporting documentation to determine:
  - The transaction is properly completed as required by Board procedures and invoice(s) agree(s) with general ledger as to vendor, amount, and date.
  - All supporting documents and approvals are present and agree with the invoice.
  - The transaction is an actual expenditure of the Board.
  - The transaction is properly classified in the general ledger.
  - Disbursement is recorded in the proper fiscal year.
  - Clerical accuracy.
3. Haphazardly select eight purchasing card transactions from the Office of the State Comptroller General's (CG) listing of purchasing card transactions and inspect supporting documentation to determine:
  - The cardholder is an authorized user and individual credit limits have been properly approved in accordance with Board policies.
  - The purchase is authorized based on the cardholder's job title/position.
  - The monthly purchase summary was submitted along with applicable receipts and signed by both the supervisor and cardholder.
  - The purchase did not exceed the single transaction limit or the individual credit limit and there was no indication of transaction splitting.

We found no exceptions as a result of the procedures.

**Payroll**

4. Haphazardly select three employees who terminated employment during the fiscal year to determine if they were removed from the payroll in accordance with the Board's policies and procedures, and that their last paycheck, including any leave payout, was properly calculated in accordance with applicable State law.
5. Haphazardly select three employees hired during the fiscal year to determine if they were added to the payroll in accordance with the Board's policies and procedures and that their first paycheck was properly calculated in accordance with applicable State law.

We found no exceptions as a result of the procedures.

## **Journal Entries and Transfers**

6. Haphazardly select four journal entries and one transfer and inspect supporting documentation to determine:
  - Postings in the general ledger agree to supporting documentation.
  - The transaction is properly approved.
  - The purpose of the transaction.

We found no exceptions as a result of the procedure.

## **Reporting Packages**

7. Inspect fiscal year end reporting packages submitted to the CG. Compare responses in the Master Reporting Package Checklist and any required supplemental information to year end reporting packages submitted to the CG, the South Carolina Enterprise Information System (SCEIS) and Board prepared records. Additionally, compare the dates submitted to the due dates established by the CG's Reporting Policies and Procedures Manual.
8. In addition to the procedure above, perform the following:
  - Subsequent Events Questionnaire

Compare responses and any required supplemental information to the SCEIS general ledger and Board prepared records.

We found no exceptions as a result of the procedures.

## **Assets and Personal Property**

9. Inspect the two low value moveable asset acquisitions and supporting documentation to determine that each asset was properly classified and posted to the general ledger in accordance with the CG's Reporting Policies and Procedures Manual.
10. Through inquiry of management and inspection of supporting documentation, determine that an inventory of Board property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

We found no exceptions as a result of the procedures.

## **Appropriation Act / Board-Specific Proviso**

11. Determine compliance with the (one) Board-specific state proviso 79.1 - Supervisory Fees by inquiring with management and observing supporting documentation.

We found no exceptions as a result of the procedure.



# COMMISSIONER OF CONSUMER FINANCE REPORT

## December 2021 Board Meeting

### Open Session

#### Personnel Update

- Jackie Green-Cook resigned as Licensing Specialist
- Interviewing for Administrative Coordinator position
- Interviewing for Licensing Specialist position

#### Investigations Update

- Check cashing office inspections

#### Reports

- Monthly statistics \*
- Approved consumer licensees report \*
- NMLS Renewal report\*

## South Carolina State Board of Financial Institutions - Consumer Finance Division

Active Licensees in NMLS	Aug-21	Sep-21	Oct-21
South Carolina-BFI Deferred Presentment - Company License	35	35	35
South Carolina-BFI Level I Check Cashing - Company License	12	12	12
South Carolina-BFI Level II Check Cashing - Company License	187	188	188
South Carolina-BFI Mortgage Lender / Servicer License	492	507	508
South Carolina-BFI Mortgage Lender/Servicer License - Other Trade Name #1	158	163	162
South Carolina-BFI Mortgage Lender/Servicer License - Other Trade Name #2	57	61	62
South Carolina-BFI Mortgage Lender/Servicer License - Other Trade Name #3	29	33	32
South Carolina-BFI Mortgage Lender/Servicer License - Other Trade Name #4	15	17	18
South Carolina-BFI Mortgage Lender/Servicer License - Other Trade Name #5	6	7	8
South Carolina-BFI Mortgage Lender/Servicer License - Other Trade Name #6	2	2	2
South Carolina-BFI Supervised Lender - Company License	338	342	341
South Carolina-BFI Supervised Lender - Website #1 License	154	160	160
South Carolina-BFI Supervised Lender - Website #2 License	18	20	21
South Carolina-BFI Supervised Lender - Website #3 License	4	4	4
South Carolina-BFI Supervised Lender - Website #4 License	2	2	2
South Carolina-BFI Branch Mortgage Lender/Servicer	2,183	2,237	2,283
South Carolina-BFI Branch Mortgage Lender/Servicer - Other Trade Name #1	421	433	438
South Carolina-BFI Branch Mortgage Lender/Servicer - Other Trade Name #2	175	178	188
South Carolina-BFI Branch Mortgage Lender/Servicer - Other Trade Name #3	87	89	91
South Carolina-BFI Branch Mortgage Lender/Servicer - Other Trade Name #4	67	71	75
South Carolina-BFI Branch Mortgage Lender/Servicer - Other Trade Name #5	10	10	11
South Carolina-BFI Branch Mortgage Lender/Servicer - Other Trade Name #6	2	2	2
South Carolina-BFI Deferred Presentment - Branch License	141	141	141
South Carolina-BFI Level I Check Cashing - Branch License	44	44	44
South Carolina-BFI Level II Check Cashing - Branch Certificate	439	440	440
South Carolina-BFI Supervised Lender - Branch License	998	995	992
South Carolina-BFI Mortgage Loan Originator License	14,488	14,793	15,009
South Carolina-BFI Mortgage Loan Originator License - Inactive	2,343	2,633	2,874
Restricted Lenders	4	4	4

Monthly Applications	Aug-21	Sep-21	Oct-21	12 months
Deferred Presentment Applications	0	0	0	0
Supervised Applications	11	15	11	114
Level 1 Check Cashing Applications	0	0	0	6
Level 2 Check Cashing Applications	5	9	0	80
Mortgage Lender/Servicer Applications	22	17	13	177
Mortgage Branch Applications	121	126	87	1,307
Mortgage Loan Originator Applications	768	520	540	7,300
Consumer Licensee Amendments	140	293	258	2,812
Mortgage Licensee Amendments	4,445	3,117	2,918	46,535

Examinations	Aug-21	Sep-21	Oct-21	12 months
Supervised Field Exams (IS)	87	85	111	1,284
Supervised In Office Exams (OOS)	18	19	11	229
Restricted Exams	1	1	2	6
Deferred Presentment Exams	18	19	20	211
Check Cashing Exams	7	7	7	75
Mortgage Exams	15	15	15	169

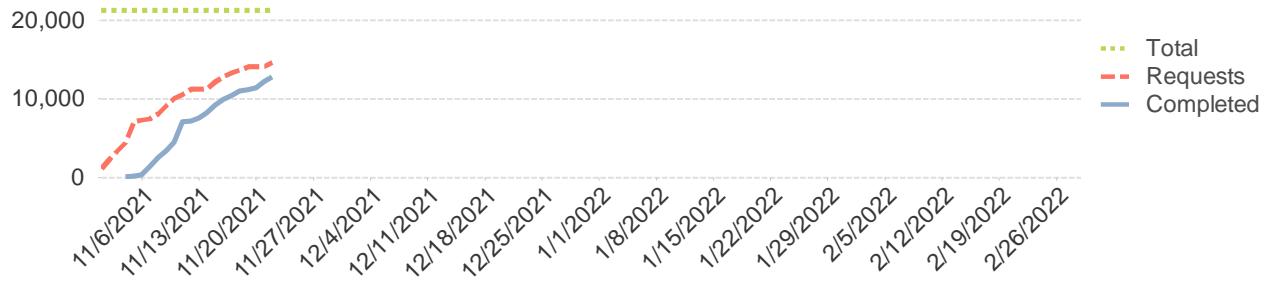
Company Id	Company Name	Branch Id	City	State	Postal Code	License Name	License Status	Original License Date
167907	Lendmark Financial Services, LLC	2245896	Simpsonville	SC	29680	SC-BFI Supervised Lender - Branch License	Approved	10/29/2021
1104859	Regional Acceptance Corporation	1986101	Banner Elk	NC	28604	SC-BFI Supervised Lender - Branch License	Approved	10/29/2021
1660115	Skopos Financial, LLC		Irving	TX	75062	SC-BFI Supervised Lender - Company License	Approved	10/29/2021
1660115	Skopos Financial, LLC		Irving	TX	75062	SC-BFI Supervised Lender - Website #1 License	Approved	10/29/2021
1660115	Skopos Financial, LLC		Irving	TX	75062	SC-BFI Supervised Lender - Website #2 License	Approved	10/29/2021
1948392	Total Loan Services, LLC		Dayton	OH	45409	SC-BFI Supervised Lender - Website #2 License	Approved	10/11/2021

# Renewal Snapshot Report, 11/22/2021

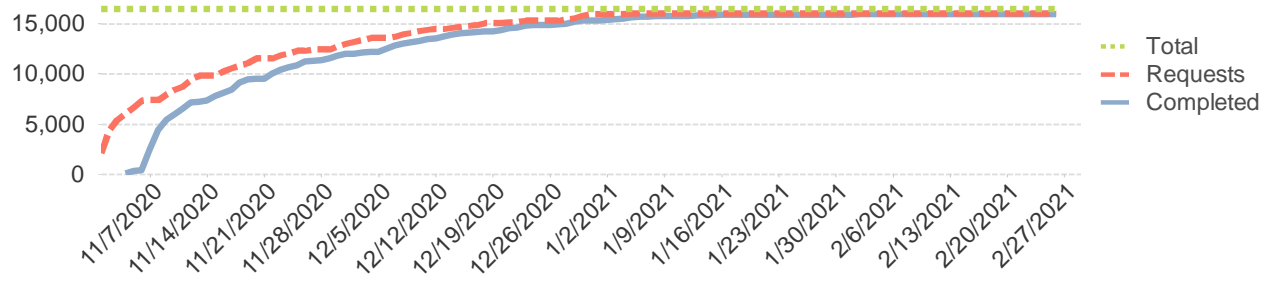
South Carolina State Board of Financial Institutions - Consumer Finance Division

License Type: Branch Mortgage Lender/Servicer, Branch Mortgage Lender/Servicer - Other Trade Name #1, Branch Mortgage Lender/Servicer - Other Trade Name #2, Branch...

## 2022 Renewal progress



## 2021 Renewal progress



## 2022

Renewable licenses as of 11/22/2021

21,164

Requested renewal by 11/22/2021

14,530 68.7%

Renewal requests completed as of 11/22/2021

12,722 87.6%

Licenses by renewal status, 11/22/2021

Renewal Status	Number of licenses	% of licenses
Renewal Approved	12,722	60.1%
Not Requested	6,555	31.0%
Renewal Requested	1,808	8.5%
Not Renewing	79	0.4%

## 2021

Renewable licenses as of 11/22/2020

16,419

Requested renewal by 11/22/2020

11,531 70.2%

Renewal requests completed as of 11/22/2020

9,975 86.5%

Licenses by renewal status, 11/22/2020

Renewal Status	Number of licenses	% of licenses
Renewal Approved	9,975	60.8%
Not Requested	4,829	29.4%
Renewal Requested	1,556	9.5%
Not Renewing	59	0.4%

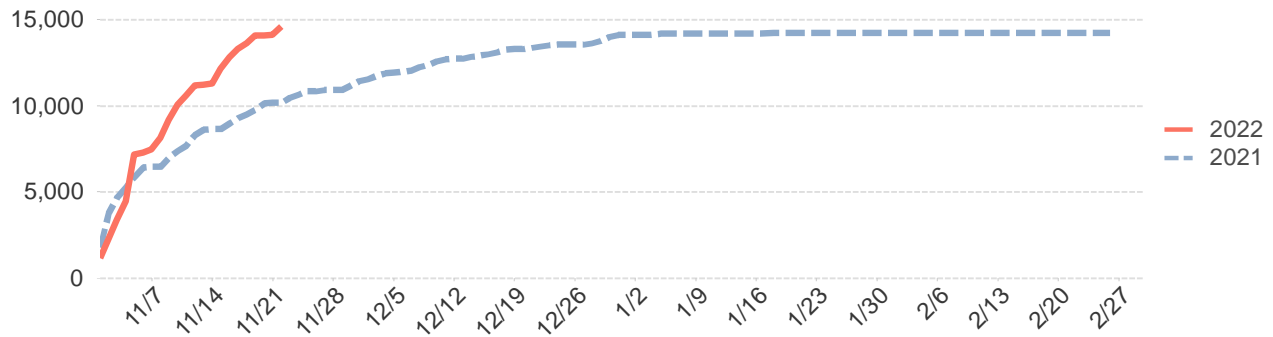
# State Summary Report, 11/22/2021

South Carolina State Board of Financial Institutions - Consumer Finance Division

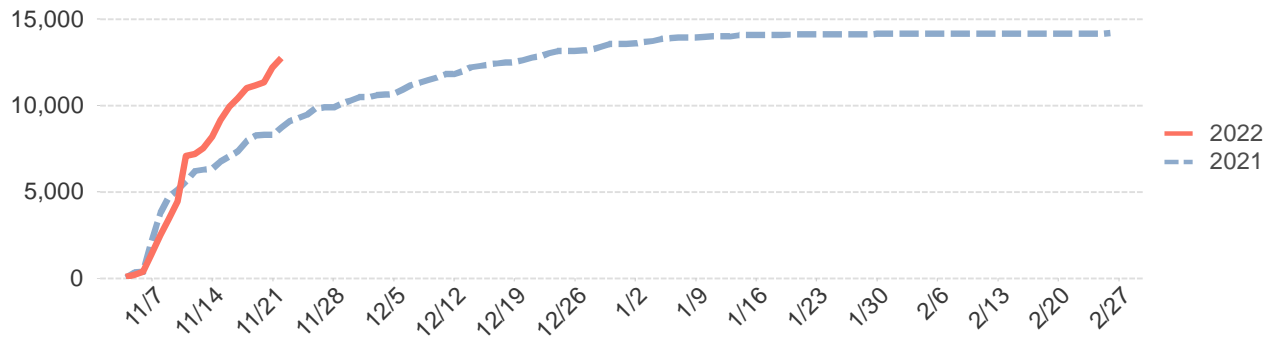
## Renewal summary by entity type, 2022

Entity type	Renewable licenses	Requested	% Requested	Completed	% Completed
Individual	14,929	10,183	68.2%	8,876	87.2%
Company	1,553	1,036	66.7%	840	81.1%
Branch	4,682	3,311	70.7%	3,006	90.8%

## Cumulative renewal requests, year over year



## Cumulative requests completed, year over year



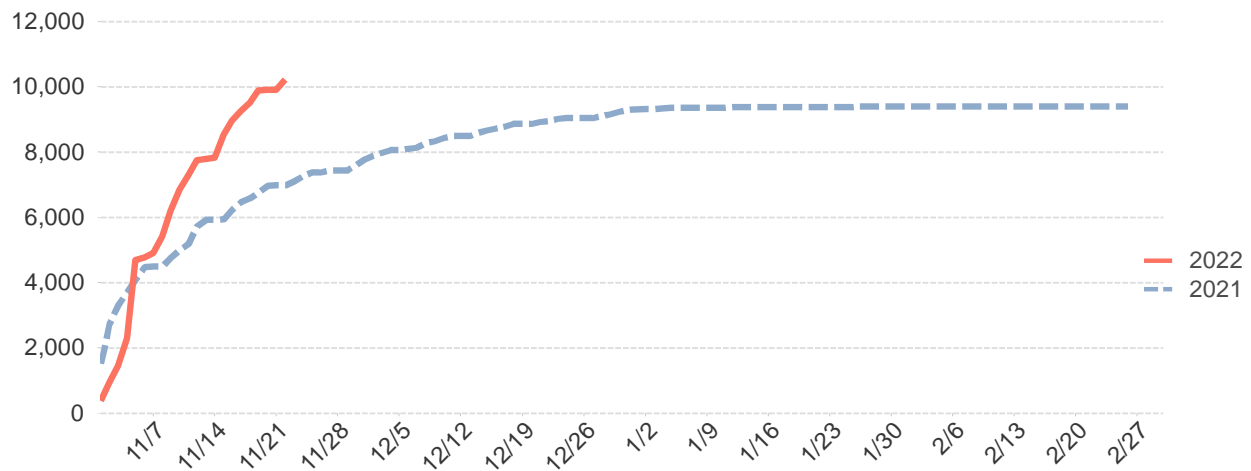
# State Summary Report, 11/22/2021

## South Carolina State Board of Financial Institutions - Consumer Finance Division: Individual Licenses

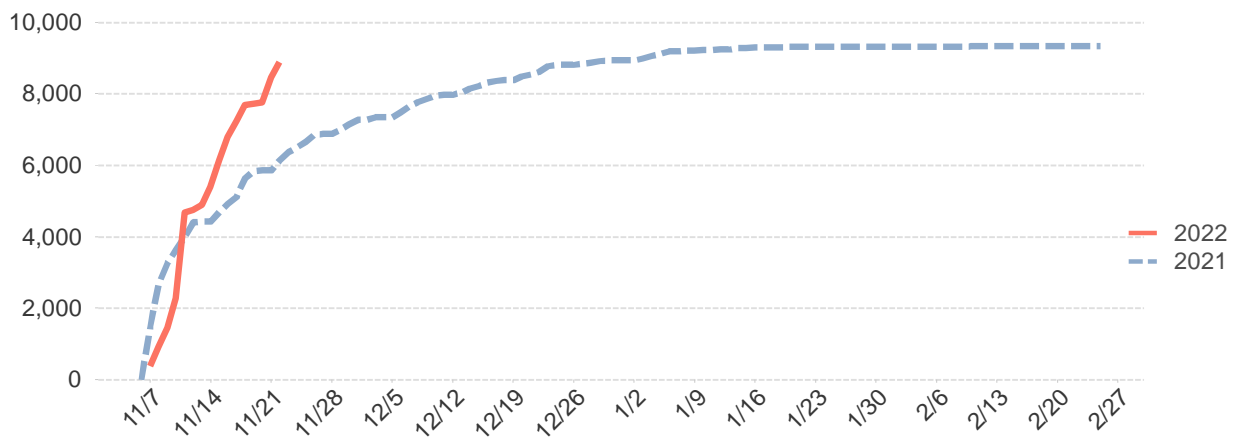
### Individual renewal summary by license type, 2022

Individual license type	Auto renew	Requires CBC	Requires credit report	Renewable licenses	Requested	% Requested	Completed	% Completed
Mortgage Loan Originator License	Y	N	N	14,929	10,183	68.2%	8,876	87.2%
<b>Total</b>				<b>14,929</b>	<b>10,183</b>	<b>68.2%</b>	<b>8,876</b>	<b>87.2%</b>

### Cumulative individual renewal requests, year over year



### Cumulative individual requests completed, year over year



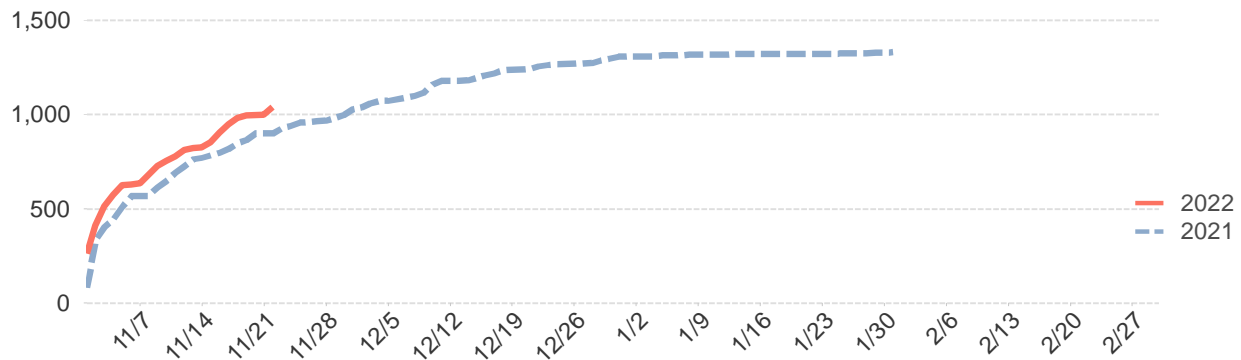
# State Summary Report, 11/22/2021

## South Carolina State Board of Financial Institutions - Consumer Finance Division: Company Licenses

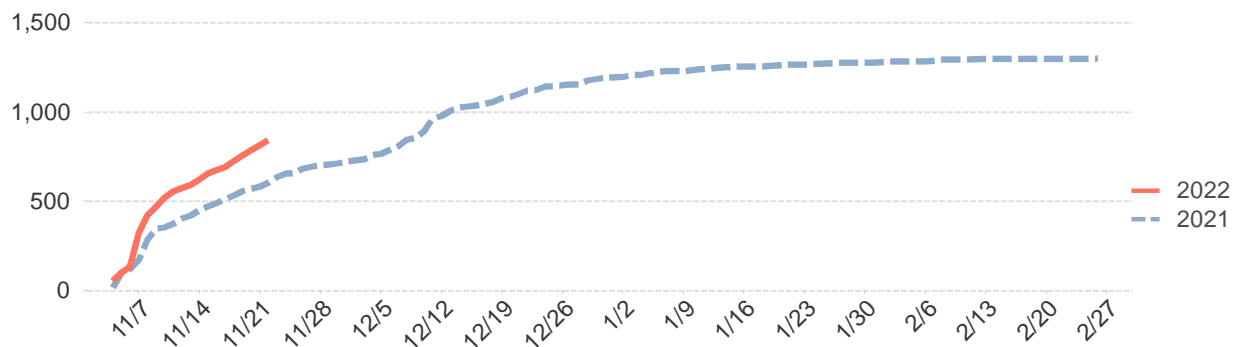
### Company renewal summary by license type, 2022

Company license type	Auto renew	Renewable licenses	Requested	% Requested	Completed	% Completed
Deferred Presentment - Company License	Y	35	13	37.1%	11	84.6%
Level I Check Cashing - Company License	Y	12	3	25.0%	3	100.0%
Level II Check Cashing - Company License	Y	188	61	32.4%	44	72.1%
Mortgage Lender / Servicer License	Y	506	412	81.4%	317	76.9%
Mortgage Lender/Servicer License - Other Trade Name #1	Y	162	138	85.2%	103	74.6%
Mortgage Lender/Servicer License - Other Trade Name #2	Y	61	53	86.9%	41	77.4%
Mortgage Lender/Servicer License - Other Trade Name #3	Y	32	28	87.5%	22	78.6%
Mortgage Lender/Servicer License - Other Trade Name #4	Y	18	15	83.3%	13	86.7%
Mortgage Lender/Servicer License - Other Trade Name #5	Y	8	7	87.5%	5	71.4%
Mortgage Lender/Servicer License - Other Trade Name #6	Y	2	2	100.0%	2	100.0%
Supervised Lender - Company License	Y	341	185	54.3%	168	90.8%
Supervised Lender - Website #1 License	Y	160	95	59.4%	88	92.6%
Supervised Lender - Website #2 License	Y	22	18	81.8%	17	94.4%
Supervised Lender - Website #3 License	Y	4	4	100.0%	4	100.0%
Supervised Lender - Website #4 License	Y	2	2	100.0%	2	100.0%
<b>Total</b>		<b>1,553</b>	<b>1,036</b>	<b>66.7%</b>	<b>840</b>	<b>81.1%</b>

Cumulative company renewal requests, year over year



Cumulative company requests completed, year over year



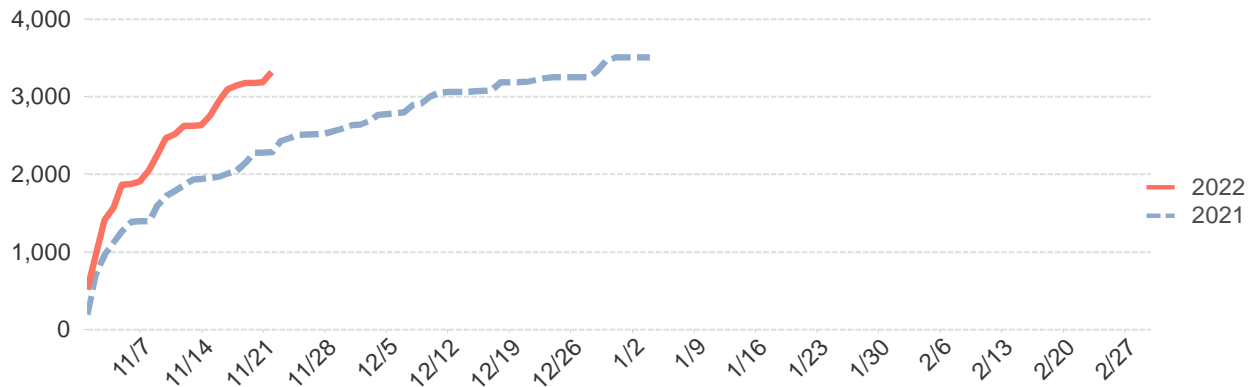
# State Summary Report, 11/22/2021

## South Carolina State Board of Financial Institutions - Consumer Finance Division: Branch Licenses

### Branch renewal summary by license type, 2022

Branch license type	Auto renew	Renewable licenses	Requested	% Requested	Completed	% Completed
Branch Mortgage Lender/Servicer	Y	2,281	1,829	80.2%	1,641	89.7%
Branch Mortgage Lender/Servicer - Other Trade Name #1	Y	434	343	79.0%	321	93.6%
Branch Mortgage Lender/Servicer - Other Trade Name #2	Y	186	161	86.6%	157	97.5%
Branch Mortgage Lender/Servicer - Other Trade Name #3	Y	89	80	89.9%	66	82.5%
Branch Mortgage Lender/Servicer - Other Trade Name #4	Y	75	62	82.7%	52	83.9%
Branch Mortgage Lender/Servicer - Other Trade Name #5	Y	11	10	90.9%	10	100.0%
Branch Mortgage Lender/Servicer - Other Trade Name #6	Y	1	1	100.0%	1	100.0%
Deferred Presentment - Branch License	Y	134	94	70.1%	94	100.0%
Level I Check Cashing - Branch License	Y	44	13	29.5%	13	100.0%
Level II Check Cashing - Branch Certificate	Y	439	220	50.1%	155	70.5%
Supervised Lender - Branch License	Y	988	498	50.4%	496	99.6%
<b>Total</b>		<b>4,682</b>	<b>3,311</b>	<b>70.7%</b>	<b>3,006</b>	<b>90.8%</b>

### Cumulative branch renewal requests, year over year



### Cumulative branch requests completed, year over year

