

Chairman

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

Chairman Pro Tempore

HOWARD H. WRIGHT, JR.



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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, December 6, 2023

10:00 AM

**Conference Room 222 Wade Hampton Building
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 6th day of December 2023 with Chairman Loftis presiding.

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

The Chairman stated that a quorum was present.

Staff present:

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

Banking Division: Commissioner Kathy Bickham, Deputy Commissioner Janeen Hughes

State Treasurer's Office: Deputy State Treasurer Cynthia Dannels, Director of Administration Jordan Dominick, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Fiscal Analyst Cameron Larkin, and Fiscal Analyst Tiffany Hubbard.

The agenda for this meeting was approved by General Consent.

The November 1, 2023 Board Meeting Minutes were approved by General Consent.

The Chairman informed the Board that Mr. Byrd submitted a written statement recusing himself from all matters regarding SPC Credit Union because he is associated with this business and has an economic interest in the decision to be made by the Board.

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

Committee Reports

Mr. Barry Ham informed the Board that the Legislative and Regulatory Committee met on November 1st. He reported that Commissioner Bickham presented an overview of a proposed operational instruction. The operational instruction helps to give parity to state-chartered credit unions with federal credit unions as it relates to their capital reserve requirements. The operational instruction removes reference to an antiquated designation of capital, but the capital requirements do not change. Mr. Ham reported that Commissioner Bickham also presented as information a document on revised capital and insurance requirements for trust companies which she will cover as part of her Commissioner's Update. Mr. Ham informed the Board that the next Committee meeting is scheduled for December 12, 2023.

On motion of Mr. Ham on behalf of the Legislative and Regulatory Committee, the Board voted to approve the proposed operational instruction as presented.

Commissioner Updates

Commissioner of Consumer Finance, Ron Bodvake, informed the Board of two recent conferences attended by staff – AARRM Fall Training in New Orleans, LA and CSBS Cyber and IT Supervisory Forum in Austin, TX. Commissioner Bodvake provided the Board with a summary report of recent check cashing branch office inspections. Commissioner Bodvake also provided the Board with reports on monthly statistics and new approved consumer licensees, and he presented an overview of each report. Commissioner Bodvake also provided the Board with a report of renewal statistics published by NMLS. Overall, there has been an increase in companies requesting renewal year-over-year. Lastly, Commissioner Bodvake discussed the current unlicensed fee schedule and solicited Board member feedback.

Commissioner of Banking, Kathy Bickham, informed the Board that she, along with her Deputy Commissioners and Review Examiners, conducted outreach meetings with four banks and one savings bank. Commissioner Bickham informed the Board of the recent CSBS District 3 Meeting and Fall Interagency Regulators Conference attended by Banking Division staff and Mr. Eubanks. Commissioner Bickham also informed the Board of recent education/training opportunities attended by staff including the CSBS Cyber and IT Supervisory Forum, the FDIC Financial Institutions Analysis School, and an FFEIC Liquidity Risk Management Workshop. Ms. Bickham then informed the Board that Associate Examiner Ellen Phillips resigned, and that Kanji Kitamura has been hired as a Loan Review Examiner. Commissioner Bickham updated the Board on two recent actions taken under delegated authority in approving requests from Security Federal Bank and The Commercial Bank to purchase property. Lastly, Commissioner Bickham presented an update on Trust Company capital requirements. The update includes a tiered approach to the capital and insurance requirements based on managed assets. Mr. Bouchette inquired about the process for determining whether a trust company is qualified, and Commissioner Bickham provided a recent example of the process.

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 requests by regulated entities, to discuss negotiations incident to three settlement agreements, to discuss 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 exit executive session.

Actions following Executive Session:

On motion of Ms. Michaels and duly seconded by Mr. Strickland, the Board voted to approve the application of SPC Credit Union, Hartsville, South Carolina, to establish a branch at 849 Chesterfield Highway, Cheraw, South Carolina, subject to any conditions provided by the Commissioner of Banking in Executive Session.

The Chairman noted for the record that Mr. Byrd left the room during discussions and refrained from voting on the application from to SPC Credit Union.

On motion of Mr. Bouchette and duly seconded by Ms. Michaels, the Board voted to approve the application of Blue Ridge Bank, Walhalla, South Carolina, to establish a branch at 628 Ann Street, Pickens, South Carolina, subject to any conditions provided by the Commissioner of Banking in Executive Session.

On motion of Mr. Bouchette and duly seconded by Ms. Michaels, the Board voted to authorize the Commissioner of Consumer Finance to negotiate and execute settlement agreements concerning unlicensed check cashing activity with three regulated entities in accordance with the terms discussed in Executive Session.

On motion of Mr. Pennington and duly seconded by Mr. Walters, the Board voted to authorize the Commissioner of Consumer Finance and the Chairman to negotiate the necessary Amendment to the contract about a third-party vendor providing a deferred presentment database as discussed in Executive Session and authorize the Chairman to execute the Amendment.

Announcement

The Chairman announced that the next board meeting is scheduled for Wednesday, February 7, 2024.

There being no objection, the meeting adjourned at 11:12 AM.