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

Chairman Pro Tempore

HOWARD H. WRIGHT, JR.



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J. DANIEL WALTERS | *Greenville*
K. WAYNE WICKER | *Myrtle Beach*
J. BARRY HAM | *Manning*
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JENNY MICHAELS / *Sumter*
THOMAS BOUCHETTE / *Florence*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, February 1, 2023

10:00 AM

Conference Room 222

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 1st day of February 2023 with Chairman Loftis presiding.

Other members present: Ms. Michaels and Messrs. Wright, Wicker, Pennington, Strickland, Walters, 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, Deputy Commissioner Quinton Creed.

Banking Division: Commissioner Kathy Bickham, Deputy Commissioner Janeen Hughes

State Treasurer's Office: Deputy State Treasurer Cynthia Dannels, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Administration Division Director Jordan Dominick, Human Resources Manager Lisa O'Sullivan, Executive Assistant Lisa Gibson, Fiscal Analyst Cameron Larkin

The agenda for this meeting was approved by General Consent.

The January 4, 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

Budget and Operations Committee, Mr. Pennington informed the Board that the Budget and Operations Committee met on January 24th. The Committee received reports from Commissioner Bodvake and Commissioner Bickham providing an overview of the quarterly operating expenditures. Commissioner Bickham presented to the Committee regarding the results of a recent recovery audit and reported that payments remitted by BOFI were found to be accurate and documented fully. Commissioner Bodvake informed the Committee of Senate Bill S. 57 which repeals Deferred Presentment Companies of which there are 25 companies and 25 branches currently regulated by the Consumer Finance Division. The Senate Committee asked Commissioner Bodvake to provide a financial impact statement.

Mr. Pennington invited Commissioner Bodvake to provide an overview of Senate Bill S. 57 to the Board. Mr. Bodvake reported that S.57 would repeal Chapter 39 of Title 34 and would make accepting a check for deferred presentment an unfair trade practice. From the financial impact statement, he stated that the Consumer Finance Division annually would lose revenue of \$38,000 and save approximately \$15,000 on personnel costs if the Deferred Presentment chapter was repealed. Next he reported recent data surrounding the number of Deferred Presentment transactions and number of consumers engaging in Deferred Presentment activity. Mr. Wright discussed the potential impact to consumers from the loss of this type of funding if S. 57 was enacted and what position the Board or Chairman may need to take moving forward. Other Board members expressed concern that deferred presentment loans may be an important financial product for people who have temporary difficult paying bills. The Chairman stated that he would speak to Senator Malloy who is sponsoring the bill and report back to the Board.

Mr. Pennington completed his report by stating that the next Committee meeting is scheduled for April 25th, 2023.

Commissioner Updates

Commissioner of Consumer Finance, Ron Bodvake, provided the Board with an update on an upcoming NMLS User Conference in Phoenix, Arizona. Commissioner Bodvake informed the Board that the House Budget Hearings for both divisions took place on January 24th and Mr. Bodvake provided the Board with reports on monthly statistics, new approved consumer licensees, and NMLS renewals.

Commissioner of Banking, Kathy Bickham, informed the Board of recent meetings and engagements with trade groups and reported on a recent staff meeting with the FDIC. Commissioner Bickham also reported on the House Budget Hearings. Ms. Bickham then discussed a recent promotion of an existing employee and hiring of a new employee.

Commissioner Bickham provided a status on the proposed legislation regarding Trust Business in South Carolina. The proposed legislation would clarify the definition of trust business. The Board agreed with the proposed language. The Board directed the Commissioner to give industry groups until Friday, February 3, to provide final input on the language before moving forward with submitting the proposed legislation.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to authorize Commissioner Bickham to submit to the legislature the proposed legislation clarifying the definition of trust business, and to take appropriate steps in support of this legislative change.

The Chairman reminded the Board members that the 2023 Statements of Economic Interest forms are due by noon on March 30th.

The Chairman announced that the next board meeting is scheduled for Wednesday, March 1, 2023.

There being no objection, the meeting adjourned at 10:47 AM.