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BILLY D. BYRD, II | *Hartsville*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, February 3, 2021

10:00 AM

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 3rd day of February 2021 with Chairman Loftis presiding.

Members present: Messrs. Pennington, Strickland, Walters, Wicker, Ham, Windley, Stuart and Byrd. Mr. Conley joined after the meeting began.

Mr. Wright could not attend this meeting.

Staff present:

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

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

State Treasurer's Office: Chief of Staff Clarissa Adams, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Director of Communications Karen Owen, HR Manager Lisa O'Sullivan, Financial Analyst Cameron Larkin and Board Administrator Alicia Sharpe.

The Agenda for this meeting was approved by General Consent.

The January 6, 2021 Board Meeting Minutes were approved by General Consent.

Board Member Recusal or Conflicts of Interest

Mr. Strickland submitted a written statement recusing himself from all matters regarding Southern First Bank because he is associated with this business and has an economic interest in the decision to be made by this Board. The Chairman asked if any other member had a conflict with an item on the agenda. No other member identified a conflict of interest.

The Legislative and Regulatory Committee update was provided by Committee Chairman Barry Ham. He informed the Board that the Committee received 2021 Legislation tracking updates from the Commissioners. The next meeting is scheduled for February 25th.

The Budget and Operations Committee update was provided by Committee Chairman Don Pennington. He informed the Board that the Committee received updates from the Commissioners on personnel changes, information technology, COVID 19 related initiatives, and budget and expenditures. Also, Commissioner Green reviewed board insurance and presented the State Comparison Report and Fee Schedule. The next meeting is scheduled for April 15th.

Commissioner Ron Bodvake provided the Board with an update on the Consumer Finance division.

The division is conducting interviews for a Mortgage Examiner position.

Staff are working with the HR and Communications teams to assist the division with its recruitment. An employee referral program was established and the current "Work for Us" webpage was revised. The division is exploring LinkedIn for recruitment opportunities. They are researching complimentary options and will link LinkedIn back to the divisions main page.

The division had a successful budget hearing with the House sub-committee, January 13th and expect the Senate sub-committee hearing to be held mid-February.

The division has been working with SC Department of Employment Workforce and is trying to pass along information on fraudulent checks to the check cashers. However, they have not had access to the best contact list. Since the transition to NMLS, information is more easily shared with all check cashing licensees and posted on the division's website.

There is a virtual NMLS User Conference coming up February 23-26 and the division will be sending 8 staff members. In the past there has only been 2 staff members attending. There is a state examination system coming online that the division may participate with in the future.

The division is currently researching business filings with SC Secretary of State. They only have formation documents and staff will have to go out to each town for the business license. Staff visited Lexington County to conduct business license research to reach out to all the county's

incorporated towns. Also, the city of West Columbia has submitted a FOIA request that the division is working on.

The division is tracking a large grocery chain purchase to verify they have all the check cashing licenses.

The division is comparing the transition companies to the internal database to ensure all who had a license prior to the NMLS database has one now.

The Commissioner covered the monthly statistics reports. There are now 615 mortgage loan originator applications when there were 300 last year during this time.

The Commissioner reviewed the Approved Consumer Licensees report.

The Commissioner reviewed the NMLS Renewal report. Consumer Finance staff worked as a team in getting a large percentage of the applications transitioned over. This has been the division's big project throughout the year. There was a 94.6% renewal rate of companies for the first year transitioning over.

Mr. Pennington asked if the Commissioner could disclose the name of the large grocery chain making the purchase discussed earlier in the presentation.

Commissioner Bodvake stated that Food Lion has been purchasing Bi Lo grocery stores and the division has been contacting them about the check cashing license as a new owner.

Commissioner of Banking, Rick Green provided the Board with an update on several division items.

The Commissioner expressed that the division continues external engagement even during the pandemic. He provided a list of some of the staff's recurring participation since the last meeting:

Deputy Commissioner Bickham participated in a Virtual Regulator Panel through the Risk Management Association, Carolinas-Virginia Chapter. She also accepted an invitation to participate in the Office of Human Resources Advisory Workgroup conducting a review of the fiscal services classification.

The Commissioner had an introductory meeting with 4th District Congressman William Timmons. The Congressman serves on the House Financial Services Committee. The meeting was originally scheduled for 2020 during a planned trip to Washington that was cancelled as a result of the pandemic.

The Commissioner referenced his Board report that includes recurring events staff participate in and remain engaged with the industry.

Education/Training

Associate Examiner Lindsay Clamp attended the Financial Institutions Analysis School – FDIC’s 2nd core school.

Pandemic Operational Posture

The division has reverted to Phase 2A with a skeleton crew manning the office and most of the staff remaining home. The team meets and this is reevaluated on a weekly basis. There have been 2 confirmed cases among staff and several reporting needing to quarantine (not workplace exposure). Monitoring of the recent disease activity and guidance from DHEC and Dept. of Admin will continue, and the phase has been extended to March 1st.

The Commissioner provided an updated Institution Operational Impact summary. There are currently 20 banks and 3 credit unions reporting lobby services by appoint only. Fourteen of the banks are lobby services only at all their branches. All three of the credit unions are lobby service only at all their branches. There has been a significant number of institutions reporting that branches had to close. There is 1 credit union that has 1 branch closed and they were expecting to open yesterday; however there has not been an update on whether the branch was able to re-open.

Mr. Conley stated that the branch (mentioned by the Commissioner as having closed) is now open for drive through.

Mr. Conley left the meeting.

Mr. Stuart asked if the Commissioner is seeing or hearing anyone offer incentives to employees to encourage vaccinations.

Commissioner Green said that he has seen reports in the newspaper but nothing coming from the State.

Mr. Conley re-joined the meeting.

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 review a request to conduct trust business in South Carolina, to review requests to establish bank branches, to review a request to purchase property, and to receive legal advice as needed.

Mr. Strickland left the WebEx conference while items on which he had a conflict were discussed.

The Board voted unanimously to end Executive Session.

Actions following Executive Session

Voting on Items Discussed in Executive Session

On motion of Mr. Strickland and duly seconded by Mr. Pennington, the Board voted to approve the request of Thrivent Trust Company of Tennessee, Inc., Brentwood, Tennessee, to conduct trust business in South Carolina by establishing a branch at 9 Halton Green Way, Greenville, South Carolina.

On motion of Mr. Strickland, duly seconded by Mr. Wicker, the Board voted to approve the request of Optus Bank, Columbia, South Carolina, to purchase property in Columbia, South Carolina.

On motion of Mr. Wicker, duly seconded by Mr. Walters, the Board voted to approve the application of Southern First Bank, Greenville, South Carolina, to establish a branch at 4064 Colony Road, Suite 100, Charlotte, North Carolina, with a temporary location at 4064 Colony Road, Suite 420, Charlotte, North Carolina, subject to conditions.

Mr. Strickland had a conflict of interest on matters pertaining to Southern First Bank, did not vote, left the meeting and there was no discussion.

Announcements

Reminder that the 2021 Statement of Economic Interest forms are due by noon on March 30th.

The next board meeting is scheduled for Wednesday, March 3, 2021.

There being no objection, the meeting adjourned at 10:37 AM.