

Chairman

THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer



Board Members

SCOTT CONLEY | *Lugoff*
W. DONALD PENNINGTON | *Simpsonville*
F. JUSTIN STRICKLAND | *Lexington*
J. DANIEL WALTERS | *Greenville*
HOWARD H. WRIGHT, JR. | *Rock Hill*
K. WAYNE WICKER | *Myrtle Beach*
J. BARRY HAM | *Manning*
JOHN F. WINDLEY | *Columbia*
CHARLES H. STUART | *Mount Pleasant*
BILLY D. BYRD, II | *Hartsville*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, February 5, 2020

10:00 A.M.

**1200 Senate Street, Wade Hampton Office Building
Governor's Conference Room
Columbia, South Carolina**

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 5th day of February 2020, with Chairman Loftis presiding.

Members present: Messrs. Conley, Pennington, Walters, Wright, Ham, Windley, Stuart, Wicker, and Byrd.

Mr. Walters arrived during the Commissioners' reports.

Mr. Strickland could not attend.

Staff present

Banking Division: Commissioner Rick Green, Deputy Commissioner Kathy Bickham, and Review Examiner Deidre Fulmer.

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

State Treasurer's Office: Chief of Staff Clarissa Adams, Director of Communications Karen Owens, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Finance Specialist Cameron Larkin and Board Administrator Alicia Sharpe.

Visitors present: Dr. Steven Gilbert (Senate Banking and Insurance Committee) and Billy Boylston (Carolinas Credit Union League).

The Agenda for this meeting was approved by General Consent.

The January 8, 2020 Board Minutes were approved by General Consent.

Board Member Recusal or Conflicts of Interest

The Chairman asked if any member had a conflict with an item on the agenda. No conflict of interest was identified.

Committee Reports

Donald Pennington, Chairman of the Budget and Operations Committee, reported that the Committee met on January 23, 2020, and received IT and FY21 budget updates and was briefed on the Quarterly Expenditure from the Commissioners. The Commissioners reported that the House Ways & Means Hearing went well, and Commissioner Bodvake reported that construction of new Consumer Finance office space is complete. The next Committee meeting is scheduled for Thursday, April 16, 2020.

Barry Ham, Chairman of the Legislative and Regulatory Committee, reported that the Committee met on January 29, 2020, and Commissioners Bodvake and Green provided an overview of legislative activity for their respective divisions. Commissioner Green also updated the Committee on the continued work on the Bank and Credit Union Modernization Act discussed at the Committee's last meeting. The next Committee meeting is scheduled for Thursday, February 20, 2020.

Commissioner Reports

Rick Green, Commissioner of Banking, reported the following to the Board:

Industry Engagement

- Commissioner Green conducted outreach meetings with two credit unions.
- Commissioner Green conducted outreach meetings with three banks.
- Commissioner Green and Deputy Commissioner Bickham attended the SCBA's Legislative Reception.

Budget Hearings

- Presented to the Transportation and Regulatory Subcommittee of the House Ways and Means Committee on January 15, 2020.
- Presented to the Transportation and Regulatory Subcommittee of the Senate Finance Committee on February 4, 2020.

Commissioner of Consumer Finance, Ron Bodvake, reported the following:

Meetings

- House Budget Hearing – 1/15/2020
- Senate Budget Hearing – 2/4/2020
- House Regulation Subcommittee Meeting – 2/6/2020

Personnel

- Hired Katie Strickland as Consumer Finance Internet Examiner
- Position posted for Consumer Finance Internet Examiner
- Position posted for Consumer Finance Review Examiner

NMLS Transition

- NMLS industry training meeting posted on website
- Transition letter with link to training video mailed to all corporate offices of Supervised, Deferred Presentment and all Check Cashing branch locations
- FAQ created and posted on the website
- Updates made to existing website
- All external facing checklists have been reviewed and published in NMLS
- Internal checklists created and ready for implementation

Reports

- Monthly statistics
- Updated organizational chart

Consumer Finance Division Board Approvals

The Consumer Finance Division reviewed applications for in-state and out-of-state Supervised Consumer Finance Licenses, and applications for Level II Check Cashing Services Licenses listed on the agenda. The Consumer Finance Division determined that each respective applicant/licensee meets the licensing or other requirements defined in the applicable statutes.

On motion of Mr. Pennington, seconded by Mr. Walters and unanimously carried, the Board adopted a motion to approve the following items:

1. Applications for Supervised Consumer Finance Licenses to perform certain lending operations:

a. In-State Applications:

- 1. Econo Tax and Loan LLC dba Econo Tax and Loan at 3420 Clemson Boulevard, Unit 10, Anderson, South Carolina 29621. (New)***
- 2. TF Development Inc. dba TF Title Loans at 1221 Highway 501 Business, Conway, South Carolina 29526. (New)***

b. Out of State Applications:

- 1. 60MonthLoans, Inc. at 640 Menlo Avenue, Suite 10, Menlo Park, California 94025. (New)***
 - 2. 60MonthLoans, Inc. at 60monthloans.com. (New)***
 - 3. Personal Energy Finance, Inc. dba Renovate America Financing; Home Improvement Financial Solutions at 16409 West Bernardo Drive, San Diego, California 92127. (New)***
 - 4. Personal Energy Finance, Inc. at benjifinancing.com. (New)***
 - 5. Till Resident Finance LLC at 3411 Pierce Drive North East, Chamblee, Georgia 30341. (Active #2)***
- 2. Applications for Level II Check Cashing Services:***
- a. Jaime Luna dba Mexico Lindo at 2704 East North Avenue, Anderson South Carolina 29625. (New)***
 - b. YNR Food Mart LLC, dba Shell Food Mart at 102 South Broad Street, Clinton, South Carolina, 29325. (New)***
 - c. Yogibapa of Sumter LLC dba J. American Grocery at 4308 Broad Street, Sumter, South Carolina, 29154. (New)***

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 corrective action for regulated persons and to receive legal advice regarding these matters.

The Board voted unanimously to end Executive Session.

New Business

On motion of Mr. Walters, seconded by Mr. Wicker and unanimously carried, the Board adopted a motion to delegate to the Chairman who may delegate to the Commissioner of the Consumer Finance Division or his designee the authority to approve initial applications and applications for renewal, when, in the judgment of the Chairman or his designee, the licensee or the applicant has satisfied all of the requirements for licensure or renewal, for the following licenses: supervised lending licenses under Section 37-3-503(1) and (2); check cashing level I and level II licenses under Sections 34-41-40, 34-41-42, and 34-41-52; and deferred presentment services licenses under Section 34-39-160.

Announcements

The next board meeting is scheduled for Wednesday, March 4, 2020.

There being no objection, the meeting adjourned at 11:46 AM.

Board of Financial Institutions
Agency Budget Analysis
July 1, 2019 - June 30, 2020

FM 6 - FY 20 12/31/19	Original Budget	Agency Adj/Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
Personal Services							
Administration	3,465.00	-	3,465.00	1,855.00	1,610.00	3,465.00	-
Exam	1,621,000.00	-	1,621,000.00	758,487.53	746,512.47	1,505,000.00	116,000.00
Consumer	1,766,493.00	(50,000.00)	1,716,493.00	760,367.78	816,821.28	1,577,189.06	139,303.94
Total Personal Services	3,390,958.00	(50,000.00)	3,340,958.00	1,520,710.31	1,564,943.75	3,085,654.06	255,303.94
Employer Contributions							
Administration							
Exam	585,000.00	-	585,000.00	278,636.89	280,688.69	559,325.58	25,674.42
Consumer	659,418.00	-	659,418.00	309,254.79	343,064.94	652,319.73	7,098.27
Total Employer Contribution	1,244,418.00	-	1,244,418.00	587,891.68	623,753.63	1,211,645.31	32,772.69
Total Per. Serv./Empl. Contr.	4,635,376.00	(50,000.00)	4,585,376.00	2,108,601.99	2,188,697.38	4,297,299.37	288,076.63
Other Operating Expenses							
Contractual Services:							
Administration	325.00	-	325.00	96.83	228.17	325.00	-
Exam	110,600.00	-	110,600.00	23,394.55	87,205.45	110,600.00	-
Consumer	196,000.00	10,500.00	206,500.00	112,045.35	94,454.65	206,500.00	-
Total Contractual Services:	306,925.00	10,500.00	317,425.00	135,536.73	181,888.27	317,425.00	-
Supplies & Materials:							
Administration	187.00	-	187.00	-	187.00	187.00	-
Exam	52,300.00	(2,000.00)	50,300.00	4,255.09	46,044.91	50,300.00	-
Consumer	21,073.00	18,000.00	39,073.00	15,111.69	23,961.31	39,073.00	-
Total Supplies & Materials	73,560.00	16,000.00	89,560.00	19,366.78	70,193.22	89,560.00	-
Fixed Charges:							
Administration	22,700.00	6,400.00	29,100.00	28,037.00	1,063.00	29,100.00	-
Exam	62,600.00	-	62,600.00	29,648.72	32,951.28	62,600.00	-
Consumer	55,000.00	-	55,000.00	6,286.47	48,713.53	55,000.00	-
Total Fixed Charges:	140,300.00	6,400.00	146,700.00	63,972.19	82,727.81	146,700.00	-
Travel:							
Administration - Board Membe	7,700.00	(2,400.00)	5,300.00	3,085.00	2,215.00	5,300.00	-
Exam	236,500.00	-	236,500.00	124,650.37	95,349.63	220,000.00	16,500.00
Consumer	187,000.00	10,500.00	197,500.00	85,158.10	112,341.90	197,500.00	-
Total Travel:	431,200.00	8,100.00	439,300.00	212,893.47	209,906.53	422,800.00	16,500.00
Equipment (cap & non-cap)							
Administration	-	-	-	-	-	-	-
Exam	-	-	-	-	-	-	-
Consumer	46,000.00	9,000.00	55,000.00	3,642.51	51,357.49	55,000.00	-
Total Equipment	46,000.00	9,000.00	55,000.00	3,642.51	51,357.49	55,000.00	-
Total Other Operating Exp:							
Administration	30,912.00	4,000.00	34,912.00	31,218.83	3,693.17	34,912.00	-
Exam	462,000.00	(2,000.00)	460,000.00	181,948.73	261,551.27	443,500.00	16,500.00
Consumer	505,073.00	48,000.00	553,073.00	222,244.12	330,828.88	553,073.00	-
Total Other Operating Exp:	997,985.00	50,000.00	1,047,985.00	435,411.68	596,073.32	1,031,485.00	16,500.00
Total Funds Available	5,633,361.00	-	5,633,361.00	2,544,013.67	2,784,770.70	5,328,784.37	304,576.63

Board of Financial Institutions
Agency Budget Analysis
July 1, 2019 - June 30, 2020

FM 6 - FY 20 12/31/19	Original Budget	Agency Adj/Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
Administration							
Personal Services							
Other Personal Services	3,465.00		3,465.00	1,855.00	1,610.00	3,465.00	-
Total Personal Services	3,465.00	-	3,465.00	1,855.00	1,610.00	3,465.00	-
Other Operating Expenses							
Contractual Services	325.00		325.00	96.83	228.17	325.00	-
Supplies & Materials	187.00		187.00	-	187.00	187.00	-
Fixed Charges	22,700.00	6,400.00	29,100.00	28,037.00	1,063.00	29,100.00	-
Travel	7,700.00	(2,400.00)	5,300.00	3,085.00	2,215.00	5,300.00	-
Equipment	-		-	-	-	-	-
Total Other Operating Exp.	30,912.00	4,000.00	34,912.00	31,218.83	3,693.17	34,912.00	-
Total Administration	34,377.00	4,000.00	38,377.00	33,073.83	5,303.17	38,377.00	-

Board of Financial Institutions
Agency Budget Analysis
July 1, 2019 - June 30, 2020

FM 6 - FY 20 12/31/19	Original Budget	Agency Adj/ Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
Banking Examiners							
Personal Services							
Commissioner of Banking	124,132.00	1,043.06	125,175.06	62,065.92	63,109.14	125,175.06	-
Classified Positions	1,496,868.00	(1,043.06)	1,495,824.94	696,421.61	683,403.33	1,379,824.94	116,000.00
Total Personal Services	1,621,000.00	-	1,621,000.00	758,487.53	746,512.47	1,505,000.00	116,000.00
Other Operating Expenses							
Contractual Services	110,600.00		110,600.00	23,394.55	87,205.45	110,600.00	-
Supplies & Materials	52,300.00	(2,000.00)	50,300.00	4,255.09	46,044.91	50,300.00	-
Fixed Charges	62,600.00		62,600.00	29,648.72	32,951.28	62,600.00	-
Travel	236,500.00		236,500.00	124,650.37	95,349.63	220,000.00	16,500.00
Equipment	-		-	-		-	-
Total Other Operating Exp.	462,000.00	(2,000.00)	460,000.00	181,948.73	261,551.27	443,500.00	16,500.00
Total Employer Contributions	585,000.00		585,000.00	278,636.89	280,688.69	559,325.58	25,674.42
Total Banking Examiners	2,668,000.00	(2,000.00)	2,666,000.00	1,219,073.15	1,288,752.43	2,507,825.58	158,174.42

Board of Financial Institutions
Agency Budget Analysis
July 1, 2019 - June 30, 2020

FM 6 - FY 20 12/31/19	Original Budget	Agency Adj/ Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
Consumer Finance							
Personal Services							
Director	104,578.00	2,092.00	106,670.00	52,288.92	54,381.08	106,670.00	-
Classified Positions	1,661,915.00	(52,092.00)	1,609,823.00	708,078.86	762,440.20	1,470,519.06	139,303.94
Other Personal Services			-			-	-
Total Personal Services	1,766,493.00	(50,000.00)	1,716,493.00	760,367.78	816,821.28	1,577,189.06	139,303.94
Other Operating Expenses							
Contractual Services	196,000.00	10,500.00	206,500.00	112,045.35	94,454.65	206,500.00	-
Supplies & Materials	21,073.00	18,000.00	39,073.00	15,111.69	23,961.31	39,073.00	-
Fixed Charges	55,000.00		55,000.00	6,286.47	48,713.53	55,000.00	-
Travel	187,000.00	10,500.00	197,500.00	85,158.10	112,341.90	197,500.00	-
Equipment	46,000.00	9,000.00	55,000.00	3,642.51	51,357.49	55,000.00	-
Total Other Operating Exp.	505,073.00	48,000.00	553,073.00	222,244.12	330,828.88	553,073.00	-
Total Employer Contributions	659,418.00		659,418.00	309,254.79	343,064.94	652,319.73	7,098.27
Total Consumer Finance	2,930,984.00	(2,000.00)	2,928,984.00	1,291,866.69	1,490,715.10	2,782,581.79	146,402.21

**Board of Financial Institutions
Agency Cash/Revenue Analysis
July 1, 2019 - June 30, 2020**

CURRENT ACTUAL AND FORECAST REVENUE THROUGH JUNE 30, 2019

FM 6 - FY 20 12/31/2019	Cash Carryforward from FY 18	Revenue Received To Date	Estimated Revenue To Be Received	Total Est Rev Incl Cash Carryforward	Expended To Date	Projected Remaining Expenditures	Projected Total Expenditures	Projected Variance Fav (Unfav)
Bank Examining	1,013,402.29	2,301,787.00	0.00	3,315,189.29	1,235,610.06	1,291,404.02	2,527,014.08	788,175.21
Consumer Finance	1,629,489.21	1,774,835.00	1,042,187.00	4,446,511.21	1,308,403.61	1,493,366.68	2,801,770.29	1,644,740.92
Total Actual 3035	2,642,891.50	4,076,622.00	1,042,187.00	7,761,700.50	2,544,013.67	2,784,770.70	5,328,784.37	2,432,916.13

South Carolina State Board of Financial Institutions - Consumer Finance Division

Consumer Licensees	19-Nov	19-Dec
Supervised Parent Company	396	397
Supervised Branch	1179	1175
Restricted Licensees	4	4
Deferred Presentment Parent Company	41	41
Deferred Presentment Branch	169	160
Level 1 Check Cashing Parent Company	12	12
Level 1 Check Cashing Branch	43	43
Level 2 Check Cashing Parent Company	221	225
Level 2 Check Cashing Branch	725	743

Monthly Consumer Finance Exams	19-Oct	19-Nov	19-Dec	12 Month Summary
Supervised Out Of Office Exams	86	97	76	950
Supervised In Office Exams	21	7	24	233
Restricted Exams	0	0	0	4
Deferred Presentment Exams	29	22	27	210
Check Cashing Exams	9	4	7	49
Level 5 Rated Exams	0	0	0	2
Level 4 Rated Exams	0	1	1	27

Monthly Consumer License Applications	19-Oct	19-Nov	19-Dec	
Supervised Applications	13	5	9	146
Deferred Presentment Applications	1	0	0	7
Level 1 Check Cashing Applications	1	1	0	3
Level 2 Check Cashing Applications	1	3	0	11
Supervised Consumer Address Changes	8	7	2	65

Consumer Applications on Agenda for Board Approval	19-Oct	19-Nov	19-Dec	
Supervised Applicatons	6	16	9	136
Deferred Presentment Applications	1	1	0	3
Level 1 Check Cashing Applications	1	0	0	1
Level 2 Check Cashing Applications	0	3	0	12

Mortgage Licensees	19-Oct	19-Nov	19-Dec
Current Mortgage Lender/Servicer Licensees	424	428	418
Current Mortgage Lender/Servicer OTN Licensees	182	180	183
Current Mortgage Lender/Servicer Branch Licensees	1466	1479	1468
Current Mortgage Lender/Servicer OTN Branch Licensees	409	422	421
Current Mortgage Loan Originator Licensees	8720	8914	8542
Inactive Mortgage Loan Originator Licensees	1823	1949	359
Total Mortgage Licensees	13024	13372	11391

Monthly Mortgage License Applications	19-Oct	19-Nov	19-Dec	12 Month Summary
Mortgage Lender/Servicer Applications	12	6	8	91
Mortgage Branch Applications	59	40	73	725
Mortgage Loan Originator Applications	268	242	379	3,081
All Monthly Mortgage Licensee Amendments	3609	3958	3517	36,314

Consumer Finance

