

**Chairman**

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

**Chairman Pro Tempore**

SCOTT CONLEY



**Board Members**

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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, January 6, 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 6th day of January 2021 with Chairman Loftis presiding.

Members present: Messrs. Conley, Pennington, Walters, Wright, Ham, Windley, Byrd and Stuart. Mr. Wright joined the meeting during the executive session. Mr. Walters also joined after the meeting began.

Messrs. Strickland and Wicker 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, Financial Analyst Cameron Larkin and Board Administrator Alicia Sharpe.

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

**The December 2, 2020 Board Meeting Minutes were approved by General Consent.**

**Board Member Recusal or Conflicts of Interest**

Mr. Stuart submitted a written statement recusing himself from all matters regarding First Reliance 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 Pre-filed Legislation updates from the Commissioners. Commissioner Green also discussed the repeal of Chapter 27 of Title 34 of the S.C. Code of Laws concerning credit unions, which he will review during his report. The next Committee meeting is scheduled for January 28th.

**Consumer Finance Commissioner, Ron Bodvake** provided the Board with an update on the following:

As a **personnel update**, William Kelley was hired as a Mortgage Licensing Specialist and Alyssa Davis was promoted to Investigator. Interviews for the Mortgage Examiner are being conducted.

We'll be attending a virtual conference by NMLA and CSBS in February.

We have established a new Investigations division and are establishing policies and procedures. Lists obtained from local municipalities are being reviewed, and we are verifying that all licensees transitioned to NMLS.

The Board was also provided with a copy of monthly statistics, the approved consumer licensees and Renewal reports.

The NMLS Renewals Report reflects the percentage of companies who have completed renewal: Supervised Licensees: 91%, Deferred Presentment: 92% and Check Cashing: 92%. These were higher than expected, and Supervised companies still have through the end of the month to renew their licenses. The Commissioner stated that the success is a result of a full team effort and the Board's support. The Chairman commended the hard work that the Commissioner and his staff have put into the NMLS project.

**Commissioner of Banking, Rick Green** provided the Board with an update on the following items:

**Industry Engagement:** The SC Bankers Association hosted a virtual "Fireside Chat with the Banking Commissioner" moderated by Board Member Wayne Wicker. This was an opportunity to have a direct discussion with the industry to include operational issues and fees.

**Education/Training:** Five staff members participated in an NCUA training, InTREN-CU. This is an information technology examination program and was developed by the federal financial institution regulatory bodies and adapted for credit unions. Information Technology is a major risk to be constantly evaluated and assessed. We wanted to determine if this program is something we want to apply in our exam processes.

**Pandemic Operational Posture:** The division reverted to Phase 2A on December 13th. After the Thanksgiving holiday there was a presumed-positive COVID-19 case, and, as part of our protocol, immediate action was taken. We continue to meet weekly to evaluate and assess the division's pandemic operational posture.

**Chapter 27 of Title 34** addresses Cooperative Credit Unions and was repealed in 1996 by Act 371 which created Ch. 26 that now governs credit unions. Act 371 is 24 years old, but there was error by the legislative council that resulted in Ch. 27 remaining on the books. At a subsequent date the legislature acted again and ratified the code as written, causing Ch. 27 to be part of the law again. We believed that the Legislative Council was going to correct this. But that does not now appear to be the case. We believe that repealing Chapter 27 still requires legislative action. We are working to determine who will take the initiative this action in the General Assembly. After numerous discussions with stakeholders, no one has objected to the repeal.

Mr. Ham stated that he respects the decisions the Commissioner has made to protect his staff from COVID and that the Banking Division has asked for reports from banks on their service levels. He asked if the Commissioner sees banks close their lobbies again and go to drive-through service only.

Commissioner Green stated that they did not have the updated numbers for the Board, but that based on the reports some banks have moved back to drive through only service and some have even had to close branches due to the high COVID numbers.

Mr. Conley asked if the Commissioner of Banking had checked in with the Carolinas Credit Union League about the Ch. 27 issue. Commissioner Green stated that he has contacted and discussed the issue with the League.

Chairman Loftis asked Commissioner Green if they had been contacted by the DHEC contact tracers. Commissioner Green stated that they have not been contacted but that they have conducted their own tracing. Chairman Loftis asked Commissioner Bodvake and Board Administrator Alicia Sharpe if the STO or the Consumer Finance Division had been contacted by DHEC. Both stated that their organizations had not been contacted.

### **Executive Session**

***The Board voted unanimously to adjourn into Executive Session.***

Deputy General Counsel Shawn Eubanks stated the reasons the Board entered Executive Session:

to review bank merger requests, to review an application to establish a bank branch, to review surveys and other personal information of regulated persons, and to receive legal advice as needed.

Mr. Stuart 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. Stuart and duly seconded by Mr. Conley, the Board voted to approve the request of Community First Bancorporation, Walhalla, South Carolina, a South Carolina bank holding company, to merge with SFB Bancorp, Inc., Elizabethton, Tennessee, a Tennessee savings bank holding company, and thereby acquire its wholly owned subsidiary, Security Federal Bank, Elizabethton, Tennessee subject to the conditions that the Commissioner provided to the Board in Executive Session.***

***On motion of Mr. Stuart, duly seconded by Mr. Pennington, the Board voted to approve the request of Community First Bank, Inc., Walhalla, South Carolina, to merge with Security Federal Bank, Elizabethton, Tennessee, and to operate the two offices of Security Federal Bank as branches of Community First Bank, Inc. subject to the conditions that the Commissioner provided to the Board in Executive Session.***

***On motion of Mr. Walters, duly seconded by Mr. Conley, the Board voted to approve the application of First Reliance Bank, Florence, South Carolina, to establish a branch at 1901 Main Street, Suite 195, Columbia, South Carolina, with a temporary location at 1901 Main Street, Suite 1530, Columbia, South Carolina subject to the conditions that the Commissioner provided to the Board in Executive Session.***

Mr. Stuart had a conflict of interest on matters pertaining to First Reliance Bank, did not vote and there was no discussion.

### **Announcements**

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

There being no objection, the meeting adjourned at 10:40 AM.