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State Treasurer

Chairman Pro Tempore

HOWARD H. WRIGHT, JR.



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JENNY MICHAELS / *Sumter*
THOMAS BOUCHETTE / *Florence*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, March 1, 2023

10:30 AM

**Governor's Conference Room
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 March 2023 with Chairman Loftis presiding.

Other members present: Messrs. Wright, Wicker, Pennington, Strickland, Ham, Byrd, and Bouchette.

The Chairman stated that a quorum was present.

Mrs. Michaels, Mr. Walters, and Mr. Stuart joined the meeting after attendance was called.

Staff present:

Consumer Finance Division: Commissioner Ron Bodvake, Deputy Commissioner Amy Gelhaus, Deputy Commissioner Quinton Creed

Banking Division: Commissioner Kathy Bickham, Deputy Commissioner Janeen Hughes

State Treasurer's Office: Chief of Staff Clarissa Adams, Deputy State Treasurer Cynthia Dannels, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Administration Division Director Jordan Dominick, Fiscal Analyst Cameron Larkin

Visitors present: Mr. John Barnes and Mr. Steve Alpert representing Veritec Solutions

The agenda for this meeting was approved by General Consent.

The February 1, 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

Legislative and Regulatory Committee, Mr. Ham informed the Board that the Legislative and Regulatory Committee met on February 14th. Commissioner Bickham provided the Committee with an overview of the Banking Division's 2023 – 2024 Legislative Session Tracking Sheet. Commissioner Bickham also gave an update on the proposed legislation on trust business.

Commissioner Bodvake provided the Committee with the 2023 – 2024 Legislative Session Tracking Sheet. Commissioner Bodvake informed the Committee that Senate Bill 518 was introduced for the first time and would restrict Restricted, Deferred Presentment, and Supervised Lenders from charging more than 36% APR. The Committee discussed whether banks and credit unions may be affected because they make consumer loans. A subcommittee hearing on Senate Bill 518 was scheduled for the day after the Legislative and Regulatory Committee meeting.

The next Committee meeting is scheduled for June 27th, 2023.

Mr. Ham then asked Commissioner Bodvake to give an overview and update on the status of Senate Bill 518. All Board members received a summary document of S. 518 prior to this Board meeting that Commissioner Bodvake prepared. Commissioner Bodvake informed the Board that the Senate Committee Meeting this morning on S. 518 involved financial services companies and other members of the public making comments about the bill. Mr. Bodvake has been asked to speak at a third Senate Committee hearing on S. 518 in the coming weeks. Mr. Wright requested that a this topic be discussed in Executive Session at today's meeting, and Mr. Condon explained the procedures to do so.

Commissioner Updates

Commissioner of Consumer Finance, Ron Bodvake, provided the Board with reports on monthly statistics and new approved consumer licensees. Commissioner Bodvake informed the Board that he would be testifying at a Senate Committee Hearing today on two of the three proposed regulations concerning the check cashing industry.

Concerning the third regulation, Rep. Bradley requested that the regulation concerning record-keeping and record retention be less burdensome to the industry. Commissioner Bodvake provided some written information about the record-keeping and record retention regulation that concerned Rep. Bradley. That written information included revised language for the record-keeping and record retention regulation that may resolve Rep. Bradley's concerns. (Option 1.) Mr. Condon answered some questions from Board members about the proposed regulation. Mr. Bouchette suggested a change in the record retention period that was stated in Option 1.

On motion of Mr. Wright and duly seconded by Mr. Bouchette, the Board voted to allow Commissioner Bodvake to present Option 1 and Option 2 to Rep. Bradley and then support the option that Rep Bradley favors by resubmitting that option as the Board's newly promulgated regulation concerning record-keeping and record retention.

Commissioner Bodvake introduced Mr. John Barnes of Veritec to present an annual report on the State of South Carolina Deferred Presentment Program. Mr. Barnes fielded questions and comments from Board members.

Commissioner of Banking, Kathy Bickham, informed the Board of a recent outreach meeting with a savings bank and trust company. Commissioner Bickham also reported that she along with her Deputy Commissioners met with Assistant Vice President Kameron Booker, Senior Manager Paul

Frey, Managing Examiner Mike Riddle and Senior Bank Holding Company Examiner J.M. Nemish of the Federal Reserve Bank.

Commissioner Bickham, under delegated authority, approved a request by SPC Credit Union to purchase property in Darlington, SC.

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 personal information about regulated entities and examinations of institutions required to be made by law 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 end executive session.

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

The Chairman announced that the next board meeting is scheduled for Wednesday, April 5, 2023.

There being no objection, the meeting adjourned at 12:16 PM.