

**Chairman**

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

**Chairman Pro Tempore**

SCOTT CONLEY



**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, March 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 3<sup>rd</sup> day of March 2021 with Chairman Loftis presiding.

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

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: 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 February 3, 2021 Board Meeting Minutes were approved by General Consent.**

**Board Member Recusal or Conflicts of Interest**

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

**Commissioner Ron Bodvake** presented updates to the Board.

The Consumer Finance division is conducting interviews for the Mortgage Examiner position and for a Licensing Specialist. The Field Examiner position was moved to the Licensing Specialist position.

The Commissioner reviewed the NMLS *Licensing Trends* document.

The Commissioner discussed key man risks and the steps being taken to rectify them. This includes training backups for all key positions (mainly program managers) and writing operational policies and procedures.

The division is working on an examination project. Mortgage and consumer examinations currently function differently, and the goal is to get them on the same path to cross train examiners to work on either side. The State Examination System (SES), through NMLS, is a great program and two examiners are cross training to use the multi state exams vs traditional examination methods.

The division is working on its IT data sets and reclassing all of the antiquated division drives to meet the new Info Sec policies.

The Database Project is also in the works. There is an older outdated database only used on the consumer finance side and the division is working on one that can be for mortgage and consumer. The IT manager has been helping with this project for some time. This will be on the state server.

The division has participated in Linked-In training, CSBS Leadership training is upcoming and the Commissioner will attend a John Maxwell Leadership Summit.

The Commissioner reviewed industry trends and issues and discussed the [True Lender Update](#) article by McGlinchy Stafford PLLC regarding the Office of Comptroller of the Currency (OCC) and the [Housing Wire](#) article on the Consumer Financial Protection Bureau's (CFPB) taskforce recommendations to improve consumer protection.

The recently created investigation team is currently in the information gathering stage. Information is being obtained from Financial Crimes Enforcement Network (FinCEN) and Field Examiner investigation activity. Convenient stores and other cash checking organizations are being reviewed. Certified letters have been sent based on this activity.

The division has completed its NMLS database comparison. The initial concentration of efforts is on the midlands starting with Lexington and Richland counties.

The monthly statistics reports, and the Approved Consumer Licensees report was distributed prior to the meeting.

The Chairman asked about John Maxwell and the Commissioner stated that he was a speaker and trainer recommended by the BOFI Administrator, Alicia Sharpe.

The Chairman expressed concerns about the CFPB information to include the amount and types of items being recommended. He said he appreciated the Commissioner and others in the industry keeping updated and didn't see any trends that didn't include things getting bigger, which does not bode well for states.

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

Commissioner Green and his team met with Secretary of State Hammond and representatives of his office to establish stronger lines of communication. The Commissioner expressed that the division and Secretary of State's office has not traditionally had a lot of communication and the importance of a relationship between the offices became apparent when an issue arose years ago with a large institution's attempt to merge. There wasn't a division contact at the Secretary of State's office, but the Treasurer stepped in to assist. In addition, a bill that is pending in the General Assembly, **the Banking and Credit Union Modernization act**, changes how the division issues charters. It's important for the division to develop the processes in advance with the Secretary of State's office.

The division is moving again to Phase 2B of the Re-entry Plan on March 8<sup>th</sup>. The division will be monitoring if the state will be providing a vaccination program similar to what they have encouraged for other large employers. The Office of Human Resources is working to get information to agencies this week.

The Commissioner reported that an institution being examined was not able to electronically provide all the loan documents typically reviewed during the examination process. He stated that protocols were developed with the business continuity team and a couple of examiners would be conducting an onsite visit to review the loan documents.

#### **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 requests to establish bank branches, to review a request to relocate a bank branch, to review a request to purchase property, to discuss personal information about regulated entities, and to receive legal advice as needed.

***The Board voted unanimously to end Executive Session.***

**Actions following Executive Session**

*Voting on Items Discussed in Executive Session*

***On motion of Mr. Walters and duly seconded by Mr. Byrd, the Board voted to approve the application of Coastal States Bank, Hilton Head Island, South Carolina, to establish a branch at 3000 Summit Place, Suite 100, Alpharetta, Georgia subject to the conditions provided by the Commissioner.***

***On motion of Mr. Windley, duly seconded by Mr. Wright, the Board voted to approve the application of Coastal States Bank, Hilton Head Island, South Carolina, to establish a branch at 6160 Roswell Road, Sandy Springs, Georgia subject to the conditions provided by the Commissioner.***

***On motion of Mr. Ham, duly seconded by Mr. Wicker, the Board voted to approve the application of The Citizens Bank, Olanta, South Carolina, to establish a branch at 273 Carolina Forest Boulevard, Myrtle Beach, South Carolina subject to the conditions provided by the Commissioner.***

***On motion of Mr. Stuart, duly seconded by Mr. Wicker, the Board voted to approve the application of Beacon Community Bank, Charleston, South Carolina, to establish a branch at 20 Fairchild Street, Suite 103, Charleston, South Carolina subject to the conditions provided by the Commissioner***

***On motion of Mr. Strickland, duly seconded by Mr. Wright, the Board voted to approve the request of Citizens Building and Loan, SSB, Greer, South Carolina, to relocate its Landrum branch from 100 South Edgewood Avenue, Landrum, to 1401 East Rutherford Street, Landrum, South Carolina subject to the conditions provided by the Commissioner.***

***On motion of Mr. Pennington, duly seconded by Mr. Strickland, the Board voted to approve the request of Dedicated Community Bank, Darlington, South Carolina, to purchase property in Florence, South Carolina.***

**Announcements**

The next board meeting is scheduled for Wednesday, April 7, 2021.

There being no objection, the meeting adjourned at 11:31 AM.

Board of Financial Institutions  
Agency Budget Analysis  
July 1, 2020 - June 30, 2021

FM 7 - FY 21 1/31/21	Original Budget	Agency Adj/Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
<b>Personal Services</b>							
Administration	3,465.00	-	3,465.00	1,190.00	2,275.00	3,465.00	-
Exam	1,621,000.00	-	1,621,000.00	795,781.48	583,218.52	1,379,000.00	242,000.00
Consumer	1,766,493.00	-	1,766,493.00	883,757.58	682,077.45	1,565,835.03	200,657.97
<b>Total Personal Services</b>	<b>3,390,958.00</b>	<b>-</b>	<b>3,390,958.00</b>	<b>1,680,729.06</b>	<b>1,267,570.97</b>	<b>2,948,300.03</b>	<b>442,657.97</b>
<b>Employer Contributions</b>							
Administration							
Exam	585,000.00	-	585,000.00	292,014.52	218,706.95	510,721.47	74,278.53
Consumer	659,418.00	-	659,418.00	358,582.46	300,835.54	659,418.00	-
<b>Total Employer Contribution</b>	<b>1,244,418.00</b>	<b>-</b>	<b>1,244,418.00</b>	<b>650,596.98</b>	<b>519,542.49</b>	<b>1,170,139.47</b>	<b>74,278.53</b>
<b>Total Per. Serv./Empl. Contr.</b>	<b>4,635,376.00</b>	<b>-</b>	<b>4,635,376.00</b>	<b>2,331,326.04</b>	<b>1,787,113.46</b>	<b>4,118,439.50</b>	<b>516,936.50</b>
<b>Other Operating Expenses</b>							
<b>Contractual Services:</b>							
Administration	325.00	-	325.00	92.52	232.48	325.00	-
Exam	151,000.00	-	151,000.00	87,439.04	63,560.96	151,000.00	-
Consumer	216,073.00	24,000.00	240,073.00	141,162.65	98,307.51	239,470.16	602.84
<b>Total Contractual Services:</b>	<b>367,398.00</b>	<b>24,000.00</b>	<b>391,398.00</b>	<b>228,694.21</b>	<b>162,100.95</b>	<b>390,795.16</b>	<b>602.84</b>
<b>Supplies &amp; Materials:</b>							
Administration	187.00	-	187.00	-	187.00	187.00	-
Exam	18,250.00	-	18,250.00	1,226.31	17,023.69	18,250.00	-
Consumer	34,500.00	-	34,500.00	13,928.28	20,335.23	34,263.51	236.49
<b>Total Supplies &amp; Materials</b>	<b>52,937.00</b>	<b>-</b>	<b>52,937.00</b>	<b>15,154.59</b>	<b>37,545.92</b>	<b>52,700.51</b>	<b>236.49</b>
<b>Fixed Charges:</b>							
Administration	22,700.00	18,183.00	40,883.00	40,883.00	-	40,883.00	-
Exam	71,800.00	-	71,800.00	64,441.70	2,858.30	67,300.00	4,500.00
Consumer	56,500.00	-	56,500.00	57,210.37	-	57,210.37	(710.37)
<b>Total Fixed Charges:</b>	<b>151,000.00</b>	<b>18,183.00</b>	<b>169,183.00</b>	<b>162,535.07</b>	<b>2,858.30</b>	<b>165,393.37</b>	<b>3,789.63</b>
<b>Travel:</b>							
Administration - Board Membe	7,700.00	(6,183.00)	1,517.00	-	1,517.00	1,517.00	-
Exam	220,950.00	(6,000.00)	214,950.00	4,462.60	35,000.00	39,462.60	175,487.40
Consumer	186,000.00	(30,000.00)	156,000.00	32,714.18	82,750.00	115,464.18	40,535.82
<b>Total Travel:</b>	<b>414,650.00</b>	<b>(42,183.00)</b>	<b>372,467.00</b>	<b>37,176.78</b>	<b>119,267.00</b>	<b>156,443.78</b>	<b>216,023.22</b>
<b>Equipment (cap &amp; non-cap)</b>							
Administration	-	-	-	-	-	-	-
Exam	-	-	-	-	-	-	-
Consumer	12,000.00	-	12,000.00	-	12,000.00	12,000.00	-
<b>Total Equipment</b>	<b>12,000.00</b>	<b>-</b>	<b>12,000.00</b>	<b>-</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>-</b>
<b>Total Other Operating Exp:</b>							
Administration	30,912.00	12,000.00	42,912.00	40,975.52	1,936.48	42,912.00	-
Exam	462,000.00	(6,000.00)	456,000.00	157,569.65	118,442.95	276,012.60	179,987.40
Consumer	505,073.00	(6,000.00)	499,073.00	245,015.48	213,392.74	458,408.22	40,664.78
<b>Total Other Operating Exp:</b>	<b>997,985.00</b>	<b>-</b>	<b>997,985.00</b>	<b>443,560.65</b>	<b>333,772.17</b>	<b>777,332.82</b>	<b>220,652.18</b>
<b>Total Funds Available</b>	<b>5,633,361.00</b>	<b>-</b>	<b>5,633,361.00</b>	<b>2,774,886.69</b>	<b>2,120,885.63</b>	<b>4,895,772.32</b>	<b>737,588.68</b>

**Board of Financial Institutions**  
**Agency Budget Analysis**  
**July 1, 2020 - June 30, 2021**

FM 7 - FY 21 1/31/21	Original Budget	Agency Adj/Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
<b>Administration</b>							
<b>Personal Services</b>							
Other Personal Services	3,465.00		3,465.00	1,190.00	2,275.00	3,465.00	-
<b>Total Personal Services</b>	<b>3,465.00</b>	<b>-</b>	<b>3,465.00</b>	<b>1,190.00</b>	<b>2,275.00</b>	<b>3,465.00</b>	<b>-</b>
<b>Other Operating Expenses</b>							
Contractual Services	325.00		325.00	92.52	232.48	325.00	-
Supplies & Materials	187.00		187.00		187.00	187.00	-
Fixed Charges	22,700.00	18,183.00	40,883.00	40,883.00	-	40,883.00	-
Travel	7,700.00	(6,183.00)	1,517.00		1,517.00	1,517.00	-
Equipment	-		-	-	-	-	-
<b>Total Other Operating Exp.</b>	<b>30,912.00</b>	<b>12,000.00</b>	<b>42,912.00</b>	<b>40,975.52</b>	<b>1,936.48</b>	<b>42,912.00</b>	<b>-</b>
<b>Total Administration</b>	<b>34,377.00</b>	<b>12,000.00</b>	<b>46,377.00</b>	<b>42,165.52</b>	<b>4,211.48</b>	<b>46,377.00</b>	<b>-</b>

**Board of Financial Institutions**  
**Agency Budget Analysis**  
**July 1, 2020 - June 30, 2021**

FM 7 - FY 21 1/31/21	Original Budget	Agency Adj/ Transfers	Adjusted Budget	Expended to Date	Projected Remaining Expend	Projected Total Exp	Projected Variance Fav(Unfav)
<b>Banking Examiners</b>							
<b>Personal Services</b>							
Commissioner of Banking	126,615.00		126,615.00	73,858.68	52,756.32	126,615.00	-
Classified Positions	1,494,385.00		1,494,385.00	721,922.80	530,462.20	1,252,385.00	242,000.00
<b>Total Personal Services</b>	<b>1,621,000.00</b>	<b>-</b>	<b>1,621,000.00</b>	<b>795,781.48</b>	<b>583,218.52</b>	<b>1,379,000.00</b>	<b>242,000.00</b>
<b>Other Operating Expenses</b>							
Contractual Services	151,000.00		151,000.00	87,439.04	63,560.96	151,000.00	-
Supplies & Materials	18,250.00		18,250.00	1,226.31	17,023.69	18,250.00	-
Fixed Charges	71,800.00		71,800.00	64,441.70	2,858.30	67,300.00	4,500.00
Travel	220,950.00	(6,000.00)	214,950.00	4,462.60	35,000.00	39,462.60	175,487.40
Equipment	-		-	-		-	-
<b>Total Other Operating Exp.</b>	<b>462,000.00</b>	<b>(6,000.00)</b>	<b>456,000.00</b>	<b>157,569.65</b>	<b>118,442.95</b>	<b>276,012.60</b>	<b>179,987.40</b>
<b>Total Employer Contributions</b>	<b>585,000.00</b>		<b>585,000.00</b>	<b>292,014.52</b>	<b>218,706.95</b>	<b>510,721.47</b>	<b>74,278.53</b>
<b>Total Banking Examiners</b>	<b>2,668,000.00</b>	<b>(6,000.00)</b>	<b>2,662,000.00</b>	<b>1,245,365.65</b>	<b>920,368.42</b>	<b>2,165,734.07</b>	<b>496,265.93</b>

**Board of Financial Institutions**

**Agency Budget Analysis**

**July 1, 2020 - June 30, 2021**

<b>FM 7 - FY 21 1/31/21</b>	<b>Original Budget</b>	<b>Agency Adj/ Transfers</b>	<b>Adjusted Budget</b>	<b>Expended to Date</b>	<b>Projected Remaining Expend</b>	<b>Projected Total Exp</b>	<b>Projected Variance Fav(Unfav)</b>
<b>Consumer Finance</b>							
<b>Personal Services</b>							
Director	106,670.00		106,670.00	62,224.12	44,445.88	106,670.00	-
Classified Positions	1,657,223.00		1,657,223.00	812,378.47	637,631.57	1,450,010.04	207,212.96
Other Personal Services	2,600.00		2,600.00	9,154.99		9,154.99	(6,554.99)
<b>Total Personal Services</b>	<b>1,766,493.00</b>	<b>-</b>	<b>1,766,493.00</b>	<b>883,757.58</b>	<b>682,077.45</b>	<b>1,565,835.03</b>	<b>200,657.97</b>
<b>Other Operating Expenses</b>							
Contractual Services	216,073.00	24,000.00	240,073.00	141,162.65	98,307.51	239,470.16	602.84
Supplies & Materials	34,500.00		34,500.00	13,928.28	20,335.23	34,263.51	236.49
Fixed Charges	56,500.00		56,500.00	57,210.37	-	57,210.37	(710.37)
Travel	186,000.00	(30,000.00)	156,000.00	32,714.18	82,750.00	115,464.18	40,535.82
Equipment	12,000.00		12,000.00	-	12,000.00	12,000.00	-
<b>Total Other Operating Exp.</b>	<b>505,073.00</b>	<b>(6,000.00)</b>	<b>499,073.00</b>	<b>245,015.48</b>	<b>213,392.74</b>	<b>458,408.22</b>	<b>40,664.78</b>
<b>Total Employer Contributions</b>	<b>659,418.00</b>		<b>659,418.00</b>	<b>358,582.46</b>	<b>300,835.54</b>	<b>659,418.00</b>	<b>-</b>
<b>Total Consumer Finance</b>	<b>2,930,984.00</b>	<b>(6,000.00)</b>	<b>2,924,984.00</b>	<b>1,487,355.52</b>	<b>1,196,305.73</b>	<b>2,683,661.25</b>	<b>241,322.75</b>



**Board of Financial Institutions  
Agency Cash/Revenue Analysis  
July 1, 2020 - June 30, 2021**

**CURRENT ACTUAL AND FORECAST REVENUE THROUGH JUNE 30, 2021**

<b>FM 7 - FY 21 1/31/2021</b>	<b>Cash Carryforward from FY 20</b>	<b>Revenue Received To Date</b>	<b>Estimated Revenue To Be Received</b>	<b>Total Est Rev Incl Cash Carryforward</b>	<b>Expended To Date</b>	<b>Projected Remaining Expenditures</b>	<b>Projected Total Expenditures</b>	<b>Projected Variance Fav (Unfav)</b>
Bank Examining	968,824.21	2,208,956.38	0.00	3,177,780.59	1,266,448.41	922,474.16	2,188,922.57	988,858.02
Consumer Finance	1,803,100.65	2,975,422.94	52,035.00	4,830,558.59	1,508,438.28	1,198,411.47	2,706,849.75	2,123,708.84
<b>Total Actual 3035</b>	2,771,924.86	5,184,379.32	52,035.00	8,008,339.18	2,774,886.69	2,120,885.63	4,895,772.32	3,112,566.86