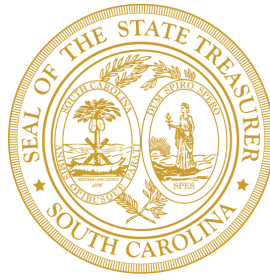


Chairman

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

Chairman Pro Tempore

HOWARD H. WRIGHT, JR.



Board Members

HOWARD H. WRIGHT, JR. | *Rock Hill*
W. DONALD PENNINGTON | *Simpsonville*
F. JUSTIN STRICKLAND | *Lexington*
J. DANIEL WALTERS | *Greenville*
K. WAYNE WICKER | *Myrtle Beach*
J. BARRY HAM | *Manning*
CHARLES H. STUART | *Mount Pleasant*
BILLY D. BYRD, II | *Hartsville*
JENNY MICHAELS / *Sumter*
THOMAS BOUCHETTE / *Florence*

SOUTH CAROLINA
STATE BOARD OF FINANCIAL INSTITUTIONS

MINUTES

Wednesday, November 3, 2021

10:00 AM

**Treasurer's Conference Room (121)
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 3rd day of November 2021 with Chairman Loftis presiding.

Members present: Ms. Michaels and Messrs. Wright, Pennington, Strickland, Walters, Wicker, Ham, Stuart, and Bouchette.

The Chairman stated that a quorum was present.

Staff present:

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

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, Communications Director Karen Ingram, Board Administrator Alicia Sharpe, HR Director Lisa O'Sullivan, Fiscal Analyst Cameron Larkin, and Executive Assistant Edward Frazier and Executive Assistant Lisa Gibson.

The Agenda for this meeting was approved by General Consent.

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

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

The Budget and Operations Committee update was provided by Committee Chair Don Pennington. He informed the Board that the Committee met on October 21st and received several updates from the Commissioners. Commissioner Bodvake notified the Committee of recruitment for an Administrative Coordinator and the continued work on a new database for examinations. He also updated the Committee on the Quarterly Financial Report. Commissioner Green provided the Committee with an overview of the September 2021 Operating Expenditures and Budget Analysis, and an IT update. The Committee received an update from Commissioner Green on the Division's telecommuting plan. Mr. Pennington asked that the Policy and Planning Committee review as well then bring it to the December full Board meeting to discuss. Lastly, the Committee approved the 2022 meeting dates and the next meeting is scheduled for Thursday, January 20, 2022.

Commissioner of Consumer Finance, Ron Bodvake provided the Board with an update on several division items. The Commissioner notified the Board that the Consumer Finance Division is recruiting for an Administrative Coordinator position. The Commissioner notified the Board that he'll be attending the American Conference of Uniform Consumer Credit Codes States virtual meeting and the virtual IT Examiner School.

The Commissioner provided an update regarding the progress of ongoing investigations being performed by the Division. He also reviewed NMLS renewals and discussed the attached Monthly Statistics Report, and the Approved Consumer Licensees Report.

The Board had discussion about supervised licenses for websites and the challenge of division examinations.

Commissioner of Banking, Rick Green provided the Board with an update on several Division items. The first item the Commissioner discussed was external engagement. The Commissioner informed the Board of several meetings including the Southeast Regional Interagency Fall meeting (virtual) and the CSBS District III Fall meeting (virtual). Among topics discussed was a presentation by the Federal Reserve regarding their SCALE tool to comply with CECIL.

Regarding personnel, the Commissioner announced that Patrick Kichline joined staff as Assistant Examiner on October 25, 2021.

The Commissioner reported that there were no actions taken under delegated authority.

Mr. Wicker asked the Commissioner how things were going regarding "the great resignation." The Commissioner stated that retention and recruitment still has its challenges and that the division is working to hire and retain. The Board further discussed competition for talent and pay.

Mr. Ham asked if the federal government's disclaimer that the SCALE tool for evaluating the accuracy of a bank's ACL potentially not being accepted by other regulatory organizations was addressed in their presentation. Commissioner Green stated that the federal government has always made disclaimers and that from what he understands from the FDIC, the tool will be

accepted if the institution has done their due diligence to confirm the tool is appropriate for that institution.

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 possible unlicensed check-cashing activity, to receive an update on pending litigation regarding a regulated person, to review an application to merge banks, to receive confidential information about regulated persons and to receive legal advice as needed.

The Board voted unanimously to end Executive Session.

Actions following Executive Session:

On motion of Mr. Walters and duly seconded by Mr. Bouchette, the Board voted to approve a motion to authorize the Commissioner of Consumer Finance to negotiate and execute a settlement agreement concerning unlicensed check-cashing activities by the six companies and approximating the terms discussed in executive session.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to approve the application of United Community Bank, Greenville, South Carolina, to merge with Reliant Bank, Brentwood, Tennessee, and to operate the 25 branches of Reliant Bank as branches of United Community Bank subject to the conditions provided by the Commissioner.

Presentation:

Consumer Affairs Director, Carri Lybarker, provided a briefing of a Court of Appeals Order against Cash Central regarding compliance with loan finance charges.

Comments before Adjournment:

Mr. Wicker, referencing the telecommuting policy, commented that in his opinion, the Board's role is oversight, not management. Mr. Bouchette echoed these comments. Mr. Strickland stated that the Board would be busy if they began reviewing all policies. Chairman Loftis stated that he didn't want to get too far in the weeds, asked if other Board members felt the same and if the Board should have a vote on the item. STO Chief of Staff Clarissa Adams stated that Chairman Loftis had not been able to approve the policy and that staff had not had the chance to review with him. She also stated that outside legal counsel had reviewed the program and had concerns. She asked that the Board continue with the plan to get the information and present at the December board meeting. Chairman Loftis stated that the Board will review again at the December meeting and thanked the Board members for their advice.

Mr. Bouchette stated for full disclosure that on social media there had been a connection made between he and the Alex Murdaugh case. Bouchette's son, who shares the same name, is representing Curtis Smith and wanted to notify the Board in case they see these items on social media.

Announcements:

The Chairman announced that the next board meeting is scheduled for Wednesday, December 1, 2021.

There being no objection, the meeting adjourned at 11:24 AM.