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THE HONORABLE CURTIS. M. LOFTIS, JR.
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, October 6, 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 6th day of October 2021 with Chairman Loftis presiding.

Members present: Ms. Michaels and Messrs. Wright, Pennington, Strickland, Walters, Ham, Stuart, Byrd, 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, Deputy Commissioner Quinton Creed, and Investigator Alyssa Davis.

Banking Division: Commissioner Rick Green and Deputy Commissioner Kathy Bickham.

State Treasurer's Office: Deputy State Treasurer Cynthia Dannels, Deputy General Counsel Bill Condon, Deputy General Counsel Shawn Eubanks, Board Administrator Alicia Sharpe, Sr. HR Manager Lisa O'Sullivan, Fiscal Analyst Cameron Larkin, and Executive Assistant Lisa Gibson.

The Agenda for this meeting was approved by General Consent.

The September 1, 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.

Jenny Michaels submitted a written statement recusing herself from all matters regarding Sumter City Credit Union and SAFE Federal Credit Union because she is associated with these businesses and has an economic interest in the decision to be made by this Board. No other 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 September 28th where Cynthia Dannels presented compensation information and the members discussed salaries. He stated that the full Board would continue the discussion of salaries in today's executive session. The next Committee meeting is scheduled for Thursday, October 21st.

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 interviewing for an Intern position. The Commissioner notified the Board that he'll be attending the upcoming American Association of Residential Mortgage Regulators conference in Savannah, GA. He introduced Investigator Alyssa Davis and provided an update regarding the progress of investigations being performed by the Division. The Commissioner referenced and discussed the attached Monthly Statistics Report, and the Approved Consumer Licensees Report.

Commissioner of Banking, Rick Green provided the Board with an update on several Division items. The first item the Commissioner addressed was external engagement. The Commissioner informed the Board of several meetings including a meeting with leadership of Federal Reserve Bank of Richmond's Community Banking Organizations Group, and outreach meetings with a new credit union leader and a new bank leadership team. The Commissioner was invited to provide introductory remarks at the SC Elder Fraud Prevention & Response Convocation, and he was a speaker on a panel regarding Scarce Personnel Resources at the CSBS Strategic Planning Meeting.

Regarding personnel, the Commissioner announced the resignation of Examiner II Tyler Horn and informed the Board that the Division is recruiting for an Assistant Examiner, Associate Examiner, Examiner, and Loan Review Specialist.

The Commissioner provided an update on the Banking Division's Pandemic Operational Posture. He informed the Board that the Division remains in Phase 2C. The Division is continuing to monitor case levels and public health guidance as well as participate in regular calls with other state and federal regulators.

The Commissioner reported on actions taken under delegated authority. He approved the property purchase of Anderson Brothers Bank, Mullins, SC (1 property in Myrtle Beach, SC) and an extension of time for Farmers and Merchants Bank of South Carolina to write down ORE in Holly Hill, SC and Lexington, SC.

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 a request to merge credit unions, to review applications to establish a branch, to discuss

information about regulated persons, to discuss business development opportunities, to discuss personnel matters related to salaries, and to receive legal advice as needed.

The Board voted unanimously to end Executive Session.

Actions following Executive Session:

On motion of Mr. Ham and duly seconded by Mr. Bouchette, the Board voted to approve a request of Sumter City Credit Union, Sumter, South Carolina, to merge with SAFE Federal Credit Union, Sumter, South Carolina subject to the conditions provided by the Commissioner. Due to her previously disclosed conflict of interest and recusal, Ms. Michaels left the room during the Board's consideration of this item of business and did not participate in any discussion or vote on the item.

On motion of Mr. Bouchette and duly seconded by Mr. Strickland, the Board voted to approve the application of The Bank of South Carolina, Charleston, South Carolina, to establish a branch at 1730 Maybank Highway, Charleston, South Carolina subject to the conditions provided by the Commissioner.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette, the Board voted to approve the application of Security Federal Bank, Aiken, South Carolina, to establish a branch at 9370 Two Notch Road, Columbia, South Carolina subject to the conditions provided by the Commissioner.

On motion of Mr. Bouchette and duly seconded by Mr. Strickland, the Board voted to approve the application of United Community Bank, Greenville, South Carolina, to establish a branch at 2338 Citadel Way, Suite 103, Melbourne, Florida subject to the conditions provided by the Commissioner.

On motion of Ms. Michaels and duly seconded by Mr. Bouchette, the Board voted to approve the application of Nucor Employee's Credit Union, Florence, South Carolina, to establish a branch at 4831 US Highway 42W, Ghent, Kentucky subject to conditions provided by the Commissioner.

On motion of Mr. Strickland and duly seconded by Mr. Bouchette the Board voted for the Chairman to pursue compensation increases for each Commissioner in a range between the increases in option A and option B, as discussed in Executive Session, with the Agency Head Salary Commission.

New Business:

On motion of Mr. Walters and duly seconded by Mr. Pennington, the Board voted to approve the Resolution Urging the Congressional Delegation of the State of SC to Oppose Proposed Account Activity Reporting Requirements, as amended to replace the word "majority" with "unanimous."

Fred Green, President and CEO of the SC Bankers Association thanked the Chairman and the Board for approving this resolution.

On motion of Mr. Pennington and duly seconded by Mr. Bouchette, the Board voted to approve the 2022 Full Board Meeting Schedule as presented.

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

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