



FINANCIAL INSTITUTIONS TODAY

News and topics of interest to financial institutions regulated by the Department of Banking and Finance

Monthly Bulletin #12

December 2008

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Examination Guidance for Evaluation of the Allowance for Loan and Lease Losses (ALLL)

The Department has provided a document that summarizes the process that Department examiners should use in evaluating the adequacy of the Allowance for Loan and Lease Losses (ALLL). The document discusses some of the typical issues and concerns that examiners may encounter in the evaluation process and indicates the Department's expectations for bank management and the board of directors in the maintenance of a sound and adequate ALLL.

In the current credit environment, the examination process for determining the adequacy of the ALLL is key to determining the accuracy of financial statements and the overall condition of a financial institution being examined.

The examination guidance can be accessed on our website at: http://dbf.georgia.gov/vgn/images/portal/cit_1210/41/54/129886700ExamGuidanceforEvaluationofALLL.doc or go to our home page (<http://dbf.georgia.gov/>), then Banks & Holding Companies, under Memos and Guidance.

Changes in Deposit Insurance Coverage Affecting Pledging Requirements

Some banks may not be aware that recent changes in FDIC coverage for governmental accounts affect pledging requirements. FDIC has posted a Q&A on their website about all the changes at: <http://www.fdic.gov/regulations/resources/TLGP/faq.html#deposits>.

Banks should be sure to take these new changes into consideration when determining the FDIC insurance available to their depositors to avoid over-pledging. For those institutions not opting out of the Transaction Account Guarantee Program (TAGP), the following are the major changes that are effective through December 31, 2009:

- If the account is a non-interest bearing transaction account, the account is fully insured and no pledge would be required.
- If the account is a N.O.W. account paying interest at 50 bps or below, the account is fully insured and no pledge would be required.
- All other accounts would have a pledge required above the basic \$250,000 insurance coverage, plus the other exceptions which have not changed in the Georgia statute (OCGA §50-17-59 and OCGA §45-8-11).
- If the account has a sweep feature, insurance becomes a little more complicated, so please review the FDIC Q&A or the actual regulation.

Happy New Year!



"Safeguarding Georgia's Financial Services"

Winter Issue of FDIC's Supervisory Insights: The Changing Liquidity Landscape

The growing challenge related to liquidity issues in the current banking environment is highlighted in the Winter 2008 issue of [Supervisory Insights](#), released by the Federal Deposit Insurance Corporation on December 18, 2008. "The extraordinary events of this past fall shine a bright light on the increasing importance of liquidity contingency planning for financial institutions," said Sandra L. Thompson, Director, FDIC Division of Supervision and Consumer Protection.

Emerging liquidity problems are particularly troublesome for insured depository institutions that rely on liability and off-balance sheet sources of liquidity. In "[The Changing Liquidity Landscape](#)," the article describes how problems on the asset side of a bank's balance sheet can cascade to a liquidity run and discusses some steps that financial institutions can take to anticipate and mitigate liquidity risks.

In the current challenging environment, bank liquidity planning is vital. A comprehensive, well-designed liquidity contingency plan can help bank management effectively navigate a liquidity crisis.

Georgia Residential Mortgage Act (GRMA) - \$6.50 Fee Reminder

The \$6.50 per loan fees required by O.C.G.A. Section 7-1-1011(b)(2) and Department Rule 80-5-1-.04 are due no later than **March 2, 2009** for residential mortgage loans closed during the period July 1, 2008 through December 31, 2008. The \$6.50 fee will be due if the loan is a residential mortgage loan as defined in the Georgia Residential Mortgage Act (GRMA), and if a security deed, a modification of a security deed or other form of modification of a security interest is recorded.

Financial institutions and mortgage licensees and registrants who act as the collecting agent (including brokers who table fund and collect the fee) have been notified by e-mail regarding the \$6.50 fee payment and information regarding accessing the online fee payment system. This e-mail is sent to the primary contact for the financial institution or mortgage licensee or registrant, according to the Department's records. Those owing fees may pay online from our secure website at: <https://bkgfin.dbf.state.ga.us/GRMAFee.html>

Institutions that are not in our database and cannot access the online system will be able to download a form from the URL noted above.

DBF Outreach AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Commissioner Rob Braswell, along with Senior Deputy Commissioner George Reynolds, Deputy Commissioner for Supervision Kevin Hagler, and Supervisory Examiner Mike Killeen, will be participating in a GCUA Roundtable Discussion/Luncheon on **January 21st** at State Employees Credit Union in Atlanta from 10:30am - 1:30pm.
- ❖ Senior Deputy Commissioner George Reynolds, Deputy Commissioner for Supervision Kevin Hagler, and Deputy Commissioner for Legal and Consumer Affairs Judy Newberry will be meeting with the GBA policy committee on **January 14th** at 2:00pm.
- ❖ Director for Mortgage Licensing and Money Service Businesses Melinda Kinard will be speaking at the Georgia Association of Mortgage Brokers luncheon at Villa Christina on **January 15th**.

2009 State Holidays

In accordance with O.C.G.A. §1-4-1, Governor Sonny Perdue proclaimed the following dates as public and legal holidays for the year 2009. Financial Institutions may observe both the official observance day as well as alternative observances indicated. In addition to these designated dates, financial institutions may close on Sunday and one discretionary day each week. If the discretionary day observed is changed permanently or temporarily, customer notice must be posted at least 30 days in advance.

Holiday Name	Date Observed
New Years Day 2009 	January 1 st – Thursday
Martin Luther King Jr.'s Birthday	January 15 th – Thursday Will be observed on Monday, January 19 th
Robert E. Lee's Birthday	January 19 th – Monday Will be observed on Friday, November 27 th
Washington's Birthday	February 16 th - Monday Will be observed on Thursday, December 24 th
Confederate Memorial Day	April 26 th – Sunday Will be observed Monday, April 27 th
Memorial Day	May 25 th – Monday
Independence Day	July 4 th – Saturday Will be observed on Friday, July 3 rd – Friday
Labor Day	September 7 th – Monday
Columbus Day	October 12 th – Monday
Veterans' Day	November 11 th – Wednesday
Thanksgiving Day	November 26 th – Thursday Lee's Birthday will be observed on Friday, November 27 th
Christmas Day	December 25 th – Friday Washington's Birthday will be observed on Thurs, Dec. 24 th

Action on Applications for the Month of December:

The following is a summary of official action taken on applications by State Financial Institutions under Chapter 7-1 of the Code of Georgia and petitions for Certificate of Incorporation of Financial Institutions and other matters of interest during the month of December 2008.

APPLICATIONS FOR NEW FINANCIAL INSTITUTION

<u>FINANCIAL INSTITUTION</u>	<u>CAPITALIZATION</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
North Metro Bank Highway 9 & Bethelview Drive Cumming, GA 30040 Forsyth County	\$ 22,000,000	Pending	
Milltown Banking Company 305 East Main Street Lakeland, GA 31635 Lanier County	\$ 10,000,000	03-28-2008	Withdrawn 12-22-2008

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
SunTrust Bank Atlanta	Lakewood Walk Branch Office 11255 State Road 70 E Bradenton, FL 34202 Manatee County	12-01-2008	12-15-2008
First Citizens Bank of Georgia Dawsonville	Forsyth Branch Office 5835 Bethelview Road Cumming, GA 30040 Forsyth County	04-30-2007	12-26-2008
Global Commerce Bank Doraville	Norcross Branch Office 5495 Jimmy Carter Boulevard Suite 167 Norcross, GA 30093 Gwinnett County	07-22-2008	10-27-2008 **correction**
Metro City Bank Doraville	Old Peachtree Road Branch Office 1291 Old Peachtree Road, Suite 190 Suwanee, GA 30024 Gwinnett County	12-05-2008	
Century Security Bank Duluth	Doraville Branch Office 6035 Peachtree Road, Suite A-116 Doraville, GA 30360 DeKalb County	08-31-2007	12-01-2008
First Choice Community Bank 1874 Newnan	Lawrenceville Branch Office 185 Gwinnett Drive Lawrenceville, GA 30045 Gwinnett County	12-01-2008	

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
First Choice Community Bank 1874 Newnan	Main Office 5270 Peachtree Parkway Suite 116 Norcross, GA 30092 Gwinnett County	12-01-2008	
Farmers and Merchants Bank Washington	Evans Branch Office 3845 Evans to Locks Road Evans, GA 30809 Columbia County	12-22-2008	

APPLICATIONS TO CHANGE LOCATION

<u>FINANCIAL INSTITUTION</u>	<u>CHANGE LOCATION OF</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
SunTrust Bank Atlanta	From: Southaven Branch Office 3095 Goodman Road Southaven MS 38672 DeSoto County To: 1965 Goodman Road East Southaven MS 38671 DeSoto County	12-29-2008	
SunTrust Bank Atlanta	From: Heritage Pines Branch Office 82 Commercial Way Spring Hill FL 34606 Hernando County To: 10810 County Line Road Hudson FL 34667 Pasco County	10-17-2008	12-01-2008
SunTrust Bank Atlanta	From: Memphis Regional Branch Office 5860 Ridgeway Center Parkway Memphis TN 38120 Shelby County To: 999 South Shady Grove Road Memphis TN 38120 Shelby County	11-17-2008	12-08-2008
SunTrust Bank Atlanta	From: Dacula Branch Office 720 Dacula Road Dacula GA 30019 Gwinnett County To: 792 Dacula Road Dacula GA 30019 Gwinnett County	11-06-2008	12-13-2008
Appalachian Community Bank Ellijay	From: Dawson 400 Branch Office 258 Beartooth Parkway, Suite 120 Dawsonville GA 30534 Dawson County To: 4300 Dawson Forest Road Dawsonville GA 30534 Dawson County	08-21-2008	12-15-2008

NOTICE OF CHANGE IN NAME

<u>PREVIOUS NAME</u>	<u>NEW NAME</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Farmers and Merchants Bank Washington	F&M Bank	12-24-2008	

APPLICATIONS FOR RESERVATION OF A NAME

<u>PROPOSED NAME</u>	<u>COUNTY</u>	<u>APPLICANT</u>
F&M Bank	Wilkes County	Mr. Charles E. LeGette, Jr. Attorney at Law 27 East Public Square Washington, GA 30673
First Georgia Credit Union	Fulton County	Mr. Charles M. Gisler Attorney at Law 165 North Main Street Jonesboro, GA 30236

FINANCIAL INSTITUTION MERGERS

<u>FINANCIAL INSTITUTION (SURVIVOR)</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Community National Bank Dayton, TN	Rossville Bank Rossville, GA	12-16-2008	
Hamilton State Bank Hoschton, GA	Jefferson State Bank Cumming, GA	12-31-2008	12-31-2008
First Gulf Bank, National Association Pensacola, FL	RBC Bank (Georgia) Atlanta, GA	Pending	
Rossville Bank Rossville, GA	Rossville Bankshares, Inc. Rossville, GA	12-16-2008	

**NOTIFICATION OF APPROVAL OF APPLICATION
TO SERVE A RESIDENTIAL GROUP COMMON BOND**

<u>CREDIT UNION</u>	<u>RESIDENTIAL GROUP COMMON BOND</u>	<u>APPROVAL</u>
Albany Federal Employees Credit Union Albany	Dougherty County, GA	12-01-2008

CHECK CASHER LICENSES ISSUED

<u>CITY</u>	<u>APPLICANT NAME</u>	<u>TRADE NAME</u>
Covington	* AKN Enterprises, Inc.	Dixie Food Mart
Conley	* Ali & Ali Business, Inc.	Parker Grocery
Social Circle	American Family Tax Service Corp.	
Norcross	* Azkar, Inc.	Shell Food Mart
Columbus	* Big O's Package Store, Inc.	
Rome	C.W.O Enterprises, Inc.	
Hapeville	* Catalina Supermarket, Inc.	Catalina Supermarket
Macon	Charania Investment, Inc.	Papa's Market Place
Grovetown	Columbia Crossing Partners, LLC	Five Boroughs Check Cashing
Forsyth	* DYYU, Inc.	Forsyth Package
Atlanta	* Danneman's Supermarket, Inc.	
Morrow	* Deano's Outlet, Inc.	Moe's Outlet
Marshallville	* Felton's Red & White, Inc.	
Cumming	Fresco Martin	
Decatur	* Gane, Inc.	G's Package Store
Soperton	* HR Beverage, Inc	Mcleod's Food Store
Alma	* Henil Alma Corporation	Quick Stop
Cedartown	* Humza, Inc.	Super Grand's Convenience Store
Dublin	* Jay Santram, Inc.	Southside Package Shop
Locust Grove	Jeeba, LLC	Chevron Food Mart
Atlanta	* K & C Foods, LLC	Super Thrift Food Store
Conyers	* KAN Investments, Inc.	Sigman Road BP
Thomson	Keith M. Wall	Wall to Wall Package
College Park	LBN Enterprises, LLC	LBN Enterprises
Union City	Larry's Check Cashing, LLC	Larry's Check Cashing
Atlanta	* Libaas Town, LLC	America's Mail Center
Macon	MPV Inc.	Market Place #6
Atlanta	Moreland Bottle Shop, Inc.	Y&T Check Cashing
Moultrie	* Moultrie Package Store, Inc.	
Milledgeville	* R.R.P. Enterprises, Inc.	Roc's Corke Shoppe
Chamblee	S&S Bottleshop, LLC	
Roswell	SAEE, Inc.	A&E Check Cashing
Ellenwood	* Shinhan Enterprise, Inc.	Curley's Outlet
Cordele	* Shree Siya, Inc.	Cordele Food Mart
Augusta	* Song's Curb Market, Inc.	
Lithonia	Southern Creations Development Group, LLC	Rock Chapel Stop
Stone Mountain	Sri Khalsa Inc.	Best Value One
Hiram	The Shipping Center, Inc.	
Mableton	Xpand Petroleum, Inc.	

* =Registered (O.C.G.A. 7-1-700 et al)

MONEY TRANSMITTER LICENSES ISSUED**MONEY TRANSMITTER**

Google Payment Corp.
Mountain View, CA

APPROVAL DATE

12-22-2008

GEORGIA
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BANKING AND
FINANCE

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The Department is the state agency that regulates and examines banks, credit unions, and trust companies chartered by the State of Georgia. The Department also has regulatory and/or licensing authority over mortgage brokers, lenders, and processors, money service businesses, international banking organizations, and bank holding companies conducting business in Georgia.

Our **Mission** is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.

Our **Vision** is to be the best financial services industry regulator in the country – Progressive. Proactive. Service-Oriented.

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