



FINANCIAL INSTITUTIONS TODAY

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

Monthly Bulletin #2

February 2010

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Governor Perdue Signs House Bill 926

On February 11, 2010, Governor Sonny Perdue signed House Bill 926 into law. This law modifies the provisions of Code Section 7-1-285 of the Official Code of Georgia (O.C.G.A.) to permit banks the ability to renew a loan or extension of credit under the circumstances outlined. This was a relatively straightforward modification to address situations in which a loan that was in conformance with legal lending limits at the time it was made was unable to be renewed under O.C.G.A. § 7-1-285 due to changes in the bank's statutory lending limits. Provided that no new funds are advanced on the credit and that no new borrower(s) replaces the original borrower, the bank has the ability to renew or restructure such loans. A link to the law and the Governor's press release can be found below.



The intent of the law, as clearly indicated in Governor Perdue's press release, is to allow financial institutions to renew performing loans that the institution would not have been able to renew before the law's passage due to the institution's reduced legal lending limits. This law applies only to renewal considerations of existing loans and does not apply to any new advances or new loans. As with other loans, the Department expects bankers to address thoroughly, each individual borrower's risk management practices and encourages banks to take appropriate steps to mitigate or prevent loan losses. If the Department determines that further clarification is needed, regulation changes may be made to address any remaining confusion that financial institutions have in its next Rulemaking opportunity.

Questions have been raised regarding what circumstances would lead to a determination by the Department that a renewal or restructuring was undertaken as a means of evading the bank's legal lending limit. It is expected that such circumstances would be extremely rare, but would be situations where a borrower clearly had the demonstrated liquidity, financial position and/or cash flow to bring the loan into compliance with the bank's current legal limits but whom bank management permitted to renew at an amount in excess of the current legal lending limits, despite this readily apparent ability.

REMINDER: The fact that a financial institution may renew or rework a credit under these circumstances in compliance with Georgia law, is a separate issue from whether or not such a lending relationship would be subject to adverse classification in a Report of Examination or visitation. Credit relationships shall continue to be analyzed by examiners based on their credit characteristics, collateral position, cash flow and financial capacity and performance of the borrower.

Read the Governor's press release at:

http://gov.georgia.gov/00/press/detail/0,2668,78006749_156313673_156586295,00.html

You may access HB 926 on the Georgia General Assembly's website at:

http://www.legis.ga.gov/legis/2009_10/fulltext/hb926.htm

"Safeguarding Georgia's Financial Services"

Senior Deputy Commissioner Reynolds to Retire

Senior Deputy Commissioner George Reynolds will retire effective May 1, 2010, after 34 years of faithful service to the Department. George joined the DBF in 1979 as an Assistant Financial Examiner in the Northeast District and has previously served as Assistant Deputy Commissioner, District Director of the former Albany and Valdosta Field Offices and Deputy Commissioner for Supervision. He was promoted to Senior Deputy Commissioner in July of 2003.

George received a BBA degree from Emory University, a Masters of Accountancy degree from Georgia State University and is a graduate of the Graduate School of Banking at the University of Wisconsin, Madison. He is a Certified Public Accountant and member of the American Institute of Certified Public Accountants, a Certified Financial Examiner, a Certified Examinations Manager and a Certified State Credit Union Examination Supervisor. He has served on the Board of Governors and Executive Committee of the Society of Financial Examiners, has served on several committees for the Conference of State Bank Supervisors and is a member of the Board of Trustees for the Education Foundation for State Bank Supervisors (EFSBS).



George Reynolds

George previously served as the Chairman of the Legislative and Regulatory Affairs Committee and the Audit Committee of the National Association of State Credit Union Supervisors (NASCUS) and has been involved in the accreditation of State Agencies for NASCUS. He was elected to the Board of Directors of NASCUS on August 11, 2006 and was elected to a two-year term as Chairman of the Board of NASCUS on August 8, 2007. He continues to serve on the Board and Executive Committee of NASCUS as Past Chairman.

George also served as the Chairman of the State Financial Regulators Roundtable (SFRR) and served on the Reports task force of the Federal Financial Institutions Examination Council (FFIEC). He has also served as a NASCUS representative on the Financial and Banking Information Infrastructure Committee (FBIIC).

Congratulations George! We wish you the best in your well-deserved retirement.

DBF Outreach AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Commissioner Braswell will be speaking at the 2010 Georgia Southeastern Region Community Bank Group Symposium on **March 24th** at the Forest Heights Country Club in Statesboro, GA.
- ❖ Deputy Commissioner for Supervision Kevin Hagler will be participating on a regulatory panel on **April 21st** at the monthly meeting of the Atlanta Chapter of the Risk Management Association, which is held at The Georgian Club in the Galleria.

Federal Reserve Board Launches Website to Help Consumers Understand the New Rules Regarding Credit Cards

The Federal Reserve Board has launched a new interactive website to help consumers better understand the new credit card protections that took effect on February 22, 2010. These rules require greater transparency in the disclosure of the terms and conditions of credit card accounts.

The new website - www.federalreserve.gov/creditcard - summarizes the main provisions of the rules and explains how they will affect credit card users. Consumers can learn more about the terms and fees of credit card offers and about the new features of their monthly statements. The web address for the Federal Reserve's guide to credit cards will appear on the solicitations consumers receive from credit card issuers.

"These online tools and resources will help consumers make well-informed decisions about their use of credit," said Federal Reserve Board Governor Elizabeth A. Duke. "We will update the site regularly to provide the most useful and current information." Information about recent changes in credit card rules is the focal point of the new site; however, basic information such as common credit card options, interest rates, and fees is also provided. Consumers will also find information about common credit card problems--such as lost or stolen cards.

CUSTOMER SERVICE STARS FOR THE MONTH OF FEBRUARY

It is the Department's goal to provide excellent customer service by meeting and exceeding the expectations of our customers. Along those lines, we would like to recognize the following individuals and teams for going above and beyond in serving our customers:

Vicki Brantley, Training Manager - District Director Steve Pleger submitted comments related to Vicki's assistance in helping another state agency locate possible training. Steve stated: "I am forwarding the attached email which shows how Vicki helped another State agency, OTFS, address a training need for their staff in a targeted, cost effective way. I believe this qualifies for going above and beyond her normal duties as the Department's Training Manager and meeting an important need of a peer agency. After some research, Vicki provided descriptions for several online courses through a banking industry trade group, providing a targeted and cost effective way to develop the offsite bank assessment skills that OTFS was seeking for its staff." The customer stated: "This is exactly the kind of thing I was looking for - thanks for finding it!"

Gloria Smith, Secretary/Receptionist and Rod Carnes, Deputy Commissioner for Non-Depository Financial Institutions - The Department received the following comments from a customer stating: "I came into your office the other day and was a little confused by the paperwork I needed to complete. I wanted to let you know how much I appreciated the help I received from Gloria. She was patient and explained the information to help me complete the paperwork. I also wanted you to know that Rod Carnes continues to do a super job at our test training classes! He is very knowledgeable and adds a friendly face to the Department."

Non-Depository Financial Institutions Division (Mortgage Section) - The Department received the following comments from a customer stating: "The Georgia delegation was missed at the recent NMLS conference! Just want you to know that many industry people – when discussing our favorite and not-so-favorite regulators – often said the DBF was one of the most respected authorities in terms of responsiveness, clarity, professionalism, NMLS transition issues, etc. Anyway, the DBF was missed! "

**CONGRATULATIONS AND GREAT JOB TO THIS MONTH'S
CUSTOMER SERVICE STARS!!**

Action on Applications for the Month of February:

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 February 2010.

FINANCIAL INSTITUTION CONVERSIONS

<u>PREVIOUS NAME</u>	<u>CONVERTED TO</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Columbus Bank and Trust Company	CB&T, N.A. Columbus Muscogee County	Pending	

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
SunTrust Bank Atlanta	Westchester Commons Branch Office 15601 City View Drive Midlothian, VA 23113 Chesterfield County	09-10-2009	02-01-2010
First State Bank of Blakely Blakely	Bainbridge Branch Office 1200 East Shotwell Street Bainbridge, GA 39819 Decatur County	02-18-2010	
Independence Bank of Georgia Braselton	Gainesville Branch Office 311 Green Street Gainesville, GA 30501 Hall County	Pending	
First Choice Community Bank Dallas	Sandhill Branch Office 95 Sandhill Hickory Level Road Carrollton, GA 30116 Carroll County	11-25-2008	02-02-2010
Bank of Madison Madison	Rutledge Branch Office 105 Newborn Road Rutledge, GA 30663 Morgan County	02-04-2010	
Southern Bank Sardis	Gibson Branch Office 21 College Street Gibson, GA 30810 Glascock County	Pending	

APPLICATIONS TO CHANGE LOCATION

<u>FINANCIAL INSTITUTION</u>	<u>CHANGE LOCATION OF</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Fidelity Bank Norcross	Winder Branch Office From: 33 W. Athens Street, Suite B and C Winder GA 30680 Barrow County To: 30 West May Street Winder GA 30680 Barrow County	02-04-2010	

NOTICE OF CHANGE IN NAME

<u>PREVIOUS NAME</u>	<u>NEW NAME</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Bank of Upson Thomaston	SouthCrest Bank	Pending	

FINANCIAL INSTITUTION MERGERS

<u>FINANCIAL INSTITUTION (SURVIVOR)</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Albany Federal Employees Credit Union Albany, GA	Federal & State Inspectors Federal Credit Union Albany, GA	02-26-2010	
CB&T, N.A. <i>(fka Columbus Bank and Trust Company)</i> Columbus, GA	CB&T Bank of Middle Georgia Warner Robins, GA	Pending	
CB&T, N.A. <i>(fka Columbus Bank and Trust Company)</i> Columbus, GA	Commercial Bank & Trust Company of Troup County LaGrange, GA	Pending	
First Choice Community Bank Dallas, GA	First Choice Community Bank 1874 Newnan, GA	02-24-2010	
Bank of Upson Thomaston, GA	The First National Bank of Polk County Cedartown, GA	Pending	
Bank of Upson Thomaston, GA	Bank of Chickamauga Chickamauga, GA	Pending	
Bank of Upson Thomaston, GA	Peachtree Bank Maplesville, AL	Pending	

**APPLICATIONS TO BECOME A BANK HOLDING COMPANY
AND/OR TO ACQUIRE VOTING STOCK OF A FINANCIAL INSTITUTION**

FORMATIONS ONLY

BANK HOLDING COMPANY

State Bank Financial Corporation
Atlanta, GA

TO ACQUIRE

State Bank and Trust Company
Pinehurst, GA

APPROVAL

Pending

CHECK CASHER LICENSES ISSUED

<u>CITY</u>	<u>APPLICANT NAME</u>	<u>TRADE NAME</u>
Atlanta	A.D.R. Financial Service, Inc.	A.D.R. Financial Service
Thomasville	* American Pawn Shop, Inc.	American Pawn and Jewelry
Columbus	Dima, Inc.	
Marietta	Ghazanfar Kamali	Little Jimmy's Italian Ice / Check Cashing Center
Cochran	* Heer, Inc.	S&P Quick Stop
Elberton	La Azteca, Inc.	La Azteca Mexican Grocery
Macon	Om Star, LLC	Rocky's Liquor
Sandy Springs	* Platonik, Inc.	America's Mail Center
Valdosta	* Shri Bavaji, Inc.	Perimeter Pantry
Atlanta	Simron Geet, Inc.	Discount Food Mart
Moultrie	* Siya Investment, LLC	Rich Oil
Jefferson	Tabo's Inc.	Tabo's Food Mart

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

OFFICE CLOSING

This is a reminder that the Department will be closed on
Friday, April 2nd for an employee furlough day.



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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/processors, lenders and loan originators, 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.

We're on the Web!

**Visit our website at:
dbf.georgia.gov**

Our Motto is: "Safeguarding Georgia's Financial Services"

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