



FINANCIAL INSTITUTIONS TODAY

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

Monthly Bulletin #4

April 2010

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Pending Increase in GRMA Per Loan Fee from \$6.50 to \$10.00

During the 2010 Legislative Session, [House Bill 1055](#) was passed by the Georgia General Assembly. This bill includes a provision that increases from \$6.50 to \$10.00 the loan fee that must be remitted to the Department for each residential mortgage loan that closes for which a security deed, a modification of a security deed or other form of modification of a security interest is recorded.

Although House Bill 1055 was passed by the Legislature, it will not take effect until the Governor signs it. As of the date of the issuance of this publication, the Governor has not signed or taken any other action regarding this bill.

The Department will provide notice via e-mail to mortgage brokers, mortgage lenders and financial institutions when House Bill 1055 becomes law and will post information on the agency's website as it becomes available.

For the period of January 1 - June 30, 2010, per loan fees must be remitted to the Department no later than Wednesday, September 1, 2010. The fee that must be remitted to the Department for each residential mortgage loan closed as of the **effective date** of the law is \$10.00. A fee of \$6.50 must be submitted to the Department for every residential mortgage loan that was closed **before** the date the law took effect.

In anticipation of this bill becoming law, the Department recommends that financial institutions, mortgage lenders and mortgage brokers begin to review their policies, procedures, computer programs, loan form documents, etc. for changes that will need to be made to provide for the increase in the fee amount.

DBF Outreach AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Commissioner Braswell will be speaking at the [Georgia Credit Union Affiliates \(GCUA\)](#) annual convention at the Westin in Savannah on **May 7th**. He will also be speaking at the Marietta Kiwanis Club at the Marietta Conference Center on **May 13th**.
- ❖ Supervisory Manager Mike Killeen will be assisting at the Georgia Bankers Association school held on the campus of the University of Georgia in Athens on **May 4th, 5th, and 6th**. He will serve the role of the "Bank Examiner" for the students as they participate in the bank simulation. In addition, District Director Heather Sartain will be participating in a panel discussion during the school on **May 3rd**.

"Safeguarding Georgia's Financial Services"

“Payable on Death” Beneficiaries

A 2009 Georgia Supreme Court decision ruled that a corporation is not an eligible “payable on death” (P.O.D. payee) beneficiary. The Court determined that the Financial Institutions Code provided that a P.O.D. payee must be a “person” designated on an account as the one to whom the account is payable on request after the death of one or more account holders. A “person” is defined at O.C.G.A. § 7-1-4 (26) as “an individual, trust, general or limited partnership, unincorporated association (except a joint-stock association), or any other form of unincorporated enterprise.” The Court determined that the P.O.D. designation to the charitable corporation failed and that the financial instruments involved would simply become part of the account holder’s estate.

More recently the charitable corporation that was named as the P.O.D. payee on the accounts in the above Supreme Court case has filed suit against each of the six financial institutions that used the P.O.D. accounts naming the corporate charity as the beneficiary based on its claim that the banks should bear the costs of the loss to the charity.

The Department is bringing this case to your attention to ensure that you are aware that P.O.D. accounts are not the proper vehicle for corporate beneficiaries for your customers. Financial Institutions should contact their legal counsel to discuss options available to banks in order to accomplish their customer’s goals.

The case is TUVIM et al v. UNITED JEWISH COMMUNITIES, INC. et al, 285 Ga. 632 (2009).

Q&A - GRMA and SAFE Act Applicability to Real Estate Brokers

The Department has provided a Q&A document on its website to clarify the applicability of the GRMA and the Secure and Fair Enforcement for Mortgage Lending Act of 2008 (S.A.F.E. Act) to real estate brokers/salesperson.

The Q&A can be found on our website at: http://dbf.georgia.gov/vgn/images/portal/cit_1210/32/5/159093506RealEstateBrokerQ&A.pdf

Liability Insurance

The national banking crisis has spurred an increase in the cost of liability insurance premiums for bank directors and officers. Financial institutions are required to maintain blanket bond coverage under Georgia law, and while liability insurance is not required by statute, the Department would certainly recommend that financial institutions renew and maintain liability coverage in all areas. Some institutions may be tempted to forego liability insurance based on capital or other cost-saving concerns. The Department does not view this approach favorably.

Prior to policy renewal time, financial institutions should begin to work with their current insurer or shop for insurance in order to maintain adequate coverage at reasonable rates.

CUSTOMER SERVICE STARS FOR THE MONTH OF APRIL

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:

Consumer Affairs Specialist Mark Simpson - The Department received a letter from a customer stating: "I am writing this letter to commend one of your employees, Mr. Mark Simpson. I called requesting to speak with someone regarding an issue on loan modification. He listened patiently to my explanation of the quite lengthy problem and offered step-by-step procedures to try to settle the issue. Mr. Simpson spent a great amount of time with me providing contact individuals and information. In these days of dwindling customer service, Mr. Simpson is the epitome of the customer-oriented advisor. He is a credit to Georgia consumers and the Georgia Department of Banking and Finance."

IT Staff, Director of IT Denise Brown, Network and Information Security Administrator Felicia Hedgebeth and IS Database Integrator Carol Hyde - The Department received a letter from a customer stating: "Felicia, I just wanted to say thanks to you, Denise and Carol for working so hard to keep us up and running - we are spoiled by how clean we run and how great your customer service is. Thanks for everything you do and for giving up your evenings and weekend for us. You rock!"

Senior Financial Examiner Bob Bauguss - The Department received an e-mail from a customer stating: "I would like to submit Mr. Bob Bauguss for a Customer Service Star. Mr. Bauguss displayed tremendous professionalism and patience in my loan originator process. My stress level was greatly reduced with his positive attitude. Thank you Mr. Bauguss!"

Supervisory Manager (MSBs) Joel Byers - The Department received an e-mail from a customer stating: "Good morning Joel. I just wanted to say it was a great experience during the exam on my end. You were great. I would rank you an A+. Thank you very much. I learned a lot."

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



On April 29, 2010, the Department's IS Database Integrator Carol Hyde was honored, along with individuals and teams from other state agencies and institutions, with a Governor's Commendation for excellence in customer service.



The Governor's Office of Customer Service accepts nominations throughout the year for individuals and teams that provide "above-and-beyond" customer service. Winners are recognized at quarterly Governor's Commendation events.

Action on Applications for the Month of April:

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 April 2010.

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
HeritageBank of the South Albany	Adel Branch Office 301 West Fourth Street Adel, GA 31620 Cook County	04-30-2010	
HeritageBank of the South Albany	Baxley Branch Office 198 East Parker Street Baxley, GA 31513 Appling County	04-30-2010	
HeritageBank of the South Albany	Hazlehurst Branch Office 22 East Jarman Street Hazlehurst, GA 31539 Jeff Davis County	04-30-2010	
HeritageBank of the South Albany	Northside Drive Branch Office 726 Northside Drive Statesboro, GA 30458 Bulloch County	04-30-2010	
HeritageBank of the South Albany	Statesboro Branch Office 335 South Main Street Statesboro, GA 30459 Bulloch County	04-30-2010	
SunTrust Bank Atlanta	Polo Fields Branch Office 6005 Post Road Cumming, GA 30040 Forsyth County	08-31-2009	04-12-2010
PeoplesSouth Bank Colquitt	Lynn Haven Branch Office 2606 South Highway 77 Lynn Haven, FL 32444 Bay County	Pending	
PeoplesSouth Bank Colquitt	23rd Street Branch Office 450 23rd Street East Panama City, FL 32405 Bay County	Pending	
PeoplesSouth Bank Colquitt	South Tyndall Parkway Branch Office 805 South Tyndall Parkway Panama City, FL 32404 Bay County	Pending	
PeoplesSouth Bank Colquitt	Panama City Beach Branch Office 11790 Panama City Beach Parkway Panama City Beach, FL 32407 Bay County	Pending	

FINANCIAL INSTITUTIONSouthern Bank
Sardis**BRANCH OFFICE**Gibson Branch Office
21 College Street
Gibson, GA 30810
Glascocock County**APPROVAL**

Pending

BEGIN BUSINESSUnited Bank
ZebulonWest Taylor Branch Office
1340 West Taylor Street
Griffin, GA 30223
Spalding County

04-12-2010

APPLICATIONS TO CHANGE LOCATION**FINANCIAL INSTITUTION**SunTrust Bank
Atlanta**CHANGE LOCATION OF**Wildwood Manor Branch Office
From: 10401 Old Georgetown Road
Bethesda MD 20814
Montgomery County
To: 10415 Old Georgetown Road
Bethesda MD 20814
Montgomery County**APPROVAL**

08-17-2009

EFFECTIVE

04-23-2010

Global Commerce Bank
DoravilleMain Office
From: 5150 Buford Highway, Suite B-130
Doraville 30340
DeKalb County
To: 7130 Buford Highway NE
Doraville GA 30340
DeKalb County

Pending

NOTICE OF CHANGE IN NAME**PREVIOUS NAME**Columbus Bank and Trust Company
Columbus**NEW NAME**

Synovus Bank

APPROVAL

Pending

EFFECTIVEBank of Upson
Thomaston

SouthCrest Bank

Pending

Bank of Valdosta
Valdosta

Sunrise Bank

Pending

APPLICATIONS FOR RESERVATION OF A NAME**PROPOSED NAME**

Georgia Credit Union

COUNTY

Gwinnett County

APPLICANTMr. Russ White
2353 River Terrace Drive
Murfreesboro, TN 37129

Georgia's State Credit Union

Gwinnett County

Mr. Russ White
2353 River Terrace Drive
Murfreesboro, TN 37129

FINANCIAL INSTITUTION MERGERS**FINANCIAL INSTITUTION****(SURVIVOR)**

Frederica Credit Union
Brunswick, GA

Columbus Bank and Trust Company
Columbus, GA

Columbus Bank and Trust Company
Columbus, GA

Columbus Bank and Trust Company
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Columbus, GA

MERGED INSTITUTION

Rich-SeaPak Federal Credit Union
Brunswick, GA

The Coastal Bank of Georgia
Brunswick, GA

Bank of North Georgia
Alpharetta, GA

The National Bank of South Carolina
Sumter, SC

First Commercial Bank
Birmingham, AL

Coastal Bank and Trust of Florida
Pensacola, FL

AFB&T
Athens, GA

Synovus Bank
Saint Petersburg, FL

Sea Island Bank
Statesboro, GA

First Commercial Bank of Huntsville
Huntsville, AL

Sterling Bank
Montgomery, AL

SB&T Bank
Albany, GA

The First National Bank of Jasper
Jasper, AL

Commercial Bank
Thomasville, GA

First State Bank and Trust Company of Valdosta
Valdosta, GA

Tallahassee State Bank
Tallahassee, FL

Synovus Bank of Jacksonville
Jacksonville, FL

First Coast Community Bank
Fernandina Beach, FL

CB&T Bank of East Alabama
Phenix City, AL

APPROVAL

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EFFECTIVE

<u>(SURVIVOR)</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Columbus Bank and Trust Company Columbus, GA	Commercial Bank & Trust Company of Troup County LaGrange, GA	Pending	
Columbus Bank and Trust Company Columbus, GA	Bank of Coweta Newnan, GA	Pending	
Columbus Bank and Trust Company Columbus, GA	Community Bank and Trust of Southeast Alabama Dothan, AL	Pending	
Columbus Bank and Trust Company Columbus, GA	First Community Bank of Tifton Tifton, GA	Pending	
Columbus Bank and Trust Company Columbus, GA	Citizens First Bank Rome, GA	Pending	
Columbus Bank and Trust Company Columbus, GA	Cohutta Banking Company Chattanooga, TN	Pending	
Columbus Bank and Trust Company Columbus, GA	Georgia Bank & Trust Calhoun, GA	Pending	
Columbus Bank and Trust Company Columbus, GA	The Bank of Tuscaloosa Tuscaloosa, AL	Pending	
Columbus Bank and Trust Company Columbus, GA	CB&T Bank of Middle Georgia Warner Robins, GA	Pending	
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	
Bank of Valdosta Valdosta, GA	Peoples State Bank Jeffersonville, GA	Pending	
Bank of Valdosta Valdosta, GA	Sunrise Bank of Atlanta Atlanta, GA	Pending	

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

FORMATIONS ONLY

<u>BANK HOLDING COMPANY</u>	<u>TO ACQUIRE</u>	<u>APPROVAL</u>
State Bank Financial Corporation Atlanta, GA	State Bank and Trust Company Pinehurst, GA	Pending

CHECK CASHER LICENSES ISSUED

<u>CITY</u>	<u>APPLICANT NAME</u>	<u>TRADE NAME</u>
Covington	Alcovy Jewelry and Pawn, Inc.	Alcovy Jewelry and Pawn
Buford	* Bhalvani Enterprises, Inc.	Shell Food Mart
Monroe	* Four 11 Enterprise, LLC	Highway 11 Truckstop
Duluth	Galtar, LLC	Best Rates Check Cashing Duluth
Hinesville	* Mariam A. Winters	M and R
Gillsville	* Om Ganesay, Inc.	Om Food Mart
Mableton	Quick Shop Express, Inc.	Mableton Citgo
Flowery Branch	Rehmat Ema, Inc.	Fast Food Mart
Forsyth	* Shree Ramdev, LLC	WCS Minit Mart
Woodstock	Vero's Boutique, Inc.	Vero's Boutique
Commerce	* Vidash Investments, LLC	Corner Station
Marietta	Whitewater Shell, Inc.	Whitewater Shell

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

OFFICE CLOSING

This is a reminder that the Department will be closed on Monday, May 10th and Tuesday, June 1st for employee furlough days and on Monday, May 31st for Memorial Day.



**GEORGIA
DEPARTMENT OF
BANKING AND FINANCE**

2990 Brandywine Road
Suite 200
Atlanta, Georgia 30341-5565

Phone: (770) 986-1633
Fax: (770) 986-1654 or 1655
Email: dbfpress@dbf.state.ga.us

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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