



# FINANCIAL INSTITUTIONS TODAY

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

Monthly Bulletin #8

August 2010

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## Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law by the President on July 21, 2010. The Act was in part designed with the intent of promoting financial stability through improved accountability and transparency in the financial system. Primary areas of focus for the Department as a result of the Act include:

- **Legal Lending Limit (derivatives)**

Sections 610 (national bank) and 611 (state banks) of the Act address new limitations on derivative exposures in legal lending limits.

Section 610: A "derivative transaction" is broadly defined in the Act as including "any transaction that is a contract, agreement, swap, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets."

This change will impact Georgia state-chartered banks operating under the parity provisions of O.C.G.A. 7-1-61 for national bank lending limits. Effective date: July 2011.

Section 611: An insured state-chartered bank can engage in derivative transactions only if that state's legal lending limit takes into consideration credit exposure to derivative transactions. This will impact O.C.G.A. 7-1-285 and supporting Rule 80-1-5. The Conference of State Bank Supervisors is drafting model language for states to consider in revising legal lending limit statutes and regulations. Effective date: January 2012.

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**REMINDER: GRMA per loan fees for the reporting period of January 1, 2010 through June 30, 2010 were due by September 1, 2010.**

**Failure to report by the due date (even if no loans were made and no fees were due) may result in a fine.**

**Go to: <https://bkgfin.dbf.state.ga.us/GRMAFee.html> to read more.**

## Dodd-Frank Wall Street Reform and Consumer Protection Act

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- **De Novo Interstate Branching (preemption)**

Section 613 of the Act addresses de novo branching into states. The Act appears to amend the Riegle-Neal Act of 1994 by eliminating the required “opt-in” provision with the intent of providing bank charters parity with the interstate branching ability of thrift charters. O.C.G.A 7-1-628 is generally aligned with the Riegle-Neal Act, but there are contradictions in Georgia law that the Department is evaluating for alignment in the upcoming Housekeeping Bill. There is immediate implication for interstate branching activity as a result of enactment of the Dodd-Frank Act. Effective date: July 2010.

- **Investment Securities (NRSRO ratings)**

Section 939 of the Act requires removal of any references to or requirements of reliance on Nationally Recognized Statistical Rating Organization (NRSRO) credit ratings in Federal regulations. Department Rule 80-1-4 may be reevaluated for consideration of alignment with Federal regulations for investment securities. Effective date: July 2011.

The Department will continue to assess existing Georgia laws and rules to determine what, if any, changes are required as a result of the Dodd-Frank Act. With over 500 rulemaking requirements in the Act, it will be several quarters before we know all of the impacts on Georgia state-chartered institutions. The Department encourages bankers to actively engage in the review of and comment upon notices of proposed rulemaking as those are made public over the coming quarters.

## DBF Outreach AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Commissioner Braswell will be speaking at the [CBA Annual Convention](#) held at the Westin Savannah Harbor on **September 15th**.
- ❖ Senior Deputy Commissioner Steve Pleger will be speaking at at the Georgia Society of CPAs' Financial Institutions Conference on **September 23rd** at the Cobb Galleria Centre. Mr. Pleger will be part of a panel discussing the topic: “Responding to Today's Industry Challenges - Regulatory Actions and Compliance, Special Asset Management and Survival”.
- ❖ Deputy Commissioner for Supervision Kevin Hagler will be participating on a regulatory panel at the **September 23rd** [South Georgia Community Bank Symposium](#) hosted by the GBA in partnership with Valdosta State University.
- ❖ Deputy Commissioner for Non-Depository Financial Institutions Rod Carnes will be speaking at the “Launching The Short Sale Under the S.A.F.E. Act” on **September 15th** being held at the Georgia Institute of Real Estate, 5784 Lake Forrest Drive, Atlanta, GA 30328. Mr. Carnes will also be speaking at the 3rd Annual Real Estate Industry Day being held on **October 25th** at the Holiday Inn on Clairmont Road in Downtown Decatur, GA.

## CUSTOMER SERVICE STARS FOR THE MONTH OF AUGUST

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 for going above and beyond in serving our customers:

**Department Supervision Staff** – The Department received comments from a customer stating: “We’ve worked with your office over the last couple of years through our acquisition of two state-chartered banks. The DBF has been extremely helpful and very responsive whenever we’ve had questions or sought guidance through these acquisitions. I’ve had to bother Kevin Hagler, Lori Binford, Murali Ramachandran and Dennis McNeer more than I probably should have. I want to commend each of them for being so willing to take my calls and answer questions through the acquisition process. I know these are difficult times not only for bankers, but also for our regulators. Please know how much all of us appreciate all you and the DBF are doing for our industry.”

**District I Examination Team** – The Department received comments from a customer stating: “We wanted to express our appreciation for the professional manner in which Rich Parker and the onsite examiners conducted our exam. While the economy has created challenging times for community banks, our exam team seemed willing to listen to us and provide valuable insight when appropriate.”

**Senior Financial Examiner—Mortgage Betty Thomas** – The Department received comments from a customer stating: “I love you Betty!!! Thanks a million for your patience, and I appreciate all you did for me. I can't even imagine how many cases you handle, and I thank you for the time you gave me. Please be sure to thank everyone involved.”

**Financial Examiner—Mortgage Fernando Ornelas** – The Department received comments from a customer stating: “I wanted to take a moment and commend Fernando Ornelas on his professionalism and courtesy while completing my licensing application as a Mortgage Loan Originator. He responded to my questions promptly and thoroughly and was at all times professional in his dealings with me. It makes me proud to be a license holder and a Georgia resident with the knowledge that we have State Employees of this caliber.”

**Supervisory Manager—Mortgage Licensing Janet Anderson and the Mortgage Section** – The Department received comments from two customers stating: “Congratulations on the Gold Medal Award you received. You and your department have been a tremendous help with special situations regarding the licensing process. Everyone I have contacted, including you, have been a joy to work with. Congratulations again-you deserve it.” AND “Thank you to you and the whole Department. I know you have all been overwhelmed with the LO licensing, and yet you have ALL continued to provide assistance and direction with the same courtesy as always. In my book you all are fantastic!”

**Senior NDFI Division Attorney Helen O’Leary** – The Department received comments from a customer stating: “I would be remiss if I do not also express a sincere thank you to Ms. O’Leary for her patience in putting up with all my emails. She was so very helpful and always got back to me in record time as she also made me feel I was important.”

**Administrative Examiner—MSBs Teresa Koeppel** – The Department received comments from a customer stating: “Thanks once again. It has been excellent working with you. You have kept excellent communication and also educated me in how to do this; not only that, but the turnaround time for the license was outstanding.”

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



## Action on Applications for the Month of August:

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 August 2010.

### FINANCIAL INSTITUTION CONVERSIONS

<u>PREVIOUS NAME</u>	<u>CONVERTED TO</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
Georgia Federal Credit Union	Georgia Credit Union Duluth Gwinnett County	Pending	

### APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
Wilcox County State Bank Abbeville	Milan Branch Office 1825 W. Highway 280 Milan, GA 31060 Telfair County	08-23-2010	
Community & Southern Bank Carrollton	Riverwood Branch Office 3333 Riverwood Parkway, Suite 100 Atlanta, GA 30339 Cobb County	08-11-2010	
Synovus Bank Columbus	Buena Vista Branch Office 4505 Buena Vista Road Columbus, GA 31907 Muscookee County	01-13-2009	08-30-2010
Southern Bank Sardis	Gibson Branch Office 21 College Street Gibson, GA 30810 Glascock County	06-04-2010	07-29-2010
Bank of Upson Thomaston	Johns Creek Branch Office 11675 Medlock Bridge Road Johns Creek, GA 30097-1565 Fulton County	08-02-2010	

### APPLICATIONS TO CHANGE LOCATION

<u>FINANCIAL INSTITUTION</u>	<u>CHANGE LOCATION OF</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
United Community Bank Blairsville	From: Spruce Pine Branch Office 12300 South Highway 226 Spruce Pine, NC 28777 Mitchell County To: 800 Summit Avenue Spruce Pine, NC 28777 Mitchell County	Pending	

**FINANCIAL INSTITUTION****CHANGE LOCATION OF****APPROVAL****EFFECTIVE**

Synovus Bank  
Columbus

Baytree Branch Office  
From: 1731 Norman Drive  
Valdosta, GA 31601  
Lowndes County  
To: 1518 Baytree Road  
Valdosta, GA 31602  
Lowndes County

Pending

Fidelity Bank  
Norcross

Winder Branch Office  
From: 33 W. Athens Street, Suite B and C  
Winder, GA 30680  
Barrow County  
To: 20 West May Street  
Winder, GA 30680  
Barrow County

02-04-2010

08-02-2010

**NOTICE OF CHANGE IN NAME****PREVIOUS NAME****NEW NAME****APPROVAL****EFFECTIVE**

Atlanta Business Bank  
Atlanta

Affinity Bank

08-20-2010

Bank of Upson  
Thomaston

SouthCrest Bank

Pending

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

Georgia Family Credit Union

Gwinnett County

Mr. James Stevens  
Kilpatrick Stockton, LLP  
1100 Peachtree Street, Suite 2800  
Atlanta, GA 30309

**FINANCIAL INSTITUTION MERGERS****FINANCIAL INSTITUTION****MERGED INSTITUTION****APPROVAL****EFFECTIVE****(SURVIVOR)**

Alma Exchange Bank & Trust  
Alma, GA

Peoples State Bank & Trust  
Baxley, GA

Pending

Alma Exchange Bank & Trust  
Alma, GA

Citizens State Bank  
Kingsland, GA

Pending

Alma Exchange Bank & Trust  
Alma, GA

Pineland State Bank  
Metter, GA

Pending

Georgia's Own Credit Union  
Atlanta, GA

Georgia State University Federal Credit Union  
Atlanta, GA

08-16-2010

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

Georgia's Own Credit Union  
Atlanta, GA

**MERGED INSTITUTION**

Chevron Southern Credit Union  
Atlanta, GA

**APPROVAL**

08-24-2010

**EFFECTIVE**

Health Center Credit Union  
Augusta, GA

Richmond Community Federal Credit Union  
Gracewood, GA

Pending

Bank of Upson  
Thomaston, GA

Peachtree Bank  
Maplesville, AL

Pending

Bank of Upson  
Thomaston, GA

Bank of Chickamauga  
Chickamauga, GA

Pending

Bank of Upson  
Thomaston, GA

The First National Bank of Polk County  
Cedartown, GA

Pending

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

**FORMATIONS ONLY****BANK HOLDING COMPANY**

Heritage Financial Group, Inc.  
Baltimore, MD

**TO ACQUIRE**

HeritageBank of the South  
Albany, GA

**APPROVAL**

Pending

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

**CREDIT UNION**

Memorial Health Credit Union  
Savannah

**RESIDENTIAL GROUP COMMON BOND**

Chatham County, GA

**APPROVAL**

08-16-2010

**CHECK CASHER LICENSES ISSUED**

<b><u>CITY</u></b>	<b><u>APPLICANT NAME</u></b>	<b><u>TRADE NAME</u></b>
Buena Vista	* 4B Enterprises, LLC	Buena Vista Services
Chamblee	All in One Convenience, Inc.	Bueno Food Mart
Albany	* B K & P L.L.C.	Grab N Go
Atlanta	BW Yulee, Inc.	Old South Package Store
Commerce	* Commerce Quality Foods, LLC	
Garden City	* Frances M. Gonzalez	La Guadalupe Grocery Store
Marietta	* Gonzalez Grocery, Inc.	Monterey Supermarket
Tifton	* Guddy, Inc.	Raceway
Lakeland	* Gurudev, Inc.	Midtown Minit Mart
Tucker	H & H Business Services, LLC	
Miami	Intermex Wire Transfer, LLC	
Kennesaw	Kennesaw Green, Inc.	Chevron Convenience Center
Tifton	* Mohammad Irshad	G.T. Point
Mableton	* Niaz International, Inc.	Kwik Serve
Cornelia	* Quality Foods of Cornelia, Inc.	
Monroe	* Quality Foods of Monroe, LLC	
Buford	* Quality Foods of Sugar Hill, Inc.	
Toccoa	* Quality Foods of Toccoa, Inc.	
Rome	* SAI AMRUT, LLC	Elm St Food & Beverage
Athens	* Sadiah J. Shah	United Business Center
Albany	* Sajnita, Inc.	Stop n Shop
Moultrie	* Shiva Ganga, LLC	Stop & Shop
Broxtown	* Shree Radha Krishna, Inc.	Broxtown Grocery
Winder	Sony Investments, Inc.	Shell - Winder
Forest Park	* Soza Services, Inc.	Kayma Multiservices
Athens	* Sri Ganeshai, LLC	Norwood Package Store
Hartwell	* Tri-County Quality Foods of Hartwell, Inc.	
Winder	* Winder Quality Foods, LLC	
Dublin	Yogi Om, Inc.	Yogi Om

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

**MONEY TRANSMITTER LICENSES ISSUED****MONEY TRANSMITTER**

BB Money Transfers, Inc.  
White Plains, NY

**APPROVAL DATE**

08-26-2010

**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](mailto:dbfpress@dbf.state.ga.us)

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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.

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

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