



# FINANCIAL INSTITUTIONS TODAY

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

August 2023

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## Supervision Division Personnel Changes

Several Supervision personnel changes have been made over the past few months. Heather Ensminger has transitioned from a long-held role as Training Director to broader Department-wide responsibilities as Business Analysis Director.



Following this transition, Dawn McCaskill was promoted from Supervisory Manager to Training Director where she will have training oversight responsibility for all Department staff.



We congratulate both Heather and Dawn for their new roles and expanded responsibilities!

Daniel Sohn was promoted to Supervisory Manager effective August 1, 2023. Daniel has 7 years of experience with the Department, serving most recently as Senior Financial Examiner in the Northeast district (District 2) after working first in the Southeast district (District 4). He is a BSA and capital markets specialist. His education includes a Bachelor of Business Administration degree in finance from Mercer University and a Master of Business Administration degree from the University of Georgia. As Supervisory Manager, Daniel's portfolio will consist of District 1 (Northwest) and District 2 (Northeast) community banks and bank holding companies, and District 5 (Southwest) credit unions.



Elizabeth Hitchcock was promoted to Supervisory Manager effective August 1, 2023. Elizabeth joined the Department in August 2014, and has progressed through all examiner positions most recently as Senior Financial Examiner in the Northeast district (District 2). Elizabeth is a trust, credit union, and BSA specialist. Her education includes a Bachelor of Science degree in Engineering from Duke University and a Master of Accountancy degree from Georgia College and State University. As Supervisory Manager, Elizabeth's portfolio will consist of District 4 (Southeast) community banks, bank holding companies, and credit unions, as well as large banks and non-depository trust companies.



Congratulations, Daniel and Elizabeth!

## Annual Assessment Notices—Banks, Credit Unions, and Holding Companies

The bank and credit union annual assessments are due no later than September 30, 2023. An email was sent to each institution's primary contact from [GADBF@micropact.com](mailto:GADBF@micropact.com) on September 1, 2023, with the annual assessment invoice. The Department will initiate an ACH debit for the assessment fee for regulated banks and credit unions unless stated otherwise in the body of the assessment notice.

The assessment fee for holding companies will need to be paid through the [Department's online portal](#). Holding company assessments are due no later than September 15th. An email was sent to each bank holding company's primary contact as a courtesy reminder on September 1, 2023.

If you have any questions, please contact Director for Supervision Kevin Vaughn at [kvaughn@dbf.state.ga.us](mailto:kvaughn@dbf.state.ga.us) or Business Analysis Director Heather Ensminger at [hensminger@dbf.state.ga.us](mailto:hensminger@dbf.state.ga.us).

## Emergency and Disaster Preparation Information for Georgia State-Chartered Institutions

The Department of Banking and Finance (Department) wants to remind each state-chartered financial institution to review their emergency preparedness plan that outlines how the institution will respond to various scenarios in the event of a disaster or emergency. The plan should be tested regularly and updated as needed. The Department developed the [Emergency and Disaster Preparation Information](#) for Georgia State-Chartered Institutions to assist financial institutions with planning considerations related to branch closures, declarations issued by the Governor, temporary locations, Georgia Emergency Management and Homeland Security Agency re-entry credentials, emergency preparedness considerations, utilization of the Emergency Communication System, and post-emergency considerations. The primary goal is to reduce and mitigate operational disruptions of financial institutions in order to enable continued access to financial products and services and facilitate the recovery of affected communities in emergency and disaster situations.

## FDIC Community Outreach Program

As part of the Federal Deposit Insurance Corporation's (FDIC) Community Bank Outreach Program, the FDIC is proud to offer the Technical Assistance Video Program. The purpose of this program is to provide videos that convey fundamental information pertaining to various aspects of the examination process and areas of supervisory focus. These resources are intended for community bank directors, officers, and employees.

These videos are available on the FDIC's [Technical Assistance Video Program](#) webpage and on the [FDIC's YouTube channel](#).

Additional supervisory information and resources are available on the [Banker Resource Center](#) website.

Any questions or comments can be directed to [supervision@fdic.gov](mailto:supervision@fdic.gov).

## CSBS Third Quarter 2023 Community Bank Sentiment Index

The Conference of State Bank Supervisors (CSBS) community bank data survey for the third quarter 2023 is now open. The Community Bank Sentiment Index (CBSI) provides essential local level perspective of the nation's economic outlook on a quarterly basis.

The CBSI captures on a quarterly basis what community bankers nationwide think about the future. Participant answers are analyzed and compiled into a single number; an index reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment. The second quarter 2023 data collection resulted in an index of 73. The full survey takes approximately five minutes. Results will be released in early October 2023.

Open the link (<https://questionpro.com/t/ALKEAZzU7H>) and answer the questions about your thoughts on the economy. For more information about the CBSI, visit the website: <https://www.csbs.org/cbindex>. The Department values your perspective on what is happening at the local level. Collectively, the input of community banks helps show the expectations for the future of the economy overall.

## NCUA Cyber Incident Notification Requirements

Beginning on September 1, 2023, all federally insured credit unions must notify the NCUA as soon as possible, and no later than 72 hours, after the credit union reasonably believes it has experienced a reportable cyber incident or received a notification from a third party regarding a reportable cyber incident.

The [Letter to Credit Unions](#) summarizes the amendments to [part 748](#), known as the Cyber Incident Notification Requirements rule. It also provides instructions on what and how to report to the NCUA, and includes examples of both reportable (see [Appendix A](#)) and non-reportable (see [Appendix B](#)) incidents.

As a reminder, Department Rule 80-2-1-.05 requires credit unions to simultaneously disclose unauthorized access to customer information to the Department and federal regulator if required under federal law. If the credit union determines that a cyber incident that rises to the level of a notification incident under the Department's rule has occurred, the Department should be notified concurrently with the federal regulator.

## NCUA Notes Increase in Cyberattacks

The National Credit Union Administration (NCUA) has observed a concerning rise in cyberattacks against credit unions, credit union service organizations (CUSOs), and other third-party vendors supplying financial services products. These attacks include incidents directly related to critical vulnerabilities in the MOVEit Transfer web application, as well as other attacks unrelated to MOVEit. The critical vulnerabilities in the MOVEit Transfer web application are:

- CVE-2023-34362;
- CVE-2023-35036; and
- CVE-2023-35708.

Credit unions should remain vigilant in protecting their data and operations from all threats, including ransomware, phishing or social engineering leading to business email compromises, and distributed denial-of-service (DDoS) attacks.

Credit unions and associated entities are urged to take immediate and comprehensive action to protect their systems, sensitive data, and the financial well-being of their members. The NCUA recommends the mitigation steps and best practices that can be found [here](#) and [here](#).

## Speaking Engagements

Commissioner Kevin B. Hagler is scheduled to be a part of the regulatory panel at the Georgia Bankers Association's President/CEO, Bank Counsel, and Bank Account Conference. The Conference will be held at the JW Marriot Savannah Plant Riverside District from September 24 – 26, 2023. For more information on the Conference, please click [here](#).

Director for Supervision Kevin Vaughn will be participating on a regulatory panel during the Community Bankers Association of Georgia 2023 Banker Regulatory Forum. The Banker Regulatory Forum will be held on September 14, 2023. Information on the Forum can be found [here](#).

## **ACTION ON APPLICATIONS FOR THE MONTH**

The following is a summary of official action taken by the Department on certain applications by Georgia state-chartered financial institutions, petitions for certificate of incorporation of financial institutions, and other matters of recent interest:

### **APPLICATIONS TO ESTABLISH A BRANCH OFFICE**

<b><u>FINANCIAL INSTITUTION</u></b>	<b><u>BRANCH OFFICE</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
VyStar Credit Union Jacksonville, Florida	86 Golden Isle Plaza Brunswick, Georgia 32202	08/16/2023	08/21/2023
Georgia United Credit Union Duluth, Georgia	300 West Emery Street Suite 201 Dalton, Georgia 30720	07/14/2023	08/01/2023
Apex Banking Company of Georgia Irwinton, Georgia	35 Jessie Mae Thurmond Connector Cleveland, Georgia 30535	01/10/2023	08/16/2023
Colony Bank Fitzgerald, Georgia	1412 Bass Road Macon, Georgia 31210	03/30/2023	08/08/2023

### **APPLICATIONS FOR FINANCIAL INSTITUTION MERGERS**

<b><u>SURVIVOR</u></b>	<b><u>MERGED INSTITUTION</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
Georgia Heritage Federal Credit Union Savannah, GA	G.P.A. Credit Union Garden City, GA	08/10/2023	

### **APPLICATIONS TO CHANGE LOCATIONS**

<b><u>FINANCIAL INSTITUTION</u></b>	<b><u>CHANGE LOCATION OF</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
The Southern Credit Union Fayetteville, GA	From: 232 Bullsboro Road Newnan, Georgia 30263  To: 6 Jefferson Parkway Suite E Newnan, Georgia 30263	04/20/2023	08/21/2023

### **APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION**

<b><u>FINANCIAL INSTITUTION</u></b>	<b><u>TO ACQUIRE</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
LGE Community Credit Union Atlanta, GA	Greater Community Bank Rome, GA	08/29/2023	

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The Department is the state agency that regulates and examines Georgia state-chartered banks, state-chartered credit unions, state-chartered trust companies, international banking organizations, and bank holding companies that own Georgia state-chartered financial institutions. The Department also has responsibility for the supervision, regulation, and examination of merchant acquirer limited purpose banks chartered in Georgia.

In addition, the Department has regulatory and/or licensing authority over mortgage brokers, lenders and processors, mortgage loan originators, consumer installment loan companies, check cashers, sellers-issuers of payment instruments, and money transmitters.

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