



FINANCIAL INSTITUTIONS TODAY

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

January 2024

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Federal Reserve Board Announces the Bank Term Funding Program's End

The Federal Reserve Board (FRB) announced on January 24, 2024 that the Bank Term Funding Program (BTFP) will cease making new loans on March 11, 2024. The program will continue to make loans until that time and is available until then as an additional source of liquidity for eligible institutions. After March 11, 2024, banks and other depository institutions will continue to have ready access to the discount window to meet liquidity needs.

The FRB noted interest rates applicable to new BTFP loans have been adjusted such that the rate on loans extended from January 24, 2024 through program expiration will be no lower than the interest rate on reserve balances in effect on the day the loan is made. All other terms of the program are unchanged. Additional information on the BTFP can be found [here](#).

Fourth Quarter 2023 Community Bank Sentiment Index Released

The Conference of State Bank Supervisors (CSBS) released the fourth quarter 2023 Community Bank Sentiment Index (CBSI) results on January 9, 2024, which reflects data collected from community banks across the nation during the month of December. The results showed a sentiment index of 92 points, which is a six-point increase from the third quarter 2023 sentiment index of 86 points.

The CBSI remains below the neutral level of 100 for the eighth consecutive quarter, as the nearly 280 community bankers surveyed voiced concerns about future business conditions, profitability, and regulatory burden. In a special section unrelated to the seven components, inflation fell from the list of top concerns for the first time in two years, and slightly fewer community bankers (81%) said they believe the U.S. economy is either starting or in a recession.

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.

For more on the CBSI, visit [here](#).

NCUA Advisory Statement on Liquidity Risk Management

The National Credit Union Administration (NCUA) continues to observe growing liquidity stresses within the system. For financial institutions experiencing lower deposit growth, high loan growth, with concomitant declining levels of available liquidity as a result, liquidity management should be conducted with necessary frequency and sophistication,

closely monitored by senior management, and one of the Board of Directors' top areas over which to provide sound governance.

In general, the NCUA provides key areas of focus to manage liquidity effectively, which include:

- Managing and forecasting cash flows
- Managing and structuring asset composition
- Structuring liabilities
- Developing governance and monitoring structures for size and complexity
- Maintaining diversified liquidity sources, including contingency funding sources

Additional resources from the NCUA on liquidity risk management can be found [here](#).

Emergency Communications System Testing

The Emergency Communications System (ECS) is a communication channel established by the Federal Reserve Bank of St. Louis, which partners with the Department. ECS is the Department's primary form of communication during an emergency event. This system is available to all Georgia state-chartered institutions and allows the Department to establish two-way communication channels quickly and simultaneously with all registered financial institutions during a crisis so that essential information can be easily shared. We urge all Georgia state-chartered institutions to visit <https://bsr.stlouisfed.org/ecs> to register and maintain updated contact information.

For financial institutions already registered with ECS, the Federal Reserve Bank of St. Louis will be conducting a test on Tuesday, March 5, 2024. Semi-annual tests are conducted to ensure contact information is up-to-date for all registrants. During the test, the Support Center will be verifying registrants' business email address, business telephone number, and business mobile phone number. A text will also be sent to the business mobile phone number that was provided at the time of registration with ECS. Registrants will be informed of the test in advance so they will not be alarmed when they receive the test message. If you have any questions or concerns, then contact the ECS Support Center at 877-327-5333 or ecs.support@stls.frb.org.

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

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Southern Bank Sardis, Georgia	108 Barnwell Ave Aiken, South Carolina	08/17/2022	12/26/2023
PromiseOne Bank Duluth, Georgia	2800 Lawrenceville Suwanee Road, #100 Suwanee, Georgia 30024	01/03/2024	
American Pride Bank Macon, Georgia	6503 North Point Parkway Alpharetta, Georgia 30022	01/11/2024	
VyStar Credit Union Jacksonville, Florida	4575 S. Cobb Drive Smyrna, Georgia 30080	12/20/2023	01/15/2024
VyStar Credit Union Jacksonville, Florida	155 North Marietta Parkway Marietta, Georgia 30060	01/31/2024	

FINANCIAL INSTITUTION MERGERS

<u>FINANCIAL INSTITUTION</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Georgia Heritage Federal Credit Union Savannah, Georgia	G.P.A. Credit Union Garden City, Georgia	08/10/2023	01/01/2024

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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.