



FINANCIAL INSTITUTIONS TODAY

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

June 2020

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Examiner Guidance for Assessing Safety and Soundness Considering the Effect of the COVID-19 Pandemic on Institutions

State bank and credit union regulators in conjunction with the four federal regulatory agencies issued [Interagency Examiner Guidance for Assessing Safety and Soundness Considering the Effect of the COVID-19 Pandemic on Institutions](#) to promote consistency and flexibility in the supervision and examination of financial institutions affected by the COVID-19 pandemic. The Guidance covers supervisory background information, details the review of CAMELS ratings, and outlines expectations for considerations of supervisory or enforcement actions. The Guidance instructs examiners to consider the unique, evolving, and potentially long-term nature of the issues confronting institutions due to the COVID-19 pandemic and to exercise appropriate flexibility in their supervisory response.

While the Guidance discusses regulatory expectations, the Department also wants to provide additional detail on our current plans to meet examination frequency requirements. For the near term, the Department will be operating examination programs primarily offsite with staff working remotely. Examiners will attempt to make the examination process as seamless as possible. Risk scoping and planning are essential for examiners to determine how to conduct the examination most effectively.

Examiners will access loan files by the financial institution providing scanned loan documents or remote access to financial institution systems. If the institution's loan files are digital, extra steps may be necessary to provide examiners with access and ensure the security of the systems. The process for granting that access needs to be discussed with the local examiners at the time of the receipt of the Request for Information Letter. In instances where these options are not available, examiners will work with management to determine alternative methods to access loan files.

In some instances, the examination may take additional time due to staff time, connectivity, and communication constraints that might be encountered. The Department is committed to communicate with financial institution management before, during, and after the examination process in as expeditious and efficient manner as possible. A Report of Examination will be issued at the conclusion of the examination.

We appreciate the significant impact the COVID-19 Pandemic has on the financial sector in general and Georgia state-chartered financial institutions specifically. During these unprecedented times you will be fully engaged in institution operations, employees return to work, and customers' needs. Examination teams will work to understand how the financial institution utilized and implemented government programs and regulatory relief issuances communicated during the COVID-19 pandemic. The policies and procedures the institutions put in place will inform examiners' judgement about how the recovery is being managed at each institution. In addition, the Department will discuss how the local recovery is progressing and the additional challenges presented to each institution as a result of the pandemic. Working together we hope that the examination process can be an important catalyst towards a more normal situation.

2020 National Survey of Community Banks

With only days left to complete the [2020 National Survey of Community Banks](#) (National Survey), the Department would like to re-emphasize the importance of the survey. The National Survey assists regulators and researchers understanding of the challenges faced by community banks in different states. This year's questions focus on several important topics such as the pandemic, regulatory burden, funding and liquidity, natural disasters, climate-related impact on banks, and BSA/AML challenges. The results of the National Survey are presented at the Community Banking in the 21st Century Research and Policy Conference sponsored by the Conference of State Bank Supervisors. The Department encourages participation by Georgia state-chartered banks to ensure that Georgia is well represented in the National Survey. Your participation in the National Survey is greatly appreciated. A link to the survey is listed below.

[2020 National Survey of Community Banks](#)

CFPB Releases Tool to Help Communities Prevent and Respond to Elder Fraud

The Consumer Financial Protection Bureau (CFPB) has released an online resource to help communities form networks to increase their capacity to prevent and respond to elder financial abuse. The Elder Fraud Prevention and Response Networks Development Guide offers planning tools, templates, and exercises to help communities create a collaborative network to fight elder fraud or refresh or expand an existing network. A link to the online resource can be accessed [here](#).

Joint Statement on Managing the LIBOR Transition

The Federal Financial Institutions Examination Council (FFIEC) on behalf of its members issued a statement to highlight the financial, legal, operational, and consumer protection risks that will result from the expected discontinuation of the London Interbank Offered Rate (LIBOR) and to encourage supervised institutions to continue their efforts to prepare for this change and address its associated risks. The financial services industry has used LIBOR as a short-term reference rate to price variable rate loans and securities, deposits, borrowings, and interest rate hedging transactions. While some smaller and less complex institutions may hold little to no LIBOR-denominated assets and liabilities, the change will affect almost every institution. Impact is expected to be particularly significant for the largest institutions and those engaged materially in capital markets activities such as interest rate swaps, other derivatives, or hedging transactions.

The LIBOR transition is a significant event that supervised institutions should closely manage. The statement highlights a number of potential preparedness and risk management actions that institutions should factor into their planning for the transition. This statement does not establish new guidance or regulation. Institutions should consider existing safety and soundness standards and consumer protection laws as they plan for and address risks that will arise with the transition from LIBOR. Careful planning will help institutions avoid financial losses or consumer harm. A link to the joint statement can be accessed below.

[Joint Statement on Managing the LIBOR Transition](#)

ACTION ON APPLICATIONS FOR THE MONTH

The following is a summary of official action taken by the Department on applications by Georgia state-chartered financial institutions under Title 7, Chapter 1 of the O.C.G.A. and petitions for certificate of incorporation of financial institutions and other matters of interest during the month of June 2020:

APPLICATIONS FOR DE NOVO INSTITUTIONS

<u>FINANCIAL INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
Craft Bank Atlanta, GA	05-18-2020	
Classic City Bank Athens, GA	Pending	

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
Delta Community Credit Union Atlanta, GA	160 Clairemont Avenue Decatur, GA 30030 DeKalb County	09-03-2019	06-16-2020
Synovus Bank Columbus, GA	11914 N. Dale Mabry Hwy Tampa, FL 33611 Hillsborough County	06-08-2020	
Synovus Bank Columbus, GA	11860 Narcoossee Road Orlando, FL 32832 Orange County	06-08-2020	
First State Bank Wrens, GA	150 W Milledgeville Road Harlem, GA 30814 Columbia County	12-12-2018	06-22-2020
Atlanta Postal Credit Union Atlanta	Center Parc Credit Union 160 Pooler Pkwy Pooler, GA 31322 Chatham County	06-11-2020	
Atlanta Postal Credit Union Atlanta	Center Parc Credit Union 6000 Ogeechee Road Savannah, GA 31429 Chatham County	06-11-2020	

APPLICATIONS FOR CREDIT UNION CONVERSION

<u>FINANCIAL INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Marshland Community Federal Credit Union Brunswick, GA	05-28-2020	
United 1st Federal Credit Union Kingsland, GA	06-10-2020	
Interstate Unlimited Federal Credit Union Jesup, GA	Pending	

ACTION ON APPLICATIONS FOR THE MONTH CONTINUED**APPLICATIONS TO FORM A BANK HOLDING COMPANY****FINANCIAL INSTITUTION**ST HLDGS, Inc.
Wilmington, DE**APPROVAL
DATE**

Pending

**EFFECTIVE
DATE****FINANCIAL INSTITUTION MERGERS****FINANCIAL INSTITUTION
(SURVIVOR)**United Community Bank
Blairsville, GA**MERGED INSTITUTION**Seaside National Bank & Trust
Orlando, FL**APPROVAL
DATE**

06-29-2020

**EFFECTIVE
DATE**

07-01-2020

Georgia's Own Credit Union
Atlanta, GAThree Rivers Credit Union
Bainbridge, GA

10-23-2019

07-01-2020

APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION**HOLDING COMPANY**ST HLDGS, INC.
Wilmington, DE**TO ACQUIRE**

Rochelle State Bank

**APPROVAL
DATE**

Pending

**EFFECTIVE
DATE**

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.

Our Vision is to be a willing and able partner with our regulated entities in order to support vibrant economic growth and prosperity in Georgia.

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