



# FINANCIAL INSTITUTIONS TODAY

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

April 2019

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## 2019 National Survey of Community Banks

The 2019 National Survey of Community Banks is now live! This survey is a key component of the Community Banking in the 21st Century Research and Policy Conference sponsored by the Conference of State Bank Supervisors (CSBS), the Federal Reserve System, and the Federal Deposit Insurance Corporation (FDIC). The results from the National Survey have enabled community banks to inform policymakers and researchers about the opportunities and challenges facing the community banking industry.

At last year's conference, CSBS announced the creation of an ongoing sentiment index of community bankers. Ten short questions have been included towards the end of the National Survey. The answers to these questions about regulations, competition, economic conditions, and market prospects will be combined to form an overall sentiment index of community bankers. Going forward, these questions will be circulated on a quarterly basis in hopes of getting a more accurate understanding of how bankers are feeling about the future and to help provide an important barometer of the state of the industry.

In 2018, 521 banks from 37 states participated in the National Survey. However, less than 20 percent of Georgia State-Chartered banks participated in the National Survey. We hope that with your help we can achieve, higher response rates and make 2019 the best year yet. To add your voice to the 2019 National Survey, please complete the survey which is available at: <https://sri.cornell.edu/CB21/2019/>

The survey should take approximately 20 minutes to complete and can be completed in different intervals. We ask that you complete the National Survey by **June 30, 2019** so we can analyze and present the findings in the national publication released during the seventh annual Community Banking in the 21st Century Research and Policy Conference at the Federal Reserve Bank of St. Louis.

Want to explore the findings from past surveys? Last year's publication can be found [here](#).

We truly appreciate your participation in this unique opportunity to have your voice heard!

## Public Meeting on Merger of BB&T and SunTrust

The Federal Reserve Board and the FDIC will jointly hold a public meeting on the proposed merger of BB&T Corporation, Winston-Salem, North Carolina, with SunTrust Banks, Inc., Atlanta, Georgia. As part of the proposal, BB&T would merge SunTrust Bank with and into its subsidiary state non-member bank, Branch Banking and Trust Company, Winston-Salem, North Carolina.

The purpose of the meeting is to collect information relating to the convenience and needs of the communities to be served, including a review of the insured depository institutions' performance under the Community Reinvestment Act. The agencies will also consider and collect information on other factors relevant to making a decision on the application, including the effects of the proposal on the stability of the U.S. banking or financial system, the financial and managerial resources and future prospects of the companies, and competition in the relevant markets.

The public meeting will be held:

Friday, May 3, at 8:30 a.m., EDT  
Federal Reserve Bank of Atlanta  
1000 Peachtree Street N.E., Atlanta, Georgia.

A schedule of participants will be prepared, although to ensure an opportunity for all to speak, the amount of time for each speaker may be limited. Persons who do not register in advance to testify may be permitted to speak at the public meetings if time permits. Individuals interested only in attending the meetings, but not testifying, need not submit a written request. All individuals who attend the public meeting must present a valid, government-issued photo identification. Further information on the applications, including how to testify, review comments received and the transcripts of the meetings, will be made available on the [Board's website](#) and the [FDIC's website](#).

The Board and FDIC have also extended the public comment period for both applications until Friday, May 3, 2019.

Interested parties are also invited to submit written comments on the applications to the Federal Reserve Bank of Richmond, P.O. Box 27622, Richmond, VA 23261, and to the FDIC's Atlanta Regional Office, 10 10th Street, NW, Suite 800, Atlanta, GA 30309-3849. Comments can also be sent electronically to [comments.applications@rich.frb.org](mailto:comments.applications@rich.frb.org) and to [BankMergerApplication@fdic.gov](mailto:BankMergerApplication@fdic.gov).

## FDIC: FIL-19-2019: Technology Service Provider Contracts

The FDIC recently published FIL-19-2019, which highlights issues that examiners have recently found in financial institutions' contracts with technology service providers. The issues include:

- Contracts with technology service providers that may not adequately define rights and responsibilities regarding business continuity and incident response, or provide sufficient detail to allow financial institutions to manage those processes and risks.
- Contracts that did not require the service provider to maintain a business continuity plan, establish recovery standards, or define contractual remedies if the technology service provider missed a recovery standard. Other contracts did not sufficiently detail the technology service provider's security incident responsibilities, which includes notifying the financial institution, regulators, or law enforcement.
- Contracts that did not clearly define key terms used in contractual provisions relating to business continuity and incident response. Undefined and unclear key contract terms could contribute to ambiguity in financial institution rights and service provider responsibilities, and could increase the risk that technology service provider business disruptions or security incidents will impair financial institution operations or compromise customer information.

The FDIC encourages financial institutions, as part of their due diligence and ongoing monitoring, to ensure that business continuity and incident response risks are adequately addressed in service provider contracts. When contracts have gaps in business continuity and incident response, it is prudent for the financial institution to assess any resultant risks and implement compensating controls to mitigate them. For example, a financial institution may obtain supplementary business continuity documentation from the service provider, or modify the financial institution's own business continuity plan to address contractual uncertainties.

Management may refer to the FFIEC IT Examination Handbook, Business Continuity Booklet, or the FDIC's Guidance for Managing Third-Party Risk for additional information. These materials describe practices that can be used to mitigate risk in third-party relationships. The full FIL-19-2019 can be found at: <https://www.fdic.gov/news/news/financial/2019/fil19019.html>.

**Statement of Applicability to Institutions under \$1 Billion in Total Assets:** This Financial Institution Letter applies to all FDIC-supervised institutions.

## FDIC: FIL-20-2019: New Accounting Standards on Credit Losses

On April 3, 2019, the federal financial institution regulatory agencies (agencies) issued an updated *Frequently Asked Questions on the New Accounting Standard on Financial Instruments – Credit Losses* to assist institutions and examiners. The new standard takes effect in 2020, 2021, or 2022, depending on an institution's characteristics. The updated Frequently Asked Questions (FAQs) combine new questions and answers from those issued in 2017 and 2016, replacing the FAQs from FIL-41-2017. Certain previously issued FAQs have been updated in response to recent developments. The FAQs continue to focus on the application of the current expected credit losses methodology (CECL) for estimating credit loss allowances and related supervisory expectations and regulatory reporting guidance. The new FIL can be found at: <https://www.fdic.gov/news/news/financial/2019/fil19020.html>. The updated FAQs can be found at: <https://www.fdic.gov/news/news/financial/2019/fil19020a.pdf>.

**Statement of Applicability to Institutions under \$1 Billion in Total Assets:** This Financial Institution Letter applies to all FDIC-supervised banks and savings associations, including community institutions.

## 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 April 2019:

### APPLICATION FOR NEW FINANCIAL INSTITUTION

<u>FINANCIAL INSTITUTION</u>	<u>CAPITALIZATION</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
Tandem Bank 2356 Main Street Tucker, GA 30084 DeKalb County	\$ 18,000,000	Pending	

### APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
United Community Bank Blairsville	Six Forks Road 4711 Six Forks Road Raleigh, NC 27609 Wake County	04-24-2019	
Southern Bank & Trust Clarkesville	Cornelia Carpenters Cove Lane Cornelia, GA 30531 Habersham County	04-09-2019	
The Commercial Bank Crawford	Danielsville 220 Courthouse Square 1 Danielsville, GA 30633 Madison County	04-10-2019	
Metro City Bank Doraville	Tampa 6202 Commerce Palms Drive Tampa, FL 33647 Hillsborough County	11-19-2018	04-12-2019
PromiseOne Bank Duluth	Houston 1444 Blalock Road Houston, TX 77055 Harris County	04-11-2019	
LGE Community Credit Union Marietta	Main Office Cumberland Center II 3100 Cumberland Boulevard Atlanta, GA 30339 Cobb County	04-02-2019	
LGE Community Credit Union Marietta	Marietta 811 South Marietta Parkway Marietta, GA 30060 Cobb County	04-18-2019	
South Georgia Banking Company Omega	Sylvester 508 Ashburn Highway Sylvester, GA 31791 Worth County	04-16-2019	

Credit Union of Georgia Woodstock	East Cobb 1020 Johnson Ferry Road Marietta, GA 30068 Cobb County	09-06-2018	04-01-2019
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**APPLICATION TO CHANGE LOCATION**

<b><u>FINANCIAL INSTITUTION</u></b>	<b><u>LOCATION</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
LGE Community Credit Union Marietta	Woodstock From: 12186 Highway 92, #11-B Woodstock, GA 30188 Cherokee County To: 12900 Highway 92 Woodstock, Georgia 30188 Cherokee County	08-31-2018	04-08-2019

**NOTICE OF CHANGE IN NAME**

<b><u>PREVIOUS NAME</u></b>	<b><u>NEW NAME</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
Bank of Early Blakely	OneSouth Bank	04-16-2019	
NOA Bank Duluth	PromiseOne Bank	04-10-2019	04-10-2019

**APPLICATIONS FOR RESERVATION OF A NAME**

<b><u>PROPOSED NAME</u></b>	<b><u>COUNTY</u></b>	<b><u>APPLICANT</u></b>
Consilium Bank	Fulton County	Mr. Byron Richardson, President Bank Resources Inc. 2451 Cumberland Parkway, Suite 3618 Atlanta, GA 30339
Heritage Southeast Bank	Clayton County	Mr. Ricky Davis Nelson Mullins Riley & Scarborough LLP 104 South Main Street, Ninth Floor Greenville, SC 29601

**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>
United Community Bank Blairsville, GA	First Madison Bank & Trust Colbert, GA	04-30-2019	
First National Community Bank Chatsworth, GA	Northside Bank Adairsville, GA	Pending	
Morris Bank Dublin, GA	Farmers & Merchants Bank Statesboro, GA	04-01-2019	
Colony Bank Fitzgerald, GA	Calumet Bank LaGrange, GA	04-30-2019	04-30-2019

Heritage Bank Jonesboro, GA	Providence Bank Alpharetta, GA	Pending
Heritage Bank Jonesboro, GA	The Heritage Bank Hinesville, GA	Pending
Ameris Bank Moultrie, GA	Fidelity Bank Atlanta, GA	Pending
Branch Banking and Trust Company Winston-Salem, NC	SunTrust Bank Atlanta, GA	Pending

**APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION**

<b><u>BANK HOLDING COMPANY</u></b>	<b><u>TO ACQUIRE</u></b>	<b><u>APPROVAL DATE</u></b>
CCF Holding Company Jonesboro, GA	Heritage Bancorporation, Inc. Hinesville, GA	Pending
Ameris Bancorp Moultrie, GA	Fidelity Southern Corporation Atlanta, GA	Pending
BB&T Corporation Winston-Salem, NC	SunTrust Banks, Inc. Atlanta, GA	Pending

## **DBF Outreach and Upcoming Speaking Engagements**

**GBA Georgia Banking School Advocacy & Government Relations Panel** - Deputy Commissioner for Legal Affairs Oscar B. "Bo" Fears III will be participating in the Advocacy & Government Relations Panel during the Georgia Bankers Association's Georgia Banking School on May 6<sup>th</sup> at The University of Georgia Center for Continuing Education & Hotel, Athens, Georgia.

The Department is the state agency that regulates and examines Georgia state-chartered banks, state-chartered credit unions, state-chartered trust companies, 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, check cashers, sellers-issuers of payment instruments, money transmitters, and international banking organizations.

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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