



FINANCIAL INSTITUTIONS TODAY

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

April 2016

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Disabled Adults and Elder Persons Protection Act

On March 23, 2016, the Consumer Financial Protection Bureau (CFPB) published an updated advisory for the financial protection for older Americans. The link to the updated advisory is <http://www.consumerfinance.gov/newsroom/cfpb-issues-advisory-and-report-for-financial-institutions-on-preventing-elder-financial-abuse/>. Commissioner Hagler encourages all state-chartered financial institutions to review both the CFPB advisory and the existing reporting requirements under O.C.G.A. §30-5-1 *et seq.*, the Disabled Adults and Elder Persons Act (Act). A link to the Act can be located on the Department's website under the Laws and Regulations tab. The Commissioner believes that Georgia state-chartered financial institutions have played, and continue to play, a pivotal role in the prevention and response to suspected financial exploitation of at-risk adults and encourages all Georgia financial institutions to continue to train employees on an ongoing basis in the recognition and reporting of potential financial exploitation. Georgia chartered financial institutions are encouraged to work closely with local law enforcement and Adult Protective Services to assist vulnerable Georgia citizens. The CFPB advisory noted above provides key recommendations and links to important information in the fight against the financial exploitation of at-risk Georgia citizens.

NCUA opens CUSO Registry

In an effort to gain more accurate information on Credit Union Service Organizations (CUSOs) and reduce reporting burdens for credit unions, the National Credit Union Administration (NCUA) opened the online *CUSO Registry* on February 1, 2016. Following the opening of the registry, the NCUA issued *Letter to Credit Unions No. 16-CU-02* (Letter), emphasizing the importance of collecting accurate information about CUSOs to better assess risks to credit unions as well as the interrelationships between credit unions and CUSOs. The Letter also indicates that the NCUA will begin checking for CUSO registration during examinations of federally-insured credit unions beginning in June.

The Letter includes the following key points:

- CUSOs were required to register on the *CUSO Registry* no later than March 31 of this year.
- CUSOs that receive loans or capital investment from credit unions are required to provide certain information directly to the NCUA and the applicable state supervisory authority annually. This information will now be collected from CUSOs through the *CUSO Registry*.
- Beginning mid-2016, credit unions will be able to confirm a CUSO's registration using the *CUSO Registry*. The NCUA will notify credit unions when this feature is activated.

The Letter also indicates that, once credit unions and examiners are able to search the registry, credit unions will be prohibited from making loans to or investments in a CUSO that has not satisfied the annual registration requirement. If the NCUA identifies that a credit union is doing business with a non-registered CUSO, the NCUA will notify the CUSO, who will then have 30 days to complete the registration before the prohibition becomes effective.

For detailed guidance on the CUSO registry, please visit the NCUA's website at <https://www.ncua.gov/regulation-supervision/Pages/regulatory-reporting/cuso-registry.aspx>.

The Department requests a courtesy notification from CUSOs, as applicable, upon completion of the registration process. The notifications should be emailed to the attention of Supervisory Manager Mark Pressler at mpressler@dbf.state.ga.us.

In addition, state-chartered credit unions are reminded of the approval requirements for investing in a CUSO, as contained in Department Rule 80-2-4-.03, as well as the reporting and ongoing requirements when contracting with a CUSO, as contained in Department Rule 80-2-7-.02.

Emergency Communications System (ECS) Testing

The ECS Support Center at the Federal Reserve Bank of St. Louis will be conducting a test of the ECS the mornings of June 7-9, 2016. Semi-annual tests are conducted to ensure that contact information is up-to-date for all registrants. During this test, the Support Center will be verifying registrants' business email addresses, business mobile phone numbers, and office phone numbers. Registrants will be informed of the semi-annual test in advance so they will not be alarmed when they receive the test message. If you have any questions or concerns, contact the ECS Support Center at 877-327-5333 or ecs.support@stls.frb.org.

Secretary of State Issues Alert to Charities Regarding Fake Check Scam

The Georgia Secretary of State and WSB-TV have recently highlighted the receipt by charities of a number of counterfeit certified or official checks from an individual purporting to be a donor. Detailed information regarding this illegal activity can be obtained at <http://www.wsbtv.com/news/local/atlanta/local-charities-say-they-are-targets-of-a-scam/253851384>, <http://www.wsbtv.com/news/georgia/georgias-secretary-of-state-warns-of-scam-targeting-charities/265910456>, and http://sos.ga.gov/index.php/general/kemp_issues_heightened_alert_warning_charities_of_fake_check_scam. Financial institutions with charitable organizations as customers should be aware of this scam.

Georgia Banks' Help Needed with National Survey

State bank supervisors in coordination with the Federal Reserve are planning the fourth annual Community Banking in the 21st Century research and policy conference. See <https://www.communitybanking.org/>. The goal of the conference is to provide a venue and encourage research on community banking. This research is a critical component to improving public policy as it relates to community banks and local communities.

For last year's conference, state regulators conducted a nationwide survey of community banks with approximately 1,000 banks participating. The results of the survey and the town hall meetings are highlighted in a publication released during the conference. The 2015 report can be downloaded at <https://www.communitybanking.org/documents/Community-Banking-in-the-21st-Century-2015.pdf>.

The survey for 2016 is now live. The purpose of the survey is to give researchers and policy makers an opportunity to hear directly from community banks on a range of important topics. Please take the time to complete the 2016 survey, available at <https://sri.cornell.edu/CB21/2016/>. Completion should take no longer than 30 minutes. Thank you for your engagement.

Action on Applications for the Month:

The following is a summary of official action taken on applications by State 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 2016.

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

| <u>FINANCIAL INSTITUTION</u> | <u>BRANCH OFFICE</u> | <u>APPROVAL DATE</u> | <u>BEGIN BUSINESS DATE</u> |
|--------------------------------|--|----------------------|----------------------------|
| SunTrust Bank Atlanta | Indian Rocks Branch Office 14040 Walsingham Road Largo, FL 33774 Pinellas County | 04-05-2016 | |
| Planters First Bank Cordele | Warner Robins Branch Office 120-B Osigian Boulevard Suite 200 Warner Robins, GA 31088 Houston County | 02-09-2016 | 04-04-2016 |

NOTICE OF CHANGE IN NAME

| <u>PREVIOUS NAME</u> | <u>NEW NAME</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|------------------------------------|-----------------|----------------------|-----------------------|
| Alma Exchange Bank & Trust Alma | Pineland Bank | 04-12-2016 | |

FINANCIAL INSTITUTION MERGERS

| <u>FINANCIAL INSTITUTION (SURVIVOR)</u> | <u>MERGED INSTITUTION</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|---|---|----------------------|-----------------------|
| Alma Exchange Bank & Trust Alma, GA | Peoples State Bank & Trust Baxley, GA | 04-12-2016 | |
| Alma Exchange Bank & Trust Alma, GA | Citizens State Bank Kingsland, GA | 04-12-2016 | |
| Alma Exchange Bank & Trust Alma, GA | Pineland State Bank Metter, GA | 04-12-2016 | |
| Atlanta Postal Credit Union Atlanta, GA | Macon Water Works Credit Union Macon, GA | 02-03-2016 | 04-01-2016 |
| United Community Bank Blairsville, GA | Tidelands Bank Mount Pleasant, SC | Pending | |
| Bank of the Ozarks Little Rock, AR | Community & Southern Bank Atlanta, GA | Pending | |
| Coosa Valley Federal Credit Union Rome, GA | Northwest Georgia Credit Union Rome, GA | 04-12-2016 | |
| Renasant Bank Tupelo, MS | KeyWorth Bank Johns Creek, GA | 03-23-2016 | 04-01-2016 |
| CharterBank West Point, GA | Community Bank of the South Smyrna, GA | 03-09-2016 | 04-15-2016 |

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

| <u>BANK HOLDING COMPANY</u> | <u>TO ACQUIRE</u> | <u>APPROVAL DATE</u> |
|---|--|-----------------------------|
| Southeast, LLC Atlanta, GA | Barwick Banking Company Barwick, GA | Pending |
| United Community Banks, Inc. Blairsville, GA | Tidelands Bancshares, Inc. Mount Pleasant, SC | Pending |

Supervision Division Personnel Change: Supervisory Examiner Justin McElheney will serve as Supervisory Manager for District 4 banks and related holding companies until October 2016.

DBF Outreach

AND UPCOMING SPEAKING ENGAGEMENTS

- Georgia Credit Union Affiliates 2016 Annual Convention – Commissioner Kevin Hagler will be speaking at the GCUA 2016 Annual Convention in Savannah, Georgia, on May 13, 2016. For more information about this event, visit <http://www.gcuaforum.org/AnnualConvention16/#home>.
- Association of Credit Union Internal Auditors – Director for Supervision Pamela Keane will be speaking to the Georgia Chapter of the ACUIA on May 20, 2016. For more information, visit <https://www.acuia.org/>.
- Community Bankers Association of Georgia 38th Annual Leadership Division Convention & Mini-Trade Show – Deputy Commissioner for Supervision Lori Godfrey will be speaking at the CBA's Banker 38th Annual Leadership Division Convention & Mini-Trade Show in Lake Buena Vista, Florida on June 24, 2016. For more information, visit <http://www.cbaofga.com/leadership-division-convention>.

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The Department is the state agency that regulates and examines Georgia state-chartered banks, state-chartered credit unions, and state-chartered trust companies. The Department also has responsibility for the supervision, regulation, and examination of Merchant Acquirer Limited Purpose Banks (MALPBs) 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, 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 a willing and able partner with our regulated entities in order to support vibrant economic growth and prosperity in Georgia.

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