



FINANCIAL INSTITUTIONS TODAY

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

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Georgia Residential Mortgage Act Fee Reminder

The \$10.00 per loan fees required by O.C.G.A. Section 7-1-1011(b)(2) and Department Rule 80-5-1-04 are due **no later than September 1, 2012**, for residential mortgage loans closed during the period January 1, 2012, through June 30, 2012. A \$10.00 fee will be due if the loan is a residential mortgage loan as defined in the Georgia Residential Mortgage Act ("GRMA"), and if a security deed, a modification of a security deed or other form of modification of a security interest is recorded.

Financial institutions, mortgage licensees and registrants that act as the *collecting agent* (including brokers that table fund and collect the fee) must submit the fees and file the fee statement before the deadline to avoid fines.

Per Department Rule 80-5-1-04(b), GRMA per loan fee reporting / remittance must be completed online through the Department's secure website. Reporting is required even if no residential mortgage loans were made and no fees are due. To avoid fines for failure to report / remit GRMA fees, reporting must be completed by the deadline noted above.

With the on-line payment process, the Department accepts either ACH drafts on a checking account or payments by Visa, MasterCard, AmericanExpress, or DiscoverCard credit cards. Reporting and fee payment must be done online from our secure website at:

<https://bkfin.dbf.state.ga.us/GRMAFee.html>.

DBF Outreach AND UPCOMING SPEAKING ENGAGEMENTS

- ❖ Commissioner Braswell will be participating on a regulatory panel at the CBA Regulation & Taxation Committee meeting on **August 2nd** at CBA Headquarters in Marietta, GA.

Department's New Website to Launch on July 13th

The Department's public website (<http://dbf.georgia.gov/>) will soon have a new look! This change was necessary as part of the State of Georgia's replacement of its existing website content management system / platform. The new system which will host state agency websites is intended to utilize more modern technology to increase citizen engagement and maximize functionality and overall usability.

Please be aware that when our new website launches on July 13th, pages on our existing website that you have previously bookmarked in your web browser may no longer work (i.e., you may get a "Page Not Found" message).

We encourage you to explore the new website to familiarize yourself with the new layout. We will be featuring short articles in future publications to offer "tips and tricks" for navigating and finding information on our website. Stay tuned!

Excerpts from Commissioner Braswell's Speech at the GCUA Annual Convention

After receiving several requests regarding Commissioner Braswell's speech at the Georgia Credit Union Affiliates (GCUA) Annual Convention, the Department has decided to publish the following excerpts from the Commissioner's May 11, 2012, speech:

New Product Lines

The Department has concerns that credit unions are getting into product lines for which they have little or no expertise – and with the ready acceptance of third party vendors, seemingly abdicating their responsibilities to these third parties.

When contemplating a new product line, the following steps should be standard procedure:

- 1) Get approval from the board of directors after an appropriate assessment of risk;
- 2) Amend the credit union's business plan;
- 3) Ensure that the credit union has a supervisor / manager with expertise in the new product area;
- 4) Develop policies and procedures (which should also be approved by the board);
- 5) Ensure that you have appropriate staff; and,
- 6) **Then begin** the new line of business.

Once the new business line gets traction, the credit union should evaluate the effect of this new product offering and include the new line in the audit function. It is imperative that credit union boards understand that they cannot outsource their **responsibility** to a third party. The board is responsible for setting the risk appetite for the credit union and must have ways to identify, measure, monitor and control risks.

Boards also need to understand how their decisions regarding product lines and rates affect the balance sheet. Above-market rates or new deposit products have recently worked against some credit unions when trying to preserve the capital ratio. Because credit unions cannot go to the market to get new capital, once capital ratios decline, it is extremely difficult in this interest rate environment to produce enough earnings to augment capital in a timely fashion.

Excerpts from Commissioner Braswell's Speech at the GCUA Annual Convention

Commissioner's "Call to Action" and Reminders:

- Please understand that legal is not a safe harbor from criticism. Just because something is below a legal threshold, it does not mean it is a safe and sound practice.
- The Board cannot outsource its responsibility.
- Legal lending limits in Georgia are tied to deposits, not capital. Therefore, the Board should set house limits far below the legal lending limits—and then not exceed them.
- The credit union should have contingency plans and exit strategies before the first dollar is spent or funded.
- The Board should have updated Interest Rate Risk / Asset Liability Management training and should be familiar with related regulatory guidance.
- The Board should ensure that every account on the general ledger is reconciled monthly and in balance.
- The Board should enforce that every employee is away from their desk for two weeks, if possible – one week vacation combined with different responsibilities for one week.
- The Board should review executive compensation. While credit union managers have become credit union presidents/CEOs with more-executive level compensation packages, examiners frequently have not seen a corresponding increase in skill sets related to accounting, risk management, and regulatory knowledge. The Board should ensure that compensation is in alignment with skill set and performance.

Cease and Desist Order Issued to Georgia Entertainer's Credit Union

On July 3, 2012, the Department issued an Order to Georgia Entertainer's Credit Union, its successors and assigns, Aneesah Bray-LaStrape, any other officers, employees and directors thereof (collectively Georgia Entertainer's Credit Union), to Cease and Desist from using "credit union" in its name and Cease and Desist from claiming it is a Georgia credit union in organization or otherwise, in violation of Georgia Law.

According to documentation obtained by the Department, Georgia Entertainer's Credit Union is purporting to be organizing a credit union in Georgia and may be conducting credit union business in Georgia without authority, in violation of O.C.G.A. Section 7-1-241. Georgia Entertainer's Credit Union, according to documentation obtained by the Department, is purporting to offer membership in the non-existent "Georgia Entertainer's Credit Union." The Department has found no evidence that Georgia Entertainer's Credit Union is authorized to organize and/or do business as either a state chartered or federally chartered credit union.

The complete Order and information regarding the Order may be found on the Department's website at:
http://dbf.georgia.gov/vgn/images/portal/cit_1210/24/59/186895319CeaseandDesistOrder_GAEentertainersCU.pdf. The Order was issued on and became effective on July 3, 2012. Should you have any questions or comments regarding this Order, please contact Deputy Commissioner for Supervision Kevin Hagler at (770) 986-1646.

DBF Recognizes 2011 Award Winners

During meetings and other events held around the state in May and June, the Department recognized winners of its 2011 Employee Awards. This annual awards process formally recognizes outstanding employee performance during the previous calendar year. Awards presented this year were in three categories, including: Leadership Award; "Jenny Neville" Customer Service Award; and Gold Medal Awards.

"I think it's essential that we reward and celebrate outstanding performance. The annual awards program is just one of several ways in which we try to showcase excellent service and leadership skills," said Commissioner Rob Braswell.



Lori Godfrey

(Pictured with Commissioner Braswell)

The **Leadership Award** was presented to Director for Supervision Lori Godfrey. This award is presented to an individual that has exemplified and promoted outstanding leadership qualities and behaviors, including but not limited to:

- Motivates and brings about enthusiasm in others.
- Demonstrates a high ethical standard.
- Brings new ideas to the workplace.
- Appreciates differences and respects others.
- Embraces responsibility and demonstrates initiative.



Irene Harper

(Pictured with Deputy Commissioner for Non-Depository Financial Institutions Rod Carnes, Supervisory Manager Janet Anderson and Commissioner Braswell)

The **"Jenny Neville" Customer Service Award** was presented to Applications Analyst Irene Harper. This award is presented to an individual that has made exceptional contributions that exceeded expectations in delivering services to external and/or internal customers. This individual has taken initiative in "going the extra mile" to provide service to internal and/or external customers with timely and appropriate follow-up, responsiveness to the needs of all customers and demonstrated improvement of customer service and satisfaction.

Several **Gold Medal Awards** were presented, as noted on the following page. Individuals are selected each year from a list of nominees for their division or work area. This award is given to individuals whose overall performance has consistently reflected a high level of service, trustworthiness, and respect; who have demonstrated a consistent commitment to delivering products, services and/or information that satisfies customers by exceeding their requirements or expectations; who work effectively as part of a team to successfully accomplish a task or meet a goal; who contributes to a group effort which has a significant impact on Department goals; and/or who accepts responsibility and accountability in helping to advance the Department's mission, vision or goals.

DBF Recognizes 2011 Award Winners (*continued*)



LaTosha Rose—Supervisory Division

(Pictured with Deputy Commissioner for Supervision Kevin Hagler, Director for Supervision Lori Godfrey and Commissioner Braswell)



Renee Martin—Administrative Division

(Pictured with Deputy Commissioner for Administration Tracy Whitesides and Commissioner Braswell)



Kevin Vaughn—District 1

(Pictured with Deputy Commissioner for Supervision Kevin Hagler, Commissioner Braswell and Senior Deputy Commissioner Steve Pleger)



Langford Hutcherson—District 2

(Pictured with Senior Deputy Commissioner Steve Pleger, Deputy Commissioner for Supervision Kevin Hagler and Commissioner Braswell)



Janet Bryan—District 4

(Pictured with Senior Deputy Commissioner Steve Pleger, Commissioner Braswell and Deputy Commissioner for Supervision Kevin Hagler)



Frankie Keeling—District 5

(Pictured with Deputy Commissioner for Supervision Kevin Hagler, Commissioner Braswell and Senior Deputy Commissioner Steve Pleger)

Action on Applications for the Month of June:

The following is a summary of official action taken on applications by State Financial Institutions under Chapter 7-1 of the Code of Georgia and petitions for Certificate of Incorporation of Financial Institutions and other matters of interest during the month of June 2012.

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
HeritageBank of the South Albany	Auburn Branch Office 1943 East Glen Avenue Auburn, AL 36830 Lee County	04-27-2012	06-30-2012
HeritageBank of the South Albany	Macon Branch Office 4961 Forsyth Road Macon, GA 31210 Bibb County	06-20-2012	
Resurgens Bank Atlanta	Main Office 3953 Lavista Road Tucker, GA 30084 DeKalb County	06-01-2012	
Hamilton State Bank Hoschton	Oakwood Branch Office 3607 Mundy Mill Road Oakwood, GA 30566 Hall County	06-11-2012	
Ameris Bank Moultrie	Hilton Head Island Branch Office 3 Office Way Hilton Head Island, SC 29928 Beaufort County	06-19-2012	
The Citizens Exchange Bank Pearson	Birmingham Branch Office 800 Shades Creek Parkway Suite 100 Birmingham, AL 35209 Jefferson County	Pending	

FINANCIAL INSTITUTION MERGERS

<u>FINANCIAL INSTITUTION (SURVIVOR)</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL</u>	<u>EFFECTIVE</u>
DOCO Credit Union Albany, GA	Moultrie Employees' Federal Credit Union Moultrie, GA	03-30-2012	06-01-2012
Atlanta Postal Credit Union Atlanta, GA	Smith & Sons Employees Credit Union Macon, GA	Pending	
Credit Union of Atlanta Atlanta, GA	Atlanta Teachers Federal Credit Union Atlanta, GA	05-08-2012	05-31-2012
CGR Credit Union Macon, GA	Central State Hospital Credit Union Milledgeville, GA	Pending	

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

FORMATIONS ONLY

BANK HOLDING COMPANY

Sterne Agee Group, Inc.
Birmingham, AL

TO ACQUIRE

SUM Financial Corporation
Pearson, GA

APPROVAL

Pending

CHECK CASHER LICENSES ISSUED

CITY

Warner Robins
Lyons
Macon
Jonesboro
Duluth
Atlanta
Lawrenceville
Savannah
Wadley
Atlanta
Bloomingdale
Lavonia
Stone Mountain
Atlanta
Marietta
Baldwin
Tifton
East Point
Manchester
Moultrie
Moultrie

APPLICANT NAME

- * 7-11-9 Gas & Food Mart, Inc.
- * Bhanumpai, Inc.
- Christopher Hayes
- City Traders, Inc.
- Domimex Multi Service, LLC
- Fast Pay LLC
- * Frans Financial Service, Inc.
- Gateway Amoco of Savannah, Inc.
- * Harisiddhi Bhavani Inc.
- * Iakwal, Inc.
- Keisook Enterprises, LLC
- * La Michoacana1, LLC
- * SV&Z Investment Inc.
- SW Mart, LLC
- Saher Investments, Inc.
- Sahilansh, Inc.
- * Shree Jay Krishna Krupa Corporation
- * TTC Accounting, LLC
- * Thompson Financial Services, Inc.
- * Tommy's Package Store, Inc.
- * U. S. Food Mart, Inc.

TRADE NAME

- 7-11-9 Gas & Food Mart
- Pop's General Store
- Care Bear Foods
- Mexi Mart
- Domimex
- DMP Package Store
- Noble Food Mart
- County Line Beverage
- Neighborhood Food Mart
- SW Check Cashing
- Eagle Star Business
- Mac's Chevron
- Kenny's Food Mart
- Tommy's Package Store
- U. S. Food Mart

* =Registered (O.C.G.A. 7-1-700 et al)

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The Department is the state agency that regulates and examines banks, credit unions, and trust companies chartered by the State of Georgia. The Department also has regulatory and/or licensing authority over mortgage brokers/processors, lenders and loan originators, money service businesses, 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 the best financial services industry regulator in the country – Progressive. Proactive. Service-Oriented.

We're on the Web!

Visit our website at:

dbf.georgia.gov

Our Motto is: "Safeguarding Georgia's Financial Services"

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