



# FINANCIAL INSTITUTIONS TODAY

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

June 2017

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### Department of Banking and Finance Adopts Final Rules

On June 29, 2017, the Department of Banking and Finance ("Department") adopted Final Rules that have been filed with the Secretary of State's Office. Pursuant to O.C.G.A. § 50-13-6, the Final Rules will be effective on July 19, 2017. Prior to adopting the Rules, the proposed Rules along with a synopsis were distributed on May 25, 2017. The Department received four (4) written comments regarding the proposed Rules. The Department fully considered the comments it received and made substantive revisions to proposed Rule 80-13-1-.02 addressing the capital requirements for trust companies in response to the comments.

The Department believes that the Rules as adopted encourage safety and soundness, promote safe and fair mortgage lending, and conform to the law. To view or download the Final Rules, go to the Regulations page on the Department's website (<http://dbf.georgia.gov/dbf-regulations>) and select the appropriate link for the Final Rules, or you may access them directly from [https://dbf.georgia.gov/sites/dbf.georgia.gov/files/related\\_files/document/DBF-Final-Rulemaking\\_6-29-17.pdf](https://dbf.georgia.gov/sites/dbf.georgia.gov/files/related_files/document/DBF-Final-Rulemaking_6-29-17.pdf).

### Implementation of "Sensitivity to Market Risk" Rating Component for Credit Unions

On June 26, 2017, the Department sent a letter to all Georgia state-chartered credit unions announcing the implementation of the Sensitivity to Market Risk, or "S" component as a separate and distinct regulatory examination component rating, rather than as a factor within the Liquidity component. The letter may be viewed [here](#). The change will go into effect for all examinations commencing after January 1, 2018. The Department's implementation of the "S" component is consistent with the Uniform Financial Institutions Rating System that has been applied to the banking system since 1997. As of May 26, 2017, regulatory agencies in seventeen states have also implemented the use of the "S" component in the credit union CAMEL rating system.

While the National Credit Union Administration (NCUA) has not adopted the "S" component, NCUA Letter to Credit Unions 16-CU-08 states that the timetable for adoption of the "S" component is under review. The Letter further states that removing interest rate risk from the Liquidity component rating and moving it to a standalone "S" component would:

- Increase the clarity and transparency surrounding how interest rate risk and "sensitivity to market risk" are judged by separating them entirely from the liquidity factors;
- Enhance trend analysis and identification of both liquidity and interest rate risk-related threats;
- Improve the allocation of specialized resources toward market risk outliers;
- Impose a negligible regulatory burden on credit unions; and
- Align the NCUA's regulatory approach more closely with peer supervisors.

The Department agrees with the NCUA's analysis and believes implementation of the distinct "S" rating is prudent at this time. The Department will publish additional bulletin articles in the coming months to further clarify the "S" component implementation. Any questions can be submitted to Supervisory Manager Justin McElheney at (770) 986-1643 or [JMcElheney@dbf.state.ga.us](mailto:JMcElheney@dbf.state.ga.us).

### Georgia Bankers' Input Needed on 2017 National Survey

The 2017 National Survey on Community Banks, available at <https://sri.cornell.edu/CB21/2017/>, takes approximately 20 minutes to complete. The Department strongly encourages our community bankers to complete this survey. Thank you to all who have already participated.

## 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 June 2017:

### **APPLICATIONS TO ESTABLISH A BRANCH OFFICE**

<b><u>FINANCIAL INSTITUTION</u></b>	<b><u>BRANCH OFFICE</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>BEGIN BUSINESS DATE</u></b>
DOCU Credit Union Albany	Thomasville 14298 US Highway 19 Thomasville, GA 31757 Thomas County	06-27-2017	
Affinity Bank Atlanta	Main Office 400 Galleria Parkway, Suite 900 Atlanta, GA 30339 Cobb County	Pending	
SunTrust Bank Atlanta	Mouse Creek 655 Paul Huff Parkway NW Cleveland, TN 37312 Bradley County	06-09-2017	
SunTrust Bank Atlanta	Caldwell Crossing 12198 University City Boulevard Harrisburg, NC 28075 Cabarrus County	06-09-2017	
SunTrust Bank Atlanta	Rutland Commons Chamberlayne Avenue & Atlee Road Mechanicsville, VA 23116 Hanover County	06-09-2017	
SunTrust Bank Atlanta	Morristown 230 Dr. Martin Luther King, Jr. Parkway Morristown, TN 37813 Hamblen County	06-09-2017	
SunTrust Bank Atlanta	Purcellville 160 Purcellville Gateway Drive Purcellville, VA 20132 Loudoun County	06-09-2017	
Southeastern Bank Darien	Saint Simons Island 21 Market Street Saint Simons Island, GA 31522 Glynn County	06-02-2017	
First Intercontinental Bank Doraville	Old Denton Road 2541 Old Denton Road Carrollton, TX 75006 Dallas County	03-16-2015	06-05-2017
HALLCO Community Credit Union Gainesville	Flowery Branch 5900 Spout Springs Road Flowery Branch, GA 30542 Hall County	09-28-2016	06-01-2017

Associated Credit Union Norcross	Dawsonville 4200 Dawson Forrest Road Dawsonville, GA 33989 Dawson County	03-08-2017	06-26-2017
The Peoples Bank of Georgia Talbotton	Buena Vista 103 North Broad Street Buena Vista, GA 31803 Marion County	06-06-2017	

**FINANCIAL INSTITUTION MERGERS**

<b><u>SURVIVING INSTITUTION</u></b>	<b><u>MERGED INSTITUTION</u></b>	<b><u>APPROVAL DATE</u></b>	<b><u>EFFECTIVE DATE</u></b>
PrimeSouth Bank Blackshear, GA	Atlantic National Bank Brunswick, GA	Pending	
United Community Bank Blairsville, GA	Horry County State Bank Loris, SC	06-13-2017	
The Piedmont Bank Norcross, GA	Mountain Valley Community Bank Cleveland, GA	Pending	
SRP Federal Credit Union North Augusta, SC	Richmond County Health Department Employees Credit Union Augusta, GA	04-11-2017	06-16-2017
Coosa Valley Credit Union Rome, GA	North Georgia Community Federal Credit Union Ringgold, GA	06-29-2017	
Guardian Bank Valdosta, GA	Pelham Banking Company Pelham, GA	Pending	
CharterBank West Point, GA	Resurgens Bank Tucker, GA	Pending	

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

<b><u>BANK HOLDING COMPANY</u></b>	<b><u>TO ACQUIRE</u></b>	<b><u>APPROVAL DATE</u></b>
United Community Banks, Inc. Blairsville, GA	HCSB Financial Corporation Loris, SC	06-05-2017
Piedmont Bancorp, Inc. Norcross, GA	Mountain Valley Bancshares, Inc. Cleveland, GA	06-06-2017
WB&T Bankshares, Inc. Waycross, GA	PBC Bancshares, Inc. Pelham, GA	Pending
Charter Financial Corporation West Point, GA	Resurgens Bancorp Tucker, GA	Pending

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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**Department of Banking and Finance**

2990 Brandywine Road, Suite 200

Atlanta, Georgia 30341-5565

Phone: (770) 986-1633

Fax: (770) 986-1654 or 1655

<http://dbf.georgia.gov/>