



FINANCIAL INSTITUTIONS TODAY

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

March 2018

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Accounting for Nonaccrual Loans

Financial institutions should establish policies that address the requirements for placing a loan on nonaccrual status, maintaining the loan while on nonaccrual, and restoring the loan to accrual status. Regulatory guidelines require an asset to be reported as being in nonaccrual status if:

- 1) it is maintained on a cash basis because of deterioration in the financial condition of the borrower,
- 2) payment in full of principal or interest is not expected, or
- 3) principal or interest has been in default for a period of 90 days or more unless the asset is both well secured and in the process of collection.

“Well secured” means that a loan is secured by collateral whose realizable value is sufficient to pay principal and accrued interest in full; or by the guaranty of a financially responsible party. “In process of collection” means that collection is proceeding through legal action, including judgement enforcement procedures; or, other collection efforts that are reasonably expected to result in the repayment of the debt or restoration of the loan to current status in the near future.

The treatment of accrued interest for loans placed in nonaccrual status should follow the determination of collectability. Loans with sufficient collateral protection to cover both principal and interest do not require reversal of interest. Loans without sufficient collateral protection, may require reversing all accrued interest.

If payments are received on a loan on which the accrual of interest has been suspended, a determination should be made about whether the payment received should be recorded as a reduction of the principal balance or as interest income. If the ultimate collectability of any portion of the principal is in doubt, any payment received on a loan on which the accrual of interest has been suspended shall be applied to reduce principal to the extent necessary to eliminate such doubt.

Generally, a loan may be restored to accrual status when either principal and interest is collected and the bank expects repayment of the remaining contractual principal and interest; or, when the debt otherwise becomes well secured and in process of collection. Some period of payment performance generally is necessary in order to make an assessment of collectability that would permit returning the loan to accrual status.

Management should also ensure that all payments received while the loan is on nonaccrual are applied in accordance with Generally Accepted Accounting Principles. Management is strongly encouraged to consult with the financial institution’s accountants.

New Cybersecurity Tool for Banks and Credit Unions

The [Financial and Banking Information Infrastructure Committee](#) has developed a [Financial Sector Cyber Exercise Template](#) designed to aid smaller financial sector companies in strengthening their cybersecurity posture by providing a template for carrying out internal cybersecurity exercises. This exercise template is developed to assist companies who wish to use it in not only considering their own internal processes, but also discussing how they can most effectively engage with the national architecture for coordinating responses to significant cybersecurity incidents among government and industry. Use of this tool is entirely voluntary and financial institutions should modify the tool to suit their specific needs.

[NASCUS Summit 2018](#) - The Annual State System Summit for the National Association of State Credit Union Supervisors will be held on July 16-19 at Disney Yacht & Beach Club, Orlando, Florida.

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 March 2018:

FINANCIAL INSTITUTION CONVERSIONS

| <u>PREVIOUS NAME</u> | <u>CONVERTED TO</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|--|--|----------------------|-----------------------|
| Heritage First Bank (Savings Association) | Heritage First Bank Rome, Floyd County | 03-15-2018 | 03-19-2018 |
| GEMC Federal Credit Union | GEMC Credit Union Tucker, DeKalb County | 03-12-2018 | |

APPLICATIONS FOR DISSOLUTION

| <u>FINANCIAL INSTITUTION</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|--|----------------------|-----------------------|
| State Bank of Georgia Fayetteville, GA 30214-1012 | Pending | |
| Southern Bank Sardis, GA 30456-0100 | Pending | |

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

| <u>FINANCIAL INSTITUTION</u> | <u>BRANCH OFFICE</u> | <u>APPROVAL DATE</u> | <u>BEGIN BUSINESS DATE</u> |
|------------------------------|---|----------------------|----------------------------|
| Fidelity Bank Atlanta | Covington 9130 Highway 278 NE Covington, GA 30014 Newton County | 11-09-2017 | 03-30-2018 |
| Fidelity Bank Atlanta | Sugar Hill 255 Peachtree Industrial Boulevard Sugar Hill, GA 30518 Gwinnett County | 03-26-2018 | |
| SunTrust Bank Atlanta | Moores Mill 2275 Marietta Boulevard NW Suite 130 Atlanta, GA 30318 Fulton County | 11-28-2017 | 03-05-2018 |
| SunTrust Bank Atlanta | Aventura 2958 Aventura Boulevard, Unit 5 Aventura, FL 33180 Miami Dade County | 03-05-2018 | |
| SunTrust Bank Atlanta | Caldwell Crossing Branch Office 12198 University City Boulevard Harrisburg, NC 28075 Cabarrus County | 06-09-2017 | 03-02-2018 |
| SunTrust Bank Atlanta | Miller Crossing 15700 SW 56 th Street Miami, FL 33185 Miami Dade County | 03-05-2018 | |

| | | |
|--|---|------------|
| SunTrust Bank Atlanta | Lake Deaton Plaza 750 Kristine Way The Villages, FL 32163 Sumter County | 03-05-2018 |
| First Madison Bank & Trust Colbert | Mars Hill 2456 Mars Hill Road Athens, GA 30677 Oconee County | 03-30-2018 |
| Metro City Bank Doraville | Annandale 7023 Little River Turnpike Annandale, VA 22003 Fairfax County | 03-16-2018 |
| Metro City Bank Doraville | Bellaire Boulevard 9888 Bellaire Boulevard Houston, TX 77036 Harris County | 03-16-2018 |
| The Heritage Bank Hinesville | Jacksonville 10328 Deerwood Park Boulevard Jacksonville, FL 32256 Duval County | 03-22-2018 |
| The Brand Banking Company Lawrenceville | Winder 78 North Broad Street Winder, GA 30680 Barrow County | 03-02-2018 |
| The Piedmont Bank Norcross | Cumming 1045 Peachtree Parkway Cumming, GA 30041 Forsyth County | 03-22-2018 |

APPLICATIONS TO CHANGE LOCATION

| <u>FINANCIAL INSTITUTION</u> | <u>CHANGE LOCATION OF</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|-------------------------------------|--|-----------------------------|------------------------------|
| SunTrust Bank Atlanta | Semmes Avenue From: 1518 Hull Street Richmond, VA 23224 Henrico County To: 1200 Semmes Avenue Richmond, VA 23224 Henrico County | 03-05-2018 | |
| SunTrust Bank Atlanta | Scenic Promenade From: 1905 Scenic Highway Snellville, GA 30078 Gwinnett County To: 1689 Scenic Highway North Snellville, GA 30078 Gwinnett County | 03-05-2018 | |
| SunTrust Bank Atlanta | Dunwoody From: 1710 Mt. Vernon Road Dunwoody, GA 30338 DeKalb County To: 5490 Chamblee Dunwoody Road Dunwoody, GA 30338 DeKalb County | 11-28-2017 | 03-09-2018 |

| | | | |
|--------------------------|---|------------|------------|
| SunTrust Bank Atlanta | Kissimmee From: 3357 West Vine Street Kissimmee, FL 34741 Osceola County | 11-28-2017 | 03-30-2018 |
| | To: 3109 W Vine Street Kissimmee, FL 34741 Osceola County | | |

APPLICATIONS FOR RESERVATION OF A NAME

| <u>PROPOSED NAME</u> | <u>COUNTY</u> | <u>APPLICANT</u> |
|-----------------------------|----------------------|---|
| OneSouth Bank | Early County | Ms. Kim Davis Wilson President & Chief Executive Officer Bank of Early P.O. Box 527 Blakely, GA 39823 |

FINANCIAL INSTITUTION MERGERS

| <u>FINANCIAL INSTITUTION (SURVIVOR)</u> | <u>MERGED INSTITUTION</u> | <u>APPROVAL DATE</u> | <u>EFFECTIVE DATE</u> |
|--|--|---------------------------------|----------------------------------|
| Georgia's Own Credit Union Atlanta, GA | State Bank of Georgia Fayetteville, GA | Pending | |
| Bank of Early Blakely, GA | One South Bank Chipley, FL | Pending | |
| CGR Credit Union Macon, GA | Georgia Power Macon Federal Credit Union Macon, GA | 03-22-2018 | |
| Ameris Bank Moultrie, GA | Atlantic Coast Bank Jacksonville, FL | Pending | |
| Ameris Bank Moultrie, GA | Hamilton State Bank Hoschton, GA | Pending | |
| Guardian Bank Valdosta, GA | Pelham Banking Company Pelham, GA | 03-08-2018 | 03-09-2018 |

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

| <u>BANK HOLDING COMPANY</u> | <u>ACQUISITIONS ONLY TO ACQUIRE</u> | <u>APPROVAL DATE</u> |
|------------------------------------|--|-----------------------------|
| Ameris Bancorp Moultrie, GA | Atlantic Coast Financial Corporation Jacksonville, FL | Pending |
| Ameris Bancorp Moultrie, GA | Hamilton State Bancshares, Inc. Hoschton, GA | Pending |

DBF Outreach and Upcoming Speaking Engagements

GCUA Small Credit Union Summit – Deputy Commissioner for Supervision Melissa Sneed will be speaking at the Georgia Credit Union Affiliates Small Credit Union Summit on April 10, 2018, at Members First Credit Union, Decatur, 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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