



# FINANCIAL INSTITUTIONS TODAY

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

Monthly Bulletin #5

May 2014

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## Due Diligence Prior to Hire

It has come to the Department's attention that financial institutions may have hired individuals from the residential mortgage industry without performing a thorough background check. The Department strongly encourages financial institutions to perform due diligence prior to hiring new employees, including, but not limited to, individuals from the residential mortgage industry, in order to assess suitability for a specific position with consideration of both legal and reputational risks. One resource that may be of assistance in a financial institution's pre-hire due diligence process is the Department's website at <http://dbf.georgia.gov/mortgage-brokers-lenders-and-originators>, where applicants for employment can be easily searched by license number, name, and/or city, for any outstanding cease and desist orders, consent orders, or injunctions imposed by court order. O.C.G.A. § 7-1-1004(o) prohibits mortgage broker or lender licensees and registrants from employing any person against whom a final cease and desist order has been issued within the preceding five years for specified reasons, such as having been convicted of a felony. The prohibition on employment is not directly applicable to banks and credit unions, but due diligence supporting the decision to hire an individual who is subject to final legal or regulatory sanctions that are related to the position in which they are to be employed should be documented and available for examiner review.

Another resource that may contain multi-state information on regulatory administrative actions is the Nationwide Mortgage Licensing System ("NMLS") consumer access website located at <http://www.nmlsconsumeraccess.org/>, which may be searched by name, company, city, state, zip code, NMLS ID, and/or license number.

If you have any question or need additional information on this or other related topics, don't hesitate to contact the Department's supervisory manager assigned to your institution.

### HOLIDAY OBSERVANCE—OFFICE CLOSING

This is a reminder that the Department will be closed on **Friday, July 4th**, for the Independence Day holiday.

## Department Issues Proposed Rulemaking and Provides Opportunity to Comment

On May 9, 2014, pursuant to the provisions of the Georgia Administrative Procedure Act, O.C.G.A. § 50-13-1 *et seq.*, and by the authority of O.C.G.A. §§ 7-1-61, 7-1-690, 7-1-706.1, 7-1-1012 and other cited statutes, the Department gave notice of its intent to adopt new rules.

Comments to the Department must be received by the close of business on **Monday, June 9, 2014**.

The Proposed Rules may be viewed or downloaded from the Department's website at:

<http://dbf.georgia.gov/notice-proposed-rulemaking-and-opportunity-comment-5-9-2014>

## National Credit Union Administration to Assess Fines for Late Call Report Filers

The National Credit Union Administration ("NCUA") has begun the process of assessing civil money penalties for the late filing of first-quarter 2014 Call Reports. According to information published by the NCUA, the number of credit unions filing Call Reports late for the first quarter fell by more than 80 percent from the previous quarter. However, the NCUA's goal is full compliance.

Credit unions that file Call Reports late will receive letters from the NCUA describing the penalties the agency is planning to assess. The NCUA is reviewing each late filing to determine the assessments and whether any mitigating factors exist to warrant forbearance.

In order to avoid being fined or assessed a civil money penalty by the NCUA for a late Call Report filing, the Department urges all credit unions to file accurate and timely Call Reports.

## Emergency Communications System Semi-Annual Test

This is a reminder that the next semi-annual test of the Federal Reserve Bank's Emergency Communications System ("ECS") is scheduled to occur Thursday, June 19, 2014. During this test, mobile phone numbers for Georgia state-chartered bank and credit union emergency contacts will be verified. Individuals identified in the Department's emergency contact database will be informed of the semi-annual test in advance so they will not be alarmed when they receive the test message from ECS.

This is a great time for state-chartered institutions to ensure that their emergency contact information is current with the Department. Please note that the Department's emergency contact database allows a financial institution to store one primary and two alternate contacts. The Department recommends that one individual be assigned as administrator to manage the institution's contact information in the Department's system.

Georgia state-chartered banks can update their information here:

<https://bkgfin.dbf.state.ga.us/BkEmergCont.html>

Georgia state-chartered credit unions can update their information here:

<https://bkgfin.dbf.state.ga.us/CUEmergCont.html>

## Action on Applications for the Month of May:

The following is a summary of official action taken on applications by State Financial Institutions under Chapter 7-1 of the Official Code of Georgia Annotated and petitions for Certificate of Incorporation of Financial Institutions and other matters of interest during the month of May 2014.

### APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL</u>	<u>BEGIN BUSINESS</u>
PeoplesSouth Bank Colquitt	Lynn Haven Branch Office 630 Ohio Avenue Lynn Haven, FL 32444 Bay County	05-06-2014	
PeoplesSouth Bank Colquitt	Mexico Beach Branch Office 1202 Highway 98 Mexico Beach, FL 32456 Bay County	05-06-2014	
Synovus Bank Columbus	CNL Center 1 Branch Office 450 S. Orange Avenue Suite 650 Orlando, FL 32801 Orange County	Pending	
Farmers State Bank Lincolnton	Thomson Branch Office 658 Washington Road Thomson, GA 30824 McDuffie County	05-21-2014	
Ameris Bank Moultrie	Greenville University Branch Office 7800 N. Tigerville Road, Suite A Taylors, SC 29687 Greenville County	04-08-2014	05-05-2014
Fidelity Bank Norcross	Howell Mill Road Branch Office 1583 Howell Mill Road NW Atlanta, GA 30318 Fulton County	05-19-2014	
Fidelity Bank Norcross	Roswell Road Branch Office 214 Roswell Road Marietta, GA 30060 Cobb County	05-19-2014	
Fidelity Bank Norcross	Ponte Vedra Beach Branch Office 3777 Palm Valley Road Ponte Vedra Beach, FL 32082 Saint Johns County	05-19-2014	
Fidelity Bank Norcross	St. Augustine Branch Office 3570 A1A South St. Augustine, FL 32080 Saint Johns County	05-19-2014	
Fidelity Bank Norcross	US Highway 1 Branch Office 1700 US Highway 1 South St. Augustine, FL 32084 Saint Johns County	05-19-2014	

**NOTICE OF CHANGE IN NAME**

<b><u>PREVIOUS NAME</u></b>	<b><u>NEW NAME</u></b>	<b><u>APPROVAL</u></b>	<b><u>EFFECTIVE</u></b>
Greater Rome Bank Rome	Greater Community Bank	04-29-2014	05-15-2014

**FINANCIAL INSTITUTION MERGERS**

<b><u>FINANCIAL INSTITUTION (SURVIVOR)</u></b>	<b><u>MERGED INSTITUTION</u></b>	<b><u>APPROVAL</u></b>	<b><u>EFFECTIVE</u></b>
Community & Southern Bank Atlanta, GA	Verity Bank Winder, GA	Pending	
Community Bank & Trust - West Georgia LaGrange, GA	Community Bank & Trust- Alabama Union Springs, AL	Pending	
State Bank and Trust Company Macon, GA	Bank of Atlanta Atlanta, GA	Pending	
Ameris Bank Moultrie, GA	The Coastal Bank Savannah, GA	Pending	
Northwest Georgia Credit Union Rome, GA	HealthCom Federal Credit Union Dalton, 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</u></b>
<b><u>FORMATIONS</u></b> FIS Wealth Management Services, Inc. Jacksonville, FL	Reliance Financial Corporation Atlanta, GA	Pending
<b><u>ACQUISITIONS</u></b> Ameris Bancorp Moultrie, GA	Coastal Bankshares, Inc. Savannah, GA	Pending

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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](http://dbf.georgia.gov)**

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

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