



FINANCIAL INSTITUTIONS TODAY

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

October 2017

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SAR Filings – Known Criminal Activity

The Department encourages all Georgia state-chartered financial institutions to develop a relationship with local law enforcement, as these relationships are invaluable in the fight against financial crime for both the individual institution and the financial services industry as a whole. However, when law enforcement agencies respond to an incident in process, one which may even result in an arrest of the perpetrator, the institution is not relieved of its responsibility to file a Suspicious Activity Report (SAR) with the Financial Crimes Enforcement Network (FinCEN) when the circumstances of the activity meet federal mandatory reporting requirements.

Banks, bank holding companies, their subsidiaries, and federally-insured credit unions are required by Federal regulations to file a SAR with respect to:

- Criminal violations involving insider abuse in any amount.
- Criminal violations aggregating \$5,000 or more when a suspect can be identified.
- Criminal violations aggregating \$25,000 or more regardless of a potential suspect.
- Transactions conducted or attempted by, at, or through a financial institution or an affiliate and aggregating \$5,000 or more, if the financial institution or affiliate knows, suspects, or has reason to suspect that the transaction:
 - May involve potential money laundering or other illegal activity (e.g., terrorism financing).
 - Is designed to evade the Bank Secrecy Act or its implementing regulations.
 - Has no business or apparent lawful purpose or is not the type of transaction that the particular customer would normally be expected to engage in, and the bank knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

The mandatory requirements listed above would include incidents that result in the arrest of the perpetrator. SAR filings in these instances are not only mandated, but aid law enforcement agencies in their efforts. FinCEN is a robust network and investigators use SAR data to identify patterns of criminal activity that lead to detection of other bad actors or larger criminal organizations.

Georgia state-chartered financial institutions are reminded of Department Rule 80-9-1-.02 Suspicious Activities: State Financial Institutions which requires the filing of a SAR with the Department when a director, officer, employee, principal shareholder, known immediate family member, or related interest or affiliate of such person is involved; a financial institution is suspected of violating the law; or an affiliate or subsidiary of a financial institution is involved. A financial institution should also notify the Department when law enforcement or the financial institution's insurers, including surety companies, have been notified of the underlying activity. Further, the Rule requires financial institutions to comply with federal requirements for detecting and reporting any suspicious activities.

Contact Supervisory Manager Justin McElheney at (770) 986-1643 for any questions concerning this article.

NCUA Guidelines on Credit Union Owned Life Insurance

The National Credit Union Administration (NCUA) has published guidance regarding employee benefits, including credit union owned life insurance, to the NCUA Online Examiner's Guide effective October 2, 2017. This guidance details the risks associated with the various products, regulatory expectations for accounting treatment and pre-purchase analysis, and various other resources. Refer to the Employee Benefits and Investment for Employee Benefits section of the Examiner's Guide at <https://publishedguides.ncua.gov/examiner/Pages/default.htm> for further details.

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 October 2017:

FINANCIAL INSTITUTION CONVERSIONS

<u>PREVIOUS NAME</u>	<u>CONVERTED TO</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
First National Bank South	FNB South Alma, Bacon County	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	Macon 4290 Hartley Bridge Road Macon, GA 31216 Bibb County	10-30-2017	
Fidelity Bank Atlanta	Capital Circle 2101 Capital Circle NE Tallahassee, FL 32308 Leon County	10-30-2017	
SunTrust Bank Atlanta	Fox Mill Centre 6723 Fox Centre Parkway Gloucester, VA 23061 Gloucester County	04-10-2017	10-27-2017
The First Port City Bank Bainbridge	Seminole County 201 S. Woolfork Avenue Donalsonville, GA 39845 Seminole County	11-30-2016	10-02-2017
Planters First Bank Cordele	Albany 110 North Westover Boulevard Suite A Albany, GA 31707 Dougherty County	09-22-2017	10-12-2017
Glennville Bank Glennville	Statesboro 203 Savannah Avenue Statesboro, GA 30458 Bulloch County	09-01-2015	10-02-2017
Bank of Newington Newington	Springfield Georgia Highway 21 S. Springfield, GA 31329 Effingham County	Pending	

APPLICATIONS TO CHANGE LOCATION

<u>FINANCIAL INSTITUTION</u>	<u>CHANGE LOCATION OF</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
First Landmark Bank Marietta	Midtown From: 712 West Peachtree Street Atlanta, GA 30308 Fulton County To: 754 Peachtree Street Atlanta, GA 30308 Fulton County	10-18-2017	

APPLICATIONS TO RESERVE A NAME

<u>PROPOSED NAME</u>	<u>COUNTY</u>	<u>APPLICANT</u>
FNB South	Bacon County	Mr. John W. Sillay James-Bates-Brannan-Groover-LLP 231 Riverside Drive Macon, GA 31201
Trust Company Bank	Cobb County	Mr. Byron Richardson, Principal Bank Resources, Inc. 2451 Cumberland Parkway Suite 3618 Atlanta, GA 30339

FINANCIAL INSTITUTION MERGERS

<u>SURVIVOR</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Entegra Bank Franklin, NC	Chattahoochee Bank of Georgia Gainesville, GA	09-29-2017	10-01-2017
LGE Community Credit Union Marietta, GA	MECU Atlanta, GA	10-12-2017	
Coosa Valley Credit Union Rome, GA	North Georgia Community Federal Credit Union Ringgold, GA	06-29-2017	10-01-2017
Guardian Bank Valdosta, GA	Pelham Banking Company Pelham, GA	Pending	

DBF Outreach and Upcoming Speaking Engagements

Georgia Bankers Association Credit Conference: Commissioner Kevin Hagler will speak at the GBA Credit Conference, to be held at the Renaissance Waverly Hotel, Atlanta, Georgia, on December 7.

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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