

Legislative Oversight Committee
South Carolina House of Representatives
Post Office Box 11867
Columbia, South Carolina 29211
Telephone: (803) 212-6810 • Fax: (803) 212-6811



Restructuring & Seven-Year Plan Report Guidelines

February 27, 2015

COMMITTEE INFORMATION

Committee Information

House Legislative Oversight Committee

Post Office Box 11867

Columbia, South Carolina 29211

Telephone 803-212-6810

Fax 803-212-6811

Also, the agency may visit the South Carolina General Assembly Home Page (<http://www.scstatehouse.gov>) and click on "*Citizens' Interest*" then click on "*House Legislative Oversight Committee Postings and Reports*". This will list the information posted online for the Committee; click on the information the agency would like to review.

<http://www.scstatehouse.gov/citizens.php> (Click on the link for "*House Legislative Oversight Committee Postings and Reports*.")

OVERVIEW: RESTRUCTURING & SEVEN-YEAR PLAN

Background

Pursuant to Section 1-30-10(G)(1), state department and agency governing authorities must submit the following to the Governor and General Assembly:

- “reports giving detailed and comprehensive recommendations for the purposes of merging or eliminating duplicative or unnecessary divisions, programs, or personnel within each department to provide a more efficient administration of government services.” (Annual Restructuring Report, Restructuring Report or ARR)

Pursuant to Section 1-30-10(G)(2), state department and agency governing authorities must submit the following to the Governor and General Assembly:

- “a seven-year plan that provides initiatives and/or planned actions that implement cost savings and increased efficiencies of services and responsibilities within the projected seven-year period.” (Seven-Year Plan)

These questions and instructions are provided for the purposes of fulfilling the agency’s requirement to the House Legislative Oversight Committee under these statutes. **Please note the agency’s response will be published on the General Assembly’s website.**

In completing these documents, having a copy of the Fiscal Year 2012-13 Accountability Report and Fiscal Year 2013-14 Accountability Report the agency submitted to the Executive Budget Office will be helpful.

Submission Process

Please complete the information and answer the questions included on the following pages. Please note at the end there is a request to complete an Excel document with the name of all personnel at the agency who were consulted or performed work to obtain the information utilized when answering the questions in these reports, their title and their specific role in answering the question (i.e., searched the agency documents, asked for information because they are in charge of the department, etc.). Therefore, for efficiency purposes, the agency may want to keep track of this information while answering the questions instead of waiting until the end.

All forms should be submitted electronically by **March 31, 2015**, to the House Legislative Oversight Committee (HCommLegOv@schouse.gov) in both the original format (Word and Excel) and saved as a PDF for online reporting. The signed copy of the Submission Form with a hard copy of the forms and attachments should be mailed to: House Legislative Oversight Committee, Post Office Box 11867, Columbia, South Carolina 29211. Please direct any questions about this process to Jennifer Dobson (jenniferdobson@schouse.gov) or Charles Appleby (charlesappleby@schouse.gov).

OVERVIEW: RESTRUCTURING & SEVEN-YEAR PLAN

Efforts to Avoid Duplication

Please note at the end of each page in this report, the Committee includes the following:

Does the agency already provide the information requested on this page, or similar information, in a report required by a legislative entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency look in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

In the Excel document attached, there is a template to complete any questions which ask for the same information under the tab labeled, "Similar Information Requested." The Committee asks this at the end of every page because if the questions on that page seek information similar to information sought in another report to a legislative entity, we want to know so we may communicate with the legislative entity who requires the other report and determine the most efficient way to avoid duplication in the future.

In addition, notice that one section of this report requests the agency list all other reports it has to submit. The Committee is seeking this information to analyze and determine whether there are any recommendations the Committee may make, in collaboration with the other entities which require reports, in an effort to minimize the burden of all the reporting requirements on the agency while still ensuring all appropriate information is provided.

Looking Ahead

The Restructuring Report, Seven-Year Plan and Oversight Study process are new for 2015. Each year the Committee will review information sought from agencies, the methods through which it is sought and any feedback received from agencies. Through this review, it is the Committee's goal to continually improve its processes and obtain greater effectiveness and efficiency for agencies and the Committee through revisions and updates both in the information it receives and way in which it is collected. The Committee looks forward to working with agencies to provide the most effective and efficient state government for the people of South Carolina.

RESTRUCTURING & SEVEN-YEAR PLAN

Board of Financial Institutions

Date of Submission: March 31, 2015

Please provide the following for this year's Restructuring and Seven-Year Plan Report.

	Name	Date of Hire	Email
Agency Director	Louie A. Jacobs, Commissioner of Banking	July 1, 1991	Louie.Jacobs@banking.sc.gov
	James L. Copeland, Acting Commissioner of Consumer Finance	2010	jim.copeland@bofi.sc.gov
Previous Agency Director	Carl Cleveland, Commissioner of Banking	August 11, 1965	
	C. Dean Bratton, Commissioner of Consumer Finance	1992	

	Name	Phone	Email
Primary Contact:	Louie A. Jacobs	803-734-2001	Louie.Jacobs@banking.sc.gov
Secondary Contact:	James L. Copeland	803-734-2020	jim.copeland@bofi.sc.gov

Is the agency vested with revenue bonding authority? (re: Section 2-2-60(E))	No
--	----

I have reviewed and approved the enclosed 2015 Restructuring and Seven-Year Plan Report, which are complete and accurate to the extent of my knowledge.

Current Agency Director
(Sign/Date):

(Type/Print Name):

Louie A. Jacobs
James L. Copeland

If applicable,
Board/Commission
Chair
(Sign/Date):



(Type/Print Name):

Curtis M. Loftis, Jr.

TABLE OF CONTENTS

I. Executive Summary	1
Historical Perspective	1
Purpose, Mission & Vision	1
Key Performance Measurement Results	1
II. Organizational Profile	3
III. Laws (Statutes, Regulations, Provisos)	6
IV. Reports & Reviews	6
V. Key Performance Measurement Processes	7
VI. Seven-Year Plan	
General	17
Recommended Changes	17
Additional Information	19
VII. Charts Appendix	21

EXECUTIVE SUMMARY

I. Executive Summary

A. Historical Perspective

1. Please complete the Historical Perspective Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Historical Perspective." In this chart the Committee is asking the agency to provide a bullet style list of any major changes in the agency's purpose or mission and any restructuring that occurred (i.e., combining with or taking on other agency responsibilities, etc.) during the last ten years.

B. Purpose, Mission and Vision

1. Please complete the Purpose/Mission/Vision Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Purpose, Mission." The other specifics are included in the template.

C. Key Performance Measure Results

1. After completing the Key Performance Measurement Processes Section of this Report, please come back to this question and provide a summary of the results (bullet style results only, explanations should be included in the Key Performance Measurement Processes Section).
 - The agency monitors the safety and soundness of financial institutions under its jurisdiction.
 - The agency obtains completed applications that conform to all statutory requirements so that they can be processed and licenses issued.
 - The agency meets statutory requirements for examining all Mortgage Lenders and their Originators, Consumer Finance Companies, Deferred Presentment Service Providers and Check Cashing Service providers.
 - The agency supervises financial institutions in a cost effective manner.
 - The agency approves complete applications in a timely manner.
 - The agency examines licensees in a timely and efficient manner.
 - The agency processes all financial institution applications for new branches and holding company acquisitions in a timely manner.
 - The agency keeps industry aware of licensing requirements and verifies these requirements are met before a license is issued.

- The agency completes a thorough examination of each licensee in order to reveal any deficiencies that might exist so that the consumer can be made whole and the deficiency can be avoided in the future.
- The agency has developed and retained a competent, motivated staff. In Fiscal Year 2014, the agency had an employee turnover ratio of only 2%.
- The agency has a well-trained staff, with agency employees receiving an average of 50 hours of training per year.
- The agency has strong, efficient internal processes in place.
- The agency continues to develop the mortgage regulation program to meet best in class practices.

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

ORGANIZATIONAL PROFILE

II. Organizational Profile

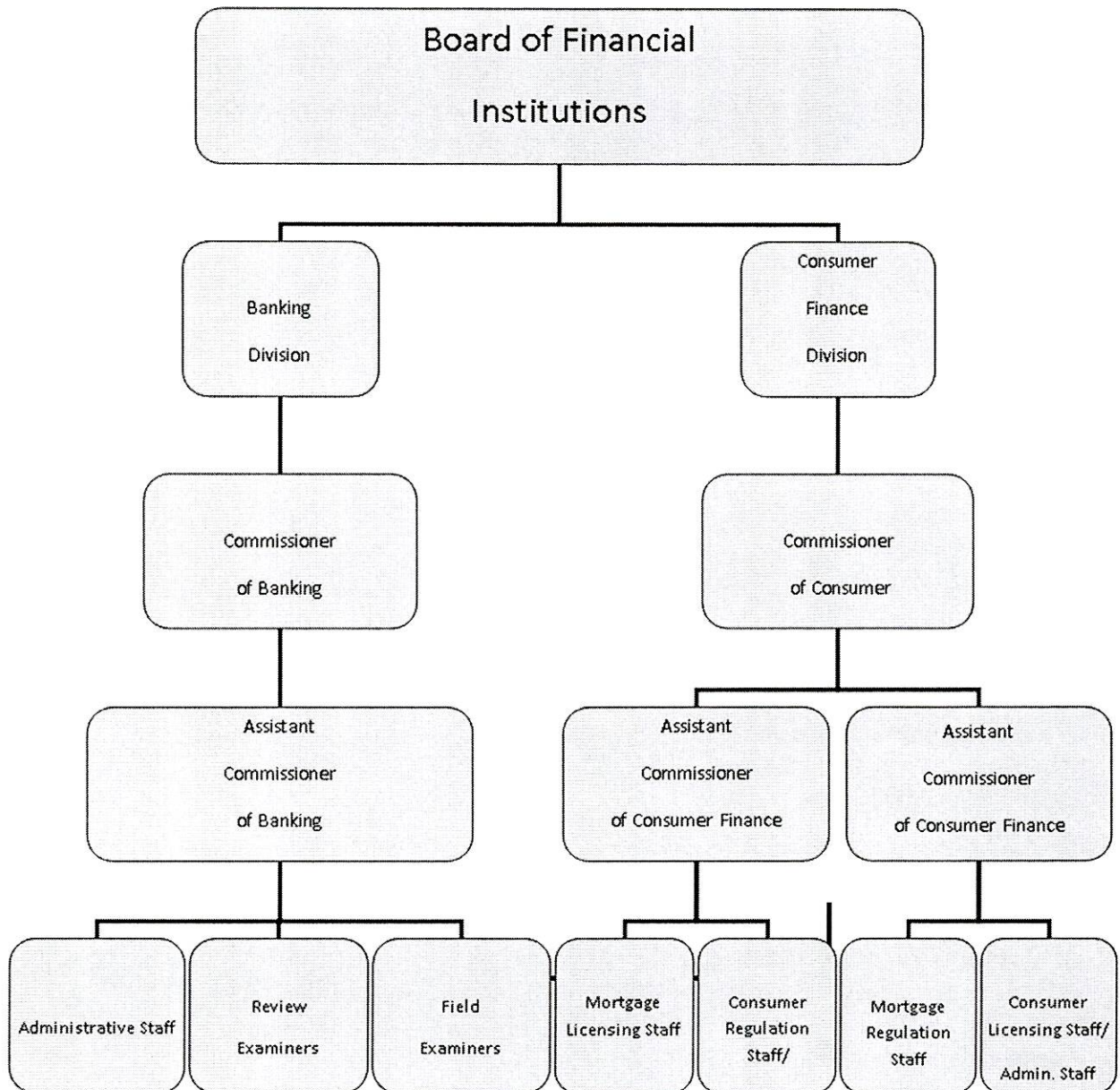
This section asks for a fact based description of the agency. Please provide information in the stated Excel template. If an Excel template is not referenced, provide the information in bullet style.

1. The agency's main deliverables (i.e., products or services) and the primary methods by which these are provided;
 - a. Complete the Key Deliverables Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Key Deliverables."
2. The agency's key customers and their requirements and expectations;
 - a. Complete the Key Customers Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Key Customers;"
3. The agency's key stakeholders (other than customers);
 - a. Complete the Key Stakeholders Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Key Stakeholders;"
4. Other state agencies which have the biggest impact on the agency's mission success;
 - a. Complete the Key Partner Agency Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Key Partner Agencies."
5. The agency's performance improvement system(s);

The major system of performance improvement involves obtaining feedback from employees and customers. In order to set organizational priorities for improvement, senior leadership evaluates performance measures, employee feedback, customer feedback, and input from regulated institutions. Once the priorities for improvement have been set, senior leadership communicates the priorities to staff members through meetings, individual discussions, and memorandums. Within the guidelines of the agency, employees may use discretion in the performance of their jobs in order to give the employees a feeling of empowerment and to encourage innovation within the agency. New employees receive on-the-job training and attend courses to enhance their knowledge of the job. Input from employees concerning areas where additional training or learning is needed is obtained from individual and group interaction through meetings and discussions. As a result of this input, additional in-house training classes are given and employees attend training sessions offered by the Federal Deposit Insurance Corporation or similar organizations. Cross training and rotational assignments are also used to improve performance.

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

6. The agency's organizational structure in flow chart format;



7. Details about the body to whom the Agency Head reports;

- a. Complete the Overseeing Body Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Overseeing Body-General" and "Overseeing Body-Individual Member."

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

8. Please complete the Major Program Areas Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Major Program Areas."
9. Please identify any emerging issues the agency anticipates may have an impact on its operations in the upcoming five years.

Changes in financial products and services may impact the agency's operations in the upcoming five years. The agency strives to keep abreast of changes in financial products and services in order to conduct thorough and comprehensive examinations. These changes could require additional training for employees and changes in examination processes. In addition, changes in the economy can impact the condition of the agency's regulated institutions and therefore impact the agency. Changes in federal law or regulations, particularly regarding consumer lending, continue to regularly impact the agency and require both additional training and modification of examination procedures. Programs and procedures are periodically reviewed and measures are implemented to address changes in the financial industry and the economic environment.

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

ORGANIZATIONAL PROFILE

III. Laws (Statutes, Regulations, Provisos)

This section asks for state and federal statutes, regulations and provisos ("Laws") which apply to the agency.

1. Please complete the Legal Standards Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Legal Standards." In this Chart, please list all state and federal statutes, regulations and provisos that apply to the agency ("Laws"). The other specifics are included in the template.

IV. Reports and Reviews

This section asks for information about reports the agency is required to submit to a legislative entity and the agency's internal review process.

1. Please complete the Agency Reporting Requirements Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Agency Reporting Requirements." In this Chart, please list all reports, if any, the agency is required to make to a legislative entity. The specifics as to each report are included in the template.
2. Please complete the Internal Audit Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Internal Audits."

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

RESTRUCTURING REPORT

V. Key Performance Measurement Processes

This category examines the agency's performance and improvement in key areas. Performance levels are examined relative to those of competitors and other organizations providing similar programs and services. Information is typically displayed by the use of performance measures. Quantitative measures may be supplemented by a discussion of qualitative measures where appropriate; however, every effort should be made to use appropriate quantitative measures that can be charted to show trends and comparisons to benchmarks.

Address only top-level results showing aggregate measures of agency-wide performance that are reflective of the value added to customers. Please include comparative data as applicable. These results are typically captured in performance goals and planning documents. When determining which processes are "key processes" consider the business impacts, and select those processes that are most important to the customer (both internal and external) to satisfy their requirements and/or those processes with problem areas identified by management.

Note: Results information (i.e., each chart, graph, table) reported for this category should be referenced to the specific question number (Ex. Chart 5.1-1, Graph 5.1-2, Table 5.1-3). The third digit identifies the sequential position of the specific chart, graph or table included in the agency's responses to each questions.

For each performance measurement included in response to the questions on the next page under Subsection A, please provide the following information:

- a. The performance goal(s)/benchmark(s) for the overall process output, and/or critical activities that produce the output.
 - i. Three agency/government entities in other states or non-government entities the agency considers the best in the country in this process or similar process and why.
 - ii. If the agency did not use results from an entity the agency listed in response to "i" as a performance goal/benchmark, why not and why did the agency choose the goal/benchmark it did?
 - iii. Individual(s) who are not employed by the agency (government or non-government, located anywhere in the country) whom the agency considers an expert in the process or similar process and their contact information, or if deceased, name of books authored.
- b. List the senior leaders who review the performance measure, their title and frequency with which they monitor it.
- c. Trends the agency has seen and the method by which it analyzes trends in these results.
- d. Whether the agency has reasonable control over this result (i.e., more than 50% or enough to be able to influence and accurately measure the result).
 - i. If the agency does not have reasonable control over this result, the other one or more agencies, who when combined with the agency, together have reasonable control over the result and names of those other agencies.

RESTRUCTURING REPORT

V. Key Performance Measurement Processes (cont.)

A. Results of Agency's Key Performance Measurements

Mission Effectiveness

1. What are the agency's actual performance levels for two to four of the agency's key performance measurements for mission effectiveness (i.e., a process characteristic indicating the degree to which the process output (work product) conforms to statutory requirements (i.e., is the agency doing the right things?))?

One goal of the agency is to monitor the safety and soundness of financial institutions under the agency's jurisdiction. This goal is achieved through examinations of financial institutions within the timeframes required by law. In 2014, the agency's goal was to examine 32 financial institutions, and this goal was exceeded. The agency considers the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank (FRB), and the Office of the Comptroller of the Currency (OCC) to be the best in the country in this process. The FDIC examined a similar number of South Carolina State chartered banks in 2014. The agency does not have information available from the FRB and the OCC to use as benchmarks. Louie Jacobs, Commissioner of Banking, and Kathy Bickham, Assistant Commissioner of Banking, review this performance measure monthly. The trend for the number of institutions examined has been fairly steady, and institutions have been examined as required by law. The agency has reasonable control over this result.

Licensing - The Agency's goal is to obtain complete applications that conform to all statutory requirements so that they can be processed and licenses issued. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Jim Copeland, Acting Commissioner – Consumer Finance Division, oversees the licensing department. Progress of the Agency is monitored on a daily basis. The trend for applications is steady. There has not been a major change in any laws or in the marketplace that would affect licensing. The Agency has little control over applicants supplying the Agency with complete applications but does have reasonable control over the actual processing of those applications.

Regulation - The Agency's goal is to meet statutory requirements for examining all non-bank Mortgage Lenders and their Originators, Consumer Finance Companies, Deferred Presentment Service Providers and Check Cashing Service providers. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Carl Jeffcoat, Assistant Commissioner – Consumer Finance Division, oversees the regulation

department. Progress of the Agency is monitored on a daily basis. The trend for the industry is that regulation is growing. The federal Consumer Financial Protection Bureau (CFPB) is releasing new rules and procedures on a regular basis which directly affects the Agency's ability to examine licensees for compliance. The Agency has reasonable control over the scheduling and completion of compliance examinations.

Mission Efficiency

2. What are the agency's actual performance levels for two to four of the agency's key performance measurements for mission efficiency (i.e., a process characteristic indicating the degree to which the process produces the required output at minimum resource cost (i.e., is the agency doing things right?)) including measures of cost containment, as appropriate?

The agency strives to supervise financial institutions in a cost effective manner. In 2014, the agency's goal was to supervise banks at an average cost of less than \$40,000 per bank, and this goal was met. The agency considers the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank (FRB), and the Office of the Comptroller of the Currency (OCC) to be the best in the country in this process. The agency does not have information available from these agencies to use as benchmarks, and the FDIC includes its supervisory costs in its insurance premiums. Louie Jacobs, Commissioner of Banking, and Kathy Bickham, Assistant Commissioner of Banking, review this performance measure monthly. The trend for the agency's supervisory costs has been fairly steady. The agency has reasonable control over this result.

Licensing - The Agency's goal is to approve complete applications in a timely manner. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Jim Copeland, Acting Commissioner – Consumer Finance Division, oversees the licensing department. Progress of the Agency is monitored on a daily basis. The industry best practice is an average of 45 days. Currently the Agency processes applications in 26 days. The Agency has a degree of control of processing applications on a timely basis. The Agency has already invested time and resources in this area to achieve these results.

Regulation - The Agency's goal is to examine licensees in a timely and efficient manner. The licensee to examiner ratio for the Agency is 613 to 1. The ratios of neighboring states are significantly lower. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Carl Jeffcoat, Assistant Commissioner – Consumer Finance Division, oversees the regulation department. Progress of the Agency is monitored on a daily basis. The trend for the industry is an increase in examiners and examinations. As rules change and become more complex, the number of

examiners and the amount of training required will continue to increase. The Agency has reasonable control over the efficiency with which examinations are completed.

Quality (Customer Satisfaction)

3. What are the agency's actual performance levels for two to four of the agency's key performance measurements for quality (i.e., degree to which a deliverable (product or service) meets customer requirements and expectations (a customer is defined as an actual or potential user of the agency's products or services)) for the agency as a whole and for each program listed in the agency's Major Program Areas Chart?

The agency's goal is to process all financial institution applications for new branches and holding company acquisitions in a timely manner, and this goal was achieved in Fiscal Year 2014. The agency considers the FDIC, the FRB, and the OCC to be the best in the country in this process, but the agency does not have information available from these agencies to use as benchmarks. Louie Jacobs, Commissioner of Banking, reviews this performance measure monthly. The trend for this goal has been fairly steady. The agency has reasonable control over this result.

Licensing - The Agency's goal is to keep industry aware of licensing requirements and verify these requirements are met before a license is issued. The Agency continues to update information on its websites and keeps staff well informed of any changes. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Jim Copeland, Acting Commissioner – Consumer Finance Division, oversees the licensing department. Progress of the Agency is monitored on a daily basis. There has been a trend of improved quality in the industry due to technology. The Agency has a degree of control on quality. The Agency has already invested time and resources in this area to achieve these results.

Regulation - The goal of the Agency is to complete a thorough examination of each licensee and reveal any deficiencies that might exist so that the consumer can be made whole and the deficiency can be avoided in the future. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Carl Jeffcoat, Assistant Commissioner – Consumer Finance Division, oversees the regulation department. Progress of the Agency is monitored on a daily basis. The trend for the industry is that of increasing supervision and increasing participation by licensees. Lenders are investing more in compliance by way of compliance professionals and compliance management systems. The Agency has reasonable control over the quality of its examinations.

Workforce Engagement

4. What are the agency's actual performance levels for two to four of the agency's key performance measurements for workforce engagement, satisfaction, retention and development of the agency's workforce, including leaders, for the agency as a whole and for each program listed in the agency's Major Program Areas Chart?

The agency's goal is to have an employee turnover ratio of no more than 10%. This goal was met in Fiscal Year 2014 when the agency's turnover ratio was 2%, with a turnover ratio of 0% for the Banking Division and a turnover ratio of 5% for the Consumer Finance Division. The agency considers the FDIC, the FRB, and the CFPB to be the best in the country in this process. In 2012 the FDIC's turnover rate was 6.2% and in 2013 its turnover rate was 5.9%. Turnover rates for the other agencies were not available. Louie Jacobs, Commissioner of Banking, and Jim Copeland, Acting Commissioner of Consumer Finance, review this performance measure quarterly. Turnover trends tend to follow the economy – when the economy is doing well and more jobs are available, turnover is higher. The agency has reasonable control over these results. This result is also influenced by whether or not salary increases are given by the legislature.

Licensing - The Agency's goal is to develop and retain a competent, motivated licensing team. This is accomplished by conference calls, webinars, online training, onsite training and annual schools & conferences. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Jim Copeland, Acting Commissioner – Consumer Finance Division, oversees the licensing department. Progress of the Agency is monitored on a daily basis. The industry trend is to have a well trained workforce. The Agency has some control over retentions but lack of incentive programs/promotion opportunities has led to some turnover in the Agency.

Regulation - The Agency's goal is to develop and retain a competent, motivated examination team. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Carl Jeffcoat, Assistant Commissioner – Consumer Finance Division, oversees the regulation department. Progress of the Agency is monitored on a daily basis. The trend for the industry is currently one of movement. A number of employees from state regulators have joined the federal CFPB leaving a void behind at the state level. Because of the technical nature of the Agency's work and the financial limitations associated with state government it is difficult to recruit qualified individuals for open positions at the salary levels available. At this time the needs of the Agency are being met by current staff. Retention of that staff is key to the future success of the Agency. The Agency has limited but reasonable control over the engagement of its workforce.

Operational/Work System Performance

5. What are the agency's actual performance levels for two to four of the agency's key performance measurements for operational efficiency and work system performance (includes measures related to the following: innovation and improvement results; improvements to cycle or wait times; supplier and partner performance; and results related to emergency drills or exercises) for the agency as a whole and for each program listed in the agency's Major Program Areas Chart?

In order to improve operational efficiency, the agency's goal is to have a well-trained workforce. To accomplish this, the agency's target is an average of 40 hours of training per employee per year. In FY 2014, agency employees received an average of 50 hours of training per employee in both the Banking and Consumer Finance Divisions. The agency considers the FDIC, the FRB, and the CFPB to be the best in the country in this process; however, training rates for the other agencies were not available. Louie Jacobs, Commissioner of Banking, and Jim Copeland, Acting Commissioner of Consumer Finance, review this performance measure monthly. The number of hours of training employees receive has been on an increasing trend, and the agency has reasonable control over these results.

Licensing - The Agency's goal is to have strong efficient internal processes in place. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Jim Copeland, Acting Commissioner – Consumer Finance Division, oversees the licensing department. Progress of the Agency is monitored on a daily basis. The industry trend is to make work processes paperless and use technology effectively. The Agency has a degree of control on operational/work system performance. The Agency uses checklists and databases to ensure smooth workflow. The use of technology such as the Onbase electronic storage system has allowed for a move to paperless operation and made access to all data more readily available.

Regulation - The Agency's goal is to continue development of the mortgage regulation program to meet best in class practices and to continue to expand upon consumer regulation effectiveness and efficiency. The 3 agencies that are viewed as best in class can be found in Grid 1.0. Carl Jeffcoat, Assistant Commissioner – Consumer Finance Division, oversees the regulation department. The trend for the industry is that of change. As the federal CFPB issues more rules and changes procedures, lenders are having to change their programs and processes. Mortgage companies are becoming more automated in their process. Meanwhile consumer lenders are turning to the internet for transacting business. The Agency has reasonable control over the development of its process and procedures. Increased automation has allowed for increased access to information across the agency. Examiners are provided training through webinars, conference calls, on-site & offsite training, and national schools & conferences.

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

Massachusetts	Tom Brennan	617-956-1500	Chief Director
Connecticut	Rich Cortez	860-240-8138	Principal Financial Examiner
Washington	Deb Bortner	360-902-0511	Director of Consumer Services
<p>The Division considers Massachusetts, Connecticut and Washington as industry leaders in mortgage licensing and regulation. These are all large agencies that have been regulating the industry for over 20 years. In addition, they have in-house legal counsel which allows them to interpret their respective laws. These states continue to be the benchmark.</p>			
Indiana	Mark Tarpey	317-232-5856	Supervisor, Consumer Credit Division
Pennsylvania	Jim Keiser	717-783-8242	Administrator Non-Depository Institutions
Texas	Leslie Pettijohn	512-936-7640	Commissioner – TX Office of Consumer Credit
<p>The Division considers Indiana, Pennsylvania and Texas as industry leaders in consumer licensing and regulation. These are all large agencies that have been regulating the industry for over 50 years. In addition, they have in-house legal counsel which allows them to interpret their respective laws. These states continue to be the benchmark.</p>			

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

RESTRUCTURING REPORT

V. Key Performance Measurement Processes (cont.)

B. Most Critical Performance Measures

1. Of the key performance measurement processes listed in Subsection A., which are the three most critical to achieving the overall mission of the agency?

The three most critical goals to achieving the overall mission of the agency are to monitor the safety and soundness of financial institutions under the agency's jurisdiction, to obtain complete applications that conform to all statutory requirements so that they can be processed and licenses issued, and to meet statutory requirements for examining all non-bank Mortgage lenders and their Originators, Consumer Finance Companies, Deferred Presentment Service Providers and Check Cashing Service providers.

C. Databases/Document Management

1. List all electronic databases/document management/business intelligence systems or programs utilized by the agency, including, but not limited to all relational database management systems.

The agency is a Division of Technology Operations (DTO) infrastructure customer. Therefore, DTO manages all of the agency's IT needs. The agency utilizes a community drive (K Drive) for storage of general daily operating data. Any confidential data stored on this drive is password encrypted. Each individual employee has a small partition (J drive) they may use for data accessible only to them.

The Consumer Finance Division has a sequel database managed by DTO that is used to store public licensing information and a secure partition (Onbase) used to store confidential data in image form. All data is backed up by DTO on a regular basis. Further technical information may be provided by DTO at the committee's request.

The Banking Division utilizes examination software that was developed by Federal financial institution regulatory agencies. The ALERT software (provided by the FDIC) allows examiners to efficiently evaluate banks' loan portfolio data. The Genesys software (provided by the FDIC) allows examiners to efficiently document bank examination findings in a standard reporting format. The Aries software (provided by the National Credit Union Administration) allows examiners to efficiently evaluate credit unions' loan portfolio data and complete examination reports.

D. Recommended Restructuring

Consider the process taken to review the agency's divisions, programs and personnel to obtain the information contained in response to all the previous questions in the Restructuring Report ("Process").

1. Yes or No, based on the information obtained and analysis performed during the Process, does the agency have any recommendations for restructuring (either that it could do internally or that would need the assistance of revised or new legislation) that would merge or eliminate duplicative or unnecessary divisions, programs, or personnel within each department of the agency to provide a more efficient administration of government services?

Yes.

- a. If yes, please provide the agency's suggestions.

The Board of Financial Institutions recommends a single agency head structure under the leadership of an executive director who will be supported by two deputy commissioners. The executive director will serve as the chief administrative officer, direct day-to-day operations and management. By way of contrast, the Board has for some time been treated as having a disjointed structure comprised of two separate agency heads-the divisions of Banking and Consumer Finance-each of which has its own staff, administrative functions, and individual "agency head" who reports directly to the Board. However, the Board is treated as a single agency with regards to appropriations, budgetary needs, and annual accountability reports.

The Board's rationale for recommending a single agency head structure is quite simple. The Board finds the dual agency head structure results in duplicative administrative staff and inherent operational inefficiencies. The implementation of a single agency head structure would, among other things: streamline administrative functions; increase operational efficiency; enhance agency leadership; strengthen strategic direction through mission-focused leadership; and enhance outreach to key stakeholders, constituents, elected officials, industry leaders, and business officials. At a broader level, the Board believes the organizational change is prudent and necessary to allow the Board to more effectively carry out its statutory duties and agency mission. The Board is also the only agency covered by the Agency Head Salary Commission with two agency heads.

The Restructuring & Seven-Year Plan Report provides an excellent opportunity to address the inefficiencies and duplicative functions of a single agency with two heads. With the help of the General Assembly, legislation could bring clarity to the agency structure by stating “the Board of Financial Institutions is led by a single agency head”.

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, “Similar Info Requested.”

SEVEN-YEAR PLAN

VI. Seven-Year Plan

A. General

1. Yes or No, does the agency have a plan that provides initiatives and/or planned actions the agency will take during the next seven fiscal years that implement cost savings and increased efficiencies of services and responsibilities in order to continually improve its ability to respond to the needs of the state's citizens?

No; however, the agency will continue to utilize current cost savings measures and to efficiently serve the public of South Carolina.

If yes, go to Current/Recommended Actions Section.

If no, skip Current/Recommended Actions Section and go to Additional Questions.

B. Current/Recommended Actions

1. Describe all of the actions the agency is currently taking and plans it has for initiatives and actions during the next seven fiscal years to work to achieve greater efficiency in its operations in order to continually improve its ability to respond to the needs of the state's citizens? In this description, provide the names of all personnel who are responsible for overseeing the actions and plans.
2. What are the anticipated cost savings and/or efficiencies that would be achieved by each action?
3. Is legislative action required to allow the department/agency to implement the current or recommended actions?
4. If legislative action is required, please explain the constitutional, statutory or regulatory changes needed.
5. Describe the agency actions that will be implemented to generate the desired outcomes for each recommendation.
6. What is the timeline for implementation of the change and realization of the anticipated benefits for each recommended action/change?

Now go to Additional Questions.

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

VI. Seven-Year Plan (cont.)

C. Additional Questions

1. What top three strategic objectives of the agency will have the biggest impact on the agency's effectiveness in accomplishing its mission?

A. Continued training and education of all staff. B. Enhanced use of technology to increase efficiency in license application processing and to strengthen examination quality. C. Monitoring the safety and soundness of financial institutions and licensees under the Board's jurisdiction.

2. What are the fundamentals required to accomplish the objectives?

A. Maintaining competent staffing levels and sufficient training budget allocation. B. Receiving appropriate IT support through the Division of Technology Operations as an infrastructure customer. C. Hiring and retaining qualified employees.

3. What links on the agency website, if any, would the agency like listed in the report so the public can find more information about the agency?

www.banking.sc.gov

www.consumerfinance.sc.gov

<http://mortgage.nationwidelicensingsystem.org>

4. Is there any additional information the agency would like to provide the Committee or public?

The agency is the only one in South Carolina licensing and regulating financial institutions.

5. Consider the process taken to review the agency's divisions, programs and personnel to obtain the information contained in response to all the previous questions in the Restructuring Report and Seven-Year Plan ("Process"). State the total amount of time taken to do the following:

- a. Complete the Process *sixty (60 hours)*
- b. Complete this Report *fifty two (52 hours)*

6. Please complete the Personnel Involved Chart. In the Excel document attached, there is a template to complete under the tab labeled, "Personnel Involved." Please list the name of all personnel at the agency who were consulted or performed work to obtain the information utilized when answering the questions in the Restructuring and Seven-Year Plan Report and their title and their specific role in answering the question (i.e., searched the agency documents, asked for information because they are in charge of the department, etc.).

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

CHARTS APPENDIX

VII. Excel Charts

Please send an electronic copy of the entire Excel Workbook and print hard copies of each of the Charts to attach here. Please print the charts in a format so that all the columns fit on one page. Please insert the page number each chart begins on below.

Similar Information Requested Chart _____	22
Historical Perspective Chart _____	23
Purpose, Mission Chart _____	24
Key Products Chart _____	25
Key Customers Chart _____	26
Key Stakeholders Chart _____	27
Key Partner Agency Chart _____	28
Overseeing Body Chart (General and Individual Member) _____	29
Major Program Areas Chart _____	31
Legal Standards Chart _____	32
Agency Reporting Requirements Chart _____	34
Internal Audits Chart _____	35
Personnel Involved Chart _____	36

Does the agency already provide the information requested on this page, or similar information, in a report required by another entity? If yes, add the appropriate information to the Similar Information Requested Chart. If the agency looks in the Excel document attached, there is a template for the agency to complete for any questions which ask for the same information under the tab labeled, "Similar Info Requested."

Agency Name: Board of Financial Institutions
 Agency Code: R230
 Agency Section: 79

Similar Information Requested Chart

INSTRUCTIONS: Please provide details about other reports which investigate the information requested in the Restructuring Report. This information is sought in an effort to avoid duplication in the future. In the columns below, please list the question number in this report, name of the other report in which the same or similar information is requested, section of the other report in which the information is requested, name of the entity that requests the other report and frequency the other report is required. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Restructuring Report Question #	Name of Other Report	Section of Other Report	Entity Requesting Report	Freq. Other Report is Required
Board of Financial Institutions	I.B.1	Accountability Report	Agency's Discussion and Analysis	Executive Budget Office	Annually
Board of Financial Institutions	II. 8	Accountability Report	Program Template	Executive Budget Office	Annually
Board of Financial Institutions	V.	Accountability Report	Performance Measurement Template	Executive Budget Office	Annually

Historical Perspective Chart

INSTRUCTIONS: Please provide information about any restructuring or major changes in the agency's purpose or mission **during the last ten years**. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Year	Description of Restructuring that Occurred	Description of Major Change in Agency's Purpose or Mission
Board of Financial Institutions	2010	Non-depository Mortgage Lender/Service licensing and regulation began.	With the passage of the Mortgage Lending Act in 2009, the Consumer Finance Division was tasked with licensing and regulating all non-depository Mortgage Lender/Service, their Branches and Mortgage Loan Originators. This greatly increased the Division's responsibilities.
Board of Financial Institutions	2009	Deferred Presentment Act was amended.	The act went into effect in 2010 and statutes were amended to included a deferred presentment database, eligibility inquiries, notification of transactions, extended payment plans, and total amount advanced to the consumer. The overall effect was a reduction in deferred presentment activity. As a result, the examination time frame increased due to additional requirements / reporting while the number of licensees decreased.

Purpose/Mission/Vision Chart

INSTRUCTIONS: Provide information about the date the agency, in its current form, was initially created and the present purpose, mission and vision of the agency, with the date each were established in paranethesis. The Legal Standards Cross Reference column should link the purpose, mission and vision to the statutes, regulations and provisos listed in the Legal Standards Chart, which they satisfy.

Agency Submitting Report	Date Agency created	Purpose	Mission	Vision	Legal Standards Cross References
Board of Financial Institutions	Banking Division - 1933; Consumer Finance Division was added in 1962	The key goal of the Board of Financial Institutions is to supervise financial institutions under its jurisdiction, including banks, trust companies, savings and loan associations, savings banks, credit unions, non-depository mortgage lenders/servicers and their branches and loan originators, consumer lenders, deferred presentment service providers, and check cashing service providers	The mission of the agency is to serve the citizens of the State of South Carolina by preserving a sound State chartered financial community and protecting the borrowing public by ensuring that the state banking and consumer finance laws and regulations are followed.	The Board's vision is (1) to complete the Board's supervisory responsibilities in a cost-effective manner and to coordinate with Federal regulators such as the Federal Deposit Insurance Corporation, the Federal Reserve, the National Credit Union Administration, and the Consumer Financial Protection Bureau to have a smooth regulatory process; (2) to enhance the use of technology and to maintain a well trained staff; and (3) to work closely with the SC Department of Consumer Affairs supplying and distributing educational information to consumers regarding foreclosure prevention and homeowner assistance.	Purpose: All Mission: All Vision: All

INSTRUCTIONS: Provide information about the agency's key deliverables (i.e. products or services); primary methods by which these are delivered; and, as applicable, actions that may reduce the general public and/or other agencies initial or repetitive need for the deliverable. List each deliverable on a separate line. If there are multiple ways in which the deliverable is provided, list the deliverable multiple times with each delivery method on a separate line. In the "Three Greatest" column, indicate and rank the three most significant deliverables the agency brings to the people of South Carolina with #1 being the most significant. For the deliverables which are not one of three most significant, do not put anything in this column. The Major Program Areas Cross References Column should link the deliverable to the major program area, in the Major Program Areas Chart, within which that product or service is provided. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Item #	Deliverable (i.e. product or service)	Three Most Significant (#1, #2, #3)	Primary Method of Delivery	What can be done to reduce the general public and/or other agencies initial need for this deliverable? (i.e. preventive measures before the citizen or agency needs to come to the agency)	What can be done to reduce the general public and/or other agencies need to return for this deliverable? (i.e. preventive measures to ensure they do not need to come back to the agency for this service or product after already receiving it once)	If deliverable is identified as one of the three most significant, what would allow the agency to focus on it more?	Major Program Areas Cross Reference
Board of Financial Institutions	1	To assure that financial institutions are available to receive deposits from and to make loans to qualified customers to meet their financial needs.		Through examination of financial institutions to ensure their safety and soundness.	N/A	N/A	N/A	Banking Examiners
Board of Financial Institutions	2	To assure that mortgage lenders, supervised and restricted lenders meet necessary requirements to provide loans to qualified customers.		Through examination of these entities to ensure compliance with statute and protection of customers.	N/A	N/A	N/A	Consumer Finance
Board of Financial Institutions	3	To assure that qualified entities are available to provide deferred presentment and check cashing services.		Through examination of these entities to ensure compliance with statute and protection of customers.	N/A	N/A	N/A	Consumer Finance
	4							
	5							
	6							

Key Customers Chart

INSTRUCTIONS: Provide information about the key customer segments identified by the agency and each segment's key requirements/expectations. A customer is defined as an actual or potential user of the agency's deliverables. Please be as specific as possible in describing the separate customer segments (i.e. do not simply put "public.") The Deliverables Cross References column should link customer groups to the deliverable listed in the Key Deliverables Chart, which they utilize. **NOTE:** Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Item #	Customer Segments	Requirements/Expectations	Deliverables Cross References
Board of Financial Institutions	1	Banking Public	Citizens of South Carolina who require financial services would be the agency's customers. These citizens expect the agency to assure the safety and soundness of the financial institutions so that these institutions can provide financial services.	Item #1
Board of Financial Institutions	2	Non-depository Mortgage Lenders/Service Providers and their Mortgage Loan Originators and their customers	Prompt licensing and fair enforcement of statutes and regulations	Item #2
Board of Financial Institutions	3	Supervised and Restricted Lenders (Consumer Lenders) and their customers	Prompt licensing and fair enforcement of statutes and regulations	Item #2
Board of Financial Institutions	4	Deferred Presentment Service Providers and their customers	Prompt licensing and fair enforcement of statutes and regulations	Item #3
Board of Financial Institutions	5	Check Cashing Service Providers and their customers	Prompt licensing and fair enforcement of statutes and regulations	Item #3
	6			

Key Stakeholder Chart

INSTRUCTIONS: Provide information about the agency's key stakeholder groups and their key requirements and expectations. A stakeholder is defined as a person, group or organization that has interest or concern in an agency. Stakeholders can affect or be affected by the agency's actions, objectives and policies. Please be as specific as possible in describing the separate stakeholder groups (i.e. please do not simply put "the public.") The Deliverables Cross References column should link stakeholder groups to the deliverable, listed in the Key Deliverables Chart, for which they group has the most interest or concern. **NOTE:** Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Item #	Stakeholder Group	Requirements/Expecations	Deliverables Cross References
Board of Financial Institutions	1	Banking Public	The stakeholders expect the agency to assure the safety and soundness of the financial institutions so that these institutions can provide financial services.	Item #1
Board of Financial Institutions	2	Mortgage loan customers	Ensure licensees are compliant with SC statutes and regulations	Item #2
Board of Financial Institutions	3	Supervised and Restricted loan customers	Ensure licensees are compliant with SC statutes and regulations	Item #2
Board of Financial Institutions	4	Deferred Presentment Service customers	Ensure licensees are compliant with SC statutes and regulations	Item #3
Board of Financial Institutions	5	Check Cashing Service customers	Ensure licensees are compliant with SC statutes and regulations	Item #3
	6			

Key Partner Agencies Chart

INSTRUCTIONS: List the names of the other state agencies which have the biggest impact on the agency's mission success (list a minimum of three); partnership arrangements established and performance measures routinely reviewed with the other entity. The Major Program Areas Cross References Column should link the Partner Agency to the major program area, in the Major Program Areas Chart, on which it has the biggest impact. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable and a minimum of three.

Agency Submitting Report	Agency w/ Impact on Mission Success	Partnership Arrangement Established	Performance Measures Routinely Reviewed Together	Major Program Areas Cross Reference
Board of Financial Institutions	South Carolina Department of Consumer Affairs	By statute, the Department of Consumer Affairs has chief enforcement and interpretive authority over all of the Consumer Protection Code (Title 37). The vast majority of the Consumer Finance Division's licensing and regulatory authority falls in Title 37. Therefore, the Consumer Finance Division works closely with the Department of Consumer Affairs to ensure that statutes are clearly and correctly interpreted and properly enforced.	Compliance with statutes	All
Board of Financial Institutions	South Carolina Office of the Attorney General	The Attorney General may bring action against regulated institutions if appropriate.	Compliance with statutes	All
Board of Financial Institutions	SC Division of Information Security (DIS)	Service Level Agreement (SLA) established when DIS (formerly DSIT) was established and agency went on line as an infrastructure customer.	Constant review of data protection of all lines of activity	All

INSTRUCTIONS: Provide information about the body that oversees the agency and to whom the agency head reports including what the overseeing body is (i.e. board, commission, etc.), total number of individuals on the body; whether the individuals are elected or appointed; who elects or appoints the individuals; the length of term for each individual; whether there are any limitations on the total number of terms an individual can serve; whether there are any limitations on the number of consecutive terms an individual can serve; and any other requirements or nuances about the body which the agency believes is relevant to understanding how the agency performs and its results.

Agency Submitting Report	Type of Body (i.e. Board, Commission, etc.)	# of Times per Year Body Meets	Total # of Individuals on the Body	Are Individuals Elected or Appointed?	Who Elects or Appoints?	Length of Term	Limitations on Total Number of Terms	Limitations on Consecutive Number of Terms	Challenges imposed or that Agency staff and the Body have faced based on the structure of the overseeing body	Other Pertinent Information
Board of Financial Institutions	Board	11	11	Appointed	Governor	4 Years	No	2 Terms	The Board is composed of members from the industries the Board regulates.	

Overseeing Body - Individual Members Chart

INSTRUCTIONS: Provide information about the individual members on the body that oversees the agency including their name, contact information, length of time on the body, profession and whether they are a Senator or House Member. The Major Program Areas Cross References Column should link the individual to the major program area, in the Major Program Areas Chart, in which the individual has a particular influence, if any, by way of serving on a subcommittee within the body, task force, etc. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Name of Individual on Body	Contact Information	Profession	Date First Started Serving on the Body	Last Date Served on the Body	Length of Time on the Body (in years)	Senator or House Member? (put Senate or House)	Major Program Areas Cross Reference
Board of Financial Institutions	Curtis Loftis	803 734-2016	Treasurer	1/15/2011	4-Mar-15	4	No	All
	Donald Pennington	864-979-3027		6/30/2010	4-Mar-15	5	No	All
	Fleetwood Hassell	843-724-1510	Banker	2/27/2012	4-Mar-15	3	No	All
	Gregg Williams	864-237-6121	Consumer Finance	6/30/2005	4-Mar-15	10	No	All
	Jim Apple	803 788-1514	Retired Banker	2/27/2012	4-Mar-15	3	No	All
	Neal Anderson	843-558-2511	Banker	6/30/2004	4-Mar-15	11	No	All
	Rick Saunders	843 674-3001	Banker	4/14/2006	4-Mar-15	9	No	All
	Howard Wright	803 329-2007	Mortgage Banker	6/7/2012	4-Mar-15	3	No	All
	Rhonda Marcum	704 557-0204	Mortgage Bankers Association	3/8/2010	4-Mar-15	5	No	All
	Hansel Hart	803 978-2122	Credit Union Rep	6/30/2010	4-Mar-15	5	No	All
	Scott Conley	803 432-7771	Credit Union Rep	6/7/2012	4-Mar-15	4	No	All

INSTRUCTIONS: Provide information about the agency's Major Program Areas as those are defined in the Appropriations Act. When completing columns B - K, the agency can copy and paste the information the agency submitted in the Program Template of the FY 2013-14 Accountability Report, just make sure of the following:

a) List only the programs that comprise at least 80% of the total budget and include the % of total budget. The remainder of the programs should be "listed ONLY" in the box labeled "Remainder of Programs", with those program expenditures detailed in the box labeled "Remainder of Expenditures." If the agency has trouble understanding what is requested, refer to the 2012-13 Accountability Report, Section II, number 11.

b) The "Associated Objective(s)" column in the Program Template of the FY 2-13-14 Accountability report has been changed to "Key Performance Measures Cross References." The Key Performance Measures Cross References column should link major programs to charts/graphs in the Key Performance Measurement Processes Section (ex. Chart 5.2-1 or Graph 5.2-2). If the agency has trouble understanding what is requested, refer to the 2012-13 Accountability Report, Section II, number 11; and

c) An additional column, titled "Legal Standards Cross References," has been added at the end. The Legal Standards Cross Reference column should link major programs to the statutes, regulations and provisos listed in the Laws Section of this report, which they satisfy. Included below is an example, with a partial list of past Major Program Areas from the Department of Transportation. The example does not include information in the columns under expenditures, key performance measures cross reference, legal standards cross references or remainder of expenditures, however the agency must complete these columns when submitting this chart in final form. Please delete the example information before submitting this chart in final form. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Note:
- Key Performance Measures Cross References Column links major programs to the charts/graphs in the Key Performance Measurement Processes Section of the Restructuring Report.
- Legal Standards Cross References Column links major programs to the statutes, regulations and provisos they satisfy which are listed in the Laws Section of the Restructuring Report.

Agency Submitting Report	Program/Title	Purpose	FY 2012-13 Expenditures				FY 2013-14 Expenditures				Key Performance Measures Cross Reference	Legal Standards Cross References
			General	Other	Federal	TOTAL	General	Other	Federal	TOTAL		
Board of Financial Institutions	Banking Examiners	This division performs safety and soundness examinations of banks, savings and loan associations, savings banks, credit unions, and trust companies. The division evaluates applications of banks, savings and loan associations, savings banks, credit unions, and trust companies for the following: new charters, new branches, holding company acquisitions, mergers, branch purchases and assumption of liabilities, property purchases, office closings and relocations, and trust powers.		55%		55%		53%		53%		Items 1 - 12
Board of Financial Institutions	Consumer Finance	This division evaluates new applications, conducts licensing and annual renewal, and performs compliance examinations of consumer finance companies, deferred presentment service providers, check cashing service providers, mortgage lenders/servicers and their loan originators. The division conducts various types of supervisory and enforcement activities to detect and take corrective action for violations of the regulatory statutes applicable to financial institutions. Activities include: complaint processing, investigation, and appropriate action against consumer loan companies, deferred presentment service providers, check cashing service providers, and mortgage lenders/servicers and their loan originators.		44%		44%		46%		46%		Items 13 - 17

Remainder of Programs: List any programs not included above and show the remainder of expenditures by source of funds.
3000000 Administration

Remainder of Expenditures:	% of Total Budget	% of Total Budget	% of Total Budget	% of Total Budget	% of Total Budget	% of Total Budget	% of Total Budget	% of Total Budget
Administration		1%		1%		1%		1%

INSTRUCTIONS: List all state and federal statutes, regulations and provisos that apply to the agency ("Laws") and a summary of the statutory requirement and/or authority granted in the particular Law listed. Included below is an example, with a partial list of Laws which apply to the Department of Juvenile Justice and Department of Transportation. The agency will see that a statute should be listed again on a separate line for each year there was an amendment to it. Please delete the example information before submitting this chart in final form. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Item #	Statute/Regulation/Provisos	State or Federal	Summary of Statutory Requirement and/or Authority Granted
Board of Financial Institutions	1	34-1-20	State	Establishes the Board of Financial Institutions (Board) and the appointment of its members.
Board of Financial Institutions	2	34-1-60	State	Establishes the Board's authority to supervise banks and building and loan associations.
Board of Financial Institutions	3	34-1-70	State	Establishes the Board's authority to approve charters and branches of banks, building and loan associations, savings and loan associations, and savings banks.
Board of Financial Institutions	4	34-1-80	State	Establishes the Examining Department, the appointment of the Commissioner of Banking by the Board, and the hiring by the Commissioner of assistants. Allows the Board to examine the Business Development Corporation of South Carolina.
Board of Financial Institutions	5	34-30-120	State	Establishes the Board's authority to approve charters of savings banks.
Board of Financial Institutions	6	34-26-200	State	Establishes the Board's authority to supervise credit unions.
Board of Financial Institutions	7	34-26-310	State	Establishes the Board's authority to approve charters of credit unions.
Board of Financial Institutions	8	34-21-10	State	Establishes that the Board's approval is necessary to conduct trust business.
Board of Financial Institutions	9	34-9-10	State	Gives authority to the Board to set capital requirements for new banks.
Board of Financial Institutions	10	34-25-30	State	Establishes that the Board's approval is necessary to acquire a South Carolina holding company or a South Carolina State bank.
Board of Financial Institutions	11	34-28-310	State	Establishes that the Board's approval is necessary to acquire a South Carolina savings and loan association or savings and loan holding company.
Board of Financial Institutions	12	34-28-100	State	Establishes the Board's authority to approve charters of savings and loan associations.
Board of Financial Institutions	13	37-22-140, 37-22-200	State	Establishes application qualifications and regulatory compliance for Mortgage Lenders
Board of Financial Institutions	14	37-3-501, 37-3-502, 37-3-503, 37-3-506	State	Establishes application qualifications and regulatory compliance for Supervised Lenders

Agency Name: Board of Financial Institutions

Agency Code: R230

Agency Section: 79

Legal Standards Chart

Board of Financial Institutions	15	34-29-20, 34-29-30, 34-29-40, 34-29-90	State	Establishes application qualifications and regulatory compliance for Restricted Lenders
Board of Financial Institutions	16	34-39-130, 34-39-190	State	Establishes application qualifications and regulatory compliance for Deferred Presentment Service Providers
Board of Financial Institutions	17	34-41-40, 34-41-70	State	Establishes application qualifications and regulatory compliance for Check Cashing Service Providers

INSTRUCTIONS: List all reports, if any, the agency is required to submit to a legislative entity. Beside each include the following under the appropriate column: a) Name of the report; b) Legislative entity that requires the report; c) Law(s) that require the agency to provide the report; d) Stated legislative intent (from legislative entity, statute, regulation or other source) in providing the report; e) Frequency with which the report is required (i.e. annually, monthly, etc.); f) Approximate year the agency first started providing the report; g) Approximate cost to complete the report and any positive results from completing and submitting the report; and h) Method by which the agency receives, completes and submits the report (i.e. receive via emailed word document, log into or open program, enter data and click submit, etc.). Included below are examples of reports the agency may have to submit. The example does not include information in the columns under # of staff needed to complete the report, approx. total amount of time to complete the report and approx. total cost to complete the report, however the agency must complete these columns when submitting this chart in final form. Please delete the example figures before submitting this chart in final form, unless it applies to the agency, in which case ensure the information about those reports is complete. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Item #	Report Name	Legislative Entity Requesting Report	Law Requiring Report	Stated Intent of Report	Year First Required to Complete Report	Reporting Freq.	# of Days in which to Complete Report	Month Report Template is Received by Agency	Month Agency is Required to Submit the Report	Cost to Complete Report			Positive Results of Reporting	Method in which Report Template is Sent to Agency (i.e. via email; via fax; etc.)	Format in which Report Template is Sent to Agency	Method in which Agency Submits Completed Report (i.e. email; mail; click submit on web based form; etc.)	Format in which Agency Submits Completed Report (word, pdf, etc.)
											# of Staff Members Needed to Complete Report	Approx. Total Amount of time to Complete Report	Approx. total Cost to Agency to Complete (considering staff time, etc.)					
Board of Financial Institutions	1	Veritec - deferred presentment	The Senate Banking and Insurance Committee and the House of Representatives Labor, Commerce and Industry Committee	34-39-290(A)(B)	Provide Deferred Presentment Activity for the previous calendar year	2011	Annually	Completed by vendor	February	April - May depending on legislative calendars	0	0	0	Notification purposes	Email and Hardcopy	PDF	Email, Hardcopy and verbally at a scheduled hearing	PDF
Board of Financial Institutions	2	Statement of Financial Condition of Financial Institutions	General Assembly	34-1-130	To provide the capital position of all financial institutions subject to the Board's supervision.	1985	Annually	N/A	N/A	N/A	1	2 days	\$650	Notification purposes	N/A	N/A	Hard Copy	Hard Copy

INSTRUCTIONS: Identify the agency's internal audit system and policies during the past five fiscal years including the date the agency first started performing audits, individuals responsible for hiring the internal auditors, individuals to whom internal auditors report, the head internal auditor, general subject matters audited, the individual or body that makes decision of when internal audits are conducted, information considered when determining whether to conduct an internal audit, total number of audits performed in the last five fiscal years, # of months it took for shortest audit, # of months for longest audit, average number of months to complete an internal audit, and date of the most recent Peer Review of Self-Assessment by SC State Internal Auditors Association or other entity (if other entity, name of that entity).

Note: All audits are not the result of suspicious activity or alleged improper actions. Often times regular audits are required by statute regulation or an agency's standard operating procedure simply as a method of ensuring operations are staying on track.

Agency Submitting Report	Does agency have internal auditors? Y/N	Date Internal Audits Began	Individuals responsible for hiring internal auditors	Individuals to whom internal auditors report	Name and contact information for head Internal Auditor	General subject matters audited	Who makes decision of when an internal audit is conducted	Information considered when determining whether to conduct an internal audit	Do internal auditors conduct an agency wide risk assessment routinely? Y/N	Do internal auditors routinely evaluate the agency's performance measurement and improvement systems? Y/N	Total Number of Audits performed in last five fiscal years	# of months for shortest audit	# of months for longest audit	Avg. # of months needed to conduct audit	Date of most recent Peer Review of Self-Assessment by SCSIAA or other entity (if other entity, name of that entity)
Board of Financial Institutions	N														

INSTRUCTIONS: List the name of all personnel at the agency who were consulted or performed work to obtain the information utilized when answering the questions in these reports, their title and their specific role in answering the question (i.e. searched the agency documents, asked for information because they are in charge of the department, etc.) Please delete the example information and instructions row before submitting this chart in final form. NOTE: Responses are not limited to the number of rows below that have borders around them, please list all that are applicable.

Agency Submitting Report	Name	Phone	Email	Department/Division	Title	Question	Role in Answering Question
Board of Financial Institutions	Louie Jacobs	803-734-2001	Louie.Jacobs@banking.sc.gov	Banking Division	Commissioner of Banking	Data Compilation	Subject matter expert
Board of Financial Institutions	Jim Copeland	803-734-2020	jim.copeland@bofi.sc.gov	Consumer Finance Division	Acting Commissioner of Consumer Finance	Data Compilation	Subject matter expert
Board of Financial Institutions	Kathy Bickham	803-734-2001	Kathy.Bickham@banking.sc.gov	Banking Division	Assistant Commissioner of Banking	Data Compilation	Subject matter expert
Board of Financial Institutions	Carl Jeffcoat	803-734-2020	carl.jeffcoat@bofi.sc.gov	Consumer Finance Division	Assistant Commissioner of Consumer Finance	Data Compilation	Subject matter expert
Board of Financial Institutions	Ron Bodvake	803-734-2020	ron.bodvake@bofi.sc.gov	Consumer Finance Division	Review Examiner	Data Compilation	Subject matter expert