



STATE BOARD OF FINANCIAL INSTITUTIONS

Curtis M. Loftis, Jr., Chairman
Kathy L. Bickham, Commissioner of Banking
Ronald R. Bodvake, Commissioner of Consumer Finance

Key Officials

Key Officials

Banking Division

Commissioner of Banking – Kathy L. Bickham – Kathy.Bickham@banking.sc.gov

Deputy Commissioner of Banking – Janeen R. Hughes – Janeen.Hughes@banking.sc.gov

Deputy Commissioner of Banking – Remonia C. Wright – Remonia.Wright@banking.sc.gov

1205 Pendleton Street, Suite 305

Columbia, SC 29201

(803) 734-2001

Consumer Finance Division

Commissioner of Consumer Finance – Ronald R. Bodvake – Ron.Bodvake@bofi.sc.gov

Deputy Commissioner of Consumer Finance – Phyllis L. Wicker – Phyllis.Wicker@bofi.sc.gov

Deputy Commissioner of Consumer Finance – Quinton Creed – Quinton.Creed@bofi.sc.gov

Deputy Commissioner of Consumer Finance – Amy Gelhaus – Amy.Gelhaus@bofi.sc.gov

1205 Pendleton Street, Suite 306

Columbia, SC 29201

(803) 734-2020

State Treasurer's Office

Director of Administration – Jordan Dominick – Jordan.Dominick@sto.sc.gov

South Carolina Office of the State Treasurer

1200 Senate Street

Wade Hampton Office Building

Columbia, SC 29201

(803) 734-3545

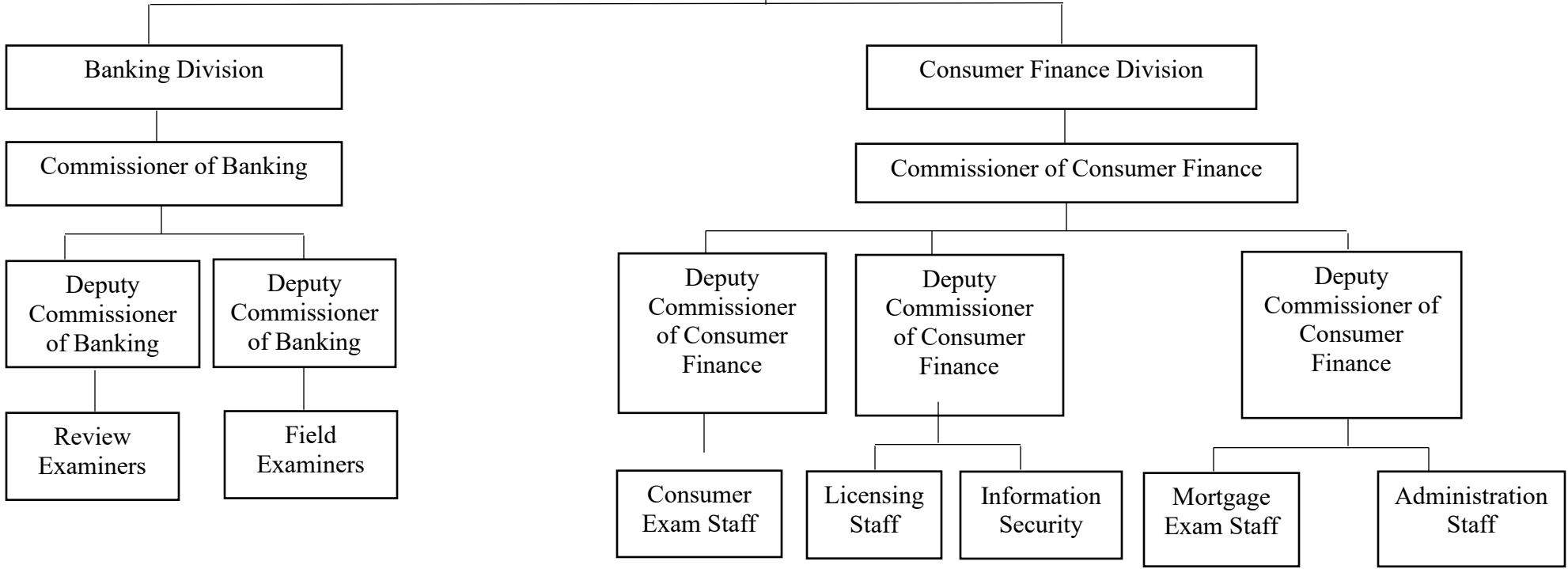
Agency Overview

Agency Overview

The State Board of Financial Institutions (Board) is composed of eleven members, one of whom is the State Treasurer as an ex officio member and as the chairman. The remaining ten members must be appointed by the Governor with the advice and consent of the Senate. The mission of the Board is to protect the citizens of South Carolina by preserving a sound financial industry through effective and efficient regulatory oversight of financial institutions in order to strengthen consumer confidence, assure reliable access to financial services, and encourage economic growth. The Board's supervision is handled through its two divisions – the Banking Division and the Consumer Finance Division. The Board appoints a Commissioner of Banking who examines and supervises State chartered banks, trust companies, savings and loan associations, savings banks, credit unions, and development corporations. The Board is also authorized to designate or appoint a Commissioner of Consumer Finance who examines and supervises non-depository mortgage lenders/servicers and their branches, loan originators, consumer finance companies, deferred presentment service companies, and check cashing service companies. The Board's oversight includes the promulgation of regulations and instructions relating to the supervision of financial institutions; the consideration of applications for new banks, trust companies, savings and loan associations, savings banks, credit unions, non-depository mortgage lenders/servicers and their branches, loan originators, consumer lenders, deferred presentment providers, and check cashing service providers; and the consideration of applications for branches of banks, savings and loan associations, savings banks, credit unions, and trust companies.

Organizational Chart

South Carolina
State Board of Financial Institutions



<u>Agency FTEs</u>	
Filled	46
Vacant	<u>10</u>
Authorized	56

Performance Update 2022-2023

Banking Division

During Fiscal Year 2023, the Banking Division conducted hybrid examinations in which examiners performed some examination procedures onsite in the institutions while other examination procedures were conducted offsite. Examiners were able to complete examinations in a timely manner while working from home, from the office and/or from the institutions. A review of capital adequacy, earnings, liquidity, and past due and nonaccrual loans was performed quarterly on all institutions. The reviews were used to monitor changes in individual institutions as well as to identify trends in the financial performance of South Carolina State-chartered institutions as a whole. During Fiscal Year 2023, the Division's Risk Identification Committee identified current risk levels, trends, and emerging risks; identified data needs and sources; developed supervisory strategies for ensuring safe and sound State-chartered institutions; and developed communications to staff and the industry. In addition, the Division hosted a cybersecurity webinar for all depository financial institutions operating in the State that addressed emerging cybersecurity issues and introduced the institutions to the South Carolina Critical Infrastructure Cybersecurity (SC-CIC) Program.

In addition to on-the-job training and computer-based training, examiners attended three FDIC-sponsored schools and one Conference of State Bank Supervisors (CSBS)-sponsored school, and one examiner completed a state-sponsored training on supervisory practices. Examiners also attended several training conferences sponsored by the FDIC, FFIEC, and CSBS. These schools and conferences covered a wide variety of topics including asset/liability management in the current environment and strategies for assessing interest rate risk and liquidity risk, trends and outlook for mortgage banking, banking and economic outlook, large bank supervision, the impact of inflation on commercial real estate, capital markets, cybersecurity and information Technology, information security, cryptocurrency, and implementation of the Current Expected Credit Losses (CECL) methodology.

The Division continued to develop its training program specifically to help new employees gain the knowledge necessary to perform their job duties effectively and efficiently and to allow new examiners to practice examination procedures in the office. The Division also continued to cross-train its bank examiners in the examination of credit unions, with the goal to have all examiners capable of examining both banks and credit unions.

The Division actively engages with the CSBS and the National Association of State Credit Union Supervisors (NASCUS), which have missions of enhancing financial institution supervision. In addition to attending conferences sponsored by these organizations, employees of the Division participate in CSBS committees such as the State Examiner Review Team, the IT Advisory Team, the Technology Committee, the Risk ID Team, Trust Advisory Group, and the Data Analytic Task Force.

The Division continued its partnership with the South Carolina Emergency Management Division (EMD) through participation in EMD's Emergency Support Function-24. The Division has continued to maintain an Emergency Preparedness Plan and Playbook to establish a framework to provide assistance and coordinate preparedness, response, recovery, and mitigation activities with the supervised institutions during emergencies (including cyber events).

Consumer Finance Division

Both technological and regulatory environments are closely monitored to ensure readiness and efficiency. Strategic adjustments are made as necessary to stay updated with industry and regulatory changes. Regular reviews and updates keep the Division's approach effective and relevant by adjusting resource allocations and action plans as needed.

The Division strives to maintain the proper balance of performing its statutory responsibilities without imposing an undue burden on the institutions under its jurisdiction. The Commissioner periodically met with leadership and industry stakeholders to enhance communication with entities regulated by the Division to determine the needs and concerns of the financial institutions regarding emerging issues and other important industry matters. These successful partnerships with the financial industry and the General Assembly allowed the Division to propose three regulations based on existing policy statements. The first regulation supports using the Nationwide Multistate Licensing System (NMLS) for check-cashing applications, renewals, and paying all fees and costs. The second clarifies "other considerations" for check-cashing licensees. The third provides record-keeping guidance for check-cashing licensees.

The Division is dedicated to optimizing business operations to provide ongoing value. As a result of our commitment to continuous improvement, we have undertaken a thorough review of our policies and procedures and made necessary updates. We have implemented a universal examination process to ensure consistency and standardization throughout the organization. Additionally, we have streamlined the examination process by eliminating redundant steps and enhancing supervisors' ability to monitor progress, increasing efficiency. We are confident that these changes will positively impact our operations and contribute to our ongoing success.

Highlights from the fiscal year are as follows:

- 1,596 examinations
- \$1,139,000 in refunds from examinations
- 155 complaints investigated
- \$28,106 in refunds from complaints

The Division is committed to fostering a well-informed and highly skilled workforce environment. Team members participated in annual training schools offered by National Association of Consumer Credit Administrators (NACCA) and American Association of Residential Mortgage Regulators (AARMR) and training offered by CSBS. These training opportunities provided information regarding consumer industry trends, examination findings, and updates on federal and state regulatory requirements. Training programs for the Division's employees are continuously enhanced to keep up with the consumer finance and mortgage industries' dynamic and ever-changing environment. As a part of the process, the Commissioner and representatives from the Division attended annual conventions with executives from the Independent Consumer Finance Association, South Carolina Financial Services Association, and Mortgage Bankers Association of the Carolinas to discuss current topics, concerns, and opportunities. The information gained assists the Division's systematic approach to organizing change and helps team members adapt.

Professional growth is also encouraged for public administrators. The South Carolina Department of Administration provides a nationally accredited professional development program for supervisors and managers in State government. The program consists of 300 hours of coursework within 18 months, a cornerstone project, and a final examination. Successful completion of the program earns a participant the distinction of a Public Manager credential. The Division is proud to have eight South Carolina Certified Public Managers.

Financial Update

Financial Update

Fiscal Year	Appropriation	Expenditures	Carry-Forward
2023 – 2024	\$6,536,118	\$3,061,001 YTD	
2022 – 2023	\$6,371,804	\$5,489,109	\$5,200,834

The agency does not receive any General Funds. It operates on 100% other funds, and all funds are collected from the regulated financial institutions. Revenue is collected annually, and the account balances noted for June 30 are what is needed to operate until the next cycle of revenue is collected. Funds are collected primarily in September for the Bank Examining Division and in November through February for the Consumer Finance Division. Excess funds are used as a credit toward the following year's collections. Projected total expenditures for FY 24 are \$6,174,294, and the projected carry-forward balance into FY 25 is \$4,854,756.

Budget Request Summary

FY 2024-2025 Budget Request Summary

State Board of Financial Institutions

Budget Requests				Funding					FTEs			
Priority	Request Type (recurring, non-recurring capital)	Request Title	Brief Description	General - Recurring	General - Nonrecurring	Other	Federal	Total	State	Other	Federal	Total
1	Recurring	Personal Services – Banking Division	Fully fund annualized cost of currently authorized positions.			120,000		120,000				
2	Recurring	Personal Services – Consumer Finance Division	Fully fund annualized cost of currently authorized positions.			118,287		118,287				
3	Recurring	Employer Contributions	Fully fund employer insurance costs and retirement contributions.			33,000		33,000				
4	Recurring	Other Operating Expenses - Administration	Fully fund the cost of Board Member travel and insurance			2,000		2,000				
5	Recurring	Other Operating Expenses – Banking Division	Fully fund increased contractual services costs, fixed charges, and travel expenses			106,000		106,000				
6	Recurring	Other Operating Expenses – Consumer Finance Division	Fully fund increased contractual services costs, fixed charges, and travel expenses			55,000		55,000				
TOTAL BUDGET REQUESTS						\$434,287		\$434,287				

Budget Request

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79



Fiscal Year FY 2024-2025

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS <i>(FORM B1)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS <i>(FORM B2)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS <i>(FORM C)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
	<input type="checkbox"/>	

PROVISOS <i>(FORM D)</i>	For FY 2024-2025, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	jordan.dominick@sto.sc.gov	(803) 734-3545	jordan.dominick@sto.sc.gov
SECONDARY CONTACT:			

I have reviewed and approved the enclosed FY 2024-2025 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

Agency Name:	State Board Of Financial Institutions
Agency Code:	R230
Section:	79

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Personal Services – Banking Division	0	0	120,000	0	120,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Personal Services – Consumer Finance Division	0	0	118,287	0	118,287	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Employer Contributions – Banking Division	0	0	33,000	0	33,000	0.00	0.00	0.00	0.00	0.00
4	B1 - Recurring	Other Operating Expenses - Administration	0	0	2,000	0	2,000	0.00	0.00	0.00	0.00	0.00
5	B1 - Recurring	Other Operating Expenses – Banking Division	0	0	106,000	0	106,000	0.00	0.00	0.00	0.00	0.00
6	B1 - Recurring	Other Operating Expenses – Consumer Finance Division	0	0	55,000	0	55,000	0.00	0.00	0.00	0.00	0.00
TOTALS			0	0	434,287	0	434,287	0.00	0.00	0.00	0.00	0.00

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Personal Services – Banking Division
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$120,000 Total: \$120,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>This increase in funds will allow the Agency to fulfill its goals, strategies, and objectives as defined in its Fiscal Year 2023 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Board of Financial Institutions – Banking Division employees who are eligible.
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

Authorization of additional Other Funds is requested in order to fully fund the annualized cost of all the Agency authorized positions. This includes the 5% employee general base pay increase authorized in the 2023-24 Appropriation Act.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Personal Services – Consumer Finance Division
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$118,287 Total: \$118,287
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>This increase in Other Funds authorization will allow the Agency to fulfill its goals, strategies and objectives as defined in the Fiscal Year 2023 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Board of Financial Institutions – Consumer Finance Division Other Funded employees
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

Authorization of additional Other Funds is requested in order to fully fund the annualized cost of all the Agency authorized positions. This includes the 5% employee general base pay increase authorized in the 2023-24 Appropriation Act.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Employer Contributions – Banking Division
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$33,000 Total: \$33,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This increase in funds will allow the Agency to fulfill its goals, strategies, and objectives as defined in its Fiscal Year 2023 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>Board of Financial Institutions (Other Funded) employees who are eligible for health insurance and employees participating in the State Retirement Plan and the related employer contribution increases.</p>
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

Authorization of additional Other Funds is requested in order to fully fund health insurance costs and State Retirement System costs.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Operating Expenses - Administration
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$2,000 Total: \$2,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This increase in Other Funds authorization will allow the Agency to fulfill its goals, strategies and objectives as defined in the Fiscal Year 2023 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>Recipients of Other Funds as a result in this increase include members of the Board of Financial Institutions for travel reimbursement, while the South Carolina Insurance Reserve Fund and other insurance companies will receive disbursements in</p>
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FUNDS

accordance with the processes and procedures as outlined in the State Procurement Code.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

Authorization of additional Other Funds is requested in order to fully fund the cost of Board Member travel and insurance.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	5
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Operating Expenses – Banking Division
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$106,000 Total: \$106,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

ACCOUNTABILITY OF FUNDS	<p>This increase in funds will allow the Agency to fulfill its goals, strategies, and objectives as defined in its Fiscal Year 2023 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>Board of Financial Institutions – Banking Division employees who are eligible and business partners providing critical services to the Agency.</p>
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

Authorization of additional Other Funds is requested in order to cover increases in travel, insurance and information technology costs and to cover increases in the cost of contractual services.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	6
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Operating Expenses – Consumer Finance Division
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$55,000 Total: \$55,000
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What is the net change in requested appropriations for FY 2024-2025? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input checked="" type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	<p>This increase in Other Funds authorization will allow the Agency to fulfill its goals, strategies and objectives as defined in the Fiscal Year 2023 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	<p>Recipients of Other Funds as a result of this increase in authorization include vendors and third-party business partners that perform contractual services on behalf of the Board.</p>
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

Authorization of additional Other Funds is requested in order to fund increased contractual services costs.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	State Board Of Financial Institutions		
Agency Code:	R230	Section:	79

FORM D – PROVISIO REVISION REQUEST

NUMBER	NEW
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Cite the proviso according to the renumbered list (or mark "NEW").

TITLE	Deferred Presentment Transaction Fee
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	N/A
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2024-2025? If so, cite it here.

REQUESTED ACTION	Add
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	N/A
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	<p>SC Code Section 34-39-175 requires the Board of Financial Institutions (BOFI) to implement a database for deferred presentment transactions using a third-party vendor. SC Code Section 34-39-270(H) establishes that the third-party vendor shall be paid a fee by the deferred presentment licensee for providing the database in an amount not to exceed \$1.00 per transaction. The number of deferred presentment transactions has declined in South Carolina over the last several years from 628,032 in 2019 to a projected 95,000 in 2023. As the volume of transactions, and therefore revenue generated by this industry for the vendor has declined, the third-party vendor has indicated an unwillingness to provide the database at the rate of \$1.00 per transaction.</p> <p>Catalis, the sole-source vendor that maintains the Deferred Presentment Database, issued a letter to BOFI in advance of an upcoming contract renewal period outlining options to mitigate the declining revenues. The proposed solution was to raise the database verification fee described in Section 34-39-270 (H) to \$3.00 per transaction. Without this increased fee, BOFI will be unable to implement the database through a third-parry vendor as Section 34-39-175 requires.</p> <p>Historically, the vendor has operated this database at no cost to BOFI or the State</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

N/A

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

79.2. (Def. Presentment Transaction Fee)

For Fiscal Year 2024-25, the Board of Financial Institutions may approve a verification fee not to exceed three dollars per transaction for deferred presentment database transactions as outlined in SC Code Section 34-39-270 (H).

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Proviso Request Summary

**Transportation and Regulatory Subcommittee
Proviso Request Summary**

FY 23-24 Proviso #	Renumbered FY 24-25 Proviso #	Proviso Title	Short Summary	FY of Proviso Introduction/# of years in budget	Recommended Action	Proviso Language
79.1	79.1	Supervisory Fees	This proviso allows the Board of Financial Institutions to collect funds to cover the expenditures of the agency.	Prior to 1990	No Change	The Board of Financial Institutions shall fix supervisory fees of banks, savings and loan associations and credit unions on a scale which, together with fees collected by the Consumer Finance Division will fully cover the total funds expended under this section.
79.2	79.2	Def. Presentment Transaction Fee	The proviso allows the Board of Financial Institutions to raise the database verification fee.	New	Add	The Board of Financial Institutions may approve a verification fee not to exceed three dollars per transaction for deferred presentment database transactions as outlined in SC Code Section 3439270 (H).