



STATE BOARD OF FINANCIAL INSTITUTIONS

Curtis M. Loftis, Jr., Chairman
Louie A. Jacobs, Commissioner of Banking
James L. Copeland, Acting Commissioner of Consumer Finance

Agency Overview and Key Officials

Agency Overview

- The mission of the State Board of Financial Institutions 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 agency is governed by an eleven member board that meets monthly. The State Treasurer is the Chairman.
- The agency is responsible for the supervision, licensing and examination of all State chartered banks, savings and loan associations, savings banks, credit unions, trust companies, development corporations, non-depository mortgage lenders and their loan originators, consumer finance companies, deferred presentment companies, and regular check cashing companies.

Key Officials

Chairman – Curtis M. Loftis, Jr.

South Carolina Office of the State Treasurer
1200 Senate Street
Wade Hampton Office Building
Columbia, SC 29201
(803) 734-2101

Banking Division

Commissioner of Banking – Louie A. Jacobs – Louie.Jacobs@banking.sc.gov
Assistant Commissioner of Banking – Kathy L. Bickham – Kathy.Bickham@banking.sc.gov

1205 Pendleton Street, Suite 305
Columbia, SC 29201
(803) 734-2001

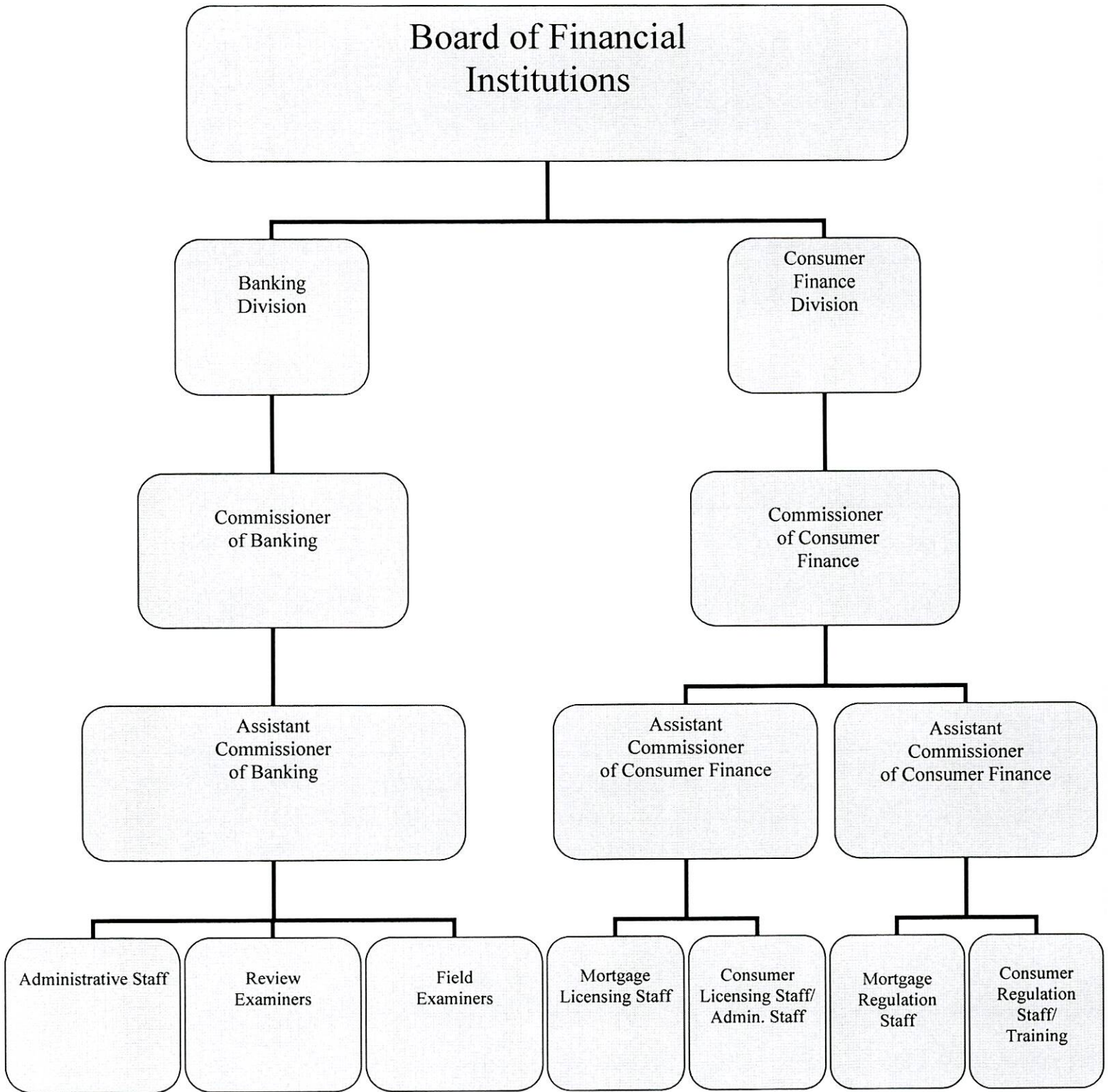
Consumer Finance Division

Assistant Commissioner of Consumer Finance – James L. Copeland (Acting Commissioner) –
Jim.Copeland@bofi.sc.gov
Assistant Commissioner of Consumer Finance – Carlisle E. Jeffcoat – Carl.Jeffcoat@bofi.sc.gov

1205 Pendleton Street, Suite 306
Columbia, SC 29201
(803) 734-2020

FTEs: Authorized – 45; Filled – 39

Organizational Chart



**Accountability Report
2014-2015
Highlights**

The mission of the Board of Financial Institutions 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. To this end, the State Board of Financial Institutions is responsible for the supervision, licensing and examination of all State chartered banks, savings and loan associations, savings banks, credit unions, trust companies, development corporations, non-depository mortgage lenders/servicers and their branches and loan originators, consumer finance companies, deferred presentment service companies, and check cashing service companies.

Since the agency is a regulatory agency that provides services to its customers, the employees of the Board are the key suppliers. Other regulatory agencies such as the Federal Deposit Insurance Corporation, the Federal Reserve Bank, the Federal Consumer Financial Protection Bureau, and the South Carolina Department of Consumer Affairs are the agency's partners. Offices of the Board are located in Columbia, but employees travel throughout the state and country examining institutions under the Board's jurisdiction. The Board has 2 unclassified and 43 classified full-time positions. The Board is governed by the Laws and Regulations of the State of South Carolina. The Board is also governed by Federal acts such as the Americans with Disabilities Act and the Family and Medical Leave Act and by regulations of Federal agencies such as the Occupational Safety and Health Administration and the U.S. Department of Labor.

In addition to meeting the statutory requirements for the establishment and supervision of state-chartered banks, savings and loan associations, savings banks, and credit unions, the Banking Division has identified several significant accomplishments in FY 2015. A review of capital adequacy, earnings, and past due and nonaccrual loans was performed quarterly on all banks, and the reviews were utilized to determine supervisory strategies. All examinations of financial institutions were completed within the time frames required by law. In addition to on-the-job training in the field and computer based training in the office, examiners attended eight Federal Deposit Insurance Corporation (FDIC) sponsored schools and three Federal Financial Institutions Examination Council sponsored schools. Examiners also attended training conferences sponsored by the Conference of State Bank Supervisors, the South Carolina Bankers Association, and the FDIC. The Division continuously reviewed and solicited ideas through staff meetings on ways to improve operations. The Commissioner of Banking met with the Board of Directors and/or senior management of banks regulated by the division. He and his staff also met with industry executives and Federal regulators to discuss current issues and trends.

The key goal and responsibility of the Consumer Finance Division is to license and examine all non-depository mortgage lenders/servicers, their branches and loan originators, consumer finance companies, deferred presentment service companies and check cashing service companies. As of the end of fiscal year 2015 the Division had 8,543 licensees. Though this figure continues to grow, all Division programs continue to be conducted successfully within budgetary appropriations and according to statutory requirements. Examinations and investigations completed by the Division resulted in the refund of \$1,049,244 to consumers during the last fiscal year.

Due to the constant evolution of both the lending industry itself and information security issues regarding industry data, staff are receiving continuous training through schools, conferences and webinars offered by the SC Department of Information Security (DIS), the National Association of Consumer Credit Administrators (NACCA), the American Association of Residential Mortgage Regulators (AARMR), the Conference of State Bank Supervisors (CSBS) and the Consumer Financial Protection Bureau (CFPB). These training opportunities provide staff with the most current information regarding state and federal regulatory requirements dealing with information security, the Real Estate Settlement Procedures Act (RESPA), the Truth in Lending Act (TILA), the Equal Credit Opportunity Act (ECOA) and Fair Lending as they pertain to the industries the Division regulates including Mortgage, Consumer Small Loan, Deferred Presentment and Check Cashing. The Division has two employees enrolled in the Certified Public Manager Program (CPM) who will graduate with this national certification in May 2016. An additional employee has been chosen to apply for entrance in this program for the class of 2018.

Expenditures and Appropriations

Other Funds Appropriations versus Expenditures

Fiscal Year	Appropriation	Expenditures
2012 – 2013	\$3,775,875	\$3,288,769
2013 – 2014	\$4,076,215	\$3,525,588
2014 – 2015	\$4,151,437	\$3,804,377
2015 – 2016	\$4,283,980	\$3,973,634 (projected)

In the last several years, the Agency has experienced unexpected turnover in key upper level positions. As a result, the Agency remained significantly understaffed through most of 2012 and 2013. In the second half of 2013 most of the vacant positions were filled. The supervision/ enforcement phase of the Agency's program for Non-Bank Mortgage Lender/Servicers pursuant to the Mortgage Lending Act has been implemented, which requires that the remaining vacant positions be filled to ensure proper implementation and subsequent satisfaction of statutory requirements. Since July 1, 2011, eight Federally chartered banks and savings and loan associations with assets totaling over \$10,000,000,000 have converted to State charters.

Budget Request Summary

Budget Request Summary

	2015 – 2016 Appropriation	2016 – 2017 Budget Request	Difference
Bank Examining	\$1,783,187	\$1,783,187	\$ 0
Consumer Finance	1,596,836	1,600,209	3,373
Employer Contributions	869,580	886,580	17,000
Administration	<u>34,377</u>	<u>34,377</u>	<u>0</u>
Total	\$4,283,980	\$4,304,353	\$20,373

- We are requesting an increase in our funding authorization of \$20,373. We are not requesting any new FTEs.
- The Consumer Finance Division is requesting \$3,373 to increase the salary of the Commissioner of Consumer Finance to the minimum salary approved by the Agency Head Salary Commission. An increase in Employer Contributions of \$17,000 is estimated to cover increased costs.
- The agency does not receive any General Funds – we operate on 100% other funds, and we collect all our funds from the financial institutions we regulate.
- Funds are collected primarily in September for the Bank Examining Division and in December through February for the Consumer Finance Division.
- We have a cash balance that we carry forward each year, and this cash balance is necessary so that we will have money until we collect our funds in the second and third quarters of the fiscal year.

Proviso Requests

Transportation, Regulatory & Cultural Subcommittee
Proviso Request Summary

FY15-16 Act Proviso #	Renumbered FY16-17 Proviso #	Proviso Title	Short Summary	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.	KEEP	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	National Mortgage Settlement Carry Forward	This proviso allows funds received by the agency pursuant to the State-Federal National Mortgage Settlement to be carried forward from the prior fiscal year into the current fiscal year.	KEEP	Funds received by the Consumer Finance Division pursuant to the State-Federal National Mortgage Settlement for enforcement and regulation may be retained, expended, and carried forward from the prior fiscal year into the current fiscal year and used for the same purposes.