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|---------------------|---------------------------------------|-----------------|----|
| AGENCY NAME: | State Board of Financial Institutions | | |
| AGENCY CODE: | R23 | SECTION: | 79 |

**Fiscal Year 2019–2020
Accountability Report**

SUBMISSION FORM

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| AGENCY MISSION | The mission of the Board of Financial Institutions 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. |
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|----------------------|---|
| AGENCY VISION | The Board of Financial Institutions will create an environment that promotes a thriving, competitive, safe and sound financial community to serve the citizens of South Carolina. |
|----------------------|---|

Does the agency have any major or minor recommendations (internal or external) that would allow the agency to operate more effectively and efficiently?

| | Yes | No |
|---------------------------------------|--------------------------|-------------------------------------|
| RESTRUCTURING RECOMMENDATIONS: | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Is the agency in compliance with S.C. Code Ann. § 2-1-230, which requires submission of certain reports to the Legislative Services Agency for publication online and to the State Library? See also S.C. Code Ann. § 60-2-30.

| | Yes | No |
|--------------------------------------|-------------------------------------|--------------------------|
| REPORT SUBMISSION COMPLIANCE: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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Is the agency in compliance with various requirements to transfer its records, including electronic ones, to the Department of Archives and History? See the Public Records Act (S.C. Code Ann. § 30-1-10 through 30-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

| | Yes | No |
|---------------------------------------|-------------------------------------|--------------------------|
| RECORDS MANAGEMENT COMPLIANCE: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Is the agency in compliance with S.C. Code Ann. § 1-23-120(J), which requires an agency to conduct a formal review of its regulations every five years?

| | Yes | No |
|---------------------------|-------------------------------------|--------------------------|
| REGULATION REVIEW: | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Please identify your agency's preferred contacts for this year's accountability report.

| | <u><i>Name</i></u> | <u><i>Phone</i></u> | <u><i>Email</i></u> |
|---------------------------|--------------------|---------------------|--|
| PRIMARY CONTACT: | Richards H. Green | 803-734-2001 | Rick.Green@banking.sc.gov |
| SECONDARY CONTACT: | Ronald R. Bodvake | 806-734-2020 | Ron.Bodvake@bofi.sc.gov |

I have reviewed and approved the enclosed FY 2019–2020 Accountability Report, which is complete and accurate to the extent of my knowledge.

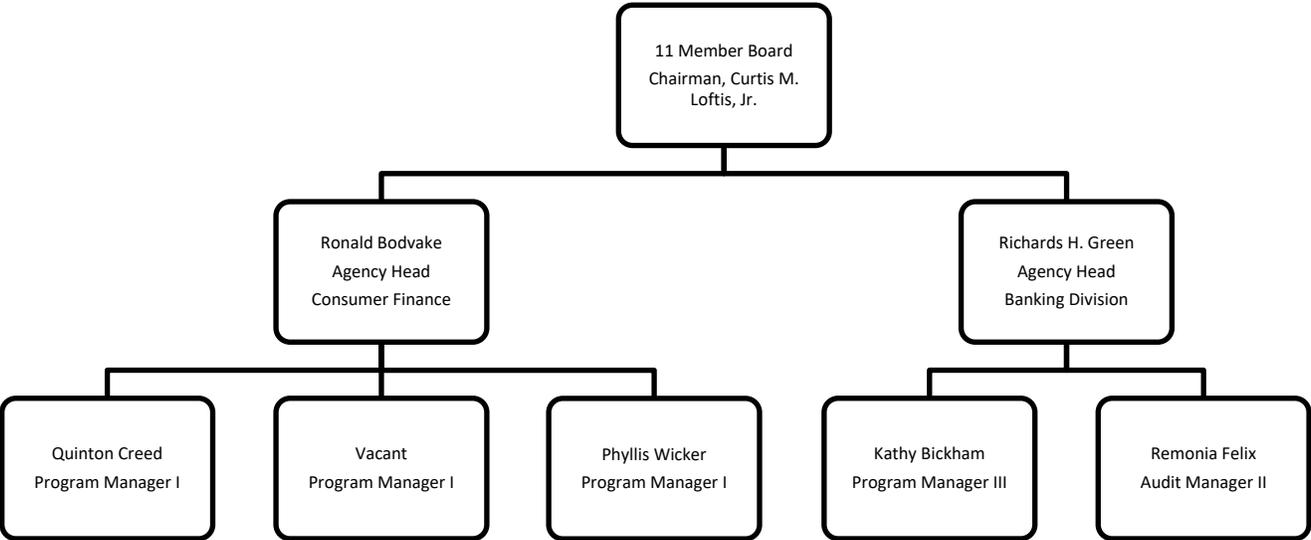
| | |
|---|--------------------------------------|
| AGENCY DIRECTOR (SIGN AND DATE): | Signature on file |
| (TYPE/PRINT NAME): | Richards H. Green /Ronald R. Bodvake |

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|--|-----------------------|
| BOARD/CMSN CHAIR (SIGN AND DATE): | Signature on file |
| (TYPE/PRINT NAME): | Curtis M. Loftis, Jr. |

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AGENCY’S DISCUSSION AND ANALYSIS

The State Board of Financial Institutions 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 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 first three levels of the agency’s organizational chart are exhibited in Figure 1 below. 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.



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The key goals of the agency are to ensure that procedures are in place to adequately monitor the safety and soundness of financial institutions under the Board’s jurisdiction, to ensure that statutory responsibilities are met, and to ensure that the interests of the citizens of the State are protected. The agency strives to keep abreast of changes in financial products and services in order to conduct thorough and comprehensive examinations. The Chairman, Board members, and the directors of the two divisions are participants in the planning process. Programs and procedures are periodically reviewed, and measures are implemented to address changes in the financial industry and the economic environment.

The directors of the agency strive to take advantage of all opportunities available to achieve success in fulfilling the agency’s mission and achieving its strategic goals. Since having a competent and effective staff is crucial to fulfilling the mission of the agency, the directors seek new opportunities for staff development, effective recruitment procedures, and diversity in the workforce. Because of the travel required for the agency’s examiners, attracting and retaining competent employees is a major challenge. Major barriers include competition from other employers for experienced workers and the increasing complexity of financial products, which requires more training and more detailed review. The directors continually evaluate the strategic challenges the agency faces and alter the agency’s plans accordingly.

The agency’s main service is to preserve a sound State chartered financial community and protect the borrowing public. Major products offered by the Board are licenses/charters to operate banks, savings and loan associations, savings banks, credit unions, trust companies, mortgage lenders/servicers and their branches, loan originators, consumer finance companies, deferred presentment service companies, and check cashing service companies. In addition to the licenses, the agency evaluates and monitors the condition of the institutions and determines compliance with applicable statutes and regulations. The citizens of South Carolina, the Legislature, and the Governor are the key customers of the Board of Financial Institutions. Regulated institutions are secondary customers of the Board. The Board’s customers expect the Board to ensure the safety of deposits and protect the borrowing public by ensuring that the state banking and consumer finance laws and regulations are followed. The Board’s key stakeholders are the taxpayers of South Carolina.

Since the Board of Financial Institutions is a regulatory agency, the employees of the Board are the key suppliers. Offices of the Board are located in Columbia, but employees travel throughout the state examining institutions under the Board’s jurisdiction. The Board has two unclassified and 54 classified full-time positions. Other regulatory agencies such as the Federal Deposit Insurance Corporation, the Federal Reserve Bank, the Consumer Financial Protection Bureau, and the South Carolina Department of Consumer Affairs are the agency’s partners in ensuring safe and sound State chartered financial institutions and protecting the borrowing public.

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I. Banking Division

The primary responsibility of the Banking Division is to charter and supervise State chartered banks, savings and loan associations, savings banks, trust companies, and credit unions. In addition to meeting the statutory requirements to carry out these responsibilities, the Banking Division has identified several significant accomplishments in FY 2020 which helped the agency fulfill its mission more effectively and efficiently. These accomplishments are briefly described below.

Fiscal Year 2020 Accomplishments

During FY 2020, all examinations of financial institutions were completed in the timeframes required by law. In response to the COVID-19 Pandemic, the Banking Division purchased software that enhanced the examiners’ ability to conduct examinations off-site. Examiners were able to continue examinations in a timely manner while working from home. Senior staff collaborated with other State and Federal regulators to determine best practices for off-site examinations. During the pandemic, the Banking Division remained open at all times by rotating a small staff in order to limit contact among staff members.

A review of capital adequacy, earnings, liquidity, and past due and nonaccrual loans was performed quarterly on all banks. 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 banks as a whole. During FY 2020, the division formed a Risk Identification Committee. The purpose of this team is to identify current risk levels, trends, and emerging risks; identify data needs and sources; develop supervisory strategies for ensuring safe and sound State chartered institutions, and develop communications to staff and industry.

In addition to on-the-job training in the field and computer based training in the office, examiners attended seven Federal Deposit Insurance Corporation (FDIC) sponsored schools, five Federal Financial Institutions Examination Council sponsored schools, and one Conference of State Bank Supervisors (CSBS) sponsored school. Examiners also attended training conferences sponsored by the FDIC and CSBS. These schools and conferences covered a wide variety of topics including asset/liability management analysis, loan analysis, examination of trust departments, capital markets, Current Expected Credit Losses (CECL) implementation, commercial real estate appraisal evaluation, cybertechnology and risk management, and financial crimes. The agency continued to develop its training program specifically to help new employees gain the knowledge necessary to effectively and efficiently perform their job duties and to allow new examiners to practice examination procedures in the office.

The division actively participates in 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,

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the Risk ID Team, and the COVID-19 Steering Group. The Commissioner of Banking is the Vice-Chair of the CSBS State Supervisory Review Processes Committee.

During FY 2020, the division continued its participation with five other state credit union regulators and the National Credit Union Administration (NCUA) in the Alternating Examination Pilot Program to test options for alternating examinations of well-run, federally insured, state-chartered credit unions. The program is running for approximately three years, and a goal of the pilot program is to explore ways to improve supervisory efficiencies and reduce regulatory burden. The division also continued to cross-train its bank examiners in the examination of credit unions, with the goal that ultimately all examiners will be able to examine both banks and credit unions.

The Banking Division continues to make enhancements to the information technology/information security program. During FY 2020, all employees completed information security training to enhance awareness of potential threats. All examiners have access to FDICConnect, which allows them to securely and efficiently exchange examination documents with both bankers and FDIC examiners, and all examiner laptops use two-factor authentication for accessing email and network files. In addition, key card access was added to all Banking Division suite doors during FY 2020 to enhance security by restricting access and to create a log of personnel who access the suites.

II. Consumer Finance Division

The COVID-19 pandemic presented challenges to conducting business in a traditional onsite office environment. The challenges provided the Division with an opportunity to implement its Business Continuity Plan (BCP). The BCP provided tools and processes to modify workflow required to operate with minimal disruption. The Division successfully continued operations, conducted scheduled examinations, investigated consumer complaints, and processed license applications.

The consumer finance compliance team completed on-site and remote examinations. The mortgage compliance team participated in remote and multi-state examinations of mortgage lenders and servicers facilitated by Conference of State Bank Supervisors (CSBS), American Association of Residential Mortgage Regulators (AARMR) and the Multi-state Mortgage Committee (MMC). Highlights from the fiscal year are as follows:

- 1442 examinations
- \$1,420,723 refunds from examinations
- 168 complaints investigated
- \$12,985 refunds from complaints

The Board has taken steps to modernize the consumer and mortgage licensing process in South Carolina by voting to add consumer finance licensing to the Nationwide Multistate Licensing System (NMLS) used

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by mortgage licensing. The transition of consumer licensing to NMLS system streamlines the process by allowing credit checks to be pulled through NMLS, online renewal and online fee payment. The implementation of NMLS for all license types has enabled the Division to continue the licensing of new and transitional applications through the COVID-19 pandemic.

The Division implemented a long-term Information Technology (IT) plan. The goals included a dedicated IT manager tasked with managing all IT processes, assets and plans. An updated information security policy and procedures encompassing both divisions. Performing a full risk assessment of all business processes and assets to bolster the information security posture. Lastly, streamlining business processes, modernization of data classification and an information technology asset inventory database.

Enterprise and workflow technologies such as OnBase, Sharebase, and Segra Unify are used to facilitate the examination and licensing processes. Sharebase permits lenders to submit files for examination electronically. OnBase is a secure information platform designed to centralize and store all confidential licensee and examination data. Segra Unify allows secure real-time voice communication services through a remote secure network. These software-based tools and equipment encrypted with two-factor authentication are a part of the Division’s BCP providing compliance and licensing team members remote access required to maintain daily operations during COVID-19.

The Commissioner and representatives from the Division attended annual conventions and meetings with the Independent Financial Services Association, SC Financial Services Association, American Conference of Uniform Consumer Credit Code States, and the Mortgage Bankers Association. The meetings allow for discussions of current topics, concerns, and opportunities facing both mortgage and consumer finance industries. Information gained through these resources is shared via the Division’s website and digital newsletter.

The Division is dedicated to fostering a well-informed and highly skilled workforce environment. The mortgage compliance and licensing team members completed certification programs offered by Conference of State Bank Supervisors (CSBS). Team members maintained Certified Application Specialist, Certified Senior Mortgage Examiner, and Certified Mortgage Examiner credentials by completing required continuing education courses. In addition, consumer compliance team members participated and completed annual training schools offered by the National Association of Consumer Credit Administrators (NACCA). These training opportunities provide information regarding federal and state regulatory requirements pertaining to: Know Before You Owe Mortgage Disclosure, Equal Credit Opportunity Act (ECOA), pay-day lending, small and large scale consumer lending, installment lending and automotive finance lending.

We are proud to have five employees who have completed the Certified Public Manager (CPM) program. Two additional employees have been accepted into the CPM program and are expected to graduate in 2021. The program is offered by the South Carolina Department of Administration and is a nationally accredited professional development program for supervisors and managers in state government. The program consists of 300 hours of coursework within an 18-month period, a

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cornerstone project and a final examination. The Division currently has one manager and four members of the executive management team who have the distinction of being Certified Public Managers.

III. Risk Assessment and Mitigation Strategies

The potential most negative impact on the public that would result from the agency’s failure to accomplish its goals and objectives would be that customer protections could be compromised. For the Banking Division, outside help is required if financial institutions cannot be examined within the timeframes required by law. If the number of institutions examined were to fall to this level, the division could request help from Federal regulatory agencies to complete examinations. For the Consumer Finance Division, outside help is required if the division fails to meet statutory responsibilities; however, no outside help is available to mitigate the negative impact. The General Assembly could help resolve the issue by amending statutory requirements, increasing authorization for Other Funds, or increasing salaries and travel reimbursement regulations to make agency positions more attractive.

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Strategic Planning and Performance Measurement Template

| Statewide Enterprise Strategic Objective | Type | Item # | | | Description | 2019-20 | | | Time Applicable | Data Source and Availability | Calculation Method | Meaningful Use of Measure |
|--|------|--------|----------|---------|--|-------------|----------|-------------|-------------------------------|---------------------------------------|--|---|
| | | Goal | Strategy | Measure | | Base | Target | Actual | | | | |
| Public Infrastructure and Economic Development | G | 1 | | | Preserve a sound State Chartered financial community. | | | | | | | |
| | S | 1.1 | | | Monitor the safety and soundness of financial institutions and licensees | | | | | | | |
| | M | | | 1.1.1 | Examine State chartered financial institutions within the timeframes required | 27 | 25 | 23 | January 1 - December 31, 2019 | Excel spreadsheet | Totals from all data sources calculated on last day of calendar year | Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State chartered financial institutions. |
| | M | | | 1.1.1 | Average Cost per Bank | \$57,758 | \$63,534 | \$64,792 | July 1 - June 30 | Excel spreadsheet | Total bank expenditures divided by number of banks | Tracking the cost of examinations promotes sound fiscal stewardship. |
| | M | | | 1.1.2 | Examine consumer finance licensees within the timeframes required by law. | 1,401 | 1425 | 1265 | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State licensed consumer finance institutions. |
| | M | | | 1.1.2 | Examine mortgage licensees within the timeframes required by law. | 171 | 144 | 177 | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State licensed non-depository mortgage lenders and servicers. |
| | M | | | 1.1.2 | Refunds to Consumers from Examination Findings | \$3,232,085 | \$0 | \$1,420,723 | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking refunds to consumers assists the agency in monitoring the effectiveness of its examination process. |
| | M | | | 1.1.2 | Death Claims | 880 | 900 | 1529 | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking death claims processed by licensees assists the agency in determining the effectiveness of its examination process. |
| | S | 1.2 | | | Ensure that statutory requirements are met. | | | | | | | |
| | M | | | 1.2.1 | Review and evaluate applications for new financial institutions and branches and for financial institution holding company acquisitions. | 25 | 25 | 25 | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of applications processed ensures compliance with the agency's statutory requirement to act on applications brought before the Board. |
| | M | | | 1.2.2 | Consumer Finance Applications Analyzed and Reviewed | 215 | 180 | 159 | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of applications ensures compliance with the agency's statutory requirement to act on applications brought before the Board. |
| | M | | | 1.2.2 | Consumer Finance Applications Analyzed and Reviewed within 30 days | 100% | 100% | 100% | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of applications assists the agency in monitoring the efficiency of its application process. |

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Strategic Planning and Performance Measurement Template

| Statewide Enterprise Strategic Objective | Type | Item # | | | Description | 2019-20 | | | Time Applicable | Data Source and Availability | Calculation Method | Meaningful Use of Measure |
|---|----------|------------|----------|---------|---|----------|--------|----------|------------------|---------------------------------------|--|--|
| | | Goal | Strategy | Measure | | Base | Target | Actual | | | | |
| | M | | | 1.2.2 | Consumer Finance Amendments Processed | 483 | 400 | 437 | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of amendments processed assists the agency in monitoring the efficiency of its amendment process. |
| | M | | | 1.2.2 | Mortgage Applications Processed | 3588 | 3000 | 4917 | July 1 - June 30 | NMLS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of applications ensures compliance with the agency's statutory requirement to act on applications submitted to the Commissioner. |
| | M | | | 1.2.2 | Mortgage Applications Processed within 20 days | 100% | 100% | 100% | July 1 - June 30 | NMLS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of applications assists the agency in monitoring the efficiency of its application process. |
| | M | | | 1.2.2 | Mortgage Amendments Processed | 35,567 | 30,000 | 41,083 | July 1 - June 30 | NMLS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of amendments processed assists the agency in monitoring the efficiency of its amendment process. |
| Maintaining Safety, Integrity and Security | G | 2 | | | Protect the interests of the citizens of South Carolina. | | | | | | | |
| | S | 2.1 | | | Monitor the concerns of the depositing and borrowing public. | | | | | | | |
| | M | | | 2.1.1 | Consumer Finance Complaints Investigated within 30 days | 100% | 100% | 100% | July 1 - June 30 | SC DCA & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of consumer complaints assists the agency in monitoring the efficiency of its complaint process. |
| | M | | | 2.1.1 | Mortgage Complaints Investigated within 30 days | 100% | 100% | 100% | July 1 - June 30 | SC DCA & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of mortgage complaints assists the agency in monitoring the efficiency of its complaint process. |
| | M | | | 2.1.1 | Refunds from Complaints | \$18,160 | \$0 | \$12,985 | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking refunds to consumers assists the agency in monitoring the effectiveness of its consumer complaint investigations. |
| Government and Citizens | G | 3 | | | Maintain competent and well trained staff. | | | | | | | |
| | S | 3.1 | | | Hire and retain qualified, diverse employees. | | | | | | | |
| | M | | | 3.1.1 | Employee Turnover Ratio | 12% | 10% | 18% | July 1 - June 30 | SCEIS & Excel spreadsheet | Number of employees who leave the agency divided by total FTEs | A low turnover ratio increases productivity and reduces costs. |
| | M | | | 3.1.2 | Staff Diversity (Minority and Women) | 64% | 50% | 69% | 30-Jun | SCEIS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Workplace diversity can increase employee morale and bring about increased productivity. |
| | S | 3.2 | | | Provide training opportunities for employees. | | | | | | | |
| | M | | | 3.2.1 | Ensure compliance with CJIS education and certification requirements. | 100% | 100% | 100% | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking CJIS certification ensures the agency's compliance with federal statutes pertaining to criminal record information. |
| | M | | | 3.2.2 | Average Training Hours | 91 | 50 | 99 | July 1 - June 30 | Excel spreadsheet | Total training hours divided by number of employees | Training increases employee knowledge and job satisfaction. |
| | M | | | 3.2.3 | Pass Rate of FDIC Core Schools Attended | 100% | 100% | 100% | July 1 - June 30 | Excel spreadsheet | Total core schools passed divided by total schools attended. | A high pass rate Increases the effectiveness of financial institution examinations. |

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|--|------|--------|----------|---------|-------------|------|---------|--------|-----------------|------------------------------|--------------------|---------------------------|
| | | Goal | Strategy | Measure | | | Target | Actual | | | | |

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| Statewide Enterprise Strategic Objective | Type | Item # | | | Description | Base | 2019-20 | | Time Applicable | Data Source and Availability | Calculation Method | Meaningful Use of Measure |
|--|------|--------|----------|---------|-------------|------|---------|--------|-----------------|------------------------------|--------------------|---------------------------|
| | | Goal | Strategy | Measure | | | Target | Actual | | | | |

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Strategic Planning and Performance Measurement Template

| Statewide Enterprise Strategic Objective | Type | Item # | | | Description | 2020-21 | | | Time Applicable | Data Source and Availability | Calculation Method | Meaningful Use of Measure |
|--|------|--------|----------|---------|--|-------------|--|--------|-------------------------------|---------------------------------------|--|---|
| | | Goal | Strategy | Measure | | Base | Target | Actual | | | | |
| Public Infrastructure and Economic Development | G | 1 | | | Preserve a sound State Chartered financial community. | | | | | | | |
| | S | 1.1 | | | Monitor the safety and soundness of financial institutions and licensees | | | | | | | |
| | M | | | 1.1.1 | Examine State chartered financial institutions within the timeframes required by law. | 23 | Examine at least 15 institutions during the year | | January 1 - December 31, 2020 | Excel spreadsheet | Totals from all data sources calculated on last day of calendar year | Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State chartered financial institutions. |
| | M | | | 1.1.1 | Average Cost per Bank | \$64,792 | No more than a 10% increase over the prior year | | July 1 - June 30 | Excel spreadsheet | Total bank expenditures divided by number of banks | Tracking the cost of examinations promotes sound fiscal stewardship. |
| | M | | | 1.1.2 | Examine consumer finance licensees within the timeframes required by law. | 1,265 | 1,300 | | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State licensed consumer finance institutions. |
| | M | | | 1.1.2 | Examine mortgage licensees within the timeframes required by law. | 177 | 150 | | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of examinations completed ensures compliance with the agency's mission of examining and supervising State licensed non-depository mortgage lenders and servicers. |
| | M | | | 1.1.2 | Refunds to Consumers from Examination Findings | \$1,420,723 | \$0 | | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking refunds to consumers assists the agency in monitoring the effectiveness of its examination process. |
| | M | | | 1.1.2 | Death Claims | 1,529 | 950 | | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking death claims processed by licensees assists the agency in determining the effectiveness of its examination process. |
| | S | 1.2 | | | Ensure that statutory requirements are met. | | | | | | | |
| | M | | | 1.2.1 | Review and evaluate applications for new financial institutions and branches and for financial institution holding company acquisitions. | 25 | 20 | | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of applications processed ensures compliance with the agency's statutory requirement to act on applications brought before the Board. |
| | M | | | 1.2.2 | Consumer Finance Applications Analyzed and Reviewed | 159 | 100 | | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of applications ensures compliance with the agency's statutory requirement to act on applications brought before the Board. |
| | M | | | 1.2.2 | Consumer Finance Applications Analyzed and Reviewed within 30 days | 100% | 100% | | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of applications assists the agency in monitoring the efficiency of its application process. |

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| Statewide Enterprise Strategic Objective | Type | Item # | | | Description | 2020-21 | | | Time Applicable | Data Source and Availability | Calculation Method | Meaningful Use of Measure |
|---|----------|------------|----------|---------|---|----------|--|--------|------------------|---------------------------------------|--|--|
| | | Goal | Strategy | Measure | | Base | Target | Actual | | | | |
| | M | | | 1.2.2 | Consumer Finance Amendments Processed | 437 | 375 | | July 1 - June 30 | Internal database & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of amendments processed assists the agency in monitoring the efficiency of its amendment process. |
| | M | | | 1.2.2 | Mortgage Applications Processed | 4917 | 3500 | | July 1 - June 30 | NMLS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of applications ensures compliance with the agency's statutory requirement to act on applications submitted to the Commissioner. |
| | M | | | 1.2.2 | Mortgage Applications Processed within 20 days | 100% | 100% | | July 1 - June 30 | NMLS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of applications assists the agency in monitoring the efficiency of its application process. |
| | M | | | 1.2.2 | Mortgage Amendments Processed | 41,083 | 35,000 | | July 1 - June 30 | NMLS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the number of amendments processed assists the agency in monitoring the efficiency of its amendment process. |
| Maintaining Safety, Integrity and Security | G | 2 | | | Protect the interests of the citizens of South Carolina. | | | | | | | |
| | S | 2.1 | | | Monitor the concerns of the depositing and borrowing public. | | | | | | | |
| | M | | | 2.1.1 | Consumer Finance Complaints Investigated within 30 days | 100% | 100% | | July 1 - June 30 | SC DCA & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of consumer complaints assists the agency in monitoring the efficiency of its complaint process. |
| | M | | | 2.1.1 | Mortgage Complaints Investigated within 30 days | 100% | 100% | | July 1 - June 30 | SC DCA & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking the processing time of mortgage complaints assists the agency in monitoring the efficiency of its complaint process. |
| | M | | | 2.1.1 | Refunds from Complaints | \$12,985 | \$0 | | July 1 - June 30 | Excel spreadsheet | Totals from all data sources calculated on last day of FY | Tracking refunds to consumers assists the agency in monitoring the effectiveness of its consumer complaint investigations. |
| Government and Citizens | G | 3 | | | Maintain competent and well trained staff. | | | | | | | |
| | S | 3.1 | | | Hire and retain qualified, diverse employees. | | | | | | | |
| | M | | | 3.1.1 | Employee Turnover Ratio | 18% | 10% | | July 1 - June 30 | SCEIS & Excel spreadsheet | Number of employees who leave the agency divided by total FTEs | A low turnover ratio increases productivity and reduces costs. |
| | M | | | 3.1.2 | Staff Diversity (Minority and Women) | 69% | Have a staff that is at least 50% minority and women | | 30-Jun | SCEIS & Excel spreadsheet | Totals from all data sources calculated on last day of FY | Workplace diversity can increase employee morale and bring about increased productivity. |
| | S | 3.2 | | | Provide training opportunities for employees. | | | | | | | |
| | M | | | 3.2.1 | Average Training Hours | 99 | 50 | | July 1 - June 30 | Excel spreadsheet | Total training hours divided by number of employees | Training increases employee knowledge and job satisfaction. |
| | M | | | 3.2.2 | Pass Rate of FDIC Core Schools Attended | 100% | 100% | | July 1 - June 30 | Excel spreadsheet | Total core schools passed divided by total schools attended. | A high pass rate increases the effectiveness of financial institution examinations. |

Agency Name: STATE BOARD OF FINANCIAL INSTITUTIONS

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Strategic Planning and Performance Measurement Template

| Statewide Enterprise Strategic Objective | Type | Item # | | | Description | 2020-21 | | | Time Applicable | Data Source and Availability | Calculation Method | Meaningful Use of Measure |
|--|------|--------|----------|---------|-------------|---------|--------|--------|-----------------|------------------------------|--------------------|---------------------------|
| | | Goal | Strategy | Measure | | Base | Target | Actual | | | | |

Agency Name: State Board of Financial Institutions

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Legal Standards Template

| Item # | Law Number | Jurisdiction | Type of Law | Statutory Requirement and/or Authority Granted | Does this law specify who your agency must or may serve? (Y/N) | Does the law specify a product or service your agency must or may provide? | If yes, what type of service or product? | If other service or product, please specify what service or product. |
|--------|---------------|--------------|-------------|--|--|---|--|---|
| 1 | 34-1-20 | State | Statute | Establishes the Board of Financial Institutions (Board) and the appointment of its members. | Yes | Yes | Other service or product our agency must/may provide | A Board to oversee the agency |
| 2 | 34-1-60 | State | Statute | Establishes the Board's authority to supervise banks and building and loan associations. | Yes | Yes | Other service or product our agency must/may provide | Supervision of banks and savings and loans |
| 3 | 34-1-70 | State | Statute | Establishes the Board's authority to approve charters and branches of banks, building and loan associations, savings and loan associations, and savings banks. | Yes | Yes | Other service or product our agency must/may provide | Bank, building and loan association, savings and loan association, and savings bank charters and branch authority |
| 4 | 34-1-80 | State | Statute | 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. | Yes | Yes | Other service or product our agency must/may provide | Examination of Business Development Corporation of South Carolina |
| 5 | 34-30-120 | State | Statute | Establishes the Board's authority to approve charters of savings banks. | Yes | Yes | Other service or product our agency must/may provide | Savings bank charters |
| 6 | 34-26-200 | State | Statute | Establishes the Board's authority to supervise credit unions. | Yes | Yes | Other service or product our agency must/may provide | Supervision of credit unions |
| 7 | 34-26-310 | State | Statute | Establishes the Board's authority to approve charters of credit unions. | Yes | Yes | Other service or product our agency must/may provide | Credit union charters |
| 8 | 34-21-10 | State | Statute | Establishes that the Board's approval is necessary to conduct trust business. | Yes | Yes | Other service or product our agency must/may provide | Trust powers |
| 9 | 34-9-10 | State | Statute | Gives authority to the Board to set capital requirements for new banks. | Yes | No - But relates to manner in which one or more agency deliverables is provided | | |
| 10 | 34-25-30 | State | Statute | Establishes that the Board's approval is necessary to acquire a South Carolina holding company or a South Carolina State bank. | Yes | Yes | Other service or product our agency must/may provide | Authority to acquire a holding company or bank |
| 11 | 34-28-310 | State | Statute | Establishes that the Board's approval is necessary to acquire a South Carolina savings and loan association or savings and loan holding company. | Yes | Yes | Other service or product our agency must/may provide | Authority to acquire a savings and loan holding company or savings and loan association |
| 12 | 34-28-100 | State | Statute | Establishes the Board's authority to approve charters of savings and loan associations. | Yes | Yes | Other service or product our agency must/may provide | Savings and loan association charter |
| 13 | 34-29-200 | State | Statute | Establishes the Board's authority to designate the Chief Administrative Officer/Commissioner of Consumer Finance Division. | Yes | No | | |
| 14 | 37-22-110(11) | State | Statute | Defines "Commissioner" as the designee of the State Board of Financial Institutions for purposes of licensing and regulation of mortgage lenders and mortgage loan originators pursuant to this chapter. | Yes | No - But relates to manner in which one or more agency deliverables is provided | | |
| 15 | 37-22-140 | State | Statute | Establishes application qualifications and regulatory compliance for Non-depository Mortgage Lenders and Servicers. | Yes | Yes | Other service or product our agency must/may provide | License to conduct Mortgage lending activity in South Carolina |
| 16 | 37-22-200 | State | Statute | Establishes the powers of commissioner relating to denial, suspension, revocation or refusal to renew license; surrender; investigations and subpoena of documents. | Yes | Yes | Other service or product our agency must/may provide | Supervision of Mortgage lenders |
| 17 | 37-3-501 | State | Statute | Establishes application qualifications and regulatory compliance for Supervised Lenders and Servicers. | Yes | Yes | Other service or product our agency must/may provide | License to conduct Supervised lending activity in South Carolina |
| 18 | 37-3-502 | State | Statute | Establishes a license requirement to make supervised loans. | Yes | Yes | Other service or product our agency must/may provide | License to conduct Supervised lending activity in South Carolina |
| 19 | 37-3-503 | State | Statute | Establishes the Board's authority to issue licenses to make supervised loans. | Yes | Yes | Other service or product our agency must/may provide | License to conduct Supervised lending activity in South Carolina |
| 20 | 37-3-506 | State | Statute | Established the Board's authority to perform examinations on Supervised Lenders | Yes | Yes | Other service or product our agency must/may provide | Supervision of Supervised Lenders |

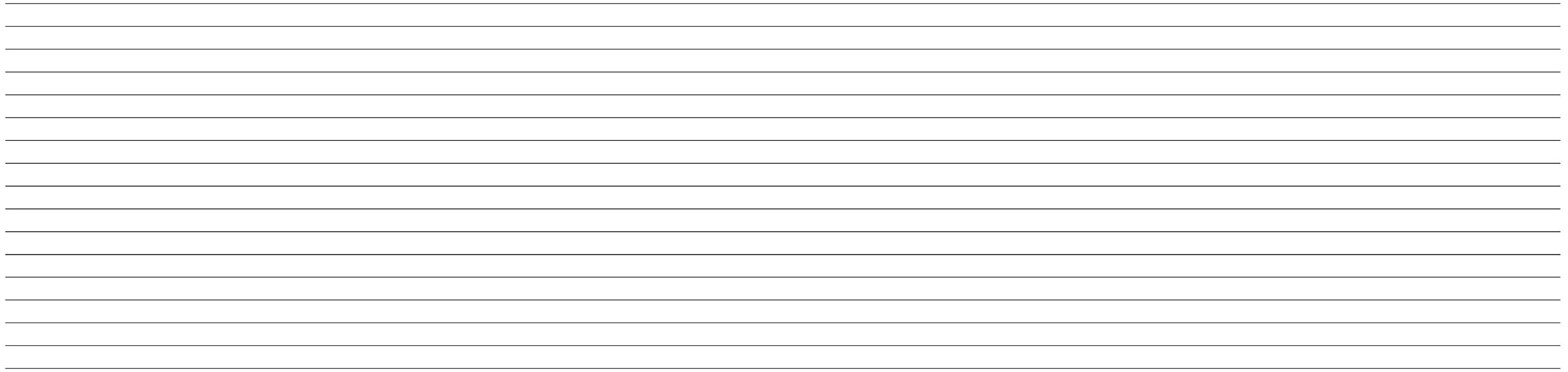












Agency Name: STATE BOARD OF FINANCIAL INSTITUTIONS

Fiscal Year 2019-2020
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Report and External Review Template

| Item | Is this a Report, Review, or both? | Report or Review Name | Name of Entity Requesting the Report or Conducting Review | Type of Entity | Reporting Frequency | Current Fiscal Year: Submission Date or Review Timeline (MM/DD/YYYY) | Summary of Information Requested in the Report or Reviewed | Method to Access the Report or Information from the Review |
|------|------------------------------------|--|---|----------------|---------------------|--|---|---|
| 1 | Internal Review and Report | Accountability Report | Executive Budget Office | State | Annually | September 15, 2019 | Agency's mission, objectives to accomplish the mission, and performance measures that show the degree to which objectives are being met | https://www.admin.sc.gov/budget/agency-accountability-reports |
| 2 | External Review and Report | Deferred Presentment Annual Report | House Labor, Commerce, and Industry Committee; Senate Banking and Insurance Committee | State | Annually | May 19, 2018 | Monitor the deferred presentment industry | Veritec (database provider) |
| 3 | External Review and Report | Capital Reserve Position of Financial Institutions | General Assembly | State | Annually | April 15, 2020 | Capital position of all financial institutions supervised by the agency | Contact Banking Division |
| 4 | External Review and Report | Financial Audit | SC State Auditor's Office | State | Annually | July 1 - June 30 | Financial audit | http://osa.sc.gov/Reports |

