



2023 Annual Accountability Report

State Board of Financial Institutions

Agency Code: R230

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AGENCY NAME:	State Board of Financial Institutions		
AGENCY CODE:	R230	SECTION:	79

AGENCY'S DISCUSSION AND ANALYSIS

The State Board of Financial Institutions (the 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 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.

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 Commissioners 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 Commissioners strive to take advantage of all opportunities available to fulfill the Agency's mission and achieve its strategic goals. Since having a competent and effective staff is crucial to fulfilling the mission of the Agency, the Commissioners 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 Commissioners 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 National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank, the Consumer Financial Protection Bureau (CFPB), and the South

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Carolina Department of Consumer Affairs are the Agency’s partners in ensuring safe and sound State-chartered financial institutions and protecting the borrowing public.

In accordance with Section 1-13-110 of the South Carolina Code of Laws, the Agency has adopted an Affirmative Action Plan (AAP) and implemented a program to ensure fair employment for all race/sex groups. The AAP has been approved by the South Carolina Human Affairs Commission (SCHAC). The Agency achieved 95.8% of its goal, ranking the Agency in the top ten of State government in the 2023 Status of Equal Employment Opportunity Report issued by the SCHAC.

Throughout the year, cybersecurity and privacy continued to be of paramount importance for the Agency. The Agency actively engaged in an audit and assessment conducted by the Department of Administration's Division of Information Security. The resulting report affirmed the Agency's robust development of its Information Security Plan, complete with pertinent supplementary procedures, manuals, and guidelines. These resources ensure the effective implementation of controls necessary to meet security requirements.

In addition, the Agency proactively enhanced its preparedness by orchestrating Incident Response and Business Continuity tabletop exercises, aimed at refining its future response strategies. Additionally, recognizing the significance of safeguarding against potential vulnerabilities, the Agency entered into an agreement with a provider to carry out comprehensive external and wireless penetration tests. The outcome of these tests unequivocally confirmed the absence of any exploitable issues.

The Agency has identified the potential most negative impact on the public that would result from the Agency’s failure to accomplish its goals and objectives. This potential impact on the public is that customer protections could be compromised. For the Banking Division, outside help is required if the number of financial institutions examined in a calendar year is less than ten. 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.

For this potential negative impact, the General Assembly could help resolve the issue by amending statutory requirements, increasing authorization for Other Funds, or increasing salary bands and travel reimbursement amounts to make Agency positions more attractive.

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 Fiscal Year 2023 which helped the Agency fulfill its mission more effectively and efficiently. These accomplishments are briefly described below.

Fiscal Year 2023 Accomplishments

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,

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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).

I. Consumer Finance Division

The primary responsibility of the Consumer Finance Division is to efficiently supervise the licensing and examination of all non-depository mortgage lenders/servicers, their branches and loan originators, consumer finance, deferred presentment, and check cashing companies. In addition to meeting statutory requirements for the licensing and examination of these companies, the Consumer Finance Division would like to highlight several significant accomplishments for Fiscal Year 2023.

Fiscal Year 2023 Accomplishments

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.

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These successful partnerships with the financial industry and the General Assembly allowed the Division to promulgate 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.

AGENCY NAME:

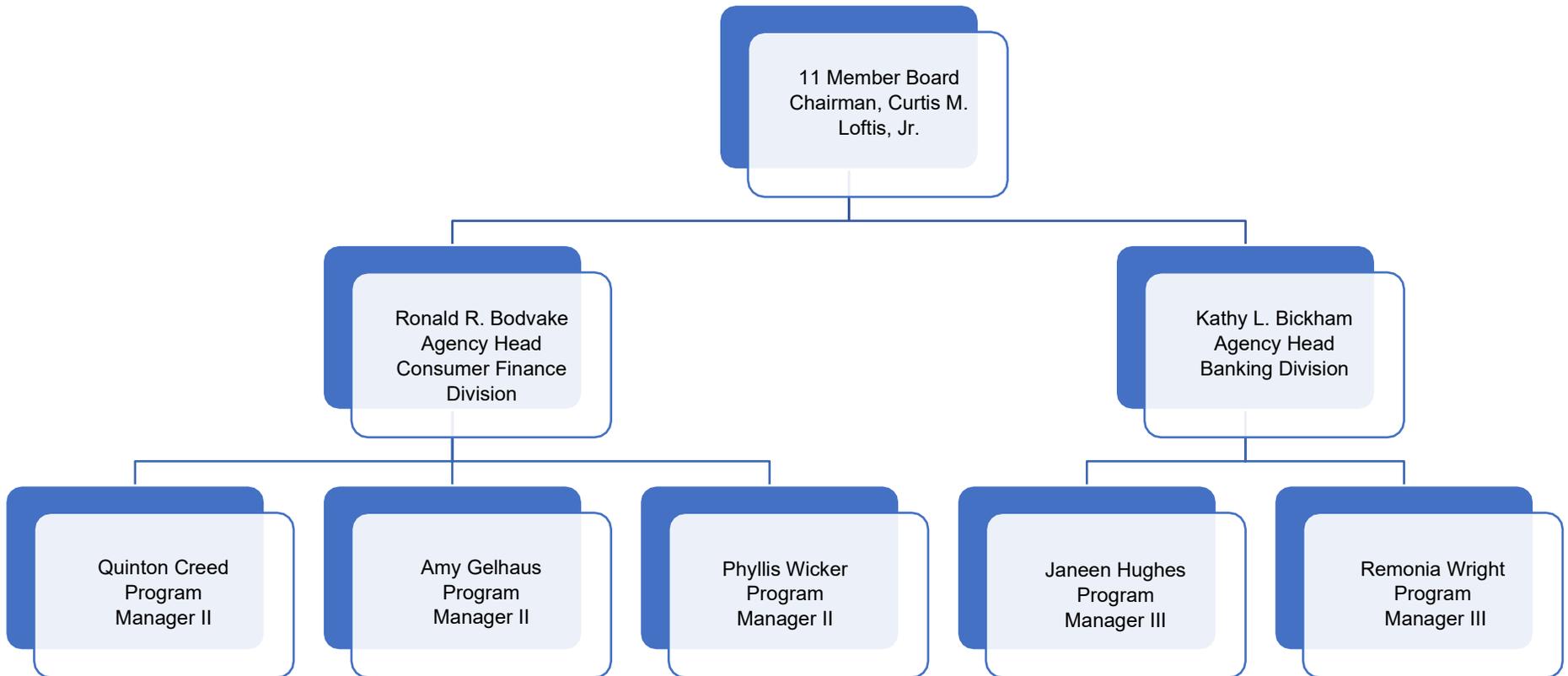
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AGENCY ORGANIZATIONAL CHART



2023

Reorganization and Compliance

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Primary Contact

First Name	Last Name	Role/Title	Email Address	Phone
Janeen	Hughes	Deputy Commissioner of Banking	Janeen.Hughes@banking.sc.gov	803-734-2007

Secondary Contact

First Name	Last Name	Role/Title	Email Address	Phone
Amy	Gelhaus	Deputy Commissioner of Consumer Finance	Amy.Gelhaus@bofi.sc.gov	803-734-2020

Agency Mission

Adopted in:

2020

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.

Agency Vision

Adopted in:

2016

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.

Recommendations for reorganization requiring legislative change:

None

Agency intentions for other major reorganization to divisions, departments, or programs to allow the agency to operate more effectively and efficiently in the succeeding fiscal year:

None

Significant events related to the agency that occurred in FY2023

Description of Event	Start	End	Agency Measures Impacted	Other Impacts
No significant events affected performance.				

Is the agency in compliance with S.C. Code Ann. § 2-1-220, which requires submission of certain reports to the Legislative Services Agency for publication online and the State Library? (See also S.C. Code Ann. § 60-2-20).

Yes

Reason agency is out of compliance: (if applicable)

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. § 20-1-10 through 20-1-180) and the South Carolina Uniform Electronic Transactions Act (S.C. Code Ann. § 26-6-10 through 26-10-210).

Yes

Does the law allow the agency to promulgate regulations?

Yes

Law number(s) which gives the agency the authority to promulgate regulations:

34-1-60; 34-1-110; 34-21-20; 34-26-210; 34-41-130; 34-39-260; 37-22-260

Has the agency promulgated any regulations?

Yes

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

(End of Reorganization and Compliance Section)

FY2023

Strategic Plan Results

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Goal 1 Preserve a sound State Chartered financial community.

Goal 2 Protect the interests of the citizens of South Carolina.

Goal 3 Maintain competent and well trained staff.

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number	Responsible	Notes
1.1 Monitor the safety and soundness of financial institutions and licensees under the Board's jurisdiction.															
State Objective: Public Infrastructure and Economic Development															
1.1.1	Examine State chartered financial institutions within the timeframes required by law	19	15	20	Count	equal to or greater than	Calendar Year	Totals from all data sources calculated on last day of calendar year	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	0504.000000.000		
1.1.2	Examine consumer finance licensees within the timeframes required by law	1,541	1,320	1,357	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.1.3	Examine mortgage licensees within the timeframes required by law	196	168	239	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.1.4	Refunds to consumers from examination findings	\$1,693,372	\$0	\$1,139,000	Dollar Amount	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.1.5	Tracking death claims processed by licensees assists the agency in determining the effectiveness of its examination process	2,094	950	1,566	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2 Ensure that statutory requirements are met.															
State Objective: Public Infrastructure and Economic Development															
1.2.1	Review and evaluate applications for new financial institutions and branches and for financial institution holding company acquisitions	26	20	17	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	0504.000000.000		The number of applications for new financial institutions and branches and holding company acquisitions declined in Fiscal Year 2023 due to economic conditions.
1.2.2	Consumer finance applications analyzed and reviewed within 30 days	260	100	151	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2.3	Consumer finance applications analyzed and reviewed within 30 days	100%	100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2.4	Consumer finance amendments processed	3,081	1,000	2,738	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Amendments processed in a timely manner	Licenses, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2.5	Mortgage applications processed within 30 days	9,108	3,500	4,955	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	NMLS & Excel spreadsheet	NMLS and SC Office of Technology Servicer	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2.6	Mortgage applications processed within 30 days	100%	100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	NMLS & Excel spreadsheet	NMLS and SC Office of Technology Servicer	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2.7	Mortgage amendments processed	47,202	35,000	42,258	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	NMLS & Excel spreadsheet	NMLS and SC Office of Technology Servicer	Amendments processed in a timely manner	Licenses, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
2.1 Monitor the concerns of the depositing and borrowing public.															
State Objective: Public Infrastructure and Economic Development															
2.1.1	Consumer finance complaints investigated within 30 days	100%	100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	SC DCA & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		

Perf. Measure Number	Description	Base	Target	Actual	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program		
													Number Responsible	Notes	
2.1.2	Mortgage complaints investigated within 30 days		100%	100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	SC DCA & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
2.1.3	Refunds from complaints	\$14,844	\$0	\$28,106	Dollar Amount	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
3.1	Hire and retain qualified, diverse employees.											State Objective: Government and Citizens			
3.1.1	Staff diversity (minority and women)	70%	50%	67%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	SCEIS & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Workforce representative of the citizens of South Carolina	Citizens of South Carolina, the Legislature, and Governor	0504.000000.000, 1003.000000.000		
3.2	Provide training opportunities for employees.											State Objective: Government and Citizens			
3.2.1	Average training hours	66	50	97	Ratio	equal to or greater than	State Fiscal Year	Total training hours divided by number of employees	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Competent and Skilled Workforce	Applicants, Citizens of South Carolina, the Legislature, and Governor	0504.000000.000, 1003.000000.000		
3.2.2	Pass rate of FDIC core schools attended	100%	100%	100%	Percent	Equal to or greater than	State Fiscal Year	Total core schools passed divided by total schools attended.	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Competent and Skilled Workforce	Applicants, Citizens of South Carolina, the Legislature, and Governor	0504.000000.000		

FY2024

Strategic Plan Development

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Goal 1 Preserve a sound State Chartered financial community.

Goal 2 Protect the interests of the citizens of South Carolina.

Goal 3 Maintain competent and well trained staff.

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
1.1 Monitor the safety and soundness of financial institutions and licensees under the Board's jurisdiction.													State Objective: Public Infrastructure and Economic Development	
1.1.1	Examine State chartered financial institutions within the timeframes required by law	20	15	Count	Equal to or greater than	Calendar Year	Totals from all data sources calculated on last day of calendar year	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	0504.000000.000		
1.1.2	Examine consumer finance licensees within the timeframes required by law	1,357	1,250	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.1.3	Examine mortgage licensees within the timeframes required by law	239	180	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.1.4	Refunds to consumers from examination findings	\$1,139,000	\$0	Dollar Amount	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.1.5	Tracking death claims processed by licensees assists the agency in determining the effectiveness of its examination process	1,566	950	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2 Ensure that statutory requirements are met.													State Objective: Public Infrastructure and Economic Development	
1.2.1	Review and evaluate applications for new financial institutions and branches and for financial institution holding company acquisitions within internally-established timeframes	N/A	100%	Percent	Equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	0504.000000.000		
1.2.2	Consumer finance applications analyzed and reviewed within 30 days	151	100	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		
1.2.3	Consumer finance applications analyzed and reviewed within 30 days	100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000		

Perf. Measure Number	Description	Base	Target	Value Type	Desired Outcome	Time Applicable	Calculation Method	Data Source	Data Location	Stakeholder Need Satisfied	Primary Stakeholder	State Funded Program Number Responsible	Notes	
1.2.4	Consumer finance amendments processed		2,738	1,000	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Internal database & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Amendments processed in a timely manner	Licenseses, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
1.2.5	Mortgage applications processed within 30 days		4,955	3,500	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	NMLS & Excel spreadsheet	NMLS and SC Office of Technology Servicer	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
1.2.6	Mortgage applications processed within 30 days		100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	NMLS & Excel spreadsheet	NMLS and SC Office of Technology Servicer	Applications processed in a timely manner	Applicants, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
1.2.7	Mortgage amendments processed		42,258	35,000	Count	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	NMLS & Excel spreadsheet	NMLS and SC Office of Technology Servicer	Amendments processed in a timely manner	Licenseses, Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
2.1 Monitor the concerns of the depositing and borrowing public.													State Objective: Public Infrastructure and Economic Development	
2.1.1	Consumer finance complaints investigated within 30 days		100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	SC DCA & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
2.1.2	Mortgage complaints investigated within 30 days		100%	100%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	SC DCA & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
2.1.3	Refunds from complaints		\$28,106	\$0	Dollar Amount	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Consumer Protection	Citizens of South Carolina, the Legislature, and Governor	1003.000000.000	
3.1 Hire and retain qualified, diverse employees.													State Objective: Government and Citizens	
3.1.1	Staff diversity (minority and women)		67%	50%	Percent	equal to or greater than	State Fiscal Year	Totals from all data sources calculated on last day of FY	SCEIS & Excel spreadsheet	SC Office of Technology and Information Services Data Center	Workforce representative of the citizens of South Carolina	Citizens of South Carolina, the Legislature, and Governor	0504.000000.000, 1003.000000.000	
3.2 Provide training opportunities for employees.													State Objective: Government and Citizens	
3.2.1	Average training hours		97	50	Count	equal to or greater than	State Fiscal Year	Total training hours divided by number of employees	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Competent and Skilled Workforce	Applicants, Citizens of South Carolina, the Legislature, and Governor	0504.000000.000, 1003.000000.000	
3.2.2	Pass rate of FDIC core schools attended		100%	100%	Percent	Equal to or greater than	State Fiscal Year	Total core schools passed divided by total schools attended.	Excel spreadsheet	SC Office of Technology and Information Services Data Center	Competent and Skilled Workforce	Applicants, Citizens of South Carolina, the Legislature, and Governor	0504.000000.000	

2023

Budget Data

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

State Funded Program No.	State Funded Program Title	Description of State Funded Program	(Actual) General	(Actual) Other	(Actual) Federal	(Actual) Total	(Projected) General2	(Projected) Other	(Projected) Federal4	(Projected) Total
0100.000000.000	Administration	Provides for expenses of members of the Board, which oversees the Banking and Consumer Finance divisions of the Board of Financial Institutions	\$ -	\$ 56,154.00	\$ -	\$ 56,154.00	\$ -	\$ 59,000.00	\$ -	\$ 59,000.00
0504.000000.000	Banking Examiners	The Banking Division regulates and supervises State chartered banks, savings and loan associations, savings banks, credit unions, and trust companies.	\$ -	\$ 1,890,157.00	\$ -	\$ 1,890,157.00	\$ -	\$ 2,278,000.00	\$ -	\$ 2,278,000.00
1003.000000.000	Consumer Finance	The Consumer Finance Examining Program regulates and supervises State licensed non-depository mortgage lenders servicers, supervised lenders, deferred presentment service providers and check cashing service providers.	\$ -	\$ 2,238,645.00	\$ -	\$ 2,238,645.00	\$ -	\$ 2,549,118.00	\$ -	\$ 2,549,118.00
9500.050000.000	State Employer Contributions	Provides for benefits for employees of the Board of Financial Institutions	\$ -	\$ 1,304,153.00	\$ -	\$ 1,304,153.00	\$ -	\$ 1,650,000.00	\$ -	\$ 1,650,000.00

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Legal Data

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
34-1-20	State	Statute	Establishes the Board of Financial Institutions (Board) and the appointment of its members.	Requires a service	A Board to oversee the agency	No Change
34-1-60	State	Statute	Establishes the Board's authority to supervise banks and building and loan associations.	Requires a service	Supervision of banks and savings and loans	No Change
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.	Requires a service	Bank, building and loan association, savings and loan association, and savings bank charters and branch authority	No Change
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.	Requires a service	Examination of Business Development Corporation of South Carolina	No Change
34-1-150	State	Statute	Clarifies requirements for the chartering of a new bank.	Requires a service		No Change
34-1-160	State	Statute	Clarifies requirements for the chartering of a new bank.	Requires a service		No Change
34-1-170	State	Statute	Clarifies requirements for the chartering of a new bank.	Requires a service		No Change
34-1-180	State	Statute	Clarifies requirements for the chartering of a new bank.	Requires a service		No Change
34-1-190	State	Statute	Clarifies requirements for the chartering of a new bank.	Requires a service		No Change
34-1-200	State	Statute	Clarifies requirements for the chartering of a new bank.	Requires a service		No Change
34-1-220	State	Statute	Allows certain delegations to the Commissioner of Banking	Requires a service		No Change
34-21-10	State	Statute	Establishes that the Board's approval is necessary to conduct trust business.	Requires a service	Authority to conduct trust business	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
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.	Requires a service	Authority to acquire a holding company or bank	No Change
34-26-200	State	Statute	Establishes the Board's authority to supervise credit unions.	Requires a service	Supervision of credit unions	No Change
34-26-310	State	Statute	Establishes the Board's authority to approve charters of credit unions.	Requires a service	Credit union charters	No Change
34-28-100	State	Statute	Establishes the Board's authority to approve charters of savings and loan associations.	Requires a service	Savings and loan association charter	No Change
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.	Requires a service	Authority to acquire a savings and loan holding company or savings and loan association	No Change
34-29-20	State	Statute	Establishes application qualifications and regulatory compliance for Restricted Lenders.	Requires a service	License to conduct Restricted lending activity in South Carolina	No Change
34-29-200	State	Statute	Establishes the Board's authority to designate the Chief Administrative Officer/Commissioner of Consumer Finance Division.	Requires a service		No Change
34-29-30	State	Statute	Establishes the Board's authority to issue licenses to make Restricted loans.	Requires a service	License to conduct Restricted lending activity in South Carolina	No Change
34-29-40	State	Statute	Establishes the Board's authority to issue or deny a license	Requires a service	License to conduct Restricted lending activity in South Carolina	No Change
34-29-90	State	Statute	Established the Board's authority to perform examinations on Restricted Lenders	Requires a service	Supervision of Restricted Lenders	No Change
34-30-120	State	Statute	Establishes the Board's authority to approve charters of savings banks.	Requires a service	Savings bank charters	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
34-39-130	State	Statute	Establishes application qualifications and regulatory compliance for Deferred Presentment Service Providers.	Requires a service	License to provide Deferred Presentment services in South Carolina	No Change
34-39-190	State	Statute	Established the Board's authority to perform examinations on Deferred Presentment Service Providers	Requires a service	Supervision of Deferred Presentment Service Providers	No Change
34-41-40	State	Statute	Establishes application qualifications and regulatory compliance for Check Cashing Service Providers.	Requires a service	License to provide Check Cashing services in South Carolina	No Change
34-41-70	State	Statute	Established the Board's authority to perform examinations on Check Cashing Service Providers	Requires a service	Supervision of Check Cashing Service Providers	No Change
34-9-10	State	Statute	Gives authority to the Board to set capital requirements for new banks.	Requires a manner of delivery		No Change
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.	Requires a manner of delivery		No Change
37-22-140	State	Statute	Establishes application qualifications and regulatory compliance for Non-depository Mortgage Lenders and Servicers.	Requires a service	License to conduct Mortgage lending activity in South Carolina	No Change
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.	Requires a service	Supervision of Mortgage lenders	No Change
37-3-501	State	Statute	Establishes application qualifications and regulatory compliance for Supervised Lenders and Servicers.	Requires a service	License to conduct Supervised lending activity in South Carolina	No Change
37-3-502	State	Statute	Establishes a license requirement to make supervised loans.	Requires a service	License to conduct Supervised lending activity in South Carolina	No Change
37-3-503	State	Statute	Establishes the Board's authority to issue licenses to make supervised loans.	Requires a service	License to conduct Supervised lending activity in South Carolina	No Change

Law number	Jurisdiction	Type	Description	Purpose the law serves:	Notes:	Changes made during FY2023
37-3-506	State	Statute	Established the Board's authority to perform examinations on Supervised Lenders	Requires a service	Supervision of Supervised Lenders	No Change

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Services Data

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Description of Service	Description of Direct Customer	Customer Name	Others Impacted by Service	Division or major organizational unit providing the service.	Description of division or major organizational unit providing the service.	Primary negative impact if service not provided.	Changes made to services during FY2023	Summary of changes to services
Preserve a safe and sound State chartered financial community by examining State chartered financial institutions	Age: All; Gender: All; Economic Condition: All Incomes; Other Required Conditions: Maintains a relationship with a State Chartered financial institution.	Citizens of South Carolina, the Legislature, and Governor	Regulated Institutions	Banking Division	The Banking Division is responsible for chartering and supervising State banks, savings and loan associations, savings banks, trust companies, and credit unions	Consumer protections could be compromised	No Change	
Process applications for new financial institutions and new branches	Banking Industry	Citizens of South Carolina, the Legislature, and Governor	Regulated Institutions	Banking Division	The Banking Division is responsible for chartering and supervising State banks, savings and loan associations, savings banks, trust companies, and credit unions	Consumer protections could be compromised	No Change	
Regulatory Compliance Examinations	Consumer Finance Industry	Regulated Institutions	Citizens of South Carolina, the Legislature, and Governor	Consumer Finance Examining Program	The Consumer Finance Examining program regulates and supervises State licensed non-depository mortgage lenders and servicers, supervised lenders, deferred presentment service providers and check cashing service providers.	Consumer protections could be compromised	No Change	
Licensing Investigations	Consumer Finance Industry	Regulated Institutions	Citizens of South Carolina, the Legislature, and Governor	Consumer Finance Licensing Program	The Consumer Finance Licensing program regulates and supervises State licensed non-depository mortgage lenders and servicers, supervised lenders, deferred presentment service providers and check cashing service providers.	Consumer protections could be compromised	No Change	

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Partnerships Data

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Type of Partner Entity	Name of Partner Entity	Description of Partnership	Change to the partnership during the past fiscal year
Non-Governmental Organization	Conference of State Bank Supervisors	Database provider for mortgage licensing and regulation; Provides examiner training and hosts conferences on industry-related topics.	No Change
Federal Government	Consumer Finance Protection Bureau	Federal regulatory authority	No Change
Federal Government	Federal Deposit Insurance Corporation	Partners to assist agency in completing examinations in required timeframes by either alternating examinations or completing examinations jointly. Also provides examiner training and hosts conferences on industry-related topics.	No Change
Federal Government	Federal Reserve Bank	Partners to assist agency in completing examinations of State chartered member banks in required timeframes by either alternating examinations or completing examinations jointly. Also completes examinations of bank holding companies to ensure safety and soundness. Provides examiner training and hosts conferences on industry-related topics.	No Change
Federal Government	National Credit Union Administration	Partners to assist agency in completing examinations in required timeframes by either alternating examinations or completing examinations jointly. Also provides examiner training and hosts conferences on industry-related topics.	No Change
State Government	SC Attorney General	Legal enforcement of Title 34 - Deferred Presentment	No Change
State Government	SC Department of Consumer Affairs	Legal interpretation of statute and enforcement for Title 37	No Change
State Government	SC Department of Insurance	Licensing of insurance companies and agents	No Change
State Government	SC Secretary of State	Legal authority for companies to conduct business in SC	No Change
Non-Government Organization	National Association of State Credit Union Supervisors	Provides examiner training and hosts conferences on industry-related topics.	No Change

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Reports Data

as submitted for the Accountability Report by:

R230 - STATE BOARD OF FINANCIAL INSTITUTIONS

Report Name	Law Number (if applicable)	Summary of information requested in the report	Date of most recent submission DURING the past fiscal year	Reporting Frequency	Type of entity/entities	Method to access the report	Direct access hyperlink or agency contact (if not provided to LSA for posting online)	Changes to this report during the past fiscal year	Explanation why a report wasn't submitted
Agency Accountability Report	§1-1-810	Agency report of operations to the State legislature	September of 2021	Annually	Governor or Lt. Governor AND Legislative entity or entities	Provided to LSA for posting online	contact@banking.sc.gov	No Change	
Capital Reserve Position of Financial Institutions	§34-1-130	Capital position of all financial institutions supervised by the agency	March of 2022	Annually	Legislative entity or entities	Electronic copy available upon request	contact@banking.sc.gov	No Change	
Deferred Presentment Annual Report	§34-39-290	Monitor the deferred presentment industry	April of 2022	Annually	Legislative entity or entities	Hard copy available upon request	Veritec Database provider	No Change	
Financial Audit		Financial audit	October of 2021	Annually	South Carolina state agency or agencies	Available on another website	https://osa.sc.gov/reports/	No Change	

AGENCY NAME:	State Board of Financial Institutions		
AGENCY CODE:	R230	SECTION:	79

**2023
Accountability Report**

SUBMISSION FORM

I have reviewed and approved the data submitted by the agency in the following templates:

- Data Template
 - Reorganization and Compliance
 - FY2023 Strategic Plan Results
 - FY2024 Strategic Plan Development
 - Legal
 - Services
 - Partnerships
 - Report or Review
 - Budget
- Discussion Template
- Organizational Template

I have reviewed and approved the financial report summarizing the agency’s budget and actual expenditures, as entered by the agency into the South Carolina Enterprise Information System.

The information submitted is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR <i>(SIGN AND DATE):</i>	SIGNATURE ON FILE	Signature Received: 9/13/2023 5:11 PM
<i>(TYPE/PRINT NAME):</i>	Kathy L. Bickham; Ronald Bodvake	

BOARD/CMSN CHAIR <i>(SIGN AND DATE):</i>	SIGNATURE ON FILE	Signature Received: 9/13/2023 5:11 PM
<i>(TYPE/PRINT NAME):</i>	Curtis M. Loftis, Jr.	