



FINANCIAL INSTITUTIONS TODAY

News and topics of interest to financial institutions regulated by the Department of Banking and Finance

December 2020

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Department Issues Notice of Intent to Adopt New Rules

On Monday, December 7, 2020, pursuant to the provisions of the Georgia Administrative Procedure Act, O.C.G.A. § 50-13-1 et seq., and by the authority of O.C.G.A. §§ 7-1-61, 7-1-690, 7-1-706.1, 7-1-1012, and other cited statutes, the Department of Banking and Finance gave notice of its intent to adopt new rules. A synopsis and purpose precedes the proposed rules. To read the proposed rules, please visit the Department's website at <https://dbf.georgia.gov/dbf-regulations> and select the appropriate link for the proposed rules.

Third-Party Vendor Management

The supply chain attack on the SolarWinds Orion Platform, and the subsequent breaches to its customers, is a significant cybersecurity event that is affecting every corner of the public and private sectors. The cyberattack traces back to SolarWinds, a third-party network management software vendor, in which hackers implanted malicious code within a software update to SolarWinds Orion products. The Department would like to take this opportunity to remind financial institutions of the importance of vendor management.

An institution's Board of Directors and senior management are ultimately responsible for managing activities conducted through third-party relationships, and identifying and controlling the risks arising from such relationships, to the same extent as if the activity were handled within the institution. As the SolarWinds breach illustrates, it is not just the third-party applications that can pose a cyber threat to financial institutions, but also all the components that go into delivering, running, and verifying the application function, including services and components that interact with it.

At its core, the SolarWinds cyberattack shows the deepest parts of the third-party vendor supply chain that financial institutions might not identify in the due diligence process. The cyberattack highlights the importance of having proper oversight over not just primary vendors, but also vendors' vendors.

The Cybersecurity and Infrastructure Security Agency (CISA) issued an alert to all private sector organizations that will assist financial institutions in identifying affected SolarWinds Orion products and recommended mitigation strategies. The CISA alert can be accessed [here](#).

In addition, guidance and tools to strengthen vendor management programs can be accessed below.

[Guidance for Managing Third-Party Risk \(FIL\)](#)
[Evaluating Third Party Relationships \(NCUA Supervisory Letter\)](#)
[Third-Party Relationships: Risk Management Guidance \(OCC Bulletin\)](#)
[Third-Party Relationships: FAQ \(Supplement OCC Bulletin\)](#)
[FFIEC IT Booklets – Outsourcing Technology Services](#)

Emergency Coronavirus Relief Act of 2020

On December 21, 2020, the Emergency Coronavirus Relief Act of 2020 was made part of H.R. 133, the Consolidated Appropriations Act, 2021 (Act). Division N of the Act provides for additional coronavirus response and relief including, but not limited to, unemployment assistance, tax relief, continuation of the Paycheck Protection Program, rental assistance, community development investment, Current and Expected Credit Loss adoption, and Generally Accepted Accounting Principles requirements for COVID-related loan modifications. The full text of the legislation can be found [here](#).

CSBS Updated Consumer Relief Guide—Your Rights to Mortgage Payment Forbearance and Foreclosure Protection Under the Federal CARES Act

On December 22, 2020, the Conference of State Bank Supervisors (CSBS) issued a [press release](#) announcing an update to the [CSBS Consumer Relief Guide](#). The guide was updated in response to certain federal housing agencies announcing the covered period for requesting an initial forbearance under the CARES Act, as it applies to their programs, is available through at least February 28, 2021, as follows:

Federal Housing Administration (FHA) Loans: Interpretation of covered period to extend to Feb. 28, 2021 by Mortgage Letter 2020-44 issued December 21, 2020 and dated December 17, 2020, which is available [here](#).
U.S. Department of Veterans Affairs (VA) Loans: No extension necessary as existing guidance in circular 26-20-12 dated April 8, 2020 is not rescinded until April 1, 2021 and is available [here](#).

U.S. Department of Agriculture (USDA) Loans: Interpretation of covered period to extend to Feb. 28, 2021 by bulletin dated December 21, 2020, which is available [here](#).

Fannie Mae and Freddie Mac Loans: No end date currently identified, however, both Fannie Mae [Lender Letter 2020-02](#), issued March 18, 2020 and updated periodically, and Freddie Mac [Bulletin 2020-10](#), issued April 8, 2020, provided notice to mortgage servicers that they are to comply with forbearance requests made under the CARES Act. No expiration of this requirement has been announced at this time.

FinCEN Issues a New 314(b) Information Sharing Fact Sheet

On December 10, 2020, the Financial Crimes Enforcement Network (FinCEN) issued a new [314\(b\) Fact Sheet](#) and [rescinded](#) previously issued guidance (FIN-2009-G002) as well as former administrative ruling (FIN-2012-R006), parts of which are incorporated into the guidance in the new 314(b) Fact Sheet.

FinCEN Issues a Notice to Stay Alert to COVID-19 Vaccine-Related Scams and Cyberattacks

On December 28, 2020, FinCEN issued a [Notice](#) to alert financial institutions about the potential for fraud, ransomware attacks, or similar types of activity related to COVID-19 vaccines and their distribution. This Notice also provides specific instructions for filing Suspicious Activity Reports regarding such suspicious activity related to COVID-19 vaccines and their distribution.

Brokered Deposits and Interest Rate Restrictions Final Rule

On December 15, 2020, the Federal Deposit Insurance Corporation (FDIC) finalized revisions to its regulations, 12 CFR Parts 303 and 337, relating to the brokered deposits and interest rate restrictions that apply to less than well capitalized insured depository institutions. For brokered deposits, the final rule establishes a new framework for analyzing certain provisions of the “deposit broker” definition, including “facilitating” and “primary purpose.” For the interest rate restrictions, the FDIC amended its methodology for calculating the national rate, the national rate cap, and the local market rate cap. Further, the rule explains when nonmaturity deposits are accepted and when nonmaturity deposits are solicited for purposes of applying the brokered deposits and interest rate restrictions. The effective date of the final rule is April 1, 2021, with an extended compliance date of January 1, 2022. For more information, refer to the [Final Rule](#), the [Fact Sheet on Brokered Deposits](#), and the [Fact Sheet on Interest Rate Restrictions](#).

2021 State Holiday Schedule

Please refer to <http://team.georgia.gov/wp-content/uploads/2020/08/2021-State-Holidays-08.17.20.pdf> for a list of the dates in 2021 proclaimed by Governor Brian P. Kemp as public and legal state holidays when the Capital and State agencies will be closed.

The following is a listing of state holidays for 2021:

New Year's Day	Friday January 1
Martin Luther King, Jr.'s Birthday	Monday, January 18
State Holiday	January 19—will be observed on Friday, November 26
Washington's Birthday	February 15—will be observed on Thursday, December 23
State Holiday	April 26—will be observed on Good Friday, April 2
Memorial Day	Monday, May 31
Independence Day	July 4—will be observed on Monday, July 5
Labor Day	Monday, September 6
Columbus Day	Monday, October 11
Veteran's Day	Thursday, November 11
Thanksgiving Day	Thursday, November 25
Christmas Day	December 25—will be observed on Friday, December 24

Reminder: Electronic Payment System for the Georgia Residential Mortgage Act Fees

Department Rule 80-5-1-.01 provides details for remitting fees required by the Georgia Residential Mortgage Act (GRMA). Generally, each borrower who obtains a mortgage loan, as defined in O.C.G.A. § 7-1-1000(21), shall pay to the Department a fee of \$10.00 per loan. The payment is received by the collecting agent, which is almost always the lender, and is due for certain defined periods on September 1st and March 1st of each year. In the past, the Department's payment system was only open for a limited period of time to pay these fees.

In August 2020, the Department implemented a **new electronic payment system**. This new system offers flexibility to remit GRMA fees throughout the year, but late fees will be automatically generated by the new system if the due date is missed. Online reporting/payment is mandatory through the Department's website at <https://gadbfpublic-etkr.entellitrak.com>. The Department uses PayPoint Corporation as its electronic payment service provider. **To use this site, the individual remitting the funds must be a registered user in the new system.** After you log in to the new system, you will need your institution's credential number and PIN number, which was provided in correspondence from the Department, to attach your login to your specific institution. A user guide is available for reference/download by using this link <https://dbf.georgia.gov/how-do-i-make-georgia-residential-loan-payment-georgia-state-chartered-bank-or-georgia-state>.

Are You Already a Registered User?

Some individuals may have already registered in the new system to make bank holding company assessment payments. If you registered in this new payment system to make a bank holding company assessment payment during August of 2020, **then you are not a new user**. In this scenario, you can enter the new system with the same login information that you previously created, but you will **still need to attach your institution** by using the unique credential number and PIN noted in the correspondence you received. In addition, some individuals may have already registered to make GRMA payments in 2020. Outside of these scenarios, for both banks and credit unions, **the remitter is a new user to this system** who must register with the new system by creating a username and password.

As a point of clarification, even if you continue to be the remitter for your institution, login information associated with the old payment system is no longer valid, and you need to **register as a new user**.

If you have any questions on the payment amount, then please contact Accounting Director Zeina Diallo at 770-986-1641 or Accountant Tremayne Johnson at 770-986-5038. If you have any questions on how to use the new payment system, then please email ETKSupport@dbf.state.ga.us.

Speaking Engagements

Deputy Commissioner for Supervision Melissa Sneed will be participating on a regulatory panel for the IIA Atlanta Financial Services Virtual Meeting on January 28, 2021. A link to the conference can be accessed [here](#).

ACTION ON APPLICATIONS FOR THE MONTH

The following is a summary of official action taken by the Department on certain applications by Georgia state-chartered financial institutions under Title 7, Chapter 1 of the O.C.G.A. and petitions for certificate of incorporation of financial institutions and other matters of interest during the month of December 2020:

FINANCIAL INSTITUTION MERGERS

<u>FINANCIAL INSTITUTION</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
The Piedmont Bank Peachtree Corners, GA	Westside Bank Hiram, GA	12-15-2020	

APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION

<u>HOLDING COMPANY</u>	<u>TO ACQUIRE</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
ST HLDGS, Inc. Wilmington, DE	Rochelle State Bank Rochelle, GA	Pending	

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
The Southern Credit Union Fayetteville, GA	1790 Highway 154 Sharpsburg, Georgia 30277 Coweta County	09-04-2019	12-02-2020
United Community Bank Blairsville, GA	5346 Sunset Boulevard Lexington, South Carolina 29072 Lexington County	10-01-2020	12-14-2020
United Community Bank Blairsville, GA	4018 Forest Drive Columbia, South Carolina 29204 Richland County	10-01-2020	12-14-2020

APPLICATIONS TO CHANGE LOCATION

<u>FINANCIAL INSTITUTION</u>	<u>CHANGE LOCATION OF</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
Pinnacle Bank Elberton, GA	From: 1871 North Elm Street Commerce, Georgia 30529 Jackson County	12-01-2020	
	To: 1981 North Elm Street Commerce, Georgia 30529 Jackson County		
Go Energy Financial Credit Union	From: 11490 Veterans Memorial Highway Douglasville, Georgia 30134 Douglas County	12-17-2020	
	To: 3400 Hiram Douglasville Highway Hiram, Georgia 30141 Paulding County		

APPLICATIONS TO FORM A BANK HOLDING COMPANY

FINANCIAL INSTITUTION

ST HLDGS, Inc.
Wilmington, DE

**APPROVAL
DATE**
Pending

**EFFECTIVE
DATE**

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The Department is the state agency that regulates and examines Georgia state-chartered banks, state-chartered credit unions, state-chartered trust companies, international banking organizations, and bank holding companies that own Georgia state-chartered financial institutions. The Department also has responsibility for the supervision, regulation, and examination of Merchant Acquirer Limited Purpose Banks chartered in Georgia.

In addition, the Department has regulatory and/or licensing authority over mortgage brokers, lenders and processors, mortgage loan originators, consumer installment loan companies, check cashers, sellers-issuers of payment instruments, and money transmitters.

Our Mission is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.

Our Vision is to be a willing and able partner with our regulated entities in order to support vibrant economic growth and prosperity in Georgia.