



FINANCIAL INSTITUTIONS TODAY

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

June 2023

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Annual Assessment Notices—Banks, Credit Unions, and Holding Companies

The bank and credit union annual assessments are due no later than September 30, 2023. An email will be sent to each institution's primary contact from GADBF@micropact.com at the beginning of September with the annual assessment invoice. The Department will initiate an ACH debit for the assessment fee for regulated banks and credit unions unless stated otherwise in the body of the assessment notice.

The assessment fee for holding companies will need to be paid through the [Department's online portal](#). Holding company assessments are due no later than September 15, 2023. If you do not receive the annual assessment invoice email at the beginning of September or have any questions on using the online portal, please contact Director for Supervision Kevin Vaughn at kvaughn@dbf.state.ga.us or Business Analysis Director Heather Ensminger at hensminger@dbf.state.ga.us.

Governor Kemp Signs House Bill 55

Governor Kemp signed House Bill 55 into law on May 4, 2023, and it went into effect on July 1, 2023. The bill was introduced by Representative Bruce Williamson at the request of the Department of Banking and Finance ("Department") and sponsored in the Senate by Senator John Kennedy. The bill revises statutory provisions governing a number of the entities regulated by the Department – banks, credit unions, installment lenders, money service businesses, check cashers, mortgage lenders, and mortgage brokers.

Among other items, the bill:

- 1) modernizes and updates the foreign bank law in Georgia to make the Georgia license competitive with the license offered by the Office of the Comptroller of the Currency and other states;
- 2) adopts a uniform standard – net worth – to measure credit unions' permissive investments and eliminates the investment cap as it relates to the general obligations of states and municipalities;
- 3) eliminates interest paid on deposit accounts from the definition of "dividends" so the Department no longer has to approve the payment of interest to members by credit unions;
- 4) provides that a bank, trust company, or credit union that does not exercise trust powers can contract with a bank, trust company, or credit union that is authorized to exercise trust powers to have such authorized financial institutions provide trust services to their customers or members;
- 5) creates a process where small credit unions can seek approval from the Department to increase the lending limit requiring Board of Director approval for loans exceeding 5% of the credit union's net worth, so long as the loan is not greater than \$150,000.00; and
- 6) provides that an employee of a credit union cannot serve on the credit union's audit committee.

The Department strongly encourages every regulated entity to review the bill to ensure a thorough understanding of all the applicable revisions. House Bill 55 can be viewed at: <https://gov.georgia.gov/executive-action/legislation/signed-legislation/2023>.

Notice of Intent to Adopt New Rules

On June 1, 2023, 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, 7-3-51 and other cited statutes, the Department gave notice of its intent to adopt new rules. The proposed new rules may be viewed at [DBF Regulations | Georgia Department of Banking and Finance](#).

Interagency Guidance on Third-Party Relationships: Risk Management

On June 6, 2023, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, issued joint guidance on managing risks associated with third-party relationships, including relationships with financial technology companies. The guidance states that sound third-party risk management takes into account the level of risk, complexity, and size of the banking organization and the nature of the third-party relationship. The agencies are issuing this joint guidance to promote consistency in supervisory approaches; it replaces each agency's existing general guidance on this topic and is directed to all banking organizations supervised by the agencies. For more information on the Interagency Guidance please refer [here](#).

Elder Financial Exploitation Resources

The American Bankers Association Foundation teamed up with the Federal Bureau of Investigation to create a new resource for bankers. The Elder Financial Exploitation resource explains how to spot and respond to elder financial exploitation. The resource is available [here](#).

Policy Statement on Prudent Commercial Real Estate Loan Accommodations and Workouts

The Federal Deposit Insurance Corporation, along with the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and National Credit Union Administration (collectively, the agencies), in consultation with the Federal Financial Institutions Examination Council State Liaison Committee, are issuing the Interagency Policy Statement on Prudent Commercial Real Estate Loan Accommodations and Workouts (Statement). The Statement is a principles based resource for financial institutions to consider when engaging with borrowers experiencing financial difficulties. The guidance 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, petitions for certificate of incorporation of financial institutions, and other matters of recent interest:

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Southern Bank Sardis, GA	468 E. Main Street Spartanburg, SC 29302	03/24/2022	06/07/2023
Coosa Valley Credit Union Rome, GA	375 South Industrial Blvd Calhoun, GA 30701	06/01/2023	

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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.