FINANCIAL INSTITUTIONS TODAY

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

April 2024

Inside this issue:

First Quarter 2024 Community Bank Sentiment Index Released	2
Speaking Engagements	2
Applications	3

Governor Kemp Signs House Bill 876

Governor Kemp signed House Bill 876 into law on April 23, 2024, and the provisions impacting banks, credit unions, and merchant acquirer limited purpose banks will go into effect on July 1, 2024. 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, merchant acquirer limited purposed banks, installment lenders, and mortgage lenders.

Among other items, the bill:

1) increases the amount of the exemption from combining debts for credit unions if the unsecured and secured obligations are both below the applicable legal lending limits and the combined liability for both secured and unsecured obligations is $150,000 or less;
2) provides for various technical revisions to the processes related to the formation of a de novo bank;
3) revises the provisions to call a special meeting at a credit union to align with the special meeting requirements in the non-profit corporate code;
4) updates the definition of subsidiary that is generally applicable to the Financial Institutions Code of Georgia;
5) identifies limited liability companies as entities that are eligible to be included within a credit union's field of membership; and
6) provides various revisions to the formation and initial operations of a merchant acquirer limited purpose bank.

The Department strongly encourages every regulated entity to review the bill to ensure a thorough understanding of all the applicable revisions. House Bill 876 can be viewed at:

https://gov.georgia.gov/executive-action/legislation/signed-legislation/2024

2024 CSBS Annual Survey of Community Banks

The 2024 National Survey of Community Banks is now available to be completed. This survey is a vital component of the Community Banking Research Conference hosted by the Conference of State Bank Supervisors (CSBS), the Board of Governors of the Federal Reserve System (FRB), and the Federal Deposit Insurance Corporation (FDIC). The results from the survey have enabled community banks to inform policymakers and researchers about the opportunities and challenges facing community bankers.

The survey takes approximately 25-35 minutes to complete and responses may be entered during multiple sessions between now and June 30th. For reference purposes, a PDF of the 2024 Annual Survey questions is available here. The link to complete the survey is provided here and below.

Before starting, it would be beneficial to gather the following 2023 costs for your bank (Call Report Schedule RI-E) and the amount that is directly associated with regulatory compliance:

1. Personnel expenses
2. Data processing expenses
3. Legal fees and expenses
4. Accounting and auditing expenses
5. Consulting and advisory expenses

Survey Link: https://frbstlspra.gov1.qualtrics.com/jfe/form/SV_byhJksnzGLZWdRI
Survey Close Date: June 30, 2024

If you have any questions regarding this survey, then please contact Deputy Commissioner for Supervision Melissa Sneed at msneed@dbf.state.ga.us.

First Quarter 2024 Community Bank Sentiment Index Released

The Conference of State Bank Supervisors (CSBS) released the first quarter 2024 Community Bank Sentiment Index (CBSI) results in early April 2024, based on data collected from community banks across the nation during the month of March. The results showed a sentiment index of 98 points, which is an increase of six points from the previous quarter. The CBSI of 98 points is the highest level in two years.

“Rapid interest rate increases over the past two years have resulted in an inverted yield curve, where short-term interest rates have been higher than long-term rates for more than a year,” said CSBS Chief Economist Tom Siems. “This has created challenges for community bankers to maintain profitability as net interest margins and liquidity positions are squeezed. Moreover, because of higher overall interest rates, bankers must be keenly aware of credit risks that might develop in their loan portfolios."

The CBSI captures on a quarterly basis what community bankers nationwide think about the future. Participant answers are analyzed and compiled into a single number; an index reading of 100 indicates a neutral sentiment. Anything above 100 indicates a positive sentiment, and anything below 100 indicates a negative sentiment.

In a special question, only 66% of community bankers said they believe the U.S. economy is at the start of, or already in, a recession, down from 81% last quarter. Respondents rated their top concerns as government regulation, cyberattacks, the federal debt/deficit, the cost/availability of labor, and inflation.

For more on the CBSI, visit https://www.csbs.org/cbindex

Speaking Engagements

Deputy Commissioner for Supervision Melissa Sneed will be speaking during the League of Southeastern Credit Unions & Affiliates Compliance and Bank Secrecy Act Workshop, May 7 – May 8, 2024. The Workshop will be held virtually. Additional information and registration information can be found 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

FINANCIAL INSTITUTION	BRANCH OFFICE	APPROVAL DATE	EFFECTIVE DATE
Barwick Banking Company Barwick, Georgia	620 S. State Road 19 Palatka, Florida 32177	03/05/2024	
VyStar Credit Union Jacksonville, Florida	5125 Peachtree Parkway Peachtree Corners, Georgia 30092	03/21/2024	04/15/2024
VyStar Credit Union Jacksonville, Florida	4575 S. Cobb Drive SE Smyrna, Georgia 30080	12/20/2023	03/18/2024
LGE Community Credit Union Atlanta, Georgia	105 Main Street Place Cartersville, Georgia 30121	04/07/2022	03/25/2024
Atlanta Postal Credit Union Atlanta, Georgia	9130 Highway 278 NE Covington, Georgia 30014	12/18/2023	04/22/2024
VyStar Credit Union Jacksonville, Florida	155 N. Marietta Parkway Marietta, Georgia 30060	01/31/2024	03/25/2024
Legacy State Bank Loganville, Georgia	218 MLK Jr. Boulevard Suite 210 Monroe, Georgia 30655	04/15/2024	
Southeastern Credit Union Valdosta, Georgia	250 Doc Darbyshire Road Unit #10 Moultrie, Georgia 31788	04/30/2024	
The Wright Credit Union Toccoa, Georgia	5809 West Avenue Lavonia, Georgia 30553	12/11/2023	03/04/2024

APPLICATIONS TO CHANGE MAIN OFFICE LOCATIONS

FINANCIAL INSTITUTION		CHANGE LOCATION	APPROVAL DATE	EFFECTIVE DATE
SunMark Bancshares, Inc. Hawkinsville, Georgia	From:	140 Commerce Street Hawkinsville, Georgia 31036	04/24/2024	
	To:	1005 Northside Drive Perry, Georgia 31069		
Mount Vernon Bank Mount Vernon, Georgia	From:	101 South Railroad Ave Mount Vernon, Georgia 30445	04/30/2024	
	To:	115 North Railroad Ave Mount Vernon, Georgia 30445		

APPLICATIONS TO CHANGE LOCATIONS

FINANCIAL INSTITUTION		CHANGE LOCATION OF	APPROVAL DATE	EFFECTIVE DATE
Georgia United Credit Union Duluth, Georgia	From:	400 Whitehall Street SW Atlanta, Georgia 30303	02/23/2024	04/08/2024
	To:	101 Marietta Street Atlanta, Georgia 30303		
LGE Community Credit Union Atlanta, Georgia	From:	1010 Mansell Road Roswell, Georgia 30076	11/16/2023	04/01/2024
	To:	655 Holcomb Bridge Road Roswell, Georgia 30076		
Barwick Banking Company Barwick, Georgia	From:	1200 Plantation Island Drive Suite 110 St. Augustine, Florida 32080	04/16/2024	
	To:	101 Marina Cove Drive St. Augustine, Florida 32080		
Coosa Valley Credit Union Rome, Georgia	From:	25 Gateway Business Park Drive Ringgold, Georgia 30736	11/02/2022	03/25/2024
	To:	1115 Battlefield Parkway Fort Oglethorpe, Georgia 30742		
SunMark Community Bank Perry, Georgia	From:	152 Commerce Street Hawkinsville, Georgia 31036	02/21/2024	04/01/2024
	To:	140 Commerce Street Hawkinsville, Georgia 31036		

APPLICATIONS FOR FINANCIAL INSTITUTION MERGERS

SURVIVOR	MERGED INSTITUTION	APPROVAL DATE	EFFECTIVE DATE
Interstate Credit Union Jesup, Georgia	CRMC Employees Credit Union Douglas, Georgia 31533	04/18/2024	

APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION

FINANCIAL INSTITUTION	TO ACQUIRE	APPROVAL DATE	EFFECTIVE DATE
Five Star Credit Union Dothan, AL	OneSouth Bank Macon, GA	03/11/2024	04/30/2024
Five Star Credit Union Dothan, AL	Wilcox County State Bank Abbeville, GA	03/11/2024	04/30/2024

SUBSCRIBE TO RECEIVE THIS PUBLICATION

Subscribe to Receive this Publication: Notice of this publication is delivered to interested parties via e-mail. To subscribe to this publication as well as other items of interest, please visit our website at https://dbf.georgia.gov/.

Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341-5565
Phone: (770) 986-1633

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.