

FINANCIAL INSTITUTIONS TODAY

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

February 2023

Inside this issue:

NCUA Cyber Incident Reporting Requirements	2
Joint Statement on Liquidity Risks Resulting from Crypto-Asset Market Vulnerabilities	2
Input Needed - First Quarter 2023 Community Bank Sentiment Index	2
Applications	3

Supervision Division Changes

Director for Supervision Pam Keane will be retiring at the end of March with more than 20 years of faithful service to the Department. Pam began her career with the Department in November 1988 and worked in the Northeast District until April 1993. After a 14-year break in service, she returned to the Northeast District in March 2007. She was promoted to Supervisory Manager in November 2011, overseeing financial institutions in both the Southeast and Southwest Districts. In July 2013, Pam was promoted to her current role as Director for Supervision. Pam's contribution to the Department has been an asset in supporting, promoting, and evolving supervision oversight within the Department.



Thank you and congratulations, Pam! We wish you the best in retirement!

Meet Director for Supervision Kevin Vaughn

With the announcement of Pam's retirement, Kevin Vaughn has been selected to fill the position of Director for Supervision. In his new role, Kevin will provide oversight and implement the strategic evolution of supervision portfolio projects, initiatives, and condition.



Kevin joined the Department in 2010 and was promoted through the examiner levels achieving the role of Supervisory Examiner in 2015. In 2020, Kevin was promoted to Supervisory Manager specializing in a wide variety of areas including leading information technology regulatory oversight initiatives, implementing supervision-priority projects, and participating in industry and regulatory working groups and committees. Kevin is a graduate of the University of West Georgia, has over eight years of experience in the bank and credit union industry before joining the Department, and is in his final year of the LSU Graduate School of Banking.

Congratulations, Kevin!

Joint Statement on Liquidity Risk Resulting from Crypto-Asset Market Vulnerabilities

On February 23, 2023, the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency issued a joint statement highlighting liquidity risks resulting from crypto-asset market vulnerabilities. The statement also outlines effective risk management practices to manage such risks. These risk management practices are existing risk management principles – not an introduction of new risk management principles. The statement also reminds banking organizations that the organizations are neither prohibited nor discouraged from providing banking services to customers of any specific class or type, as permitted by law or regulation. For more information, refer to the joint statement [here](#).

NCUA Cyber Incident Reporting Requirements

On February 16, 2023, the National Credit Union Administration (NCUA) approved a final rule that requires a federally insured credit union (FICU) to notify the NCUA as soon as possible, but within 72 hours, after it reasonably believes that a reportable cyber incident has occurred. Under the final rule, FICUs are required to report a cyber incident that leads to a substantial loss of confidentiality, integrity, or availability of a network or member information system as a result of the exposure of sensitive data, disruption of vital member services, or that has a serious impact on the safety and resiliency of operational systems and processes. Additionally, the rule requires reporting of cyberattacks that disrupt a credit union's business operations, vital member services, or a member information system. The final rule takes effect September 1, 2023, and the NCUA will provide additional reporting guidance prior to the final rule going into effect.

A copy of the final rule is available [here](#).

As a reminder, Department Rule 80-2-1-.05 requires credit unions to simultaneously disclose unauthorized access to customer information to the Department and federal regulator if required under federal law. If the credit union determines that a cyber incident that rises to the level of a notification incident under the Department's rule has occurred, the Department should be notified concurrently with the federal regulator.

Emergency Communications System Testing

The Emergency Communications System (ECS) is a communication channel established by the Federal Reserve Bank of St. Louis, which partners with the Department. ECS is the Department's primary form of communication during an emergency event. This system is available to all Georgia state-chartered institutions and allows the Department to establish two-way communication channels quickly and simultaneously with all registered financial institutions during a crisis so that essential information can be easily shared. We urge all Georgia state-chartered institutions to visit <https://bsr.stlouisfed.org/ecs> to register and maintain updated contact information.

For financial institutions already registered with ECS, the Federal Reserve Bank of St. Louis will be conducting a test on Tuesday, March 7, 2021. Semi-annual tests are conducted to ensure contact information is up-to-date for all registrants. During the test, the Support Center will be verifying registrants' business email address, business telephone number, and business mobile phone number. A text will also be sent to the business mobile phone number that was provided at the time of registration with ECS. Registrants will be informed of the test in advance so they will not be alarmed when they receive the test message. If you have any questions or concerns, then contact the ECS Support Center at 877-327-5333 or ecs.support@stls.frb.org.

Input Needed - First Quarter 2023 Community Bank Sentiment Index

The Conference of State Bank Supervisors (CSBS) community bank data survey for the first quarter 2023 is now open. The Community Bank Sentiment Index (CBSI) provides essential local level perspective of the nation's economic outlook on a quarterly basis.

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. The fourth quarter 2022 data collection resulted in an index of 85. The full survey takes approximately five minutes. Results will be released in early April 2023.

Open the link (<https://questionpro.com/t/ALKEAZwqJa>) and answer the questions about your thoughts on the economy. For more information about the CBSI, visit the website: <https://www.csbs.org/cbindex>. The Department values your perspective on what is happening at the local level. Collectively, the input of community banks helps show the expectations for the future of the economy overall.

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>
Colony Bank Fitzgerald, GA	780 Johnson Ferry Road Suite 635 Atlanta, GA 30342	08/11/2022	02/10/2023
Mount Vernon Bank Mount Vernon, GA	21 Main Street Lumber City, GA 31549	Pending	
Mount Vernon Bank Mount Vernon, GA	288 E. Willow Creek Lane McRae-Helena, GA 31055	Pending	

APPLICATIONS TO RESERVE A NAME

<u>PROPOSE NAME</u>	<u>APPLICANT</u>	<u>APPROVAL DATE</u>
Tandem Bancorp	Troutman Pepper Hamilton Sanders LLP Atlanta, GA	02/28/2023

APPLICATIONS FOR FINANCIAL INSTITUTION MERGERS

<u>SURVIVOR</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Bank of Lumber City Lumber City, GA	Ironman Unity Resources Group Marietta, GA	Pending	
Oconee State Bank Watkinsville, GA	Elberton Federal Savings & Loan Association Elberton, GA	Pending	

APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION

<u>FINANCIAL INSTITUTION</u>	<u>TO ACQUIRE</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
LGE Community Credit Union Atlanta, GA	Greater Community Bank Rome, GA	Pending	

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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.