



# FINANCIAL INSTITUTIONS TODAY

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

August 2024

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## Cyber Assessment Tool Sunset Announcement

On August 29, 2024, the Federal Financial Institutions Examination Council (FFIEC) announced the Federal banking regulatory agencies will sunset the Cybersecurity Assessment Tool (CAT) on August 31, 2025. The CAT was released in June 2015 as a voluntary assessment tool to help financial institutions identify their risks and determine their cybersecurity preparedness. While the fundamental security controls addressed throughout the maturity levels of the CAT are sound, several new and updated government and industry resources are available that financial institutions can leverage to better manage cybersecurity risks.

The FFIEC will remove the CAT from the FFIEC website on August 31, 2025. After much consideration, the FFIEC has determined not to update the CAT to reflect new government resources, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework 2.0 and the Cybersecurity and Infrastructure Security Agency’s (CISA) Cybersecurity Performance Goals. Supervised financial institutions can instead refer directly to these new government resources.

Supervised financial institutions may also consider use of industry developed resources, such as the Cyber Risk Institute’s (CRI) Cyber Profile, and the Center for Internet Security Critical Security Controls. These tools can be used in conjunction with other resources (e.g., frameworks, standards, guidelines, leading practices) to better address and inform management of continuously evolving cyber security risk. Supervised financial institutions should ensure that any self-assessment tool utilized supports an effective control environment and is commensurate with the risk.

Additional resources can be found in the links provided below:

- [NIST Cybersecurity Framework 2.0](#)
- [CISA Cybersecurity Performance Goals | CISA](#)
- [Cybersecurity Performance Goals: Sector-Specific Goals | CISA](#)
- [Cyber Risk Institute Cyber Profile](#)
- [Center for Internet Security Controls: Critical Security Controls](#)

## NCUA Automated Cybersecurity Examination Tool Will Remain Available Following the Sunset of the FFIEC’s Cybersecurity Assessment Tool

With the sunset of the Cybersecurity Assessment Tool on August 31, 2025, the National Credit Union Administration (NCUA) Automated Cybersecurity Examination Tool (ACET) will continue to be supported and remain available for use by credit unions. The ACET is available for download at no charge on the [NCUA website](#).

As geopolitical events evolve, credit unions of all sizes must understand and operate under the assumption that they remain targets of not just cybercriminals, but foreign nations that intend to cause harm to critical infrastructure in the United States—of which credit unions are a vital part. As such, the NCUA encourages credit unions to use the ACET as a tool for assessing cybersecurity preparedness levels. The ACET has been tailored specifically for credit unions and includes a user-friendly application interface,

enhanced reporting features, and supplementary information. The ACET also includes added information and reporting capabilities not found in the FFIEC's Cybersecurity Assessment Tool.

Please visit the [NCUA Cybersecurity Resource Center](#) for additional tools and resources.

The NCUA will ensure the ACET remains relevant and current with the evolving cybersecurity landscape, and is planning updates to the ACET content to align with new standards and frameworks, such as the National Institute of Standards and Technology Cybersecurity Framework 2.0 and the Cybersecurity and Infrastructure Security Agency's Cybersecurity Performance Goals. These updates will ensure that the ACET continues to meet credit unions' needs in assessing their cybersecurity stance.

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

Bank and credit union annual assessments were emailed on September 5, 2024 to each institution's assessment contact from [GADBF@micropact.com](mailto:GADBF@micropact.com). The Department will initiate an ACH debit for the assessment fee for regulated banks and credit unions unless otherwise stated in the body of the assessment notice. If the institution's assessment contact did not receive their letter or has any questions regarding their invoice, please contact Director for Supervision Kevin Vaughn at [kvaughn@dbf.state.ga.us](mailto:kvaughn@dbf.state.ga.us) or Business Analysis Director Heather Ensminger at [hensminger@dbf.state.ga.us](mailto:hensminger@dbf.state.ga.us).

Holding company annual assessment invoices were emailed on August 28, 2024. Holding company assessment fees must be paid through the [Department's online portal](#) and are due no later than September 15th. If you have not received the annual assessment invoice or have any questions regarding the online portal, please contact Director for Supervision Kevin Vaughn at [kvaughn@dbf.state.ga.us](mailto:kvaughn@dbf.state.ga.us) or Business Analysis Director Heather Ensminger at [hensminger@dbf.state.ga.us](mailto:hensminger@dbf.state.ga.us).

## Financial Regulators Update Examiner Guidance on Financial Institutions' Information Technology Development, Acquisition, and Maintenance

On August 29, 2024, the Federal Financial Institutions Examination Council (FFIEC) issued a new booklet to help examiners assess information technology practices.

The "Development, Acquisition, and Maintenance" booklet provides examiners with fundamental examination expectations regarding entities' development and acquisition planning and execution, governance and risk management, and maintenance and change management practices. It discusses the interconnectedness of an entity's assets and processes and those of its third-party service providers along with information to help examiners assess whether management adequately addresses risks and complies with applicable laws and regulations.

The booklet reflects the changing technological environment and increasing need for security and resilience. It also highlights the importance of providing examiners with current information regarding safety and soundness, consumer protection, and provision of secure and resilient business services to customers. This new booklet replaces the "Development and Acquisition" booklet issued in April 2004.

The complete FFIEC Information Technology Examination Handbook is available at <http://ithandbook.ffiec.gov/>

## Classification of Interactive Teller Machines as Domestic Branches or Remote Service Units

Interactive Teller Machine (ITM) technology has become increasingly sophisticated in recent years. State nonmember banks have sought guidance from the FDIC regarding whether the proposed use of an ITM at a location other than an established branch facility would require the filing of a domestic branch application, or would qualify for the RSU exclusion to the definition of domestic branch (meaning no branch application would be necessary). ITMs generally resemble automated teller machines but allow customers to interact with live tellers to complete a variety of banking transactions.

Section 18(d) of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. § 1828(d)) requires a state nonmember bank to obtain the FDIC's consent before establishing a domestic branch. Section 3(o) of the FDI Act (12 U.S.C. § 1813(o)) specifically excludes automated teller machines (ATMs) and remote service units (RSUs) from the definition of domestic branch.

The FDIC would not consider an ITM established by a state nonmember bank to be a "domestic branch" subject to FDIC approval under section 18(d) of the FDI Act under the following circumstances:

- The ITM is an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank, which is equipped to enable existing customers to initiate an interactive session with remotely located bank personnel; and,
- To the extent that bank personnel have the ability to remotely assist the customer with the operation of the ITM to perform core banking functions, customers must also be able to perform such transactions without the involvement of bank personnel and must have the sole discretion to initiate and terminate interactive sessions with bank personnel.

ITMs that operate outside of these parameters may require a branch application.

The Financial Institution Letter, FIL-53-2024, and links to related regulations can be accessed [here](#).

## Second Quarter 2024 Community Bank Sentiment Index Released

The Conference of State Bank Supervisors (CSBS) released the second quarter 2024 Community Bank Sentiment Index (CBSI) results on July 9, 2024, based on data collected from community banks across the nation during the month of May. The results show a sentiment index of 99 points, which is an increase of merely 1 point from the previous quarter. The CBSI remains slightly below the neutral level of 100. This index is the highest level recorded since 2021.

This is the tenth consecutive quarter where community banker sentiment has been below 100, although the index is up sharply from its all-time low of 73 points one year ago. While four of seven components of the index improved, regulatory burden, expectations regarding business conditions, and future profitability continued to put downward pressure on the index. According to CSBS Chief Economist Tom Siems, the results indicate that community bankers would like to have more evidence of economic improvement before pulling sentiment higher.

On a quarterly basis, the CBSI captures 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.

### Key Highlights:

- At 99, the second quarter 2024 CBSI reached the highest level since 2021. The first quarter uptick follows last quarter's increase of 6 points and is up 15 points from one year ago.
- While four of the seven components improved, regulatory burden, expectations regarding business conditions, and future profitability continued to put downward pressure on the index.
- At 96, the profitability component had the greatest quarterly improvement, gaining 9 points from the first quarter survey and at its highest level since the end of 2022. In contrast, the franchise value indicator dropped the most, falling 6 points to 130 in the second quarter, but still well above the neutral level of 100.
- The business conditions component fell 3 points to 75 from the previous quarter but is up 32 points from one year ago. Even so, this indicator continues to suggest a weaker economic outlook; like the overall index, the business conditions component has been below 100 for 10 consecutive quarters.

## Input Needed—Third Quarter 2024 Community Bank Sentiment Index

The CSBS community bank data survey for the third quarter of 2024 is now open. The CBSI provides essential local level perspective of the nation's economic outlook. The survey takes 5 minutes to complete and no preparation is necessary. The survey is open through September 27, 2024.

Your response to seven core questions will give the CSBS a sense of how community bankers feel about the economic outlook. Your input to a few demographic questions and business plan questions will provide critical insights by size and geography. Please be sure to complete all questions in the survey so that you do not get reminders to take the survey throughout the month.

Responses 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 CBSI has received increased recognition from economists and academics. The results are included in the Federal Reserve Economic Data, the online database maintained by the Federal Reserve Bank of St. Louis known informally as FRED.

We value 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. Please click on the [survey link](#) and answer the questions about your thoughts on the economy. For more information about the CBSI, visit the website: <https://www.csbs.org/cbindex>.

## Federal Reserve Emergency Communications System Test

The Federal Reserve Bank of St. Louis performs semi-annual tests of the Emergency Communications System (ECS) to ensure that contact information is up to date for all registrants.

The next test will occur on **Tuesday, October 8, 2024**. During this test, the Federal Reserve will verify registrants' business email address, business telephone number, and business mobile phone number. A text will also be sent to the business mobile number provided at registration in ECS.

ECS is only used in emergencies; therefore, it is not uncommon for individuals to forget they have registered for the ECS service. During past tests, a few institutions contacted their regulator to verify the validity of the call. Registrants will be informed of the semi-annual test in advance so that they will not be alarmed when they receive the text message.

If you have any questions, please contact the ECS Support Center at [ecs.support@stls.frb.org](mailto:ecs.support@stls.frb.org) or 1-877-327-5333.

## Federal Deposit Insurance Corporation Publishes Money Smart Newsletter

The FDIC has resources to help families and schoolteachers bring financial education into the home or classroom. For families, the FDIC [Money Smart Parent/Caregiver Guides](#) offer practical activities and conversation starters on common financial topics. FDIC [Money Smart News for Kids](#) includes nine chapters, which introduce basic banking terms to children. Each issue builds upon the next and introduces two characters who try out different financial concepts along the way.

For teachers, two instructor-led financial education curriculums support educating youth: [Money Smart for Young People](#) and [Money Smart for Young Adults](#).

No matter which resource you use this school year, by helping youth learn about money and financial matters, you are setting them up for good financial health as they become adults. The full August 2024 Money Smart Newsletter is available [here](#).

## Speaking Engagements

Senior Deputy Commissioner Oscar “Bo” Fears will speak at the Georgia Bankers Association 2024 President/Chief Executive Officer, Bank Counsel, and Bank Accountant Conference on Monday, September 30, 2024. The conference will be held at The Charleston Place from September 29, 2024 through October 1, 2024. Additional information on the conference 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**

| <b><u>FINANCIAL INSTITUTION</u></b>              | <b><u>BRANCH OFFICE</u></b>  | <b><u>APPROVAL DATE</u></b> | <b><u>EFFECTIVE DATE</u></b> |
|--|--|-----------------------------|------------------------------|
| Ameris Bank<br>Atlanta, Georgia                  | 301 North Main Street<br>Suite 1004<br>Greenville, South Carolina<br>29601 | 05/22/2024                  | 06/28/2024                   |
| Self-Help Credit Union<br>Durham, North Carolina | 921 Ralph David Abernathy<br>Blvd<br>Atlanta, Georgia 30310                | 07/19/2024                  |                              |
| Mount Vernon Bank<br>Mount Vernon, Georgia       | 21 Main Street<br>Lumber City, GA 31549                                    | Withdrawn                   |                              |
| Mount Vernon Bank<br>Mount Vernon, Georgia       | 288 E. Willow Creek Lane<br>McRae-Helena, GA 31055                         | Withdrawn                   |                              |
| Synovus Bank<br>Columbus, Georgia                | 6801 Flat Rock Road<br>Columbus, Georgia 31909                             | 07/25/2024                  | 08/12/2024                   |
| Southeastern Credit Union<br>Valdosta, Georgia   | 250 Doc Darbyshire Road<br>Unit #10<br>Moultrie, Georgia 31788             | 04/30/2024                  | 08/12/2024                   |
| First Port City Bank<br>Bainbridge, Georgia      | 1705 E. Shotwell Street<br>Bainbridge, Georgia 39819                       | 05/03/2024                  | 08/14/2024                   |
| PeoplesSouth Bank<br>Colquitt, Georgia           | 1805 Russell Parkway<br>Warner Robins, Georgia<br>31088                    | 04/13/2023                  | 08/31/2024                   |

### **APPLICATIONS TO CHANGE MAIN OFFICE LOCATIONS**

| <b><u>FINANCIAL INSTITUTION</u></b>                     | <b><u>CHANGE LOCATION OF</u></b>   | <b><u>APPROVAL DATE</u></b> | <b><u>EFFECTIVE DATE</u></b> |
|---|--|-----------------------------|------------------------------|
| Apex Banking Company<br>of Georgia<br>Irwinton, Georgia | From: 105 East Bank Street<br>Irwinton, Georgia 31042<br><br>To: 35 Jessie Mae Thurmond<br>Connector<br>Cleveland, Georgia 30528 | 07/25/2024                  |                              |

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**APPLICATIONS TO CHANGE LOCATIONS**

| <b><u>FINANCIAL INSTITUTION</u></b>        | <b><u>CHANGE LOCATION OF</u></b>   | <b><u>APPROVAL DATE</u></b> | <b><u>EFFECTIVE DATE</u></b> |
|--|--|-----------------------------|------------------------------|
| Planters First Bank<br>Cordele, Georgia    | From: 4361 Rivoli Drive<br>Macon, Georgia 31210<br><br>To: 201 Sheraton Boulevard<br>Suite B<br>Macon, Georgia 31210 | 05/08/2024                  | 08/05/2024                   |
| South GA Banking Company<br>Omega, Georgia | From: 620 A Franklin St. E.<br>Sylvester, Georgia 31791<br><br>To: 603 N. Main St<br>Sylvester, Georgia 31791        | 10/23/2020                  | 08/19/2024                   |

**APPLICATIONS FOR FINANCIAL INSTITUTION MERGERS**

| <b><u>SURVIVOR</u></b>                                | <b><u>MERGED INSTITUTION</u></b>                      | <b><u>APPROVAL DATE</u></b> | <b><u>EFFECTIVE DATE</u></b> |
|---|---|-----------------------------|------------------------------|
| Bank of Lumber City<br>Lumber City, Georgia           | Ironman Unity Resources<br>Group<br>Marietta, Georgia | Withdrawn                   |                              |
| APCO Employees Credit Union<br>Birmingham, Alabama    | Mutual Savings Credit Union<br>Atlanta, Georgia       | Pending                     |                              |
| Southern States Bancshares, Inc.<br>Anniston, Alabama | CBB Bancorp<br>Cartersville, Georgia                  |                             | 07/31/2024                   |
| Southern States Bank<br>Anniston, Alabama             | Century Bank of Georgia<br>Cartersville, Georgia      |                             | 07/31/2024                   |

**APPLICATIONS TO FORM A BANK HOLDING COMPANY**

| <b><u>BANK HOLDING COMPANY</u></b>   | <b><u>TO ACQUIRE</u></b>             | <b><u>APPROVAL DATE</u></b> | <b><u>EFFECTIVE DATE</u></b> |
|--|--------------------------------------|-----------------------------|------------------------------|
| United Bank Corporation Employee<br>Stock Ownership Plan Trust<br>Barnesville, Georgia | United Bank<br>Zebulon, Georgia      | 08/20/2024                  |                              |
| CCB Bancorp, Inc.<br>Athens, Georgia   | Classic City Bank<br>Athens, Georgia | 08/27/2024                  |                              |

**APPLICATIONS FOR DISSOLUTION**

| <b><u>FINANCIAL INSTITUTION</u></b>   | <b><u>EFFECTIVE DATE</u></b> |
|---------------------------------------|------------------------------|
| CBB Bancorp<br>Cartersville, Georgia  | 07/31/2024                   |
| Century Bank<br>Cartersville, Georgia | 07/31/2024                   |

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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.