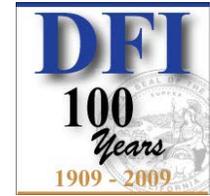




Monthly Bulletin



Volume 16, Number 11

May 2013

Message from Commissioner Teveia R. Barnes

In 2012, Governor Brown introduced a wide-ranging government reorganization plan to improve efficiencies within state government. As part of the Governor's Reorganization Plan (GRP), the Department of Financial Institutions (DFI) and Department of Corporations (DOC) will become divisions under the new Department of Business Oversight, effective July 1st.

The core functions of the DFI and DOC Departments will remain the same, and consumers, financial institutions and other stakeholders will continue to receive the same level of excellent service. The examination, enforcement, legal, licensing and other programs will be organized under the Division of Financial Institutions and the Division of Corporations under the new Department of Business Oversight (DBO).

The new Department of Business Oversight will license and regulate all state-licensed depository and non-depository financial services and institutions. Operating as divisions within the newly-formed DBO, will enable the Division of Financial Institutions and the Division of Corporations to continue the core missions of these former Departments. The DBO will retain the DFI and DOC highly skilled, professional and diverse workforce.

DFI and DOC have been working closely to ensure a smooth consolidation and transition. We are committed to increasing efficiency and effectiveness of state government.

DFI will continue to provide regular updates on the implementation of the GRP through the DFI Website, the DFI Monthly Bulletin and when we speak at events within the financial institutions community.

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Please feel free to contact me with any questions or comments regarding GRP.

Sincerely,
Teveia
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Commissioner Barnes to Serve as CSBS District V Representative

CSBS Announces 2013-2014 Officers and Board Members

DFI Commissioner Teveia R. Barnes will serve as the District V representative for the Conference of State Bank Supervisors (CSBS). CSBS announced new officers and board members for 2013-2014. Newly installed officers who comprise the Executive Committee and Commissioners representing the CSBS districts were announced on May 20, 2013.

A complete list of the 2013-2014 officers and board members is available in a press release on the [CSBS Website](#).

The Conference of State Bank Supervisors (CSBS) is the nationwide organization of banking regulators from all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. State banking regulators supervise approximately 5,300 state-chartered financial institutions. For more than a century, CSBS has given state supervisors a national forum to coordinate supervision of their regulated entities and to develop regulatory policy. CSBS also provides training to state banking and financial regulators and represents its members before Congress and the federal financial regulatory agencies.

Annual Fee Reminder

Invoices for Fiscal Year 2013-14 due July 1, 2013

The following institution types are reminded that annual fees are due in this office on or before July 1, 2013.

DFI will calculate annual fees from its database and mail invoices based on that calculation to fee payers.

Representative offices of foreign (other nation) banks

The annual representative license fee for fiscal year 2013-14 is due on or before July 1, 2013. The fee, as outlined in Section 1755(i) of the California Financial Code, is \$250.00 for each California representative office of a foreign (other nation) bank doing business as of June 1, 2013.

This year, invoices were mailed Monday, June 3 and must be paid on or before July 1. Fee payers that do not concur with the calculated amounts have until Monday June 17 to request recalculation or adjustment of the amount. DFI will not entertain any requests received after that date. Those foreign (other nation) banks which also maintain agency or branch offices in California are not subject to this fee. For questions about fees, call (415) 263-8559 or e-mail Patrick Carroll at pcarroll@dfi.ca.gov

Business and Industrial Development Corporation (BIDCO)

The annual license fee for fiscal year 2013-14 is due on or before July 1, 2013. The fee, as outlined in Section 31115(a)(6), is \$2,000.00 for each BIDCO doing business as of June 1, 2013. Invoices were mailed June 3 and must be paid on or before July 1. For questions about fees, call (415) 263-8559 or email Patrick Carroll at pcarroll@dfi.ca.gov.

Credit Union Profile

The Credit Union Profile is a collection of information NCUA and DFI maintain about credit unions that is only occasionally amended. It includes all information that was originally collected on the Report of Officials as well as some information collected on the 5300 Call Report that infrequently changes such as Disaster Recovery Information, Emergency Contact Information, and Information Systems and Technology. With every cycle of the 5300 Call Report, credit unions must review and certify their credit union profile.

Providing Updated Information

Every state licensed credit union, whether federally or privately insured, is required to update its profile information within 10 days (30 days for privately insured credit unions) of the election or appointment of senior management and volunteer officials, or within 30 days of any other change. Online filing credit unions will make these changes in the online system at <https://cuonline.ncua.gov>.

The Department relies on the timeliness and accuracy of this data and would like to remind credit unions to update regularly and review and certify it every 5300 Call Report cycle. We also encourage credit unions to provide current email addresses for members of the Board of Directors and Supervisory Committee as well as senior management.

To view the contents of the Profile visit <http://www.ncua.gov/DataApps/Documents/PF201303.pdf>

Compliance with the federal rules for maintaining the Credit Union Profile satisfies the requirements of California Code of Regulations 30.700.

Control of Arrowhead Central Credit Union Returned to Members

The Department of Financial Institutions announced on May 24, 2013 that control of Arrowhead Central Credit Union (“Arrowhead”) was returned to its members. Arrowhead is the first credit union since 2007 to emerge from conservatorship.

Arrowhead is a state-chartered, federally insured credit union based in San Bernardino.

The National Credit Union Administration (NCUA) placed Arrowhead into conservatorship in June 2010. During the conservatorship, Arrowhead remained open, operating and serving its members.

“Restoring Arrowhead to its mission of ‘people helping people’ and providing essential services to its members was a goal of the conservatorship,” said Teveia R. Barnes, DFI Commissioner. “We are very pleased to see Arrowhead’s return to its members and operating under its new management for the benefit of its community.”

Credit Union member funds are federally insured by the National Credit Union Share Insurance Fund up to at least \$250,000.

The NCUA announced the return of control of Arrowhead in a press release available on their Web site at www.ncua.gov.

May 2013 Proclaimed Small Business Month

On May 7, 2013 Governor Edmund G. Brown Jr. proclaimed May 2013 Small Business Month. In his proclamation, Governor Brown observed that “small businesses embody the entrepreneurial spirit that has driven the economy of our Golden State. Over half of our private-sector workforce is employed by small businesses...this month we reaffirm our commitment to helping California’s small businesses thrive and prosper. The Governor’s Office of Business and Economic Development along with key agencies of state government, works to facilitate economic growth through collaboration with small businesses.”

DFI is proud to be one of the agencies of state government that works to facilitate economic growth through its commitment to the safety and soundness of California’s financial services sector, which provides access to capital for small businesses in this state.

DFI Issues Small Business Lending Guidance

In keeping with the proclamation of May 2013 as Small Business Month by Governor Edmund G. Brown Jr., DFI encourages financial institutions to lend to creditworthy small businesses and reiterates the message of [Financial Institution Letter FIL- 5-2010](#) (PDF) dated February 12, 2010. Financial Institutions that engage in prudent small business lending will not be subject to supervisory criticism for small business loans made after appropriate review of a borrower’s financial condition, as long as such loans are consistent with the financial institutions overall strategic plans.

Credit should be based on an individual customer's ability to repay, and not automatically refused based on a potential borrower's industry or location. Cash flow estimates should reflect expectations of the borrower's performance over a reasonable range of future conditions and should not include overly pessimistic or optimistic cases.

Examiners will apply a balanced approach in their review of the financial institution's risk management practices and small business lending activities.

Examiners will not adversely classify a small business loan in which the value of the collateral has declined below the loan balance, so long as the borrower has the willingness and the ability to repay the loan according to reasonable terms.

June is Homeownership Month

DFI Will Highlight Programs to Help Californians Purchase and Refinance Homes During Homeownership Month

State and federal partners, members of the housing community, lenders and communities will celebrate Homeownership Month in June to bring attention to the role housing plays in the economy and communities. DFI will highlight programs and resources to help Californians purchase and refinance homes as part of our outreach related to this public awareness and education campaign. For generations of Californians, owning our home means owning our future. Owning a home gives vitality to our cities and creates a sense of community that so many families dream of and work to achieve and financial institutions are central to helping make the homeownership a reality for Californians. The lending community working with state and local housing agencies continue to make safe, affordable housing available to creditworthy applicants across throughout California resulting in stronger communities.

California Housing Finance Agency

The California Housing Finance Agency (CalHFA) offers services as families try to meet their housing needs – and as communities try to stabilize their economies hard hit by the real estate crisis. CalHFA has a downpayment assistance program [California Homebuyer's Downpayment Assistance Program](#) (CHDAP) that offers a deferred-payment subordinate loan in the amount of (3%) of the purchase price or appraised value, whichever is less to be used for down payment and/or closing costs. CalHFA's [Keep Your Home California](#) program has \$2 billion in federal funding to assist homeowners that are having difficulty making payments or anticipate having difficulty making payments.

For additional information on Homeownership Month and the programs and resources available to help California's consumers, visit DFI's financial education blog and website, see www.caflm.blogs.ca.gov and www.caflm.ca.gov.

Learn about CalHFA's products and help more first-time homebuyers!

California Housing Finance Agency's (CalHFA) Lender Training sessions include information on the California Homebuyer's Downpayment Assistance Program (CHDAP). You can learn about various financing options for first-time homebuyers, as well as familiarize yourself with CalHFA's policies, procedures, eligibility requirements, documentation and more. Below is a list of the available training options & schedule for June 2013.

Webinar Training

Thursday - June 13 (10 am - 11:30 am)

Thursday - June 20 (10 am - 11:30 am)

Visit CalHFA's [Training web page](#) for dates, details and to register for any of the available sessions.

California Homeowner Bill of Rights: Servicers with Fewer than 175 Foreclosures

The California Homeowner Bill of Rights (HBR) became law on January 1, 2013 to ensure fair lending and borrowing practices for California homeowners.

The laws are designed to guarantee basic fairness and transparency for homeowners in the foreclosure process. Visit the [California Office of the Attorney General Website](#) for key provisions of the HBR. The HBR is primarily limited to lenders that foreclose *more than 175* residential properties per year ("large lenders"). Smaller servicers, entities that conduct *fewer than 175* foreclosures per year or annual reporting period, are exempt from many of the procedural requirements.

At this time, no DFI licensed bank or credit union has more than 175 foreclosures. If a DFI licensee has more than 175 foreclosures, DFI is required to make such information public in accordance with the law.

Commercial Bank Activity

New Bank

RBB Interim State Bank

660 South Figueroa Street, Los Angeles, Los Angeles County

Approved: 5/2/13

Opened: 5/16/13

Merger

Coronado First Bank, Coronado, requests DFI's approval to merge with San Diego Private Bank, La Jolla, (and the surviving bank to change its name to San Diego Private Bank)
Effected: 4/2/13

Grandpoint Bank, Los Angeles, California, requests DFI's approval to merge with Bank of Tucson, Tucson, Arizona
Approved: 5/9/13

Pacific Western Bank, Los Angeles, requests DFI's approval to merge with First California Bank, Westlake Village
Effected: 5/31/13

Royal Business Bank, Los Angeles, requests DFI's approval to merge with Los Angeles National Bank, Buena Park
Effected: 5/17/13

Purchase of Partial Business Unit

Opus Bank, Irvine, requests DFI's approval to acquire four branch offices of California Bank & Trust, San Diego
Filed: 5/8/13

Industrial Bank Activity

Merger

Centennial Bank, Fountain Valley, California, merged with and into Western Alliance Bank, Phoenix, Arizona
Effected: 5/2/13

Credit Union Activity

Field of Membership

One credit union received approval from DFI to add two new fields of membership during April 2013.

Bylaw Amendment

Four credit unions received approval from the DFI for four bylaw amendments during April 2013.

Variance

Five credit unions received approval from DFI for a request for variance to sections of the California Code of Regulations during April 2013.

Merger

Mendo Lake Credit Union, Ukiah, requests DFI's approval to merge with Fort Bragg Community Federal Credit Union, Fort Bragg
Filed: 5/22/13

Provident Credit Union, Redwood City, requests DFI's approval to merge with Alameda Credit Union, Alameda
Filed: 5/7/13

Valley First Credit Union, Modesto, requests DFI's approval to merge with State Employees #84 Credit Union, Tracy
Filed: 4/29/13

Money Transmitter Activity

New Money Transmitter Application for License

Viamericas Money Services Corporation
Filed: 5/17/13

Change of Name

Beamit, Inc., to change its name to Remitly, Inc.
Notified: 2/8/13
Effected: 5/6/13

Change of Name (Continued)

Samso's Express Money Transfer, Inc., to change its name to First Global Money Inc.
Effected: 5/15/13

TEVEIA R. BARNES
Commissioner of Financial Institutions

Bulletin for Month ended
May 2013, issued pursuant
to Financial Code section 376



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