

Monthly Bulletin

California Department of Business Oversight



Volume 2, Number 11

June 2015

FY 2015-16 Assessment for Financial Institutions to Be Sent June 26

Annual assessment invoices for FY 2015-16 will be mailed June 26 to financial institutions. Payments will be due by July 21, unless the institution elects to pay via electronic funds transfer. EFT payments will be due no later than July 28. Following is assessment information for various types of financial institutions:

Commercial banks, Foreign Banks and Trust Companies: The base rate was set at \$1.39 per \$1,000 of assets, the same as last year's rate.

Credit Unions: The 2015-16 assessment rate was set at \$0.78 per \$1,000 of assets, the same as last year's rate.

Industrial Banks: The 2015-16 assessment rate was set at \$1.39 per \$1,000 of assets, the same as last year's rate.

Money Transmitters: The 2015-16 assessment rate for money transmissions was set at \$0.03 per \$1,000 of transmission money received by a licensee in calendar year 2014. That's a decrease of \$0.02 from last year's rate. The 2015-16 assessment rate for issuers of travelers checks and payment instruments was set at \$0.63 per \$1,000 of total payment instruments and stored value sold by the licensee, the same as last year's rate.

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205

One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 972-8565

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

45 Fremont Street, Suite 1700
San Francisco, CA 94105
(415) 263-8500

300 S. Spring Street, Suite 15513
Los Angeles, CA 90013
(213) 897-2085

7575 Metropolitan Drive, Suite 108
San Diego, CA 92108
(619) 682-7227

Proposed Regulations under the California Deferred Deposit Transaction Law

The DBO recently issued an invitation for comments on a revised draft of changes to its payday lending regulations. The DBO supervises payday lending under the California Deferred Deposit Transaction Law (CDDTL). The deadline for submitting comments is June 24. Two components of the draft rules have generated significant debate. One would limit transactions to paper checks only – no ACH, debit cards, prepaid cards or credit cards. The second provision would establish a common database under DBO’s management. Payday lenders would have to record all loans in the database, and check the database prior to the transaction to determine whether the borrower already had an outstanding payday loan.

The Invitation for Comments notice and proposed text are available at this link: http://www.dbo.ca.gov/Licensees/Payday_Lenders/Regulations.asp.

Please submit comments to regulations@dbo.ca.gov

IT Systems Survey for Banks, Credit Unions, and Mortgage Lenders Sent June 8

The DBO on June 8 emailed its biannual IT survey to all banks, credit unions and, for the first time, mortgage companies. Survey notifications were emailed to each institution’s designated email address for communications with the DBO. The email contains information on accessing and submitting the electronic 2015 IT Systems Survey.



The purpose of this biannual survey is to help the DBO determine the level of IT risk prior to regulatory examinations. The Commissioner directs licensees to complete and submit the survey as a special report, pursuant to California Financial Code sections 455 and 50307. Responses will be kept confidential and used only in the examination process.

Surveys will be due Friday, July 10; Mortgage Lenders have until July 20. If you have questions regarding the survey, please use the contact information below:

- Banks/trust companies/foreign banks/foreign branches: Senior IT Examiner Robert J. Lipot at robert.lipot@dbo.ca.gov.
- Credit unions: Acting Deputy Commissioner Greg Juricich at gregory.juricich@dbo.ca.gov.
- Mortgage companies: Acting Deputy Commissioner Catherine Nahnsen-Robison at catherine.nahnsen-robison@dbo.ca.gov.
- Email or technical issues: survey@dbo.ca.gov.

Escrow Law Advisory Committee

The next Escrow Law Advisory Committee meeting will be on Tuesday June 16 at 10 a.m. The meeting will be held at the DBO's Los Angeles office located at 320 West Fourth Street, in the Seventh Floor Conference Room.



Please contact Special Administrator Richard Malme in the Los Angeles office at (213) 576-7595 if you have any questions. The agenda for the June 16 meeting and the minutes from the March 10 meeting are now available on the DBO website, www.dbo.ca.gov.

Community Banking in the 21st Century

2015 National Survey of Community Banks



State bank supervisors, in coordination with the Federal Reserve, are planning the third annual Community Banking in the 21st Century research and policy conference. The conference's goal is to encourage research aimed at improving public policy related to banks and local communities.

For last year's conference, we conducted a nationwide survey of community banks, and more than 1,000 participated. The results of the survey and the town hall meetings were highlighted in a publication released during the conference. The report can be downloaded here: <https://www.stlouisfed.org/bank-supervision/2014-community-banking-conference/town-hall-publication>.

The survey provides researchers and policymakers an opportunity to hear directly from community banks on a range of important topics. Results from the 2015 survey will be compiled and presented during this year's conference, set for Sep. 30-Oct. 1 in St. Louis, Missouri.

Please take the time to complete this survey at: <https://sri.cornell.edu/CB21/>. Completion should take no longer than 30 minutes, and the deadline is June 15.

Should you have any questions, please contact DBO Senior Deputy Commissioner Scott Cameron at (916) 322-5962 or scott.cameron@dbo.ca.gov.

June is Homeownership Month

Homeownership Month helps reaffirm the important role a home can play in providing financial security for families. Owning a home, through the buildup of equity, historically has been an important means for families to start businesses, send children to college and strengthen retirement nest eggs. At the peak of the 2007-09 financial crisis, California led the nation in foreclosures. While the recovery continues, many Californians still struggle to buy a home, or need assistance understanding mortgage terms, foreclosure and loan modifications.





The [DBO Mortgage Education and Outreach](#) Program supports homeownership and informs mortgage borrowers of their rights. The Program partners with stakeholders through community resource fairs, workshops and educational materials. DBO is teaming up with the [California Housing Finance Agency \(CalHFA\)](#) and [Keep Your Home California](#) to highlight programs available to help Californians purchase their first home, and assist homeowners who are having a difficult time making their mortgage payments.

The DBO Education and Outreach Office will provide basic materials to community partners to support mortgage-related activities. Topics include:

- Preparing for Homeownership (budgeting, saving, building credit)
- Home Buying Process (including mortgage types, terms, rates)
- Refinancing and Risky Products
- Foreclosure Prevention and Mortgage Loan Modifications
- Mortgage Fraud and Scams
- How to Report Complaints

Servicemembers Civil Relief Act Compliance Failure Results in \$30 Million Fine

Failure to observe an often-overlooked federal law can result in severe penalties. Recently, Bank of America was ordered to pay a \$30 million civil penalty to resolve allegations that it wrongfully used documents in litigation for debt collection and violated a law protecting members of the military and their families.

The consent orders released in May by the Office of the Comptroller of the Currency (OCC) alleged the \$2 trillion-asset bank had "deficiencies" in its compliance program to ensure military personnel received certain benefits required by the Servicemembers Civil Relief Act. The OCC has also ordered the bank to correct the compliance deficiencies and improve its overall risk management oversight.

Urban Water Conservation Improves in April Ahead of 25% Conservation Mandate



With a mandatory 25 percent conservation rate beginning this month for users in all urban water districts, the State Water Resources Control Board (Board) announced June 2 the state's cities and towns reduced their consumption by 13.5 percent in April compared to the same month in 2013. That was up from a 3.9 percent savings rate in March.



In May, the Board adopted an [emergency regulation](#) requiring an immediate 25 percent reduction in overall urban water use beginning in June, in accordance with Governor Brown's April 1 [Executive Order](#). The Executive Order required, for the first time in the state's history, mandatory conservation for all residents. It also directed several state agencies to take immediate action to safeguard the state's remaining urban water supplies in preparation for a possible fifth year of drought. For more information, go to www.ca.gov/drought/.

Commercial Bank Activity

Merger

Bank of Manhattan, N.A., El Segundo, to merge with and into Plaza Bank, Irvine
Approved: 5/27/15

Focus Business Bank, San Jose, to merge with and into Heritage Bank of Commerce, San Jose
Filed: 5/20/15

Acquisition of Control

American Continental Bancorp, to acquire control of American Continental Bank
Approved: 5/4/15

Purchase of Partial Business Unit

Security Bank of California, Riverside, to acquire the Murrieta branch of Rabobank N.A., Roseville
Filed: 5/11/15

Change of Name

California Business Bank, to change its name to Omega Bank
Withdrawn: 5/1/15

Credit Union Activity**Merger**

ATD Federal Credit Union, San Jose, to merge with into PremierOne Credit Union,
Santa Clara
Filed: 5/15/15

Conversion to State Charter

Contra Costa Federal Credit Union, Martinez, to convert to a state-chartered
credit union under the name 1st Northern California Credit Union
Filed: 3/12/15

Premium Finance Company Activity**New Premium Finance Company**

Northern Investors Company
20011 Ballinger Way NE, Shoreline, King County, Washington
Filed: 4/20/15

Foreign (Other Nation) Bank Activity**Sale of Partial Business Unit**

Chong Hing Bank, Limited, to sell a partial business unit to Shanghai Commercial
Bank, Ltd.
Approved: 5/4/15

Foreign (Other State) Bank Activity**New Facility**

Pacific Continental Bank
26 Center Street, San Rafael, Marin County (Facility – Insured Bank)
No Objection: 5/15/15

Money Transmitter Activity

New Transmitter

Adyen, Inc.
Filed: 5/15/15

Placid NK Corporation DBA Placid Express
Filed: 5/12/15

RealPage Payments Services LLC
License Issued: 5/21/15

Acquisition of Control

ACI Worldwide, Inc., to acquire control of Official Payments Corporation
Approved: 5/22/15

JAN LYNN OWEN

Commissioner of Business Oversight

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The *Monthly Bulletin* is available without charge via e-mail. To subscribe, go to: <http://www.dbo.ca.gov/Resources/subscription.asp>.