

MINUTES OF THE REGULAR MEETING
OF THE STATE BANKING BOARD

NOVEMBER 18, 2020

First item of business on the agenda, Chairman Thompson called the Banking Board meeting to order at 10:00 a.m., pursuant to the Agenda that was posted for public display prior to 10:00 a.m. on November 10, 2020. Notice of the meeting was also made available to the Secretary of State and other interested parties pursuant to Title 25 O.S. § 311 (The Open Meeting Act). The meeting was held in the Conference Room of the State Banking Department, Oklahoma City, Oklahoma.

Second item on the agenda was roll call; the following members were present:

Mick Thompson, Chairman
Sandy Bracken
Dennis Brand
Wade Huckabay
Tom Thompson

Members Newcomb and Krieger were not present.

Also present: Dudley Gilbert, Deputy Commissioner.

Third item on the agenda was approval of minutes for the regular meeting held August 12, 2020.

Member Bracken made the motion for approval of the minutes of the meeting held August 12, 2020. The motion was seconded by Member Brand and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Tom Thompson – voted yes

Fourth item on the agenda, Commissioner's Monthly Reports:

A. Department Status Update

Chairman Thompson notified the Board that three members of the examination staff have announced retirement or resignation that will occur before the end of the first quarter of 2021. He stated there is no plan to replace these examiners at this time. We are still considering how we will remotely train a new examiner.

He then provided an update on the progress of the annex building project. He discussed the Governor's goals of reducing the state's real estate "footprint" as well as encouraging more

telework. He explained that as a result of the successful teleworking during the COVID-19 pandemic, examiners will not need the office space in the annex building. He said that when the annex is completed, it will be leased to the Department of Consumer Credit.

Chairman Thompson then described the remodeling project that will begin in the examiners' area. He stated that all cubicles in the Oklahoma City office have been removed and that area will be converted to additional office space. He discussed how the EIC and operations manager on each exam will use a portion of the remodeled area to complete examination reports. Otherwise, examiners will be teleworking from home, or will be on site at a bank when the pandemic circumstances allow for on-site work.

The Chairman then discussed changes to the Tulsa office arrangement. He stated that the lease on the current Tulsa office will be terminated and a smaller area will be leased. Tulsa examiners will only have to use the smaller office space when completing exams or other circumstances require that they be in the office. Otherwise, the examiners in Tulsa will also be teleworking from home.

Chairman Thompson then discussed the Department's agreement to assist with funding the next cadet academy of the Oklahoma Highway Patrol. He stated the Department agreed to assist with funding so that additional officers can be trained. He explained that these officers are often the first line of security at banking facilities in rural Oklahoma.

B. Examination Report

Chairman Thompson stated that the OSBD has not paused any examination activities during the COVID-19 pandemic. We are current with examinations. He stated that all staff have been responsible with respect to handling telework duties. For example, staff is appropriately filing leave whenever away from their home duty station or otherwise unable to work.

The Chairman stated that the Department recently surveyed all institutions to determine the number that do not have their loan files and other documents scanned to a digital format. The number that have not scanned their files is small. He stated that if an institution does not have its loan files or other documents scanned, the Department will assist the institution in getting the files scanned.

C. Legislative Update

The Commissioner stated that the Banking Department currently has no plans to request changes to the Oklahoma Banking Code during the upcoming legislative session. He discussed changes to the state legislature and possible changes to committees resulting from the recent state and federal elections.

D. Pending Applications

Chairman Thompson confirmed each Board member is receiving the report of pending applications.

Fifth item on the agenda:

Consideration of, and possible action on, request to approve dissolution of Prime Bank, Edmond, Oklahoma, pursuant to Title 6 O.S. §1201.

Commissioner Thompson explained that this request is a result of Prime Bank, Edmond, selling its assets to Tinker Federal Credit Union. Deputy Commissioner Gilbert told the Board that Prime Bank had already surrendered its bank charter and Prime Bank is no longer a functioning bank. However, the Banking Code requires the Board to approve the dissolution of the corporation.

After discussion of the request, Member Thompson made the motion to approve the dissolution. The motion was seconded by Member Huckabay and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Tom Thompson – voted yes

Sixth item on the agenda:

Consideration and prescription of the rates of bank and trust company assessments for Oklahoma chartered institutions existing as of December 31, 2020, calculated on institution assets as of December 31, 2020.

Chairman Thompson discussed the Department's Expenditure Summary and Revenue Report. He presented Board members with a description of recent years' assessment rates and assessments discounts over the past several years. He discussed costs associated with the annex and remodeling the Oklahoma City office. He also discussed savings associated with teleworking.

The Commissioner stated that if the Board set the rates and discount at the same amounts as last year, the Department may operate at a deficit during 2021. However, he further discussed the Department's reserves and stated the reserves are sufficient to support a shortfall in assessment revenue. He also stated it is important to discount the assessments in this pandemic environment considering that banks may soon be dealing with a more difficult economic environment.

After discussion by Board members and review of the Department's budget, Member Brand made a motion to set the assessment rate for banks as follows:

18¢ per \$1,000 of assets on the first \$1 billion,
14 ¢ per \$1,000 on the assets exceeding \$1 billion, but not exceeding \$2 billion,
10¢ per \$1,000 on assets exceeding \$2 billion but not exceeding \$4 billion, and
7¢ per \$1,000 on assets exceeding \$4 billion

and the Commissioner is directed to reduce the total collected assessment by 20% for banks with assets of \$1 billion or less and 10% for banks with assets greater than \$1 billion.

The motion was seconded by Member Huckabay and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Tom Thompson – voted yes

Member Bracken then made the motion to set the rate of trust company assessments as follows:

18¢ per \$1,000 of company-owned assets, plus a rate of 10¢ per \$1,000 of assets under management - with this portion of the assessment capped at \$25,000.

The motion was seconded by Member Thompson and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Tom Thompson – voted yes

Seventh item on the agenda, New Business. There was no new business.

Eighth item on the agenda, Adjournment.

Member Bracken made a motion to adjourn. The motion was seconded by Member Thompson and approved as follows:

Sandy Bracken – voted yes
Dennis Brand – voted yes
Wade Huckabay – voted yes
Tom Thompson – voted yes

The meeting adjourned at 11:02 a.m.

Mick Thompson, Chairman

Tom Thompson

Sandy Bracken

Brad Krieger

Dennis Brand

Bob Newcomb

Wade Huckabay