STATE OF GEORGIA
DEPARTMENT OF
BANKING AND FINANCE

BULLETIN... BULLETIN... BULLETIN... BULLETIN... BULLETIN...

BRIAN KEMP
GOVERNOR

OSCAR B. FEARS III
COMMISSIONER

SPECIAL EDITION
IMPORTANT NOTICE
PROPOSED RULEMAKING

NOVEMBER 10, 2026

NOTICE OF PROPOSED RULEMAKING
AND
OPPORTUNITY TO COMMENT

PROPOSED ENACTMENT OF RULES AND REGULATIONS
BY
DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA

To all interested persons:

Pursuant to the provisions of the Georgia Administrative Procedure Act, O.C.G.A. § 50-13-1 et seq., and by the authority of O.C.G.A. §§ 7-1-61, 7-1-690, 7-1-706.1, 7-1-1012, and 7-9-13, and other cited statutes, the Department of Banking and Finance hereby gives notice of its intent to adopt new rules.

A synopsis and purpose precedes the proposed rules.

Comments to the Department of Banking and Finance must be received by the close of business on **Tuesday, December 15, 2026**. Please send all comments to:

Amy L. Patterson, Deputy Commissioner for Legal Affairs
Georgia Department of Banking and Finance
2990 Brandywine Road, Suite 200
Atlanta, GA 30341-5565
Fax: (770) 986-1654 or 1655
Email: apatterson@dbf.state.ga.us

The Department shall review all comments, may contact commenters to discuss their suggestions, and, after the comment period has closed, intends on promulgating final rules. The Department will consider the proposed new rules for adoption at a meeting **at 10:00 a.m. on Friday, December 18, 2026**, at the offices of the Department of Banking and Finance at Suite 200, 2990 Brandywine Road, Atlanta, Georgia 30341. Notice and a copy of the final rules adopted will be e-mailed to individuals who have made a special request and will be made available on our website at https://dbf.georgia.gov. Other interested parties may receive a copy of the final rules by contacting the Department at (770) 986-1633, after **Friday, December 18, 2026.**

2026 Rules and Regulations
Proposed Changes: Synopsis, Purpose and Background

80-3-2-.07 Permissible Investments

The proposed amendment authorizes licensees to consider cash held at certain foreign depository institutions as permissible investments. Specifically, the proposal allows up to 10% of a licensee's permissible investments to be held at a depository institution that has been approved by the Board of Governors of the Federal Reserve System to conduct the business of banking in the United States and that has either a branch or agency located in the United States. The proposal does not require that the cash held as a permissible investment be held in the United States.

Economic Impact: None. The proposal provides a new permissible investment option for licensees but does not create any new regulatory requirements for licensees.

80-3-3-.01 Minimum Books and Records

The proposed amendment includes a requirement that licensed money transmitters maintain an employee file for each covered employee that includes the criminal background checks and verification that the licensee reviewed the Department's public records prior to the date of hire, as required by O.C.G.A. §§ 7-1-684 and 7-1-692.

Economic Impact: None. Licensees are already required to obtain the criminal background checks and review the Department's public records. This change does not reflect any practical change for licensees or create any new compliance burden.

80-4-1-.01 Books and Records; Other Requirements

The proposed amendment includes a requirement that licensed check cashers maintain an employee file for each covered employee that includes the criminal background checks and verification that the licensee reviewed the Department's public records prior to the date of hire, as required by O.C.G.A. §§ 7-1-703 and 7-1-708.

Economic Impact: None. Licensees are already required to obtain the criminal background checks and review the Department's public records. This change does not reflect any practical change for licensees or create any new compliance burden.

80-11-1-.09 Electronic Service of Notice of Intent to Deny, Revoke, or Suspend License

The proposed amendment modifies the timeline for the Department to mail a notice pursuant to O.C.G.A. § 7-1-1017 from "five business days" after an attempt at email service to any time after the Department has attempted email service.

Economic Impact: None. No direct impact on licensees or applicants.

80-11-5-.01 Mortgage Loan Originator Licensure Requirements

The proposed amendment clarifies when mortgage loan originator applicants and licensees are required to have a sponsor, clarifies that applicants may be subject to administrative action at any time, removes the requirement that the Department accept sponsorship requests for mortgage loan originators, and requires mortgage loan originators to surrender their license if they are no longer employed by a licensed broker or lender.

Economic Impact: None. This change does not reflect any practical change for mortgage loan originators or create any new compliance burden.

80-12-1-.01 Definitions

The proposed amendment adds a definition of "monthly activity reports" that MALPBs will submit to the Department. Additionally, the proposed amendment revises the definition of "payments volume" for additional clarity.

Economic Impact: None anticipated. This change does not reflect any practical change for MALPBs or create any new compliance burden.

80-12-4-.02 Self-Acquiring Activities

The proposed amendment clarifies when a merchant exercises control over an MALPB, an MALPB holding company, and an affiliate of an MALPB.

Economic Impact: None anticipated. This change does not create a new compliance burden for MALPBs and no chartered MALPB, MALPB holding company, or affiliate is expected to be directly impacted by this change.

80-12-5-.04 Reports

The proposed amendment adds a requirement for MALPBs to submit monthly activity reports to the Department, which will be used in the calculation of minimum risk capital as revised in the proposed amendment to Rule 80-12-7-.01, described below.

Economic Impact: The Department anticipates that the information required in the monthly activity reports will consist of information that MALPBs already have in their possession, and some information that MALPB affiliates already submit to the sponsor banks. Thus, the Department would expect a *de minimis* cost to MALPBs associated with compiling and submitting the reports on a monthly basis. However, to properly understand the economic impact, this rule should be read in connection with the proposed amendment to Rule 80-12-7-.01, which reduces the minimum risk capital requirements for MALPBs. As described below, the amendment to Rule 80-12-7-.01 will have a positive economic impact for the MALPBs. But such change can only be effectuated through the compilation and tracking of additional factors, which is accomplished through this proposed amendment.

80-12-7-.01 Minimum Capital Requirements

The proposed amendment reduces the amount of minimum risk capital required for MALPBs by the amount of contractually required merchant reserves held by the MALPB. The Department will receive information on the contractually required merchant reserves through the monthly activity report, as required by the proposed amendment to Rule 80-12-5-.04, described above. Additionally, the proposed amendment creates a mechanism by which an MALPB can request a modification of the minimum risk capital requirement, lays out the factors the Department must consider, and creates a minimum risk capital that an MALPB cannot go below, even if approved by the Department for modification.

Economic Impact: The reduction in the amount of minimum risk capital required will have a positive economic impact on the MALPBs as they will have to maintain less funds as risk capital. The creation of a mechanism for MALPBs to request a modification of minimum risk capital requirements will have no direct impact on the MALPBs unless an MALPB requests and receives approval of such modification, in which case it will have a positive economic impact for that MALPB.

CHAPTER 80-3

MONEY TRANSMISSION

SUBJECT 80-3-2

FINANCIAL CONDITION, REPORTING, AND CONTROL

80-3-2-.07 Permissible Investments

Rule 80-3-2-.07 Permissible Investments

(1) The following investments are permissible to satisfy the requirements of O.C.G.A. § 7-1-683.2(c):

(a) Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers in a federally insured depository financial institution, and the following cash equivalents: Automated Clearing House ("ACH") items in transit to the licensee and ACH items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations under appropriate controls, debit card or credit card-funded transmission receivables owed by any federally insured depository financial institution, or money market mutual funds rated "AAA" by S&P Global Ratings ("S&P"), or the equivalent from any eligible rating service;

(b) Certificates of deposit or senior debt obligations of a financial institution whose deposits are federally insured;

(c) An obligation of the United States or a commission, agency, or instrumentality thereof; an obligation that is guaranteed fully as to principal and interest by the United States; or an obligation of a state or a governmental subdivision, agency, or instrumentality;

(d) One hundred percent of the surety bond provided for in O.C.G.A. § 7-1-683.2(b) that exceeds the amount required by the Department; and

(e) Receivables that are payable to a licensee from its authorized agents in the ordinary course of business that are less than seven days old, up to 50% of the aggregate value of the licensee's total permissible investments, with not more than 10% of the aggregate value of the licensee's total permissible investments consisting of receivables from a single authorized agent.

(f) The following investments are permissible up to 20% per category and combined up to 50% of the aggregate value of the licensee's total permissible investments:

1. A short-term investment of up to six months bearing an eligible rating;

2. Commercial paper bearing an eligible rating;

3.A bill, note, bond, or debenture bearing an eligible rating;

4.United States tri-party repurchase agreements collateralized at 100% or more with U.S. government or agency securities, municipal bonds, or other securities bearing an eligible rating;

5.Money market mutual funds rated less than "AAA" and equal to or higher than "A-" by S&P, or the equivalent from any other eligible rating service;

6.A mutual fund or other investment fund composed solely and exclusively of one or more permissible investments listed in subsections (a), (b), and (c) above; and

(g) Cash (including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers) at a foreign bank that:

1. has been approved by the Board of Governors of the Federal Reserve System to conduct the business of banking in the United States; and

2. has an agency, as defined by 12 U.S.C. § 3101(1), or a branch, as defined by 12 U.S.C. § 3101(3), located in the United States regardless of whether the cash is held at the agency or branch.

Investments under this subsection are permissible up to 10% of the aggregate value of the licensee's total permissible investments if the licensee has received a satisfactory rating in its most recent examination.

(2) For purposes of this rule, these terms shall mean the following:

(a) "Eligible rating service" means any Nationally Recognized Statistical Rating Organization (NRSRO) as defined by the U.S. Securities and Exchange Commission.

(b) "Eligible rating" means a credit rating of any of the three highest rating categories provided by an eligible rating service, whereby each category may include rating category modifiers such as "plus" or "minus" for S&P or the equivalent for any other eligible rating service. Long-term credit ratings are deemed eligible if the rating is equal to A- or higher by S&P, or the equivalent from any other eligible rating service. Short-term credit ratings are deemed eligible if the rating is equal to or higher than A-2 or SP-2 by S&P, or the equivalent from any other eligible rating service. In the event that ratings differ among eligible rating services, the highest rating shall apply when determining whether a security bears an eligible rating.

Authority: O.C.G.A. §§ 7-1-683.2, 7-1-690.

SUBJECT 80-3-3

BOOKS AND RECORDS

80-3-3-.01 Minimum Books and Records

Rule 80-3-3-.01 Minimum Books and Records

(1) Each licensee shall make, keep, and preserve the following books, accounts, and other records:

(a) A record of each payment instrument sold;

(b) A general ledger which shall be posted at least monthly containing all assets, liabilities, capital, and income and expense accounts;

(c) Settlement sheets received from authorized agents;

(d) Bank statements and bank reconciliation records;

(e) Records of outstanding payment instruments;

(f) Records of each payment instrument paid;

(g) A list of the names and addresses of all of the licensee's authorized agents;

(h) A copy of all currency transaction reports and suspicious activity reports that are required by law to be filed by the licensee and the related work papers;

(i) Records of all money transmissions sent or received as well as all outstanding money transmissions;

(j) Supporting documentation for all reports required to be prepared or filed with the Department or the Nationwide Multistate Licensing System and Registry;

(k) Information security program materials maintained by the licensee in accordance with 16 C.F.R. Part 314, ("the Safeguards Rule") and Rule 80-3-1-.05, including, but not limited to, any risk assessment and incident response plan;

(l) Records of written requests for and issuance of refunds; and

(m) Employee file for each covered employee. The employee file must contain all documents related to hiring the covered employee, including criminal background check, date employment began, and a print out or screenshot confirming that the

Department's public records were reviewed on NMLS Consumer Access to verify eligibility for employment with such review taking place prior to the date of hire.

(2) Licensees shall be prohibited from withholding, deleting, destroying, or altering information requested by an examiner of the Department or making false statements or material misrepresentations to the Department during the course of an examination or on any application or renewal form sent to the Department.

Authority: O.C.G.A. §§ 7-1-689, 7-1-690.

CHAPTER 80-4

CHECK CASHERS

SUBJECT 80-4-1

CHECK CASHERS

80-4-1-.01 Books and Records; Other Requirements

Rule 80-4-1-.01 Books and Records; Other Requirements

(1) For purposes of this Rules Chapter and Rule 80-5-1-.02(2), the terms that are defined in O.C.G.A. § 7-1-700 shall have the identical meaning.

(2) Every applicant for a license shall demonstrate to the Department that such applicant has sufficient financial resources in the form of working capital and tangible net worth to successfully engage in the business of cashing payment instruments. Sufficiency of financial resources shall be determined through financial analysis by the Department of pro-forma and historical financial information of the applicant. Each licensee shall be required to complete and attest to official questionnaires and statements of assets and liabilities when requested for examination purposes. Licensees shall be prohibited from withholding, deleting, destroying, or altering information requested by an examiner of the Department or making false statements or material misrepresentations to the Department during the course of an examination or on any application or renewal form sent to the Department.

(3) Every licensee shall maintain an original written authorization or other evidence of verification attesting to the fact that each specific corporation or other business association has authorized its officers and employees or specific officers or employees to present payment instruments, drawn by the corporation or other business association payable to

cash or drawn by any party payable to the corporation or other business association, to a licensee for cashing. A check casher shall not cash a payment instrument payable to persons other than natural persons unless the check casher has on file such written authorization or verification indicating that the payee has authorized the presentation of such payment instruments on behalf of the payee.

(4) Every licensee shall post in prominent view of each teller window or other customer service station a copy of its license. Advertising material related to the cashing of payment instruments and distributed within this state shall contain the licensee's name, which shall conform to the name on record with the Department, and unique identifier, which shall clearly indicate that the number was issued by the Nationwide Multistate Licensing System and Registry.

(5) Minimum Books and Records.

(a) Books and records required herein shall be maintained by every licensee.

(b) A record of cashed payment instruments shall be maintained by each licensee as a log of all transactions occurring each day. The log must be maintained in chronological order based on the date of negotiation of the payment instrument.

1. For all cashed payment instruments, such record shall include:

(i) The date of negotiation of the payment instrument;

(ii) Name, address, and identifying number (social security, driver's license, passport, etc.) of the person negotiating the payment instrument;

(iii) Amount of the payment instrument; and

(iv) Amount of fee charged for cashing the payment instrument.

2. For all cashed payment instruments in an amount of one thousand dollars ($1,000) or more, such record shall also include:

(i) Date of the payment instrument;

(ii) Payment instrument number;

(iii) Name and location or routing number of the payor financial institution or, if a pre-paid card, the branded card name; and

(iv) Name of the drawer of the payment instrument.

(c) A daily cash reconcilement statement shall be maintained summarizing each day's activity and reconciling cash on hand at the opening of business to cash on hand at the close of business. Such reconcilement statement shall separately reflect cash received from money transmission (if also licensed as a money transmitter or an authorized

agent of such licensee), redemption of returned items, cash withdrawals at a financial institution, cash disbursed in cashing of payment instruments, and cash deposits at a financial institution.

(d) A general ledger containing records of all assets, liabilities, capital, income and expenses shall be maintained. The general ledger shall be posted from the daily record of cashed payment instruments or other record of original entry, at least quarterly, and shall be maintained in such manner as to facilitate the preparation of an accurate trial balance of accounts in accordance with generally accepted accounting practices. A consolidated general ledger reflecting activity at two or more locations under the same license may be maintained provided books of original entry are separately maintained for each location.

(e) For all entities cashing payment instruments, each customer cashing a payment instrument shall be offered the option of receiving a receipt showing the name of the licensee or trade name of the licensee, the transaction date, the amount of the payment instrument, and the fee charged.

(f) All licensees shall maintain supporting documentation for all reports and logs required to be prepared or filed with the Department or the Nationwide Multistate Licensing System and Registry.

(g) Information security program materials maintained by the licensee in accordance with 16 C.F.R. Part 314, ("the Safeguards Rule") and Rule 80-3-1-.05, including, but not limited to, any risk assessment and incident response plan.

(h) Employee file for each covered employee. The employee file must contain all documents related to hiring the covered employee, including criminal background check, date employment began, and a print out or screenshot confirming that the Department's public records were reviewed on NMLS Consumer Access to verify eligibility for employment with such review taking place prior to the date of hire.

(6) All payment instruments drawn on a financial institution domiciled in the United States and cashed by a licensee shall be sent for deposit to the licensee's account at a financial institution authorized to do business in the State of Georgia whose deposits are federally insured or sent for collection not later than the close of business on the next business day after the date on which the payment instrument was cashed.

(7) Each licensee shall maintain a principal location at which its books and records are maintained and which is accessible to the Department for examination during normal business hours. Records required to be maintained under this rule may be maintained in a photographic, electronic, or other similar format at a central location within or outside the State of Georgia provided specific records can be transmitted to a location designated by the Department within ten (10) days of the Department's request. The Department may

examine any person that purports to satisfy the exemption from licensure set forth in O.C.G.A. § 7-1-701.1 to verify that the person qualifies for the exemption from licensure. A licensee that refuses to permit an investigation or examination of books, accounts and records (after a reasonable request by the Department), that withholds material information or makes a misrepresentation shall have its license revoked.

(8) The business of the licensee may be conducted through additional outlets, including those operated as mobile facilities, provided that mobile facilities maintain a regular schedule of times and locations at which they cash payment instruments, file the schedule with the Department, and comply with local licensure requirements at each location at which business is conducted. A licensee must provide the Department with written notice at least thirty (30) days prior to it conducting business at any additional outlets.

(9) A licensee shall notify the Department in writing within fifteen (15) days of the closing of the portion of its business that cashes payments instruments and shall surrender its original license to the Department at that time.

(10) A licensee shall make a written request to the Department seeking approval for any proposed change in ultimate equitable ownership through acquisition or other change in control or change in executive officer resulting from such change in ownership or change in control of the licensee as required by O.C.G.A. § 7-1-705.1 at least thirty (30) days prior to the proposed change.

(11) Every licensee giving notices of changes in locations operated by the licensee over those previously reported shall do so at least thirty (30) days prior to conducting business at the new location and on forms provided by the Department.

Authority: O.C.G.A. §§ 7-1-106, 7-1-706.1.

CHAPTER 80-11

RESIDENTIAL MORTGAGE BROKERS, LENDERS, AND ORIGINATORS

SUBJECT 80-11-1

DISCLOSURE, ADVERTISING AND OTHER REQUIREMENTS

80-11-1-.09 Electronic Service of Notice of Intent to Deny, Revoke, or Suspend License

Rule 80-11-1-.09 Electronic Service of Notice of Intent to Deny, Revoke, or Suspend License

Any notice served by the Department pursuant to O.C.G.A. § 7-1-1017 shall first be sent by email to the email address of record that the applicant or licensee has designated as their email address for regulatory contact on file with the Nationwide Multistate Licensing System and Registry. Any notice sent by email shall be deemed delivered once the Department receives a non-automated affirmative response from the intended recipient of such notice and no further service will be thereafter attempted by the Department in relation to that notice. If the Department does not receive an affirmative response from the intended recipient after emailing the notice to the email address of record, the Department shall then attempt to deliver the notice via registered or certified mail or statutory overnight delivery to the principal place of business of such applicant or licensee. In the event the above methods of service are unsuccessful, the Department may attempt to deliver the notice under any other method of lawful service.

Authority: O.C.G.A. §§ 7-1-1012, 7-1-1017.

SUBJECT 80-11-5

MORTGAGE LOAN ORIGINATOR LICENSURE AND OTHER REQUIREMENTS

80-11-5-.01 Mortgage Loan Originator Licensure Requirements

Rule 80-11-5-.01 Mortgage Loan Originator Licensure Requirements

(1) A mortgage loan originator may not engage in the business of mortgage loan origination for a licensed residential mortgage broker or lender without first obtaining and maintaining a current Georgia mortgage loan originator license issued by the Department through the Nationwide Multistate Licensing System and Registry ("NMLSR") or unless qualified to operate under the temporary authority provisions of 12 U.S.C. § 5117.

(2) An applicant for a mortgage loan originator license must have a sponsor at and during the time his or her application is being considered for approval by the Department. Failure to have a sponsor at the time application for licensure is made on the NMLSR or while it is pending shall result in the application being administratively withdrawn by the Department. Notwithstanding the foregoing, an applicant may be subject to administrative action to deny the license application at any time. In the event the applicant wishes to submit a new application after the application has been administratively withdrawn or denied, then the applicant shall be required to submit a new application as well as pay all associated fees. For purposes of this Rule Chapter, "sponsorship" means the authorization for a properly licensed mortgage loan originator to conduct business as an employee under and on behalf of a specific mortgage broker or mortgage lender's license. Sponsorship must be initiated and maintained by the licensed mortgage broker or mortgage lender employing a mortgage loan originator.

(3)

(a) As a continuing requirement of licensure, a mortgage loan originator must at all times have proper sponsorship on record with the NMLSR by a licensed Georgia mortgage broker or mortgage lender.

(b) Sponsorship must be applied for through the NMLSR. Once established, sponsorship can be removed by the employing licensee. It shall be the responsibility of every mortgage loan originator applicant and licensee to ensure that his or her sponsorship is correctly reflected at all times on the NMLSR.

(4) A mortgage loan originator shall have coverage under the surety bond of his or her licensed mortgage broker or mortgage lender employer.

(5) An applicant for a mortgage loan originator license will not be approved for licensure if he or she has pleaded guilty to, been found guilty of, or entered a first offender or nolo plea for a felony as set forth in O.C.G.A. § 7-1-1004. A mortgage loan originator license applicant will not be approved for licensure or reinstatement of licensure if he or she has been convicted of a felony as set forth in O.C.G.A. § 7-1-1004, in an instance in which a restoration of rights subsequently was issued by a state or federal pardoning authority empowered to dispense this relief.

(6) A mortgage loan originator must immediately surrender his or her license to the Department through the NMLSR once he or she leaves the employ of a licensed broker or lender or begins working as a loan officer for an exempt entity identified in O.C.G.A. § 7-1-1001.

(7) An application for a mortgage loan originator license, which is missing material information, shall be held in an incomplete status for a period of five (5) business days after the issuance of written notice by the Department or NMLSR specifying the identified deficiency. If any such deficiency remains outstanding for more than five (5) business days, the Department is authorized to issue a notice of administrative withdrawal to the applicant indicating that the applicant has thirty (30) days to provide the missing information. In the event the missing information is not provided within (30) days, the license application will be considered abandoned by the applicant and will be administratively withdrawn by the Department. Notwithstanding the foregoing, an applicant qualified to operate under the temporary authority provisions of 12 U.S.C. § 5117, or who purports to be so qualified, may be subject to administrative action to deny the license application at any time. In the event the applicant wishes to submit a new application after it has been administratively withdrawn or denied, then the applicant shall be required to submit a new application as well as pay all associated fees.

Authority: O.C.G.A. §§ 7-1-1002, 7-1-1004, 7-1-1012.

CHAPTER 80-12

MERCHANT ACQUIRER LIMITED PURPOSE BANKS

SUBJECT 80-12-1

DEFINITIONS

80-12-1-.01 Definitions

Rule 80-12-1-.01 Definitions

(1) As used in Chapters 80-12-1, 80-12-2, 80-12-3, 80-12-4, 80-12-5, 80-12-6, 80-12-7, 80-12-8, 80-12-9, 80-12-10, 80-12-11, and 80-12-12, the terms that are defined in O.C.G.A. § 7-9-2 shall have the identical meaning.

(2) As used in Chapters 80-12-1, 80-12-2, 80-12-3, 80-12-4, 80-12-5, 80-12-6, 80-12-7, 80-12-8, 80-12-9, 80-12-10, 80-12-11, and 80-12-12, the below terms shall be defined as follows unless the term is otherwise defined in a specific rule:

(a) "Act" means the Georgia Merchant Acquirer Limited Purpose Bank Act promulgated at O.C.G.A. § 7-9-1 et seq.

(b) "Affiliate" means any corporation, business trust, association, or other similar organization:

1. Of which an MALPB, directly or indirectly, owns or controls either a majority of the voting shares or more than 50 percent of the number of shares voted for the election of its directors, trustees, or other persons exercising similar functions at the preceding election or controls in any manner the election of a majority of its directors, trustees, or other persons exercising similar functions;

2. Of which control is held, directly or indirectly, through stock ownership or in any other manner by the shareholders of an MALPB who own or control either a majority of the shares of such MALPB or more than 50 percent of the number of shares voted for the election of directors of such MALPB at the preceding election or by trustees for the benefit of the shareholders of any such MALPB;

3. Of which a majority of its directors, trustees, or other persons exercising similar functions are directors of any one MALPB; or

4. Which owns or controls, directly or indirectly, either a majority of the shares of an MALPB or more than 50 percent of the number of shares of an MALPB voted for the election of directors of an MALPB at the preceding election or controls in any manner the election of a majority of the directors of an MALPB or for the benefit of whose shareholders or members all or substantially all the capital stock of an MALPB is held by trustees.

(c) "Annual Attestation Report" or "AAR" means the standard annual report filed by an MALPB that will disclose information required by the Department. This report will consist of information on specific matters of compliance with applicable laws, regulations, rules, policies, and charter conditions and contain affirmative attestations by the MALPB's chief executive officer.

(d) "Average Total Assets" means an average of the MALPB's end of day total assets, excluding goodwill, intangible assets and merchant funds deposited in compliance with Rule 80-12-7-.02, for the previous month. Average total assets is the denominator of the leverage capital ratio.

(e) "Capital Letter of Credit" means an irrevocable letter of credit made payable to the Department for the benefit of merchants in the event of the bankruptcy - either voluntary or involuntary - receivership, or insolvency of the MALPB, which can be treated as tier 1 capital. Such letter of credit shall be continuously maintained, shall be for a term of not less than one (1) year, have a remaining term of no less than three (3) months, be in a form satisfactory to the Department, and shall be issued by a financial institution authorized to do business in this State and approved by the Department.

(f) "Capital Maintenance Guaranty" means an unlimited, unconditional, continuous guaranty by the holding company to maintain in the MALPB at least the minimum capital levels required by law, regulation, rule, or administrative order. The guaranty must be in a form acceptable to the Department.

(g) "Capital Stock" means the sum of the par value of the authorized shares of an MALPB which have been issued and remain outstanding.

(h) "Chargeback" means a transaction that is returned to an MALPB through a payment card network.

(i) "Dispute processing" means all activities associated with the dispute resolution process including exchange of information, reporting, and funding.

(j) "Executive Officer" means a person who participates or has authority to participate (other than in the capacity of a director) in major policymaking functions of the company or MALPB, whether or not: the officer has an official title; the title designates the officer as an assistant; or the officer is serving without salary or compensation. The chief executive officer, chief information officer, chief risk officer, chief accounting officer, chief financial officer, chief compliance officer, president, every vice president and treasurer of a company or an MALPB are considered executive officers, unless the officer is excluded, by resolution of the board of directors or by the bylaws of the MALPB or company from participation (other than in the capacity of a director) in major policymaking functions of the MALPB or

company, and the officer does not actually participate in major policymaking functions.

(k) "Financial Crime" means a crime involving conversion, theft, money laundering, bribery, dishonesty, breach of trust, forgery, counterfeiting, embezzlement, insider trading, tax evasion, kickbacks, identity theft, cyber attacks, social engineering, fraud, including, but not limited to check fraud, credit card fraud, mortgage fraud, medical fraud, corporate fraud, bank account fraud, payment (point of sale) fraud, currency fraud, bank fraud, and securities fraud, or a felony directly related to the financial services business.

(l) "Incidental Activities" means other activities that may be necessary, convenient, or incidental to effecting transactions within a payment card network and are not specifically enumerated as "merchant acquiring activities" in O.C.G.A. § 7-9-2.

(m) "Leverage Capital Ratio" means the MALPB's ratio of tier 1 capital to average total assets.

(n) "Main Office" means the single physical location in this State where the MALPB is authorized to take deposits permitted by O.C.G.A. § 7-9-12.

(o) "MALPB" means a merchant acquirer limited purpose bank as defined in O.C.G.A. § 7-9-2.

(p) "Membership" means any agreements between an MALPB and a payment card network that allows access to and/or participation in a payment card network.

(q) Reserved

(r) “Monthly Activity Reports” or “MAR” means the standard monthly reports filed by an MALPB that will disclose information required by the Department. The information requested will include, but not be limited to, contractually required merchant reserves held by the MALPB pursuant to the agreement between the merchant and the MALPB.

(s) "Paid-in-Surplus" means the sum of the considerations received in the sale or exchange of shares of an MALPB in excess of the amount of the capital stock.

(t) "Payment Card" means a credit card, debit card, prepaid card, or any other payment device issued to a consumer that enables access to a consumer's funding source and is used to make payments to merchants.

(u) "Payment Volume or "PV" means the greater of one twelfth of the total dollar amount of payment transactions executed by the MALPB in the preceding twelve (12) months or one twelfth of the total dollar amount of payment transactions forecasted by the MALPB to be executed by the MALPB for the next twelve (12) months.

(v) "Principal Shareholder" means a person that directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than ten (10) percent of any class of voting securities of an MALPB or holding company.

(w) "PV Capital" means the amount of tier 1 capital required to be maintained by the MALPB based on payment volume.

(x) "Public Company" means any company that is required to file reports under Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, has a market capitalization in excess of $3,000,000,000, and whose equity securities are listed on the New York Stock Exchange ("NYSE"), the National Association of Securities Dealers Automated Quotations ("NASDAQ"), or other stock market approved by the Department in writing and located in the United States.

(y) "Quarterly Financial Report" or "QFR" means the standard quarterly report filed by an MALPB that will contain financial statements, which shall include, but not be limited to, a balance sheet and an income statement, required by the Department.

(z) "Receivership Letter of Credit" means an irrevocable letter of credit made payable to the Department in order to cover the costs and expenses associated with a receivership of the MALPB. Such letter of credit shall be continuously maintained, shall be for a term of not less than one (1) year, have a remaining term of no less than three (3) months, be in a form satisfactory to the Department, and shall be issued by a financial institution authorized to do business in this State and approved by the Department.

(aa) "Risk Capital" means the amount of tier 1 capital required to be maintained by the MALPB based on the dollar volume of chargebacks.

(bb) "Standardized Regulatory Reports" or "SRRs" means the quarterly financial report and the annual attestation report that must be filed with the Department by each MALPB.

(cc) "Statutory Capital" means the sum of capital stock and paid-in-surplus of the MALPB, which, at all times, must be no less than $3 million.

(dd) "Subsidiary" means a corporation where an MALPB owns at least a majority of the voting shares.

(ee) "Support Organization" means a legal entity that is not an eligible organization but performs administrative support, information technology support, financial support, or tax and finance support for an MALPB pursuant to the terms of a contract.

(ff) "Tier 1 Capital" means the sum of statutory capital, retained earnings, noncumulative perpetual preferred stock, the secured portion of a capital maintenance guaranty, and a capital letter of credit, less any loans or accounts payable by an affiliate or holding company to the MALPB, goodwill, and intangible assets. To be considered for inclusion in tier 1 capital, the collateral securing the capital maintenance guaranty must be of a type approved by the Department, subject to discounting as approved by the Department, and properly assigned.

Authority: O.C.G.A. §§ 7-9-3, 7-9-13.

SUBJECT 80-12-4

OPERATIONS OF MALPB

80-12-4-.02 Self-Acquiring Activities

Rule 80-12-4-.02 Self-Acquiring Activities

(1) An MALPB is prohibited from engaging in self-acquiring activities as defined by O.C.G.A. § 7-9-2. An MALPB performing authorized merchant acquiring activities shall not be deemed to be engaged in self-acquiring activities merely because it imposes fees or other charges to merchants related solely to the performance of authorized merchant acquiring activities.

(2) No merchant shall exercise control over an MALPB, the holding company of an MALPB, or the affiliate of an MALPB. For purposes of this rule, a merchant exercises control over an MALPB if the Department determines: the merchant directly or indirectly or acting through one (1) or more other persons owns, controls, or has the power to vote five (5) percent or more of any class of voting securities of the MALPB; the merchant controls in any manner the election of a majority of the directors or trustees of the MALPB; or the merchant exercises a controlling influence over the management or policies of the MALPB. For purposes of this rule, a merchant exercises control over an MALPB holding company, as defined in O.C.G.A. § 7-9-2, if the Department finds any of the elements of control set forth in O.C.G.A. § 7-1-605. For purposes of this rule, a merchant exercises control over an affiliate, as defined in Rule 80-12-1-.01, of an MALPB, if the Department finds any of the elements of control set forth in O.C.G.A. § 7-1-605.

Authority: O.C.G.A. §§ 7-9-12, 7-9-13.

SUBJECT 80-12-5

BOOKS AND RECORDS

80-12-5-.04 Reports

Rule 80-12-5-.04 Reports

(1) Pursuant to O.C.G.A. § 7-1-68, the Department may require reports on the condition of or any particular facts concerning an MALPB at any time the Department deems it necessary or advisable. Each such report shall be on a form prescribed by the Department, for the timeframe required by the Department, attested to as provided on the form, and due on the date prescribed by the Department.

(2) Without limiting the foregoing, each MALPB shall submit standardized regulatory reports ("SRRs"), which may include both public and confidential supervisory information, on approved forms with instructions provided by the Department. These SRRs will include a monthly activity report (“MAR”) due within seven (7) days of month end, a quarterly financial report ("QFR") due within thirty (30) days of quarter-end, and an annual attestation report ("AAR") due within forty-five (45) days of year-end.

Authority: O.C.G.A. §§ 7-1-68, 7-9-3, 7-9-13.

SUBJECT 80-12-7

SOLVENCY AND SAFEGUARDS

80-12-7-.01 Minimum Capital Requirements

Rule 80-12-7-.01 Minimum Capital Requirements

(1) MALPBs must continuously maintain at least the minimum leverage capital ratio, PV capital, risk capital, and statutory capital requirements set forth in this rule. The capital standards in this part are the minimum acceptable for an MALPB whose overall financial condition is fundamentally sound, which is well-managed and which has no material or significant operational or financial weaknesses. Thus, the Department is not precluded from requiring an MALPB to maintain a higher leverage capital ratio, PV capital, risk capital, or statutory capital level based on the MALPB's particular risk profile. The Department will evaluate the factors set forth in Rule 80-12-2-.08 in analyzing the MALPB's capital

adequacy and may determine that the minimum leverage capital ratio, PV capital, risk capital, or statutory capital for that MALPB is greater than the minimum standards stated in this Rule. These same criteria will apply to any MALPB seeking authorization from the Department to engage in any activity if the Department believes the adequacy of the MALPB's capital structure is relevant to the requested authorization.

(2) The minimum leverage capital ratio requirement for an MALPB shall not be less than ten (10) percent.

(3) The minimum PV capital requirement for an MALPB shall not be less than:

(a) 5.00 percent of the tier of PV up to $10 million, plus

(b) 3.00 percent of the tier of PV above $10 million up to $25 million, plus

(c) 1.50 percent of the tier of PV above $25 million up to $100 million, plus

(d) 0.75 percent of the tier of PV above $100 million up to $250 million, plus

(e) 0.25 percent of the tier of PV above $250 million up to $1 billion, plus

(f) 0.15 percent of the tier of PV above $1 billion up to $5 billion, plus

(g) 0.08 percent of the tier of PV above $5 billion up to $20 billion, plus

(h) 0.05 percent of the tier of PV above $20 billion.

(4)

(a) The minimum risk capital requirement for an MALPB shall not be less than the greater of: a) two times the average monthly chargebacks over the previous six (6) month period less the amount of contractually authorized merchant reserves held pursuant to the agreement between the merchant and the MALPB as timely reported to the Department in the MAR ; or b) two times the average monthly forecast dollar volume of chargebacks for the upcoming six (6) month period less the amount of contractually authorized merchant reserves held pursuant to the agreement between the merchant and the MALPB as timely reported to the Department in the MAR.

(b) An MALPB can make a written request to the Department for a modification of the minimum risk capital requirement in paragraph (4)(a) based on the financial strength of a holding company or affiliate of the MALPB that provides contractual loss absorbing capacity to the MALPB. Such request shall set forth in detail the rationale for the requested modification and the financial strength of the holding company and affiliates. In evaluating such request the Department shall consider, among other factors, the financial condition of the holding company and affiliates, the public company status of the holding company and affiliates, financial support from the holding company and affiliates to the MALPB, findings in the most recent audits and reports of examinations of the holding company and affiliates, activities of the

holding company and affiliates, historic financial performance of the holding company and affiliates, documentation from the most recent capital raise by the holding company and affiliates, and submission to the Department by the holding company and affiliates of reports that are the equivalent of a SEC Form 10-Q and SEC Form 10-K. It shall be in the Commissioner's sole discretion to approve, conditionally or otherwise, or deny the request for a modification. If the request is approved, under no circumstances will the minimum risk capital requirement for the MALPB be less than the greater of: a) the average monthly chargebacks over the previous six (6) month period less the amount of contractually required merchant reserves held by the MALPB pursuant to the agreement between the merchant and the MALPB as timely reported to the Department in the MAR; or b) the average monthly forecast dollar volume of chargebacks for the upcoming six (6) month period less the amount of contractually required merchant reserves held by the MALPB pursuant to the agreement between the merchant and the MALPB as timely reported to the Department in the MAR. Further, in the event a request for modification is approved, the Commissioner retains the discretion to subsequently modify, suspend, or rescind the approval if the circumstances supporting the modification change.

(5) The Department's MALPB charter approval will include a requirement to have and maintain minimum statutory capital, which in no event shall be less than $3 million.

(6) An MALPB with less than the minimum leverage capital ratio, PV capital, risk capital, or statutory capital requirement:

(a) Is operating with inadequate capital and, therefore, has inadequate financial resources. Thus, at the discretion of the Department, such MALPB may be deemed to be operating in an unsafe or unsound or unauthorized manner and subject to the Department's enforcement powers, including, but not limited to, those set forth in O.C.G.A. 7-1-91.

(b) Must file a written capital restoration plan with the Department within thirty (30) days of the date that the MALPB knows or should have known that the MALPB is operating with an inadequate capital structure, unless the Department notifies the MALPB in writing that the plan is to be filed within a different period.

Authority: O.C.G.A. §§ 7-9-3, 7-9-12, 7-9-13.