



# The Virginia State Banker

Regulatory news for Virginia State-chartered Banks

*E.J. Face, Jr., Commissioner*

*Bureau of Financial Institutions - State Corporation Commission*



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## NEW BANKS IN VIRGINIA

*The Virginia State Banker* is published by the Virginia Bureau of Financial Institutions to provide useful information to the banks and savings institutions that it regulates, and any of their related interests. Reader comments and suggestions are welcome and should be addressed to Ginger Sandler, Bureau of Financial Institutions, P.O. Box 640, Richmond, Virginia 23218-0640, or via e-mail [ginger.sandler@scc.virginia.gov](mailto:ginger.sandler@scc.virginia.gov).

### ACKNOWLEDGMENTS

Thanks to the following persons for their help in producing this issue of *The Virginia State Banker*: Commissioner Face, Jean Bowden, John Crockett, Nick Kyros, Betty Nolan, Jon Orne, Mark Pinson, and Todd Rose.

Select Bank was approved by the State Corporation Commission ("Commission") and opened for business in Bedford County on June 4, 2007 with \$14.3 million in capital. Senior officers include Wayne L. Carpenter, Chief Executive Officer; J. Michael Thomas, President; Thomas C. Davis, Chief Financial Officer; and Francis "Bucky" Falls, Senior Vice President of Operations. The bank is a member of the Federal Reserve System.

On August 24, 2007, First Virginia Community Bank was granted a certificate of authority to begin banking business in Fairfax County and opened for business on November 27, 2007 with \$23 million in capital. Senior officers are David W. Pijor, Chairman and Chief Executive Officer; Mark C. Riley, President; Patricia Ferrick, Chief Financial Officer; and Charles R. Bowmaster, Jr., Chief Lending Officer. The bank is a member of the Federal Reserve System.

On August 29, 2007, the Commission approved the application of Community Capital Bank of Virginia to commence banking business in Christiansburg, Montgomery County, with \$7.1 million in capital. The bank was organized in response to a mandate from the Virginia General Assembly to create a state-wide community

development financial institution. Senior officers include Jane N. Henderson, President and Chief Executive Officer; William E. Skeen, Chief Lending Officer; Maurice F. Green, Chief Financial Officer; and G. Sandy Fitz-Hugh, Chairman of the Board. The Federal Reserve Bank of Richmond approved the bank's application for membership on September 28, 2007. Pending approval from the FDIC, the bank plans to open in early 2008.

On December 3, 2007, the Commission approved the application of Frontier Community Bank to commence business in the City of Waynesboro with \$10.5 million in capital. Senior officers are Wayne L. Turner, President and Chief Executive Officer; Alan Sweet, Executive Vice President and Chief Lending Officer; Frederick W. Galway, Jr., Chief Financial Officer; and John D. Johnston, Chairman of the Board. After approval from the FDIC and the Federal Reserve Bank of Richmond, the bank opened on February 6, 2008.

The Bureau of Financial Institutions ("Bureau") received an application from WashingtonFirst Bank—a Washington, D.C. chartered bank—to relocate to Virginia under a Virginia state charter. As of

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## VIRGINIA BANK DIRECTORS' COLLEGE

A total of 160 bank directors from Virginia's community banks attended the Virginia Bank Directors' College *Emerging Issues* session during October and November 2007. An identical program was held at four locations around the Commonwealth. Representatives from the Bureau, the Federal Reserve Bank of Richmond, and the FDIC were on hand to interact with the directors. Charles Dickerson, Assistant Deputy Commissioner at the Bureau, presented information on real estate appraisals. FDIC representatives Ronald Sims and Marlon Cook provided an in-depth analysis of current economic figures and outlook for the coming months. Karen

Cole of Assura Consulting presented information on contingency planning. Special Agents from area FBI offices presented information on crimes against banks.

The Virginia Bank Directors' College provides bank directors an opportunity to become more effective, capable, and knowledgeable members of a bank's board of directors. Developed by Bureau and Federal regulators, the Virginia Bank Directors' College is presented each year in two sessions—the *Essential Principles* session and the *Emerging Issues* session.

The *Essential Principles* session is typically held in the Spring. This pro-

gram provides newer bank directors an opportunity to gain a better understanding of bank operations and directors' responsibilities. This information also may provide a significant learning experience for the more experienced director who has not previously attended.

The *Emerging Issues* session highlights information applicable to all bank directors, allowing them to remain knowledgeable about industry and bank-specific issues.

If you would like additional information about the Directors' College, please call Betty Nolan at (804) 371-9704.

## INCOME VERIFICATION EXPRESS SERVICE (IVES) PROCESSING

In October 2006, the Internal Revenue Service began the Income Verification Express Service (IVES) program, offering electronic delivery of IRS transcripts and records available upon submission of IRS [Form 4506-T](#), Request for Transcript of Tax Return.

IVES generally provides two-business-day processing and delivery of return transcripts. The new service replaces the existing process that required manual pick-up and delivery of transcripts from the IRS Return and Income Verification Services (RAIVS) units located across the country.

The new service automates the delivery portion of the process. Customers must now log on to [www.IRS.gov](http://www.IRS.gov) to retrieve their requested transcripts from a secure mailbox located on the e-Services electronic platform.

The "front end" of the process remains the same. Customers still need to fax the signed Form 4506-T, Request for Transcript of Tax Return, to one of the five designated RAIVS units (Andover, Cincinnati, Fresno, Kansas City, or Ogden).

For details on participation in the IVES program and submission of requests, including fees and payments, please refer to [www.IRS.gov](http://www.IRS.gov) (keyword IVES).

## NEW SCC WEB SITE

A new SCC Web site was launched on March 3, 2008. The primary Web address—[www.scc.virginia.gov](http://www.scc.virginia.gov)—did not change, but the addresses for nearly all files within the site (including those for the "home" pages of all divisions) are different. The way the site looks and functions also is different.

First, the "division" folder within the address path has been removed to shorten the division Web addresses to [www.scc.virginia.gov/xxx](http://www.scc.virginia.gov/xxx), whereby the

"xxx" represents the division's "prefix"—"bfi" on the Bureau's Web site ([www.scc.virginia.gov/bfi](http://www.scc.virginia.gov/bfi)). (Redesigning the Bureau of Insurance Web presence will be undertaken as its own project; to maintain site continuity, users will be able to access the BOI site from both the current and "new" addresses.)

Secondly, the file extension on all site pages is now .aspx instead of .htm or .html. This means that any

employees or outside citizens who have bookmarks to our Web site will need to update their bookmark locations. To ease the transition, all current division home page addresses will be automatically redirected to the new site locations until materials can be updated to reflect new addresses.

Finally, the look of the site is enhanced with all divisions visible and accessible from the SCC home page and certain applications more integrated within the Web site.

## DISCLOSURE OF EXAMINATION RATINGS

Is the statement, “Our shareholders should know that we have received high regulatory marks.” a disclosure of ratings? While it is not a literal disclosure of CAMELS ratings, it is an indirect implication of a “1” or “2” composite rating. Discussions with the Federal Reserve Bank of Richmond and the FDIC Regional Office in Atlanta

indicate a strong preference that statements of this type should be avoided. The Bureau shares this opinion, so statements of this type should be avoided outside of Board of Directors’ discussions. If you have any questions related to this matter, feel free to contact Deputy Commissioner John Crockett at 804-371-9704.

## APRIL IS VIRGINIA FINANCIAL LITERACY MONTH



The Bureau fully supports the industry’s efforts to improve the financial literacy of Virginians. Several BFI staff members actively participate in the Virginia LifeSmarts Finals in Richmond each March, and they belong to the Virginia Jump\$tart Coalition. The Virginia Society of Certified Public Accountants also is very active in these efforts. If the Bureau can assist any of our banks with planned activities, please contact John Crockett (804-371-9704) to discuss the Bureau’s possible involvement.



## PANDEMIC PLANNING

The Commonwealth of Virginia has had a draft pandemic plan in place since 2004, with March 2006 being the last posted revision. The Commission’s Chief Administrative Officer will ask the Commission’s Security Manager to address this topic. The Bureau’s plan will then build off of the Commission’s plan.

In the interim, the Bureau’s plan is very basic. During our recent in-house examiner training session, Capt. Lynn A. Slapski, Deputy Director, Office of Risk Management and Analysis, U.S. Department of Homeland Security, provided training for our examiners to make them aware of

the serious nature of a pandemic event. They now are aware of the precautions required to protect themselves, their co-workers, and our banks.

Depending on conditions within our workforce, we may suspend examinations for a period of time. If we continue to conduct examinations, we will first contact institutions regarding their status in order to make a determination about the prudence of conducting an examination. If the institution is operating with a reduced staff, we will not further complicate things by proceeding with an examination. For those examinations we conduct, as much work as possible will be performed offsite.

## NEW BANKS IN VIRGINIA *(continued)*

September 30, 2007, WashingtonFirst Bank had assets totaling \$235.8 million and equity totaling \$25.6 million. Senior officers include Shaza L. Andersen, Chief Executive Officer; Joseph S. Bracewell, Chairman of the Board; George W. Conners, IV, President and Chief Lending Officer; and Matthew R. Johnson, Executive Vice President and Chief Financial Officer.

WashingtonFirst Bank will be a non-member bank.

The Bureau also received an application from Virginia Partners Bank for a certificate of authority for a new bank in Fredericksburg. Virginia Partners Bank filed an application on December 10, 2007 proposing to begin operations with \$21 million in capital. Its organizing directors are John H.

Chichester, Chairman of the Board; William B. Young, Vice Chairman and Chief Executive Officer; Lloyd B. Harrison, III, President; Mona B. Albertine; Lewis W. Graves, Sr.; Lucy G. Harman; John A. Janney; Charles McCormack; George P. Snead; and Francis S. Turnage. Virginia Partners Bank will apply for membership to the Federal Reserve System.

## IMPORTANT TELEPHONE NUMBERS

- Banks and Savings Institutions (804) 371-9704
- Consumer Finance and Mortgage Companies (804) 371-9701
- Licensing (applications, name changes, annual reports) (804) 371-9690
- Consumer Complaints (804) 371-9705
- Corporate Information (SCC Clerk's Office) (804) 371-9733
- Bureau's FAX number (804) 371-9416
- TDD (804) 371-9206

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Check out our website at <http://www.scc.virginia.gov/bfi>.

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