

Regulation of Georgia State Chartered Banks Acting as QIs

On August 14, 2007, the Georgia Department of Banking and Finance adopted a series of regulations which became effective on September 5, 2007. The series included 80-5-6.01 which applies to Georgia state chartered banks serving as a qualified intermediary. To act as a qualified intermediary the bank must have qualified and trained personnel, maintain the financial records of these transactions separate from financial records of the bank or its subsidiaries, and the bank must meet the agency accounting requirements of GAAP. This regulation applies to banks that are authorized to exercise full trust powers in Georgia.

If the bank is not authorized to conduct full trust powers, then written information must be supplied to the Department addressing qualifications and training, mitigation of risk, impact on fidelity and liability coverage, default procedures, and certifying and that the accounting of these transactions will be segregated from the bank's records and comply with GAAP. The Georgia Department of Banking and Finance can deny approval if it determines that the information provided is insufficient,