

AGENDA
FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION

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MEMBERS

Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam H. Putnam

April 2, 2013

Contacts: **Drew Breakspear, Commissioner**
 French Brown, Director **9:00 A.M.**
 Legislative and Cabinet Affairs **St. Augustine, Florida**
 (850-410-9544) **Flagler College, Ponce de Leon Room**

<u>ITEM</u>	<u>SUBJECT</u>	<u>RECOMMENDATION</u>
1.	Respectfully request approval of the minutes of the September 18, 2012, and October 9, 2012, meetings. (ATTACHMENT 1)	RECOMMEND APPROVAL
2.	Respectfully request adoption and approval to file and certify with the Secretary of State under Chapter 120, Florida Statutes, amendment to: Rule 69V-160.034, relating to the Florida Consumer Finance Act: The proposed amendment removes a reference to "credit history" for clarification, and allows the Office to review an applicant's general history to demonstrate financial responsibility. (ATTACHMENT 2)	RECOMMEND APPROVAL
3.	Respectfully request adoption and approval to file and certify with the Secretary of State under Chapter 120, Florida Statutes, repeal of: Rule 69V-560.302, relating to money transmitters: The rule is proposed for repeal as it was identified as unnecessary as the result of the 2011 Enhanced Rule Review. (ATTACHMENT 3)	RECOMMEND WITHDRAWAL

ATTACHMENT 1

T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
ADMINISTRATION COMMISSION
DEPARTMENT OF REVENUE
FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION
DEPARTMENT OF VETERANS' AFFAIRS
DIVISION OF BOND FINANCE

The above agencies came to be heard before
THE FLORIDA CABINET, the Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, September 18,
2012, commencing at approximately 9:06 a.m.

Reported by:

MARY ALLEN NEEL
Registered Professional Reporter
Florida Professional Reporter
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
850.878.2221

APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

ADAM PUTNAM
Commissioner of Agriculture

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I N D E X

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
(Presented by HERSCHEL VINYARD)

ITEM	ACTION	PAGE
1	Approved	5
2	Approved	5
3	Approved	7

ADMINISTRATION COMMISSION
(Presented by PHILLIP MILLER)

ITEM	ACTION	PAGE
1	Approved	8
2	Approved	9
3	Approved	11

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(Presented by MARSHALL STRANBURG)

ITEM	ACTION	PAGE
1	Approved	12
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3	Approved	14

FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION
(Presented by LINDA CHARITY)

ITEM	ACTION	PAGE
1	Approved	15
2	Approved	16
3	Approved	16

DEPARTMENT OF VETERANS' AFFAIRS
(Presented by COLONEL MIKE PRENDERGAST)

ITEM	ACTION	PAGE
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DIVISION OF BOND FINANCE
(Presented by BEN WATKINS)

ITEM	ACTION	PAGE
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2	Discussed	35
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4	Approved	38

CERTIFICATE OF REPORTER		39
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OFFICE OF FINANCIAL REGULATION

1 GOVERNOR SCOTT: Now I would like to recognize
2 Interim Commissioner Linda Charity of the Office of
3 Financial Regulation. Good morning.

4 MS. CHARITY: Good morning, Governor and
5 members of the Cabinet. We have three items on the
6 agenda today. The first, we respectfully request
7 approval of the minutes of the June 26, 2012
8 Financial Services Commission meeting.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 CFO ATWATER: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 COMMISSIONER PUTNAM: Second.

13 GOVERNOR SCOTT: Moved and seconded. Show it
14 approved without objection.

15 MS. CHARITY: Our second item, we respectfully
16 request final adoption of approval to file and
17 certify rule amendments proposed as a result of our
18 2011 enhanced rule review. These rule amendments
19 were initially presented to the Financial Services
20 Commission at the June 26th meeting before being
21 noticed as proposed rules under Chapter 120.

22 The amendments apply to financial
23 institutions, securities, and consumer finance.
24 The changes update rules based on some recent
25 legislative changes. They reduce rate burden and

OFFICE OF FINANCIAL REGULATION

1 remove obsolete or duplicative provisions.

2 GOVERNOR SCOTT: Is there a motion to approve?

3 ATTORNEY GENERAL BONDI: So moved.

4 GOVERNOR SCOTT: Is there a second?

5 CFO ATWATER: Second.

6 GOVERNOR SCOTT: Moved and seconded. The item
7 is approved without objection.

8 MS. CHARITY: Thank you. Finally, Item 3, we
9 respectfully request approval and authority to
10 publish a notice of proposed rules related to
11 consumer finance.

12 GOVERNOR SCOTT: Is there a motion to approve?

13 ATTORNEY GENERAL BONDI: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 COMMISSIONER PUTNAM: Second.

16 GOVERNOR SCOTT: Moved and seconded. The item
17 is approved without objection.

18 Thank you, Linda.

19 MS. CHARITY: Thank you very much.

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T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

OFFICE OF FINANCIAL REGULATION
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03,
The Capitol, Tallahassee, Florida, on Tuesday,
October 9, 2012, commencing at 9:00 a.m.

Reported by:
CAROLYN L. RANKINE
Register Professional Reporter
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
850.878.2221

APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

ADAM H. PUTNAM
Commissioner of Agriculture

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

INDEXAPPOINTMENT - COMMISSIONER OF THE OFFICE OF
FINANCIAL REGULATION

	<u>ACTION</u>	<u>PAGE</u>
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DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
(Presented by EXECUTIVE DIRECTOR JULIE JONES)

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
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4	APPROVED	9

STATE BOARD OF ADMINISTRATION
(Presented by EXECUTIVE DIRECTOR ASH WILLIAMS)

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
1	APPROVED	10
2	APPROVED	11

CERTIFICATE OF REPORTER		12
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P R O C E E D I N G S

(Agenda items commenced at 9:38 a.m.)

GOVERNOR SCOTT: All right. Next on our agenda is the appointment of a commissioner to the Office of Financial Regulation. Each of our offices considered applicants for this important position and I would like to nominate Drew Breakspear as our next commissioner.

With an MBA from Harvard and over 34 years of experience, his career includes working with leading global and U.S. consumer, corporate, and institutional servicing banks. His knowledge and experience make him an excellent candidate to lead the Office of Financial Regulation.

Would any of the Cabinet members like to make any remarks?

ATTORNEY GENERAL BONDI: I would, Governor. I have met with him, and you're just -- your experience is really second to none. And my question to you is: why in the world would you want to take this on at this point in your career. And we all appreciate the fact that you care about public service, and you care about helping people, and our

1 state. And so thank you. You certainly don't
2 need this job and thank you so much for doing
3 this.

4 GOVERNOR SCOTT: Anybody else?

5 CFO ATWATER: Very excited to have you on
6 board.

7 GOVERNOR SCOTT: Is there a motion to
8 approve Drew Breakspear as the Commissioner of
9 the Office of Financial Regulation effective
10 Monday, November 5 -- 5th?

11 ATTORNEY GENERAL BONDI: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 CFO ATWATER: Second.

14 GOVERNOR SCOTT: All in favor say aye.

15 ATTORNEY GENERAL BONDI: Aye.

16 CFO ATWATER: Aye.

17 COMMISSIONER PUTNAM: Aye.

18 GOVERNOR SCOTT: Anyone opposed?

19 (No response.)

20 GOVERNOR SCOTT: Congratulations,
21 Mr. Breakspear. Would you like to say a few
22 words? Congratulations.

23 MR. BREAKSPEAR: Well, I want to say I
24 appreciate the honor of the appointment this
25 morning, glad it was unanimous, and I look

1 forward to serving the people of the State of
2 Florida and ensuring that we have a strong,
3 effective oversight of our financial services
4 industry in the state to make it the best we
5 can. So thank you very much for the
6 appointment.

7 GOVERNOR SCOTT: All right. Thank you
8 very much, we look forward -- all of us look
9 forward to working with you. Glad you'll be up
10 here. Bye, bye.

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April 2, 2013

MEMORANDUM

TO: The Honorable Rick Scott, Governor
Attention: Michael Sevi, Cabinet Affairs Director
Karl Rasmussen, Cabinet Aide

The Honorable Jeff Atwater, Chief Financial Officer
Attention: Robert Tornillo, Cabinet Affairs Director
Abby Vail, Senior Advisor

The Honorable Pam Bondi, Attorney General
Attention: Kent Perez, Associate Deputy Attorney General
Rob Johnson, Cabinet Affairs

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
Attention: Jim Boxold, Chief Cabinet Aide
Brooke McKnight, Cabinet Aide

FROM: French Brown, Director, Legislative and Cabinet Affairs

SUBJECT: Requesting Adoption and Approval to File and Certify Proposed Rule 69V-160.034, F.A.C., Consumer Finance Act, Failure to Demonstrate Financial Responsibility Defined.

Statement of Sections 120.54(3)(b) and 120.541, F.S., Impact. No impact.

The Office has reviewed the proposed rule for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed rule will not likely have an adverse impact on small business, small counties, or small cities, and it is not likely to have an increased regulatory cost in excess of \$200,000 within one year. Additionally, the proposed rule is not likely to have an adverse impact or increased regulatory costs in excess of \$1,000,000 within five years.

What is the Office Requesting? The Office requests final adoption of proposed Rule 69V-160.034, F.A.C. (Failure to Demonstrate Financial Responsibility Defined), and approval to file and certify it with the Secretary of State under Chapter 120, Florida Statutes.

ATTACHMENT #2

Consumer Finance Act, Failure to Demonstrate Financial Responsibility Defined

Why is the proposed rule necessary? Florida law requires that licensees that make consumer finance loans must demonstrate financial responsibility, experience, character, or general fitness, such as to command the confidence of the public and to warrant the belief that the business operated at the licensed or proposed location is lawful, honest, fair, efficient, and within the purposes of this chapter. See Section 516.07, F.S. The proposed rule is necessary to give guidance that the Office will investigate unpaid liens, judgments, repossessions, foreclosures, bankruptcy and other history of non-payment to determine if a licensee is financially responsible.

What does the proposed rule do? The proposed amendment to Rule 69V-160.034, F.A.C., clarifies that the Office is not required to obtain a licensee's credit history. Instead, the Office is permitted to review an applicant's general history to demonstrate financial responsibility.

Were comments received from external parties? On September 18, 2012, the Governor and Cabinet approved the Office's request to publish a Notice of Proposed Rule in the Florida Administrative Register. The Notice of Proposed Rule was published in the October 26, 2012 edition of the F.A.R. (Volume 38, Number 59). Neither substantive comments nor a request for hearing were received.

Attached are copies of:

- Summaries of the proposed rules, which includes:
 - Statements of facts and circumstances justifying the rules;
 - Federal comparison statements; and
 - Summaries of workshops and hearings
- Rule text

FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION
CHAPTER 69V-160, FLORIDA ADMINISTRATIVE CODE
FLORIDA CONSUMER FINANCE ACT
AMENDING RULE 69V-160.034

SUMMARY OF PROPOSED RULE

The proposed amendment to Rule 69V-160.034, F.A.C., clarifies that the Office is not required to obtain a credit history. Instead, the Office is permitted to review an applicant's general history to demonstrate financial responsibility.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

Section 516.07(1), F.S., allows an applicant to be denied if the person cannot demonstrate financial responsibility. The amendment to Rule 69V-160.034, F.A.C., clarifies that failure to demonstrate financial responsibility means having a general history of unpaid liens, judgments, repossessions, foreclosures, legal debts or having filed a petition for bankruptcy.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT AND HEARINGS

On September 18, 2012, the Financial Services Commission approved the proposed rule for publication in the Florida Administrative Weekly. On October 1, 2012, Rule 69V-160.034, F.A.C., was noticed for rule development. No requests for workshop were received by the Office. The Notice of Proposed Rule was published in the February 7, 2013, edition of the F.A.R. (Volume 39, Number 26). Neither additional comments nor a request for hearing were received.

FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION
CHAPTER 69V-160, FLORIDA ADMINISTRATIVE CODE
FLORIDA CONSUMER FINANCE ACT
AMENDING RULE 69V-160.034

69V-160.034 Failure to Demonstrate Financial Responsibility Defined.

As used in Section 516.07(1)(c), F.S., failure to demonstrate “financial responsibility” means having a ~~credit~~ history that reflects any of the following: unpaid liens, judgments, repossessions, foreclosures or an otherwise general history of non-payment of legal debts, or having filed a petition for bankruptcy under the federal Bankruptcy Code.

Rulemaking Authority 516.22(1), 516.23(3) FS. Law Implemented 516.07(1) FS. History—New
10-1-95, Formerly 3D-160.034, Amended _____.



April 2, 2013

MEMORANDUM

TO: The Honorable Rick Scott, Governor
Attention: Michael Sevi, Cabinet Affairs Director
Karl Rasmussen, Cabinet Aide

The Honorable Jeff Atwater, Chief Financial Officer
Attention: Robert Tornillo, Cabinet Affairs Director
Abby Vail, Senior Advisor

The Honorable Pam Bondi, Attorney General
Attention: Kent Perez, Associate Deputy Attorney General
Rob Johnson, Cabinet Affairs

The Honorable Adam Putnam, Commissioner of Agriculture and Consumer Services
Attention: Jim Boxold, Chief Cabinet Aide
Brooke McKnight, Cabinet Aide

FROM: French Brown, Director, Legislative and Cabinet Affairs

SUBJECT: Requesting Adoption and Approval to File and Certify the Proposed Repeal of Rule 69V-560.302, F.A.C., Money Transmitters, Renewal Fees, Deadlines, and Requirements.

Statement of Sections 120.54(3)(b) and 120.541, F.S., Impact. No impact.

The Office has reviewed the proposed rule for compliance with Sections 120.54(3)(b) and 120.541, F.S. The proposed repeal of the rule will not likely have an adverse impact on small business, small counties, or small cities, and it is not likely to have an increased regulatory cost in excess of \$200,000 within one year. Additionally, the proposed repeal of the rule is not likely to have an adverse impact or increased regulatory costs in excess of \$1,000,000 within five years.

What is the Office Requesting? The Office requests final adoption to repeal Rule 69V-560.302, F.A.C. (Renewal Fees, Deadlines, and Requirements), and approval to file and certify it with the Secretary of State under Chapter 120, Florida Statutes.

ATTACHMENT #3

Repeal of Renewal Fees, Deadlines, and Requirements for Money Transmitters

What does the current rule do? Florida law allows a money services business to renew their license for a 2-year period on or before their current license expiration date. A nonrefundable renewal fee is also required to be furnished on or before the license expiration date. See Section 560.142, F.S. Rule 69V-560.302, F.A.C., currently provides that if a money transmitter licensee's renewal date falls on a Saturday, Sunday, or legal holiday, then the required renewal fees must be received by the Office by the close of business on the next business day.

Why is the rule unnecessary? Repeal of this rule is suggested as the rule is redundant of the statute and obsolete. The Office's electronic R.E.A.L. System (Regulatory Enforcement and Licensing), allows online license renewals 24 hours a day, 7 days a week. Therefore, reliance on receipt of renewals by the next business day is unnecessary.

Were comments received from external parties? On September 18, 2012, the Governor and Cabinet approved the Office's request to publish a Notice of Proposed Rule in the Florida Administrative Register. The Notice of Proposed Rule was published in the October 26, 2012 edition of the F.A.R. (Volume 38, Number 59). Neither substantive comments nor a request for hearing were received.

Attached are copies of:

- Summaries of the proposed rules, which includes:
 - Statements of facts and circumstances justifying the rules;
 - Federal comparison statements; and
 - Summaries of workshops and hearings
- Rule text

FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION
CHAPTER 69V-560, FLORIDA ADMINISTRATIVE CODE
MONEY TRANSMITTERS
REPEALING RULE 69V-560.302

SUMMARY OF PROPOSED RULE

Rule 69V-560.302, F.A.C., currently provides that if a statutory deadline falls on a Saturday, Sunday, or legal holiday, the required renewal fees and any applicable late fees must be received by the Office on the next business day. The Office's new electronic R.E.A.L. system allows renewal fees to be paid at any time.

FACTS AND CIRCUMSTANCES JUSTIFYING PROPOSED RULE

Rule 69V-560.302, F.A.C., was identified as unnecessary and is proposed for repeal. Subsection (1) is redundant of Section 560.142, F.S. Subsection (2) is made obsolete by the Office's electronic R.E.A.L. System (Regulatory Enforcement and Licensing), which allows renewals 24 hours a day, 7 days a week.

FEDERAL COMPARISON STATEMENT

The provisions contained in this rule do not conflict with comparable federal laws, policies, or standards.

SUMMARY OF RULE DEVELOPMENT AND HEARINGS

On May 25, 2012, Rule 69V-560.302, F.A.C., was noticed for rule development. No requests for workshop were received by the Office. On September 18, 2012, the Financial Services Commission approved the proposed rule for publication in the Florida Administrative Weekly. The Notice of Proposed Rule was published in the February 7, 2013, edition of the F.A.R. (Volume 39, Number 26). Neither additional comments nor a request for hearing were received.

FINANCIAL SERVICES COMMISSION
OFFICE OF FINANCIAL REGULATION
CHAPTER 69V-560, FLORIDA ADMINISTRATIVE CODE
MONEY TRANSMITTERS
REPEALING RULE 69V-560.302

69V-560.302 Renewal Fees, Deadlines, and Requirements.

~~(1) Chapter 560, F.S., licenses must be renewed in accordance with the provisions of Section 560.142, F.S.~~

~~(2) If any date established in accordance with Section 560.142, F.S., falls on a Saturday, Sunday, or legal holiday pursuant to Section 110.117, F.S., the required renewal fees and any applicable late fees must be received by the Office by the close of business on the next business day.~~

Rulemaking Specific Authority 560.105 FS. Law Implemented 560.142, 560.403 FS. History—New 9-24-97, Amended 12-30-98, 11-4-01, Formerly 3C-560.302, Amended 7-15-07, 1-13-09, Repealed_____.