Georgia Department of Banking and Finance

Summary of 2026 Housekeeping Legislation

Summary provided by the Department of Banking and Finance

Supervision

1) Bank and credit union transaction hold authority: Financial exploitation of disabled and elderly adults is a serious problem in Georgia and the country as a whole. At the financial institution level, financial exploitation occurs when the vulnerable adult makes a large transfer or cash withdrawal from an account at a financial institution and remits the funds to the fraudster. Under current law, the financial institution is severely limited in the actions it can take to prevent these transactions, even if it is likely that the transaction is the result of financial exploitation. Roughly half of the states have enacted transaction hold laws that would authorize financial institutions to place a hold on certain transactions where financial abuse is expected. Consistent with these other states, the bill seeks to authorize a financial institution to place a hold on the execution of a financial transaction if the financial institution has reasonable cause to suspect that a transaction may involve, facilitate, result in, or contribute to financial exploitation of a disabled or elderly adult. In addition, the proposed language allows consumers to identify "trusted contacts" who may be contacted if the financial institution has reasonable cause to flag the transaction. The proposal requires that if a financial institution places a hold on a transaction, it must notify all parties on the account as well as the trusted contact and start an investigation. Further, the proposal provides that a transaction hold may only be placed for fifteen days unless the results of the investigation are inconclusive but still indicate financial exploitation, in which case the hold may be extended an additional fifteen days. The proposal permits that financial institution to release the hold prior to the expiration of the timeframe if the investigation does not show financial exploitation. The bill further proposes that, if a hold is in place, the payment order is not deemed placed until the hold is released. The proposed language requires that financial institutions have policies and procedures in place related to financial exploitation and transaction holds and train employees on these policies and procedures. Finally, the proposal allows that if a financial institution acts in good faith and exercises reasonable care, the financial institution will not be liable for placing a transaction hold for suspected financial exploitation.

2) Restriction on the use of "MALPB": Current law prohibits entities from using the terms "bank", "credit union", and "trust" unless they are banks, credit unions, or trusts or unless they have obtained permission from the Department. The reason for this limitation is to protect consumers from being deceived into believing that these non-financial institution entities are regulated by the Department. The bill proposes to prohibit entities from using "MALPB" or any similar phrase indicating that the entity engages in the business of a merchant acquirer limited purpose bank in order to preclude the possibility of consumer deception. This is especially important given the recent significant interest in the MALPB charter.

3) Corporate code references: Historically, the Department has taken the position that if Title 7 does not address corporate powers for banks, credit unions, trust companies, and MALPBs, then Title 14 controls and fills in those gaps. The Department's proposal reflects its historical interpretation by creating a statutory reference to Title 14 for each of these entity types.

4) Notification of merger or consolidation: Current law requires that the Department receive prior notice of a proposed merger or consolidation if the merger or consolidation would result in a bank or trust company that is not chartered by the Department. However, current law does not give the Department the ability to object to the transaction for any reason. Although the Department cannot object to the acquisition of a bank or trust company by a financial institution not regulated by the Department, the Department does have the ability to object to the acquisition of a Georgia bank holding company by an entity not regulated by the Department. O.C.G.A. § 7-1-623. In order to align the treatment between banks and bank holding companies, the bill proposes to amend the notification provisions to authorize the Department to object to such transaction for good

cause by sending a letter to the affected entities and to the appropriate federal or state financial regulators. In the event the Department does object, the proposal provides that the transaction may not be consummated without the approval of the Department.

5) MALPB amendments to articles: Unlike other financial institutions regulated by the Department (see O.C.G.A. §§ 7-1-510, 7-1-514, 7-1-515, and 7-1-516), there are no requirements that MALPBs provide the Department notice of amendments to their articles of incorporation. The bill proposes to implement requirements regarding amendments to articles for MALPBs that are similar to the requirements for other supervised institutions. The proposal requires that MALPBs send the Department the proposed amendments for review and requires the Department to approve or disapprove the proposed amendments to the articles. Finally, the proposal requires the Department deliver its written approval to the Secretary of State and permits the Secretary of State to issue a certificate of amendment upon receipt of the Department's written approval.

Non-Depository Financial Institutions

6) Litigation financing updates: The bill proposes revisions to the litigation financing law passed in 2025. (HB 69). These proposed revisions will align the litigation financing registration requirements more closely with the Department's regulation of other non-depository financial institutions to help ensure that the intent of the legislation is achieved. The proposed revisions include an updated definition of "financial institution" to include bank holding companies and credit unions to align with the typical understanding of "financial institution" under Title 7 as opposed to a securities law understanding. Additionally, the proposed revisions contemplate that registrations will expire on December 31st of each year and must be annually renewed by the registrant, which is in alignment with other non-depository license types and will require the registrants to re-certify every year that they satisfy the requirements for registration. This is critically important since the Department does not have the ability to conduct investigations of registrants. The proposal clarifies that certain application information must be submitted through the Nationwide Multistate Licensing System. Additionally, the bill proposes that language be added to permit the Department to obtain conviction data on applicants to ensure that the existing bar on convicted felons can be appropriately enforced. Further, the proposal authorizes the Department to issue cease and desist orders to persons operating without a registration. The proposal also requires the litigation financing agreement display the registrant's name, NMLS number, and business address so consumers will be able to independently confirm that the entity is in fact registered. Finally, the proposal corrects references to the Nationwide Multistate Licensing System and Registry.

7) Virtual currency kiosk requirements: Operators of virtual currency kiosks (also known as "bitcoin ATMs") are required to be licensed as money transmitters. While the licensing requirement gives the Department some regulatory oversight over virtual currency kiosks, there are no requirements specific to virtual currency kiosks under current law. However, because virtual currency kiosks transmit virtual currency immediately to the recipient, virtual currency kiosks are used in frauds and scams. In a typical scam, the fraudster will call the target and present a scenario that can only be corrected by the target depositing funds into a virtual currency kiosk. Once the target has deposited the funds, the scammer has immediate access to virtual currency and can move the money. This arrangement makes it very difficult for law enforcement to track or recover funds on behalf of the targeted individuals, which makes it very attractive to fraudsters and scammers.

The bill proposes additional requirements for virtual currency kiosk operators that are specifically designed to alert consumers to the potential for fraud and the risks associated with these transactions. Additionally, the proposed requirements should make virtual currency kiosks less attractive to scammers, fraudsters, and other illicit actors seeking to move large amounts of funds at one time.

The bill proposes to expressly provide that transactions at virtual currency kiosks are money transmission. The proposal further adds additional requirements for virtual currency kiosk operators to better protect Georgia consumers. The proposal includes disclosures that must be displayed to consumers when the consumer first opens an account or initiates a transaction at a virtual currency kiosk, as well as disclosures that must be displayed to consumers every time they initiate a transaction at a

virtual currency kiosk. The proposal additionally requires virtual currency kiosk operators provide consumers with a receipt with the operators contact information, specific transaction information, and information about the operator's refund policy and the consumer's ability to stop a transaction. In addition, the bill proposes limiting the fee charged by virtual currency kiosk operators to 18% of the transaction amount and limiting the total transaction amount per day per new customer to $2,500 and to $10,000 per day per existing customer. The proposal additionally requires virtual currency kiosk operators to provide new consumers with a refund if a new customer was fraudulently induced to engage in the transaction and reported such fraudulent inducement to the virtual currency kiosk operator and to the government or a law enforcement agency within five days of the transaction. Further, the bill proposes to require the virtual currency kiosk operator to provide any customer with a refund of the fees if the customer was fraudulently induced to enter into the transaction. Finally, the proposed language requires virtual currency kiosk operators to implement certain customer verification procedures, provide customer support, and provide the Department with certain reports about their activities in Georgia.

8) Mortgage licensees acquiring other mortgage licensees: Current law provides that a person licensed or exempt under the Georgia Residential Mortgage Act does not have to file an application with the Department to acquire an interest in a licensee. The Department has consistently interpreted this to allow licensed mortgage lenders or brokers to acquire an interest in a different licensed company. However, several individuals licensed as mortgage loan originators have relied on the current language and attempted to acquire an interest in a licensed mortgage lender or broker without filing an application. This is problematic because mortgage companies are subject to a significantly more stringent review to obtain a license than individual mortgage loan originators. The bill proposes to clarify that only licensed mortgage brokers or lenders are exempt from filing an application to acquire an interest in a licensee.

9) Modify exemptions to installment lending licensing requirements: Current law provides that the Georgia Installment Loan Act does not apply to banks, credit unions, trust companies, savings and loan associations, savings banks, pawnbrokers, and federal or state government agencies or to the transactions of such entities. The Department has consistently interpreted this language to exempt only these entities and the transactions directly consummated by these entities. However, based on interactions with the industry, the existing language has created confusion about the scope of the exemption from the licensure requirements imposed by the Act. The proposed language clarifies that state or federally chartered banks, trust companies, credit unions, savings and loan associations, savings banks, and industrial banks with federally insured deposits are exempt from licensure. Furthermore, the proposal exempts wholly owned subsidiaries of any of the above-named entities from licensure. Finally, the bill proposes to remove the language exempting the transactions of pawnbrokers and federal and state government entities, as this language is superfluous since the entities themselves are exempt.

In addition to these more substantive changes, the bill proposes the following general clean-up provisions: a) remove the limitation that credit reports must be run by certain credit agencies; b) amend the definition of "covered servicer" as enacted by HB 15 to provide additional clarity; c) amend the Georgia Residential Mortgage Act fee provision to align with the definitions in the Act; and d) change the foreign bank representative office statute to correct a typo.