

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80



Fiscal Year FY 2026-2027

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-2027, my agency is (mark "X"): <input checked="" type="checkbox"/> Requesting General Fund Appropriations. <input checked="" type="checkbox"/> Requesting Federal/Other Authorization. <input type="checkbox"/> Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2026-2027, my agency is (mark "X"): <input type="checkbox"/> Requesting Non-Recurring Appropriations. <input type="checkbox"/> Requesting Non-Recurring Federal/Other Authorization. <input checked="" type="checkbox"/> Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2026-2027, my agency is (mark "X"): <input type="checkbox"/> Requesting funding for Capital Projects. <input checked="" type="checkbox"/> Not requesting any changes.
PROVISOS (FORM D)	For FY 2026-2027, my agency is (mark "X"): <input type="checkbox"/> Requesting a new proviso and/or substantive changes to existing provisos. <input checked="" type="checkbox"/> Only requesting technical proviso changes (such as date references). <input type="checkbox"/> Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Carri Grube Lybarker	(803) 734-4297	CLybarker@scconsumer.gov
SECONDARY CONTACT:	Celeste Brown	(803) 734-4264	CBrown@scconsumer.gov

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<u>Agency Director</u>	<u>Board or Commission Chair</u>
SIGN/DATE:		
TYPE/PRINT NAME:		

This form must be signed by the agency head – not a delegate.

<u>Agency Name:</u>	<u>Department Of Consumer Affairs</u>
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Section:	80

<u>BUDGET REQUESTS</u>			<u>FUNDING</u>					<u>FTES</u>				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Division of Technology Operations (DTO) Rate Increase & Software Rate Increase	79,439	0	20,561	0	100,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	Other Funds FY26 Cost of Living/ Mercer Study Adjustments	0	0	73,090	0	73,090	0.00	0.00	0.00	0.00	0.00
3	B1 - Recurring	Public Outreach Initiatives	0	0	40,000	0	40,000	0.00	0.00	0.00	0.00	0.00
TOTALS			79,439	0	133,651	0	213,090	0.00	0.00	0.00	0.00	0.00

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Division of Technology Operations (DTO) Rate Increase & Software Rate Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$79,439 Federal: \$0 Other: \$20,561 Total: \$100,000
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply: <input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input checked="" type="checkbox"/> IT Technology/Security related <input type="checkbox"/> HR/Personnel Related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #
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STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective: <input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input checked="" type="checkbox"/> Maintaining Safety, Integrity, and Security <input type="checkbox"/> Public Infrastructure and Economic Development <input type="checkbox"/> Government and Citizens
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ACCOUNTABILITY OF FUNDS	<p style="text-align: center;">This increase in funds relates to agency technology systems, the foundation of operations, and thus will permit the agency to fulfill all goals, strategies and objectives as set forth in the FY25 Accountability Report</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Department of Consumer Affairs for payment of DTO cost and payments to software vendors.
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

Since 2014, DCA has engaged the Division of Technology Operations within the Department of Administration to provide IT support for the agency, including, but not limited to, network assessment and consultation, virtual servers, network connection

services, virtual firewall and desktop support. The agency received notice in May 2025 that the costs for such services would increase 48% for DCA starting July 1, 2025. This request covers the increase. Furthermore, the \$20,561 - Other Funds portion of this

JUSTIFICATION OF REQUEST

request aims to cover cumulative increases in software licensing and subscription costs from existing Software-as-a-Service (SaaS) vendors. Over the past several years, DCA has experienced consistent price increases across multiple SaaS platforms that are

essential to daily operations. These tools support core agency functions such as data management, security, analytics, and operational efficiency. In prior years, these cost increases were managed within existing budgets; however, their cumulative increases can

no longer be absorbed without additional funding allocations.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Other Funds FY26 Cost of Living/ Mercer Study Adjustments
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$0 Other: \$73,090 Total: \$73,090
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply: <input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input type="checkbox"/> IT Technology/Security related <input checked="" type="checkbox"/> HR/Personnel Related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #
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STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective: <input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input type="checkbox"/> Public Infrastructure and Economic Development <input checked="" type="checkbox"/> Government and Citizens
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ACCOUNTABILITY OF FUNDS	<p style="text-align: center;">This increase in funds will permit the agency to fulfill all goals, strategies and objectives as set forth in the FY25 Accountability Report.</p>
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	DCA employees whose compensation is provided via other funds.
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

The Department of Consumer Affairs has 27 FTEs supported by other funds. The FY26 Budget included a cost of living increase as well as special salary adjustments for those employees affected by the Mercer Study. The requested amount covers these salaries and the related impact on fringe for other fund paid employees. The request also covers the FY26 employer healthcare cost increase for other fund employees.

JUSTIFICATION OF REQUEST

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
<i>Provide the Agency Priority Ranking from the Executive Summary.</i>	
TITLE	Public Outreach Initiatives
<i>Provide a brief, descriptive title for this request.</i>	
AMOUNT	General: \$0 Federal: \$0 Other: \$40,000 Total: \$40,000
<i>What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.</i>	
NEW POSITIONS	0.00
<i>Please provide the total number of new positions needed for this request.</i>	
FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply: <input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience <input checked="" type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input type="checkbox"/> IT Technology/Security related <input type="checkbox"/> HR/Personnel Related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #
STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective: <input checked="" type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input type="checkbox"/> Public Infrastructure and Economic Development <input type="checkbox"/> Government and Citizens
ACCOUNTABILITY OF FUNDS	<p>3.1 - Engage in traditional educational efforts to decrease consumer risks and increase industry compliance.</p> <p>3.2 - Actively seek out media attention and cultivate relationships with media stakeholders.</p> <p>3.3 - Increase public awareness through digital media and alternative, cost-effective methods.</p>
<i>What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?</i>	

RECIPIENTS OF FUNDS

completing the printing of the Department's consumer and business educational materials; and a third-party marketing vendor.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

The core component of the agency's mission is to educate consumers and businesses on their rights and responsibilities under the law. A continued challenge for SCDCA is public awareness of the Department's services, enhancing awareness of consumer protection issues, and promoting services provided to regulated industries, businesses, and consumers. This challenge was recognized in 2024 by the South Carolina House Legislative Oversight Committee and embodied in its recommendation on development of a marketing strategy. Our audience has recently expanded, evidenced by a 27% rise in regulatory filings from FY21 to FY25. This growth is further highlighted by a 166% surge in website traffic and a 76% increase in department presentations during the same period.

JUSTIFICATION OF REQUEST

In the first half of FY26, the Department has demonstrated significant growth in community engagement. We have already delivered 126 presentations to businesses and consumers—achieving 67% of our total FY25 output (188) in less than half a year. Additionally, we have participated in 35 community events, reaching over 6,300 attendees and putting us on pace to surpass last year's totals of 40 events and 8,380 participants. Costs impacted include travel, printing, postage and implementation of the agency's marketing strategy. The requested increase will allow the Department to meet these obligations without disrupting existing services.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM D – PROVISO REVISION REQUEST

NUMBER	80.1 <i>Cite the proviso according to the renumbered list (or mark “NEW”).</i>
TITLE	Consumer Protection Code Violations Revenue <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
BUDGET PROGRAM	II. Legal <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	No <i>Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.</i>
REQUESTED ACTION	Codify <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	N/A <i>Which other agencies would be affected by the recommended action? How?</i>
SUMMARY & EXPLANATION	Authorizes DCA to retain all funds paid in the resolution of cases involving statutes enforced by the department and to use the retained funds to offset costs. This Proviso has been in effect for over 20 years. It received a minor clarification amendment in the FY18 Appropriations Act and has remained largely unchanged. Retention and carry forward of these funds is critical to DCA being able to carry out its duties under its respective statutes. Currently other funds constitute approximately 53% of the agency's budget.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Provide "other funds" to the Department in an approximate amount of \$394,000. This is the average amount received during the past three fiscal years. The number varies from year to year dependent on the amount and gravity of enforcement actions resulting in fines and penalties. DCA's primary goals in enforcement are on obtaining credits, refunds and adjustments for consumers and correcting internal business operations to avoid future occurrences as opposed to seeking penalties.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

No changes.

Funds, paid to the department in resolution of cases involving violations of the South Carolina Consumer Protection Code and other statutes enforced by the department be retained and expended within the agency's budget to help offset the costs of investigating, prosecuting, and the administrative costs associated with these violations, may be carried forward and expended for the same purposes in the current fiscal year.

PROPOSED PROVISO TEXT

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM D – PROVISO REVISION REQUEST

NUMBER	80.2 <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
TITLE	Expert Witness/ Assistance Carry Forward <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
BUDGET PROGRAM	IV. Advocacy <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	No <i>Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.</i>
REQUESTED ACTION	Codify <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	N/A <i>Which other agencies would be affected by the recommended action? How?</i>
SUMMARY & EXPLANATION	Authorizes DCA to carry forward unexpended funds appropriated for the expert witness/assistance program. This Proviso has been in effect over 20 years, with a minor FY22 amendment that permits DCA to retain funding to offset costs for the Advocacy program, even when such funds were not encumbered during the prior fiscal year.

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Carry forward funds retained by DCA would vary from year to year depending on the amount and complexity of ratemaking proceedings.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

No changes.

Unexpended appropriated funds for the Consumer Advocacy expert witness/assistance program (under Section 37-6-603) may be carried forward into the current fiscal year and expended for the same purpose.

PROPOSED PROVISO TEXT

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Consumer Affairs		
Agency Code:	R280	Section:	80

FORM D – PROVISO REVISION REQUEST

NUMBER	80.3 <i>Cite the proviso according to the renumbered list (or mark “NEW”).</i>
TITLE	Registered Credit Grantor Notification and Maximum Rate Filing Fees Retention <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
BUDGET PROGRAM	I. Administration, II. Legal, III. Services <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	No <i>Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.</i>
REQUESTED ACTION	Codify <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	N/A <i>Which other agencies would be affected by the recommended action? How?</i>
SUMMARY & EXPLANATION	<p>Authorizes DCA to retain funds collected under Chapters 2, 3 and 6 of Title 37 to cover operational costs and to carry forward such funds. This Proviso was first adopted in 2009-2010 Appropriations Act as a revision to a similar Proviso that had been in effect since 2004-2005.</p> <p>The Proviso was updated in 2018-2019 Appropriations Act as portions were previously codified and the Department proposed referencing Chapters instead of sections to permit retention of all filing fees collected therein and avoid the need to amend the proviso as amendments or codification occurs.</p> <p>Retention and carry forward of these funds is critical to DCA being able to carry out its duties under its respective statutes. Currently other funds constitute approximately 53% of the agency's budget.</p>

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Provide "other funds" to the Department in an approximate amount of \$550,000. This amount is based on the average fees collected over the past three fiscal years for the credit grantor notification program and the motor vehicle closing fee program. Due to a 2023 amendment to the motor vehicle closing fee statute making filings perpetual, DCA collected \$5,233 in FY25 as opposed to the average \$20,000 in previous years. As such, we anticipate the amount collected for that program will mirror FY25, reducing the approximate amount to be collected between both programs to \$535,000.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

No changes.

The Department of Consumer Affairs may retain all filing fees collected under Chapters 2, 3 and 6, Title 37 of the 1976 Code. These fees shall be used to offset the cost of administering and enforcing Title 37 and may be applied to the cost of operations. Unexpended balances may be carried forward for the prior fiscal year into the current fiscal year and be utilized for the same purposes.

PROPOSED PROVISO TEXT

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Consumer Affairs		
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FORM D – PROVISO REVISION REQUEST

NUMBER	80.4 <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
TITLE	Retention of Fees <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
BUDGET PROGRAM	I. Legal <i>Identify the associated budget program(s) by name and budget section.</i>
RELATED BUDGET REQUEST	No <i>Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.</i>
REQUESTED ACTION	Codify <i>Choose from: Add, Delete, Amend, or Codify.</i>
OTHER AGENCIES AFFECTED	N/A <i>Which other agencies would be affected by the recommended action? How?</i>
SUMMARY & EXPLANATION	<p>Authorizes DCA to retain funds collected under Chapter 61, Title 39 (Motor Club Services); Chapter 39, Title 40 (Pawnbrokers) and Chapter 79, Title 44 (Physical Fitness Services) for program implementation. This Proviso was first adopted in 2010-2011 Appropriations Act and was amended annually solely to update the fiscal year, until the date was removed in FY15.</p> <p>Retention of these funds is critical to DCA being able to carry out its duties under the delineated statutes. Currently other funds constitute approximately 53% of the agency's budget.</p>

Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

Provide "other funds" to the Department in the approximate amount of \$195,000. This amount is based on the average monies received from the Pawnbroker, Physical Fitness and Motor Club programs during the last three fiscal years.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

No changes.

For the current fiscal year, the department may retain all fees collected pursuant to Sections 39-61-80, 39-61-120, 40-39-120, and 44-79-80. The funds retained shall be utilized to implement the requirements of the programs mandated by those sections of the code.

PROPOSED PROVISO TEXT

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$71,399
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	N/A. DCA was an agency hard hit by the Great Recession. After the implementation of a reduction in force in FY10 and subsequent budget cuts in FY11 and FY12, DCA went from 68 FTEs in FY09 to a low of 27 filled FTEs in 2011. The Department currently has 48 FTE positions
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	<p>All programs- employee trainings</p> <p>Public Information and Education Division, Identity Theft Unit- educational material printing; outreach campaigns</p>
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What programs or activities are supported by the General Funds identified?

SUMMARY	<p>DCA receives the majority of its funding through other funds (53%). Approximately 77% of the agency's total budget is used for salaries and fringe. We currently have 48 FTE positions as compared to our pre-RIF (FY10) allocation of 68 FTEs. DCA is not in a position to delete any FTE positions, thus if a 3% reduction of general fund appropriations is implemented DCA would reduce operating expenses agency-wide.</p> <p>The decrease would result in DCA limiting training opportunities and travel for attorneys, investigators and other agency staff. The impact would be a potential lack of knowledge/keeping abreast of changes in Federal laws applicable to the regulatory statutes the agency administers and enforces, including Truth in Lending and mortgage related laws. Approximately 32% of Legal Division staff have been with DCA 5 years or less.</p> <p>The decrease would also affect agency outreach efforts. DCA has the responsibility of counseling consumers and businesses on their rights and responsibilities under consumer protection laws and assisting with scams and identity theft events. Agency consumer and business information campaigns often include printed materials, mailouts, and statewide presentations. Reducing these items would result in a reduction of compliance and knowledge of consumer protection laws as well as how to spot and avoid scams, negatively impacting the consumers and the credit marketplace.</p>
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

N/A

AGENCY COST SAVINGS PLANS

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	<p style="margin: 0;">Reduction of Late Filings: Mortgage Log</p> <p style="margin: 0;"><i>Provide a brief, descriptive title for this request.</i></p>								
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p style="margin: 0;">More businesses will submit the required annual mortgage log filing in a timely manner, reducing associated penalties. DCA will be able to process filings within set goals and with less follow-up needed, reducing staff time spent on the filing and increasing the integrity of the report issued by the agency pursuant to S.C. Code Ann. Sections 37-22-210(C)(2) and 40-58-65(A).</p> <p style="margin: 0;"><i>What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.</i></p>								
FACTORS ASSOCIATED WITH THE REQUEST	<p style="margin: 0;">Mark "X" for all that apply:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="width: 85%; padding: 2px;">Repeal or revision of regulations.</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input checked="" type="checkbox"/></td> <td style="padding: 2px;">Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="padding: 2px;">Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td style="text-align: center; padding: 2px;"><input type="checkbox"/></td> <td style="padding: 2px;">Other</td> </tr> </table>	<input type="checkbox"/>	Repeal or revision of regulations.	<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input type="checkbox"/>	Other
<input type="checkbox"/>	Repeal or revision of regulations.								
<input checked="" type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input type="checkbox"/>	Other								
METHOD OF CALCULATION	<p style="margin: 0;">Use of division data form licensing system and databases- calculate the total number of businesses filing the annual mortgage log late in prior fiscal year as compared to current fiscal year.</p> <p style="margin: 0;"><i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i></p>								
REDUCTION OF FEES OR FINES	<p style="margin: 0;">DCA does not have the ability to adjust fine amounts on its own authority. The communication methods and process deployed by the agency; however, will reduce the number of fines for late filings. The submission of the annual mortgage log report is a requirement of the South Carolina Mortgage Lending Act ("the Act"), which became effective on January 1, 2010. The Act added Chapter 22, "Mortgage Lending," to the Consumer Protection Code, housed in Title 37, and significantly amended Chapter 58, "Licensing of Mortgage Brokers," of Title 40, "Professions and Occupations." These laws require lenders, servicers, and brokers in the mortgage industry to maintain accurate records and report their mortgage data for the previous calendar year annually by March 31. The Department is then required to issue a compilation of the data by June 30th each year. See S.C. Code Ann. Sections 37-22-210(C)(2) and 40-58-65(A).</p> <p style="margin: 0;">Pursuant to S.C. Code Ann. Sections 37-22-210(C)(2) and 40-58-120(B), a licensee shall pay a fine of one hundred dollars each day for late or incomplete annual reports. In FY24, a record 157 businesses filed late.</p> <p style="margin: 0;"><i>Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?</i></p>								
REDUCTION OF REGULATION	<p style="margin: 0;">N/A</p> <p style="margin: 0;"><i>Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?</i></p>								
	<p style="margin: 0;">We have seen an enormous increase in the number of mortgage broker and mortgage lender companies in South Carolina. As an example, in FY21, 415 companies applied for and received a mortgage broker license. In FY25, this number grew to 903, a 118% increase. This increase in licensees translates to a similar increase of mortgage log filings as the filing is made at the company level. Receiving more filings on time will decrease staff time needed for the process and increase the integrity of the report issued by the agency pursuant to S.C. Code Ann. Sections 37-22-210(C)(2) and 40-58-65(A). Because of the statutory requirement to issue the report by June 30th, data from logs received more than 30 days after the March 31st filing deadline are not included in the report. The purpose of the report and corresponding data per business is to track trends in the mortgage industry, inform policymakers and assist in ascertaining compliance with state and federal laws.</p>								

SUMMARY

During the filing process, DCA issues several notices to licensees, both via mail and email, reminding businesses of the log requirement and associated deadlines. In FY25, DCA implemented new measures for business notifications and timelines to assist in ascertaining compliance with the filing requirement. We also utilized a function on the agency mail machine to place a "Final Notice" stamp on each letter sent prior to fines being triggered. These steps helped decrease the number of FY25 late filings by 61% and corresponding fines by 78% as companies filing late complied faster than those in the prior fiscal year. It also reduces the amount of time DCA staff spent on the mortgage log filing process. We are conducting further review of the process for additional, potential improvements and to continue the compliance trend.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?