

# *Department of Financial Institutions*



**Dennis L. Bassett  
Director**

**Annual Report  
Year Ended December 31, 2014**

**State of Indiana**

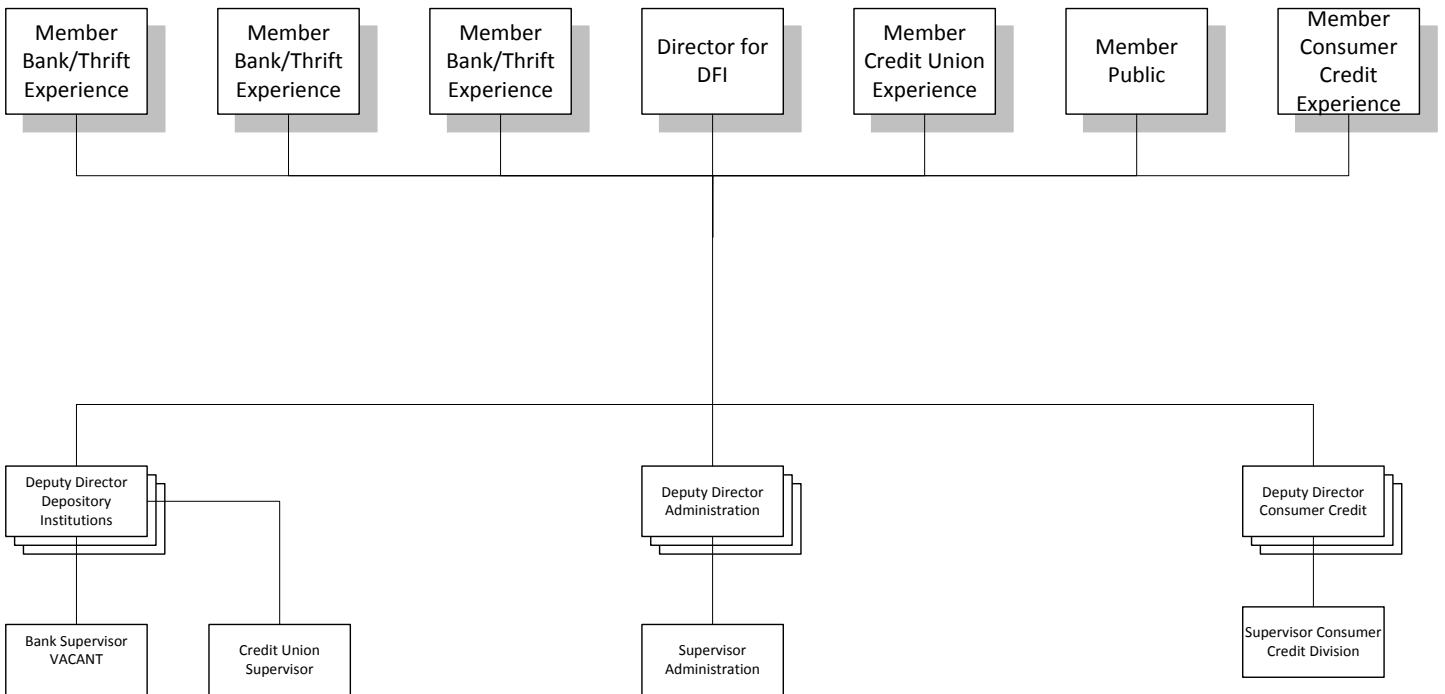
**Mike Pence  
Governor**

**Sue Ellspermann  
Lieutenant Governor**

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# *Department of Financial Institutions*



**DIRECTORS**

<b>DIRECTOR</b>	<b>FROM</b>		<b>TO</b>	
Richard McKinley	January	1933	November	1939
Ross H. Wallace	January	1940	June	1943
A.J. Stevenson	July	1943	December	1944
Joseph McCord	January	1945	September	1965
Donald H. Sauer	October	1965	June	1969
James Faris	July	1969	June	1980
William T. Ray	July	1980	June	1983
Ruth D. Harrison	July	1983	May	1989
Charles W. Phillips	June	1989	June	2005
Judith G. Ripley	August	2005	September	2009
David H. Mills	September	2009	January	2014
Dennis L. Bassett	March	2014	Present	

# DEPARTMENT OF FINANCIAL INSTITUTIONS

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## **Mission**

To regulate and supervise financial services providers in a manner that assures the residents of Indiana adequate and proper financial services; protects the interest of depositors, borrowers, shareholders and consumers; promotes safety and soundness in Indiana financial institutions; and advocates and enforces compliance with applicable state and federal laws.

## **Vision**

To be among the best state financial services regulators in the country by consistently applying appropriate safety and soundness standards, assuring consumer protection, and promoting economic development.

## **Stakeholders**

The Department's primary stakeholders are the public, legislative bodies, regulated financial services providers, other regulatory agencies, financial services associations, and its employees.

## **Goals and Strategies**

Consistent with the Department's identity, vision and goals, the Members, the Executive Team, and the Senior Departmental staff have adopted goals and strategies to:

- Maintain a qualified, diversified, effective, and empowered staff with a focus on continuous improvement, professional development, integrity, and a collegial, challenging work environment.
- Develop and maintain an effective management structure with emphasis on leadership training, continuing technical education, strategic planning, management succession, fiscal responsibility, and policy development.
- Use a set of consistent regulatory standards to evaluate the adequacy of existing regulation and to consider the need for new regulation of financial transactions not presently supervised.
- Be proactive with Indiana State Legislators to keep Indiana in step with the changing financial services environment, protect consumers, and promote economic development.
- Monitor, embrace, and implement advancing technology in all forms of communications and computer technology to maximize Departmental efficiency, to provide more effective regulation, and to challenge our employees towards higher levels of performance.

# ***MEMBERS OF THE DEPARTMENT***

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**Richard J. Rice, Chairman**  
South Bend  
Credit Union Experience

**Mark A. Schroeder, Vice Chairman**  
Jasper  
Bank/Thrift Experience

**Donald E. Goetz**  
Demotte  
Bank/Thrift Experience

**Michael W. Davis**  
Muncie  
Consumer Credit Experience

**Jean L. Wojtowicz**  
Indianapolis  
Member at Large

**Paul R. Sweeney**  
Vincennes  
Bank/Thrift Experience

**Dennis L. Bassett**  
Director  
Department of Financial Institutions

# **DEPARTMENT PERSONNEL**

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Dennis L. Bassett, Director

## **DIVISION OF BANKS AND TRUST COMPANIES DIVISION OF SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS**

Thomas C. Fite, Deputy Director  
VACANT, Bank Supervisor

### **SPECIAL ACTIONS**

Kirk J. Schreiber, Senior Bank Analyst

### **REGULATION & SUPERVISION**

Richard C. Nelson, Senior Review Examiner

## **BANK DIVISION EXAMINATION STAFF**

### **DISTRICT 1**

J. Deron Thompson, Regional Field Supervisor  
Chris C. Dietz, Assistant Regional Field Supervisor

David H. Hoeferkamp - I  
Francis J. Tata - I  
Jacob P. Swanson - I  
Marc A. Ward - I  
Kevin M. Vaughn - I

David M. Mote - I  
Alfred R. Westfall - I  
Vernita L. Early, C.P.A., - III  
Beau E. Huelster - III  
Sam A. Patterson III - IV

### **DISTRICT 2**

Paul G. Brockman, Regional Field Supervisor  
Mark A. Moreland, Assistant Regional Field Supervisor

Lee T. Reid - I  
Eric S. Neal - I  
Steven R. Wachter - I  
Robin R. Upchurch - I

Patrick W. Land - I  
Craig R. Smith - II

Roman numerals denote field examiner grade level

**DIVISION OF CREDIT UNIONS**

Thomas C. Fite, Deputy Director  
Mark K. Powell, Supervisor

Mark A. Walters - I  
Gloria A. Thomson, C.P.A., - I  
D. Scott Shelton - I

Matthew R. Dilly - I  
Charles R. Hall - I  
Amanda L. Hoff - II

**DIVISION OF CONSUMER CREDIT**

Mark B. Tarpey, Deputy Director  
James D. Harrell, Consumer Credit Supervisor  
Tabitha M. Butts, UCCC Licensing Analyst

**CONSUMER CREDIT EXAMINATION STAFF**

**DISTRICT 1**

Scott J. Imbus Field Supervisor  
Ned W. Brown - I  
Matthew T. Uhl - II  
Richard W. Norrell - III  
Robert M. Payne - III

**DISTRICT 2**

Aaron B. Sweet, Field Supervisor  
Kent D. Sager - I  
Dee A. Stauffer - I  
Ryan E. Black - I  
Mitchell D. Bowers - III



**LEGAL DIVISION**

Constance J. Gustafson, General Counsel

**DIVISION OF ADMINISTRATION**

Gina R. Williams, Deputy Director  
Troy D. Pogue, Supervisor of Administration  
VACANT, Accountant  
Beth A. Risacher, Program Coordinator

**OFFICE SUPPORT STAFF**

Angie M. Smith, Depository Division  
Sharmaine W. Stewart, Depository Division  
Kelly L. Nelson, Administration/Consumer Credit Division

# **EXAMINER CERTIFICATIONS**

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## **BANK DIVISION CERTIFICATIONS**

### **CERTIFIED EXAMINATIONS MANAGER (“CEM”)**

Brockman, Paul G.  
Fite, Thomas C.

Moreland, Mark A.  
Thompson, Deron J.  
Dietz, Chris C.

### **CERTIFIED EXAMINER IN CHARGE (“CEIC”)**

Hoeferkamp, David H.  
Neal, Eric S.  
Nelson, Richard C.  
Pogue, Troy D.  
Reid, Lee T.  
Schreiber, Kirk J.  
Land, Patrick W.  
Swanson, Jacob P.

Tata, Francis J.  
Upchurch, Robin R.  
Vaughn, Kevin M.  
Wachter, Steven R.  
Ward, Marc A.  
Williams, Gina R.  
Westfall, Alfred R.  
Mote, David M.

### **CERTIFIED CREDIT EXAMINER (“CCE”)**

Early, Vernita L

Smith, Craig R.

### **CERTIFIED OPERATIONS EXAMINER (“COE”)**

Beau E. Huelster

## **CREDIT UNION DIVISION CERTIFICATIONS**

### **CERTIFIED EXAMINATIONS MANAGER (“CEM”)**

Powell, Mark K.

### **CERTIFIED EXAMINER IN CHARGE (“CEIC”)**

Dilly, Matthew R.  
Shelton, Scott D.  
Hall, Charles R.

Thomson, Gloria A.  
Walters, Mark A.  
Hoff, Amanda L.

## **CONSUMER CREDIT DIVISION CERTIFICATIONS**

### **CERTIFIED EXAMINATIONS MANAGER (“CEM”)**

Imbus, Scott J.

Tarpey, Mark B.

## CONSUMER CREDIT DIVISION CERTIFICATIONS

### COMPLEX INSTITUTIONS SPECIALIST ("CIS")

Black, Ryan E.  
Brown, Ned W.  
Butts, Tabitha M.  
Harrell, James D.

Sager, Kent D.  
Stauffer, Dee A.  
Sweet, Aaron B.  
Uhl, Matthew T.

### CONSUMER CREDIT COMPLIANCE EXAMINER ("CCCE")

Norrell, Richard W.

Bowers, Mitchell D.

## OTHER CERTIFICATIONS

### CERTIFIED PUBLIC ACCOUNTANT ("CPA")

Butts, Tabitha M.  
Early, Vernita L.

Sweet, Aaron B.  
Thomson, Gloria A.

## CERTIFICATION PLAN OVERVIEW

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In 1999 the DFI adopted an examiner certification program that was intended to promote professionalism and provide an improved career path. The DFI Certification Program incorporates the structure developed by the Conference of State Bank Supervisors. It provides for multiple levels of examiner certification, each tied to a financial incentive contingent upon continued successful performance.

The available certification levels are as follows:

#### Bank and Credit Union Divisions

COE – Certified Operations Examiner  
CCE – Certified Credit Examiner  
CEIC – Certified Examiner in Charge  
CEM – Certified Examination Manager  
CPA – Certified Public Accountant

#### Consumer Credit Division

CCCE – Consumer Credit Compliance Examiner  
DIS – Depository/Investigation Specialist  
CIS – Complex Institution Specialist  
CEM – Certified Examination Manager  
CPA – Certified Public Accountant

Initial certification and the retention of the designation are dependent upon the examiner's successful performance and professional development.

# ***DIVISION MILESTONES***

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***The following employees celebrated milestone anniversaries with the DFI during 2013:***

***Credit Union Division***

***Mark Powell - 40 Years of Service  
Gloria Thomson—20 Years of Service  
Amanda Hoff—5 Years of Service***

# **DEPARTMENT OVERVIEW**

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The Department of Financial Institutions was created by the Indiana Financial Institutions Act of 1933 ("Act"). This Act incorporated substantially all of the recommendations of a 1932 Study Commission that had been formed to address the regulation and control of financial institutions after the Great Depression of the 1930s. It commissioned the Department with the responsibility for supervising commercial banks, trust companies, private banks, savings banks, building and loan associations, credit unions, and finance companies incorporated under the laws of the State of Indiana. Since that time the scope of the regulatory responsibilities with which the Department has been charged has been broadened substantially. In 1971, Indiana adopted the Uniform Consumer Credit Code "UCCC" in order to simplify, clarify, and modernize consumer credit laws. The Department became the administrator of the UCCC at that time. In addition to regulating licensees under the Uniform Consumer Credit Code, the Department's responsibility has also been expanded to include the supervision of pawnbrokers, licensees under the Indiana Small Loan Act, industrial loan and investment companies, money transmitters, check cashers, budget service companies, and rental-purchase agreement companies. In 2008, the Indiana State Legislature assigned authority to the Department to license those first lien mortgage lenders who fund their own loans.

The Department is a non-cabinet level department of the executive branch of the Government of Indiana and is subject to legislative oversight and audit by the State Board of Accounts. It remains a self-funded (dedicated funds) agency that is entirely supported by fees paid by the institutions that are regulated and supervised by the Department. Indiana Code 28-11-3-5 grants authority to the Department to generate revenue and to fund ongoing operations. Annually, the Department adopts a schedule of fees to cover expected operating costs. Revenue is driven solely from supervision, examination, and license fees that are assessed to those financial institutions that are regulated by the Department.

Policy-making power is vested in a bipartisan board of seven Members who are appointed by the Governor. The Director of the Department serves as an ex officio voting Member. State law requires that three of the Members shall be persons of practical experience at the executive level of a state chartered bank; a state chartered savings association; or a state chartered savings bank; one Member shall be a person of practical experience at the executive level of a lender licensed under I.C. 24-4-5; one member shall be a person of practical experience at the executive level of a state chartered credit union. In appointment of the remaining Member of the Department, the Governor shall have due regard to a fair representation of the consumer, agricultural, industrial, and commercial interests of the state. Not more than three Members can be affiliated with the same political party.

The Executive Team consists of the Director, who serves as the chief Executive and Administrative Officer, and three Deputy Directors. The Director is responsible for the administration of the policies established by the Members and all applicable legislative actions or policies. The Director exercises managerial control over the work of the Department, including its staff of deputies, supervisors, examiners and administrative personnel.

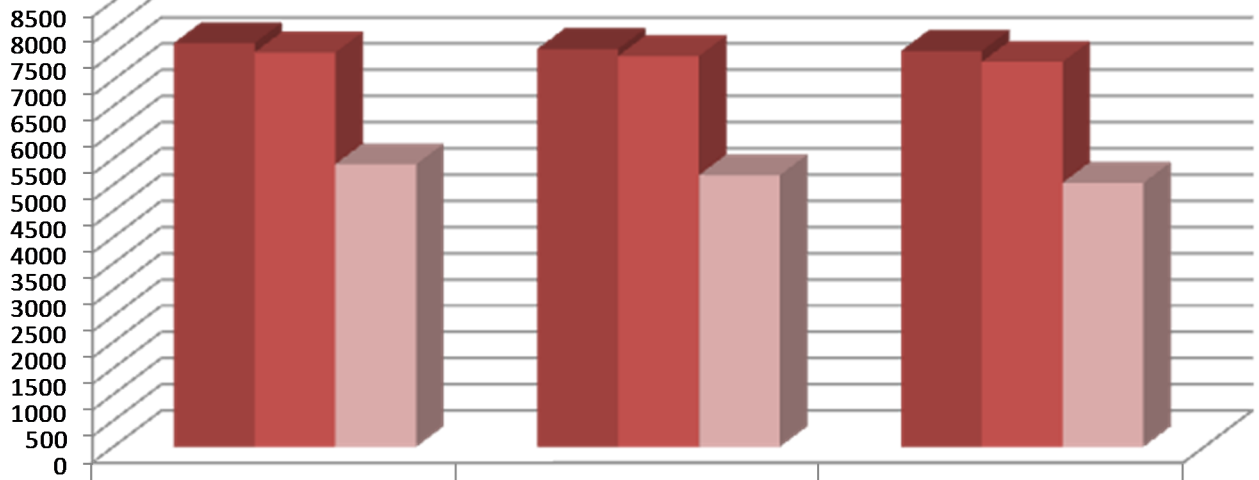
Five divisions reside within the Department, each under the direct control of a deputy or supervisor. These are the Division of Banks and Trust Companies, Division of Consumer Credit, Division of Credit Unions, Division of Administration, and the Legal Division.

# REVENUE AND EXPENDITURES

<u>REVENUE</u>	2014	2013	2012
BANK AND SAVINGS & LOAN FEES	3,975,923	3,987,997	3,851,002
CREDIT UNION FEES	995,001	953,551	947,962
PAWNBROKING LICENSING FEES	126,020	121,560	117,340
APPLICATION /MISC. FEES	67,660	44,760	129,440
DEBT MANAGEMENT COMPANIES	30,050	28,320	27,900
UCCC FEES	1,143,222	1,081,697	1,359,980
PAYDAY LENDERS	264,850	265,870	274,790
RENTAL/PURCHASE LICENSE	85,750	66,270	61,080
MONEY TRANSMITTER FEES	63,240	50,910	68,810
CHECK CASHERS FEES	20,470	56,690	55,670
GAP/Debt Cancellation	53,680	64,400	49,905
First Lien & Subordinate Lien Mortgage Lenders	478,840	587,446	410,250
Mortgage Loan Originators	399,100	282,700	199,910
<b>TOTAL REVENUE</b>	<b>\$7,703,806</b>	<b>\$7,592,171</b>	<b>\$7,554,039</b>
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<b><u>EXPENDITURES</u></b>			
PERSONNEL COSTS	6,197,392	6,175,829	6,069,516
UTILITIES, TELEPHONE, COMMUNICATION	112,587	117,591	127,226
CONTRACT SERVICES	248,418	266,832	249,084
OFFICE SUPPLIES	8,529	14,391	9,589
EQUIPMENT/COMPUTERS	7,415	29,075	7,072
TRAVEL IN-STATE	403,630	399,267	395,344
TRAVEL OUT-OF-STATE	7,412	9,170	7,585
PERSONNEL DEVELOPMENT & RELATED TRAVEL	58,727	86,569	82,059
OFFICE LEASES, DUES, SUBSCRIPTIONS	479,647	358,588	398,016
<b>TOTAL EXPENDITURES</b>	<b>\$7,523,757</b>	<b>\$7,457,312</b>	<b>\$7,345,491*</b>
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NET REVENUE (EXPENDITURES)	180,049	134,859	208,548*
CASH BALANCE, JULY 1	5,212,048	5,077,189*	4,868,641*
CASH BALANCE, JUNE 30	5,392,097	5,212,048*	5,077,189*
LESS ENCUMBRANCES	0	26,857	38,344*
FUND BALANCE, JUNE 30	5,392,097	5,185,191*	5,038,845

\*Reflects corrections made to 2012 figures.

## Revenue & Expenditures



	2014	2013	2012
Revenue	7704	7592	7554
Expense	7524	7457	7345
Fund Balance	5392	5185	5039

# LEGISLATIVE CHANGES

The Indiana Department of Financial Institutions (“DFI” or the “Department”) administers the Indiana Financial Institutions Act (IC 28 *et seq.*) which includes state chartered banks, corporate fiduciaries, credit unions, thrifts and industrial loan and investment companies. The Department also administers various consumer credit acts including First Lien Mortgage Act (IC 24-4.4 *et seq.*) (“FLMA”); Uniform Consumer Credit Code (IC 24-4.5 *et seq.*) (“UCCC”); Indiana Rental Purchase Agreements (IC 24-7 *et seq.*); Debt Management Act (IC 28-1-29 *et seq.*); Indiana Pawn Law (IC 28-7-5 *et seq.*); Money Transmitters (IC 28-8-4 *et seq.*) and Check Cashers (IC 28-8-5 *et seq.*) The Department also administers the Mortgage Loan Originators Rule (750 IAC 9 *et seq.*)

Commonly referred to as the DFI Omnibus Bill, House Enrolled Act 1245 (“HEA 1245”), is comprised of a number of provisions assembled by the DFI staff during the preceding year consisting of corrections and improvements to the various acts administered by the Department and amendments required to keep Indiana law consistent with various federal laws. While much of HEA 1245 is technical or non-substantive, the following are “frequently asked questions” or “faqs” designed to help our licensees, regulatory staff and the general public learn about the changes HEA 1245 made affecting financial institutions and consumer credit organizations. Governor Pence signed HEA 1245 into law on March 25, 2014 (which is the effective date for those sections that are effective on passive). Other sections became effective on July 1, 2014.

## **First Lien Mortgage Act (IC 24-4.4 *et seq.*) and Uniform Consumer Credit Code (24-4.5 *et seq.*)**

### **1. Why were the terms "consumer credit sale" in the First Lien Mortgage Act ("FLMA"), and "consumer credit sale", "consumer loan", "consumer related loan" and "consumer related sale" in the Uniform Consumer Credit Code ("UCCC") amended?**

**Answer:** "Consumer credit sale" at IC 24-4.4-1-301(5) and IC 24-4.5-1-301.5(8); "consumer loan" at IC 24-4.5-1-301.5 (9); "consumer related sale" at IC 24-4.5-2-602; and "consumer related loan" at IC 24-4.5-3-602 are being amended effective July 1, 2014:

1. To increase the exempt threshold amount to \$53,500; and
2. To be consistent with Regulation Z by applying the same factors in determining whether a credit transaction exceeds the exempt threshold amount specified in Regulation Z.

**Brief history:** On July 21, 2010, Section 1100E of Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank”) increased the amount of the threshold amount exemption from the Truth in Lending Act (“TILA”) \$25,000 to \$50,000 and requires annual adjustments in the threshold to reflect the effect of inflation. For 2014, the threshold amount is \$53,500. Therefore, after July 1, 2014, transactions that exceed \$53,500 and not secured by a dwelling are not subject to TILA.

**Regulation Z:** In addition to incorporating the requirements of Section 1100E into Regulation Z, the Federal Reserve Board (“Board”) and the Consumer Financial Protection Bureau (“CFPB”) (to whom rule-making authority was generally transferred) adopted new rules implementing Section 1100E and providing an extensive commentary regarding how the threshold amount exemption works. For example, there are two different ways that open-end credit can qualify for the threshold amount exemption: (1) where the creditor makes an initial advance of credit at account opening that exceeds the threshold amount then in effect and (2) where the creditor makes a firm written commitment at account opening to extend a total amount of credit that exceeds the threshold amount then in effect. See the Official Interpretation to § 1026.3(b) at the following link on the CFPB website for a helpful and detailed explanation on the factors applicable to determining whether a transaction exceeds the exempt threshold amount and how subsequent events can affect the exemption: <http://www.consumerfinance.gov/eregulations/1026>

**FLMA & UCCC:** In preparing legislative changes for 2014, the DFI staff concluded that in addition to increasing the exempt threshold amount to \$53,500, the terms consumer credit sale, consumer loan, consumer related sale and consumer related loan based the exemption amount solely on the sale amount in the case of consumer credit sales and loan amount in the case of consumer loans. These criteria are much narrower than those now in effect under Regulation Z. Consequently, the four terms set out above will be amended as of July 1, 2014 to provide that the exempt threshold amount is based upon the "credit extended, the written credit limit, or the initial advance" so that these terms are consistent with Regulation Z.



# LEGISLATIVE CHANGES

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## 2. What other dollar amounts in the UCCC are amended?

**Answer:** In the 2013 General Assembly HEA 238 amended various provisions of the UCCC to increase for the first time in many years certain interest rates for consumer credit sales and loans, finance charges and fees which can be charged on such transactions and the dollar amounts and interest rates to which the rate ceilings and increased fees apply.

For the 2014 General Assembly, the Department suggested that certain other sections of the UCCC - on subordinate mortgage liens, deficiency judgments, payment of supervised loans and other sections - should also be amended in the interest of consistency. Since 1971 these sections as listed below have also been amended in a similar fashion whenever changes were made like those in HEA 238 in 2013. Although the amendments in HEA 1245 did not make all the changes that had historically been made when these dollar amounts were adjusted, it did make significant dollar adjustments to the following four sections of the UCCC:

**IC 24-4.5-2-407** was amended to increase the amount of the debt on which a consumer credit seller may take a subordinate mortgage lien from \$1,000 (as adjusted pursuant to IC 24-4.5-1-106 on July 1, 2012 to \$3,600) to \$4,000 or more.

**IC 24-4.5-3-510** was amended to increase the principal amount of a supervised loan that can be secured by interest in land from \$1,000 (as adjusted to \$3,600) to \$4,000 or more.

**IC 24-4.5-3-511**, which requires the debtor to pay a supervised loan (which is not a revolving loan) in a single installment or a specified number of equal installments, was amended to increase the principal amount of the loan from \$1,000 (as adjusted to \$3,600) to \$4,000 or less.

**IC 24-4.5-5-103** was amended to increase the cash price from of a sale from \$1,000 (as adjusted to \$3,600) to \$4,000 on which a Seller may obtain a deficiency judgment after repossessing or accepting surrender of goods securing the debt.

## 3. What dollar amounts in the sections of the UCCC described in #2 above were not changed by the 2014 General Assembly?

**Answer:** The General Assembly in 2014 only increased the higher amount so that the \$1,000 (as adjusted every two years to \$3,600 as of July, 2012) in the specified four sections was changed to \$4,000. The lesser amount of \$300 (as adjusted every two years to \$1080 as of July 1, 2012) in those sections and in IC 24-4.5-4-301 relating to credit insurance were not amended by HEA 1245.

Effective July 1, 2014, 750 IAC 1-1-1 will be amended as follows:

In IC 24-4.5-2-407 the amount of the debt in the case of a security interest in goods remains at \$300 (adjusted to \$1,110).

In IC 24-4.5-3-511, the supervised loan must be paid in a single installment or in 37 equal installments if the debt is more than \$300 (adjusted to \$1,110) or 25 equal installments if the debt is less than \$300 (adjusted to \$1,110).

As stated, IC 24-4.5-4-301 remains unchanged by any statutory amendments so that a creditor may contract for a separate charge for property insurance if the "amount financed or principal exclusive of charges for insurance" is more than \$300 (as adjusted to \$1,110) or the value of the property is \$300 (as adjusted to \$1,110) or more.

## 4. What index will be used to adjust the dollars in the four sections described in #2 above?

**Answer:** Due to a drafting error, each of the four sections (IC 24-4.5-2-407, IC 24-4.5-3-510, IC 24-4.5-3-511 and IC 24-4.5-5-103) refers to the Reference Base Index for October, 1992. The correct index is October, 2012. The Department intends to correct these errors in the 2015 session of the General Assembly before the adjustments are scheduled to occur on July 1, 2016.

## 5. Since the dollar amounts for IC 24-4.5-2-407, IC 24-4.5-3-510, IC 24-4.5-3-511 and IC 24-4.5-5-103 have been adjusted in both statutory amendments and amendments to the administrative rule at 750 IAC 1-1-1 and both are effective as of July 1, 2014, which amendments will take precedent over the other adjustments?

**Answer:** The statutory amendments to IC 24-4.5-2-407 (subordinate lien mortgages); IC 24-4.5-3-510 (supervised loan secured by land); IC 24-4.5-3-511 (supervised loan payable in installments) and IC 24-4.5-5-103 (deficiency judgments) will supersede the amendments to the Rule in 750 IAC 1-1-1.

## Nationwide Mortgage Licensing System and Registry

## 6. HB 1245 authorizes the Director to expand the use of the Nationwide Mortgage Licensing System and Registry ("NMLSR") to consumer credit loans, including payday loans; and debt management companies? When will the use of NMLRS be effective for the licensing or registering of these industries?

**Answer:** Like it did for money transmitters effective November 1, 2013, the 2014 General Assembly in HEA 1245 authorized the Director to use the NMLSR as a licensing platform for non-mortgage consumer credit loan licensees under IC 24-4.5-3-502.2; small loans (i.e. Payday Loans) under IC 24-4.5-7-102; and debt management companies under IC 28-1-29-5.5. Each industry will receive ample time before such a licensing regime is adopted to put in place necessary procedures to use the new process.

# LEGISLATIVE CHANGES

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## Investigatory Authority

### 7. What changes to the department's investigatory authority does HEA 1245 make relating to Rental Purchase Agreements, Debt Management Companies, Money Transmitters and Check Cashers?

**Answer:** In 2013, the General Assembly amended the FMLA at IC 24-4.4-3-104 and UCCC at IC 24- 4.5-6-106 to provide that the department has the same investigatory and enforcement authority as it does with respect to financial institutions under the Indiana Financial Institutions Act at IC 28-11-4. In 2014, to promote consistency amount the various consumer credit acts HEA 1245 adds similar provisions to relating to rental purchase agreements at IC 24-7-7-2; debt management companies at IC 28-1-29-10.5, money transmitters at IC 28-8-4-41 and check cashers at IC 28-8-5-19. A similar provision relating to pawnbrokers was added at IC 28-7-5-15 in 2006.

## Rental Purchase Agreements

### 8. Under what circumstances may a rental purchase lessor offer for sale products and services (commonly referred in the rental purchase industry as "club plans") at the lessor's rental purchase business location?

**Answer:** IC 24-7-8-6 is a new section that deals with the sale of products and services which may be related, unrelated or partially related to the lessor's rental purchase agreement business and are commonly referred to in the rental purchase business as "club plans." Such plans are often structured as consumer membership plans and may include healthcare savings membership plans and medical health insurance products. This provision also emphasizes that such other business activities cannot be for the purpose of evasion or circumvention of IC 24-7-8-6, the Rental Purchase Act.

### 9. Is a person required to enter into a rental purchase agreement before being eligible to purchase a "club plan" under IC 24-7-8-6?

**Answer:** No. IC 24-7-8-6 (b) provides that a lessor may offer property or services described in subsection (a) i.e. "club plans" if:

(1) The lessor:

(A) does not require that the lessee or prospective lessee purchase the property or services as a condition to entering into a rental purchase agreement;

(B) does not require that any purchaser or prospective purchaser of the property or services enter into a rental purchase agreement as a condition to purchasing the property or services; and

(C) clearly discloses in writing to the lessee or prospective lessee before the purchase is completed that:

(i) the purchase of the property or services is not a condition to entering into a rental purchase agreement; and

(ii) entering into a rental purchase agreement is not a condition to purchasing the property or services.

### 10. Can a lessor sell a club plan to an existing customer at a different price than the lessor sells the plan to the general public?

**Answer:** No. IC 24-7-8-6 (b)(2) provides that the lessor may not charge the lessee or prospective lessee more for the property or services than the lessor charges members of the general public for the property or services.

### 11. Can a club plan be made a part of the rental purchase agreement?

**Answer:** No. IC 24-7-8-6 (b)(3) provides that the transaction for the purchase of the property or services (i.e. club plan) is conducted separately from any rental purchase agreement, and the cost for purchasing the property or services is not made a part of any rental purchase agreement.

## Credit Unions

### 12. What clarification to the provisions relating to investment securities does HEA 1245 contain?

**Answer:** Prior to the 2014 amendment, IC 28-7-1-9 (J)(ii) provided that the total amount of *any* investment securities purchased or held by a well capitalized credit union (as defined in Part 702 of the Rules and Regulations of the National Credit Union Administration, 12 CFR 702) may not exceed ten percent (10%) of the capital and surplus. Effective July 1, 2014, HEA 1245 amended IC 28-7-1-9 (J)(ii) to clarify that the total *aggregate* amount of investment securities purchased or held by a well capitalized credit union may not exceed ten percent (10%) of the capital and surplus. [Emphasis added.]

### What revisions were made relating to the issuance of the annual audit reports for credit unions?

**Answer:** IC 28-7-1-18 was amended to provide that the audit report must be issued not later than one hundred twenty (120) days following the close of the audit period.

# LEGISLATIVE CHANGES

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## Pawnbrokers Act

### 14. Why was a definition of "pawn" added to the Pawn Act?

**Answer:** The DFI staff has discovered that there is some confusion about whether a buy-sell business can buy items with a verbal or written understanding that the seller can buy the item back at a later date. Since 1993, the DFI has taken the position that any agreement, verbal or written, to sell an item back to the seller is a "disguised pawn" and, therefore, a pawn license is required to avoid violating the Pawn Act. To avoid this confusion, IC 28-7-5-2 was amended in HEA 1245 to add the following definition:

"Pawn" means lending money on the deposit or pledge of personal property, or purchasing personal property on the condition of selling the property back again at a stipulated price, *with the condition indicated verbally, in a written agreement, or in any other form indicating that the seller may repurchase the personal property sold.* For purposes of this chapter, "personal property" does not include general intangibles, accounts (including deposit accounts), chattel paper, commercial tort claims, documents, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction. [Emphasis added.]

## Money Transmitters Act

### 15. If a money transmitter is a wholly owned subsidiary of a publicly traded company what can the subsidiary file with the department to satisfy the filing of annual financial statements when renewing its license?

**Answer:** IC 28-8-4-38 was amended by HEA 1245 to clarify that money transmitters who are wholly owned subsidiaries can satisfy the annual financial statement filing at license renewal by filing the parent's organization's most recent consolidated audited annual financial statements or the parent organization's most recent SEC Form 10K report, along with the licensee's unaudited annual financial statements. Note that the previous requirement of filing the parent organization's Form 10Ks for the previous three (3) years has been eliminated in favor a filing just the most recent Form 10K.

### 16. When are the audited financial statements for money transmitters required to be filed?

**Answer:** Effective July 1, 2014, HEA 1245 changed the renewal filing date for audited financials from April 30 to not later than 120 days after the close of the calendar or fiscal year covered by the statements.

## Depositories

### 17. What change has been adopted relating to emergency closings for state chartered depository institutions?

**Answer:** IC 28-13-10-9 provides that if an emergency closing is for more than 48 consecutive hours on business days, excluding other legal holidays, the *approval* of the director is required. Effective July 1, 2014 IC 28-13-10-9 will provide that only *prior notice* to the director is required for emergency closings of more than 48 hours. [Emphasis added.]

## Other Bills of Interest:

**HEA 334 Mortgage Lending:** The bill provides for an exemption from licensing under the First Lien Mortgage Act (FLMA) and UCCC for certain companies who sponsor independent agents as mortgage loan originators (MLOs). It was supported by State Farm to accommodate its particular corporate structure of independent agents who have exclusive contracts with State Farm. With our recommendation, the scope of the exemption was limited to apply only to federal savings banks <sup>1</sup> which have exclusive contracts with agents who hold valid insurance producer licenses in Indiana and obtain mortgage loan origination licenses under 750 IAC 9 *et seq.* Under this provision the company is exempt from licensing under FMLA but it will be responsible for the surety bond for the agents who must get fully licensed as mortgage loan originators. The Department was neutral on the bill but advised its supporters that we would not object to the legislation which would exempt the company from licensing so long as the exemption was narrowly constructed, the agents became licensed as MLOs (meeting the background checks, education and bonding requirements) and that we receive assurance from the CFPB that the legislation complies with the mandates imposed upon states under the federal SAFE Act.

<sup>1</sup>The federal SAFE Act does not apply to the employees of depository institutions. State Farm has agents; not employees and having relied on this structure for many years was reluctant to alter its organizational structure.

# LEGISLATIVE CHANGES

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**HEA 1155 Expungement:** This bill amended various expungement laws adopted in the 2011 and 2012 General Assembly to relocate and restate certain provisions dealing with the expungement of arrest records, and to delete inconsistent language. (Under prior law, there are two inconsistent procedures for expunging arrest records.) This bill which was originally prepared by the criminal law and sentencing policy study committee provides:

- Grants a defense attorney and a probation department access to expunged records if authorized by court order.
- Prohibits a person from waiving the right to expungement as part of a plea agreement.
- Specifies the procedure to be used to regain the right to possess a firearm by a person convicted of a misdemeanor crime of domestic violence.
- Grants access to expunged records to: (1) the Supreme Court and the state board of law examiners to determine a person's fitness for admission to the bar; and (2) *a person required to access expunged records to comply with the federal Secure and Fair Enforcement for Mortgage Licensing Act.*
  - Item (2) in the preceding bullet point was proposed by the Department so that the Department may request records of expunged crimes to determine whether there are character and fitness issues of a proposed MLO applicant notwithstanding expungement of the criminal conviction and to examine whether the SAFE Act seven-year ban for felonies and lifetime ban for crimes involving acts of fraud, dishonesty, or a breach of trust, or money laundering might prohibit licensing of the proposed MLO.

**HEA 1235 Prize Linked Savings for Credit Unions<sup>3</sup>:** This bill allows state chartered credit unions to offer and conduct a savings promotion raffle that: (1) is associated with one or more qualified accounts or qualified financial programs offered by the credit union; and (2) offers eligible individuals one or more chances to win specified prizes.

- Provides that a savings promotion raffle must allow an eligible individual to obtain an entry to win a prize only by doing either or both of the following: (1) Depositing a minimum specified amount in a qualified account. (2) Participating in one or more qualified financial programs.
- Provides that a savings promotion raffle must be approved by: (1) the director of the department of financial institutions; and (2) the credit union's board of directors.

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<sup>2</sup> Although HUD in its commentary to the final SAFE Rule stated that it "will not consider an expunged conviction to render an individual ineligible to be licensed under the SAFE Act. In general, an expungement is viewed to completely eliminate the conviction in the eyes of the law and to prevent further legal consequences of the conviction. [ ]As in the case of pardoned convictions, the revised regulatory provision does not prohibit a state that becomes aware of the conduct that led to the conviction from evaluating whether the conduct renders the individual unfit for the profession in question." DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, 24 CFR Parts 30 and 3400[Docket No. FR-5271-F-03] SAFE Mortgage Licensing Act: Minimum Licensing Standards and Oversight Responsibilities, p66. The CFPB has generally adopted these rules and HUD's interpretations when it became the primary federal regulator responsible for the SAFE Act.

<sup>3</sup> Banks were prohibited from such prize linked programs until Congress adopted the American Savings Promotion Act in December, 2014 allowing banks to engage in prize linked savings programs. Our laws were updated in 2015 so that national and state banks and savings associations can join credit unions in engaging in these programs as long as their follow the standards for how they can be conducted set out in the law.

- Permits the director to: (1) adopt rules, policies, or guidance; and (2) exercise certain enforcement powers; with respect to the conduct of savings promotion raffles in Indiana.
- Specifies that Indiana Code provisions concerning: (1) charity gaming; (2) promotional gifts and contests; and (3) criminal gambling; do not apply to a savings promotion raffle.
- Federal credit unions conducting savings promotion raffles that comply with this act are not in violation of (1) charity gaming; (2) promotional gifts and contests; and (3) criminal gambling.

# LEGISLATIVE CHANGES

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**HEA 1224 Title Insurance:** This bill requires the Department of Insurance (DOI) to create a title insurance consumer comparison tool. It states that the filed rates of all insurers that issue title insurance policies in Indiana will be included on the tool, and that the information on the tool shall be designed to allow an average consumer of ordinary intelligence to compare and differentiate between substantially similar title insurance rates offered by title insurers. It specifies that the tool must be made available to the public free of charge on the DOI's Internet website by Sept. 1, 2014, and that, after that date, when an insurer makes a new, approved filing, the DOI shall make the insurer's rates available on the tool not more than 10 business days after the insurer's application is stamped "filed" by the DOI.

**SEA 1 State and Local Taxation:** Among a variety of issues dealt with in this bill is the phase down of the corporate income tax rate from 6.5% in 2015 to 4.9% in 2021 and **the financial institutions tax rate to 4.9% in 2023.**

## **BANK AND TRUST DIVISION**

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The bank and trust division is responsible for the supervision of Indiana's state-chartered commercial banks, savings banks, savings associations, industrial loan and investment companies, and corporate fiduciaries. The division, through examination and supervisory activities, seeks to ensure that these organizations are operated in a safe and sound manner, that the public has confidence in the financial system, and that the interests of depositors, creditors and consumers are protected. Examinations, financial report analysis, and monitoring are the primary tools used to meet those responsibilities. Division staff is also responsible for applying the laws that govern regulated institutions. Titles 28 (Financial Institutions), 29 (Probate), and 30 (Trusts and Fiduciaries) of the Indiana Code are the relevant state laws.

As of December 31, 2014, there were 124 depository institutions, excluding credit unions, in Indiana compared to 128 at year-end 2013, 132 at year-end 2012, and 142 at year-end 2011. Of the 124 depository institutions at year-end 2014, there were 81 FDIC-insured state-chartered commercial banks, eight FDIC-insured state chartered savings banks, one FDIC-insured state chartered savings association, one FDIC-insured industrial loan and investment company. In addition, the bank and trust division had jurisdiction and regulation over two non-depository industrial loan and investment companies, six corporate fiduciaries and three inactive industrial loan and investment companies. The corporate fiduciaries and inactive industrial loan and investment companies are not included in the consolidated financial information as of December 31, 2014.

Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$44 billion at the end of 2014 which represented a 6.78% increase from the year-end 2013 total. Due mainly to the recovery from the recession, improvement is noted in the performance and condition of Indiana's financial institutions as reflected in most financial categories and ratios from year-end 2013 to year-end 2014. Reduced interest expense and loan provisions helped lift the earnings performance for financial institutions. In 2014, 2.42% of all Indiana financial institutions were unprofitable compared to 1.90% in 2013, 3.74% in 2012, 8.26% in 2011, and 10.0% in 2010. The aggregate provision to the allowance for loan and lease losses for all state-chartered banks decreased from \$303 million for 2009 to \$272 million for 2010 to \$173 million for 2011 to \$93 million in 2012 to \$43 million for 2013 and to \$34 million in 2014. National banks' loan provisions decreased from \$244 million for year-end 2010 to \$75 million for year-end 2011 to \$45 million for year-end 2012 to \$17 million for year-end 2013, and to \$14 million for year-end 2014.

Bank liquidity continues to improve as institutions have reduced their reliance on noncore funding and liquid assets increase. Total deposits for state chartered institutions increased \$1.9 billion or 5.74% for 2014 compared to \$794 million or 2.41% in 2013. As of December 31, 2014, the Loan to Deposit ratio for state banks was 86.18% and 77.24% for national banks.

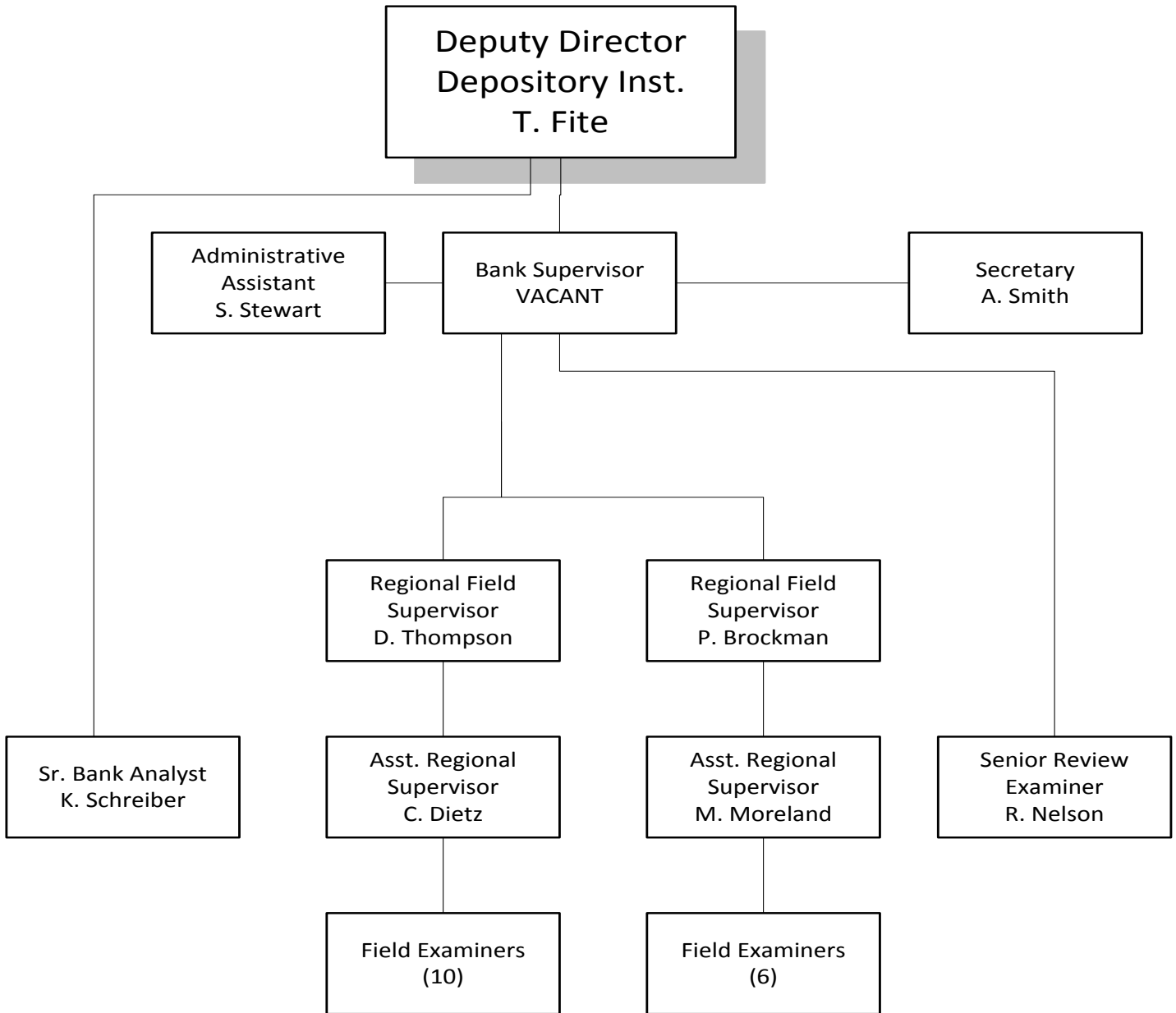
The aggregate return on assets ("ROA") for state-chartered financial institutions in 2014 was 1.03%, down slightly from 1.13% at year-end 2013. National banks' aggregate ROA was also down slightly from 0.99% to 0.97% during the same time-frame. Net loan charge-offs for state chartered financial institutions amounted to 0.24% of total loans and leases, the same percentage as a year earlier. Net loan charge-offs for national banks increased slightly from 0.23% as of December 31, 2013, to 0.29% as of December 31, 2014.

Aggregate equity capital in Indiana's state chartered financial institutions increased 9.74% at \$4.86 billion at year end 2014, up from \$4.43 billion in 2013. The total equity capital to total assets ratio was 11.04%, up slightly from 10.74% at year-end 2013. National banks' aggregate equity capital was \$3.11 billion at year-end 2014. The total equity capital to total assets ratio for national banks increased from 10.98% at year-end 2013 to 11.98% at year-end 2014.

Consolidated statements of income and balance sheets for Indiana financial institutions, as well as other statistics and activity, can be found on the following pages.

# BANK DIVISION

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## **COMPARATIVE STATEMENT STATE CHARTERED BANKS**

<b>ACCOUNT DESCRIPTIONS (\$ In Millions)</b>	12/31/2014	%	12/31/2013	%	12/31/2012	%	12/31/2011
		CHANGE		CHANGE		CHANGE	
Assets	44,017	6.78%	41,223	3.21%	39,939	7.66%	37,096
Deposits	35,653	5.74%	33,719	2.41%	32,925	8.09%	30,462
Total Equity Capital Adjusted	4858	9.74%	4,427	1.30%	4,370	7.93%	4,049
Tier 1 Capital	4516	7.24%	4,211	6.04%	3,971	8.03%	3,676
LVR	444	-2.63%	456	-5.39%	482	-2.63%	495
Total Capital	4,960	6.28%	4,667	4.81%	4,453	6.76%	4,171
Total Net Charge-Offs	74	-38.18%	68	-38.18%	110	-35.29%	170
Total Gross Loans & Leases	30,726	8.82%	28,293	6.61%	26,540	6.83%	24,844
Total Securities	8,912	1.48%	8,782	0.35%	8,751	10.23%	7,939
Federal Funds Sold	188	27.03%	148	-41.50%	253	-18.12%	309
Interest Bearing Balances	1,345	14.27%	1,177	-16.70%	1,413	14.23%	1,237
Trading Account Securities	16	23.08%	13	-31.58%	19	-5.00%	20
Total Earning Assets	40,743	7.34%	37,957	4.01%	36,494	7.80%	33,854
Total Interest Income	1,584	3.33%	1,533	-3.22%	1,584	-1.49%	1,608
Total Interest Expense	160	-13.04%	184	-26.69%	251	-20.82%	317
Net Interest Income	1,424	5.56%	1,349	1.20%	1,333	3.25%	1,291
Total Non-interest Income	434	-1.36%	440	-3.93%	458	17.74%	389
Total Non-interest Expenses	1,191	3.12%	1,155	2.03%	1,132	4.04%	1,088
Loan Provisions	34	-20.93%	43	-53.76%	93	-46.24%	173
Net Income	450	-0.88%	454	2.02%	445	32.44%	336

**THE FINANCIAL INFORMATION TO COMPILE THIS SCHEDULE AND THE FOLLOWING FINANCIAL SCHEDULES WAS OBTAINED THROUGH THE FEDERAL DEPOSIT INSURANCE CORPORATION'S STATISTICS ON DEPOSITORY INSTITUTIONS DATABASE.**



<b>ACCOUNT DESCRIPTIONS</b>	State	National	State	National
<b>(\$ IN MILLIONS)</b>	12/31/2014	12/31/2014	12/31/2013	12/31/2013
<b>Number of Banks</b>	93	13	91	14
<b>Consolidated Balance Sheet</b>				
Total Gross Loans & Leases	30,726	15,770	28,293	13,689
Total Allowance for Loans & Leases (ALLL)	444	177	456	184
Total Net Loans & Leases	30,282	15,593	27,837	13,505
Total Securities	8,912	6,972	8,782	6,588
Total Interest Bearing Balances	1,345	396	1,177	432
Total Fed Funds Sold/Repurchase Agreements	188	28	148	23
Total Trading Accounts	16	13	13	0
Total Earning Assets	40,743	22,989	37,957	20,548
Total Cash and Due From Bank	729	471	708	448
Total Premises and Fixed Assets	657	357	621	325
Total Other Real Estate Owned	84	44	122	59
Total Other Assets	1,804	2,086	1,815	1,855
Total Assets	44,017	25,947	41,223	23,235
Average Assets	43,597	25,673	40,263	22,283
Total Deposits	35,653	20,416	33,719	18,460
Total Fed Funds Purchased	710	1,126	799	1,152
Total Other Borrowed Funds	2,433	981	1,977	789
Total Subordinated Debt	1	1	1	5
Total All Other Liabilities	362	315	300	277
Total Liabilities	39,159	3,109	4,427	20,683
Total Equity Capital	4,858	3,109	4,427	2,552
Total Liabilities and Equity Capital	44,017	25,947	41,223	23,235

<b>ACCOUNT DESCRIPTIONS</b>	State	National	State	National
<b>(\$ IN MILLIONS)</b>	12/31/2014	12/31/2014	12/31/2013	12/31/2013
<b>Number of Banks</b>	93	13	91	14

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#### **Consolidated Income Statement**

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Total Interest Income	1,584	894	1,553	811
Total Interest Expense	160	63	184	72
Total Net Interest Income	1,424	831	1,349	739
Total Non Interest Income	434	276	440	248
Total Non Interest Expense	1,191	764	1,155	664
Total Loan Provisions	34	14	43	17
Total Pre Tax Operating Income	633	329	591	306
Total Securities Gains/Losses	11	15	13	4
Total Applicable Income Tax	194	96	150	89
Total Income Before Extraordinary Items	450	248	454	221
Total Net Extraordinary Items	0	0	0	0
Total Net Income	450	248	454	221
Total Net Charge-Offs	74	46	68	31
Total Cash Dividends Declared	247	157	224	197

#### **Ratio Analysis**

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Net Income to Average Assets	1.03%	0.97%	1.13%	0.99%
Net Income to Year End Total Equity	9.26%	7.98%	10.26%	8.66%
Net Interest Income to Average Assets	3.27%	3.24%	3.35%	3.32%
Total Loans to Total Deposits	86.18%	77.24%	83.91%	74.15%
Loan Loss Provisions to Total Loans	0.11%	0.09%	0.15%	0.12%
ALLL to Total Loans	1.45%	1.12%	1.61%	1.34%
Net Charge-Offs to Total Loans	0.24%	0.29%	0.24%	0.23%
Total Equity Capital to Total Assets	11.04%	11.98%	10.74%	10.98%
Total Equity Capital and ALLL to Total Assets and ALLL	11.93%	12.58%	11.72%	11.68%

**RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 2014 VS 2013**  
 (\$ IN MILLIONS)

	2014			2013		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	34	24,985	320	36	25,626	344
.75% TO .99%	27	10,930	94	24	9,037	75
.50% TO .74%	13	3,883	24	16	4,372	29
BELOW .50%	19	4,219	12	15	2,188	6
	93	44,017	450	91	41,223	454

**RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 2014 VS 2013**  
 (\$ IN MILLIONS)

	2014			2013		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	3	20,208	204	3	16,602	172
.75% TO .99%	3	4,232	36	2	3,347	31
.50% TO .74%	5	957	6	7	2,698	1
BELOW .50%	2	550	2	2	588	1
	13	25,947	248	14	23,235	221

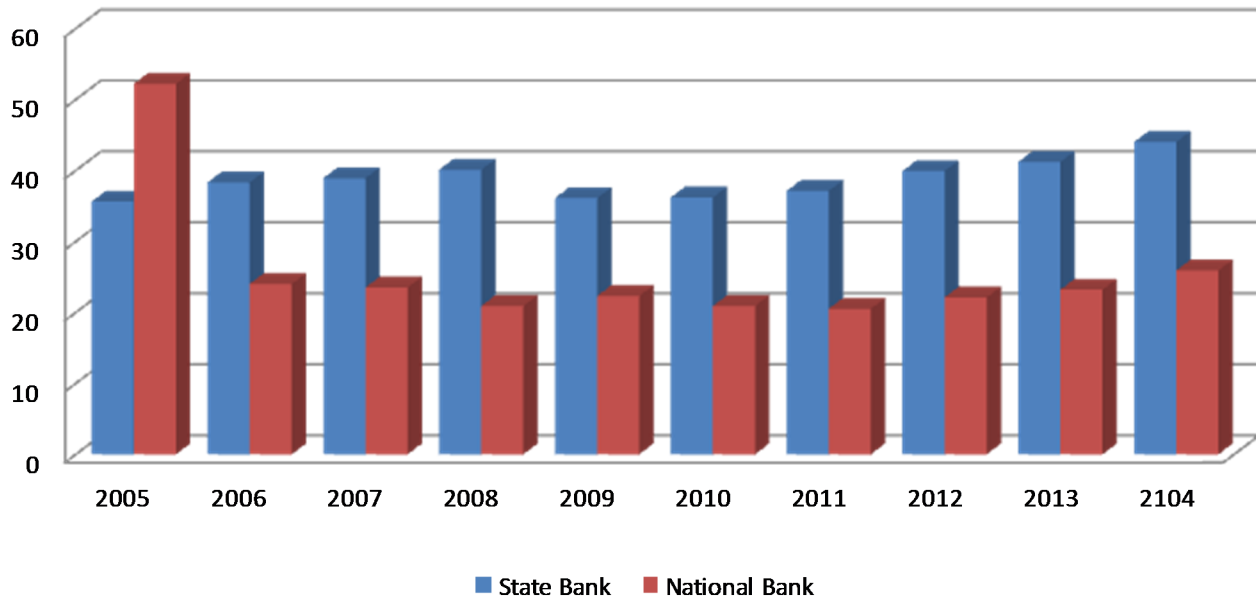
# HOLDING COMPANY OWNERSHIP ANALYSIS

(\$ IN MILLIONS)

DATA AS OF 12/31/2014	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOS- ITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	11	0	842	1.205	542	0.97%
IN HC w/One State Bank	78	78	42,071	60.13%	34,257	61.10%
National Banks w/o HC	1	0	318	0.45%	\$284	0.51%
IN HC w/One National Bank	10	10	22,232	31.78%	17,342	30.03%
TOTALS	100	88	65,643	93.57%	52,425	93.50%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	3	2	955	1.36%	725	1.29%
IN HC w/One or More National Banks	2	2	3,398	4.86%	2,790	4.98%
Sub Total	5	4				
Holding Company Duplications	0	-2				
TOTALS	5	2	4,353	6.22%	3,515	6.27%
OUT OF STATE MULTI-BK HOLD- ING CO.						
O-ST HC w/One or More State Banks	1	1	148	0.21%	129	0.23%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	1	1				
Holding Company Duplications	0	0				
TOTALS	1	1	148	0.21%	129	0.23%
GRAND TOTALS	106	91	69,964	100.00%	56,069	100.00%

DATA AS OF 12/31/2014	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOS- ITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	10	0	719	1.12%	590	1.13%
IN HC w/One State Bank	75	75	38,916	60.37	31,831	61.00%
National Banks w/o HC	1	0	\$315	0.49%	\$284	0.54%
IN HC w/One National Bank	11	11	19,463	30.19%	15,335	29.39%
TOTALS	97	86	59,413	92.17%	48,040	92.07%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	4	3	1,343	2.08%	1,079	2.07%
IN HC w/One or More National Banks	2	2	3,457	5.36%	2,841	5.44%
Sub Total	6	5				
Holding Company Duplications	0	-2				
TOTALS	6	3	4,800	7.45%	3,920	7.51%
OUT OF STATE MULTI-BK HOLD- ING CO.						
O-ST HC w/One or More State Banks	2	2	245	0.38%	219	0.42%
O-St HC w/One or More National Banks	0	0	0	0.00%	0	0.00%
Sub Total	2	2	245	0.38%	219	0.42%
Holding Company Duplications	0	0				
TOTALS	2	2	245	0.38%	219	0.42%
GRAND TOTALS	105	91	64,458	100.00%	52,179	100.00%

## Total Assets - State & National Banks (\$IN BILLIONS)



Year	State Banks Total Assets (\$ In Billions)	%	National Banks Total Assets (\$ In Billions)	%
2005	35.6	40.5%	52.2	59.5%
2006	38.3	61.5%	24.0	38.5%
2007	38.9	62.3%	23.5	37.7%
2008	40.1	65.7%	20.9	34.3%
2009	36.1	61.8%	22.3	38.2%
2010	36.2	63.4%	20.9	36.6%
2011	37.1	64.4%	20.5	35.6%
2012	39.9	64.4%	22.1	36.6%
2013	41.2	64.0%	23.2	36.0%
2014	44.0	62.9%	25.9	25.9%

**SUMMARY OF STATE BANK BRANCH OPENINGS IN 2014**

NAME	CITY	ADDRESS	CITY	STATE	OPENED
Lake City Bank	Warsaw	13104 Fishers Market-place Drive	Fishers	IN	1/13/2014
First Farmers Bank & Trust Co.	Converse	101 W. Sycamore 1st Floor	Kokomo	IN	2/10/2014
MainSource Bank	Greensburg	100 E. Business Way, Suite 150	Cincinnati	OH	3/31/2014
State Bank of Lizton	Lizton	2436 N. Lebanon St.	Lebanon	IN	4/21/2014
River Valley Financial Bank	Madison	1475 Veterans Parkway, Suite 105	Jeffersonville	IN	5/5/2014
Merchants Bank of Indiana	Lynn	11590 N. Meridian St.	Carmel	IN	6/2/2014
Centier Bank	Whiting	2636 US 52 (Sagamore Pkwy)	West Lafayette	IN	6/12/2014
1st Source Bank	South Bend	021 Lafortune Student Center	Notre Dame	IN	6/23/2014
MainSource Bank	Greensburg	1905 Blankenbaker Parkway	Louisville	KY	8/4/2014
Ameriana Bank	New Castle	107 West Logan Street	Noblesville	IN	9/3/2014
Centier Bank	Whiting	1020A Sagamore Park Centre	West Lafayette	IN	9/25/2014
Centier Bank	Whiting	303 County Road 17	Elkhart	IN	10/6/2014
MainSource Bank	Greensburg	8740 South Emerson Avenue	Indianapolis	IN	11/3/2014
Ameriana Bank	New Castle	11991 Fishers Crossing Drive	Fishers	IN	11/5/2014
1st Source Bank	South Bend	7821 Carnegie Blvd	Fort Wayne	IN	11/10/2015
Owen County Bank	Spencer	2421 South Walnut	Bloomington	IN	11/10/2014
First Farmers Bank & Trust Co.	Converse	103 West National Ave	Brazil	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	801 Main Street	Clay City	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	11612 North US 41	Farmersburg	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	32 South Court Street	Sullivan	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	3497 South US 41	Terre Haute	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	340 Mall Road	Logansport	IN	11/17/2014

**SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2014**

NAME	CITY	ADDRESS	CITY	STATE	CLOSED
MutualBank	Muncie	3240 S. Western Ave	Marion	IN	1/1/2014
Springs Valley Bank & Trust Co.	French Lick	8356 W. West Baden Ave	West Baden Springs	IN	2/14/2014
The Laporte Savings Bank	Laporte	101 Michigan Street	Rolling Prairie	IN	3/7/2014
Springs Valley Bank & Trust Co.	French Lick	505 South Maple Street	French Lick	IN	3/15/2014
First Farmers Bank & Trust Co.	Converse	100 East Short Street	Hamlet	IN	4/18/2014
First Bank of Berne	Berne	101 West Broadway	Bunker Hill	IN	5/2/2014
MainSource Bank	Greensburg	598 SE First St.	Linton	IN	5/2/2014
MainSource Bank	Greensburg	194 Versailles Road	Frankfort	IN	5/2/2014
MainSource Bank	Greensburg	926 N Broadway Street	Griffith	IN	5/2/2014
Bloomfield State Bank	Bloomfield	9339 Priority Way W. Dr. Ste. 110	Indianapolis	IN	5/30/2014
Owen County State Bank	Spencer	524 E. Morgan Street	Spencer	IN	7/3/2014
Citizens Bank	Mooresville	1604 S. Ohio Street	Martinsville	IN	8/16/2014
IAB Financial Bank	Fort Wayne	210 North First Street	Van Buren	IN	10/10/2014
IAB Financial Bank	Fort Wayne	8985 North US 24 East	Roanoke	IN	10/10/2014
Lake City Bank	Warsaw	1121 North Jefferson Street	Cromwell	IN	10/15/2014
MainSource Bank	Greensburg	989 N. US Highway 31, Ste.	Whiteland	IN	11/7/2014
First Farmers Bank & Trust Co.	Converse	340 Mall Road	Logansport	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	1710 West Kem Road	Marion	IN	11/17/2014
First Farmers Bank & Trust Co.	Converse	3497 South US Highway 41	Terre Haute	IN	11/17/2014
MutualBank	Muncie	206 South Main Street	Edinburgh	IN	11/29/2014

**NEW STATE BANK SUBSIDIARIES IN 2014**

SUBSIDIARY NAME	BANK NAME	CITY	PURPOSE	ESTABLISHED
Brownsburg East 56th Street, LLC.	State Bank of Lizton	Lizton	Special Assets	2/20/2014
New American Real Estate, LLC.	MainSource Bank	Greensburg	Special Assets	4/28/2014
Farmers Interim Truct Co.	First Farmers Bank & Trust Co.	Converse	Interim Trust Co to Facilitate Merger Transaction	4/30/2014
Natty Mac, LLC.	Merchants Bank of Indiana	Lynn	Mtg. Warehouse Funding	4/30/2014
Summit Mortgage, Inc.	MutualBank	Muncie	Mortgage Banking	8/1/2014
Summit Service Corporation	MutualBank	Muncie	Owns Summit Mort-	8/1/2014
THSB Investment Company	Terre Haute Savings Bank	Terre Haute	Investment Portolio Management	9/2/2014
Friendship Portfolio Management, Inc.	The Friendship State Bank	Friendship	Investment Portfolio Management	10/1/2014
Friendship Real Estate Holding, Inc.	The Friendship State Bank	Friendship	Real Estate Invest-ment Trust	10/1/2014



### Conversions 2014

<u>Original Name</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
Bedford Federal Savings Bank	Bedford Federal Savings Bank	Bedford	4/15/2014
<u>Old Charter</u>	<u>New Charter</u>		
Federal Mutual Savings Bank	State Mutual Savings Bank		
<u>Original Name</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
Logansport Savings Bank, FSB	Logansport Savings Bank, FSB	Logansport	6/30/2014
<u>Old Charter</u>	<u>New Charter</u>		
Federal Stock Savings Bank	State Commercial Bank		
<u>Original Name</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
First Savings Bank, F.S.B	First Savings Bank	Clarksville	12/19/2014
<u>Old Charter</u>	<u>New Charter</u>		
Federal Stock Savings Bank	State Commercial Bank		
<u>Original Name</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
Lynnville National Bank	LNB Community Bank	Lynnville	12/31/2014
<u>Old Charter</u>	<u>New Charter</u>		
Federal Stock Savings Bank	State Commercial Bank		
<u>Original Name</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
American Savings Bank, FSB	American Community Bank of Indiana	Munster	12/31/2014
<u>Old Charter</u>	<u>New Charter</u>		
Federal Stock Savings Bank	State Commercial Bank		
<u>Original Name</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
Lake Federal Bank, FSB	Lake Federal Bank, FSB	Hammond	12/31/2014
<u>Old Charter</u>	<u>New Charter</u>		
Federal Stock Savings Bank	State Commercial Bank		

### Branch Office Relocations 2014

<u>Name</u>	<u>From/to Address</u>	<u>From/To City</u>	<u>Date Moved</u>
Centier Bank	11611 N. Meridian Street, Ste 175 568 East Carmel Drive	Carmel Carmel	6/9/2014
Centier Bank	4215 Edison Lakes Parkway 255 Eas Day Road	Mishawaka Mishawaka	9/29/2014
Lake City Bank	102 N. Main Street 119 S. Third Street	Goshen Goshen	11/3/2014

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**MAIN OFFICE RELOCATIONS IN 2014**

<b>NAME</b>	<b>FROM/TOADDRESS</b>	<b>FROM/TO CITY</b>	<b>DATE</b>
Springs Valley Bank & Trust Co.	505 South Maple Street 8482 State Road 56	French Lick French Lick	3/4/2013
Lafayette Community Bank	7375 South Highway 27 11555 North Meridian St., Suite 400	Lynn Carmel	8/4/2014

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**MERGERS IN 2014**

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<b>SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED</b>	<b>City</b>	<b>SURVIVING INSTITUTION NAME</b>	<b>City</b>	<b>Consummated</b>
Talmer West Bank Indiana Community Bank Bank of Las Vegas Sunrise Bank of Albuquerque	Ann Arbor, MI Goshen Henderson, NV Albuquerque, NM	Talmer West Bank	Ann Arbor, MI	1/1/2014
Peoples Bank SB First Federal S&L Assoc. of Hammond	Munster Hammond	Peoples Bank SB	Munster	3/31/2014
American Nat. Tr & Investment Co. Tower Trust Company	Muncie Fort Wayne	American Nat. Tr & Investment Co.	Muncie	4/25/2014
Old National Bank Tower Bank & Trust Company	Evansville Fort Wayne	Old National Bank	Evansville	4/25/2014
MutualBank Farmers Interim Trust Co.	Muncie Converse	MutualBank	Muncie	4/30/2014
MainSource Bank The Merchants Bank and Trust Co.	Greensburg West Harrison	MainSource Bank	Greensburg	10/17/2014
First Merchants Bank, N A Community Bank	Muncie Noblesville	First Merchants Bank, N A	Muncie	11/7/2014

**HOLDING COMPANY ACQUISITIONS IN 2014**

<b>HOLDING COMPANY NAME</b>	<b>CITY</b>	<b>TARGET NAME</b>	<b>CITY</b>	<b>CONSUMMATED</b>
Old National Bancorp	Evansville	Tower Financial Corporation	Fort Wayne	4/25/2014
MainSource Financial Group	Greensburg	MBT Bancorp	West Harrison	10/17/2014
First Merchants Corporation	Muncie	Community Bancshares	Nobleseville	11/7/2014

**FORMATIONS IN 2014**

<b>Incorporator(s)</b>	<b>Proposed Name</b>	<b>Proposed City</b>	<b>Consummated</b>
Keith D. Hill	Farmers Interim Trust Co.	Converse	4/30/2014

**ADDITIONS AND DELETIONS IN 2014**

<b>Name</b>	<b>City</b>	<b>Activity</b>	<b>Effective Date</b>
Indiana Community Bank	Goshen	Merged with Talmer West Bank, Ann Arbor, Michigan	1/1/2014
Bedford Federal Savings Bank	Bedford	Conversion Federal Mutual Savings Bk to State Mutual Savings Bk	4/15/2014
Tower Bank & Trust Company	Fort Wayne	Merged with Old National Bank, Evansville	4/25/2014
Tower Trust Company	Fort Wayne	Merged with American National Trust & Investment Co., Muncie	4/25/2014
Logansport Savings Bank, FSB	Logansport	Conversion from Federal Stock Savings Bk to State Commercial Bk	6/30/2014
The Merchants Bk & Trust Co.	W. Harrison	Merged with MainSource Bank, Greensburg	10/17/2014
Community Bank	Noblesville	Merged with First Merchants Bank, National Association, Muncie	11/7/2014
First Savings Bank, F.S.B.	Clarksville	Conversion from Federal Stock Savings Bk to State Commercial Bk	12/19/2014
American Savings, FSB	Munster	Conversion from Federal Stock Savings Bk to State Commercial Bk	12/31/2014
Lake Federal Bank, FSB	Hammond	Conversion Federal Mutual Savings Bk to State Mutual Savings Bk	12/31/2014
The Lynnville National Bank	Lynnville	Conversion from a National Bank to a State Commercial Bank	12/31/2014

**ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/14**

<b>DFIID</b>	<b>NAME</b>	<b>CITY</b>	<b>TOTAL ASSETS</b>
263	Community State Bank	Avilla	\$202,347
161	Bath State Bank	Bath	\$145,881
53	Bedford Federal Savings Bank	Bedford	\$122,467
182	First Bank of Berne	Berne	\$549,138
280	Bloomfield State Bank	Bloomfield	\$380,274
139	Boonville Federal Savings Bank	Boonville	\$169,291
229	Peoples Trust & Savings Bank	Boonville	\$45,849
37	The Farmers & Merchants Bank	Boswell	\$119,719
226	The First State Bank	Bourbon	\$89,012
171	Community State Bank	Brook	\$61,533
284	The Farmers State Bank	Brookston	\$69,409
227	Hendricks County Bank & Trust Company	Brownsburg	\$156,553
149	The Peoples Bank	Brownstown	\$188,363
244	State Bank of Burnettsville	Burnettsville	\$47,812
39	Wayne Bank and Trust Company	Cambridge City	\$128,621
842	First Savings Bank	Clarksville	\$717,420
209	First Farmers Bank and Trust Company	Converse	\$1,334,488
144	The Fountain Trust Company	Covington	\$274,014
273	Hoosier Heartland State Bank	Crawfordsville	\$150,549
281	DeMotte State Bank	DeMotte	\$364,254
223	The Elberfield State Bank	Elberfeld	\$68,239
10990	The Peoples State Bank	Ellettsville	\$209,451
245	Evansville Commerce Bank	Evansville	\$102,766
57	First Federal Savings Bank	Evansville	\$391,534
8	Citizens Exchange Bank	Fairmount	\$63,289
30	The Fairmount State Bank	Fairmount	\$41,740
285	IAB Financial Bank	Fort Wayne	\$958,584
310	STAR Financial Bank	Fort Wayne	\$1,749,201
28	Fowler State Bank	Fowler	\$141,972
9	Alliance Bank	Francesville	\$318,479
205	The Farmers Bank	Frankfort	\$463,608
14	Mutual Savings Bank	Franklin	\$123,327
132	Springs Valley Bank & Trust Company	French Lick	\$275,308
233	The Friendship State Bank	Friendship	\$326,647
172	The Garrett State Bank	Garrett	\$207,591
146	Bank of Geneva	Geneva	\$214,093
277	Greenfield Banking Company	Greenfield	\$454,325
20216	ABF, Inc.	Greensburg	\$65,604
143	MainSource Bank	Greensburg	\$3,124,382
155	Lake Federal Bank, FSB	Hammond	\$65,856
8800	Freedom Bank	Huntingburg	\$350,325
73	First Federal Savings Bank	Huntington	\$276,087
38	The Bippus State Bank	Huntington	\$122,314
7650	First Internet Bank of Indiana	Indianapolis	\$968,312

DFIID	NAME	CITY	TOTAL ASSETS
10640	Indiana Business Bank	Indianapolis	\$71,726
179	Salin Bank and Trust Company	Indianapolis	\$792,300
291	German American Bancorp	Jasper	\$2,227,013
289	The Campbell & Fetter Bank	Kendallville	\$336,316
240	Kentland Bank	Kentland	\$300,462
10203	Community First Bank of Howard County	Kokomo	\$202,820
184	The LaPorte Savings Bank	LaPorte	\$512,046
9033	Lafayette Community Bank	Lafayette	\$155,845
253	Farmers State Bank	Lagrange	\$569,019
238	Farmers & Merchants Bank	Laotto	\$127,394
31	State Bank of Lizton	Lizton	\$375,827
83	Logansport Savings Bank, FSB	Logansport	\$159,798
166	Merchants Bank of Indiana	Lynn	\$1,788,988
121	LNB Community Bank	Lynnville	\$106,636
258	River Valley Financial Bank	Madison	\$509,331
252	State Bank of Medora	Medora	\$70,063
183	Farmers State Bank	Mentone	\$136,383
175	First State Bank of Middlebury	Middlebury	\$425,466
137	Peoples Savings & Loan Association, Monticello	Monticello	\$34,367
187	Citizens Bank	Mooreville	\$395,681
17	MutualBank	Muncie	\$1,423,381
80	American Community Bank of Indiana	Munster	\$184,764
649	Peoples Bank SB	Munster	\$774,844
194	The Napoleon State Bank	Napoleon	\$192,010
50	Your Community Bank	New Albany	\$744,388
56	Ameriana Bank	New Castle	\$469,069
224	Citizens State Bank	New Castle	\$452,109
235	The New Washington State Bank	New Washington	\$254,001
170	The North Salem State Bank	North Salem	\$214,424
33	Ossian State Bank	Ossian	\$97,053
207	First State Bank of Porter	Porter	\$148,033
168	Community State Bank of Southwestern Indiana	Poseyville	\$69,663
314	West End Bank, SB	Richmond	\$259,400
16	Tri-County Bank & Trust Company	Roachdale	\$185,155
35	Community State Bank	Royal Center	\$110,052
7990	Midwest Ag Finance, Incorporated	Rushville	\$110,439
153	Spencer County Bank	Santa Claus	\$107,596
199	The Scott County State Bank	Scottsburg	\$135,879
225	Jackson County Bank	Seymour	\$454,643
176	1st Source Bank	South Bend	\$4,815,555
311	Our Community Bank	Spencer	\$64,804
228	Owen County State Bank	Spencer	\$181,003
278	Grant County State Bank	Swayzee	\$122,045
293	Terre Haute Savings Bank	Terre Haute	\$307,420
317	The Morris Plan Company of Terre Haute	Terre Haute	\$74,827
270	CentreBank	Veedersburg	\$65,377
222	Lake City Bank	Warsaw	\$3,427,475
215	Centier Bank	Whiting	\$2,727,490
282	Bank of Wolcott	Wolcott	\$145,328

## **ACTIVE CORPORATE FIDUCIARIES 2014**

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<b>NAME</b>	<b>CITY</b>	<b>(IN THOUSANDS) TRUST ASSETS UNDER ADMINISTRATION</b>
Trust Company of Oxford	Carmel	\$791,016
Lake County Trust Company	Crown Point	\$1
Hoosier Trust Company	Indianapolis	\$257,427
German American Financial Advisors & Trust Company	Jasper	\$401,734
Harbour Trust and Investment Management Company	Michigan City	\$582,228
Indiana Trust and Investment Management Company	Mishawaka	\$1,451,829

# DIVISION OF CREDIT UNIONS

The Credit Union Division regulates and supervises state chartered credit unions under the authority of the Indiana Credit Union Act. The division's primary goal is ensuring the state chartered credit unions operate safely and soundly, and in compliance with state statutes.

## PERSONNEL AND TRAINING

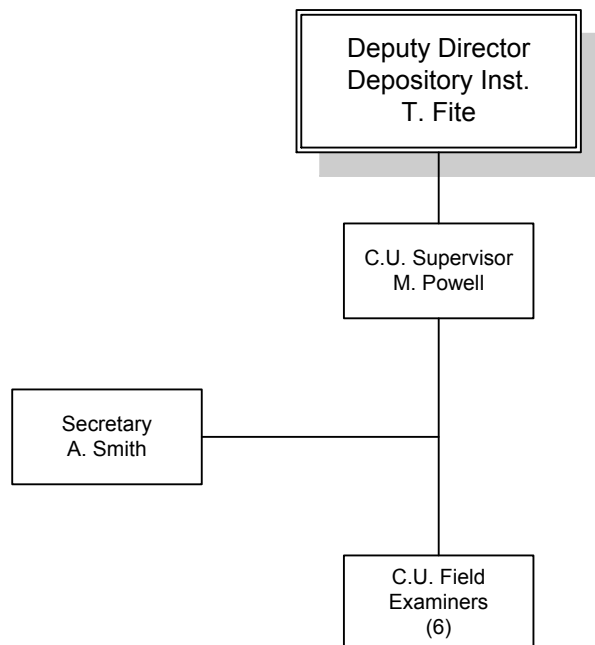
Credit Union Supervisor Mark Powell directs a division comprised of a highly trained, professional staff comprised of six field examiners.

The Credit Union Division continues to provide extensive training and professional development to its examiners. In 2014 division management and staff attended training sessions sponsored by both the National Credit Union Administration (NCUA) and the National Association of State Credit Union Supervisors (NASCUS). These sessions provided up-to-date training on bank secrecy act/anti-money laundering issues, current and emerging issues, investment/asset liability management issues, consumer, commercial and real estate lending, fraud detection, and effective problem resolution. These sessions also afforded an exchange of ideas and experiences with examiners from outside Indiana.

## EXAMINATION AND SUPERVISION

With certain exceptions the division's goal is to perform an examination of each of our state chartered credit unions within a fifteen/eighteen month cycle. This goal was met during 2014. Examiners also performed several interim contacts at credit unions exhibiting problem areas. In addition to on-sight contacts, supervision occurred via monthly reporting to assigned examiners.

The division's approach to examination is "risk based." Each Examiner-in-Charge determines the scope at the onset of the examination, based on the perceived risk inherent in the credit union's operation. Factors involved in the scope determination include, but are not limited to: prior examination findings and ratings; perceived quality and stability of



# ***DIVISION OF CREDIT UNIONS***

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management; the complexity of the credit union's product offerings; results of the annual audit; and information provided by management on the pre-examination survey.

The division continues to use the CAMEL rating system, which assigns ratings for Capital, Asset Quality, Management, Earnings and Liquidity. These areas receive a rating of 1 (best) to 5 (worst). A composite rating derives from the component ratings, and examiners' overall assessment of risk.

Credit unions which receive a CAMEL composite of "3" or below must submit monthly reports to their assigned examiners. Examiners compile and analyze the information. Division management reviews and coordinates supervision efforts.

Communicating with management is an integral part of the examination process. An exit conference occurs at the conclusion of each examination. During this conference the examination findings are discussed with the management team and board of directors of the credit union. We believe this contact aids communication of the problem areas, and hastens resolutions.

The division continued to work cooperatively with the National Credit Union Administration (NCUA) and American Share Insurance (ASI). The NCUA and ASI are responsible for the deposit insurance programs that insure all of the savings (shares) held by Indiana state chartered credit unions. The NCUA and ASI perform insurance-risk reviews in coordination with the examinations performed by division staff. Credit union division management personnel meet with their NCUA and ASI counterparts regularly to discuss problem credit unions' progress, and schedule joint contacts.

## **INDUSTRY ASSOCIATIONS**

The division continued to work cooperatively with trade associations and professional organizations devoted to the benefit of the credit union industry. As part of our commitment, senior division and department staff attended several meetings with the Indiana Credit Union League to discuss potential legislation that would be proposed before the state legislature.

The division remains closely involved with the National Association of State Credit Union Supervisors (NASCUS). NASCUS promotes the dual chartering system, and the autonomy of state regulatory agencies. Credit Union Supervisor Mark Powell is a member of the Performance Standards Committee and has served as this committee's chairman in the past. During 2014 the division maintained its accredited status. The maintenance of accredited status involves extensive self-evaluation, prepared by examination and supervisory staff, and off-site review of the division's operation by NASCUS representatives. The division received unqualified approval of its operation during this review process. Indiana's Credit Union Division was the second state regulatory authority to receive NASCUS accreditation, in 1990, and we remain committed to the high ideals for which it stands.

## **FINANCIAL TRENDS**

As of December 31, 2014 there were 42 active state chartered credit unions. The combined total assets of these 42 credit unions as of December 31, 2014 were \$11,555M ;an increase of \$1,036M over December 31, 2013. This translates to an 9.8% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$8,996M as of December 31, 2013 to \$9,590M as of December 31, 2014. This represents a growth in deposits of 6.6%. Member loans made by Indiana credit unions increased from \$6,691M as of December 31, 2013 to \$7,860M as of December 31, 2014. This represents an increase of 17.5% in loans to members.

## **THE FOLLOWING CREDIT UNIONS MERGED INTO ANOTHER CREDIT UNION SINCE THE LAST ANNUAL REPORT:**

Kokomo Post Office Credit Union, Kokomo  
Clay County Farm Bureau Co-Op Credit Union, Brazil  
Pinnacle Credit Union, Fort Wayne

## **THE FOLLOWING CREDIT UNION CONVERTED FROM A FEDERAL CHARTER TO AN INDIANA STATE CHARTERED CREDIT UNION SINCE THE LAST ANNUAL REPORT:**

Financial Center First Credit Union, Indianapolis



**CREDIT UNION ANNUAL REPORT 12/31/14**  
**BALANCE SHEET**

	<b>STATE CHARTERED CREDIT UNIONS</b>			<b>INDIANA FEDERALLY CHARTERED CREDIT UNIONS</b>
<u>ASSETS</u>	<u>12/31/12</u>	<u>12/31/13</u>	<u>12/31/14</u>	<u>12/31/14</u>
Loans	6,274	6,691	7,860	7,083
Less: Allowance for Loan Loss	(59)	(57)	(61)	(72)
Cash on Hand, Cash on Deposit, & Cash Equivalents	1,313	890	905	628
Federal Agencies & U. S. Government Obligations	1,592	1,612	1,610	1,013
Banks, Savings & Loan & Mutual Sav. Banks	422	382	355	1,034
Other Investments	218	547	402	429
Other Assets	458	454	484	576
<b>TOTAL ASSETS</b>	<b><u>\$ 10,218</u></b>	<b><u>\$ 10,519</u></b>	<b><u>\$ 11,555</u></b>	<b><u>\$ 10,691</u></b>
<u>LIABILITIES</u>				
Shares	8,706	8,996	9,590	9,225
Total Borrowings	319	298	593	222
Dividends Payable	1	1	1	1
Accounts Payable & Other Liabilities	<u>89</u>	<u>85</u>	<u>95</u>	<u>94</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 9,115</u></b>	<b><u>\$ 9,380</u></b>	<b><u>\$ 10,279</u></b>	<b><u>\$ 9,542</u></b>
<u>EQUITY</u>				
Regular Reserve	526	551	589	191
Other Reserve	16	20	26	39
Accumulated Unrealized Gain/Loss	12	(11)	3	3
Undivided Earnings	549	579	658	916
<b>TOTAL EQUITY</b>	<b><u>1,103</u></b>	<b><u>1,139</u></b>	<b><u>1,276</u></b>	<b><u>1,149</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$ 10,218</u></b>	<b><u>\$ 10,519</u></b>	<b><u>\$ 11,555</u></b>	<b><u>\$ 10,691</u></b>
Number of State Chartered Credit Unions:	44	44	42	
Number of Federally Chartered Credit Unions:	137	131	127	

**INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/14**  
**INCOME STATEMENT**  
**Schedule B (\$ In Millions)**

<u>INCOME</u>	State Chartered Credit Unions			Indiana Federally Chartered Credit Unions
	<u>12/31/12</u>	<u>12/31/13</u>	<u>12/31/14</u>	<u>12/31/14</u>
Interest on Loans	301	285	304	334
Less Interest Refunds	(1)	(1)	(1)	
Income on Investments	33	34	36	37
Other Income	<u>147</u>	<u>148</u>	<u>160</u>	<u>174</u>
<b>TOTAL INCOME</b>	<b>480</b>	<b>466</b>	<b>499</b>	<b>545</b>
 <u>EXPENSES</u>				
Employee Compensation & Benefits	166	169	183	190
Travel & Conference	3	3	4	4
Office Occupancy	24	26	27	28
Office Operations	55	57	62	78
Educational & Promotional	13	13	13	13
Loan Servicing	16	17	19	36
Professional & Outside	27	28	31	34
Provision for Loan Losses	10	12	16	25
Members Insurance	2	1		
Operating Fees	1	1	1	2
Interest on Borrowed Money	14	11	11	3
Corporate Stabilization & Insurance Premium Expense	6	5		
Other Expenses	<u>12</u>	<u>12</u>	<u>14</u>	<u>14</u>
<b>TOTAL EXPENSES</b>	<b>349</b>	<b>355</b>	<b>381</b>	<b>427</b>
<b>NET INCOME BEFORE TRANS- FERS &amp; DIVIDENDS</b>	<b><u>131</u></b>	<b><u>111</u></b>	<b><u>118</u></b>	<b><u>118</u></b>
<b>DIVIDENDS TO MEMBERS</b>	<b>64</b>	<b>56</b>	<b>52</b>	<b>43</b>
<b>NET INCOME</b>	<b><u>67</u></b>	<b><u>55</u></b>	<b><u>66</u></b>	<b><u>75</u></b>
 <b>DISTRIBUTION OF NET INCOME</b>				
Transferred to Regular Reserves	24	24	33	

**TOTAL CREDIT UNION ASSETS AS OF DECEMBER 31, 2014**

<b>Location</b>	<b>Name of Association</b>	<b>Total Net Assets</b>
Bedford	Hoosier Hills Credit Union	412,638,926
Bloomington	Indiana University Credit Union	780,556,855
Bluffton	Bluffton Motor Works/Franklin Electric Employees Credit Union	1,629,742
Columbus	Centra Credit Union	1,229,884,585
Crown Point	Tech Credit Union	321,678,889
East Chicago	East Chicago Firemen's Credit Union	988,745
Fishers	Forum Credit Union	1,018,060,833
Fort Wayne	General Credit Union	78,290,501
Fort Wayne	Public Service Employees Credit Union	51,772,534
Goshen	Interra Credit Union	720,036,886
Hagerstown	Perfect Circle Credit Union	50,865,990
Hammond	Hammond Firefighters Association Credit Union	1,554,095
Indianapolis	Energy Plus Credit Union	29,254,066
Indianapolis	Family Horizons Credit Union	86,739,323
Indianapolis	Financial Center First Credit Union	502,638,511
Indianapolis	Firefighters Credit Union	57,019,439
Indianapolis	Harvester Credit Union	51,690,149
Indianapolis	Hoosier United Credit Union	18,706,287
Indianapolis	Indiana Members Credit Union	1,437,044,034
Indianapolis	Indianapolis Post Office Credit Union	55,877,044
Indianapolis	KEMBA (Indianapolis) Credit Union	63,944,009
Indianapolis	NorthPark Community Credit Union	59,392,079
Indianapolis	Professional Police Officers Credit Union	40,717,172
Indianapolis	State Service Credit Union	4,711,134
La Porte	Municipal Employees Credit Union	1,022,118
Lawrenceburg	Community Spirit Credit Union	13,279,912
Loogootee	Martin County Cooperative Credit Union	11,629,059
Marion	Via Credit Union	308,946,839
Merrillville	Members Source Credit Union	72,092,186
Michigan City	First Trust Credit Union	95,761,656
Michigan City	Members Advantage Credit Union	87,965,346
Mishawaka	Taper Lock Credit Union	33,688,312
Monroe	Adams County Credit Union	17,626,183

**TOTAL CREDIT UNION ASSETS AS OF DECEMBER 31, 2014**

<b>Location</b>	<b>Name of Association</b>	<b>Total Net Assets</b>
Muncie	Muncie Post Office Credit Union	832,017
Richmond	NATCO Credit Union	68,743,443
Richmond	Richmond State Hospital Employees Credit Union	1,269,041
Seymour	Jackson County Co-Op Credit Union	21,125,476
South Bend	South Bend Post Office Credit Union	9,648,006
South Bend	Teachers Credit Union	2,650,461,445
Sullivan	Western Indiana Credit Union	22,708,865
Wabash	Beacon Credit Union	1,050,676,256
Warsaw	United Credit Union	11,613,453
	Net Assets - Includes Allowance for Loan Losses	<u>21,603,030,964</u>

42 CU's

# DIVISION OF CONSUMER CREDIT

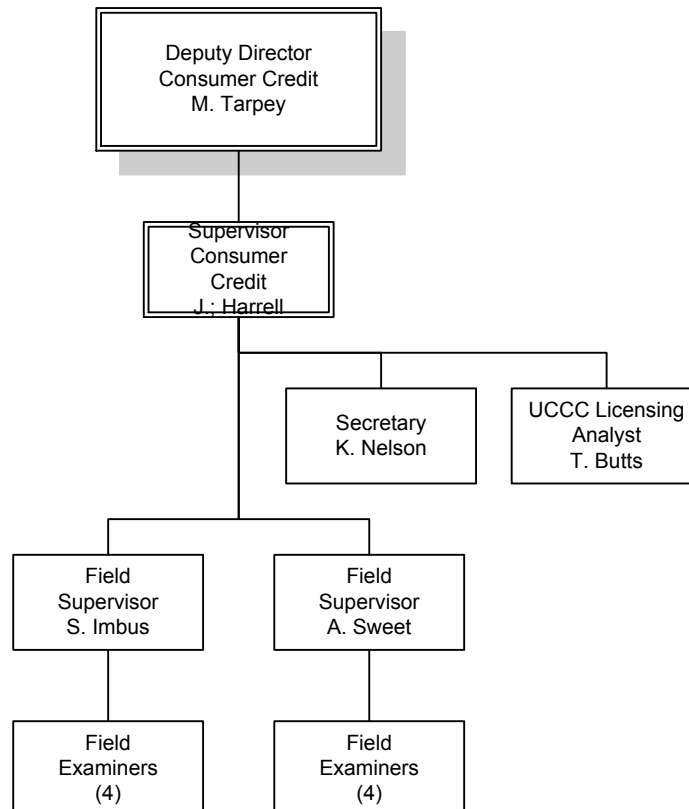
Statutes and Rule administered by the Consumer Credit Division:

- IC 24-4.4 - First Lien Mortgage Lending
- IC 24-4.5 - Indiana Uniform Consumer Credit Code
- IC 24-4.5-7 - Small Loans (Payday Loans)
- IC 24-7 - Rental Purchase Agreements
- IC 28-1-29 - Debt Management Companies
- IC 28 7-5 - Pawnbrokers
- IC 28-8-4 - Money Transmitters
- IC 28-8-5 - Check Cashers
- 750 IAC 9 - SAFE Rule

## IC 24-4.4: First Lien Mortgage Lending

Under this statute, first lien mortgage lenders became subject to licensing requirements and periodic compliance examinations as of January 1, 2009. The statute applies to creditors funding their own transactions and does not apply to brokers licensed under the loan broker act. The purpose of the act is to: 1) permit and encourage the development of fair and economically sound first lien mortgage lending practices, and 2) make the regulation of first lien mortgage lending practices conform to applicable state and federal laws, rules, and regulations.

In recognition of the need for a nationwide monitoring system for the mortgage industry, the statute provides for the use of an automated central licensing system and repository, operated by a third party, to serve as the sole entity responsible for processing license applications and renewals, and performing other services necessary for the orderly administration of the Department's licensing system under the statute. Mortgage lenders make application for the license via the Nationwide Mortgage Licensing System (NMLS), with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.



# CONSUMER CREDIT

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**Exempt Company Registration:** Certain entities are exempt from licensure under the act, but employ mortgage loan originators, and a licensed mortgage loan originator must be employed by a licensed entity or an entity exempt from licensure. The exempt company registration was created to ensure certain mortgage loan originators were correctly employed and licensed.

## **IC 24-4.5: Indiana Uniform Consumer Credit Code**

When an Indiana consumer borrows money from a bank or finance company, makes a purchase on installment credit, or leases a vehicle for personal use, the consumer is entering into a transaction that is regulated by the Indiana Uniform Consumer Credit Code (the Code). This means that the consumer must receive certain required disclosures, and there are limitations on the finance charge and other types of charges that may be imposed on the transaction. The Code has been in force since it was enacted in the 1971 session of the Indiana General Assembly. Ten other states have similar uniform consumer credit laws.

A stated purpose of the statute is to simplify, clarify, and modernize consumer credit laws. Additional purposes include:

- provide rate ceilings sufficient to assure an adequate supply of credit to consumers;
- further consumer understanding of the terms of credit transactions;
- foster competition among the various suppliers of consumer credit so that consumers may obtain credit at a reasonable cost;
- protect consumers from unfair practices arising from consumer credit transactions having due regard for the interests of legitimate and scrupulous creditors;
- permit and encourage the development of fair and economically sound consumer credit practices; and
- make regulation of consumer credit transactions conforms to the policies of the Federal Consumer Credit Protection Act.

The Code provides for regulation of all persons or entities regularly extending credit to individuals for a personal, family, or household purpose. Lenders are required to obtain a loan license and other creditors are required to file a notification with the Department of their intent to extend consumer credit. To be covered, a transaction must have an amount financed that does not exceed \$53,000, or the debt must be secured by an interest in land or by personal property used or expected to be used as the principal dwelling of the debtor. The debt must be payable by written agreement in more than four installments or the debt must be subject to a finance charge.

First lien mortgages are exempt from the Code except for limited provisions applicable to depository institutions. The Code does not regulate transactions that are for agricultural, business, or commercial purposes.

**GAP Administrators:** GAP means Guaranteed Auto (Asset) Protection. This is a credit related product that may offer protections to consumers when they experience a total loss to their vehicle and the balance on the credit contract exceeds the actual cash value of the vehicle. If a consumer has purchased GAP coverage and suffers a total loss the “gap” between the value of the vehicle and the balance on the credit agreement will be waived, subject to certain conditions and limitations.

Before a GAP administrator may offer this product in Indiana the administrator and their product must be approved by the Department. There are disclosure requirements, fee limitations, and cancellation refund requirements associated with GAP products.

**Debt Cancellation:** A limited number of providers offer Debt Cancellation solely to depository institutions. This is a product that acts similar to credit insurance. The product is not insurance, but if certain events occur the consumer is not obligated to pay the remainder of the balance on covered transactions. Triggering events include death or disability of the borrower.

# CONSUMER CREDIT

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## **IC 24-4.5-7: Small Loans (Payday Loans)**

A certain segment of the population does not qualify for typical credit services because they have not established verifiable and reliable repayment practices. Other people may choose to bypass normal credit channels for relatively small loans for convenience reasons. If such people have steady employment and an active checking account they can usually obtain loans from payday lenders. Payday loans range in size from \$50 to \$605, have a term of at least 14 days, and entitle the lender to hold a personal check or electronic payment authorization as security for repayment of the loans.

Because these loans are made without regard to the normal underwriting standards based on character, capacity to repay, and collateral, the transactions carry an enhanced repayment risk factor, and lenders are permitted to impose substantially higher finance charge rates than are permitted on normal credit transactions. These transactions have the highest finance rates permitted by statute.

## **IC 24-7: Rental Purchase Agreements**

As an alternative to making a purchase on credit, a consumer may enter into a rent to own transaction for certain goods. These transactions allow consumers to rent household goods, with little or no credit check, take the goods home, and make periodic payments similar to credit transactions. In a rent to own transaction the consumer may return the goods to the rental store and cancel the transaction at any time. There is no legal obligation to remain in the transaction. However, if the consumer does remain in the transaction, and makes a specified number of payments, the consumer becomes the owner of the property that was rented.

The Rental Purchase Agreement Act regulates rent to own transactions in Indiana. The statute contains disclosure requirements and additional charge limitations to give consumers a measure of protection. Entities engaged in this business must be registered with the Department.

## **IC 28-1-29: Debt Management Companies**

Consumers who find themselves overloaded with unsecured debt and struggling to manage personal financial matters may turn to a debt management company for assistance. These companies analyze the consumer's household financial condition, prepare a workable budget, enter into a contract with the debtor to pay creditors, and make payment arrangements with the consumer's listed creditors. Consumers then make one periodic payment to the debt management company, which in turn pays the creditors as arranged. Companies in this business must be licensed by the Department.

Debt Management Companies make application for the license via NMLS, with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

## **IC 28-7-5: Pawnbrokers**

A credit source available to any person with portable security is a pawn loan. Pawnbrokers make short term, generally small dollar amount loans, based on the value of the security offered for the transaction. The security must be portable because the pawnbroker must take possession of the security offered on a pawn loan, and must hold the security in a safe and secure manner. For this type of loan the borrower need not prove their credit worthiness via credit reports and income verifications. When consumers fail to repay pawn loans they forfeit the pledged item, which becomes the property of the pawnbroker. Pawnbrokers must obtain a license before doing business in Indiana.

## **IC 28-8-4: Money Transmitters**

A common method for money to be sent over long distances between two individuals, with either person or both being un-banked, is by the use of a money transmitter. A consumer remits cash at an agent location in Indiana that is convenient to them, in return they receive a money order payable to a third party, or they execute an order for funds to be wired to a specific location for receipt by a specific person. These services allow un-banked consumers to make money order payments to certain entities, and they allow consumers to electronically send money to any other person at almost any location on the earth. Money Transmitters must obtain a license before doing business in Indiana.

Money transmitters make application for the license via NMLS, with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

# CONSUMER CREDIT

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## **IC 28-8-5: Check Cashers**

The services of a check casher are vital to individuals without a banking relationship who receive wages via a paycheck or other benefits via check or draft. Various types of checks are known to carry differing risk factors, so the cost to cash a check can vary based on the type of check and the issuer of the check.

Check Cashers must obtain a license before doing business in Indiana. The chapter does not apply to a financial institution organized under IC 28 or federal law, and the chapter does not apply to a person principally engaged in the bona fide retail sale of goods or services if:

- (1) the person, either incidental to or independent of a retail sale of goods or services, from time to time cashes checks; and
- (2) the consideration charged for cashing checks does not exceed five dollars (\$5).

## **750 IAC 9 SAFE Rule: Mortgage Loan Originators**

A person who takes a mortgage transaction application, or offers or negotiates rates and terms of a mortgage transaction meets the definition of a Mortgage Loan Originator. Under the federal SAFE law (Secure and Fair Enforcement for Mortgage Licensing Act of 2008), and corresponding DFI SAFE Rule, as of July 1, 2010, mortgage loan originators must be state licensed if they are employed by a state licensed lender.

To become a state licensed mortgage loan originator, an applicant must meet character and fitness requirements that include: providing fingerprints for a criminal background check, providing authorization for a credit report review, meeting prelicensing education requirements, and meeting assessment standards. To renew a license the mortgage loan originator must meet continuing education requirements.

NMLS developed a uniform state test to replace a state specific test, and this resulted in a dramatic increase in the number of licensed mortgage loan originators in Indiana.



## **CONSUMER CREDIT**

Number of Licensees and Registrants as of December 31, 2014		
TYPE	NUMBER REGISTERED/ LICENSED	NUMBER OF BRANCH LOCATIONS
LOAN LICENSES (NON-MORTGAGE)	50	197
SMALL LOAN LICENSES	37	352
RETAIL CREDITORS	2,034	1,818
RENTAL PURCHASE	55	282
DEBT MANAGEMENT	35	7
PAWNBROKERS	71	112
MONEY TRANSMITTERS	51	25
CHECK CASHERS	41	419
FINANCIAL INSTITUTIONS	144	1,368
GAP ADMINISTRATORS	55	
FIRST LIEN MORTGAGE	332	270
SUBORDINATE LIEN MORTGAGE	88	150
MORTGAGE LOAN ORIGINATOR	7,069	
DEBT CANCELLATION ADMINISTRATORS	5	
EXEMPT COMPANY MORTGAGE REGISTRATION	8	
TOTALS	10,075	5,000

# CONSUMER CREDIT

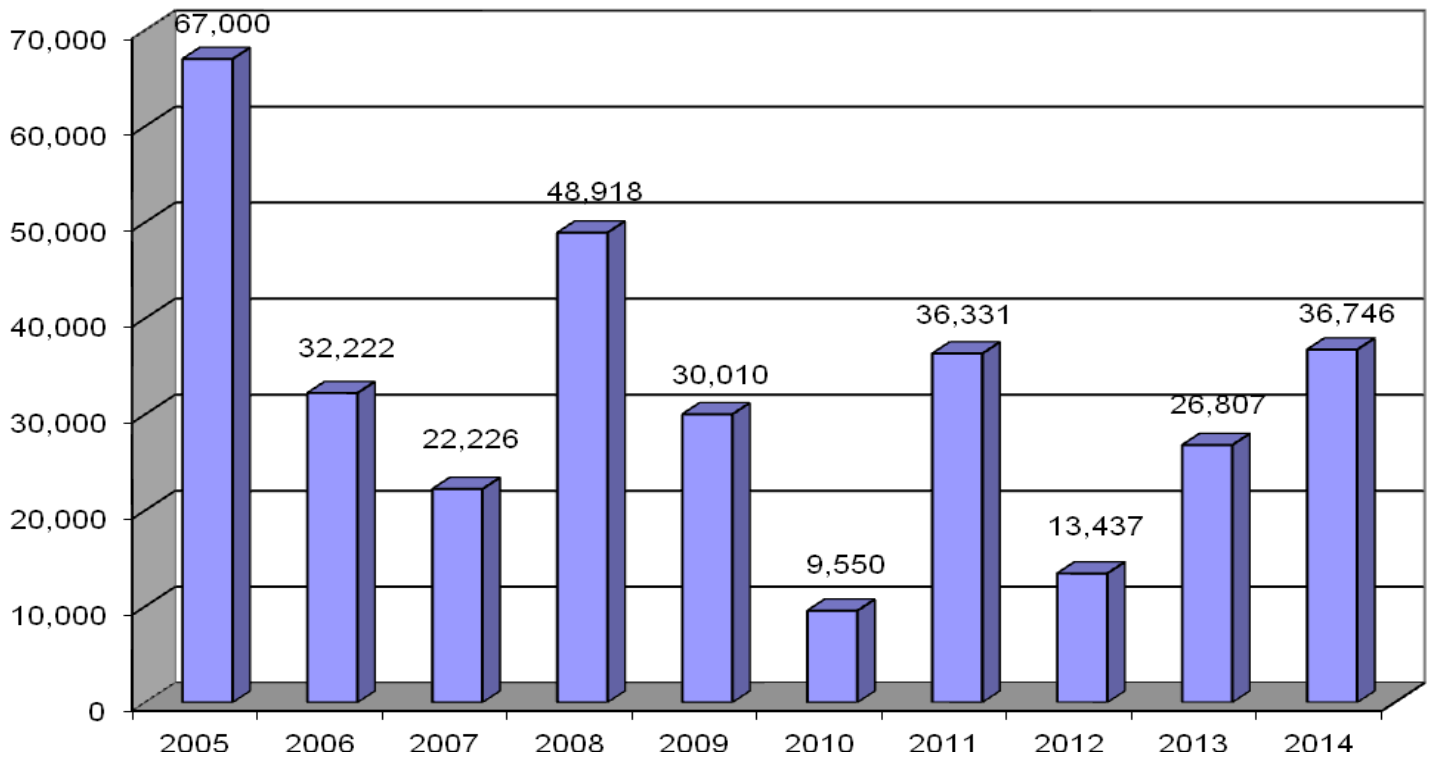
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## EXAMINATIONS

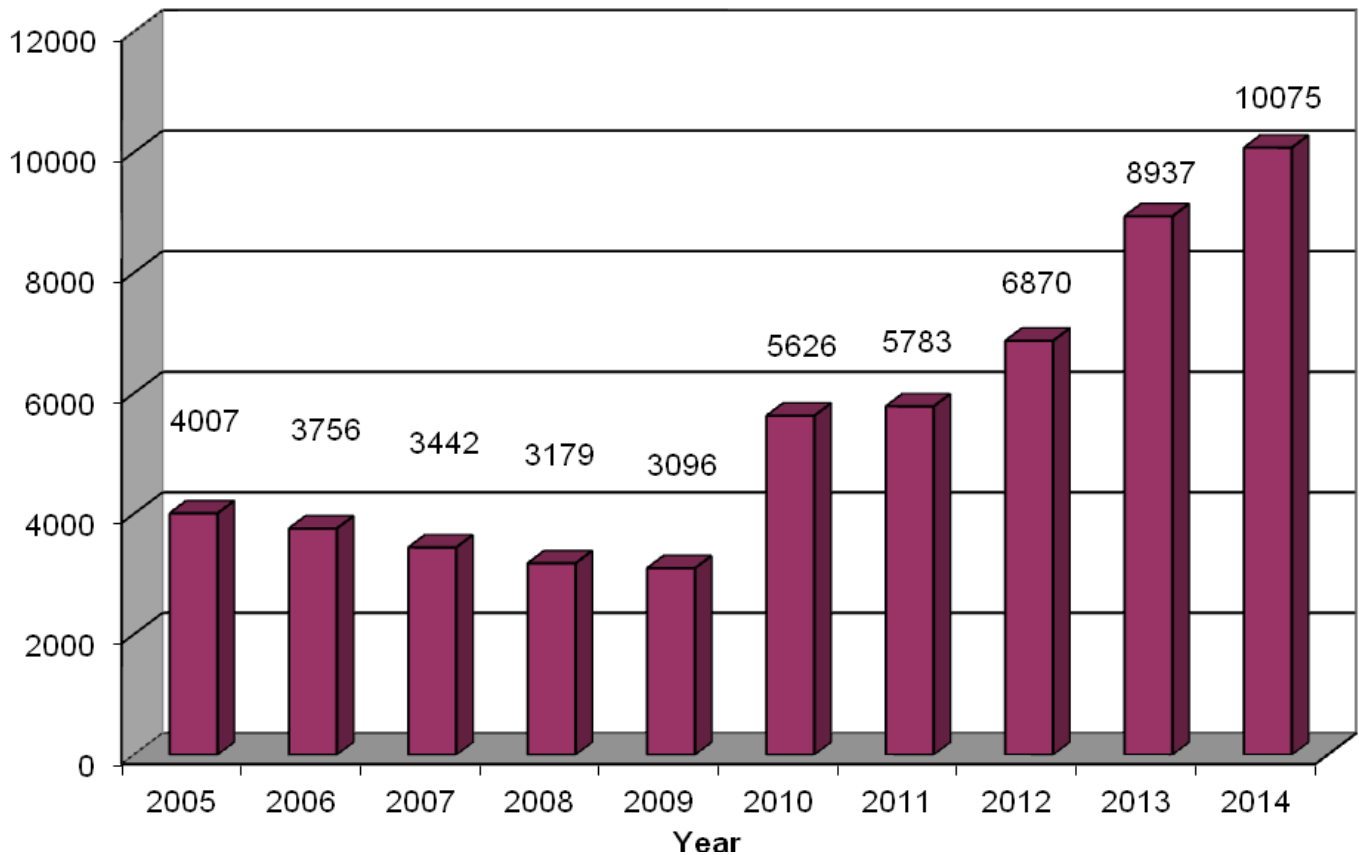
Licensed and registered entities are subject to periodic examinations to determine compliance with the statutes corresponding to their business type. As examiners discover violations they try to determine the cause, and obtain assurance from the licensees or registrants that future transactions will be made in compliance with applicable statutes. Preventing violations is considered to be as significant as citing violations for remedies.

Type of Examination	Number of Exams	Exam Hours	Number of Violations	\$ Amount of Violations	Number of Non-\$ Violations
Check Casher	18	126.75	0	\$ -	1
Debt Management	21	341.75	451	\$ 113,372.34	61
Financial Institution	56	1,723.25	638	\$ 13,770.53	101
First Lien Mortgage Lender	117	2,284.50	0	\$ -	30
Gap Administrator	5	22.50	0	\$ -	0
Licensed Lender	15	900.75	32,103	\$ 803,772.71	7
Money Transmitter	9	37.00	0	\$ -	0
Pawnbroker	27	349.50	43	\$ 2,164.82	17
Rental Purchase	33	662.75	473	\$ 14,235.58	41
Retail Creditor	653	3,608.75	2,904	\$ 400,229.48	146
Small Loan (Payday Loan)	19	790.75	134	\$ 3,457.67	22
Subordinate Lien Mortgage	30	138.00	0	\$ -	0
	1,003	10,986.25	36,746	\$ 1,351,003.13	426

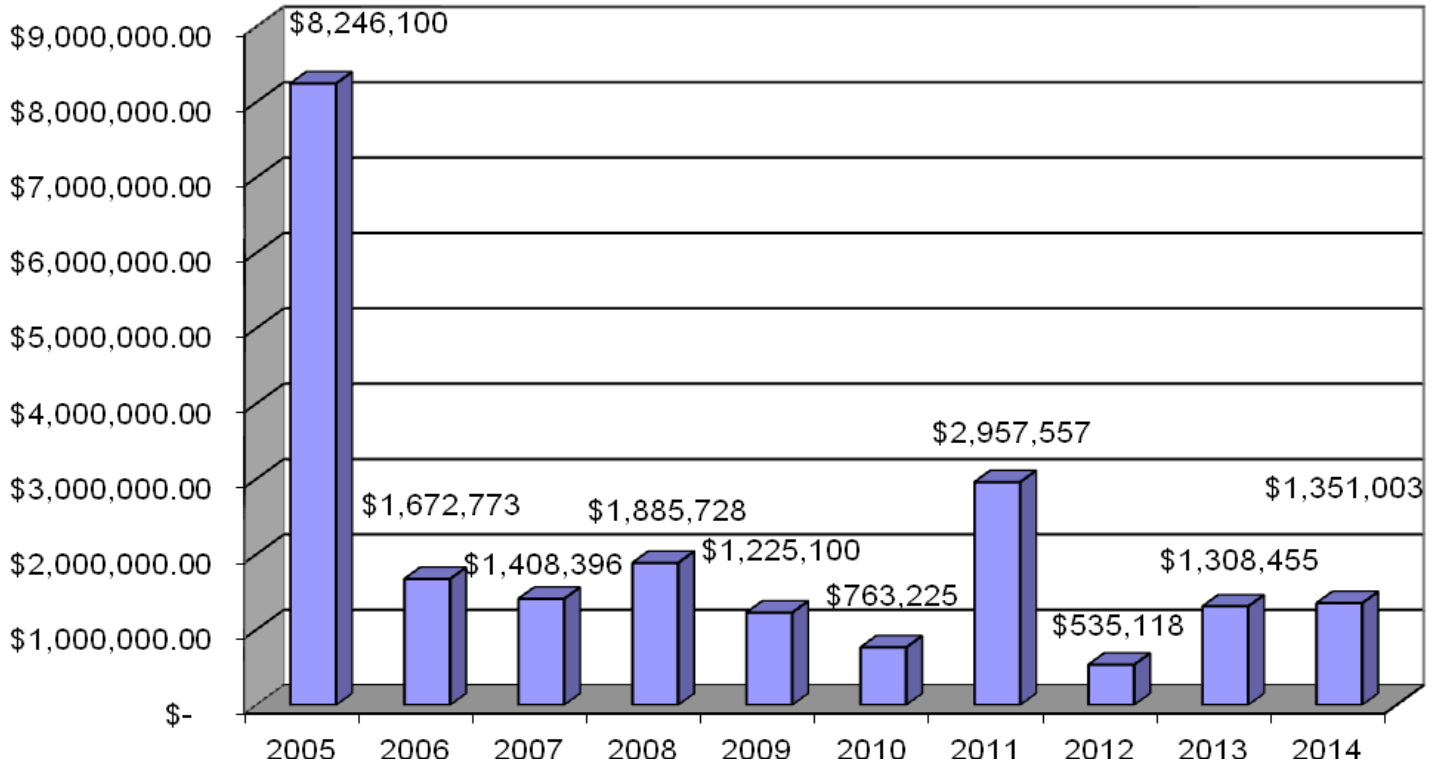
Number of Reimbursable Violations



Consumer Credit Division Licensees and Filers



Amount of Reimbursable Violations



## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2014

License ID	Loan Licenses	City	State	License Date
24067	Consumer Portfolio Services Inc	Irvine	CA	09-Oct-14
25255	Home Credit US LLC	Dallas	TX	09-Oct-14
25167	JJ Best & Company	New Bedford	MA	26-Sep-14
25058	Brightstar Financial Solutions LLC	Libertyville	IL	09-Oct-14
24489	M & C Association, LLC	Clarksville	IN	19-Aug-14
24396	Commonbond Lending LLC	New York	NY	05-Jun-14
24292	Tuition Options, LLC	Mt Laurel	NJ	26-Jun-14
24167	H.E.L.P. Financial Corporation	Plymouth	MI	15-Apr-14

License ID	Pawnbrokers	City	State	License Date
24397	Royal Pawn Incorporated	Aurora	IN	05-Jun-14
24322	American Check Cashing Of Indiana, Inc.	Fort Wayne	IN	15-Jul-14
23124	LSM, Inc. D/B/A Budget Bob's Pawn Shop	Spencer	IN	10-Apr-14
22860	Gold & Diamonds Pawn LLC	South Bend	IN	17-Jan-14

License ID	Money Transmitters	City	State	License Date
25908	WorldRemit Corp.	Greenwood Village	CO	19-Dec-14
25823	Lucky Money, Inc	San Francisco	CA	22-Dec-14
24864	Remitly, Inc.	Seattle	WA	25-Jul-14
23381	IDT Payment Services, Inc.	Newark	NJ	25-May-14
23316	Payoneer Inc.	New York	NY	03-Jul-14
23231	Metavante Payment Services, LLC	Milwaukee	WI	04-Mar-14
23225	CheckFreePay Corporation	Wallingford	CT	04-Mar-14
23169	Xoom Corporation	San Francisco	CA	04-Mar-14
23141	Cambridge Mercantile Corp. (U.S.A.)	New York	NY	01-Aug-14
23036	Square, Inc.	San Francisco	CA	22-Apr-14
23023	Intuit Payments Inc.	Mountain View	CA	27-May-14
22905	Custom House USA, LLC	Englewood	CO	04-Mar-14

License ID	Check Cashers	City	State	License Date
22834	Great Lakes Specialty Finance, Inc.	Fairfield	OH	05-Jun-14

License ID	Small Loan Lenders (Payday Loan)	City	State	License Date
25745	American Check Cashing of Indiana, Inc	Fort Wayne	IN	09-Dec-14

## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2014

License ID	GAP Administrators	City	State	License Date
25815	Vantage Administration Services, LP	Austin	TX	16-Dec-14
License ID	First Lien Mortgage Lenders	City	State	License Date
25820	Mortgage Assurance, Inc.	Atlanta	GA	22-Dec-14
25634	Asset Mutual Mortgage, Inc., An Illinois Corporation	Mokena	IL	25-Nov-14
25622	New America Financial Corporation	Rockville	MD	25-Nov-14
25624	Primary Capital Mortgage, LLC	Atlanta	GA	25-Nov-14
25660	SoFi Lending Corp.	San Francisco	CA	25-Nov-14
25625	Vision One Mortgage, Inc.	Irvine	CA	25-Nov-14
25613	Longbridge Financial, LLC	Mahwah	NJ	14-Nov-14
25199	Citywide Home Loans, a Utah Corporation	Salt Lake City	UT	03-Nov-14
25243	Norwich Commercial Group, Inc.	Avon	CT	03-Nov-14
25031	Performance Equity Partners, Inc.	Tinley Park	IL	03-Nov-14
25195	zIngenuity, Inc.	Irving	TX	03-Nov-14
24536	HomeServices Lending, LLC	Minneapolis	MN	01-Oct-14
24341	Total Mortgage Services, LLC	Milford	CT	01-Oct-14
22664	MCM Holdings, Inc.	Miami Lakes	FL	26-Sep-14
24807	Daymark Asset Funding, Inc.	Jacksonville	FL	12-Sep-14
24805	DayMark Financial Acceptance, LLC	Jacksonville	FL	12-Sep-14
24513	Amerifirst Financial, Inc.	Mesa	AZ	28-Aug-14
24942	NTFN, INC.	Plano	TX	28-Aug-14
24545	Universal American Mortgage Company, LLC	Miami	FL	14-Aug-14
24849	Geneva Financial, LLC	Tempe	AZ	30-Jul-14
24689	Fay Servicing, LLC	Chicago	IL	18-Jul-14
24760	ETHOS LENDING LLC	San Francisco	CA	11-Jul-14
24687	CityWorth Mortgage LLC	Fairfax	VA	02-Jul-14
24142	Altavera Mortgage Services, LLC	Westminster	CO	24-Jun-14
24120	GMH Mortgage Services LLC	Conshohocken	PA	24-Jun-14
24635	Integrity First Financial Group, Inc.	San Diego	CA	19-Jun-14
21937	Ocwen Loan Servicing, LLC	West Palm Beach	FL	19-Jun-14
24466	Angel Oak Mortgage Solutions LLC	Atlanta	GA	11-Jun-14
24493	Universal Mortgage & Finance, Inc.	Edgewater	MD	04-Jun-14
23457	Parkside Lending, LLC	San Francisco	CA	08-May-14
23870	Volunteer Mortgage, Inc.	Nashville	TN	08-May-14
23728	Nations Reliable Lending, LLC	Houston	TX	25-Apr-14
23618	Flagship Financial Group, LLC	Lehi	UT	16-Apr-14
23706	Midwest Equity Mortgage, LLC	Oak Brook	IL	01-Apr-14
23838	Midwest MHC Finance, LLC	Westmont	IL	01-Apr-14
23294	Moria Development, Inc.	Chandler	AZ	01-Apr-14
23571	Premia Mortgage, LLC	Troy	MI	01-Apr-14

## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2014

21941	Neighborhood Loans, Inc	Lombard	IL	12-Mar-14
19911	Cohron's Investments, LLC	Indianapolis	IN	28-Feb-14
23626	Rapid Mortgage Company	Springboro	OH	17-Feb-14
23206	American Neighborhood Mortgage Acceptance Company LLC	Mount Laurel	NJ	13-Feb-14
23274	Homeside Financial, LLC	Columbia	MD	13-Feb-14
21467	McGlone Mortgage Company, Inc.	Appleton	WI	13-Feb-14
22814	Aspire Financial, Inc.	Dallas	TX	15-Jan-14
21572	Consumer Real Estate Finance Co.	Fort Lauderdale	FL	09-Jan-14
22254	FirstKey Mortgage, LLC	Rye Brook	NY	09-Jan-14
22836	Watermark Capital, Inc.	Irvine	CA	09-Jan-14

License ID	Subordinate Lien Mortgage Lenders	City	State	License Date
26097	Citywide Home Loans, a Utah Corporation	Salt Lake City	UT	03-Nov-14
25821	HomeServices Lending, LLC	Minneapolis	MN	22-Dec-14
25242	Norwich Commercial Group, Inc.	Avon	CT	03-Nov-14
24926	Geneva Financial, LLC	Tempe	AZ	31-Jul-14
24879	Ruoff Mortgage Company, Inc.	Fort Wayne	IN	15-Sep-14
24544	Universal American Mortgage Company, LLC	Miami	FL	14-Aug-14
23374	Ditech Mortgage Corp	Fort Washington	PA	13-Feb-14
23275	Homeside Financial, LLC	Columbia	MD	13-Feb-14

<b>Mortgage Loan Originators</b>
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2,074 MLO licenses issued in 2014

## ***DIVISION OF ADMINISTRATION***

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The Division of Administration provides oversight and support in the areas of Fiscal Management; Human Resources and Staff Development; Facilities Management; Communications; Operations; and Information Systems.

Personnel costs and travel reimbursement continue to be the largest agency expenditures. A review of the Department's fiscal operations can be found in the Report of Revenue and Expenditures, which is located elsewhere in this report.

In order to attract and maintain a highly qualified, capable, and efficient work force, the Department actively recruits at many state colleges, universities, and career fairs. The Department is committed to staff development and utilizes a wide range of training resources to ensure a knowledgeable and well respected staff. Among the sponsors utilized on a regular basis are: the Education Foundation of State Bank Supervisors; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; the Federal Financial Institutions Examination Council; the Indiana Bankers' Association, the National Association of Consumer Credit Administrators; the Fiduciary Trust Institute; the National Credit Union Administration, and the National Association of State Credit Union Supervisors. These external programs provide excellent individual technical instruction.

The Department continues to pursue cost effective modes of training and information sharing opportunities with other State Banking Departments as well as our Federal Counterparts. The Department utilizes cost-effective training resources made available through The Conference of State Bank Supervisors; our Federal counterparts; and other third parties. These include a wide array of online training programs, webinars, and courses.

The Department's main office is located in downtown Indianapolis. In addition to the primary office, the Department maintains two district offices. One is located in Columbus, Indiana and the second is located on the northwest side of Indianapolis. The Department leases limited space in Ft. Wayne and South Bend. The Department continues to promote telecommuting as a cost-effective and efficient benefit for our mobile work force.

The Department continues to utilize technology as a way to become more efficient. Internal application development and participation in various national technology committees provides an ability to research and implement efficient technology initiatives.

The Department maintains a toll free telephone number and consumers and industry representatives who wish to speak with a staff member are encouraged to call (800) 382-4880 with their questions and concerns. General information is also available on our website at [www.in.gov/dfi](http://www.in.gov/dfi) . Regular business hours are 8:00 am to 4:30 pm at our primary office located at 30 South Meridian Street, Suite 300, Indianapolis, IN.



# ***DIVISION OF ADMINISTRATION***

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