

# *Department of Financial Institutions*



**David H. Mills  
Director**

**Annual Report  
Year Ended December 31, 2009**

**State of Indiana**

**Mitchell E. Daniels, Jr.  
Governor**

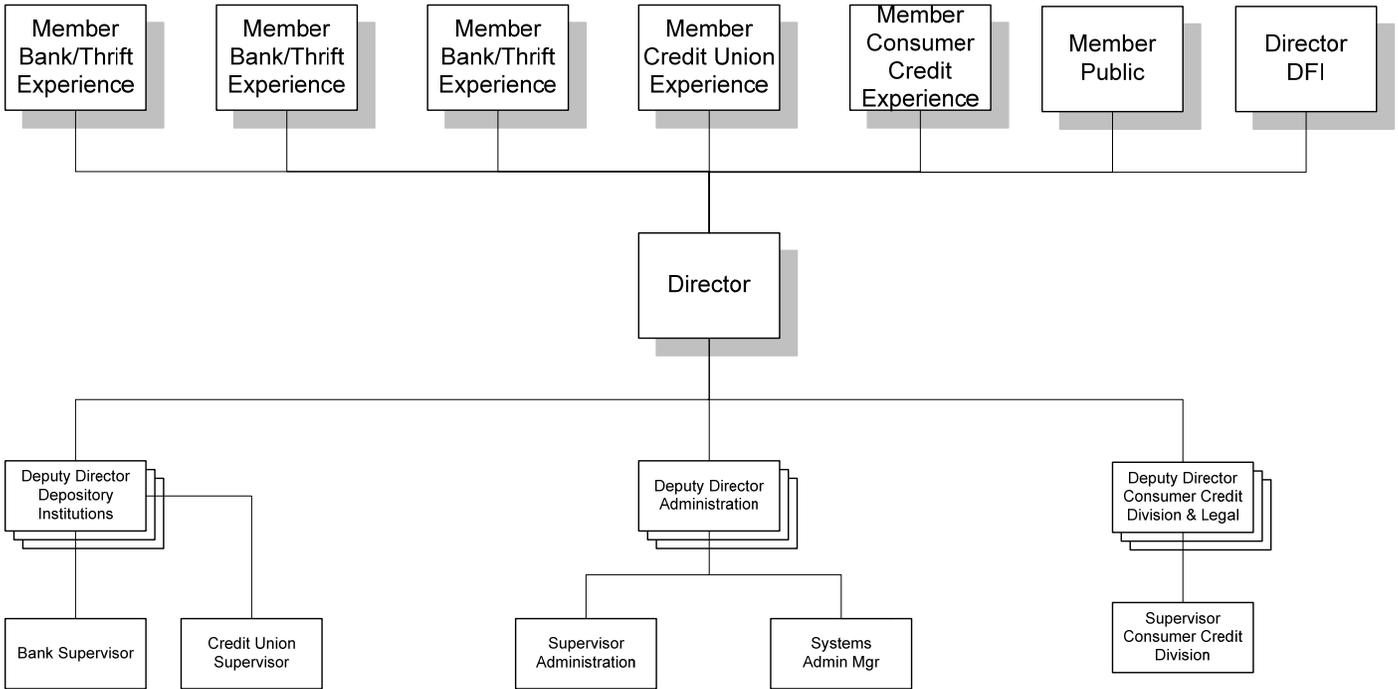
**Becky Skillman  
Lieutenant Governor**

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# Department of Financial Institutions



**DEPARTMENT OF FINANCIAL INSTITUTIONS**

# DAVID H. MILLS DIRECTOR

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I began my role of Director on September 7, 2009, assuming the responsibilities from Judith Ripley, whose leadership and ideas guided the Department and staff for four successful years. And although I have only been the Director for a short period of time, the professionalism and dedication of the Board of Members and staff was obvious from the first day, making my transition into the position of Director a smooth one.

To say the first few weeks were eventful would be an understatement. Two weeks into my appointment, the Department, along with the Federal Deposit Insurance Corporation and the Federal Reserve Bank of Chicago, closed one of the oldest and largest state chartered banks in Indiana. However, due to the hard work and many long hours of numerous staff members, no depositors lost any of their money and there was no interruption in customer service.

It was a very challenging year for the banking industry in general. There were 140 bank failures nationwide in 2009, the most since 1992 when 179 banks were closed. Total problem assets as reported by the FDIC increased to \$403 billion, up from \$159 million at year end 2008 and the FDIC'S number of problem institutions also more than doubled to 702 institutions. As you will see later in this report, the vast majority of Indiana state chartered institutions remain in healthy condition and will emerge from the current economic downturn even stronger.

The Department's regulatory responsibilities were also expanded in 2009 with the supervision and regulation of first lien mortgage lenders. By January 1, 2009, first lien mortgage lenders were required to have applied for and received a license to make first lien mortgages to the citizens of Indiana. This is the first time these entities became subject to any type of regulatory supervision in the state. As of December 31, 2009, there were 230 first lien mortgage lenders licensed by the Department. The Department's Consumer Credit Division's goal is to have every first lien mortgage lender examined by December 31, 2010.

The year 2010 will continue to challenge the Department as we work with financial institutions to strengthen their financial conditions in an unprecedented economic environment. Beginning April 1st the Department also will assume the responsibility for licensing an estimated 3,000 mortgage loan originators.

*David H. Mills*

**DIRECTORS (1933 - 2009)**

<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	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 Member

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

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

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

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

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

**David H. Mills**  
Director  
Department of Financial Institutions

# **DEPARTMENT PERSONNEL**

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David H. Mills, Director

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

James M. Cooper, Deputy Director  
Randall L. Rowe, 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  
Thomas C. Fite, Assistant Regional Field Supervisor

Douglas H. Tussey - I  
David H. Hoeferkamp - I  
Francis J. Tata - I  
Jacob P. Swanson - I  
Marc A. Ward - I  
Chad L. Kozuch - I  
Chris C. Dietz - I

Kevin M. Vaughn - II  
Vernita L. Early, C.P.A., - III  
Alfred R. Westfall - II  
David M. Mote - III  
Eric E. Akiwumi - 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  
Janelle L. Tierney - I

Patrick W. Land - III  
Kristy N. Orr - III  
Craig R. Smith - IV  
William R. Sills - IV

Roman numerals denote field examiner grade level

**DIVISION OF CREDIT UNIONS**

James M. Cooper, Deputy Director  
Mark K. Powell, Supervisor  
David D. Pogue, Field Supervisor

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

Matthew R. Dilly - II  
Charles R. Hall - III  
Amanda L. Chapman - IV

**DIVISION OF CONSUMER CREDIT**

John J. Schroeder, General Counsel and Deputy Director  
Mark B. Tarpey, Supervisor of Consumer Credit Division  
James D. Harrell, Assistant to the Supervisor  
P. David Larson, Compliance Examiner-Special Projects

**CONSUMER CREDIT EXAMINATION STAFF**

**DISTRICT 1**

Rick A. Bane, Field Supervisor  
George M. Hicks - I  
Ned W. Brown - I  
Aaron B. Sweet, C.P.A., - II  
John D. Heckard - II  
Matthew T. Uhl - IV

**DISTRICT 2**

Scott J. Imbus, Field Supervisor  
Kent D. Sager - I  
Dee A. Stauffer - I  
Collin P. Shipman - II  
Tabitha M. Butts, C.P.A., - II  
Ryan E. Black - IV  
Matthew Meinema - IV

Roman numerals denote field examiner grade level

**LEGAL DIVISION**

John J. Schroeder, General Counsel and Deputy Director  
Constance J. Gustafson, Associate Counsel

**DIVISION OF ADMINISTRATION**

Gina R. Williams, Deputy Director  
Troy D. Pogue, Supervisor of Administration  
Daniel T. Burkman, Systems Administrator - Manager  
Lisa Ho, ASA/Programmer - Intermediate  
Renita D. Stubbs, UCCC Filing Coordinator  
Janice L. Davis, Administrative Assistant  
Jan L. Rilenge, Accountant  
Beth A. Risacher, Program Coordinator

**OFFICE SUPPORT STAFF**

Judy C. Jones, Administration Division  
Ronda K. Bailey, Executive Secretary  
Angie M. Smith, Bank Division  
Sharmaine W. Stewart, Bank Division  
Georgia R. Wagoner, Consumer Credit and  
Credit Union Divisions

# **EXAMINER CERTIFICATIONS**

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## **BANK DIVISION CERTIFICATIONS**

### **CERTIFIED EXAMINATIONS MANAGER ("CEM")**

Brockman, Paul G.  
Cooper, James M.  
Fite, Thomas C.

Moreland, Mark A.  
Rowe, Randall L.  
Thompson, Deron J.

### **CERTIFIED EXAMINER IN CHARGE ("CEIC")**

Dietz, Chris C.  
Hoeferkamp, David H.  
Kozuch, Chad L.  
Neal, Eric S.  
Nelson, Richard C.  
Pogue, Troy D.  
Reid, Lee T.  
Schreiber, Kirk J.

Swanson, Jacob P.  
Tata, Francis J.  
Tierney, Janelle L.  
Tussey, Douglas H.  
Upchurch, Robin R.  
Vaughn, Kevin M.  
Wachter, Steven R.  
Ward, Marc A.  
Williams, Gina R.

### **CERTIFIED CREDIT EXAMINER ("CCE")**

Early, Vernita L  
Land, Patrick W.

Mote, David M.  
Westfall, Alfred R.

## **CREDIT UNION DIVISION CERTIFICATIONS**

### **CERTIFIED EXAMINATIONS MANAGER ("CEM")**

Powell, Mark K.

Pogue, David D.

### **CERTIFIED EXAMINER IN CHARGE ("CEIC")**

Dilly, Matthew R.  
Shelton, Scott D.

Thomson, Gloria A.  
Walters, Mark A.

### **CERTIFIED CREDIT EXAMINER ("CCE")**

Hall, Charles R.

## **CONSUMER CREDIT DIVISION CERTIFICATIONS**

### **CERTIFIED EXAMINATIONS MANAGER ("CEM")**

Bane, Rick A.  
Imbus, Scott J.

Tarpey, Mark B.

## CONSUMER CREDIT DIVISION CERTIFICATIONS

### COMPLEX INSTITUTIONS SPECIALIST ("CIS")

Brown, Ned W.  
Butts, Tabitha M.  
Harrell, James D.  
Heckard, John D.

Hicks, George M.  
Sager, Kent D.  
Shipman, Collin P.  
Stauffer, Dee A.

### DEPOSITORY INVESTIGATIONS SPECIALIST ("DIS")

Sweet, Aaron B.

## 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 Examinations Manager  
CPA – Certified Public Accountant

#### Consumer Credit Division

CCCE – Consumer Credit Compliance Examiner  
DIS – Depository/Investigations Specialist  
CIS – Complex Institutions Specialist  
CEM – Certified Examinations Manager  
CPA – Certified Public Accountant

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

# **DIVISION AWARDS**

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*The following employees celebrated milestone anniversaries with the DFI during 2009:*

## **Administration**

*Judy Jones - 10 Years of Service*

## **Bank Division**

*Fran Tata - 15 Years of Service*

## **Consumer Credit**

*John Heckard- 30 Years of Service  
John Schroeder - 20 Years of Service*

## **Credit Union**

*Mark Powell - 35 Years of Service  
Gloria Thomson - 15 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 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 the Department the authority to generate revenue to fund its ongoing operations. Each year, the Department adopts a schedule of fees to cover operating costs. The Department's revenue is derived solely from supervision, examination, and license fees that are assessed to those financial institutions that are regulated by the Department. The Department remains a non-cabinet level agency department of the executive branch of the Government of Indiana and remains subject to legislative oversight and audit by the State Board of Accounts.

The policy-making power of the Department 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. Indiana 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 the 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.

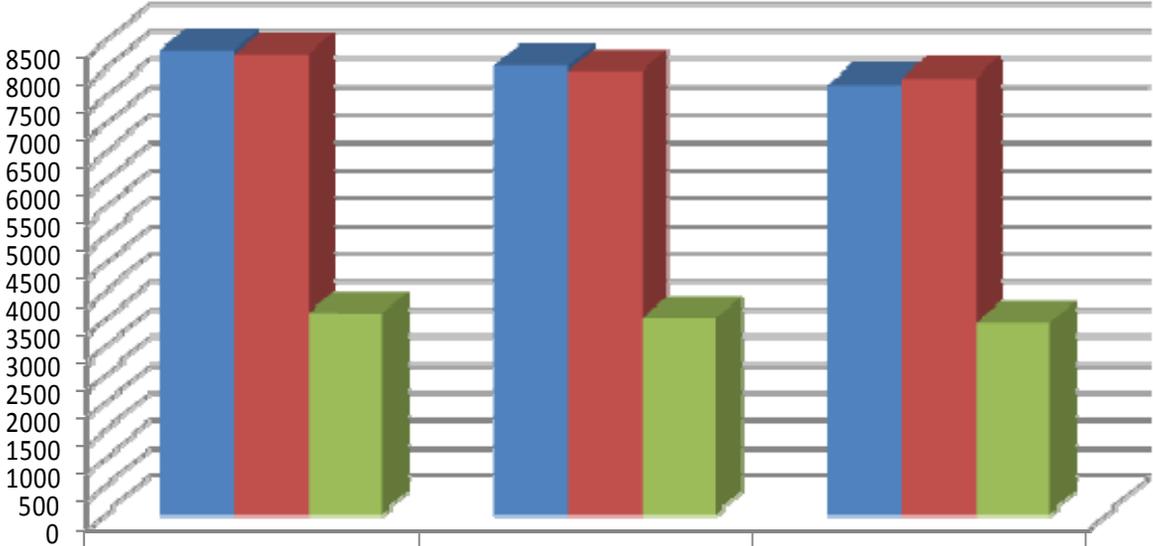
The Executive Team consists of the Director, who serves as the Chief Executive and Administrative Officer and three Deputy Directors. The Director is responsible for the administration of the policies established by the Members and all applicable legislative actions or policies. The Director exercises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

Within the Department there are five divisions, 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**

<b><u>REVENUE</u></b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
BANK FEES	4,329,951	4,114,073	3,647,342
SAVINGS & LOAN FEES	9,331	40,928	47,896
CREDIT UNION FEES	979,172	819,432	795,341
PAWNBROKING LICENSING FEES	96,075	90,565	92,230
APPLICATION /MISC. FEES	88,383	93,681	79,654
DEBT MANAGEMENT COMPANIES	20,495	10,007	7,420
UCCC FEES	1,997,112	2,112,246	2,273,798
PAYDAY LENDERS	570,700	558,925	609,195
RENTAL/PURCHASE LICENSE	61,945	43,195	43,715
MONEY TRANSMITTER FEES	63,840	48,255	29,400
CHECK CASHERS FEES	67,200	62,442	54,770
GAP/Debt Cancellation	49,840	48,380	40,400
<b>TOTAL REVENUE</b>	<b>\$8,334,044</b>	<b>\$8,042,129</b>	<b>\$7,721,161</b>
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<b><u>EXPENDITURES</u></b>			
PERSONNEL COSTS	6,786,770	6,477,258	6,289,455
UTILITIES, POSTAGE, AND SUBSCRIPTIONS	179,894	194,051	170,108
CONTRACT SERVICES	537,141	462,672	444,185
OFFICE SUPPLIES	31,174	24,913	27,483
EQUIPMENT/EDP DEVELOPMENT/SOFTWARE	39,372	76,702	64,070
TRAVEL IN-STATE	518,287	498,086	577,084
TRAVEL OUT-OF-STATE	14,266	15,537	22,726
PERSONNEL DEVELOPMENT & RELATED TRAVEL	144,163	203,431	248,413
<b>TOTAL EXPENDITURES</b>	<b>8,251,067</b>	<b>\$7,952,650</b>	<b>\$7,843,524</b>
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NET REVENUE (EXPENDITURES)	82,977	89,479	(122,363)
CASH BALANCE, JULY 1	3,531,968	3,442,489	3,564,852
CASH BALANCE, JUNE 30	3,614,945	3,531,968	3,442,489
LESS ENCUMBRANCES	0.00	6,505	6,365
FUND BALANCE, JUNE 30	3,614,945	\$3,525,463	\$3,436,124
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# Revenue & Expenditures



	2009	2008	2007
Revenue	8334	8042	7721
Expense	8251	7953	7844
Fund Balance	3615	3525	3436



**First State Bank of Middlebury  
Middlebury IN**

# LEGISLATIVE CHANGES

The 2009 legislative session ended with the General Assembly failing to pass the Department's annual omnibus bill, as well as the residential mortgage licensing bill required to bring Indiana into compliance with the federal SAFE Mortgage Licensing Act of 2008. While the omnibus bill contained many important provisions which would have facilitated the efficient operation of the Department in carrying out its regulatory duties, the failure to pass the omnibus bill was not catastrophic. Since it passed both houses by overwhelming margins in the 2009 session, the Department felt confident that the bill would be adopted when offered in the 2010 session.

Failure to pass the mortgage licensing provisions needed to bring Indiana into compliance with the federal SAFE Mortgage Licensing Act of 2008 presented a more serious concern which threatened the loss by Indiana of the regulation of mortgage loan originators to HUD. Fortunately, with the assistance of the Governor, the Department was authorized in the "budget bill" adopted in the special session to adopt administrative rules "to provide for a system of licensing creditors and mortgage loan originators that meets the requirements of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (H.R. 3221 Title V) and the interpretations of that Act issued by the Secretary of Housing and Urban Development." These rules, which were promulgated as emergency rules under IC 4-22-2-37.1, will remain effective until codified in the Indiana Code (currently anticipated for the 2011 General Assembly).<sup>1</sup>

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<sup>1</sup>After deliberating on the matter, it was decided that leaving the administrative rules in place until the 2011 session of the General Assembly would provide time for the Department to work with the substance of the rules to work out possible problems as well as allow the Secretary of HUD to issue interpretations of that SAFE Act as guidance to the states.

The 2009 session did result in the adoption of several bills affecting areas the Department regulates, most particularly in the regulation of residential real estate mortgages.

## Residential Mortgage Licensing:

HEA 1176 and SEA 492 both contained the following provisions relating to residential real estate mortgages:

- Both bills required a foreclosure consultant to retain all records for at least three years after the termination or conclusion of the foreclosure consultant contract.
- The bills prohibited a person from engaging in, or soliciting to engage in, a real estate or mortgage transaction without a permit or license required by law.

- Both bills contained provisions that a practitioner of a licensed profession who has been subjected to disciplinary sanctions by the board that regulates the profession may be required to pay the costs of any real estate review appraisal obtained in connection with the disciplinary proceedings.
- The bills had provisions specifying a violation of the statutes concerning: (1) credit service organizations; and (2) mortgage rescue protection fraud; by a person licensed or required to

be licensed as a real estate salesperson or broker is a violation of the statute governing the regulation of real estate salespersons and brokers and is subject to certain specified enforcement procedures and sanctions.

- Finally, the bills also specified that the board that regulates a licensed profession may not approve the surrender of a practitioner's license if the attorney general's office: (1) has filed an administrative complaint concerning the practitioner's license; and (2) opposes the surrender.

In addition, HEA 1176 had the following provisions not contained in SEA 492:

- After June 1, 2009, there can be no prepayment fee or penalty on a variable rate mortgage. (This does not apply to depositories.)
- The bill provided that a person shall not corrupt or improperly influence a real estate appraiser or an appraisal.
- It also provided that a proposed new notice must be given to a prospective borrower not later than three business days after the creditor's receipt of the borrower's mortgage loan application and must include a statement of a borrower's right under RESPA to inspect the HUD-1/1A statement during the business day immediately preceding settlement.
- Also contained in HEA 1176 were provisions that the annual report provided by the mortgage lending and fraud prevention task force to the legislative council must include certain information about complaints about appraisers.
- Finally, HEA 1176 set forth certain penalties and enforcement procedures for violations of the provisions concerning real estate appraisals.

# LEGISLATIVE CHANGES

By the same token, SEA 492 contains significant provisions relating to residential real estate mortgage loans not found in HEA 1176:

SEA 492 provided that the electronic system to be established by the department of insurance not later than September 1, 2009, for the collection and storage of certain information concerning persons participating in or assisting with single family residential mortgage transactions must include the names of the buyer and the seller in a first lien purchase money mortgage transaction.

- The bill also provided that in a foreclosure action that is filed after June 30, 2009, with respect to a first lien residential mortgage transaction, the creditor shall, not later than 30 days before the creditor files the action, send to the debtor a presuit notice, on a form prescribed by the Indiana Housing and Community Development Authority, that: (1) informs the debtor that the debtor is in default; (2) informs the debtor that the debtor is encouraged to obtain assistance from a mortgage foreclosure counselor; and (3) provides contact information for the Indiana Foreclosure Prevention Network.
- The bill also provided that in prescribing the form for the presuit notice, the authority must include the statement concerning mortgage foreclosure consultants that mortgagees are required to provide under existing law upon filing a foreclosure action.
- It also provided that if the creditor proceeds to file an action to foreclose the mortgage, the creditor shall include with the complaint served on the debtor a notice that informs the debtor that the debtor: (1) has a right to participate in a settlement conference; and (2) may schedule a settlement conference by notifying the court, not later than 30 days after the notice is served, of the debtor's intent to participate in a settlement conference.
- SEA 492 also specified certain circumstances under which a creditor is not required to provide: (1) the presuit notice; and (2) the notice of the debtor's right to a settlement conference.
- The bill further provided that after June 30, 2009, a court may not issue a judgment of foreclosure with respect to a first lien residential mortgage transaction unless the following apply: (1) The creditor has given the required notice to the debtor of the availability of a settlement conference. (2) The debtor either: (A) does not contact the court within 30 days to schedule a settlement conference; or (B) contacts the court within the required 30 day period to schedule a settlement conference and, upon conclusion of the settlement conference, the parties are unable agree to a foreclosure prevention agreement. (3) At least 60 days have elapsed since the date the presuit notice was sent, unless the mortgaged property is abandoned.
- The bill also provided an exception to these conditions and to the need for a settlement conference if the court finds that a settlement conference would be of limited value based on the result of a prior loss mitigation effort between the creditor and the debtor.
- There were also provisions that if the debtor contacts the court to schedule a settlement conference, the court shall issue a notice of a settlement conference to the parties.
- SEA 492 also provided that the court's notice of a settlement conference must do the following: (1) Order the creditor and the debtor to conduct a settlement conference on or before a date and time specified in the notice. (2) Encourage the debtor to contact a mortgage foreclosure counselor before the settlement conference. (3) Require the debtor to bring to the settlement conference certain documents needed to engage in good faith negotiations. (4) Require the creditor to bring to the settlement conference a transaction history for the mortgage. (5) Inform the parties that each has the right to be represented by an attorney or assisted by a mortgage foreclosure counselor. (6) Inform the parties that the settlement conference will be conducted at the county courthouse, or at another place designated by the court, on the date and at the time specified by the court, unless the parties stipulate otherwise.
- It also required the creditor to ensure that any person representing the creditor: (1) at a settlement conference; or (2) in any other negotiations with the debtor designed to reach agreement on a foreclosure prevention agreement; has authority to represent the creditor.
- It contained provisions that if, as a result of a settlement conference, the debtor and the creditor agree to enter into a foreclosure prevention agreement, the agreement shall be reduced to writing and signed by both parties.
- The bill also provided for a fifty dollar (\$50) mortgage foreclosure counseling and education fee from a party filing an action to foreclose a mortgage after June 30, 2009, and before January 1, 2013.

# LEGISLATIVE CHANGES

## Other Bills of Significance:

While HEA 1176 and SEA 492 were the most significant bills to pass the 2009 General Assembly, there were several other bills of interest to the Department and its areas of regulation:

**HEA 1096, Mortgage Deduction Application:** This bill provided that a sales disclosure form properly filed by the purchaser of a residence constitutes an application for the property tax standard deduction and provides two ways of applying for a mortgage deduction: (1) the person recording the mortgage, contract, or memorandum may file a statement with the county recorder for real property or with the county auditor for a mobile home not assessed as real property or a manufactured home not assessed as real property; or (2) the person claiming the mortgage deduction may file a statement with the county auditor. It also provides that a real estate closing agent is not liable for any damages claimed by the property owner or contract purchaser because of any problem with the filing of a claim for the mortgage property tax deduction with a county recorder.

**HEA 1121, Identity Deception:** This bill created the identity theft unit in the Office of the Attorney General, and specifies that the unit shall: (1) investigate consumer complaints related to identity theft; (2) assist victims of identity theft; (3) cooperate with law enforcement investigations related to identity theft; (4) assist state and federal prosecuting attorneys in the investigation and prosecution of identity theft; and (5) promptly notify the appropriate law enforcement agency and prosecuting attorney if there is reasonable suspicion to believe that a person has committed identity theft. It also authorizes certain agencies and persons to cooperate with the unit in investigating identity theft, and authorizes a prosecuting attorney to deputize the attorney general or a deputy attorney general to assist in the prosecution of an identity theft case.

**HEA 1374, Escrow Transactions:** This bill contained various provisions relating to escrow accounts.

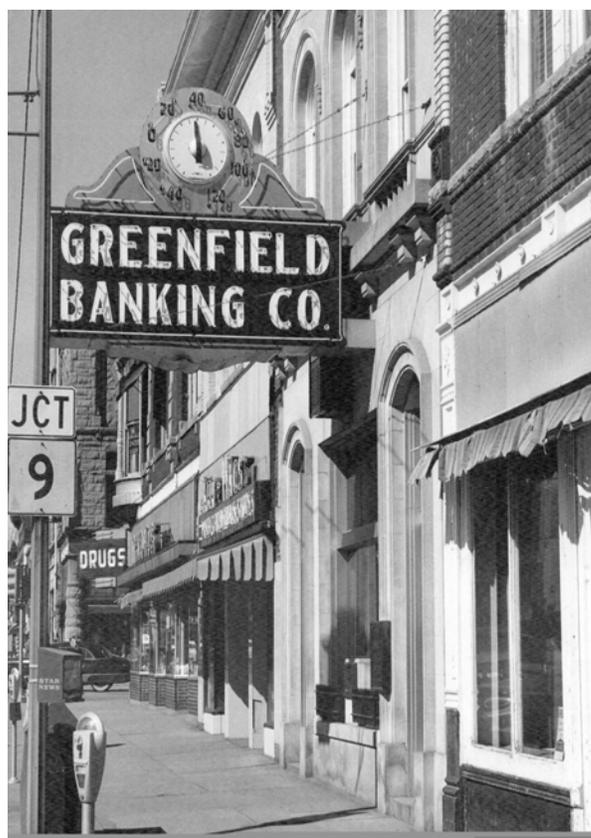
**HEA 1460, Compliance Reports of Broker-Dealers:** This bill provided that a broker-dealer may not be selected for completion of a compliance report in consecutive years unless certain circumstances apply. The bill also identified certain entities that could not be selected for the completion of compliance reports by the securities commissioner.

**HEA 1581, Financial Responsibility Curriculum:** This bill required public schools, charter schools, and accredited nonpublic schools to provide instruction in personal financial responsibility to students in grades 6 through 12 under standards adopted by the State Board of Education.

**HEA 1646, Business and Other Associations:** This bill amended the statute concerning the regulation of loan brokers to specify that the law applies to residential mortgage loans. It also amended the statute to bring it into compliance with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act) and repealed a provision exempting certain persons from the loan broker statute.

**SEA 450, Business Corporation Law:** This bill made changes and additions to business corporation law provisions.

**SEA 501, Uniform Commercial Code Revisions:** This bill updated Uniform Commercial Code and establishes the small business loan program administered by the Indiana Finance Authority and adds other provisions relating to the IFA.



Greenfield Banking Company  
Greenfield IN

## **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.

There were 87 FDIC-insured state-chartered commercial banks, six FDIC-insured state chartered savings banks, one FDIC-insured state chartered savings association, one FDIC-insured industrial loan and investment company and one non-depository industrial loan and investment company in Indiana as of December 31, 2009. In addition, there were nine corporate fiduciaries and three inactive industrial loan and investment companies under the jurisdiction of the division, and not included in the consolidated financial information as of December 31, 2009. There were 16 national banks domiciled in Indiana as of December 31, 2009.

Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$36.1 billion at the end of 2009 which represented a 9.95% decrease from the year-end 2008 total. The decrease in most financial categories and ratios from year-end 2008 to year-end 2009 is due mainly to the loss of one large state-chartered institution. Indiana's economic challenges are reflected in the performance and condition of Indiana's financial institutions. Bank performance continues to weaken even as economic data hints that the recession is over. Earnings of many institutions are under stress, and asset quality is showing continuing deterioration. In 2009, 21.4% of all Indiana financial institutions were unprofitable compared to 12.5% in 2008. The aggregate provision to the allowance for loan and lease losses for all state-chartered banks decreased from \$474 million for 2008 to \$303 million for 2009; however still a significant increase from \$190 million in 2007. National banks loan provisions increased significantly from \$170 million to \$351 million between year-end 2008 and year-end 2009.

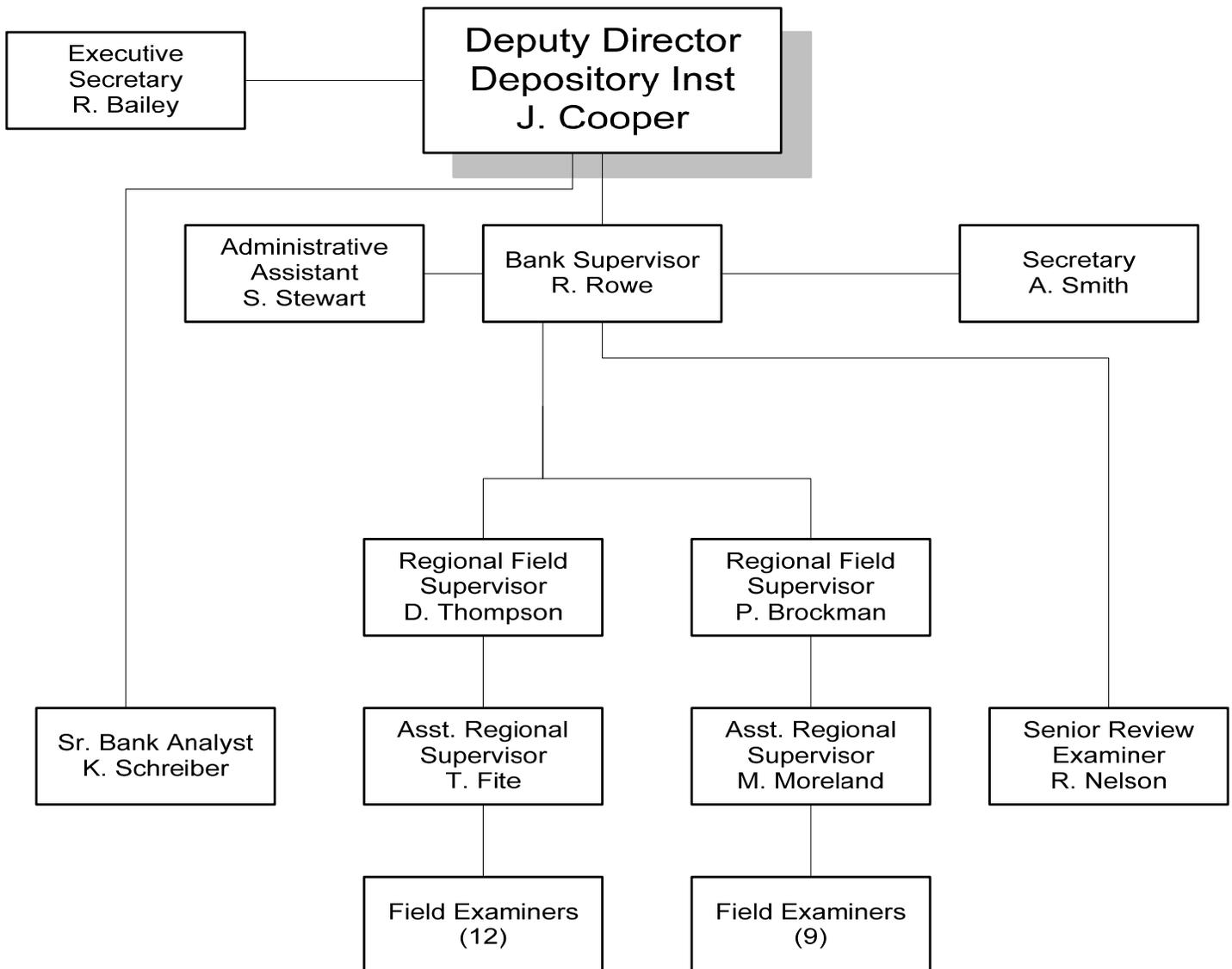
Pressure on bank liquidity continues to intensify. Banks continue to use a variety of alternative funding, such as Federal Home Loan Bank advances, federal funds, brokered deposits, banker's banks, and asset securitization. The ongoing increase in and reliance on noncore funding has resulted in shrinking interest rate margins, liquidity and market risk management concerns and increased regulatory scrutiny. As of December 31, 2009, the Loan to Deposit ratio for state banks was 88.44% and 81.33% for national banks.

The aggregate return on assets ("ROA") for state chartered financial institutions in 2009 was 0.15%, up from -0.09% at year-end 2008. National banks aggregate ROA was down from 0.22% to -0.31% during the same time-frame. Net loan charge-offs for state chartered financial institutions amounted to 0.83% of total loans and leases, decreased from 1.01% a year earlier. Net loan charge-offs for national banks increased from 0.74% as of December 31, 2008 to 1.91% as of December 31, 2009.

Aggregate equity capital in Indiana's state chartered financial institutions declined 4.30% at \$3.71 billion at year end 2009, down from \$3.88 billion in 2008. The total equity capital to total assets ratio was 10.27%, up from 9.67% at year-end 2008. National banks aggregate equity capital was up 6.90% from the 2008 level to \$2.137 billion. The total equity capital to total assets ratio for national banks decreased slightly from 9.59% at year-end 2008 to 9.58% at year-end 2009.

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. It should be noted that the Savings and Loan Division was consolidated into the Bank and Trust Division; therefore, all previous years' financial information were also consolidated for comparative analysis.

# BANK DIVISION



## COMPARATIVE STATEMENT STATE CHARTERED BANKS

ACCOUNT DESCRIPTIONS (\$ In Millions)	12/31/2009	% CHANGE	12/31/2008	% CHANGE	12/31/2007	% CHANGE	12/31/2006
Assets	36,142	-9.95%	40,134	3.18%	38,897	1.62%	38,277
Deposits	28,913	-4.47%	30,265	5.17%	28,777	-1.18%	29,121
Total Equity Capital Adjusted	3,713	-4.30%	3,880	-1.80%	3,951	2.41%	3,858
Tier 1 Capital	3,436	-2.64%	3,529	-3.89%	3,672	1.02%	3,635
LVR	463	-23.72%	607	45.56%	417	18.13%	353
Total Capital	3,899	-5.73%	4,136	1.15%	4,089	2.53%	3,988
Total Net Charge-Offs	211	-30.82%	305	147.97%	123	112.07%	58
Total Gross Loans & Leases	25,572	-15.25%	30,175	2.93%	29,316	5.11%	27,892
Total Securities	5,832	-4.80%	6,126	3.32%	5,929	-1.23%	6,003
Federal Funds Sold	274	-20.81%	346	-22.77%	448	-38.96%	734
Interest Bearing Balances	811	110.65%	385	78.24%	216	-38.98%	354
Trading Account Securities	16	60.00%	10	-23.08%	13	18.18%	11
Total Earning Assets	32,042	-12.06%	36,435	2.62%	35,505	2.49%	34,641
Total Interest Income	1,746	-24.12%	2,301	-7.92%	2,499	7.72%	2,320
Total Interest Expense	558	-42.12%	964	-19.40%	1,196	15.11%	1,039
Net Interest Income	1,188	-11.14%	1,337	2.61%	1,303	1.72%	1,281
Total Non-interest Income	398	-0.75%	401	7.22%	374	3.31%	362
Total Non-interest Expenses	1,169	-4.42%	1,223	9.00%	1,122	4.18%	1,077
Loan Provisions	303	-36.08%	474	149.47%	190	140.51%	79
Net Income	54	-245.95%	-37	-114.80%	250	-19.09%	309

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>	12/31/2009	12/31/2009	12/31/2008	12/31/2008
<b>Number of Banks</b>	96	16	102	18
<b>Consolidated Balance Sheet</b>				
Total Gross Loans & Leases	25,572	14,012	30,175	14,364
Total Allowance for Loans & Leases (ALLL)	463	320	607	219
Total Net Loans & Leases	25,109	13,692	29,568	14,145
Total Securities	5,832	4,836	6,126	4,477
Total Interest Bearing Balances	811	416	385	108
Total Fed Funds Sold/Repurchase Agreements	274	142	346	125
Total Trading Accounts	16	0	10	0
Total Earning Assets	32,042	19,086	36,435	18,855
Total Cash and Due From Bank	1,646	1,419	1,028	448
Total Premises and Fixed Assets	557	250	605	232
Total Other Real Estate Owned	137	77	92	47
Total Other Assets	1,760	1,485	1,974	1,273
Total Assets	36,142	22,317	40,134	20,855
Average Assets	35,479	22,615	39,775	20,633
Retail Deposits	24,896	15,163	26,306	13,396
State and Political Subdivision Deposits	4,017	2,066	3,959	1,836
Total Deposits	28,913	17,229	30,265	15,232
Total Fed Funds Purchased	870	972	1,188	1,296
Total Other Borrowed Funds	2,401	1,524	4,384	1,858
Total Subordinated Debt	1	155	32	155
Total All Other Liabilities	244	300	385	315
Total Liabilities	32,429	20,180	36,254	18,856
Total Equity Capital	3,713	2,137	3,880	1,999
Total Liabilities and Equity Capital	36,142	22,317	40,134	20,855

<b>ACCOUNT DESCRIPTIONS</b> <b>(\$ IN MILLIONS)</b>	State 12/31/2009	National 12/31/2009	ALL 12/31/2009	ALL 12/31/2008	% CHANGE
<b>Number of Banks</b>	96	16	112	120	
<b>Combined Statement of Condition</b>					
Total Gross Loans & Leases	25,572	14,012	39,584	44,539	-11.13%
Total Allowance for Loans & Leases (ALLL)	463	320	783	826	-5.21%
Total Net Loans & Leases	25,109	13,692	38,801	43,713	-11.24%
Total Securities	5,832	4,836	10,668	10,603	0.61%
Total Interest Bearing Balances	811	416	1,227	493	148.88%
Total Fed Funds Sold/Repurchase Agreements	274	142	416	471	-11.68%
Total Trading Accounts	16	0	16	10	60.00%
Total Earning Assets	32,042	19,086	51,128	55,290	-7.53%
Total Cash and Due From Bank	1,646	1,419	3,065	1,476	107.66%
Total Premises and Fixed Assets	557	250	807	837	-3.58%
Total Other Real Estate Owned	137	77	214	139	53.96%
Total Other Assets	1,760	1,485	3,245	3,247	-0.06%
Total Assets	36,142	22,317	58,459	60,989	-4.15%
Average Assets	35,479	22,615	58,094	60,408	-3.83%
Retail Deposits	24,896	15,163	40,059	39,702	0.90%
State and Political Subdivision Deposits	4,017	2,066	6,083	5,795	4.97%
Total Deposits	28,913	17,229	46,142	45,497	1.42%
Total Fed Funds Purchased	870	972	1,842	2,484	-25.85%
Total Other Borrowed Funds	2,401	1,524	3,925	6,242	-37.12%
Total Subordinated Debt	1	155	156	187	-16.58%
Total All Other Liabilities	244	300	544	700	-22.29%
Total Liabilities	32,429	20,180	52,609	55,110	-4.54%
Total Equity Capital	3,713	2,137	5,850	5,879	-0.49%
Total Liabilities and Equity Capital	36,142	22,317	58,459	60,989	-4.15%

<b>ACCOUNT DESCRIPTIONS</b>	State	National	State	National
<b>(\$ IN MILLIONS)</b>	12/31/2009	12/31/2009	12/31/2008	12/31/2008
<b>Number of Banks</b>	96	16	102	18

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### **Consolidated Income Statement**

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Total Interest Income	1,746	1,030	2,301	1,110
Total Interest Expense	558	333	964	422
Total Net Interest Income	1,188	697	1,337	688
Total Non Interest Income	398	250	401	221
Total Non Interest Expense	1,169	693	1,223	699
Total Loan Provisions	303	351	474	170
Total Pre Tax Operating Income	114	-97	41	40
Total Securities Gains/Losses	-62	-17	-87	-9
Total Applicable Income Tax	1	-43	-9	-15
Total Income Before Extraordinary Items	51	-71	-37	46
Total Net Extraordinary Items	3	0	0	0
Total Net Income	54	-71	-37	46
Total Net Charge-Offs	211	268	305	106
Total Cash Dividends Declared	109	120	189	140

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### **Ratio Analysis**

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Net Income to Average Assets	0.15%	-0.31%	-0.09%	0.22%
Net Income to Year End Total Equity	1.45%	-3.32%	-0.95%	2.30%
Net Interest Income to Average Assets	3.35%	3.08%	3.36%	3.33%
Total Loans to Total Deposits	88.44%	81.33%	99.70%	94.30%
Loan Loss Provisions to Total Loans	1.18%	2.50%	1.57%	1.18%
ALLL to Total Loans	1.81%	2.28%	2.01%	1.52%
Net Charge-Offs to Total Loans	0.83%	1.91%	1.01%	0.74%
Total Equity Capital to Total Assets	10.27%	9.58%	9.67%	9.59%
Total Equity Capital and ALLL to Total Assets and ALLL	11.41%	10.85%	11.01%	10.52%

**RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 2009 VS 2008**  
 (\$ IN MILLIONS)

	2009			2008		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	13	4,388	63	22	7,441	93
.75% TO .99%	20	6,430	52	20	14,516	124
.50% TO .74%	20	8,308	52	20	5,679	32
BELOW .50%	43	17,016	(113)	40	12,498	(286)
	96	36,142	54	102	40,134	-37

**RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 2009 VS 2008**  
 (\$ IN MILLIONS)

	2009			2008		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	2	2,691	26	4	2,893	32
.75% TO .99%	2	1,481	11	4	11,345	101
.50% TO .74%	4	770	5	6	2,427	13
BELOW .50%	8	17,375	(113)	4	4,190	(100)
	16	22,317	-71	18	20,855	46

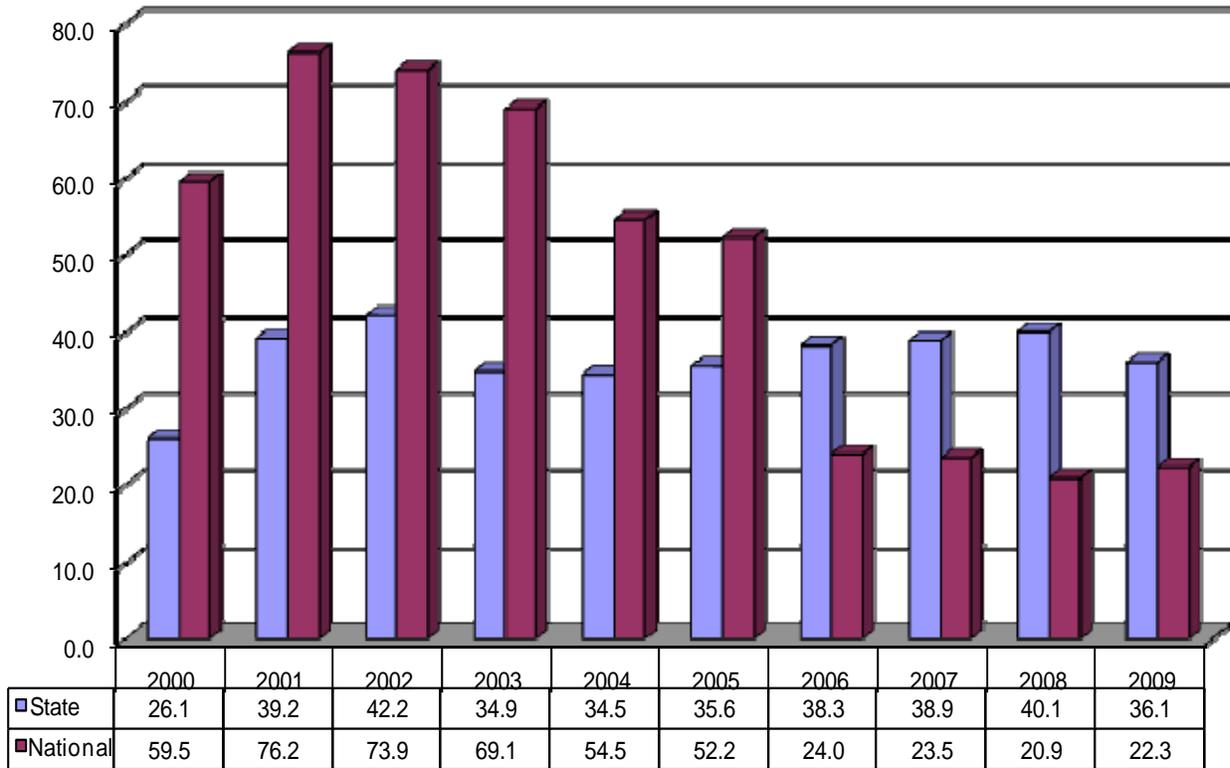
# HOLDING COMPANY OWNERSHIP ANALYSIS

(\$ IN MILLIONS)

DATA AS OF 12/31/2009	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOS- ITS	DEPOSITS %
<b>INDEPENDENT BANKS</b>						
State Banks w/o HC	9	0	\$570	0.98%	\$404	0.88%
IN HC W/One State Bank	75	75	\$32,998	56.45%	\$26,502	57.44%
National Banks w/o HC	1	0	\$256	0.44%	\$228	0.49%
IN HC w/One National Bank	13	13	\$18,988	32.48%	\$14,806	32.09%
TOTALS	98	88	\$52,812	90.34%	\$41,940	90.89%
<b>INDIANA MULTI-BK HOLDING CO.</b>						
IN HC w/One or More State Banks	7	4	\$2,125	3.64%	\$1,611	3.49%
IN HC w/One or More National Banks	2	2	\$3,073	5.26%	\$2,195	4.76%
Sub Total	9	6				
Holding Company Duplications	0	-1				
TOTALS	9	5	\$5,198	8.89%	\$3,806	8.25%
<b>OUT OF STATE MULTI-BK HOLD- ING CO.</b>						
O-ST HC w/One or More State Banks	5	3	\$449	0.77%	\$396	0.86%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	5	3				
Holding Company Duplications	0	0				
TOTALS	5	3	\$449	0.77%	\$396	0.86%
GRAND TOTALS	112	96	\$58,459	100.00%	\$46,142	100.00%

DATA AS OF 12/31/2008	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOS- ITS	DEPOSITS %
<b>INDEPENDENT BANKS</b>						
State Banks w/o HC	10	0	\$714	1.17%	\$527	1.16%
IN HC W/One State Bank	74	74	\$28,712	47.08%	\$22,663	49.81%
National Banks w/o HC	1	0	\$241	0.40%	\$212	0.47%
IN HC w/One National Bank	12	12	\$14,494	23.76%	\$10,453	22.98%
TOTALS	97	86	\$44,161	72.41%	\$33,855	74.41%
<b>INDIANA MULTI-BK HOLDING CO.</b>						
IN HC w/One or More State Banks	13	9	\$10,266	16.83%	\$6,702	14.73%
IN HC w/One or More National Banks	5	3	\$6,120	10.03%	\$4,567	10.04%
Sub Total	18	12				
Holding Company Duplications	0	-2				
TOTALS	18	10	\$16,386	26.87%	\$11,269	24.77%
<b>OUT OF STATE MULTI-BK HOLD- ING CO.</b>						
O-ST HC w/One or More State Banks	5	3	\$442	0.48%	\$373	0.53%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	5	3				
Holding Company Duplications	0	0				
TOTALS	5	3	\$442	0.48%	\$373	0.53%
GRAND TOTALS	120	99	\$60,989	100.00%	\$45,497	100.00%

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



Year	State Banks Total Assets (\$ In Billions)	%	National Banks Total Assets (\$ In Billions)	%
2000	26.1	30.5%	59.5	69.5%
2001	39.2	34.0%	76.2	66.0%
2002	42.2	36.3%	73.9	63.7%
2003	34.9	33.6%	69.1	66.4%
2004	34.5	38.8%	54.5	61.2%
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%

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2009

NAME	CITY	ADDRESS	CITY	STATE	OPENED
The Friendship State Bank	Friendship	1362 State Road 46 East	Batesville	IN	1/17/2009
Farmers & Merchants Bank	Laotto	511 Professional Way	Kendallville	IN	2/17/2009
Dupont State Bank	Dupont	1725 E. Tipton Street	Seymour	IN	4/6/2009
MainSource Bank	Greensburg	201 Limestone Drive	Frankfort	KY	5/1/2009
MainSource Bank	Greensburg	194 Versailles Road	Frankfort	KY	5/1/2009
MainSource Bank	Greensburg	1012 127 Bypass North	Lawrenceburg	KY	5/1/2009
First Farmers Bank and Trust Company	Converse	828 North Baldwin	Marion	IN	5/14/2009
The Fountain Trust Company	Covington	214 East Second Street	Veedersburg	IN	5/18/2009
Ameriana Bank, SB	New Castle	3333 East State Road 32	Westfield	IN	5/26/2009
Peoples Bank, SB	Munster	2905 Calumet Avenue	Valparaiso	IN	6/15/2009
Centier Bank	Whiting	414 Main Street	Lafayette	IN	11/2/2009
STAR Financial Bank	Fort Wayne	9102 North Meridian Street	Indianapolis	IN	11/2/2009
Grabill Bank	Grabill	9031 Stellhorn Crossing Parkway	Fort Wayne	IN	11/18/2009
State Bank of Lizton	Lizton	2100 Stafford Road	Plainfield	IN	12/3/2009

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2009

NAME	CITY	ADDRESS	CITY	STATE	CLOSED
Lincoln Bank	Plainfield	42 South State Road 135	Franklin	IN	1/30/2009
Jackson County Bank	Seymour	6 Public Square	Salem	IN	2/2/2009
Jackson County Bank	Seymour	730 North Gardner	Scottsburg	IN	2/2/2009
1st Source Bank	South Bend	714 Lincolnway	La Porte	IN	4/3/2009
Lincoln Bank	Plainfield	905 Southfield Drive	Plainfield	IN	4/17/2009
State Bank of Lizton	Lizton	675 South Ford Road	Zionsville	IN	4/30/2009
1st Source Bank	South Bend	5040 North Grape Road	Mishawaka	IN	5/15/2009
1st Source Bank	South Bend	1200 Nappanee Street	Elkhart	IN	6/12/2009
Salin Bank and Trust Company	Indianapolis	8801 U.S. 24 West	Fort Wayne	IN	8/21/2009
Salin Bank and Trust Company	Indianapolis	3010 South Adams Street	Marion	IN	11/14/2009
The Friendship State Bank	Friendship	8991 South State Road 129	Cross Plains	IN	11/28/2009



**LaPorte Savings Bank  
LaPorte IN**

NEW STATE BANK SUBSIDIARIES IN 2009

SUBSIDIARY NAME	BANK NAME	CITY	PURPOSE	ESTABLISHED
Title Center of Indiana, LLC	STAR Financial Bank	Fort Wayne	Title Insurance Agency	3/1/2009
Centier Investments Nevada 2, Inc.	Centier Bank	Whiting	Investment Portfolio Management	4/20/2009
Centier Holdings Nevada 2, Inc.	Centier Bank	Whiting	Investment Portfolio Management	4/20/2009
Centier Nevada 2, LLC	Centier Bank	Whiting	Investment Portfolio Management	4/20/2009
Title Center of Indiana, LLC	Grabill Bank	Grabill	Title Insurance Agency	9/16/2009
Title Center of Indiana, LLC	Markle Bank	Markle	Title Insurance Agency	9/16/2009
Title Center of Indiana, LLC	Bank of Wolcott	Wolcott	Title Insurance Agency	9/30/2009
SVB&T Holdings, Inc.	Springs Valley Bank & Trust Company	French Lick	Investment Portfolio Management	10/1/2009
Tower Trust Company	Tower Bank & Trust Company	Fort Wayne	Corporate Fiduciary	12/3/2009

CONVERSIONS IN 2009

Name	City	Converted Name	City	Consummated
Ameriana Bank, SB State Stock Savings Bank to State Commercial Bank	New Castle	Ameriana Bank	New Castle	6/10/2009

BRANCH OFFICE RELOCATIONS IN 2009

NAME	FROM/TOADDRESS	FROM/TO CITY	MOVED
West End Bank, SB.	39 West Union Street 207 North Main Street	Liberty Liberty	11/23/2009
1st Source Bank	127 East Main Street 306 East Main Street, Suite 100	Niles, MI Niles, MI	11/28/2009

MAIN OFFICE RELOCATIONS IN 2009

NAME	FROM/TOADDRESS	FROM/TO CITY	MOVED
Hoosier Trust Company	9339 Priority Way West Drive Suite 130 55 Monument Circle, Suite 800	Indianapolis Indianapolis	12/11/2009

MERGERS/CONSOLIDATIONS OF STATE BANKS IN 2009

SURVIVING INSTITUTION INSTITUTION MERGED	CITY	SURVIVING INSTITUTION NAME	CITY	CONSUMMATED
Greensfork Township State Bank Symphony Bank	Lynn Indianapolis	Greensfork Township State Bank	Lynn	1/1/2009
Linden State Bank Farmers State Bank	Linden New Ross	Hoosier Heartland State Bank	Crawfordsville	4/17/2009
First Merchants Bank of Central IN, N.A. Lincoln Bank	Anderson Plainfield	First Merchants Bank of Central IN, N.A.	Anderson	4/17/2009
Community First Bank First Savings Interim Bank, F.S.B.	Corydon Clarksville	Community First Bank	Corydon	9/30/2009
First Savings Bank, F.S.B. Community First Bank	Clarksville Corydon	First Savings Bank, F.S.B.	Clarksville	9/30/2009
MainSource Bank MainSource Bank- Hobart	Greensburg Hobart	MainSource Bank	Greensburg	10/22/2009
MainSource Bank MainSource Bank of Illinois	Greensburg Kankakee, IL	MainSource Bank	Greensburg	11/13/2009
First Farmers Bank and Trust Company Central Bank	Converse Russiaville	First Farmers Bank and Trust Company	Converse	12/4/2009
MainSource Bank MainSource Bank - Ohio	Greensburg Troy, OH	MainSource Bank	Greensburg	12/4/2009

HOLDING COMPANY ACQUISITIONS IN 2009

HOLDING COMPANY NAME	CITY	TARGET NAME	CITY	CONSUMMATED
P/R Bancorp	Carmel	Symphony Bancorp	Indianapolis	1/1/2009

ADDITIONS & DELETIONS IN 2009

NAME	CITY	ACTIVITY	EFFECTIVE DATE
Symphony Bank	Indianapolis	Merged with Greensfork Township State Bank, Lynn	1/1/2009
Farmers State Bank	New Ross	Merged with Linden State Bank, Linden	4/17/2009
Lincoln Bank	Plainfield	Merged with First Merchants Bank of Central Indiana, National Association, Anderson	4/17/2009
Irwin Union Bank and Trust Company	Columbus	Dissolution of Irwin Union Bank and Trust Company, Columbus	9/18/2009
Community First Bank	Corydon	Merged with First Savings Bank, F.S.B., Clarksville	9/30/2009
Central Bank	Russiaville	Merged with First Farmers Bank and Trust Company, Converse	12/4/2009

ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 2009

DFIID	NAME	CITY	TOTAL ASSETS
263	Community State Bank	Avilla	\$170,422
161	Bath State Bank	Bath	\$153,697
182	First Bank of Berne	Berne	\$415,717
280	Bloomfield State Bank	Bloomfield	\$447,421
212	Monroe County Bank	Bloomington	\$798,416
8857	United Commerce Bank	Bloomington	\$191,021
229	Peoples Trust & Savings Bank	Boonville	\$131,660
37	The Farmers & Merchants Bank	Boswell	\$96,757
226	The First State Bank	Bourbon	\$82,466
171	Community State Bank	Brook	\$47,572
284	The Farmers State Bank	Brookston	\$62,203
227	Hendricks County Bank & Trust Company	Brownsburg	\$151,670
149	The Peoples Bank	Brownstown	\$120,221
244	State Bank of Burnettsville	Burnettsville	\$39,305
39	Wayne Bank and Trust Company	Cambridge City	\$153,953
25	Indiana Bank and Trust Company	Columbus	\$1,009,502

**ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 2009**

<b>DFIID</b>	<b>NAME</b>	<b>CITY</b>	<b>TOTAL ASSETS</b>
209	First Farmers Bank and Trust Company	Converse	\$774,758
144	The Fountain Trust Company	Covington	\$231,612
273	Hoosier Heartland State Bank	Crawfordsville	\$126,248
168	CSB State Bank	Cynthiana	\$54,637
281	DeMotte State Bank	DeMotte	\$341,618
258	Dupont State Bank	Dupont	\$83,079
223	The Elberfield State Bank	Elberfeld	\$54,742
8821	Elkhart Community Bank	Elkhart	\$94,167
10990	The Peoples State Bank	Ellettsville	\$216,038
11382	Bank of Evansville	Evansville	\$301,542
245	Evansville Commerce Bank	Evansville	\$56,437
8	Citizens Exchange Bank	Fairmount	\$56,379
30	The Fairmount State Bank	Fairmount	\$37,934
310	STAR Financial Bank	Fort Wayne	\$1,658,642
8587	Tower Bank and Trust Company	Fort Wayne	\$681,439
28	Fowler State Bank	Fowler	\$129,308
9	Alliance Bank	Francesville	\$279,234
205	The Farmers Bank	Frankfort	\$439,991
7806	Heartland Community Bank	Franklin	\$242,822
14	Mutual Savings Bank	Franklin	\$128,817
132	Springs Valley Bank & Trust Company	French Lick	\$253,523
233	The Friendship State Bank	Friendship	\$268,853
172	The Garrett State Bank	Garrett	\$165,760
146	Bank of Geneva	Geneva	\$127,556
9158	Goshen Community Bank	Goshen	\$81,248
285	Grabill Bank	Grabill	\$582,467
277	Greenfield Banking Company	Greenfield	\$387,952
143	MainSource Bank	Greensburg	\$2,884,877
78	Griffith Savings Bank	Griffith	\$108,414
296	Pacesetter Bank	Hartford City	\$105,942
8800	Freedom Bank	Huntingburg	\$250,734
38	The Bippus State Bank	Huntington	\$113,988
7650	First Internet Bank of Indiana	Indianapolis	\$503,939
10640	Indiana Business Bank	Indianapolis	\$88,331
179	Salin Bank and Trust Company	Indianapolis	\$790,248
291	German American Bancorp	Jasper	\$1,235,822
289	The Campbell & Fetter Bank	Kendallville	\$250,939
240	Kentland Bank	Kentland	\$244,170
10203	Community First Bank of Howard County	Kokomo	\$203,312
9033	Lafayette Community Bank	Lafayette	\$121,353
253	Farmers State Bank	Lagrange	\$477,985
238	Farmers & Merchants Bank	Laotto	\$90,265
184	The LaPorte Savings Bank	LaPorte	\$404,658

**ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 12/31/09**

<b>DFIID</b>	<b>NAME</b>	<b>CITY</b>	<b>TOTAL ASSETS</b>
240	Kentland Bank	Kentland	\$226,649
10203	Community First Bank of Howard County	Kokomo	\$183,091
9033	Lafayette Community Bank	Lafayette	\$130,888
253	Farmers State Bank	Lagrange	\$464,200
238	Farmers & Merchants Bank	Laotto	\$77,351
184	The LaPorte Savings Bank	LaPorte	\$367,735
273	Linden State Bank	Linden	\$58,315
31	State Bank of Lizton	Lizton	\$274,414
166	Greensfork Township State Bank	Lynn	\$158,562
288	MarkleBank	Markle	\$303,061
252	State Bank of Medora	Medora	\$58,456
183	Farmers State Bank	Mentone	\$110,791
175	First State Bank of Middlebury	Middlebury	\$378,959
137	Peoples Savings & Loan Association, Monticello	Monticello	\$36,067
187	Citizens Bank	Mooreville	\$336,766
649	Peoples Bank SB	Munster	\$665,161
194	The Napoleon State Bank	Napoleon	\$125,684
50	Your Community Bank	New Albany	\$739,082
56	Ameriana Bank, SB	New Castle	\$461,468
224	Citizens State Bank	New Castle	\$232,473
198	Farmers State Bank	New Ross	\$68,556
235	The New Washington State Bank	New Washington	\$212,068
234	Community Bank	Noblesville	\$236,030
170	The North Salem State Bank	North Salem	\$128,063
33	Ossian State Bank	Ossian	\$80,353
188	Lincoln Bank	Plainfield	\$876,435
207	First State Bank of Porter	Porter	\$125,508
314	West End Bank, SB	Richmond	\$178,075
16	Tri-County Bank & Trust Company	Roachdale	\$134,605
35	Community State Bank	Royal Center	\$83,408
7990	Midwest Ag Finance, Incorporated	Rushville	\$58,187
287	Central Bank	Russiaville	\$58,682
153	Spencer County Bank	Santa Claus	\$80,544
199	The Scott County State Bank	Scottsburg	\$154,391
225	Jackson County Bank	Seymour	\$405,553
176	1st Source Bank	South Bend	\$4,445,830
228	Owen County State Bank	Spencer	\$176,832
278	Grant County State Bank	Swayzee	\$63,227
147	The Farmers State Bank	Sweetser	\$17,381
293	Terre Haute Savings Bank	Terre Haute	\$263,899
317	The Morris Plan Company of Terre Haute	Terre Haute	\$55,301
270	CentreBank	Veedersburg	\$51,754
222	Lake City Bank	Warsaw	\$2,376,286
236	The Merchants Bank & Trust Company	West Harrison	\$211,245
220	American Trust and Savings Bank	Whiting	\$138,457
215	Centier Bank	Whiting	\$1,968,570
282	Bank of Wolcott	Wolcott	\$80,853

## ACTIVE CORPORATE FIDUCIARIES 12/31/09

<b>NAME</b>	<b>CITY</b>	<b>(IN THOUSANDS)</b>
		<b>TRUST ASSETS UNDER ADMINISTRATION</b>
Trust Company of Oxford	Carmel	\$2,684,826
Lake County Trust Company	Crown Point	\$1
Nexus Fiduciary Trust Corporation	Fishers	\$166,028
STAR Wealth Management	Fort Wayne	\$0
Tower Trust Company	Fort Wayne	\$619,510
Hoosier Trust Company	Indianapolis	\$193,951
German American Financial Advisors & Trust Company	Jasper	\$109,383
Harbour Trust and Investment Management Company	Michigan City	\$397,649
Indiana Trust and Investment Management Company	Mishawaka	\$1,068,105



**MainSource Bank  
Greensburg IN**

# 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 2009 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.

Credit Union Division staff also attended a three day training conference for all Department employees held in Indianapolis during September 2009. Topics covered included credit union fraud, new credit report informa-

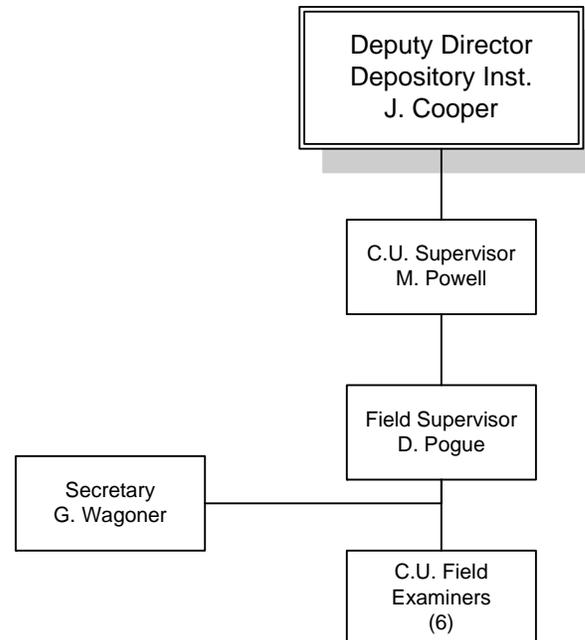
tion, new credit card laws, BSA/identity theft, a legislative update, and a general economic update.

## EXAMINATION AND SUPERVISION

The division's goal is to perform an examination of each of our state chartered credit unions within a fifteen month cycle. This goal was met during 2009. 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 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.



# DIVISION OF CREDIT UNIONS

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 committees

chairman in the past. During 2008 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, 2009 there were 47 active state chartered credit unions. The combined total assets of these 47 credit unions as of December 31, 2009 were \$8,963M an increase of \$661M over December 31, 2008. This translates to a 7.9% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$6,667M as of December 31, 2008 to \$7,365M as of December 31, 2009 this represents a growth in deposits of 10.4%. Member loans made by Indiana credit unions decreased from \$5,887M as of December 31, 2008 to \$5,880M as of December 31, 2009. This represents a decrease of 0.1% in loans to members.

The following credit union converted from a federal charter to a state charter since the last annual report:

First Trust Credit Union, Michigan City



**Sullivan County Credit Union  
Sullivan IN**

**CREDIT UNION ANNUAL REPORT 12/31/09**  
**BALANCE SHEET**

	<b>STATE CHARTERED CREDIT UNIONS</b>			<b>INDIANA FEDERALLY CHARTERED CREDIT UNIONS</b>
<u>ASSETS</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>	<u>12/31/09</u>
Loans	5,633	5,941	5,943	6,190
Less: Allowance for Loan Loss	(42)	(54)	(63)	(59)
Cash on Hand, Cash on Deposit, & Cash Equivalents	663	516	930	774
Federal Agencies & U. S. Government Obligations	554	788	806	812
Banks, Savings & Loan & Mutual Sav. Banks	213	369	366	790
Other Investments	571	372	572	555
Other Assets	364	390	409	433
<b>TOTAL ASSETS</b>	<b>\$ 7,956</b>	<b>\$ 8,322</b>	<b>\$ 8,963</b>	<b>\$ 9,495</b>
<b><u>LIABILITIES</u></b>				
Shares	6,381	6,667	7,365	8,198
Total Borrowings	632	651	584	245
Dividends Payable	2	1	1	1
Accounts Payable & Other Liabilities	70	89	76	88
<b>TOTAL LIABILITIES</b>	<b>7,085</b>	<b>7,408</b>	<b>8,026</b>	<b>8,532</b>
<b>EQUITY</b>				
Regular Reserve	376	417	456	205
Other Reserve	9	4	3	36
Accumulated Unrealized Gain/Loss	-	3	6	7
Undivided Earnings	486	490	472	715
<b>TOTAL EQUITY</b>	<b>871</b>	<b>914</b>	<b>937</b>	<b>963</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 7,956</b>	<b>\$ 8,322</b>	<b>\$ 8,963</b>	<b>\$ 9,495</b>
Number of State Chartered Credit Unions:	46	46	47	
:Number of Federally Chartered Credit Unions:	166	158	154	

**INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/09**  
**INCOME STATEMENT**  
**Schedule B (\$ In Millions)**

<u>INCOME</u>	<u>12/31/07</u>	<u>12/31/08</u>	<u>12/31/09</u>	<u>12/31/09</u>
	<b>STATE CHARTERED CREDIT UNIONS</b>			<b>INDIANA FEDERALLY CHARTERED CREDIT UNIONS</b>
Interest on Loans	355	368	359	384
Less Interest Refunds	(1)	(1)	(1)	-
Income on Investments	87	73	51	68
Other Income	117	112	125	138
 TOTAL INCOME	 558	 552	 534	 590
 <u>EXPENSES</u>				
Employee Compensation & Benefits	133	138	145	169
Travel & Conference	4	4	3	3
Office Occupancy	19	22	22	27
Office Operations	48	50	51	66
Educational & Promotional	11	11	10	12
Loan Servicing	10	12	12	22
Professional & Outside	20	21	23	32
Provision for Loan Losses	29	54	59	58
Members Insurance	-	-	-	1
Operating Fees	1	1	1	2
Interest on Borrowed Money	25	25	24	6
Corporate Stabilization & Insurance- Premium Expense	-	-	13	38
Other Expenses	9	8	9	6
 TOTAL EXPENSES	 309	 346	 372	 442
 NET INCOME BEFORE TRANS- FERS & DIVIDENDS	 249	 206	 162	 148
 DIVIDENDS TO MEMBERS	 200	 167	 127	 145
 NET INCOME	 49	 39	 35	 3
 DISTRIBUTION OF NET INCOME				
Transferred to Regular Reserves	38	37	37	1

## TOTAL CREDIT UNIONS ASSETS IN 2009

Auburn	Dekalb Financial Credit Union	\$ 92,691,347
Bedford	Hoosier Hills Credit Union	\$ 331,786,297
Bloomington	Indiana University Credit Union	\$ 620,055,799
Bluffton	Franklin Electric Employees Credit Union	\$ 1,475,885
Brazil	Clay County Farm Bureau Co-Op Credit Union	\$ 6,940,884
Columbus	Centra Credit Union	\$ 861,201,808
Crown Point	Tech Credit Union	\$ 271,057,077
East Chicago	East Chicago Firemen's Credit Union	\$ 993,715
Fishers	Forum Credit Union	\$ 998,669,161
Fort Wayne	General Credit Union	\$ 88,120,897
Fort Wayne	Pinnacle Credit Union	\$ 27,534,898
Fort Wayne	Public Service Employees Credit Union	\$ 27,388,627
Goshen	Interra Credit Union	\$ 502,024,822
Hagerstown	Perfect Circle Credit Union	\$ 50,375,999
Hammond	Hammond Firefighters Association Credit Union	\$ 1,516,339
Indianapolis	Double Eleven Credit Union	\$ 35,506,779
Indianapolis	Energy Plus Credit Union	\$ 25,658,787
Indianapolis	Family Horizons Credit Union	\$ 83,846,156
Indianapolis	Firefighters Credit Union	\$ 50,736,901
Indianapolis	Harvester Credit Union	\$ 63,561,616
Indianapolis	Hoosier Farm Bureau Credit Union	\$ 10,248,766
Indianapolis	Indiana Members Credit Union	\$ 1,257,084,431
Indianapolis	Indianapolis Post Office Credit Union	\$ 48,558,097
Indianapolis	KEMBA (Indianapolis) Credit Union	\$ 57,028,695
Indianapolis	Northpark Community Credit Union	\$ 53,369,408
Indianapolis	Professional Police Officers Credit Union	\$ 34,956,847
Indianapolis	State Service Credit Union	\$ 5,049,798
Kokomo	Kokomo Post Office Credit Union	\$ 2,936,072
La Porte	Municipal Employees Credit Union	\$ 861,635
Lawrenceburg	Community Spirit Credit Union	\$ 14,256,245
Loogootee	Martin County Cooperative Credit Union	\$ 9,618,189
Marion	Via Credit Union	\$ 256,395,596
Merrillville	Members Source Credit Union	\$ 60,604,975
Michigan City	First Trust Credit Union	\$ 75,196,280
Michigan City	Members Advantage Credit Union	\$ 74,983,843
Mishawaka	Taper Lock Credit Union	\$ 32,288,742
Monroe	Adams County Farm Bureau Co-Op Credit Union	\$ 14,000,418
Muncie	Muncie Post Office Credit Union	\$ 944,743
New Albany	New Albany Schools Credit Union	\$ 13,998,075
Richmond	NATCO Credit Union	\$ 45,291,930
Richmond	Richmond State Hospital Emp. Credit Union	\$ 1,394,914
Seymour	Jackson County Co-Op Credit Union	\$ 16,874,503
South Bend	South Bend Post Office Credit Union	\$ 10,554,018
South Bend	Teachers Credit Union	\$ 2,023,407,628
Sullivan	Sullivan County Credit Union	\$ 8,894,378
Wabash	Beacon Credit Union	\$ 683,528,672
Warsaw	United Credit Union	\$ 9,472,652
Net Assets – Includes Allowance for Loan Losses		\$ 8,962,943,344

# ***DIVISION OF CONSUMER CREDIT***

Statutes administered by the Consumer Credit Division include:

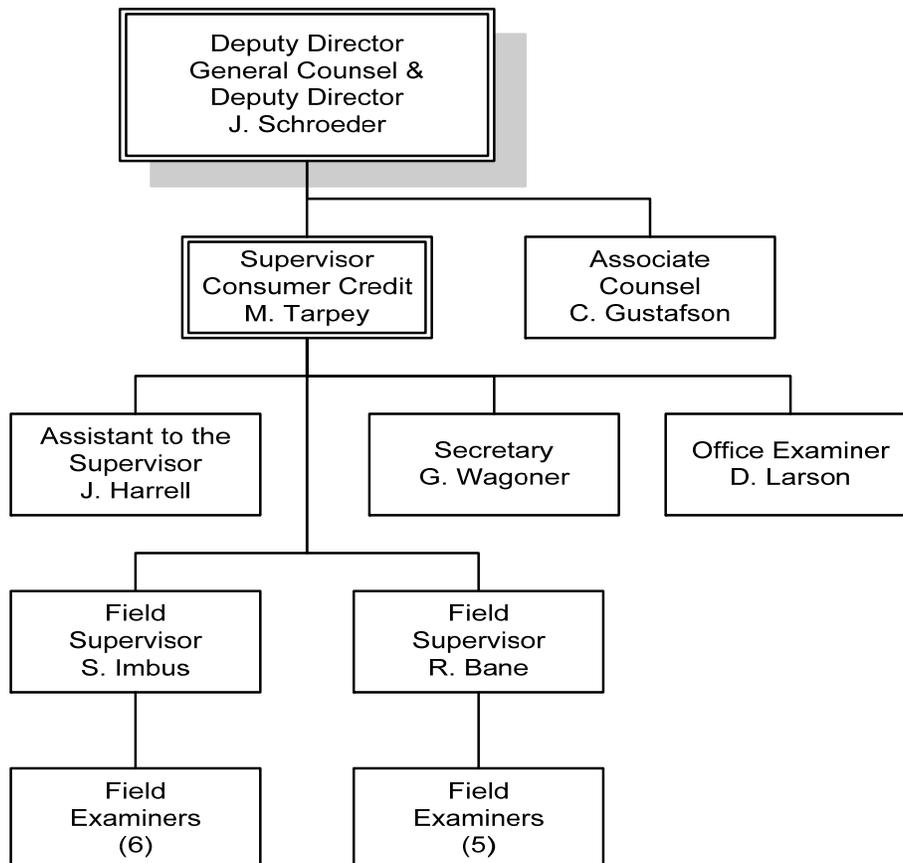
- IC 24-4.4 - First Lien Mortgage Lending
- IC 24-4.5 – Indiana Uniform Consumer Credit Code
- IC 24-4.5-7 - Small Loans (Payday Loans)
- IC 24-7 – Rental Purchase Agreements
- IC 28-1-29 – Debt Management Companies
- IC 28 7-5 – Pawnbrokers
- IC 28-8-4 – Money Transmitters
- IC 28-8-5 – Check Cashers

## **IC 24-4.4: First Lien Mortgage Lending**

Under this statute, first lien mortgage lenders became subject to licensing requirements and periodic compli-

ance 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) conform the regulation of first lien mortgage lending practices 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



# CONSUMER CREDIT

department's licensing system under the statute. Mortgage lenders make application for the license via the Nationwide Mortgage Licensing System (NMLS), with all licensing decision made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

Examinations commenced in the second quarter of calendar year 2009.

## 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 conform the regulation of consumer credit transactions to the policies of the Federal Consumer Credit Protection Act.

The Code regulates 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. To be covered, a transaction must have an amount financed that does not exceed \$50,000, 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 statute except for limited provisions applicable to depository institutions. The Code does not regulate transactions that are for agricultural, business, or commercial purposes.

First lien mortgages are exempt from the statute 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.

## 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 \$550, 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

# CONSUMER CREDIT

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 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.

## 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 moved 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 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.

## 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 persons engaged in the business of cashing checks if:

- (1) the transaction is incidental to the retail sale of goods or services; and
- (2) consideration (as defined in section 3 of this chapter) for cashing checks does not exceed the greater of:
  - (A) two percent (2%) of the face amount of the check; or
  - (B) two dollars (\$2).



Citizens State Bank  
New Castle IN

# CONSUMER CREDIT

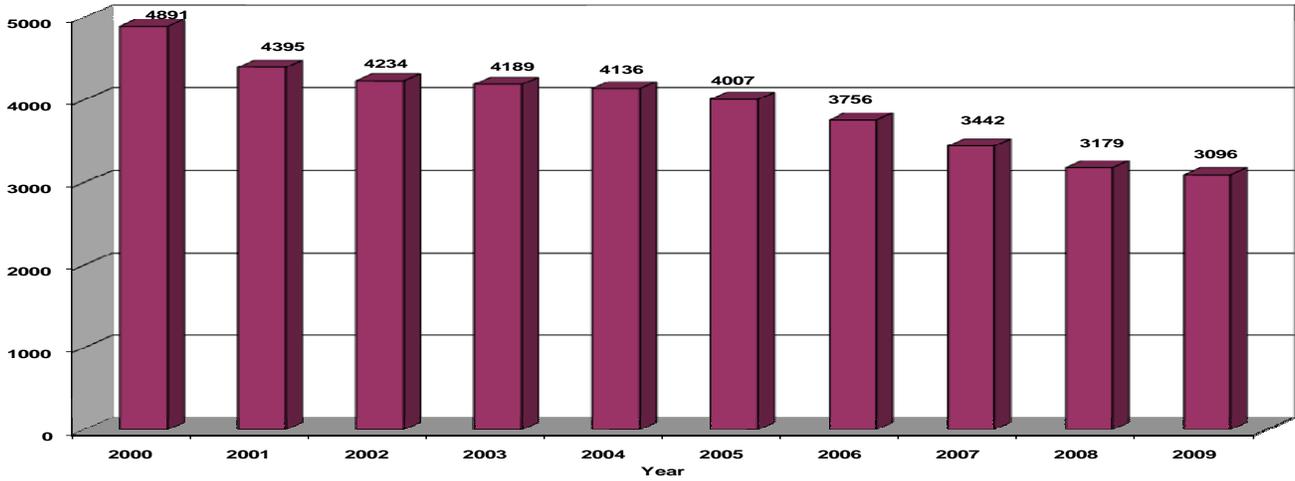
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## EXAMINATIONS

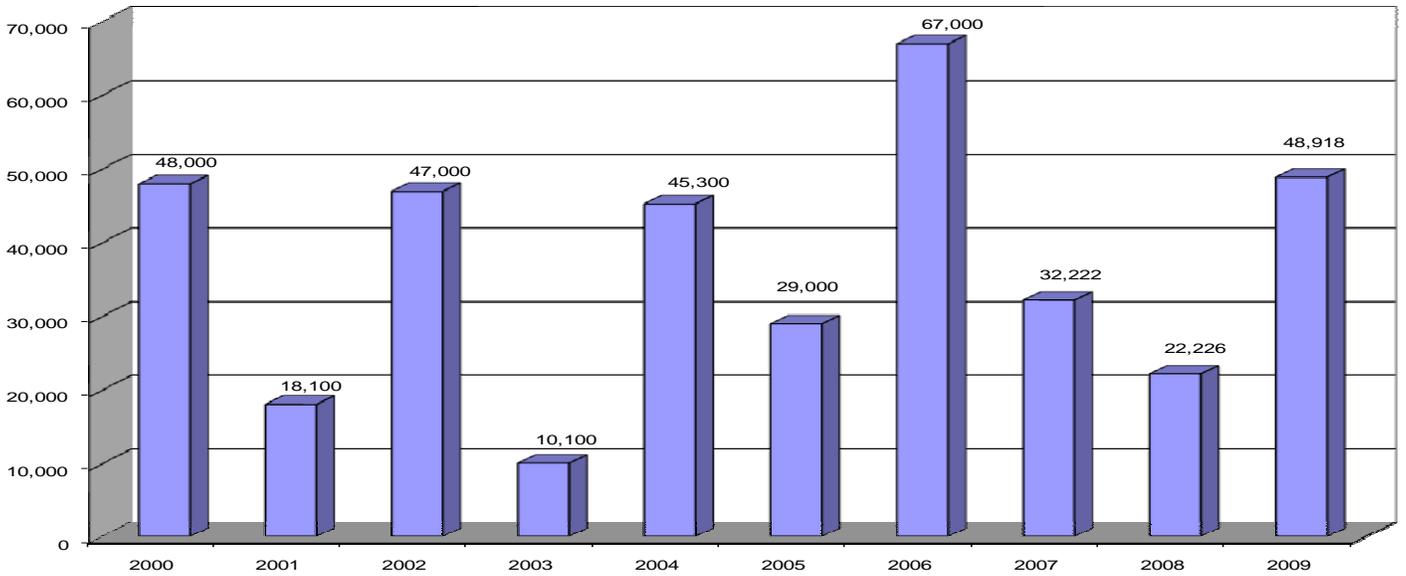
Licensed and registered entities are subject to periodic examinations to determine compliance with the statutes corresponding to their business type. As examiners discover violations they try to determine the cause and obtain assurance from the licensees or registrants that future transactions will be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

Type of Examination	No. of Exams	Exam Hours	No. of Violations	\$ Amount Refunded	No. of Non-\$ Violations
Licensed Lenders	16	225.63	9,400.00	\$ 309,665.04	5
Small Loan (Payday Loan)	30	1757.35	9,307.00	\$ 71,599.25	583
Retail Creditor	728	4705.59	5,094.00	\$ 671,804.37	131
Financial Institution	73	1878.39	1,306.00	\$ 58,892.00	115
Rental Purchase	21	182.67	92.00	\$ 2,767.58	14
Debt Management	19	205.55	722.00	\$ 22,831.44	22
Pawn Broker	29	454.2	4,089.00	\$ 87,540.67	22
Money Transmitter	2	181.5	-	-	11
Check Cashing	42	222.6	-	-	8
Subordinate Lien	10	66.54	-	-	1
First Lien Mortgage Lender	16	284.73	-	-	7
Totals	986	10164.8	30,010.00	\$ 1,225,100.35	919

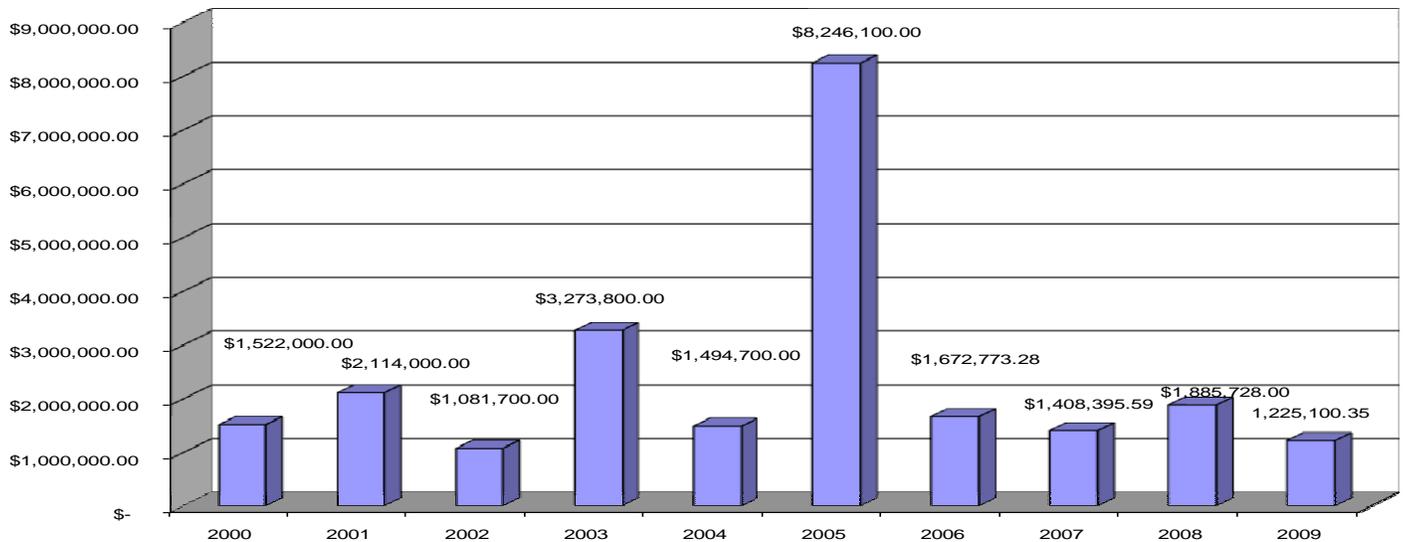
IUCCC Licensees and Filers



Number of Reimbursable Violations



Amount of Reimbursable Violations



## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2009

NUMBER	NAME	CITY	STATE	DATE
<b>Licensed Lenders</b>				
10811	First Investors Financial Services, INC.	Houston	TX	4/15/2009
11140	Amercian Home Mortgage Servicing, INC.	Coppell	TX	4/15/2009
<b>Pawnbrokers</b>				
11036	Moshe Makias	Indianapolis	IN	3/3/2009
11142	Edwin H and Margo D Durrell	Mishawaka	IN	4/29/2009
11151	Enterprise Holdings, LLC	Kokomo	IN	5/27/2009
11178	1ST Choice Pawn And Loan, LLC	Knox	IN	11/19/2009
11232	Cashland Financial Services, INC	Dayton	OH	9/14/2009
<b>Debt Management</b>				
10720	Cambridge Credit Counseling CORP	Agawam	MA	6/15/2009
10736	Debt Reduction Services, INC.	Boise	ID	3/3/2009
10748	Credit Card Management Services, INC.	West Palm Beach	FL	4/15/2009
10932	Family Credit Counseling Service	Rockford	IL	3/3/2009
11117	National Foundation For Debt Management, INC.	Clearwater	FL	9/2/2009
11239	Achieve CCA, INC.	Evansville	IN	7/29/2009
<b>Small Loan</b>				
10687	Trinity International, INC.	FT Wayne	IN	3/3/2009
10829	CCO Indiana INC.	Provo	UT	6/15/2009
10946	Real Cash II INC.	Anderson	IN	1/12/2009
<b>First Lien Mortgage Lending</b>				
10843	PHH Home Loans, LLC	Mount Laurel	NJ	2/10/2009
10846	Ideal Mortgage Bankers, Ltd.	Melville	NY	12/7/2009
10851	PennyMac Loan Services, LLC	Calabasas	CA	10/8/2009
10856	First Republic Mortgage Corporation	Indianapolis	IN	2/19/2009
10857	Perl Mortgage, INC.	Chicago	IL	2/6/2009
10859	Provident Funding Associates, LP	Burlingame	CA	11/3/2009
10861	MortgageIT, Inc.	New York	NY	1/9/2009
10862	Megastar Financial Corp.	Denver	CO	1/16/2009
10863	Van Dyk Mortgage Corporation	Grand Rapids	MI	1/8/2009
10865	New Age Mortgage Company	Louisville	KY	1/6/2009
10869	Vanderbilt Mortgage and Finance, Inc.	Maryville	TN	1/6/2009
10870	American Equity Mortgage, Inc.	St. Louis	MO	2/6/2009
10872	Freedom Mortgage Corporation	Mt. Laurel	NJ	1/29/2009
10876	Royal United Mortgage, LLC	Indianapolis	IN	1/13/2009
10882	GSF Mortgage Corporation	Brookfield	WI	2/6/2009
10883	Amerisave Mortgage Corporation	Atlanta	GA	1/29/2009
10890	U.S. Mortgage Corp.	Pine Brook	NJ	1/30/2009

## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2009

NUMBER	NAME	CITY	STATE	DATE
<b>First Lien Mortgage Lending</b>				
10891	CrossCountry Mortgage, Inc.	Parma	OH	1/6/2009
10898	Envoy Mortgage Ltd	Houston	TX	6/10/2009
10900	First Equity Mortgage Incorporated	Cincinnati	OH	1/29/2009
10901	Polaris Home Funding Corp.	Grandville	MI	1/29/2009
10908	Avelo Mortgage, L.L.C.	Irving	TX	1/6/2009
10910	American Internet Mortgage, INC.	SAN DIEGO	CA	2/6/2009
10911	Midcontinent Financial Center, Inc.	Columbia	MO	1/29/2009
10913	Sierra Pacific Mortgage Company, Inc.	Folsom	CA	2/19/2009
10914	Home Loan Center, Inc.	IRVINE	CA	3/3/2009
10915	Vericrest Financial, Inc.	Oklahoma City	OK	1/8/2009
10917	PHH Mortgage Corporation	Mt. Laurel	NJ	2/6/2009
10921	The First Mortgage Corporation	FLOSSMOOR	IL	2/19/2009
10927	Franklin American Mortgage Company	Franklin	TN	1/23/2009
10928	Prospect Mortgage, LLC	Sherman Oaks	CA	2/6/2009
10929	Gateway Mortgage Group, LLC	Tulsa	OK	11/16/2009
10930	Churchill Mortgage Corporation	Brentwood	TN	2/6/2009
10936	Indigo Financial Group, Inc.	Lansing	MI	2/10/2009
10937	Wipro Gallagher Solutions, Inc.	Franklin	TN	2/13/2009
10940	Nationwide Advantage Mortgage Company	West Des Moines	IA	2/6/2009
10941	Hartland Mortgage Centers, Inc.	Woodridge	IL	1/16/2009
10944	Visionloan, Inc.	Loves Park	IL	1/13/2009
10951	CitiFinancial Services, Inc.	Baltimore	MD	2/6/2009
10956	Bergin Financial, Inc.	Southfield	MI	2/10/2009
10957	Shore Financial Services, Inc.	Birmingham	MI	1/8/2009
10961	American Home Mortgage Lending Solutions, Inc.	Irving	TX	2/27/2009
10963	Summit Mortgage, Inc.	Fort Wayne	IN	2/19/2009
10964	Everett Financial, Inc.	Dallas	TX	1/23/2009
10965	First Ohio Banc & Lending, Inc.	Independence	OH	1/6/2009
10966	Academy Mortgage Corporation	Sandy	UT	12/21/2009
10969	HSBC Mortgage Services Inc.	Brandon	FL	1/23/2009
10970	Household Finance Corporation III	Mettawa	IL	2/6/2009
10971	Beneficial Financial I Inc.	Mettawa	IL	1/30/2009
10973	Caliber Funding LLC	Scottsdale	AZ	1/23/2009
10975	Fairway Independent Mortgage Corporation	Sun Prairie	WI	2/23/2009
10977	Beneficial Indiana Inc.	Mettawa	IL	2/10/2009
10980	American Interbanc Mortgage, LLC	Irvine	CA	4/14/2009
10988	GVC Mortgage, Inc.	Pendleton	IN	2/10/2009
10989	Milestone Mortgage, INC.	Indianapolis	IN	1/6/2009
10990	Hallmark Home Mortgage, LLC	Fort Wayne	IN	2/19/2009
10997	Saxon Mortgage Services, Inc.	Fort Worth	TX	12/3/2009
10998	Reliance First Capital, LLC	Melville	NY	12/4/2009
11000	American General Financial Services, Inc.	Evansville	IN	2/6/2009

## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2009

NUMBER	NAME	CITY	STATE	DATE
<b>First Lien Mortgage Lending</b>				
11001	Nations Direct Mortgage, LLC	Irvine	CA	1/13/2009
11002	Bayview Loan Servicing, LLC	Coral Gables	FL	2/19/2009
11003	Urban Financial Group, Inc.	Tulsa	OK	1/6/2009
11005	New Day Financial, LLC	Fulton	MD	2/13/2009
11007	Tucker Mortgage, LLC	Indianapolis	IN	2/2/2009
11008	Inlanta Mortgage, Inc.	Waukesha	WI	1/6/2009
11010	Hunter Financial Group, LLC	Tempe	AZ	3/27/2009
11011	MLD Mortgage Inc.	Florham Park	NJ	1/13/2009
11012	Indianapolis Neighborhood Housing Partnership	Indianapolis	IN	2/6/2009
11014	Key Financial Corporation	Clearwater	FL	6/10/2009
11015	Lutheran Church Extension Fund-Missouri Synod	St. Louis	MO	3/27/2009
11017	Pulte Mortgage LLC	Englewood	CO	2/6/2009
11018	SecurityNational Mortgage Company	Salt Lake City	UT	3/27/2009
11020	Compass Mortgage, Inc	Warrenville	IL	1/29/2009
11022	Myers Park Mortgage, Inc.	Charlotte	NC	1/16/2009
11023	RMC Vanguard Mortgage Corporation	Houston	TX	1/16/2009
11024	GMAC Mortgage, LLC	Fort Washington	PA	2/6/2009
11025	Homecomings Financial, LLC	Minneapolis	MN	2/23/2009
11027	Draper and Kramer Mortgage Corp.	Lombard	IL	2/6/2009
11028	CGB Agri Financial Services, Inc.	Louisville	KY	2/19/2009
11029	Southwest Funding, LP	Dallas	TX	2/6/2009
11034	Best Home Financial Inc.	Benton Harbor	MI	1/8/2009
11035	Land/Home Financial Services, Inc.	Concord	CA	1/29/2009
11039	QR Lending, Inc.	Madison	WI	6/10/2009
11040	James B. Nutter & Company	Kansas City	MO	3/27/2009
11041	CTX Mortgage Company, LLC	Dallas	TX	3/27/2009
11042	Lake Mortgage Company, Inc.	Merrillville	IN	2/27/2009
11043	Griffin Financial Mortgage, LLC	Fort Worth	TX	1/13/2009
11044	Michigan Mutual, Inc.	Port Huron	MI	1/23/2009
11045	Mortgage Access Corp.	Morris Plains	NJ	2/6/2009
11046	United Mortgage Corp.	Hauppauge	NY	11/3/2009
11047	Home Finance of America, Inc.	Plymouth Meeting	PA	3/3/2009
11048	Village Capital & Investment, LLC	Mount Laurel	NJ	1/13/2009
11049	Bridgefield Mortgage Corporation	Overland Park	KS	1/23/2009
11050	Century Mortgage Company	Louisville	KY	2/19/2009
11052	Trust One Mortgage Corporation	Irvine	CA	1/16/2009
11054	Cardinal Financial Company, Limited Partnership	Warminster	PA	2/13/2009
11055	Equity Resources, Inc.	Newark	OH	2/23/2009
11056	Stonegate Mortgage Corporation	Fishers	IN	1/30/2009
11058	First Guaranty Mortgage Corporation	Mclean	VA	4/3/2009
11062	Universal Mortgage Corporation	Mequon	WI	3/27/2009
11063	American Mortgage Service Company	Cincinnati	OH	2/14/2009
11069	Primary Residential Mortgage, Inc.	Salt Lake City	UT	3/3/2009

## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2009

NUMBER	NAME	CITY	STATE	DATE
<b>First Lien Mortgage Lending</b>				
11071	Triad Financial Services, INC	Jacksonville	FL	1/16/2009
11073	Apex Lending, Inc.	Largo	FL	11/16/2009
11075	CMG Mortgage, Inc.	San Ramon	CA	2/23/2009
11077	Universal Lending Corporation	Denver	CO	1/16/2009
11080	NFM, INC.	Linthicum	MD	2/13/2009
11081	Platinum Home Mortgage Corporation	Rolling Meadows	IL	1/29/2009
11085	Live Well Financial, Inc.	Richmond	VA	2/27/2009
11088	Union National Mortgage Co.	Strongsville	OH	6/10/2009
11089	Amerifirst Financial Corporation	Portage	MI	1/29/2009
11090	E Mortgage Management, LLC	Haddon Township	NJ	3/27/2009
11093	Oxford Lending Group, LLC	Columbus	OH	2/13/2009
11095	Chicago Bancorp, Inc.	Chicago	IL	2/13/2009
11096	Pinnacle Mortgage Group, Inc.	Lakewood	CO	2/13/2009
11102	Arbor Mortgage Corporation	Grand Rapids	MI	4/3/2009
11103	Somerset Investors Corp.	Melville	NY	11/25/2009
11104	Great Western Financial Services, Inc.	Plano	TX	4/3/2009
11105	Allen Mortgage, LLC	Centennial Park	AZ	2/27/2009
11106	Fearon Financial, LLC	Powell	OH	2/19/2009
11108	Wolfe Financial, Inc	Asheboro	NC	2/13/2009
11110	Allied Home Mortgage Capital Corporation	Houston	TX	3/3/2009
11113	NetMore America, Inc.	Walla Walla	WA	2/19/2009
11116	Kondaaur Capital Corporation	Orange	CA	2/13/2009
11119	Universal Financial Group, Inc.	Bolingbrook	IL	2/19/2009
11122	A & N Mortgage Services, Inc.	Chicago	IL	6/12/2009
11123	Virgin Money USA, Inc.	Waltham	MA	2/27/2009
11124	TMG Real Estate And Financial Services, LLC	Louisville	KY	2/27/2009
11125	Coral Mortgage Bankers Corp.	Englewood	NJ	6/10/2009
11130	Nationwide Mortgage Concepts, LLC	Rancho Mirage	CA	10/7/2009
11134	Sibcy Cline Mortgage Services, Inc.	Cincinnati	OH	4/14/2009
11138	Capital Mortgage Funding, L.L.C.	Southfield	MI	5/11/2009
11143	Loan Network LLC	Renton	WA	4/14/2009
11145	New Penn Financial, LLC	Plymouth Meeting	PA	4/14/2009
11147	American Mortgage Specialists, Inc.	Scottsdale	AZ	12/23/2009
11148	Chicago Mortgage Solutions	Northbrook	IL	6/10/2009
11152	Open Mortgage, LLC	Austin	TX	11/20/2009
11155	Peoples Home Equity, Inc.	Brentwood	TN	4/14/2009
11157	Premium Capital Funding, LLC	Jericho	NY	8/19/2009
11159	Acopia, LLC	Goodlettsville	TN	5/11/2009
11161	Green Tree Servicing LLC	St. Paul	MN	5/11/2009
11162	Mortgage Masters of Indiana, Inc.	Evansville	IN	5/11/2009
11163	Mountain States Mortgage Centers, Inc.	Sandy	UT	5/11/2009
11166	Securities Capital Holdings, Inc	Orlando	FL	5/11/2009
11170	Crescent Mortgage Company	Atlanta	GA	5/21/2009
11173	Towne Mortgage Company	Troy	MI	5/21/2009
11184	First Mortgage Of Indiana, INC.	Indianapolis	IN	5/21/2009

## CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2009

NUMBER	NAME	CITY	STATE	DATE
<b>First Lien Mortgage Lending</b>				
11187	Synergy Mortgage Group, Inc.	Elkhart	IN	6/10/2009
11188	Ascent Home Loans, Inc.	Englewood	CO	6/10/2009
11189	Overland Mortgage Corporation	Addison	TX	6/10/2009
11204	Acre Mortgage & Financial, Inc.	Marlton	NJ	7/16/2009
11207	First American Mortgage Trust	Brookline	MA	9/21/2009
11210	Standard Mortgage Funding, LLC	Indianapolis	IN	7/16/2009
11213	Ross Mortgage Corporation	Royal Oak	MI	8/28/2009
11214	Zenta Mortgage Services, LLC	Charlotte	NC	10/7/2009
11220	Gateway Funding Diversified Mortgage Services, L. P.	Horsham	PA	8/19/2009
11221	American Advisors Group	Irvine	CA	8/19/2009
11225	Lenox Financial Mortgage Corporation	Irvine	CA	7/20/2009
11227	NCL, LLC	Greenwood	IN	7/20/2009
11228	Lending Solutions, Inc.	Duluth	GA	8/7/2009
11229	American Fidelity Mortgage Services Inc.	LISLE	IL	8/28/2009
11230	NVR Mortgage Finance, Inc.	Canonsburg	PA	9/3/2009
11235	Tri-Emerald Financial Group, Inc.	Lake Forest	CA	8/28/2009
11238	Diamond Residential Mortgage Corporation	Gurnee	IL	9/3/2009
11241	Secured Residential Funding, Inc.	San Juan Capistrano	CA	12/15/2009
11246	Arch Bay Mortgage, LLC	Irvine	CA	9/21/2009
<b>Subordinate Lien Mortgage Lending</b>				
10847	Ideal Mortgage Bankers, Ltd.	Melville	NY	1/13/2009
10852	PennyMac Loan Services, LLC	Calabasas	CA	10/9/2009
10892	CrossCountry Mortgage, Inc.	Parma	OH	1/6/2009
10931	Churchill Mortgage Corporation	Brentwood	TN	1/6/2009
10938	Wipro Gallagher Solutions, Inc.	Franklin	TN	2/13/2009
10945	Visionloan, Inc.	Loves Park	IL	1/13/2009
10958	Shore Financial Services, Inc.	Birmingham	MI	1/8/2009
10968	Kondaaur Capital Corporation	Orange	CA	2/13/2009
10974	Caliber Funding LLC	Scottsdale	AZ	1/23/2009
11009	Hunter Financial Group, LLC	Tempe	AZ	3/27/2009
11021	Compass Mortgage, Inc	Warrenville	IL	1/29/2009
11026	Virgin Money USA, Inc.	Waltham	MA	1/7/2009
11030	Southwest Funding, LP	Dallas	TX	2/6/2009
11094	Platinum Home Mortgage Corporation	Rolling Meadows	IL	1/29/2009
11160	American General Financial Services, Inc.	Cincinnati	OH	6/10/2009
11169	PrimeLending, A PlainsCapital Company	Dallas	TX	5/21/2009
11190	Overland Mortgage Corporation	Addison	TX	6/10/2009
11215	Zenta Mortgage Services, LLC	Charlotte	NC	10/7/2009
11250	WCS Lending LLC	Boca Raton	FL	11/3/2009
11254	LoanDepot.com, LLC	Irvine	CA	9/21/2009
11313	RANLife, Inc.	Salt Lake City	UT	12/15/2009
11317	RoundPoint Mortgage Company	Charlotte	NC	12/23/2009

**LICENSEES AND REGISTRANTS**

**As of December 31, 2009**

<b>TYPE</b>	<b>NUMBER REGISTERED</b>	<b>NUMBER BRANCH LOCATIONS</b>
LOAN LICENSES	35	83
SMALL LOAN LICENSES	41	391
RETAIL CREDITORS	2,224	1,260
RENTAL PURCHASE	48	206
DEBT MANAGEMENT	29	12
PAWNBROKERS	61	100
MONEY TRANSMITTERS	27	16
CHECK CASHERS	60	523
FINANCIAL INSTITUTIONS	204	1,336
GAP ADMINISTRATORS	48	
First Lien Mortgage	230	156
Subordinate Lien Mortgage	88	195
<b>TOTALS</b>	<b>3,095</b>	<b>4,278</b>



**Old Alan's Pawn Shop  
Anderson, IN**

## ***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.

The largest expenditures continue to be personnel costs and travel reimbursement. 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.

The Department seeks to attract and maintain a highly qualified, capable, and efficient work force. Examiner turnover in 2009 was zero percent.

The Department actively recruits at many state colleges, universities, and job fairs. A commitment to continuing education is integral to staff development. Various training resources are used 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 pursues cost effective modes of training and information sharing opportunities with other State Banking Departments as well as our Federal Counterparts. The Department significantly increased its use of on-line training opportunities, benefitting from the lower costing yet highly efficient delivery model.

In addition to the primary office in downtown Indianapolis, 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 an efficient benefit for our mobile work force.

The Department continues to look for ways to better utilize technology. Internal application development as well as participation in various national technology committees provides an ability to research and implement efficient technology initiatives. In early 2009, the Department provided each mobile examiner with a high speed cellular broadband card. This allows for remote connectivity in virtually any location and provides our examination staff with access to State, Department, and Division specific applications and network resources; on-line regulatory guidance; and email, voicemail, and fax receipt capabilities. This result has been greater efficiency from our mobile workforce.

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

