

Department of Financial Institutions



**David H. Mills
Director**

**Annual Report
Year Ended December 31, 2012**

State of Indiana

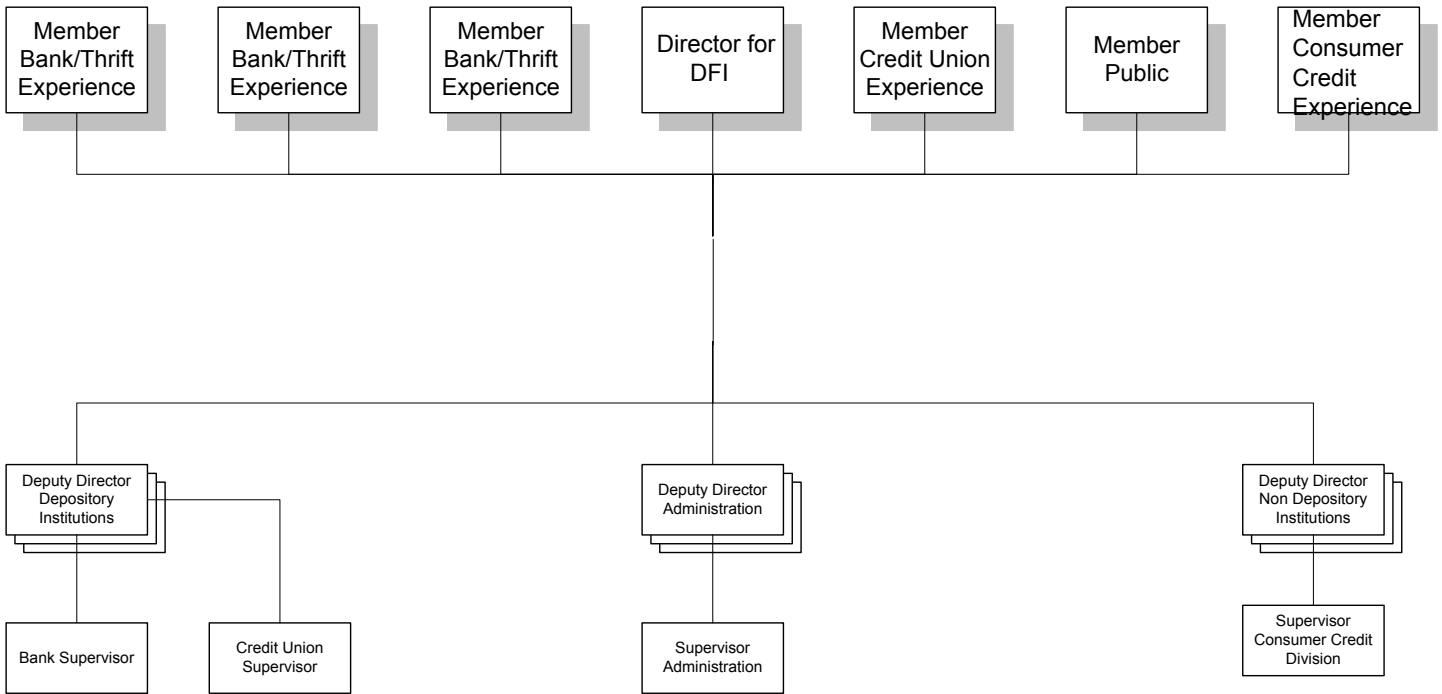
**Mitchell E. Daniels, Jr.
Governor**

**Becky Skillman
Lieutenant Governor**

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Department of Financial Institutions



DIRECTORS

DIRECTOR	FROM		TO	
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

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

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

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

David H. Hoeferkamp - I
Francis J. Tata - I
Jacob P. Swanson - I
Marc A. Ward - I
Chris C. Dietz - I

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

DISTRICT 2

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

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

Patrick W. Land - I
Kristy N. Hubele - III
Craig R. Smith - III
Brett J. Hanthorn - IV

Roman numerals denote field examiner grade level

DIVISION OF CREDIT UNIONS

James M. Cooper, Deputy Director
Mark K. Powell, Supervisor

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

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

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
Aaron B. Sweet, CPA UCCC Licensing Analyst

CONSUMER CREDIT EXAMINATION STAFF

DISTRICT 1

Rick A. Bane, Field Supervisor
George M. Hicks - I
Ned W. Brown - I
John D. Heckard - II
Matthew T. Uhl - II
Richard W. Norrell - 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 - II
Mitchell D. Bowers - 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
Renita D. Stubbs, Accountant
Shannon R. White, Administrative Assistant
Beth A. Risacher, Program Coordinator

OFFICE SUPPORT STAFF

Angie M. Smith, Depository Division
Sharmaine W. Stewart, Depository Division

EXAMINER CERTIFICATIONS

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.
Neal, Eric S.
Nelson, Richard C.
Pogue, Troy D.
Reid, Lee T.
Schreiber, Kirk J.
Land, Patrick W.

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

CERTIFIED CREDIT EXAMINER (“CCE”)

Early, Vernita L
Smith, Craig R.

Hubele, Kristy N.

CREDIT UNION DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Powell, Mark K.

CERTIFIED EXAMINER IN CHARGE (“CEIC”)

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

Thomson, Gloria A.
Walters, Mark A.

CERTIFIED CREDIT EXAMINER (“CCE”)

Hoff, Amanda L.

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.
Sweet, Aaron B.

DEPOSITORY INVESTIGATIONS SPECIALIST (“DIS”)

Uhl, Matthew T.

Black, Ryan E.

OTHER CERTIFICATIONS

CERTIFIED PUBLIC ACCOUNTANT (“CPA”)

Butts, Tabitha M.
Early, Vernita L.

Sweet, Aaron B.
Thomson, Gloria A.

CERTIFICATION PLAN OVERVIEW

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

The available certification levels are as follows:

Bank and Credit Union Divisions

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

Consumer Credit Division

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

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

DIVISION MILESTONES

The following employees celebrated milestone anniversaries with the DFI during 2012:

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Bank Division

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James Cooper - 30 Years of Service
Mark Moreland - 30 Years of Service
Kirk Schreiber - 25 Years of Service
Jacob Swanson - 25 Years of Service
Robin Upchurch - 20 Years of Service
Al Westfall - 10 Years of Service

Credit Union Division

Mark Walters - 20 Years of Service
Scott Shelton - 15 Years of Service

Consumer Credit Division

Ned Brown - 30 Years of Service
Walt - 80 Years of Service
..
..
..

Administration Division

Troy Pogue - 20 Years of Service
Beth Risacher - 20 Years of Service

DEPARTMENT OVERVIEW

Vj g'F gr ctvo gpv'qh'Hpcepcen'kpu'kwkqpu'y cu'et'gcvf 'd{ 'y g'kpf kpc'Hpcepcen'kpu'kwkqpu'Cev'qh'3; 55" *δCevö+0"Vj ku'Cev'kpeqtr qtcv'f 'u'wdu'pvc'm'f 'cm'qh'y g'tgeqo o gpf cv'kpu'qh'c'3; 54"Uwf { 'Eqo o ku'kqp" yj cv'j cf 'dggp'hqto gf 'v'q'cf f t'gu'f'gi w'cv'kqp'cpf "eqpvt'q'qh'Hpcepcen'kpu'kwkqpu'ch'gt 'y g'I t'gcv' F gr t'gu'kqp'qh'y g'3; 52u0"K'eqo o ku'kqp'gf 'y g'F gr ctvo gpv'y kj 'y g't'gur qpuk'k'k'f 'hqt'uw' gtx'k'k'pi " eqo o g'tek'n'dcp'mu. 't'wuv'eqo r cpl'gu. 'r t'kxc'v'g'dcp'mu. 'ucx'k'pi u'dcp'mu. 'd'w'k'f k'pi 'c'p'f 'h'q'c'p'cuu'q'ek'v'k'q'pu. 'et'gf k'v' w'p'k'q'pu. 'c'p'f 'h'p'c'p'eg'eqo r cpl'gu'k'p'eqtr qtcv'f 'w'p'f g't'y g'f'ry u'q'h'y g'U'c'v'g'qh'k'p'f k'p'c'0'Q'x'g't'v'o g.'y g" ueq'r g'qh'y g't'gi w'cv'q't { 't'gur qpuk'k'k'k'g'u'qh'y g'F gr ctvo gpv'j cu'dt'q'cf g'p'gf 'u'wdu'pvc'm'f 0'k'p'3; 93. 'k'p'f k'p'c' cf q'r v'g'f 'y g'W'p'k'h'q'to 'Eq'pu'w'o g't'Et'gf k'v'Eq'f g'öW'EE'ö'k'p'q't'f g't'v'q'k'o r r'k'h'f . 'e'nc't'k'h'f . 'c'p'f 'o q'f g't'p'k' g" eq'pu'w'o g't'et'gf k'v'ry u0"Vj g'F gr ctvo gpv'd'geco g'y g'cf o k'p'k'v'c'v'q't'qh'y g'W'EE'c'v'y c'v'v'o g0'k'p'cf f k'k'q'p" v'q't'gi w'cv'k'pi 'h'eg'p'ug'g'u'w'p'f g't'y g'W'EE'c'v'y g'F gr ctvo gpv'u't'gur qpuk'k'k'k'f 'j cf 'd'ggp'g'z'r c'p'f g'f 'v'q'k'p'en'f g" yj g'uw' gtx'k'k'q'p'qh'r cy p'dt'q'ng'tu. 'h'eg'p'ug'g'u'w'p'f g't'y g'k'p'f k'p'c'U'o c'm'N'q'c'p'C'ev. 'k'p'f w'uv't'k'n'h'q'c'p'f " k'p'x'g'u'o gpv'eqo r cpl'gu. 'o q'p'g'f 't'c'p'uo k'v'g'tu. 'e'j g'e'n'f'ec'uj g'tu. 'd'w'f i g'v'ug't'x'k'eg'eqo r cpl'gu. 'c'p'f 't'g'p'v'c'r'ö" r w't'ej c'ug'ci t'ggo gpv'eqo r cpl'gu0'k'p'422: . 'c'w'j q't'k'f 'y cu'cu'k'ki p'g'f 'v'q'v'j g'F gr ctvo gpv'v'q'h'eg'p'ug'v'j q'ug" h'k'u'v'h'k'p'o q't'v'ci g'g'p'f g'tu'y j q'h'w'p'f 'y g't'k'q'y p'h'q'c'p'u0'G'h'g'ev'k'g'L'w'n'f '3. '4232. 'y g'U'g'ew't'g'c'p'f 'H'ek" G'p'h'q't'ego gpv'h'q't'O q't'v'ci g'N'leg'p'uk'pi 'C'ev'qh'422: 't'gs w't'g'f 'c'p'f 'o q't'v'ci g'h'q'c'p'q't'ki k'p'c'v'q't'go r m'j g'f 'd'f 'c" u'c'v'g'h'eg'p'ug'f 'h'g'p'f g't'v'q'd'g'v'c'v'g'h'eg'p'ug'f 0"Vj g'F gr ctvo gpv'y cu'ej c'ti g'f 'y k'j 'q'x'g't'ug'g'k'pi 'y c'v'o q't'v'ci g" h'q'c'p'q't'ki k'p'c'v'q'tu'eqo r n'g'f 'y k'j 'y k'u't'gs w't'go gpv'0"

Vj g'F gr ctvo gpv'ku'c'p'q'p/ecd'k'p'g'v'g'x'g'n'f gr ctvo gpv'qh'y g'g'z'g'ew'k'g'd't'c'p'ej 'qh'y g'I q'x'g't'p'o gpv'qh' k'p'f k'p'c'c'p'f 'ku'w'd'l'g'ev'v'q'ng'i k'ur'v'k'g'q'x'g't'uki j v'c'p'f 'c'w'f k'v'd'f 'y g'U'c'v'g'D'q'c't'f 'qh'C'ee'q'w'p'u0'K't'go c'k'p'u'c'ug'h'f" h'w'p'f g'f 'w'f g'f k'ec'v'g'f 'h'w'p'f u'c'i g'p'e { 'y c'v'k'u'g'p'v't'g'n'f 'u'w'r r q't'v'g'f 'd'f 'h'g'g'u'r c'k'f 'd'f 'y g'k'p'uk'w'k'q'pu'y c'v'c't'g" t'gi w'cv'g'f 'c'p'f 'u'w'r g't'x'k'ug'f 'd'f 'y g'F gr ctvo gpv'0'k'p'f k'p'c'Eq'f g'4: /33/5/7'i t'c'p'w'c'w'j q't'k'f 'v'q'v'j g" F gr ctvo gpv'v'q'i g'p'g't'c'v'g't'g'x'g'p'w'g'c'p'f 'v'q'h'w'p'f 'q'p'i q'k'pi 'q'r g't'c'v'k'p'u0'C'p'p'w'c'm'f . 'y g'F gr ctvo gpv'c'f q'r w'c" u'ej g'f w'g'q'h'h'g'g'u'v'q'eq'x'g't'g'z'r g'ev'g'f 'q'r g't'c'v'k'pi 'eq'u'u0'T'g'x'g'p'w'g'k'u'f t'k'g'p'u'q'ng'f 'h'q'o 'u'w'r g't'x'k'k'q'p." g'z'co k'p'c'v'k'q'p. 'c'p'f 'h'eg'p'ug'h'g'g'u'v'j c'v'c't'g'c'u'g'g'w'g'f 'v'q'v'j q'ug'h'p'c'p'ek'n'k'p'uk'w'k'q'pu'y c'v'c't'g't'gi w'cv'g'f 'd'f 'y g" F gr ctvo gpv'0"

R'q'r'k'e /o c'm'k'pi 'r q'y g't'k'u'x'g'w'g'f 'k'p'c'd'k'r c't'v'k'uc'p'd'q'c't'f 'qh'v'g'x'g'p'O go d'g't'u'y j q'c't'g'c'r r q'k'p'v'g'f 'd'f 'y g" I q'x'g't'p'q't'0"Vj g'F k'g'ev'q't'qh'y g'F gr ctvo gpv'v'g't'x'g'u'cu'c'p'g'z'q'h'h'ek'q'x'q'v'k'pi 'O go d'g't'0'U'c'v'g'f'ry 't'gs w't'g'u" yj c'v'y t'gg'qh'y g'O go d'g't'u'uj c'm'd'g'r g'tu'q'pu'qh'r t'c'ev'k'ec'n'g'z'r g't'k'p'eg'c'v'y g'g'z'g'ew'k'g'g'x'g'n'q'h'c'v'c'v'g" e'j c't'v'g't'g'f 'd'c'p'm'c'v'c'v'g'ej c't'v'g't'g'f 'ucx'k'pi u'c'u'q'ek'v'k'q'p'q't'c'v'c'v'g'ej c't'v'g't'g'f 'ucx'k'pi u'd'c'p'm'q'p'g'O go d'g't" u'j c'm'd'g'c'r g'tu'q'p'qh'r t'c'ev'k'ec'n'g'z'r g't'k'p'eg'c'v'y g'g'z'g'ew'k'g'g'x'g'n'q'h'c'v'c'v'g'f g't'h'eg'p'ug'f 'w'p'f g't'KE046/6/7=q'p'g" o go d'g't'uj c'm'd'g'c'r g'tu'q'p'qh'r t'c'ev'k'ec'n'g'z'r g't'k'p'eg'c'v'y g'g'z'g'ew'k'g'g'x'g'n'q'h'c'v'c'v'g'ej c't'v'g't'g'f 'et'gf k'v'w'p'k'q'p0" k'p'c'r r q'k'p'o gpv'qh'y g't'go c'k'p'k'pi 'O go d'g't'qh'y g'F gr ctvo gpv.'y g'I q'x'g't'p'q't'uj c'm'j c'x'g'f'v'g't'gi c't'f 'v'q'c" h'ek't'g'r t'g'g'p'v'k'q'p'qh'y g'eq'pu'w'o g't. 'c'i t'k'ew'n'w't'c'n'k'p'f w'uv't'k'n'c'p'f 'eqo o g't'ek'n'k'p'v'g't'g'u'u'qh'y g'v'c'v'g'0'P'q'v" o q't'g'y c'p'v'j t'gg'O go d'g't'u'ec'p'd'g'c'h'h'k'c'v'g'f 'y k'j 'y g'v'c'o g'r q'r'k'k'ec'n'r c't'v'0"

Vj g'G'z'g'ew'k'g'V'g'co 'eq'p'uk'u'v'qh'y g'F k'g'ev'q't. 'y j q'v'g't'x'g'u'cu'v'j g'ej k'g'h'G'z'g'ew'k'g'c'p'f 'C'f o k'p'k'v'c'v'k'g" Q'h'h'eg't. 'c'p'f 'y t'gg'F gr w'f 'F k'g'ev'q'tu0"Vj g'F k'g'ev'q't'ku't'gur qpuk'd'g'h'q't'y g'cf o k'p'k'v'c'v'k'q'p'qh'y g'r q'r'k'eg'u" g'u'c'd'ik'uj g'f 'd'f 'y g'O go d'g't'u'c'p'f 'c'm'c'r r n'ec'd'ng'ng'i k'ur'v'k'g'c'ev'k'p'u'q't'r q'r'k'eg'u0"Vj g'F k'g'ev'q't'g'z'g't'ek'ug'u" o c'p'ci g't'k'n'f'eq'p't'q'n'q'x'g't'v'j g'y q't'm'q'h'y g'F gr ctvo gpv.'k'p'en'f k'pi 'ku'v'c'h'h'q'h'f gr w'k'g'u. 'u'w'r g't'x'k'k'q'tu." g'z'co k'p'g't'u'c'p'f 'c'f o k'p'k'v'c'v'k'g'r g'tu'q'p'p'g'i0"

H'k'x'g'f k'k'k'k'q'p'u't'g'uk'f g'y k'j k'p'v'j g'F gr ctvo gpv.'g'ce'j 'w'p'f g't'y g'f k'g'ev'eq'p't'q'n'q'h'c'f'gr w'f 'q't'uw'r g't'x'k'k'q't'0" Vj g'ug'c't'g'y g'F k'k'k'k'q'p'qh'D'c'p'mu'c'p'f "V't'w'uv'Eqo r cpl'gu. 'F k'k'k'k'q'p'qh'Eq'pu'w'o g't'Et'gf k'v'F k'k'k'k'q'p'qh'Et'gf k'v' W'p'k'q'pu. 'F k'k'k'k'q'p'qh'C'f o k'p'k'v'c'v'k'q'p. 'c'p'f 'y g'N'g'i c'n'F k'k'k'k'q'p'0"

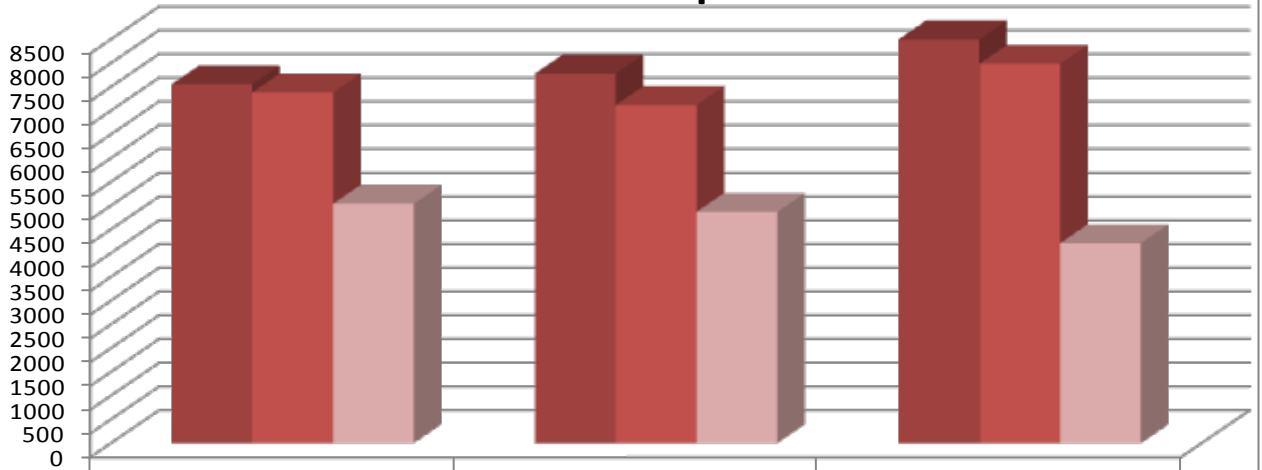
REVENUE AND EXPENDITURES

<u>REVENUE</u>	2012	2011	2010
BANK AND SAVINGS & LOAN FEES	3,851,002	3,896,916	4,498,488
CREDIT UNION FEES	947,962	963,540	996,356
PAWNBROKING LICENSING FEES	117,340	114,520	124,415
APPLICATION /MISC. FEES	129,440	46,160	64,915
DEBT MANAGEMENT COMPANIES	27,900	27,330	24,200
UCCC FEES	1,359,980	1,547,346	1,506,543
PAYDAY LENDERS	274,790	355,440	586, 940
RENTAL/PURCHASE LICENSE	61,080	64,880	64,455
MONEY TRANSMITTER FEES	68,810	55,040	44,850
CHECK CASHERS FEES	55,670	45,540	91,220
GAP/Debt Cancellation	49,905	49,190	45,760
First Lien Mortgage Lenders	410,250	409,158	400,890
Mortgage Loan Originators	199,910	204,654	97,350
Settlement Proceeds	0	0	33,450
TOTAL REVENUE	\$7,554,039	\$7,779,714	\$8,579,832

<u>EXPENDITURES</u>			
PERSONNEL COSTS	6,069,516	5,938,347	6,705,906
UTILITIES, TELEPHONE, COMMUNICATION	127,226	137,496	140,749
CONTRACT SERVICES	285,165	155,459	126,814
OFFICE SUPPLIES	9,589	16,263	17,551
EQUIPMENT/COMPUTERS	9,335	8,292	11,594
TRAVEL IN-STATE	395,344	377,687	436,788
TRAVEL OUT-OF-STATE	7,585	4,818	7,397
PERSONNEL DEVELOPMENT & RELATED TRAVEL	82,059	63,465	93,215
OFFICE LEASES, DUES, SUBSCRIPTIONS	398,016	417,576	446,433
TOTAL EXPENDITURES	7,383,835	7,119,403	7,986,447

NET REVENUE (EXPENDITURES)	170,204	660,311	593,385
CASH BALANCE, JULY 1	4,868,641	4,208,330	3,614,945
CASH BALANCE, JUNE 30	5,038,845	4,868,641	4,208,330
LESS ENCUMBRANCES	0	0	0
FUND BALANCE, JUNE 30	5,038,845	4,208,330	3,614,945

Revenue & Expenditures



	2012	2011	2010
■ Revenue	7554	7780	8580
■ Expense	7384	7119	7986
■ Fund Balance	5039	4869	4208

LEGISLATIVE CHANGES

In the 2012 legislative session the General Assembly adopted HEA 1239, generally known as the Department of Financial Institution's ("DFI" or "Department") "omnibus" bill relating to financial institutions and consumer credit organizations. HEA 1239 was comprised of a number of provisions assembled by the DFI staff during the previous year consisting of corrections and improvements to the Financial Institutions Act (IC 28 *et seq.*) and the several consumer credit laws administered by the agency: First Lien Mortgage Act (IC 24-4.4 *et seq.*) ("FLMA"); Uniform Consumer Credit Code (IC 24-4.5 *et seq.*) ("UCCC"); Rental Purchase Agreement Act (IC 24-7 *et seq.*) ("RPA"); Debt Management Company Act (IC 28-1-29 *et seq.*) ("DMA"); Pawnbrokers Act (IC 28-7-5 *et seq.*) ("PBA"); Money Transmitters Act (IC 28-8-4 *et seq.*) ("MTA"); Check Cashers Act (IC 28-8-5 *et seq.*) ("CCA") and Mortgage Lenders and Originators Regulations (750 IAC 9 *et seq.*) ("MLO Regulations") (collectively, the foregoing acts and regulations are referred to as the "Consumer Credit Laws". The Governor signed HEA 1239 on March 6, 2012 with most provisions becoming effective as of July 1, 2012.

Several substantive provisions of HB 1239 were the result of actions by Congress in the adoption of Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") in July, 2010. A number of the amendments were aimed at bringing the FLMA, UCCC and MLO Regulations into compliance with the final rule ("HUD SAFE Rule") adopted by United States Department of Housing and Urban Development ("HUD") setting forth the minimum standards for state licensing of residential mortgage loan originators. The authorities and duties, which were originally delegated to HUD by the SAFE Mortgage Licensing Act of 2008 ("SAFE Act"), were transferred on July 21, 2011, to the newly created Consumer Financial Protection Bureau ("CFPB") established by Dodd-Frank.

The following summary of HEA 1239 was originally prepared as "frequently asked questions" to help our licensees, regulatory staff and the general public learn about the 2012 developments in the areas of banks and other depository institutions, first and subordinate lien mortgages and consumer loans and sales in Indiana. In most cases, the amendments to the FLMA and UCCC parallel each other.

FIRST AND SUBORDINATE LIEN MORTGAGES AND CONSUMER CREDIT LOANS AND SALES

1. How has the adoption by HUD of the HUD SAFE Rule affected the FLMA and UCCC?

One of the significant interpretations made by HUD is the determination that an individual must be licensed as an MLO if the person is "habitually" or "repeatedly" engaging in the business of a loan originator in a "commercial context". In order to implement these concepts, many of the states, including Indiana, adopted a *de minimis* exclusion to determine whether a person is required to obtain an MLO license. The FLMA, UCCC and MLO Regulations were amended to add the term "regularly engaged" which clarifies that a person who does five or fewer mortgage transactions in a calendar year is not habitually or repeatedly engaged in the business and is not required to be licensed under the FLMA or UCCC. The determination that a person is "regularly engaged" if they originate more than five mortgage transactions was derived from the Federal Reserve's Regulation Z implementing the Truth in Lending Act.

LEGISLATIVE CHANGES

In another interpretation from HUD relating to “habitualness” in a “commercial context”, HUD has determined that an employee of a bona fide nonprofit organization is not “habitually” or “repeatedly” engaging in the business of a loan originator in a “commercial context” and, therefore, does not require licensing. The FLMA, UCCC and MLO Regulations were amended to add specific exclusions from licensing for bona fide nonprofit organizations.

2. Are land contracts considered to be mortgage transactions under the Act?

Answer – Section 1503(8) of the SAFE Act defines the term “residential mortgage loan” to mean “any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or *other equivalent consensual security interest* on a dwelling (as defined in section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).” [Emphasis added.] HUD, in interpreting the definition of a residential mortgage loan, concluded that the phrase “equivalent consensual security interest” includes land contracts. The MLO Regulations have been amended to reflect HUD’s interpretation.

3. Does an applicant for a mortgage or consumer credit lending license have any obligation to update his or her information if it becomes incorrect or inaccurate?

Yes. The FLMA and UCCC have been amended to provide that if, at any time, the information or record contained in an application or renewal application becomes inaccurate or incomplete in any material respect, the applicant shall promptly file a correcting amendment with the Department.

4. What changes have been made to the license renewal provisions in the FLMA and UCCC?

The FLMA and UCCC have been amended to provide that the creditor and its executive officers, directors or managers must certify to the Department that they continue to meet all the standards for licensing under the FLMA or UCCC and supply any material information not previously provided to the Department.

5. What are the procedures for the revocation or suspension of FLMA and UCCC licenses?

As a part of the Department’s legislative package for 2012, all of the consumer credit acts administered by the Department have been amended to make the procedures for license revocations and suspensions uniform and more streamlined.

6. What changes have occurred to the circumstances under which a director, officer or employee of a creditor can be removed from office or employment?

The FLMA and UCCC have been amended to provide that, with respect to criminal activity, only a conviction of a felony under Indiana law is grounds to remove a director, officer or employee of a creditor from office or employment. Under prior law, conviction or a plea of guilty or *nolo contendere* to a felony was sufficient grounds for removal.

7. What obligations does a creditor have if it discharges or receives a resignation from an employee, independent contractor, or agent against whom allegations were made of violations of the law or conduct involving fraud, dishonesty, theft, or the wrongful taking of property?

LEGISLATIVE CHANGES

The creditor under both the FLMA and UCCC is required to provide the Department written notice of the resignation, discharge, or termination of an employee, independent contractor, or agent against whom allegations were made of violations of the law or conduct involving fraud, dishonesty, theft, or the wrongful taking of property not later than 30 days after the effective date of the resignation, discharge, or termination.

BANKS, TRUST COMPANIES, THRIFTS, CREDIT UNIONS, HOLDING COMPANIES AND CORPORATE FIDUCIARIES

Changes In Control:

1. What are the obligations of a person who inherits or receives a gift of voting securities in an Indiana-chartered financial institution?

IC 28-1-2-23 has been amended to add a new subsection (i) to address the acquisition of voting shares of an Indiana-chartered financial institution through inheritance or a bona fide gift as well as in satisfaction of a debt previously contracted in good faith (other than the acquisition of a defaulted loan secured by a controlling amount of the voting securities in a financial institution). In such cases, a person who acquires voting shares of a financial institution through one of these transactions is required to use best efforts to comply with the change of control provisions of IC 28-1-2-23, including filing an application for change of control with the Department. Because these circumstances may come about due to unforeseen or unforeseeable circumstances, these provisions specifically state that “it is not a violation . . . if the acquiring person is not able to satisfy the requirements of [IC 28-1-2-23] and notifies the department of the acquisition not later than 30 calendar days after the acquisition and provides any relevant information requested by the department.” IC 28-1-2-23(i).

2. When is the president or other chief executive officer of a financial institution required to report to the DFI a transfer or sale of at least 10% of the outstanding stock of a financial institution?

IC 28-1-2-23(g) requires the president or other chief executive officer to file a report on the transfer or sale of at least 10% of the outstanding stock not later than 10 days after the transfer on the books of a financial institution or holding company. To avoid inadvertent violations of these provisions subsection (g) has been amended to provide that the report filed not later than 10 days after “the president or other chief executive officer *becomes aware* of the transfer of the shares of stock on the books of the financial institution or holding company.” [Emphasis added.] IC 28-1-2-23(g).

Mergers And Asset Sales:

3. What changes have been made to the chapters governing mergers and the sale of assets involving Indiana financial institutions?

The chapters relating to mergers and the sale of substantially all of the assets of an Indiana financial institution have been amended to clarify that if a merger or asset sale involves a mutual savings bank or mutual savings association the term “shareholder” refers to a member of the mutual entity. Further, members of these mutual entities do not have dissenters’ rights. Finally, the merger and asset sale chapters have been amended to acknowledge that mergers and asset sales are subject to

LEGISLATIVE CHANGES

approvals required under federal law. In addition, a new provision has been added to the asset sale chapter to address potential conflicts of interest involving officers and directors.

Community Based Economic Developments:

4. What changes have been made to the provisions of allowing Indiana-chartered banks and trust companies and savings banks to invest in community based economic development projects?

Since numerous amendments have been made in recent years to the provisions relating to investments in community based economic development projects, the staff of the Department felt it would be prudent to set out comprehensive provisions allowing Indiana-chartered financial institutions to invest in community based economic development projects. These expansive provisions allow Indiana-chartered institutions to select a variety of community based investments as long as they are consistent with safety and soundness.

5. What are the limitations have been established relating to how much an institution may invest in community based economic developments?

The aggregate of all equity investments by a bank or trust company under IC 28-1-11-14(e) [or a savings bank under IC 28-6.1-7-11(e)] may not exceed:

- (1) five percent (5%) of the capital and surplus of the bank or trust company [or a savings bank] without the prior written approval of the director; and
- (2) fifteen percent (15%) of the capital and surplus of the bank or trust company [or savings bank] under any circumstances.

It should be noted that the previous 2% limitation on investments in any one project has been eliminated.

Lending Limits For Banks, Savings Banks And Credit Unions:

6. What changes have been made to the lending limits for Indiana-chartered banks, savings banks, credit unions and savings associations?

As mandated by Dodd-Frank, IC 28-1-13-1.5 (banks), IC 28-6.1-9-5 (savings banks), IC 28-7-1-39 (credit unions) and IC 28-15-6-1 (savings associations) have been amended to add provisions stating that total loans and extensions of credit by a bank, savings bank, credit union or savings association, respectively, must include any credit exposure to a person from a derivative transaction (as defined in 12 U.S.C. 84(b)(3)) between the bank, savings bank, credit union and savings association and the person.

Business Owned Life Insurance:

7. What legislative changes have occurred relating to Business Owned Life Insurance (“BOLI”)?

IC 28-7-1-9 relating to the powers of a state-chartered credit union has been amended to authorize credit unions to own BOLI. These provisions mirror the BOLI provisions applicable to banks, savings banks and savings associations.

8. What is the “Interagency Statement on the Purchase and Risk Management of Life Insurance” (“BOLI Statement”) and how does it apply to Indiana-chartered financial institutions?

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In 2004, most of the federal banking agencies adopted the BOLI Statement, which is a thorough and comprehensive statement on ownership of life insurance by financial institutions to defray the costs of employee benefits with an emphasis on risk management. The following is a link to the BOLI statement: <http://www.fdic.gov/news/news/financial/2004/fil12704.html>. While most state-chartered institutions have been subject to the BOLI Statement since its adoption by their principal federal banking regulator in 2004 or 2005, the DFI Members felt that the amendment to the Credit Union Act (IC 28-7-1-9(c)) authorizing credit unions to acquire BOLI was an opportune time to alert all state-chartered financial institutions of the importance of complying with the BOLI Statement. In particular, the DFI Members felt it was crucial to clarify the applicability of the BOLI Statement to state-chartered credit unions. Consequently, on June 14, 2012, the Members adopted a resolution directing all state-chartered financial institutions to comply with the BOLI Statement.

"

Appraisals For Real Estate Loans By Credit Unions:

9. What changes have been adopted relating to the appraisal requirements for real estate loans made by credit unions?

"

IC 28-7-1-17(b)(3) has been amended to clarify that all real estate mortgage loans must be documented by a written appraisal; however, if the amount of the loan is at least \$250,000 the written appraisal must be performed by a state licensed or certified appraiser designated by the board of directors.

"

Limited Liability Companies:

10. What types of financial institutions can be organized as a limited liability company?

"

IC 28-11-5-10 has been amended to clarify that the provisions relating to organizing as a limited liability company apply to the following financial institutions:

- (1) A bank.
- (2) A savings association.
- (3) A credit union.
- (4) A savings bank.
- (5) A trust company.
- (6) A corporate fiduciary.

"

Foreign Fiduciaries:

11. Can a trust company organized in another state with only minimal capital open an office to do business in Indiana?

"

No. IC 28-14-3-22 has been amended to require an out of state trust company, including a national bank or national trust company that is primarily domiciled in any other state, must maintain the same capitalization as would be required of a corporate fiduciary organized under Indiana law.

"

OTHER BILLS OF INTEREST:

HB1033 - Criminal history and sentencing.

"

As we mentioned in 2011, the General Assembly adopted HEA 1211 relating to criminal history information checks. This law added a new section that allows a person charged with a crime to petition a court to restrict disclosure of arrest records related to the arrest under certain conditions; provides that if the petition is granted, the court shall order the Indiana State Police not to disclose or permit disclosure of the petitioner's limited criminal history information to noncriminal justice

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LEGISLATIVE CHANGES

organizations or certain other individuals; and provides that if a court orders a person's records to be restricted, the person may legally state on an application for employment or any other document that the person has not been arrested for or convicted of the felony or misdemeanor recorded in the restricted records.

"

In 2012, the General Assembly revisited the issue of restricting criminal history information in HEA 1033. This law prohibits employers from asking applicants, employees and contract employees whether a person's criminal record has been sealed or restricted (violation of which is a Class B infraction); prevents persons or organizations that maintain criminal background information (excluding criminal justice agency, law enforcement agency and anybody involved in journalism) from providing to employers criminal histories that have not been updated within 60 days; and allows persons with a Class D felony, after three years served, to appeal to the court to have the crime reduced to a Class A misdemeanor under certain circumstances.

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BANK AND TRUST DIVISION

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 83 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, 2012. In addition, there were seven 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, 2012. There were 15 national banks domiciled in Indiana as of December 31, 2012.

Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$39.9 billion at the end of 2012 which represented a 7.66% increase from the year-end 2011 total. Due mainly to the recovery from the recession, improvement is noted in the performance and condition of Indiana's financial institutions as reflected in most financial categories and ratios from year-end 2011 to year-end 2012. Reduced expenses for loan losses and rising noninterest income helped lift the earnings performance for financial institutions. In 2012, 3.74% of all Indiana financial institutions were unprofitable compared to 8.26% in 2011, 10.0% in 2010 and 21.4% in 2009. 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 to \$272 million for 2010 to \$173 million in 2011 and to \$93 million in 2012. National banks loan provisions decreased from \$351 million for year-end 2009 to \$244 million for year-end 2010 to \$75 million for year-end 2011 and to \$45 million for year-end 2012.

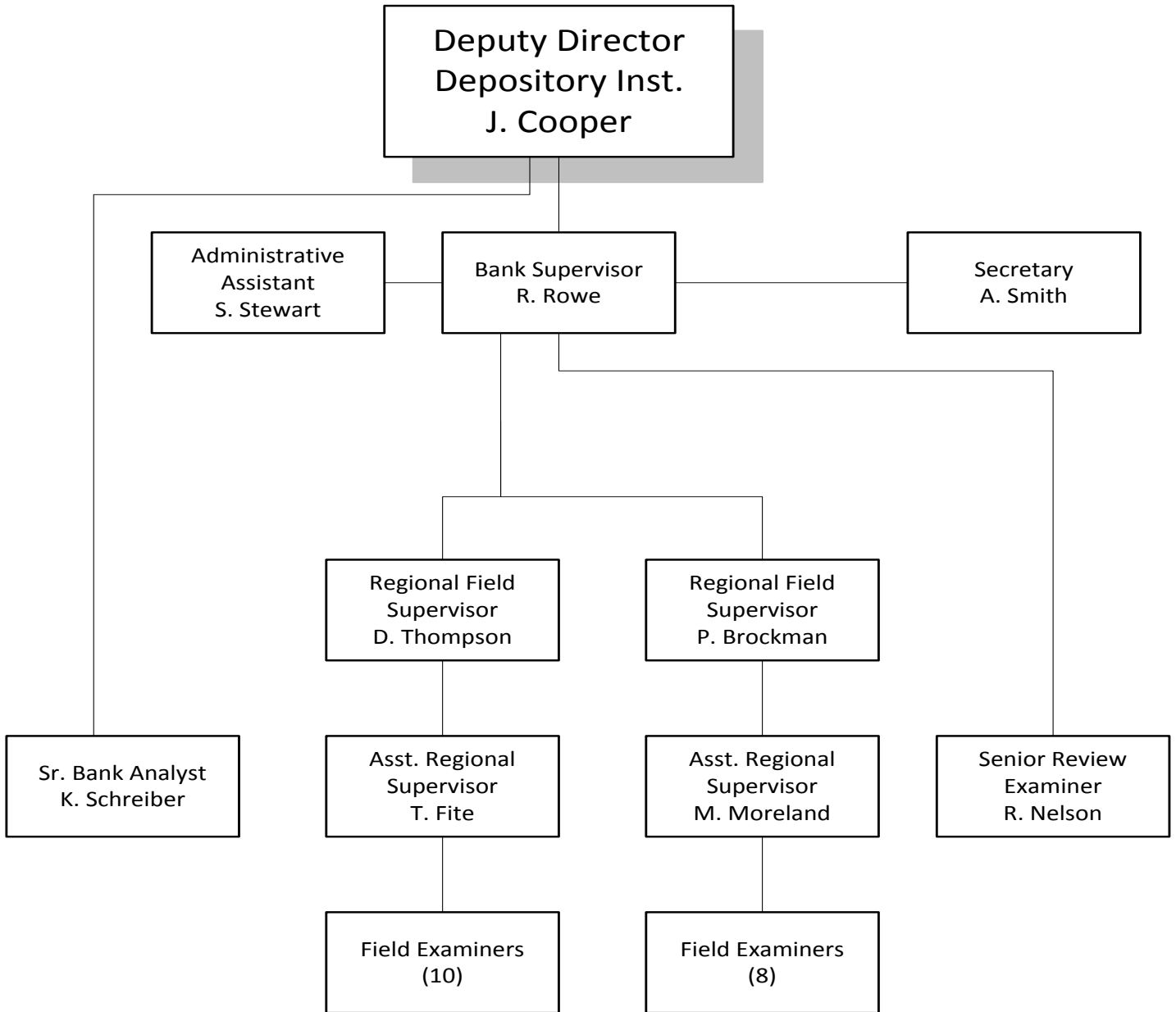
Bank liquidity continues to improve as institutions have reduced their reliance on noncore funding and liquid assets increase. Total deposits for state chartered institutions increased \$2.5 billion or 8.09% for 2012 compared to \$880 million or 2.97% in 2011. As of December 31, 2012, the Loan to Deposit ratio for state banks was 80.61% and 76.11% for national banks.

The aggregate return on assets ("ROA") for state-chartered financial institutions in 2012 was 1.15%, up from 0.93% at year-end 2011. National banks aggregate ROA was also up from 0.83% to 1.03% during the same time-frame. Net loan charge-offs for state chartered financial institutions amounted to 0.41% of total loans and leases, decreased slightly from 0.68% a year earlier. Net loan charge-offs for national banks decreased from 0.81% as of December 31, 2011 to 0.38% as of December 31, 2012.

Aggregate equity capital in Indiana's state chartered financial institutions increased 7.93% at \$4.37 billion at year end 2012, up from \$4.05 billion in 2011. The total equity capital to total assets ratio was 10.94%, up slightly from 10.91% at year-end 2011. National banks aggregate equity capital was \$2.5 billion at year-end 2012. The total equity capital to total assets ratio for national banks increased from 11.07% at year-end 2011 to 11.41% at year-end 2012.

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

BANK DIVISION



COMPARATIVE STATEMENT STATE CHARTERED BANKS

ACCOUNT DESCRIPTIONS <i>(\$ In Millions)</i>	12/31/2012	% CHANGE	12/31/2011	% CHANGE	12/31/2010	% CHANGE	12/31/2009
Assets	39,939	7.66%	37,096	2.53%	36,181	0.11%	36,142
Deposits	32,925	8.09%	30,462	2.97%	29,582	2.31%	28,913
Total Equity Capital Adjusted	4,370	7.93%	4,049	7.69%	3,760	1.27%	3,713
Tier 1 Capital	3,971	8.03%	3,676	5.18%	3,495	1.72%	3,436
LVR	482	-2.63%	495	-2.94%	510	10.15%	463
Total Capital	4,453	6.76%	4,171	4.14%	4,005	2.72%	3,899
Total Net Charge-Offs	110	-35.29%	170	-24.78%	226	7.11%	211
Total Gross Loans & Leases	26,540	-0.80%	24,844	-0.80%	25,045	-2.06%	25,572
Total Securities	8,751	8.81%	7,939	8.81%	7,296	25.10%	5,832
Federal Funds Sold	253	6.19%	309	6.19%	291	6.20%	274
Interest Bearing Balances	1,413	44.17%	1,237	44.17%	858	5.80%	811
Trading Account Securities	19	11.11%	20	11.11%	18	12.50%	16
Total Earning Assets	36,494	7.80%	33,854	2.59%	32,998	2.98%	32,042
Total Interest Income	1,584	-1.49%	1,608	-5.36%	1,699	-2.69%	1,746
Total Interest Expense	251	-20.82%	317	-24.16%	418	-25.09%	558
Net Interest Income	1,333	3.25%	1,291	0.78%	1,281	7.83%	1,188
Total Non-interest Income	458	17.74%	389	-6.71%	417	4.77%	398
Total Non-interest Expenses	1,132	4.04%	1,088	1.02%	1,077	-7.87%	1,169
Loan Provisions	93	-46.24%	173	-36.40%	272	-10.23%	303
Net Income	445	32.44%	336	23.53%	272	403.70%	54

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.

ACCOUNT DESCRIPTIONS	State	National	State	National
(\$ IN MILLIONS)	12/31/2012	12/31/2012	12/31/2011	12/31/2011
Number of Banks	92	15	94	15
Consolidated Balance Sheet				
Total Gross Loans & Leases	26,540	13,279	24,844	12,520
Total Allowance for Loans & Leases (ALLL)	482	202	495	207
Total Net Loans & Leases	26,058	13,077	24,349	12,313
Total Securities	8,751	5,882	7,939	5,365
Total Interest Bearing Balances	1,413	464	1,237	413
Total Fed Funds Sold/Repurchase Agreements	253	47	309	19
Total Trading Accounts	19	0	20	0
Total Earning Assets	36,494	19,470	33,854	18,110
Total Cash and Due From Bank	896	501	792	475
Total Premises and Fixed Assets	598	279	560	245
Total Other Real Estate Owned	157	68	196	75
Total Other Assets	1,794	1,741	1,694	1,623
Total Assets	39,939	22,059	37,096	20,528
Average Assets	38,607	21,150	36,166	19,569
Total Deposits	32,925	17,448	30,462	16,013
Total Fed Funds Purchased	762	1,178	699	1,052
Total Other Borrowed Funds	1,538	586	1,545	850
Total Subordinated Debt	1	5	2	5
Total All Other Liabilities	343	324	339	335
Total Liabilities	35,569	19,541	33,047	18,255
Total Equity Capital	4,370	2,518	4,049	2,273
Total Liabilities and Equity Capital	39,939	22,059	37,096	20,528

ACCOUNT DESCRIPTIONS
(IN MILLIONS OF \$)

	State 12/31/2012	National 12/31/2012	ALL BANKS 12/31/2012	ALL BANKS 12/31/2011	% CHANGE
Number of Banks	92	15	107	109	
Combined Statement of Condition					
Total Gross Loans & Leases	26,540	13,279	39,819	37,364	6.57%
Total Allowance for Loans & Leases (ALLL)	482	202	684	702	-2.56%
Total Net Loans & Leases	26,058	13,077	39,135	36,662	6.75%
Total Securities	8,751	5,882	14,633	13,304	9.99%
Total Interest Bearing Balances	1,413	464	1,877	1,650	13.76%
Total Fed Funds Sold/Repurchase Agreements	253	47	300	328	-8.54%
Total Trading Accounts	19	0	19	20	-5.00%
Total Earning Assets	36,494	19,470	55,964	51,964	7.70%
Total Cash and Due From Bank	896	501	1,397	1,267	10.26%
Total Premises and Fixed Assets	598	279	877	805	8.94%
Total Other Real Estate Owned	157	68	225	271	-16.97%
Total Other Assets	1,794	1,741	3,535	3,317	6.57%
Total Assets	39,939	22,059	61,998	57,624	7.59%
Average Assets	38,607	21,150	59,757	55,735	7.22%
Total Deposits	32,925	17,448	50,373	46,475	8.39%
Total Fed Funds Purchased	762	1,178	1,940	1,751	10.79%
Total Other Borrowed Funds	1,538	586	2,124	2,395	-11.32%
Total Subordinated Debt	1	5	6	7	-14.29%
Total All Other Liabilities	343	324	667	674	-1.04%
Total Liabilities	35,569	19,541	55,110	51,302	7.42%
Total Equity Capital	4,370	2,518	6,888	6,322	8.95%
Total Liabilities and Equity Capital	39,939	22,059	61,998	57,624	7.59%

ACCOUNT DESCRIPTIONS
(IN MILLIONS OF \$)

	State 12/31/2012	National 12/31/2012	State 12/31/2011	National 12/31/2011
Number of Banks	92	15	94	15
Consolidated Income Statement				
Total Interest Income	1,584	833	1,608	814
Total Interest Expense	251	101	317	143
Total Net Interest Income	1,333	732	1,291	671
Total Non Interest Income	458	265	389	226
Total Non Interest Expense	1,132	662	1,088	613
Total Loan Provisions	93	45	173	75
Total Pre Tax Operating Income	566	290	419	209
Total Securities Gains/Losses	19	17	24	14
Total Applicable Income Tax	140	89	107	61
Total Income Before Extraordinary Items	445	218	336	162
Total Net Extraordinary Items	0	0	0	0
Total Net Income	445	218	336	162
Total Net Charge-Offs	110	51	170	102
Total Cash Dividends Declared	270	119	146	44

Ratio Analysis

Net Income to Average Assets	1.15%	1.03%	0.93%	0.83%
Net Income to Year End Total Equity	10.18%	8.66%	8.30%	7.13%
Net Interest Income to Average Assets	3.45%	3.46%	3.57%	3.43%
Total Loans to Total Deposits	80.61%	76.11%	81.56%	78.19%
Loan Loss Provisions to Total Loans	0.35%	0.34%	0.70%	0.60%
ALLL to Total Loans	1.82%	1.52%	1.99%	1.65%
Net Charge-Offs to Total Loans	0.41%	0.38%	0.68%	0.81%
Total Equity Capital to Total Assets	10.94%	11.41%	10.91%	11.07%
Total Equity Capital and ALLL to Total Assets and ALLL	12.00%	12.22%	12.09%	11.96%

RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 2012 VS 2011
 (\$ IN MILLIONS)

	2012			2011		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	37	25,448	345	24	17,038	216
.75% TO .99%	24	7,702	68	26	9,824	83
.50% TO .74%	16	4,731	28	21	5,588	34
BELOW .50%	15	2,058	4	23	4,646	3
	92	39,939	445	94	37,096	336

RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 2012 VS 2011
 (\$ IN MILLIONS)

	2012			2011		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	4	18,319	197	1	2,853	34
.75% TO .99%	3	673	5	5	14,720	129
.50% TO .74%	4	2,281	15	6	2,078	11
BELOW .50%	4	786	1	3	877	(12)
	15	22,059	218	15	20,528	162

HOLDING COMPANY OWNERSHIP ANALYSIS

(In Millions of \$)

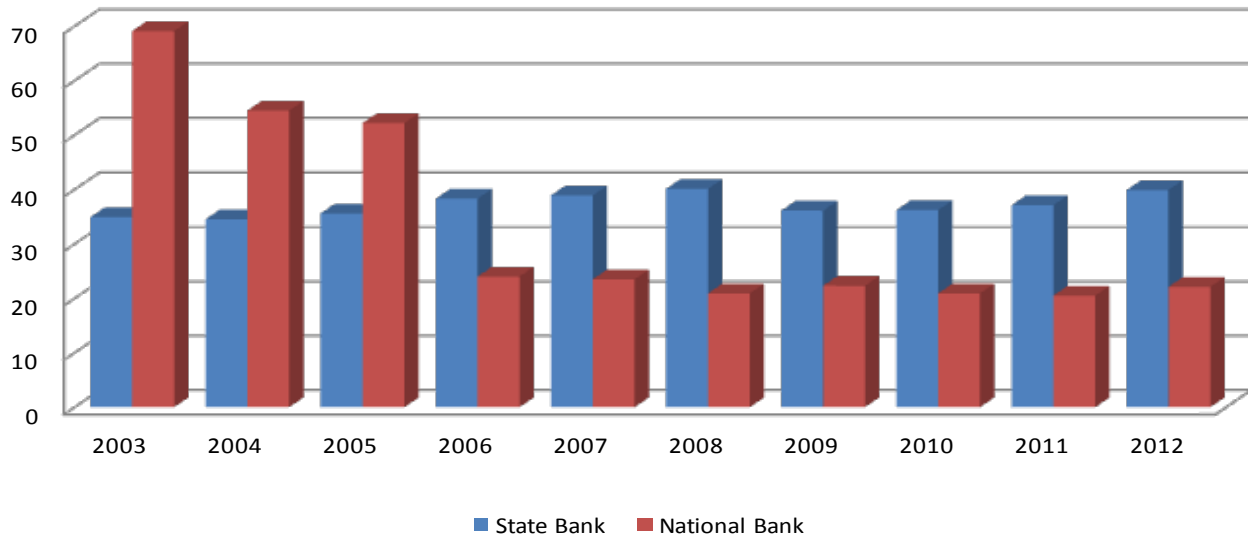
DATA AS OF 12/31/12	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOSITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	9	0	\$628	1.01%	\$518	1.03%
IN HC W/One State Bank	76	76	\$37,715	60.83%	\$31,098	61.74%
National Banks w/o HC	1	0	\$315	0.51%	\$280	0.56%
IN HC w/One National Bank	12	12	\$18,423	29.72%	\$14,556	28.90%
TOTALS	98	88	\$57,081	92.07%	\$46,452	92.22%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	5	3	\$1,321	2.13%	\$1,062	2.11%
IN HC w/One or More National Banks	2	2	\$3,322	5.36%	\$2,612	5.19%
Sub Total	7	5				
Holding Company Duplications	0	-1				
TOTALS	7	4	\$4,643	7.49%	\$3,674	7.29%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	2	2	\$274	0.44%	\$247	0.49%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	2	2				
Holding Company Duplications	0	0				
TOTALS	2	2	\$274	0.44%	\$247	0.49%
GRAND TOTALS	107	94	\$61,998	100.00%	\$50,373	100.00%

HOLDING COMPANY OWNERSHIP ANALYSIS

(In Millions of \$)

DATA AS OF 12/31/11	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOSITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	10	0	\$647	1.12%	\$468	1.01%
IN HC W/One State Bank	74	74	\$33,884	58.80%	\$27,964	60.17%
National Banks w/o HC	1	0	\$295	0.51%	\$264	0.57%
IN HC w/One National Bank	12	12	\$16,859	29.26%	\$13,146	28.29%
TOTALS	97	86	\$51,685	89.69%	\$41,842	90.03%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	7	4	\$2,204	3.82%	\$1,704	3.67%
IN HC w/One or More National Banks	2	2	\$3,374	5.86%	\$2,603	5.60%
Sub Total	9	6				
Holding Company Duplications	0	0				
TOTALS	9	6	\$5,578	9.68%	\$4,307	9.27%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	3	3	\$361	0.63%	\$326	0.70%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	3	3				
Holding Company Duplications	0	0				
TOTALS	3	3	\$361	0.63%	\$326	0.70%
GRAND TOTALS	109	95	\$57,624	100.00%	\$46,475	100.00%

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



Year	State Banks Total Assets (\$ In Billions)	%	National Banks Total Assets (\$ In Billions)	%
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%
2010	36.2	63.4%	20.9	36.6%
2011	37.1	64.4%	20.5	35.6%
2012	39.9	64.4%	22.1	35.6%

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2012

Name	City	Address	City	State	Opened
Lake City Bank	Warsaw	101 North Michigan Street	South Bend	IN	1/9/2012
MarkleBank	Markle	1001 Dehner Drive	Ossian	IN	1/10/2012
First Bank of Berne	Berne	915 West Main Street	Peru	IN	2/17/2012
First Bank of Berne	Berne	1936 South Dixon Road	Kokomo	IN	2/17/2012
First Bank of Berne	Berne	101 West Broadway	Bunker Hill	IN	2/17/2012
MainSource Bank	Greensburg	2310 West Jonathan Moore Pike	Columbus	IN	4/9/2012
German American Financial Advisors & Trust Company	Jasper	127 North Main Street, Suite 200	Henderson	KY	4/27/2012
MarkleBank	Markle	8985 North US 24 East	Roanoke	IN	6/25/2012
Indiana Trust & Investment Management Company	Mishawaka	307 South Main Street, Suite 311	Elkhart	IN	7/23/2012
Centier Bank	Whiting	11611 North Meridian Street, Suite 175	Carmel	IN	8/1/2012
MainSource Bank	Greensburg	1104 East Tipton Street, Suite B	Seymour	IN	9/17/2012
MainSource Bank	Greensburg	11 South Meridian Street	Indianapolis	IN	10/15/2012
The Farmers & Merchants Bank	Boswell	275 Sagamore Parkway W	West Lafayette	IN	11/19/2012
Community State Bank of Southwestern Indiana	Poseyville	201 West Fourth Street	Mt. Vernon	IN	12/3/2012

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2012

Name	City	Address	City	State	Opened
Citizens Bank	Mooreville	10 East Mill Street	Brooklyn	IN	4/28/2012
MainSource Bank	Greensburg	310 North Main Street	Liberty	IN	7/13/2012
MainSource Bank	Greensburg	204 West Sigler Street	Frankton	IN	7/13/2012
MainSource Bank	Greensburg	707 South Scatterfield Road	Anderson	IN	7/13/2012
MainSource Bank	Greensburg	108 East State Street	Potomac	IN	7/13/2012
MainSource Bank	Greensburg	1111 Market Street	Charlestown	IN	7/13/2012
MainSource Bank	Greensburg	1711 East 10th Street	Jeffersonville	IN	8/10/2012
Owen County State Bank	Spencer	Main Street	Coal City	IN	9/29/2012
German American Bancorp	Jasper	1665 North State Road 257	Otwell	IN	10/6/2012
Ameriana Bank	New Castle	6653 West Broadway	McCordsville	IN	10/13/2012
Citizens Bank	Mooreville	480 Town Center Drive	Mooreville	IN	12/15/2012
Centier Bank	Whiting	702 East Lincolnway	LaPorte	IN	12/21/2012
Centier Bank	Whiting	201 North Michigan Street	Plymouth	IN	12/21/2012

NEW STATE BANK SUBSIDIARIES IN 2012

<u>Subsidiary Name</u>	<u>Bank Name</u>	<u>City</u>	<u>Purpose</u>	<u>Established</u>
FirstMedPay Corporation	First Federal Savings Bank	Evansville	Medical Consumer Loans	3/5/2012
Columbia Development Company LLC	Peoples Bank, SB	Munster	Special Assets	3/8/2012
JKH Realty Services, LLC	First Internet Bank of Indiana	Indianapolis	Special Assets	9/10/2012
Ash RealtyHoldings, LLC	Merchants Bank of Indiana	Lynn	Special Assets	9/10/2012

CONVERSIONS IN 2012

<u>Name</u>	<u>City</u>	<u>Converted Name</u>	<u>City</u>	<u>Consummated</u>
MutualBank Federal Stock Savings Bank to State Commercial Bank	Muncie	MutualBank	Muncie	1/1/2012
Boonville Federal Savings Bank Federal Mutual Savings Bank to State Mutual Savings Bank	Boonville	Boonville Federal Savings Bank	Boonville	5/30/2012
First Federal Savings Bank Federal Stock Savings Bank to State Commercial Bank	Huntington	First Federal Savings Bank	Huntington	6/30/2012
LaPorte Savings Bank, MHC Mutual Thrift Holding Company to Stock Thrift Holding Company	LaPorte	LaPorte Bancorp, Inc.	LaPorte	10/4/2012

MAIN OFFICE RELOCATIONS IN 2012

Name	From/To Address	From/To City	Moved
Griffith Savings Bank	510 North Broad Street 533 East 57th Street	Griffith Indianapolis	1/4/2012
CSB State Bank	10351 Evansville Street 220 South Lockwood Street	Cynthiana Poseyville	4/30/2012
Indiana Trust and Investment Management Company	3930 Edison Lakes Parkway, Suite 250 4045 Edison Lakes Parkway	Mishawaka Mishawaka	6/15/2012
IAB Financial Bank	13505 Main Street 118 East Ludwig Road	Grabill Fort Wayne	10/9/2012
River Valley Financial Bank	10525 West Front Street 430 Clifty Drive	Dupont Madison	11/9/2012

BRANCH OFFICE RELOCATIONS IN 2012

Name	From/To Address	From/To City	Moved
Tower Bank & Trust Company	10373 Illinois Road 9912 Illinois Road	Fort Wayne Fort Wayne	1/23/2012
The Fountain Trust Company	115 West Main Street 113 West Main Street	Darlington Darlington	5/21/2012
Bloomfield State Bank	48 North Washington Street 9750 East State Road 54	Bloomfield Bloomfield	6/18/2012
The Bippus State Bank	270 North Main Street 557 Geiger Drive Suite: A	Roanoke Roanoke	8/13/2012
The Merchants Bank & Trust Company	6507 Harrison Avenue 6300 Harrison Avenue	Cincinnati, OH Cincinnati, OH	9/17/2012
Farmers State Bank	205 Main Street 200 Main Street	Leesburg Leesburg	10/9/2012
1st Source Bank	1409 East Market Street 1600 East Market Street	Nappanee Nappanee	11/19/2012

MERGERS IN 2012

<u>SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED</u>	<u>City</u>	<u>SURVIVING INSTITUTION NAME</u>	<u>City</u>	<u>Consummated</u>
Horizon Bank, NA Heartland Community Bank	Michigan City Franklin	Horizon Bank, NA	Michigan City	7/17/2012
Old National Bank Indiana Bank and Trust Company	Evansville Columbus	Old National Bank	Evansville	9/15/2012
Grabill Bank MarkleBank	Grabill Markle	IAB Financial Bank	Fort Wayne	10/9/2012
Dupont State Bank River Valley Financial Bank	Dupont Madison	River Valley Financial Bank	Madison	11/9/2012
Grant County State Bank The Farmers State Bank	Swayzee Sweetser	Grant County State Bank	Swayzee	12/31/2012

HOLDING COMPANY ACQUISITIONS IN 2012

<u>Holding Company Name</u>	<u>City</u>	<u>Target Name</u>	<u>City</u>	<u>Consummated</u>
First Citizens of Paris, Inc.	Paris, IL	FFFC Acquisition, Inc.	Converse	5/1/2012
First Farmers Financial Corporation	Converse	First Citizens of Paris, Inc.	Paris, IL	5/1/2012
Horizon Bancorp	Michigan City	Heartland Bancshares, Inc.	Franklin	7/17/2012
Old National Bancorp	Evansville	Indiana Community Bancorp	Columbus	9/15/2012

ADDITIONS AND DELETIONS IN 2012

Name	City	Activity	Effective Date
MutualBank	Muncie	Conversion from a Federal Mutual Savings Bank to a State Commercial Bank	1/1/2012
Griffith Savings Bank	Griffith	Dissolution of Griffith Savings Bank	1/1/2012
Boonville Federal Savings Bank	Boonville	Conversion from a Federal Mutual Savings Bank to a State Mutual Savings Bank	5/31/2012
First Federal Savings Bank	Huntington	Conversion from a Federal Stock Savings Bank to a State Commercial Bank	6/30/2012
Heartland Community Bank	Franklin	Merged with Horizon Bank, NA, Michigan City	7/17/2012
Indiana Bank and Trust Company	Columbus	Merged with Old National Bank, Evansville	9/15/2012
MarkleBank	Markle	Merged with Grabill Bank, Grabill	10/9/2012
The Farmers State Bank	Sweetser	Merged with Grant County State Bank, Swayzee	12/31/2012

ACTIVE CORPORATE FIDUCIARIES 12/31/12

DFIID	NAME	CITY	(IN THOUSANDS)
			TRUST ASSETS UNDER ADMINISTRATION
7802	Trust Company of Oxford	Carmel	\$3,669,611
322	Lake County Trust Company	Crown Point	\$1
11301	Tower Trust Company	Fort Wayne	\$479,730
9829	Hoosier Trust Company	Indianapolis	\$195,316
9944	German American Financial Advisors & Trust Company	Jasper	\$255,408
7631	Harbour Trust and Investment Management Company	Michigan City	\$485,814
323	Indiana Trust and Investment Management Company	Mishawaka	\$1,213,127

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/12

DFIID	NAME	CITY	TOTAL ASSETS
263	Community State Bank	Avilla	\$195,608
161	Bath State Bank	Bath	\$148,844
182	First Bank of Berne	Berne	\$515,043
280	Bloomfield State Bank	Bloomfield	\$400,020
8857	United Commerce Bank	Bloomington	\$131,292
139	Boonville Federal Savings Bank	Boonville	\$39,567
229	Peoples Trust & Savings Bank	Boonville	\$140,488
37	The Farmers & Merchants Bank	Boswell	\$114,332
226	The First State Bank	Bourbon	\$86,614
171	Community State Bank	Brook	\$56,224
284	The Farmers State Bank	Brookston	\$70,480
227	Hendricks County Bank & Trust Company	Brownsburg	\$161,209
149	The Peoples Bank	Brownstown	\$179,787
244	State Bank of Burnettsville	Burnettsville	\$41,031
39	Wayne Bank and Trust Company	Cambridge City	\$154,025
209	First Farmers Bank and Trust Company	Converse	\$1,166,278
144	The Fountain Trust Company	Covington	\$276,517
273	Hoosier Heartland State Bank	Crawfordsville	\$145,923
281	DeMotte State Bank	DeMotte	\$378,889
223	The Elberfeld State Bank	Elberfeld	\$59,831
10990	The Peoples State Bank	Ellettsville	\$188,188
245	Evansville Commerce Bank	Evansville	\$67,626
57	First Federal Savings Bank	Evansville	\$388,292
8	Citizens Exchange Bank	Fairmount	\$65,337
30	The Fairmount State Bank	Fairmount	\$43,542
285	IAB Financial Bank	Fort Wayne	\$944,366
310	STAR Financial Bank	Fort Wayne	\$1,662,264
8587	Tower Bank and Trust Company	Fort Wayne	\$684,679
28	Fowler State Bank	Fowler	\$142,161
9	Alliance Bank	Francesville	\$304,410
205	The Farmers Bank	Frankfort	\$430,246
14	Mutual Savings Bank	Franklin	\$127,806
132	Springs Valley Bank & Trust Company	French Lick	\$233,901
233	The Friendship State Bank	Friendship	\$315,224
172	The Garrett State Bank	Garrett	\$194,198
146	Bank of Geneva	Geneva	\$175,212
9158	Indiana Community Bank	Goshen	\$101,412
277	Greenfield Banking Company	Greenfield	\$426,436
143	MainSource Bank	Greensburg	\$2,743,288
296	Pacesetter Bank	Hartford City	\$137,777
8800	Freedom Bank	Huntingburg	\$331,719
73	First Federal Savings Bank	Huntington	\$271,146
38	The Bippus State Bank	Huntington	\$120,061
7650	First Internet Bank of Indiana	Indianapolis	\$636,087
10640	Indiana Business Bank	Indianapolis	\$64,839
179	Salin Bank and Trust Company	Indianapolis	\$871,566
291	German American Bancorp	Jasper	\$1,999,008

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/12

DFIID	NAME	CITY	TOTAL ASSETS
289	The Campbell & Fetter Bank	Kendallville	\$274,757
240	Kentland Bank	Kentland	\$301,432
10203	Community First Bank of Howard County	Kokomo	\$194,311
184	The LaPorte Savings Bank	LaPorte	\$484,231
9033	Lafayette Community Bank	Lafayette	\$139,492
253	Farmers State Bank	Lagrange	\$493,945
238	Farmers & Merchants Bank	Laotto	\$119,326
31	State Bank of Lizton	Lizton	\$374,984
166	Greensfork Township State Bank	Lynn	\$935,580
258	River Valley Financial Bank	Madison	\$472,554
252	State Bank of Medora	Medora	\$63,017
183	Farmers State Bank	Mentone	\$125,222
175	First State Bank of Middlebury	Middlebury	\$391,033
137	Peoples Savings & Loan Association, Monticello	Monticello	\$37,953
187	Citizens Bank	Mooreville	\$365,182
17	MutualBank	Muncie	\$1,422,197
649	Peoples Bank SB	Munster	\$691,199
194	The Napoleon State Bank	Napoleon	\$187,557
50	Your Community Bank	New Albany	\$666,597
56	Ameriana Bank	New Castle	\$442,624
224	Citizens State Bank	New Castle	\$287,875
235	The New Washington State Bank	New Washington	\$242,663
234	Community Bank	Noblesville	\$280,243
170	The North Salem State Bank	North Salem	\$176,548
33	Ossian State Bank	Ossian	\$93,276
207	First State Bank of Porter	Porter	\$172,821
168	Community State Bank of Southwestern Indiana	Poseyville	\$65,940
314	West End Bank, SB	Richmond	\$246,433
16	Tri-County Bank & Trust Company	Roachdale	\$180,320
35	Community State Bank	Royal Center	\$105,478
7990	Midwest Ag Finance, Incorporated	Rushville	\$97,128
153	Spencer County Bank	Santa Claus	\$109,862
199	The Scott County State Bank	Scottsburg	\$152,715
225	Jackson County Bank	Seymour	\$447,596
176	1st Source Bank	South Bend	\$4,539,754
311	Our Community Bank	Spencer	\$73,005
228	Owen County State Bank	Spencer	\$182,170
278	Grant County State Bank	Swayzee	\$116,377
293	Terre Haute Savings Bank	Terre Haute	\$299,352
317	The Morris Plan Company of Terre Haute	Terre Haute	\$75,646
270	CentreBank	Veedersburg	\$61,534
222	Lake City Bank	Warsaw	\$3,059,461
236	The Merchants Bank & Trust Company	West Harrison	\$224,752
215	Centier Bank	Whiting	\$2,203,139
282	Bank of Wolcott	Wolcott	\$129,420

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.

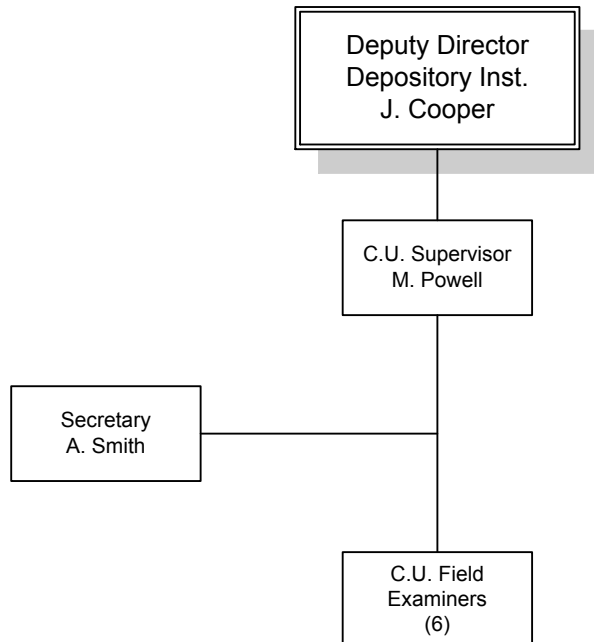
The Credit Union Division continues to provide extensive training and professional development to its examiners. In 2012 division management and staff attended training sessions sponsored by both the National Credit Union Administration (NCUA) and the National Association of State Credit Union Supervisors (NASCUS). These sessions provided up-to-date training on bank secrecy act/anti-money laundering issues, current and emerging issues, investment/asset liability management issues, consumer, commercial and real estate lending, fraud detection, and effective problem resolution. These sessions also afforded an exchange of ideas and experiences with examiners from outside Indiana.

EXAMINATION AND SUPERVISION

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 2012. 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 meetings with the Indiana Credit Union League to discuss potential legislation that would be proposed before the state legislature.

The division remains closely involved with the National Association of State Credit Union Supervisors (NASCUS). NASCUS promotes the dual chartering system, and the autonomy of state regulatory agencies. Credit Union Supervisor Mark Powell is a member of the Performance Standards Committee and has served as this committee's chairman in the past. During 2013 the division maintained its accredited status. The maintenance of accredited status involves extensive self-evaluation, prepared by examination and supervisory staff, and on/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, 2012 there were 44 active state chartered credit unions. The combined total assets of these 44 credit unions as of December 31, 2012 were \$10,218M an increase of \$675M over December 31, 2011. This translates to a 7.1% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$8,048M as of December 31, 2011 to \$8,706M as of December 31, 2012 this represents a growth in deposits of 8.2%. Member loans made by Indiana credit unions increased from \$6,037M as of December 31, 2011 to \$6,274M as of December 31, 2012. This represents an increase of 3.9% in loans to members.

CREDIT UNION ANNUAL REPORT 12/31/12
BALANCE SHEET

STATE CHARTERED CREDIT UNIONS

**INDIANA
FEDERALLY
CHARTERED
CREDIT
UNIONS**

<u>ASSETS</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/12</u>
Loans	5,948	6,037	6,274	6,508
Less: Allowance for Loan Loss	(67)	(64)	(59)	(65)
Cash on Hand, Cash on Deposit, & Cash Equivalents	1,146	1,252	1,313	861
Federal Agencies & U. S. Government Obl- gations	1,005	1,378	1,592	1,289
Banks, Savings & Loan & Mutual Sav. Banks	406	382	422	1,072
Other Investments	234	138	218	405
Other Assets	<u>435</u>	<u>420</u>	<u>458</u>	<u>483</u>
TOTAL ASSETS	<u>\$ 9,107</u>	<u>\$ 9,543</u>	<u>\$ 10,218</u>	<u>\$ 10,553</u>
 <u>LIABILITIES</u>				
Shares	7,621	8,048	8,706	9,241
Total Borrowings	431	378	319	127
Dividends Payable	1	1	1	1
Accounts Payable & Other Liabilities	<u>74</u>	<u>85</u>	<u>89</u>	<u>82</u>
TOTAL LIABILITIES	<u>8,127</u>	<u>8,512</u>	<u>9,115</u>	<u>9,451</u>
 <u>EQUITY</u>				
Regular Reserve	479	502	526	204
Other Reserve	11	13	16	27
Accumulated Unrealized Gain/Loss	7	10	12	11
Undivided Earnings	<u>483</u>	<u>506</u>	<u>549</u>	<u>860</u>
TOTAL EQUITY	<u>980</u>	<u>1,031</u>	<u>1,103</u>	<u>1,102</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 9,107</u>	<u>\$ 9,543</u>	<u>\$ 10,218</u>	<u>\$ 10,553</u>
 Number of State Chartered Credit Unions:	 46	 44	 44	
Number of Federally Chartered Credit Unions:	143	141	137	
	41			

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

<u>INCOME</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/12</u>
	State Chartered Credit Unions			Indiana Federally Chartered Credit Unions
Interest on Loans	342	321	301	349
Less Interest Refunds	(1)	(1)	(1)	-
Income on Investments	40	34	33	40
Other Income	126	134	147	161
 TOTAL INCOME	 507	 488	 480	 550
 <u>EXPENSES</u>				
Employee Compensation & Benefits	151	157	166	186
Travel & Conference	3	3	3	4
Office Occupancy	23	23	24	27
Office Operations	51	52	55	70
Educational & Promotional	11	13	13	13
Loan Servicing	14	16	16	26
Professional & Outside	23	25	27	35
Provision for Loan Losses	46	26	10	35
Members Insurance	3	2	2	1
Operating Fees	1	1	1	2
Interest on Borrowed Money	20	17	14	3
Corporate Stabilization & Insurance Premium Expense	15	14	6	9
Other Expenses	8	10	12	10
 TOTAL EXPENSES	 369	 359	 349	 421
 NET INCOME BEFORE TRANS- FERS & DIVIDENDS	 138	 129	 131	 129
 DIVIDENDS TO MEMBERS	 96	 76	 64	 63
 NET INCOME	 42	 53	 67	 66
 DISTRIBUTION OF NET INCOME				
Transferred to Regular Reserves	30	27	24	7

TOTAL CREDIT UNIONS ASSETS AS OF DECEMBER 31, 2012

Location	Name of Association	Total Net Assets
Bedford	Hoosier Hills Credit Union	\$376,610,105.00
Bloomington	Indiana University Credit Union	\$726,238,204.00
Bluffton	Bluffton Motor Works/Franklin Electric Employees Credit Union	\$1,683,195.00
Brazil	Clay County Farm Bureau Co-Op Credit Union	\$8,493,072.00
Columbus	Centra Credit Union	\$1,131,506,017.00
Crown Point	Tech Credit Union	\$312,046,391.00
East Chicago	East Chicago Firemen's Credit Union	\$895,929.00
Fishers	Forum Credit Union	\$937,445,834.00
Fort Wayne	General Credit Union	\$79,499,493.00
Fort Wayne	Pinnacle Credit Union	\$26,249,253.00
Fort Wayne	Public Service Employees Credit Union	\$27,453,792.00
Goshen	Interra Credit Union	\$644,404,784.00
Hagerstown	Perfect Circle Credit Union	\$48,895,838.00
Hammond	Hammond Firefighters Association Credit Union	\$1,726,100.00
Indianapolis	Energy Plus Credit Union	\$28,415,892.00
Indianapolis	Family Horizons Credit Union	\$91,148,878.00
Indianapolis	Firefighters Credit Union	\$52,920,248.00
Indianapolis	Harvester Credit Union	\$52,304,204.00
Indianapolis	Hoosier Farm Bureau Credit Union	\$11,348,953.00
Indianapolis	Indiana Members Credit Union	\$1,351,914,563.00
Indianapolis	Indianapolis Post Office Credit Union	\$54,683,376.00
Indianapolis	KEMBA (Indianapolis) Credit Union	\$62,804,778.00
Indianapolis	NorthPark Community Credit Union	\$60,005,543.00
Indianapolis	Professional Police Officers Credit Union	\$37,688,475.00
Indianapolis	State Service Credit Union	\$4,960,332.00
Kokomo	Kokomo Post Office Credit Union	\$2,733,930.00
La Porte	Municipal Employees Credit Union	\$1,100,717.00
Lawrenceburg	Community Spirit Credit Union	\$13,523,318.00
Loogootee	Martin County Cooperative Credit Union	\$10,648,017.00
Marion	Via Credit Union	\$286,635,356.00
Merrillville	Members Source Credit Union	\$72,149,519.00
Michigan City	First Trust Credit Union	\$92,568,149.00
Michigan City	Members Advantage Credit Union	\$85,308,154.00
Mishawaka	Taper Lock Credit Union	\$34,653,386.00
Monroe	Adams County Credit Union	\$15,823,671.00
Muncie	Muncie Post Office Credit Union	\$996,880.00
Richmond	NATCO Credit Union	\$63,407,653.00
Richmond	Richmond State Hospital Employees Credit Union	\$1,530,628.00
Seymour	Jackson County Co-Op Credit Union	\$21,127,002.00
South Bend	South Bend Post Office Credit Union	\$10,287,012.00
South Bend	Teachers Credit Union	\$2,350,115,587.00
Sullivan	Sullivan County Credit Union	\$13,746,223.00
Wabash	Beacon Credit Union	\$999,331,944.00
Warsaw	United Credit Union	<u>\$11,178,658.00</u>
	Net Assets - Includes Allowance for Loan Losses	\$10,218,209,053.00

DIVISION OF CONSUMER CREDIT

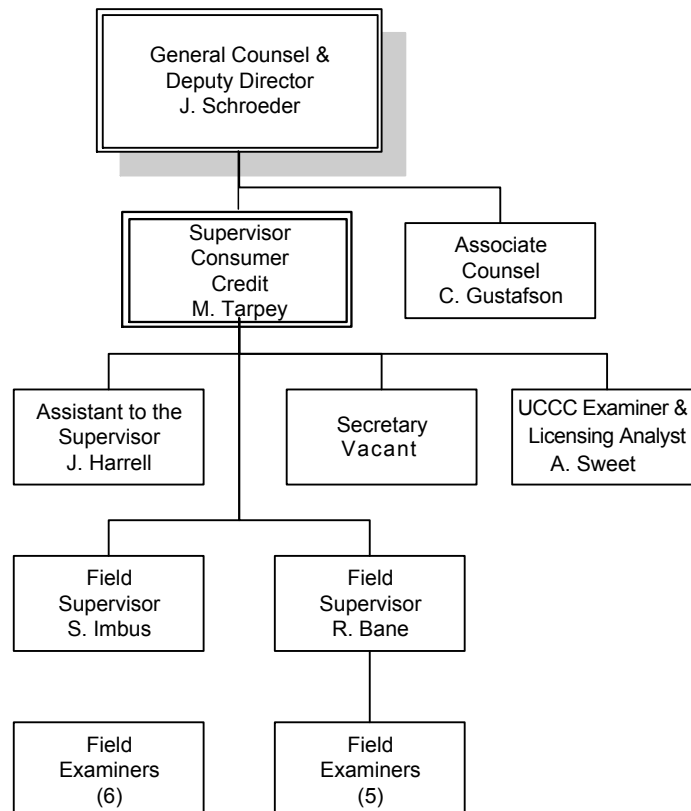
Statutes and Rule administered by the Consumer Credit Division:

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

IC 24-4.4: First Lien Mortgage Lending

Under this statute, first lien mortgage lenders became subject to licensing requirements and periodic compliance examinations as of January 1, 2009. The statute applies to creditors funding their own transactions and does not apply to brokers licensed under the loan broker act. The purpose of the act is to: 1) permit and encourage the development of fair and economically sound first lien mortgage lending practices, and 2) 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 Department's licensing system under the statute. Mortgage lenders make application for the license via the Nationwide Mortgage Licensing System (NMLS), with all licensing decisions made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.



CONSUMER CREDIT

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

IC 24-4.5: Indiana Uniform Consumer Credit Code

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

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

- provide rate ceilings sufficient to assure an adequate supply of credit to consumers;
- further consumer understanding of the terms of credit transactions;
- foster competition among the various suppliers of consumer credit so that consumers may obtain credit at a reasonable cost;
- protect consumers from unfair practices arising from consumer credit transactions having due regard for the interests of legitimate and scrupulous creditors;
- permit and encourage the development of fair and economically sound consumer credit practices; and
- 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 Code except for limited provisions applicable to depository institutions. The Code does not regulate transactions that are for agricultural, business, or commercial purposes.

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

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

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

CONSUMER CREDIT

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

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

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

IC 24-7: Rental Purchase Agreements

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

The Rental Purchase Agreement Act regulates rent to own transactions in Indiana. The statute contains disclosure requirements and additional charge limitations to give consumers a measure of protection. Entities 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 sent over long distances between two individuals, with either person or both being un-banked, is by the use of a money transmitter. A consumer remits cash at an agent location in Indiana that is convenient to them, in return they receive a money order payable to a third party, or they execute an order for funds to be wired to a specific location for receipt by a specific person. These services allow un-banked consumers to make money order payments to certain entities, and they allow consumers to electronically send money to any other person at almost any location on the earth. Money Transmitters must obtain a license before doing business in Indiana.

CONSUMER CREDIT

IC 28-8-5: Check Cashers

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

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

(1) the person, either incidental to or independent of a retail sale of goods or services, from time to time cashes checks; and

(2) the consideration charged for cashing checks does not exceed five dollars (\$5).

750 IAC 9 SAFE Rule: Mortgage Loan Originators

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

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

Number of Licensees and Registrants as of December 31, 2012		
TYPE	NUMBER REGISTERED/LICENSED	NUMBER OF BRANCH LOCATIONS
LOAN LICENSES (NON-MORTGAGE)	39	169
SMALL LOAN LICENSES	36	351
RETAIL CREDITORS	2034	1138
RENTAL PURCHASE	46	274
DEBT MANAGEMENT	42	9
PAWNBROKERS	69	105
MONEY TRANSMITTERS	35	12
CHECK CASHERS	49	363
FINANCIAL INSTITUTIONS	198	1327
GAP ADMINISTRATORS	51	
FIRST LIEN MORTGAGE	293	224
SUBORDINATE LIEN MORTGAGE	86	142
MORTGAGE LOAN ORIGINATOR	3882	
DEBT CANCELLATION ADMINISTRATORS	5	
EXEMPT COMPANY MORTGAGE REGISTRATION	5	
TOTALS	6870	4114

CONSUMER CREDIT

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	Number of Exams	Exam Hours	Number of Violations	\$ Amount of Violations	Number of Non-\$ Violations
Check Cashing	19	130.75	1045	\$ 18,426.76	13
Debt Management	20	270.5	398	\$ 57,399.28	61
Financial Institution	53	1254.75	1639	\$ 41,906.01	92
First Lien Mortgage	105	2150.13	24	\$ 5,981.72	51
Licensed Lender	16	493.25	6405	\$ 101,163.60	3
Small Loan (Payday Loan)	20	1095.75	995	\$ 45,460.71	32
Retail Creditors	531	3358.75	2090	\$ 249,101.69	86
Pawn Broker	28	420.25	270	\$ 6,871.95	23
Rental Purchase	19	297	570	\$ 8,615.19	16
Subordinate Lien Mortgage	36	600.25	1	\$ 190.84	3
	847	10,071.38	13,437	\$ 535,117.75	380

CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2012

License ID	Loan Licenses	City	State	License Date
17143	INNOVATIVE FUNDING SERVICES, LLC	AUSTIN	TX	16-Mar-12
17794	GFC LENDING, LLC	PHOENIX	AZ	13-Apr-12
17960	AMERICAN STUDENT FINANCIAL GROUP, INC.	SOLANA BEACH	CA	17-Apr-12
18090	SOFI LENDING CORPORATION	SAN FRANCISCO	CA	25-May-12
18164	COMMUNITY ACTION NORTHEAST INDIANA, INC.	FORT WAYNE	IN	20-Jul-12
18218	CARFINANCE CAPITAL, LLC	IRVINE	CA	08-Jun-12
18284	SAC FINANCE, INC.	FORT WAYNE	IN	25-Jun-12
18472	WORLD FINANCE COMPANY OF INDIANA, LLC	GREENVILLE	SC	23-Aug-12
18774	SPRINGLEAF CONSUMER LOAN, INC.	EVANSVILLE	IN	28-Nov-12
18921	CitiFinancial Services, Inc.	Baltimore	MD	15-Sep-12
18922	Springleaf Financial Services of Indiana, Inc.	Evansville	IN	15-Sep-12

License ID	Pawnbrokers	City	State	License Date
18011	YUTZY PAWN, LLC	RICHMOND	IN	10-May-12
18117	KWIK KASH PAWNS, LLC	GREENWOOD	IN	20-Jul-12
18318	CASHCOW.COM, LLC	EVANSVILLE	IN	21-Sep-12
18465	CHECK INTO CASH OF INDIANA, LLC	CLEVELAND	TN	28-Nov-12
18881	INDY GOLD AND PAWN LLC	INDIANAPOLIS	IN	29-Nov-12
18918	HAMMOND SUPER PAWN, LLC	HAMMOND	IN	11-Dec-12

License ID	Money Transmitters	City	State	License Date
17089	INTELISPEND PREPAID SOLUTIONS, LLC	FENTON	MO	28-Nov-12
17319	KWIK DOLLAR, LLC	HOUSTON	TX	23-Aug-12

License ID	Check Cashers	City	State	License Date
18671	DON ANGEL MULTI-SERVICES LLC	Brownsburg	IN	14-Sep-12
18880	RODRIGUEZ CHECK CASHING LLC	INDIANAPOLIS	IN	26-Oct-12

License ID	Debt Management	City	State	License Date
17524	DEBTWAVE CREDIT COUNSELING, INC.	SAN DIEGO	CA	06-Jun-12
17858	LIGHTHOUSE CREDIT FOUNDATION, INC.	LARGO	FL	06-Jun-12
11328	NATIONAL BUDGET PLANNERS OF SOUTH FLORIDA, INC.	FORT LAUDERDALE	FL	07-Feb-12
18395	COMMUNITY CREDIT COUNSELORS, INC	VIRGINIA BEACH	VA	23-Aug-12
18252	CONSOLIDATED CREDIT SOLUTIONS, INC.	FT LAUDERDALE	FL	13-Sep-12

License ID	Small Loan (Payday Loan)	City	State	License Date
17344	AMERICAN CHECK CASHING II, INC.	FORT WAYNE	IN	28-Mar-12
17715	SPEEDY CHECK CASHERS, INC	NORTHBROOK	IL	05-Apr-12

License ID	GAP Administrator	City	State	License Date
18773	HYUNDAI PROTECTION PLAN, INC.	IRVINE	CA	26-Oct-12
18858	AUTO TRAC SYSTEM	SPRING	TX	26-Oct-12
License ID	First Lien Mortgage Lender	City	State	License Date
17779	REVERSE MORTGAGE USA, INC.	AUSTIN	TX	15-Feb-12
18012	Silverado Funding, LLC	Portland	OR	30-Jul-12
17271	Cayuga Lending, LLC	New York	NY	26-Mar-12
17285	Discover Home Loans, Inc.	Riverwoods	IL	13-Feb-12
17610	Pleasant Valley Home Mortgage Corporation	Moorestown	NJ	28-Feb-12
17114	American Portfolio Mortgage Corporation	Palatine	IL	27-Apr-12
17525	Homeward Residential, Inc.	Coppell	TX	10-Jul-12
17787	Reverse Mortgage USA, Inc.	Austin	TX	04-May-12
18535	Fidelity Capital Mortgage Company	Richmond	VA	09-Aug-12
17848	Bexil American Mortgage Inc.	San Diego	CA	05-Apr-12
18819	Continental Home Loans Inc.	Melville	NY	27-Nov-12
18787	Prodovis Mortgage, LLC	Broomfield	CO	27-Nov-12
18850	RMC Mortgage Corporation	Alpharetta	GA	27-Nov-12
19000	ROLLING MILLS CORPORATE VANGARD MORTGAGE	HOUSTON	TX	27-Nov-12
17969	United Home Loans, Inc.	Westchester	IL	27-Nov-12
18932	United Southwest Mortgage Corporation, Inc	Garden Grove	CA	27-Nov-12
18310	National Asset Mortgage, LLC	Columbia	SC	30-Jul-12
18226	CountryPlace Mortgage, Ltd.	Addison	TX	08-Jun-12
18004	Integra Mortgage Corp.	Schaumburg	IL	24-Apr-12
17989	WATERSTONE MORTGAGE COMPANY	PEWAUKEE	WI	03-Apr-12
17984	Carrington Mortgage Services, LLC	Santa Ana	CA	09-Apr-12
17835	The Mortgage Company	Centennial	CO	12-Mar-12
17441	Mortgage Solutions of Colorado, LLC	Colorado Springs	CO	23-Apr-12
17093	NewCastle Home Loans, LLC	Chicago	IL	08-Jun-12
19042	Nationwide Equities Corporation	Mahwah	NJ	13-Dec-12
18637	1st Alliance Lending, LLC	East Hartford	CT	13-Sep-12
17867	Array Financial Group, Inc.	Haverford	PA	03-Apr-12
18619	Rushmore Loan Management Services LLC	Irvine	CA	19-Dec-12
19147	LenderFi, Inc.	Valencia	CA	19-Dec-12
17876	First Financial Services, Inc.	CHARLOTTE	NC	09-Apr-12
17902	CUW Solutions, LLC	Radnor	PA	09-Apr-12
18109	Mortgage.Shop LLC	Hampton	VA	14-Jun-12
17502	The Inglis Dealership, Inc.	Elkhart	IN	03-Jan-12
17629	The Northern Ohio Investment Company	SYLVANIA	OH	27-Feb-12
17405	Excel Mortgage Servicing, Inc.	Irvine	CA	09-Apr-12
18220	US Mortgage Corporation	Melville	NY	08-Jun-12
18664	Victory Mortgage LLC	Fort Mitchell	KY	02-Oct-12
18584	Pacific Union Financial, LLC	Walnut Creek	CA	13-Sep-12
17903	NCL, LLC	Greenwood	IN	26-Mar-12
18314	Gold Star Mortgage Financial Group, Corporation	Ann Arbor	MI	30-Jul-12

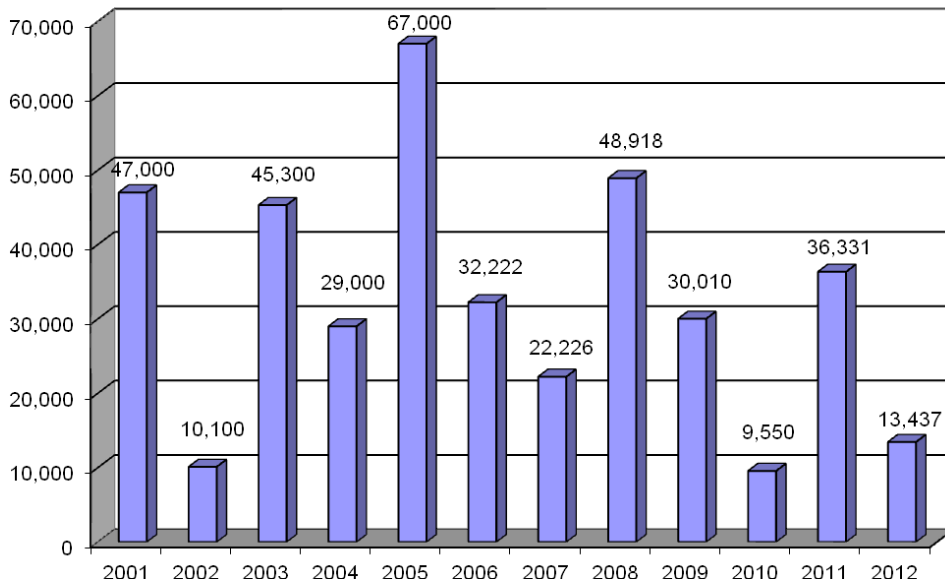
11207	First American Mortgage Trust	Brighton	MA	31-Dec-12
18165	Kenilworth Financial, Inc	Oakbrook Terrace	IL	09-Aug-12
10937	Wipro Gallagher Solutions, Inc.	Palmetto Bay	FL	20-Apr-12
17121	ISGN Solutions, Inc.	Melbourne	FL	19-Jul-12
17734	Federation of Appalachian Housing Enterprises, Inc.	Berea	KY	24-Aug-12
17519	Endeavor Capital,LLC	Chesterfield	MO	24-Jan-12
17788	Acceptance Capital Mortgage Corporation	Spokane	WA	21-Feb-12
18601	Statewide Mortgage, LLC	Louisville	KY	02-Oct-12
18121	Movement Mortgage, LLC.	Virginia Beach	VA	25-May-12
18289	Servis One, Inc.	Irving	TX	02-Oct-12
18715	LeaderOne Financial Corporation	Overland Park	KS	02-Oct-12
17859	Lakeview Loan Servicing, LLC	Coral Gables	FL	10-Jul-12
17585	Fireside Mobile Homes, Inc.	Richmond	IN	26-Mar-12
17893	UMH Sales and Finance, Inc.	Freehold	NJ	10-Jul-12
17900	COBALT MORTGAGE, INC	Kirkland	WA	16-Mar-12
18492	Oceanside Mortgage Company	Forked River	NJ	13-Sep-12
18398	Arcadia Home Loans, LLC	Grandville	MI	30-Jul-12

License ID	Subordinate Lien Mortgage Lender	City	State	License Date
17286	Discover Home Loans, Inc.	Riverwoods	IL	13-Feb-12
18851	RMC Mortgage Corporation	Alpharetta	GA	27-Nov-12
17985	Carrington Mortgage Services, LLC	Santa Ana	CA	09-Apr-12
17442	Mortgage Solutions of Colorado, LLC	Colorado Springs	CO	23-Apr-12
18764	Rushmore Loan Management Services LLC	Irvine	CA	19-Dec-12
17406	Excel Mortgage Servicing, Inc.	Irvine	CA	09-Apr-12
10938	Wipro Gallagher Solutions, Inc.	Palmetto Bay	FL	20-Apr-12
17520	Endeavor Capital,LLC	Chesterfield	MO	24-Jan-12
17368	Kyanite Financial Business Services, Inc.	Research Triangle Park	NC	07-Feb-12
17847	Service Finance Company, LLC	Boca Raton	FL	16-Apr-12

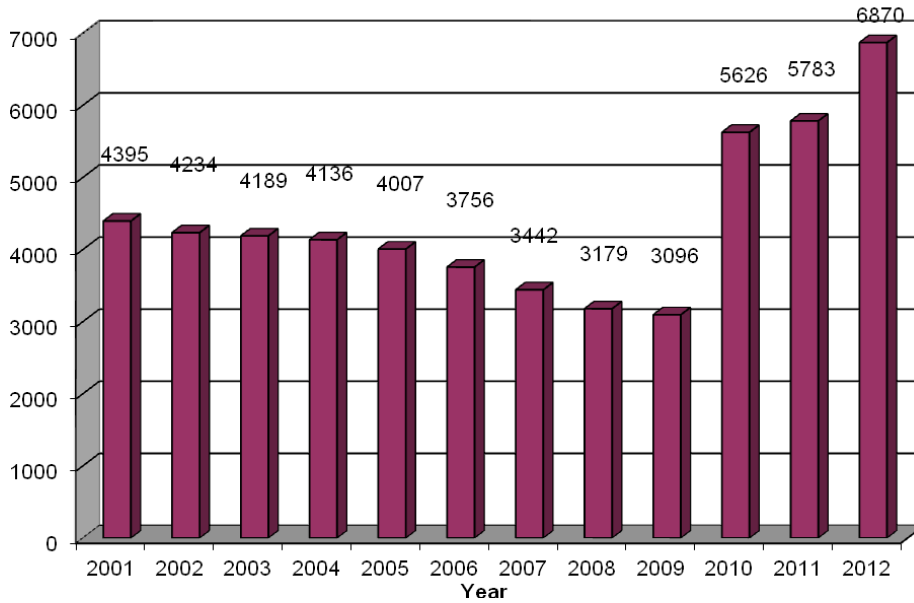
Mortgage Loan Originator				
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1,329 MLO licenses issued in 2012

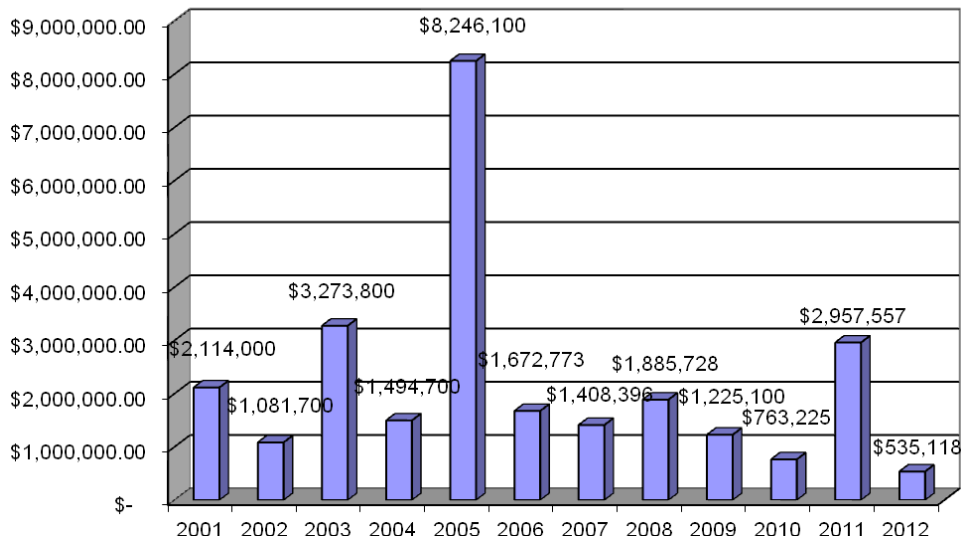
Number of Reimbursable Violations



Consumer Credit Division Licensees and Filers



Amount of Reimbursable Violations



DIVISION OF ADMINISTRATION

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

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

The Department strives to attract and maintain a highly qualified, capable, and efficient work force and actively recruits at many state colleges, universities, and career fairs. The Department is committed to staff development and utilizes a wide range of training resources to ensure a knowledgeable and well respected staff. Among the sponsors utilized on a regular basis are: the Education Foundation of State Bank Supervisors; The Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; the Federal Financial Institutions Examination Council; the Indiana Bankers' Association; the National Association of Consumer Credit Administrators; the American Association of Residential Mortgage Regulators; 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 also pursues cost effective modes of training and information sharing opportunities with other State Banking Departments as well as our Federal Counterparts. These include a wide array of online training programs, webinars, courses, and shared learning opportunities made available by The Conference of State Bank Supervisors; our Federal Counterpart; or other third parties.

The Department's main office remains located in downtown Indianapolis. Additionally, the Department maintains two field offices. One is located in Columbus, Indiana and the second is located on the northwest side of Indianapolis. Limited space is leased in Ft. Wayne and South Bend. In addition to utilizing these office spaces, the Department continues to promote telecommuting as a cost effective and efficient benefit for our mobile work force.

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. Regular business hours are 8:00 AM to 4:30 PM, Monday through Friday, at our main office, which is located at 30 South Meridian Street, Suite 300, Indianapolis, Indiana.

DIVISION OF ADMINISTRATION

