

Department of Financial Institutions



**David H. Mills
Director**

**Annual Report
Year Ended December 31, 2011**

State of Indiana

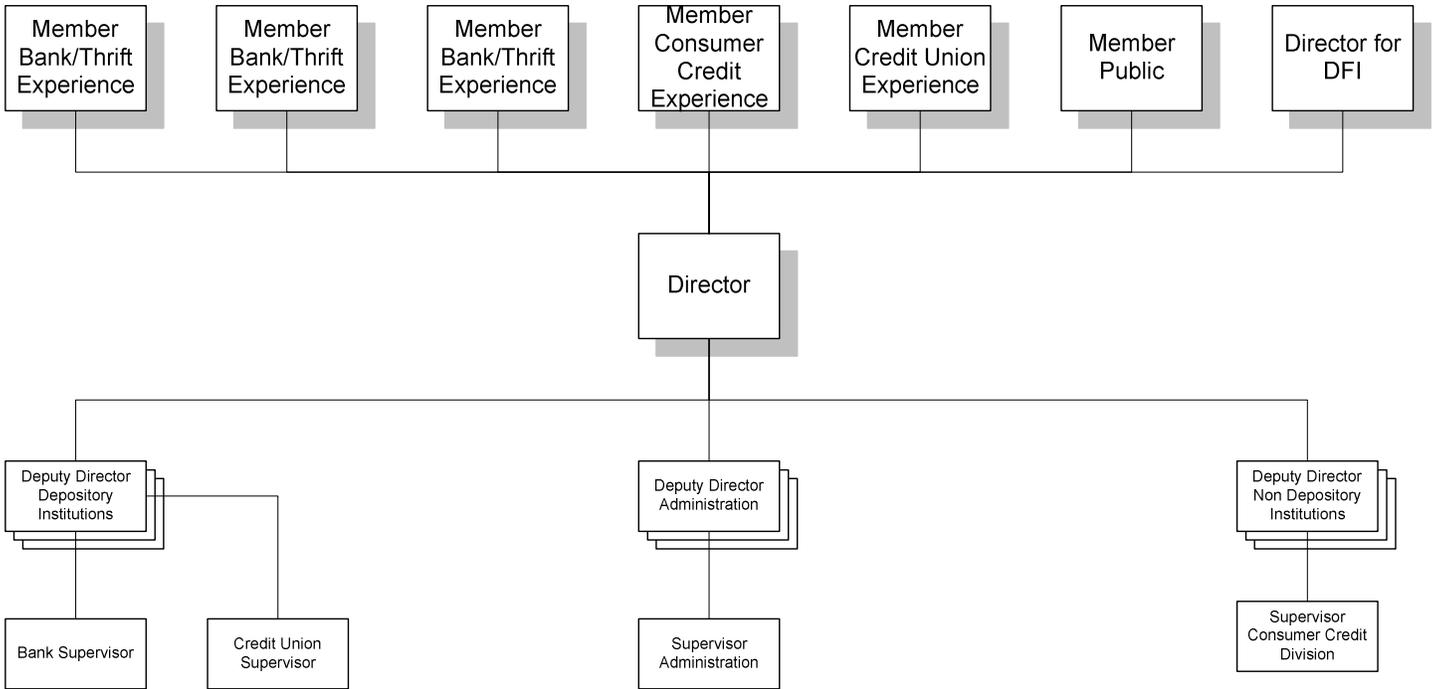
**Mitchell E. Daniels, Jr.
Governor**

**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. Hoferkamp - 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 - II
Kristy N. Hubele - III
Craig R. Smith - IV
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
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 - III

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 - III

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
Lisa Ho, ASA/Programmer - Intermediate
Renita D. Stubbs, Accountant
Janice L. Davis, Administrative Assistant
Beth A. Risacher, Program Coordinator

OFFICE SUPPORT STAFF

Angie M. Smith, Depository Division
Sharmaine W. Stewart, Depository Division
Georgia R. Wagoner, Consumer Credit 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.

CERTIFIED CREDIT EXAMINER ("CCE")

Early, Vernita L

Mote, David M.
Hubele, Kristy N.

CERTIFIED OPERATIONS EXAMINER ("COE")

Smith, Craig R.

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 OPERATIONS EXAMINER ("COE")

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 2011:

Bank Division

***David Hoferkamp -35 Years of Service
Paul Brockman - 30 Years of Service
Deron Thompson - 20 Years of Service
Steve Wachter - 20 Years of Service
Chris Dietz - 10 Years of Service
David Mote - 5 Years of Service
Patrick Land - 5 Years of Service
Angie Smith - 5 Years of Service***

Credit Union Division

Charles Hall - 5 Years of Service

Consumer Credit

Rick Bane - 35 Years of Service

Legal Division

Constance Gustafson—5 Years of Service

DEPARTMENT OVERVIEW

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.

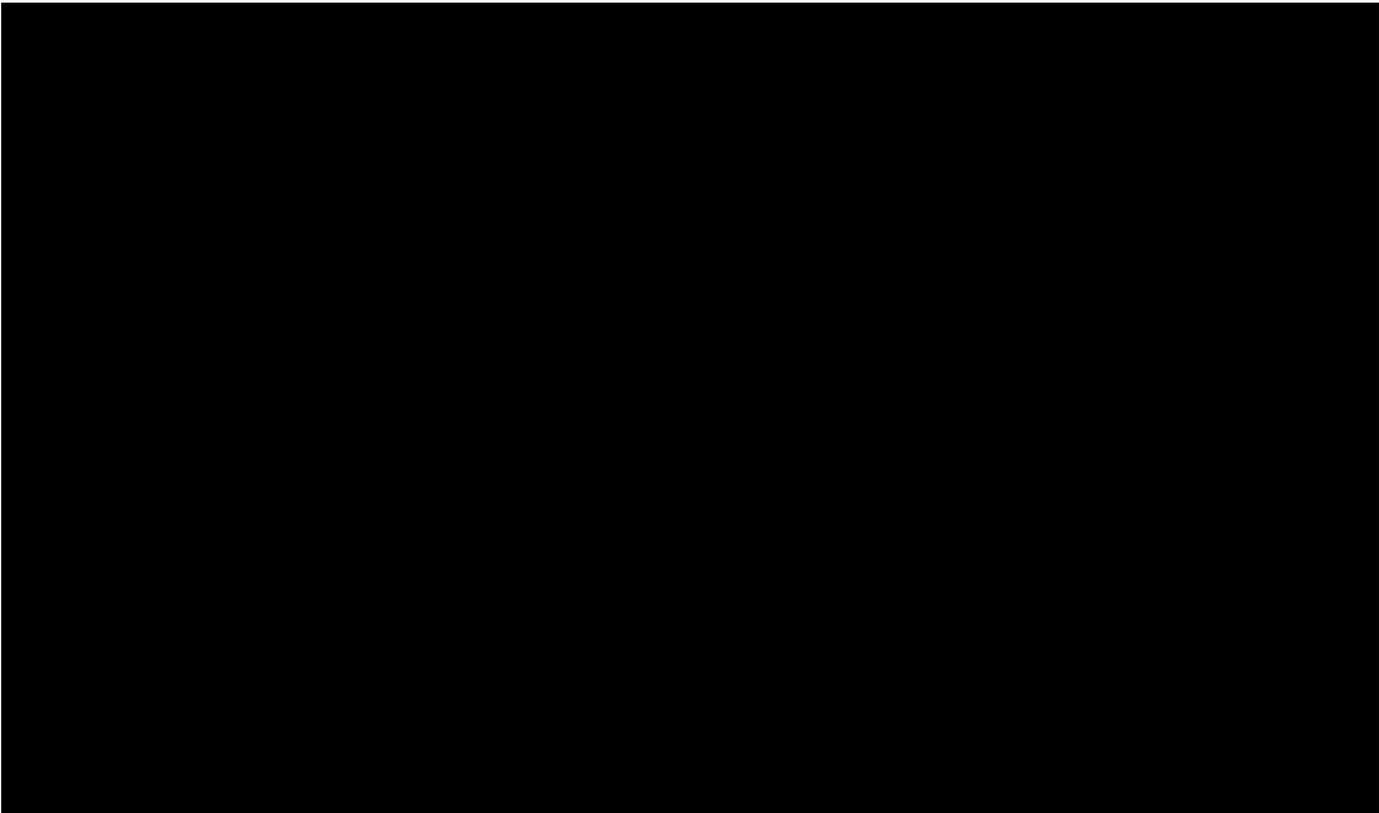
REVENUE AND EXPENDITURES

<u>REVENUE</u>	2011	2010	2009
BANK AND SAVINGS & LOAN FEES	3,896,916	4,498,488	4,329,951
CREDIT UNION FEES	963,540	996,356	979,172
PAWNBROKING LICENSING FEES	114,520	124,415	96,075
APPLICATION /MISC. FEES	46,160	64,915	88,383
DEBT MANAGEMENT COMPANIES	27,330	24,200	20,495
UCCC FEES	1,547,346	1,506,543	1,997,112
PAYDAY LENDERS	355,440	586, 940	570,700
RENTAL/PURCHASE LICENSE	64,880	64,455	61,945
MONEY TRANSMITTER FEES	55,040	44,850	63,840
CHECK CASHERS FEES	45,540	91,220	67,200
GAP/Debt Cancellation	49,190	45,760	49,840
First Lien Mortgage Lenders	409,158	400,890	0
Mortgage Loan Originators	204,654	97,350	0
Settlement Proceeds	0	33,450	0
TOTAL REVENUE	\$7,779,714	\$8,579,832	\$8,334,044

<u>EXPENDITURES</u>			
PERSONNEL COSTS	5,938,347	6,705,906	6,786,770
UTILITIES, TELEPHONE, COMMUNICATION	137,496	140,749	179,894
CONTRACT SERVICES	155,459	126,814	537,141
OFFICE SUPPLIES	16,263	17,551	31,174
EQUIPMENT/COMPUTERS	8,292	11,594	39,372
TRAVEL IN-STATE	377,687	436,788	518,287
TRAVEL OUT-OF-STATE	4,818	7,397	14,266
PERSONNEL DEVELOPMENT & RELATED TRAVEL	63,465	93,215	144,163
OFFICE LEASES, DUES, SUBSCRIPTIONS	417,576	446,433	0
TOTAL EXPENDITURES	7,119,403	7,986,447	8,251,067

NET REVENUE (EXPENDITURES)	660,311	593,385	82,977
CASH BALANCE, JULY 1	4,208,330	3,614,945	3,531,968
CASH BALANCE, JUNE 30	4,868,641	4,208,330	3,614,945
LESS ENCUMBRANCES	0	0	0
FUND BALANCE, JUNE 30	4,868,641	4,208,330	3,614,945

*State of Indiana converted to a new chart of accounts during FY 2010.



LEGISLATIVE CHANGES

In the 2011 legislative session the General Assembly adopted HEA 1528, generally known as the Department of Financial Institution's ("DFI" or "Department") "omnibus" bill relating to financial institutions and consumer credit organizations. HEA 1528 was comprised of a number of provisions assembled by the DFI staff during the previous year consisting of corrections and improvements to the several acts administered by the agency: First Lien Mortgage Act (IC 24-4.4 *et seq.*); Uniform Consumer Credit Code (IC 24-4.5 *et seq.*); Rental Purchase Agreement Act (IC 24-7 *et seq.*); Debt Management Company Act (IC 28-1-29 *et seq.*); Pawnbrokers Act (IC 28-7-5 *et seq.*); Money Transmitters Act (IC 28-8-4 *et seq.*); and Check Cashers Act (IC 28-8-5 *et seq.*) and collectively, the foregoing acts are referred to as the "Consumer Credit Acts". There were, however, several substantive provisions, largely the result of actions by Congress in the adoption of Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") in July, 2010. The Governor signed HEA 1528 on April 28, 2011 with most provisions becoming effective as of July 1, 2011.

The following is a summary of HEA 1528 as well as a brief description of several other bills relevant to the Department.

CONSUMER CREDIT

Changes Applicable to Consumer Credit Acts

- *Changes of Control:* HEA 1528 added change of control provisions to the Consumer Credit Acts similar to those applicable to depository institutions.
- *Reporting Certain Changes of Control:* The president or other chief executive officer of a licensee is required to report to the Director any transfer or sale of securities of the licensee that results in direct or indirect ownership by a holder or an affiliated group of holders of at least ten percent (10%) of the outstanding securities of the licensee.
- *License Renewals, Revocation or Suspensions:* These amendments are intended to promote uniformity in the Consumer Credit Acts.
- *Civil Penalties:* After providing notice and an opportunity to be heard, the Department may impose a civil penalty of not greater than \$10,000 per violation upon a person for violating the Consumer Credit Acts.

First Lien Mortgage Act ("FLMA") and Uniform Consumer Credit Code ("UCCC")

- *Mortgage Payoff Statements:* Amendments relating to payoff statements were made to the FLMA and UCCC in order to comply with amendments Dodd-Frank made to the federal Truth in Lending Act. As a result of consumer complaints, the DFI recommended that payoff statements be itemized to inform consumers how the mortgage funds are being dispersed.
- *Short Sales:* Also, due to Dodd-Frank, the time to acknowledge a written short sale offer been reduced from 10 business days to 5 days.

Rental Purchase Agreement Act:

- *Inapplicable to Dwelling:* The amendment to the Rental Purchase Agreement Act clarifies that the act does not apply to the rental purchase of a dwelling, regardless of whether the dwelling is assessed as real or personal property for property tax purposes.

Pawnbrokers

- *Investigation of Employees:* The amendment to Pawnbroker Act clarifies that the DFI may investigate any employee who will be working for a pawnbroker, not just the owners and managers.

Money Transmitters

- *Applicable to personal, family or household purposes:* The amendment clarifies that the money transmission law only applies to the sale or issuance of payment instruments that are primarily for personal, family, or household purposes.

DEPOSITORY INSTITUTIONS

- *Voluntary Supervisory Conversions for Mutual Depository Financial Institutions (Excluding Credit Unions):* A new chapter at IC 28-1-7.1 establishes procedures to expedite certain supervisory transactions for mutual depository financial institutions (excluding credit unions) which are in need of assistance to avoid receivership by converting to a stock commercial or savings bank. Similar procedures are available for certain federal thrifts.
- *Securities Rating Services (including Credit Unions):* Dodd-Frank prohibits depository institutions from using securities rating services as the exclusive means of determining the quality and suitability of securities. The amendments permit the director to establish alternative methods to determine if securities are speculative.

LEGISLATIVE CHANGES

- *Dormant Charges:* With respect to dormant charges assessed by depository institutions, this provision has been clarified to use terms consistent with Regulation Z.
- *Civil Penalties:* Prompted by recommendations received during the accreditation review conducted by the Conference of State Bank Supervisors (“CSBS”), the Department was advised that CSBS “best practices” suggest the regulator levy civil monetary penalties on a daily basis per violation to provide incentives to institute speedy remedies for violations.
- *Credit Unions-Trusts:* This is a new section that allows a credit union to issue shares in a revocable or irrevocable trust subject to certain conditions.
- *Merger or acquisition of banks operating for less than five years:* This section eliminates the “five-year” in existence rule as a result of Dodd-Frank.
- *Interstate Bank Branching:* This section was repealed consistent with the interstate branching provisions of Dodd-Frank.

OTHER BILLS OF INTEREST:

- *HEA 1180 Zero Interest Mortgages by Nonprofit Entities:* HEA 1180 specifies that: (1) the FLMA; and (2) the UCCC do not apply to a bona fide nonprofit entity that provides zero interest mortgages, does not operate in a commercial context, and meets other specified criteria. (This bill is applicable to organizations such as Habitat for Humanity.)
- *HEA 1182 Consumer Protection Assistance Fund:* HEA 1182 establishes the consumer protection assistance fund to be administered by the Office of the Attorney General and provides that the office shall pay from the fund restitution claims up to \$3,000 that have not otherwise been paid by the party ordered to pay restitution.
- *HEA 1297 Public Depositories:* (SEA 205 is the Senate counterpart.) HEA 1297 provides that in order to serve as a depository of public funds a financial institution does not have to maintain a capital ratio in excess of the minimum required by its regulator if the institution has fully collateralized the public funds on deposit by pledging acceptable collateral.
- *SEA 582 Residential Foreclosures:* The Indiana General Assembly adopted a number of changes to the foreclosure process in an effort to stem the tide of residential mortgage foreclosures in Indiana. Many of these provisions have been incorporated into the “Mortgage Foreclosure Best Practices”, a joint project of the Division of State Court Administration, the Indiana Attorney General, the Mortgage Foreclosure Trial Court Assistance Project and other experts in creditor-debtor law. SEA 582 refined the procedures for settlement conferences, specified uniform notices and time periods and established a prescribed list of loss mitigation documents to be used in foreclosure actions. SEA 582 also allows a non-owner of a property to come onto the property in order to visually inspect the property to see if it has been abandoned or vacated.
- *HEA 1211 Arrest Records:* HEA 1211 adopted the following provisions relating to criminal history information checks:
 - 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 court grants the petition to restrict the records, 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 organizations or individuals described in IC 10-13-3-27.
 - 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.

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 85 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, 2011. In addition, there were eight 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, 2011. There were 15 national banks domiciled in Indiana as of December 31, 2011.

Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$37.1 billion at the end of 2011 which represented a 2.53% increase from the year-end 2010 total. Due mainly to a slow recovery from a recession, some small improvement is noted in the performance and condition of Indiana's financial institutions as reflected in most financial categories and ratios from year-end 2010 to year-end 2011. Although many institutions are under stress, earnings performance has improved. In 2011, 8.26% of all Indiana financial institutions were unprofitable compared to 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 and to \$173 million in 2011. 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.

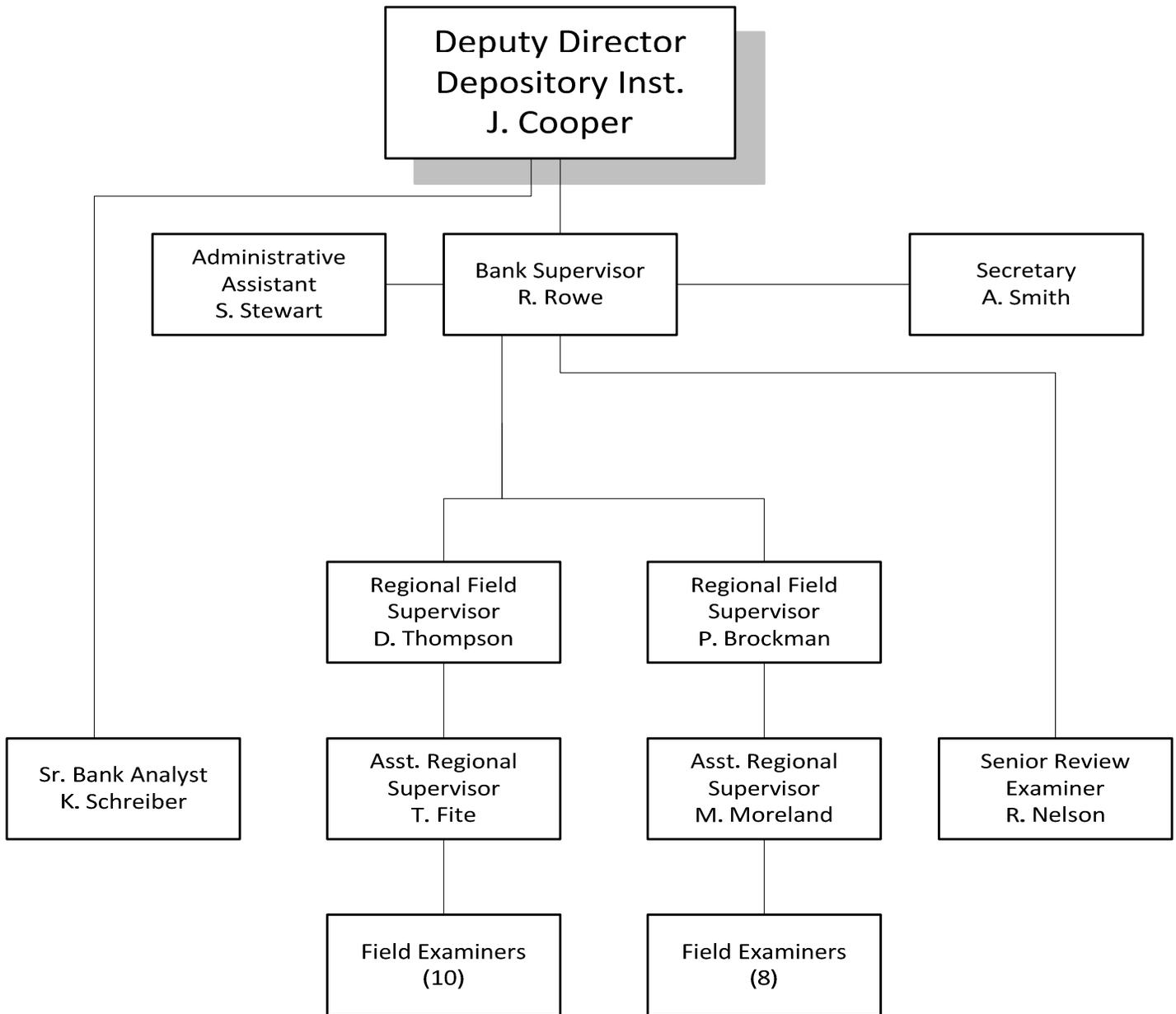
Pressure on bank liquidity continues to intensify. Banks continue to use a variety of alternative funding, such as Federal Home Loan Bank advances, federal funds, brokered deposits, banker's banks, and asset securitization. The ongoing increase in and reliance on noncore funding has resulted in shrinking interest rate margins, liquidity and market risk management concerns and increased regulatory scrutiny. As of December 31, 2011, the Loan to Deposit ratio for state banks was 81.56% and 78.19% for national banks.

The aggregate return on assets ("ROA") for state-chartered financial institutions in 2011 was 0.93%, up from 0.75% at year-end 2010. National banks aggregate ROA was also up from 0.05% to 0.83% during the same time-frame. Net loan charge-offs for state chartered financial institutions amounted to 0.68% of total loans and leases, decreased slightly from 0.90% a year earlier. Net loan charge-offs for national banks decreased from 1.77% as of December 31, 2010 to 0.81% as of December 31, 2011.

Aggregate equity capital in Indiana's state chartered financial institutions increased 7.69% at \$4.05 billion at year end 2011, up from \$3.76 billion in 2010. The total equity capital to total assets ratio was 10.91%, up from 10.39% at year-end 2010. National banks aggregate equity capital was \$2.3 billion at year-end 2011. The total equity capital to total assets ratio for national banks increased from 9.10% at year-end 2010 to 11.07% at year-end 2011.

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)	12/31/2011	%	12/31/2010	%	12/31/2009	%	12/31/2008
		CHANGE		CHANGE		CHANGE	
Assets	37,096	2.53%	36,181	0.11%	36,142	-9.95%	40,134
Deposits	30,462	2.97%	29,582	2.31%	28,913	-4.47%	30,265
Total Equity Capital Adjusted	4,049	7.69%	3,760	1.27%	3,713	-4.30%	3,880
Tier 1 Capital	3,676	5.18%	3,495	1.27%	3,436	-2.64%	3,529
LVR	495	-2.94%	510	10.15%	463	-23.72%	607
Total Capital	4,171	4.14%	4,005	2.72%	3,899	-5.73%	4,136
Total Net Charge-Offs	170	-24.78%	226	7.11%	211	-30.82%	305
Total Gross Loans & Leases	24,844	-0.80%	25,045	-2.06%	25,572	-15.25%	30,175
Total Securities	7,939	8.81%	7,296	25.10%	5,832	-4.80%	6,126
Federal Funds Sold	309	6.19%	291	6.20%	274	-20.81%	346
Interest Bearing Balances	1,237	44.17%	858	5.80%	811	110.65%	385
Trading Account Securities	20	11.11%	18	12.50%	16	60.00%	10
Total Earning Assets	33,854	2.59%	32,998	2.98%	32,042	-12.06%	36,435
Total Interest Income	1,608	-5.36%	1,699	-2.69%	1,746	-24.12%	2,301
Total Interest Expense	317	-24.16%	418	-25.09%	558	-42.12%	964
Net Interest Income	1,291	0.78%	1,281	7.83%	1,188	-11.14%	1,337
Total Non-interest Income	389	-6.71%	417	4.77%	398	-0.75%	401
Total Non-interest Expenses	1,088	1.02%	1,077	-7.87%	1,169	-4.42%	1,223
Loan Provisions	173	-36.40%	272	-10.23%	303	-36.08%	474
Net Income	336	23.53%	272	403.70%	54	-245.95%	-37

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)	12/31/2011	12/31/2011	12/31/2010	12/31/2010
Number of Banks	94	15	94	16
Consolidated Balance Sheet				
Total Gross Loans & Leases	24,844	12,520	25,045	12,663
Total Allowance for Loans & Leases (ALLL)	495	207	510	330
Total Net Loans & Leases	24,349	12,313	24,535	12,333
Total Securities	7,939	5,365	7,296	5,511
Total Interest Bearing Balances	1,237	413	858	1,054
Total Fed Funds Sold/Repurchase Agreements	309	19	291	32
Total Trading Accounts	20	0	18	0
Total Earning Assets	33,854	18,110	32,998	18,930
Total Cash and Due From Bank	792	475	729	295
Total Premises and Fixed Assets	560	245	550	251
Total Other Real Estate Owned	196	75	186	100
Total Other Assets	1,694	1,623	1,718	1,305
Total Assets	37,096	20,528	36,181	20,881
Average Assets	36,166	19,569	36,172	21,649
Retail Deposits	26,397	14,536	25,329	14,606
State and Political Subdivision Deposits	4,065	1,477	4,253	1,920
Total Deposits	30,462	16,013	29,582	16,526
Total Fed Funds Purchased	699	1,052	848	918
Total Other Borrowed Funds	1,545	850	1,705	940
Total Subordinated Debt	2	5	2	155
Total All Other Liabilities	339	335	284	441
Total Liabilities	33,047	18,255	32,421	18,980
Total Equity Capital	4,049	2,273	3,760	1,901
Total Liabilities and Equity Capital	37,096	20,528	36,181	20,881

ACCOUNT DESCRIPTIONS (\$ IN MILLIONS)	State 12/31/2011	National 12/31/2011	ALL 12/31/2011	ALL 12/31/2010	% CHANGE
Number of Banks	94	15	109	110	
Combined Statement of Condition					
Total Gross Loans & Leases	24,844	12,520	37,364	37,708	-0.91%
Total Allowance for Loans & Leases (ALLL)	495	207	702	840	-16.43%
Total Net Loans & Leases	24,349	12,313	36,662	36,868	-0.56%
Total Securities	7,939	5,365	13,304	12,807	3.88%
Total Interest Bearing Balances	1,237	413	1,650	1,912	-13.70%
Total Fed Funds Sold/Repurchase Agreements	309	19	328	323	1.55%
Total Trading Accounts	20	0	20	18	11.11%
Total Earning Assets	33,854	18,110	51,964	51,928	0.07%
Total Cash and Due From Bank	792	475	1,267	1,024	23.73%
Total Premises and Fixed Assets	560	245	805	801	0.50%
Total Other Real Estate Owned	196	75	271	286	-5.24%
Total Other Assets	1,694	1,623	3,317	3,023	9.73%
Total Assets	37,096	20,528	57,624	57,062	0.98%
Average Assets	36,166	19,569	55,735	57,821	-3.61%
Retail Deposits	26,397	14,536	40,933	39,935	2.50%
State and Political Subdivision Deposits	4,065	1,477	5,542	6,173	-10.22%
Total Deposits	30,462	16,013	46,475	46,108	0.80%
Total Fed Funds Purchased	699	1,052	1,751	1,766	-0.85%
Total Other Borrowed Funds	1,545	850	2,395	2,645	-9.45%
Total Subordinated Debt	2	5	7	157	-95.54%
Total All Other Liabilities	339	335	674	725	-7.03%
Total Liabilities	33,047	18,255	51,302	51,401	-0.19%
Total Equity Capital	4,049	2,273	6,322	5,661	11.68%
Total Liabilities and Equity Capital	37,096	20,528	57,624	57,062	0.98%

ACCOUNT DESCRIPTIONS	State	National	State	National
(\$ IN MILLIONS)	12/31/2011	12/31/2011	12/31/2010	12/31/2010

Number of Banks	94	15	94	16
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Consolidated Income Statement

Total Interest Income	1,608	814	1,699	912
Total Interest Expense	317	143	418	240
Total Net Interest Income	1,291	671	1,281	672
Total Non Interest Income	389	226	417	269
Total Non Interest Expense	1,088	613	1,077	673
Total Loan Provisions	173	75	272	244
Total Pre Tax Operating Income	419	209	349	24
Total Securities Gains/Losses	24	14	1	18
Total Applicable Income Tax	107	61	78	32
Total Income Before Extraordinary Items	336	162	272	10
Total Net Extraordinary Items	0	0	0	0
Total Net Income	336	162	272	10
Total Net Charge-Offs	170	102	226	224
Total Cash Dividends Declared	146	44	209	53

Ratio Analysis

Net Income to Average Assets	0.93%	0.83%	0.75%	0.05%
Net Income to Year End Total Equity	8.30%	7.13%	7.23%	0.53%
Net Interest Income to Average Assets	3.57%	3.43%	3.54%	3.10%
Total Loans to Total Deposits	81.56%	78.19%	84.66%	76.62%
Loan Loss Provisions to Total Loans	0.70%	0.60%	1.09%	1.93%
ALLL to Total Loans	1.99%	1.65%	2.04%	2.61%
Net Charge-Offs to Total Loans	0.68%	0.81%	0.90%	1.77%
Total Equity Capital to Total Assets	10.91%	11.07%	10.39%	9.10%
	12.09%	11.96%	11.64%	10.52%
Total Equity Capital and ALLL to Total Assets and ALLL				

RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 2011 VS 2010
 (\$ IN MILLIONS)

	2011			2010		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	24	17,038	216	19	10,678	145
.75% TO .99%	26	9,824	83	15	6,283	56
.50% TO .74%	21	5,588	34	23	11,003	68
BELOW .50%	23	4,646	3	37	8,217	3
	94	37,096	336	94	36,181	272

RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 2011 VS 2010
 (\$ IN MILLIONS)

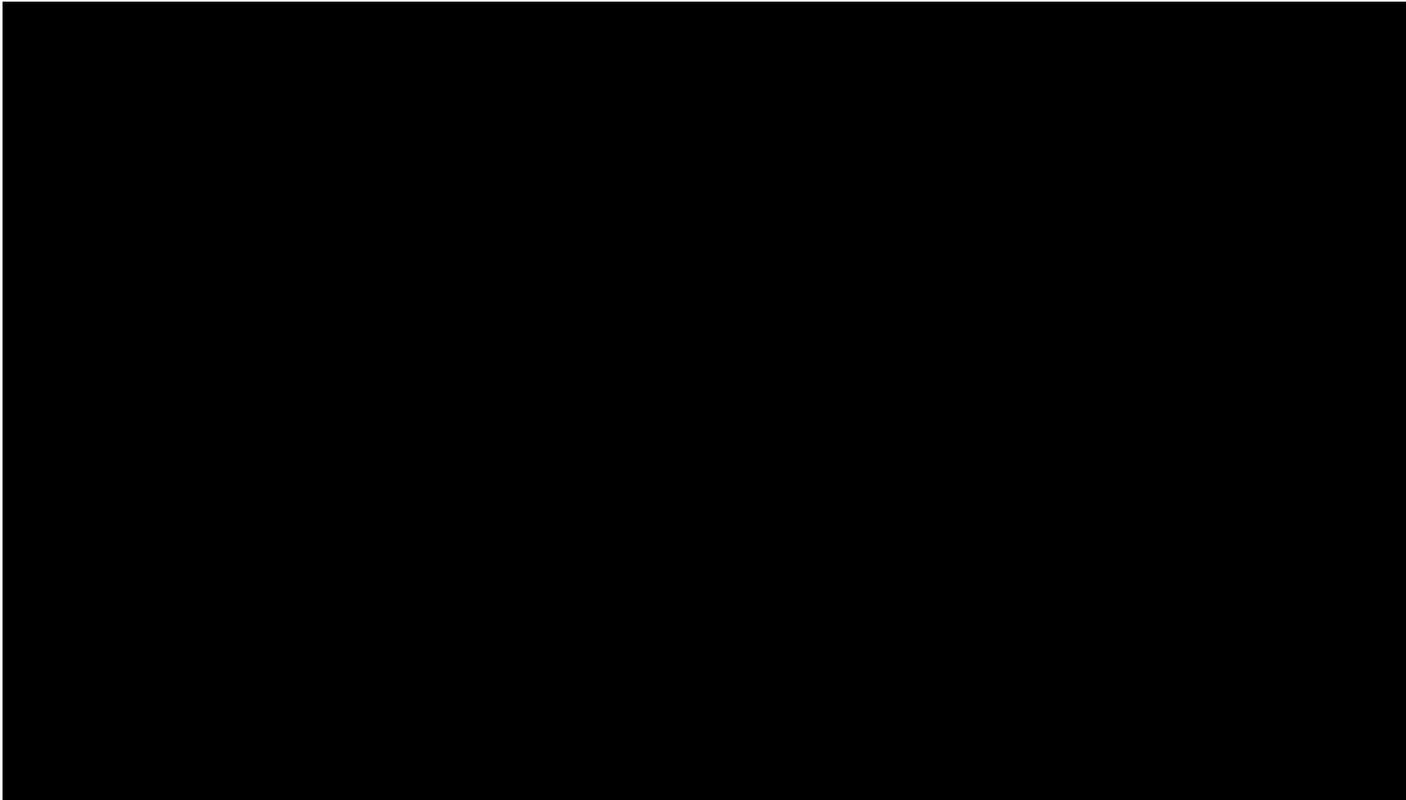
	2011			2010		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	1	2,853	34	2	2,461	28
.75% TO .99%	5	14,720	129	3	1,668	14
.50% TO .74%	6	2,078	11	5	7,891	52
BELOW .50%	3	877	(12)	6	8,861	(84)
	15	20,528	162	16	20,881	10

HOLDING COMPANY OWNERSHIP ANALYSIS

(\$ IN MILLIONS)

DATA AS OF 12/31/2011	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOS- ITS	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 HOLD- ING 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%

DATA AS OF 12/31/210	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOS- ITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	9	0	\$575	1.01%	\$407	0.88%
IN HC W/One State Bank	74	74	\$33,043	57.91%	\$27,131	58.84%
National Banks w/o HC	1	0	\$286	0.50%	\$257	0.56%
IN HC w/One National Bank	13	13	\$17,676	30.98%	\$14,009	30.38%
TOTALS	97	87	\$51,580	90.39%	\$41,804	90.67%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	7	4	\$2,153	3.77%	\$1,678	3.64%
IN HC w/One or More National Banks	2	2	\$2,918	5.11%	\$2,260	4.90%
Sub Total	9	6				
Holding Company Duplications	0	-1				
TOTALS	9	5	\$5,071	8.89%	\$3,938	8.54%
OUT OF STATE MULTI-BK HOLD- ING CO.						
O-ST HC w/One or More State Banks	4	3	\$411	0.72%	\$366	0.79%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	4	3				
Holding Company Duplications	0	0				
TOTALS	4	3	\$411	0.72%	\$366	0.79%
GRAND TOTALS	110	95	\$57,062	100.00%	\$46,108	100.00%



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

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2011

NAME	CITY	ADDRESS	CITY	STATE	OPENED
The Farmers Bank	Frankfort	16940 Clover Road	Noblesville	IN	1/24/2011
Kentland Bank	Kentland	5 Executive Drive, Suite A	Lafayette	IN	2/14/2011
Centier Bank	Whiting	5433-37 Hohman Avenue	Hammond	IN	4/29/2011
Terre Haute Savings Bank	Terre Haute	1120 East Davis Drive	Terre Haute	IN	5/18/2011
Terre Haute Savings Bank	Terre Haute	2501-2503 Poplar Street	Terre Haute	IN	6/20/2011
German American Bancorp	Jasper	504 North College Avenue	Bloomington	IN	7/31/2011
MainSource Bank	Greensburg	803 Washington Street	Columbus	IN	9/12/2011
Bank of Geneva	Geneva	1061 Thirteenth Street	Decatur	IN	10/31/2011
Lake City Bank	Warsaw	100 West 96th Street	Indianapolis	IN	11/9/2011

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2011

NAME	CITY	ADDRESS	CITY	STATE	CLOSED
Citizens State Bank	New Castle	3013 South 14th Street	New Castle	IN	2/28/2011
1st Source Bank	South Bend	9856 West 400 North	Michigan City	IN	4/29/2011
Bloomfield State Bank	Bloomfield	2209 Central Avenue	Columbus	IN	7/1/2011
Community State Bank	Avilla	1802 Ida Red Road	Kendallville	IN	7/2/2011

NEW STATE BANK SUBSIDIARIES IN 2011

SUBSIDIARY NAME	BANK NAME	CITY	PURPOSE	ESTABLISHED
Title Center of Indiana, LLC	The Elberfeld State Bank	Elberfeld	Title Insurance Agency	1/1/2011
Greensburg Holding LLC	Bloomfield State Bank	Bloomfield	Special Assets	1/3/2011
Title Center of Indiana, LLC	Farmers State Bank	Lagrange	Title Insurance Agency	1/19/2011
Whitelick Property Management, LLC	Citizens Bank	Mooreville	Special Assets	4/28/2011
SVB&T III, LLC	Sprints Valley Bank & Trust Co.	French Lick	Special Assets	6/30/2011
Quail Creek Golf Course, LLC	Ameriana Bank	New Castle	Special Assets	7/1/2011
LSB Investments, Inc.	LaPorte Savings Bank	LaPorte	Investment Portfolio Management	10/3/2011
Title Center of Indiana, LLC	Tower Bank & Trust Co.	Fort Wayne	Title Insurance Agency	10/19/2011
Citizens State Investments, Inc.	Citizens State Bank	New Castle	Investment Portfolio Management	12/1/2011
GABC Development Corporation	German American Bancorp	Jasper	Community Development	12/29/2011

CONVERSIONS IN 2011

Name	City	Converted Name	City	Consummated
Owen Community Bank S.B. Federal Stock Savings Bank to State Commercial Bank	Spencer	Owen Community Bank	Spencer	7/1/2011
First Federal Savings Bank Federal Stock Savings Bank to State Commercial Bank	Evansville	First Federal Savings Bank	Evansville	10/31/2011

BRANCH OFFICE RELOCATIONS IN 2011

Name	From/To Address	From/To City	Moved
First Farmers Bank and Trust	211 Hauenstein Road 2800 Wal-Mart Drive	Huntington Huntington	1/8/2011
Farmers & Merchants Bank	501 Professional Way 2003 East Dowling Street	Kendallville Kendallville	3/14/2011
MainSource Bank	298 State Road 135 1263 North State Road	Greenwood Greenwood	9/12/2011

MAIN OFFICE RELOCATIONS IN 2011

NAME	FROM/TOADDRESS	FROM/TO CITY	MOVED
NONE			

MERGERS/CONSOLIDATIONS OF STATE BANKS IN 2011

SURVIVING INSTITUTION				
Old National Bank Monroe Bank	Evansville Bloomington	Old National Bank	Evansville	1/1/2011
German American Bancorp Bank of Evansville	Jasper Evansville	German American Bancorp	Jasper	1/1/2011

HOLDING COMPANY ACQUISITIONS IN 2011

HOLDING COMPANY NAME	CITY	TARGET NAME	CITY	CONSUMMATED
Old National Bancorp	Evansville	Monroe Bancorp	Bloomington	1/1/2011
German American Bancorp, Inc.	Jasper	American Community Bancorp, Inc.	Evansville	1/1/2011

ADDITIONS & DELETIONS IN 2011

NAME	CITY	ACTIVITY	EFFECTIVE DATE
Monroe Bank	Bloomington	Merged with Old National Bank, Evansville	1/1/2011
Bank of Evansville	Evansville	Merged with German American Bancorp, Jasper	1/1/2011
Owen Community Bank, S.B.	Spencer	Conversion from a Federal Stock Savings Bank to a State Com-	7/1/2011
First Federal Savings Bank	Evansville	Conversion from a Federal Stock Savings Bank to a State Commercial Bank	10/31/2011

ACTIVE STATE FINANCIAL INSTITUTIONS 2011

DFIID	NAME	CITY	TOTAL ASSETS
263	Community State Bank	Avilla	\$184,003
161	Bath State Bank	Bath	\$143,528
182	First Bank of Berne	Berne	\$434,477
280	Bloomfield State Bank	Bloomfield	\$428,484
8857	United Commerce Bank	Bloomington	\$155,486
229	Peoples Trust & Savings Bank	Boonville	\$134,796
37	The Farmers & Merchants Bank	Boswell	\$106,463
226	The First State Bank	Bourbon	\$81,269
171	Community State Bank	Brook	\$52,908
284	The Farmers State Bank	Brookston	\$66,679
227	Hendricks County Bank & Trust Company	Brownsburg	\$146,178
149	The Peoples Bank	Brownstown	\$155,806
244	State Bank of Burnettsville	Burnettsville	\$41,590
39	Wayne Bank and Trust Company	Cambridge City	\$149,546

ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 2011

DFIID	NAME	CITY	TOTAL ASSETS
25	Indiana Bank and Trust Company	Columbus	\$983,622
209	First Farmers Bank and Trust Company	Converse	\$912,462
144	The Fountain Trust Company	Covington	\$260,182
273	Hoosier Heartland State Bank	Crawfordsville	\$137,370
168	CSB State Bank	Cynthiana	\$59,088
281	DeMotte State Bank	DeMotte	\$359,427
258	Dupont State Bank	Dupont	\$80,220
223	The Elberfeld State Bank	Elberfeld	\$57,155
10990	The Peoples State Bank	Ellettsville	\$177,016
245	Evansville Commerce Bank	Evansville	\$51,714
57	First Federal Savings Bank	Evansville	\$376,935
8	Citizens Exchange Bank	Fairmount	\$61,095
30	The Fairmount State Bank	Fairmount	\$40,816
310	STAR Financial Bank	Fort Wayne	\$1,622,469
8587	Tower Bank and Trust Company	Fort Wayne	\$701,755
28	Fowler State Bank	Fowler	\$132,383
9	Alliance Bank	Francesville	\$290,082
205	The Farmers Bank	Frankfort	\$421,476
7806	Heartland Community Bank	Franklin	\$245,295
14	Mutual Savings Bank	Franklin	\$118,917
132	Springs Valley Bank & Trust Company	French Lick	\$232,332
233	The Friendship State Bank	Friendship	\$299,721
172	The Garrett State Bank	Garrett	\$174,690
146	Bank of Geneva	Geneva	\$153,881
9158	Goshen Community Bank	Goshen	\$119,383
285	Grabill Bank	Grabill	\$619,375
277	Greenfield Banking Company	Greenfield	\$397,081
143	MainSource Bank	Greensburg	\$2,729,051
78	Griffith Savings Bank	Griffith	\$85,200
296	Pacesetter Bank	Hartford City	\$114,713
8800	Freedom Bank	Huntingburg	\$310,478
38	The Bippus State Bank	Huntington	\$118,058
7650	First Internet Bank of Indiana	Indianapolis	\$584,153
10640	Indiana Business Bank	Indianapolis	\$65,328
179	Salin Bank and Trust Company	Indianapolis	\$850,986
291	German American Bancorp	Jasper	\$1,866,842
289	The Campbell & Fetter Bank	Kendallville	\$274,308
240	Kentland Bank	Kentland	\$276,379
10203	Community First Bank of Howard County	Kokomo	\$183,898
184	The LaPorte Savings Bank	LaPorte	\$475,883
9033	Lafayette Community Bank	Lafayette	\$135,525
253	Farmers State Bank	Lagrange	\$481,286
238	Farmers & Merchants Bank	Laotto	\$112,340

ACTIVE STATE COMMERCIAL BANKING INSTITUTIONS 12/31/11

DFIID	NAME	CITY	TOTAL ASSETS
31	State Bank of Lizton	Lizton	\$65,328
166	Greensfork Township State Bank	Lynn	\$608,659
288	MarkleBank	Markle	\$344,912
252	State Bank of Medora	Medora	\$60,174
183	Farmers State Bank	Mentone	\$119,946
175	First State Bank of Middlebury	Middlebury	\$384,064
137	Peoples Savings & Loan Association, Monticello	Monticello	\$40,173
187	Citizens Bank	Mooreville	\$355,964
649	Peoples Bank SB	Munster	\$652,424
194	The Napoleon State Bank	Napoleon	\$168,551
50	Your Community Bank	New Albany	\$661,056
56	Ameriana Bank	New Castle	\$427,154
224	Citizens State Bank	New Castle	\$259,311
235	The New Washington State Bank	New Washington	\$226,650
234	Community Bank	Noblesville	\$256,541
170	The North Salem State Bank	North Salem	\$163,136
33	Ossian State Bank	Ossian	\$84,314
207	First State Bank of Porter	Porter	\$161,264
314	West End Bank, SB	Richmond	\$240,513
16	Tri-County Bank & Trust Company	Roachdale	\$165,357
35	Community State Bank	Royal Center	\$101,705
7990	Midwest Ag Finance, Incorporated	Rushville	\$83,526
153	Spencer County Bank	Santa Claus	\$106,378
199	The Scott County State Bank	Scottsburg	\$132,183
225	Jackson County Bank	Seymour	\$389,980
176	1st Source Bank	South Bend	\$4,361,631
311	Our Community Bank	Spencer	\$76,659
228	Owen County State Bank	Spencer	\$184,281
278	Grant County State Bank	Swayzee	\$90,027
147	The Farmers State Bank	Sweetser	\$19,263
293	Terre Haute Savings Bank	Terre Haute	\$294,366
317	The Morris Plan Company of Terre Haute	Terre Haute	\$71,926
270	CentreBank	Veedersburg	\$57,796
222	Lake City Bank	Warsaw	\$2,885,445
236	The Merchants Bank & Trust Company	West Harrison	\$210,297
215	Centier Bank	Whiting	\$2,123,880
282	Bank of Wolcott	Wolcott	\$118,361

ACTIVE CORPORATE FIDUCIARIES 12/31/11

NAME	CITY	(IN THOUSANDS) TRUST ASSETS UNDER ADMINISTRATION
Trust Company of Oxford	Carmel	\$3,380,303
Lake County Trust Company	Crown Point	\$1
Nexus Fiduciary Trust Corporation	Fishers	\$0
Tower Trust Company	Fort Wayne	\$428,298
Hoosier Trust Company	Indianapolis	\$192,938
German American Financial Advisors & Trust Company	Jasper	\$202,068
Harbour Trust and Investment Management Company	Michigan City	\$455,929
Indiana Trust and Investment Management Company	Mishawaka	\$1,122,670

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.

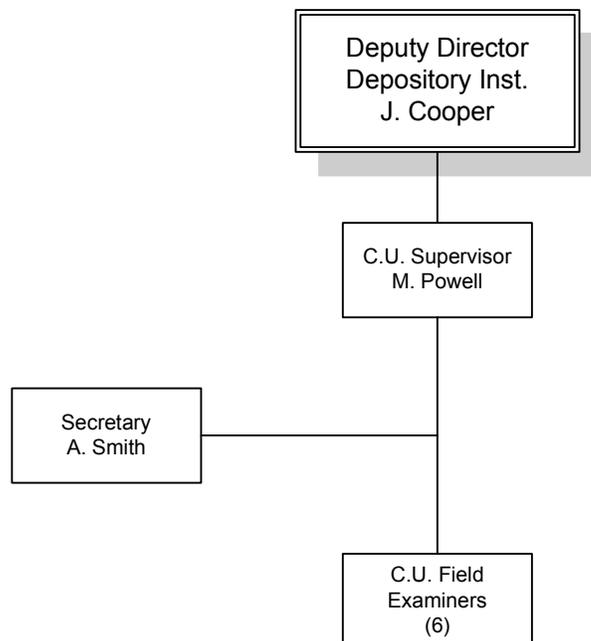
The Credit Union Division continues to provide extensive training and professional development to its examiners. In 2011 division management and staff attended training sessions sponsored by both the National Credit Union Administration (NCUA) and the National Association of State Credit Union Supervisors (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 2011. 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 2011 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, 2011 there were 44 active state chartered credit unions. The combined total assets of these 44 credit unions as of December 31, 2011 were \$9,543M an increase of \$436M over December 31, 2010. This translates to a 4.8% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$7,621M as of December 31, 2010 to \$8,048M as of December 31, 2011 this represents a growth in deposits of 5.6%. Member loans made by Indiana credit unions increased from \$5,881M as of December 31, 2010 to \$5,973M as of December 31, 2011. This represents an increase of 1.56% in loans to members.

The following credit unions have been merged into another credit union since the last annual report:

Double Eleven Credit Union, Indianapolis

New Albany Schools Credit Union, New Albany

CREDIT UNION ANNUAL REPORT 12/31/11
BALANCE SHEET

	STATE CHARTERED CREDIT UNIONS			INDIANA FEDERALLY CHARTERED CREDIT UNIONS
<u>ASSETS</u>	<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/11</u>
Loans	5,943	5,948	6,037	6,204
Less: Allowance for Loan Loss	(63)	(67)	(64)	(70)
Cash on Hand, Cash on Deposit, & Cash Equivalents	930	1,146	1,252	999
Federal Agencies & U. S. Government Obl- gations	806	1,005	1,378	1,229
Banks, Savings & Loan & Mutual Sav. Banks	366	406	382	1,013
Other Investments	572	234	138	279
Other Assets	<u>409</u>	<u>435</u>	<u>420</u>	<u>454</u>
TOTAL ASSETS	<u>\$ 8,963</u>	<u>\$ 9,107</u>	<u>\$ 9,543</u>	<u>\$ 10,108</u>
<u>LIABILITIES</u>				
Shares	7,365	7,621	8,048	8,881
Total Borrowings	584	431	378	104
Dividends Payable	1	1	1	1
Accounts Payable & Other Liabilities	<u>76</u>	<u>74</u>	<u>85</u>	<u>81</u>
TOTAL LIABILITIES	<u>8,026</u>	<u>8,127</u>	<u>8,512</u>	<u>9,067</u>
<u>EQUITY</u>				
Regular Reserve	456	479	502	200
Other Reserve	3	11	13	30
Accumulated Unrealized Gain/Loss	6	7	10	10
Undivided Earnings	<u>472</u>	<u>483</u>	<u>506</u>	<u>801</u>
TOTAL EQUITY	<u>937</u>	<u>980</u>	<u>1,031</u>	<u>1,041</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 8,963</u>	<u>\$ 9,107</u>	<u>\$ 9,543</u>	<u>\$ 10,108</u>
Number of State Chartered Credit Unions:	47	46	44	
Number of Federally Chartered Credit Unions:	154	143	141	

INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/11
INCOME STATEMENT
Schedule B (\$ In Millions)

<u>INCOME</u>	State Chartered Credit Unions			Indiana Federally Chartered Credit Unions
	<u>12/31/09</u>	<u>12/31/10</u>	<u>12/31/11</u>	<u>12/31/11</u>
Interest on Loans	359	342	321	357
Less Interest Refunds	(1)	(1)	(1)	-
Income on Investments	51	40	34	48
Other Income	<u>125</u>	<u>126</u>	<u>134</u>	<u>141</u>
TOTAL INCOME	534	507	488	546
 <u>EXPENSES</u>				
Employee Compensation & Benefits	145	151	157	172
Travel & Conference	3	3	3	4
Office Occupancy	22	23	23	28
Office Operations	51	51	52	66
Educational & Promotional	10	11	13	12
Loan Servicing	12	14	16	23
Professional & Outside	23	23	25	33
Provision for Loan Losses	59	46	26	51
Members Insurance	-	3	2	1
Operating Fees	1	1	1	2
Interest on Borrowed Money	24	20	17	4
Corporate Stabilization & Insurance Premium Expense	13	15	14	22
Other Expenses	<u>9</u>	<u>8</u>	<u>10</u>	<u>8</u>
TOTAL EXPENSES	372	369	359	426
NET INCOME BEFORE TRANS- FERS & DIVIDENDS	<u>162</u>	<u>138</u>	<u>129</u>	<u>120</u>
DIVIDENDS TO MEMBERS	127	96	76	80
NET INCOME	<u>35</u>	<u>42</u>	<u>53</u>	<u>40</u>
 DISTRIBUTION OF NET INCOME				
Transferred to Regular Reserves	37	30	27	-

TOTAL CREDIT UNIONS ASSETS IN 2011

Bedford	Hoosier Hills Credit Union	\$	365,143,336
Bloomington	Indiana University Credit Union	\$	682,811,931
Bluffton	Bluffton Motor Works/Franklin Electric Employees Credit Union	\$	1,613,975
Brazil	Clay County Farm Bureau Co-Op Credit Union	\$	8,059,833
Columbus	Centra Credit Union	\$	986,487,456
Crown Point	Tech Credit Union	\$	294,455,472
East Chicago	East Chicago Firemen's Credit Union	\$	840,618
Fishers	Forum Credit Union	\$	906,965,753
Fort Wayne	General Credit Union	\$	80,032,036
Fort Wayne	Pinnacle Credit Union	\$	26,089,448
Fort Wayne	Public Service Employees Credit Union	\$	26,135,773
Goshen	Interra Credit Union	\$	576,506,487
Hagerstown	Perfect Circle Credit Union	\$	48,311,080
Hammond	Hammond Firefighters Association Credit Union	\$	1,637,816
Indianapolis	Energy Plus Credit Union	\$	27,023,659
Indianapolis	Family Horizons Credit Union	\$	88,369,482
Indianapolis	Firefighters Credit Union	\$	51,865,548
Indianapolis	Harvester Credit Union	\$	50,322,523
Indianapolis	Hoosier Farm Bureau Credit Union	\$	9,747,910
Indianapolis	Indiana Members Credit Union	\$	1,330,588,705
Indianapolis	Indianapolis Post Office Credit Union	\$	52,379,655
Indianapolis	KEMBA (Indianapolis) Credit Union	\$	57,232,070
Indianapolis	NorthPark Community Credit Union	\$	57,417,421
Indianapolis	Professional Police Officers Credit Union	\$	36,536,303
Indianapolis	State Service Credit Union	\$	5,145,191

TOTAL CREDIT UNIONS ASSETS IN 2011

Kokomo	Kokomo Post Office Credit Union	\$	2,611,072
La Porte	Municipal Employees Credit Union	\$	1,076,275
Lawrenceburg	Community Spirit Credit Union	\$	14,186,351
Loogootee	Martin County Cooperative Credit Union	\$	10,071,185
Marion	Via Credit Union	\$	267,032,516
Merrillville	Members Source Credit Union	\$	70,351,649
Michigan City	First Trust Credit Union	\$	86,808,877
Michigan City	Members Advantage Credit Union	\$	80,584,498
Mishawaka	Taper Lock Credit Union	\$	33,220,764
Monroe	Adams County Credit Union	\$	14,083,063
Muncie	Muncie Post Office Credit Union	\$	1,050,818
Richmond	NATCO Credit Union	\$	52,433,032
Richmond	Richmond State Hospital Employees Credit Union	\$	1,326,023
Seymour	Jackson County Co-Op Credit Union	\$	18,806,569
South Bend	South Bend Post Office Credit Union	\$	10,066,837
South Bend	Teachers Credit Union	\$	2,160,033,516
Sullivan	Sullivan County Credit Union	\$	11,097,111
Wabash	Beacon Credit Union	\$	925,784,858
Warsaw	United Credit Union	\$	<u>10,616,854</u>
	Net Assets - Includes Allowance for Loan Losses	\$	<u>9,542,961,349</u>

Net Assets – Includes Allowance for Loan Losses	\$	9,542,961,349
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DIVISION OF CONSUMER CREDIT

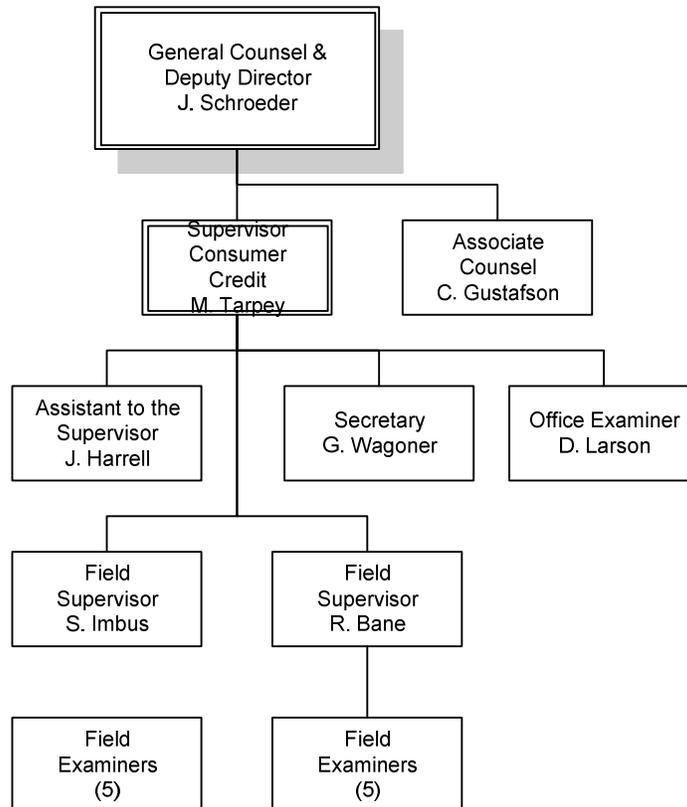
Statutes and Rule administered by the Consumer Credit Division:

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 \$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 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 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).

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.

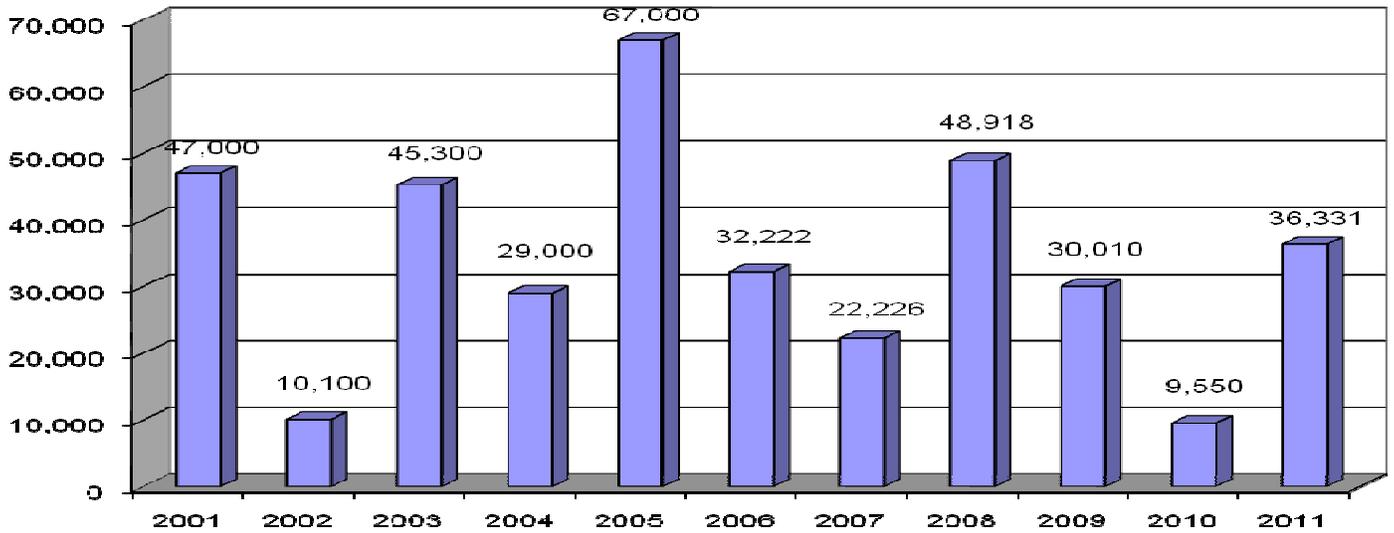
CONSUMER CREDIT

EXAMINATIONS

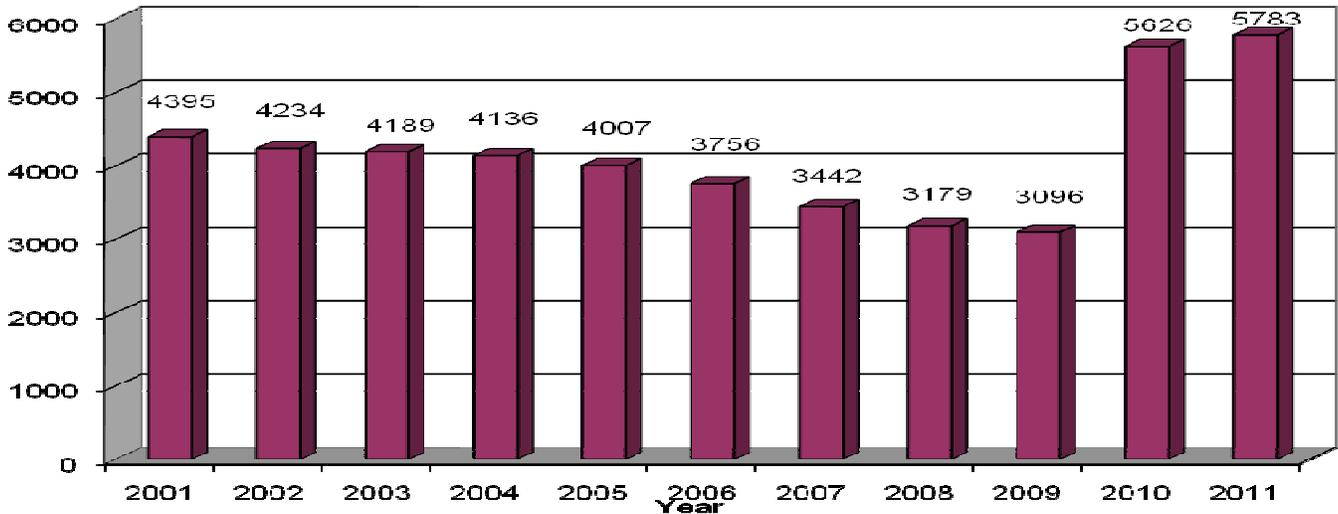
Licensed and registered entities are subject to periodic examinations to determine compliance with the statutes corresponding to their business type. As examiners discover violations they try to determine the cause and obtain assurance from the licensees or registrants that future transactions will be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

Type of Examination	No. of Exams	Exam Hours	No. of Violations	\$ Amount Refunded	No. of Non-\$ Violations
First Lien Mortgage	74	1361.00	5	\$ 5,313.35	35
Subordinate Lien Mortgage	15	36.50	0	\$ -	0
Financial Institution	52	1814.15	492	\$ 53,068.75	116
Licensed Lender	11	161.75	33294	\$ 2,599,824.01	4
Retail Creditors	537	3519.75	2272	\$ 288,099.93	110
Small Loan (Payday Loan)	23	1012.00	144	\$ 5,166.58	41
Rental Purchase	24	219.00	34	\$ 816.11	9
Debt Management	16	262.75	66	\$ 4,649.61	30
Pawn Broker	35	591.75	11	\$ 171.62	30
Money Transmitter	1	28.00	0	\$ -	4
Check Cashing	27	197.50	13	\$ 447.26	4
Totals	815	9204.15	36,331	\$ 2,957,557.22	383

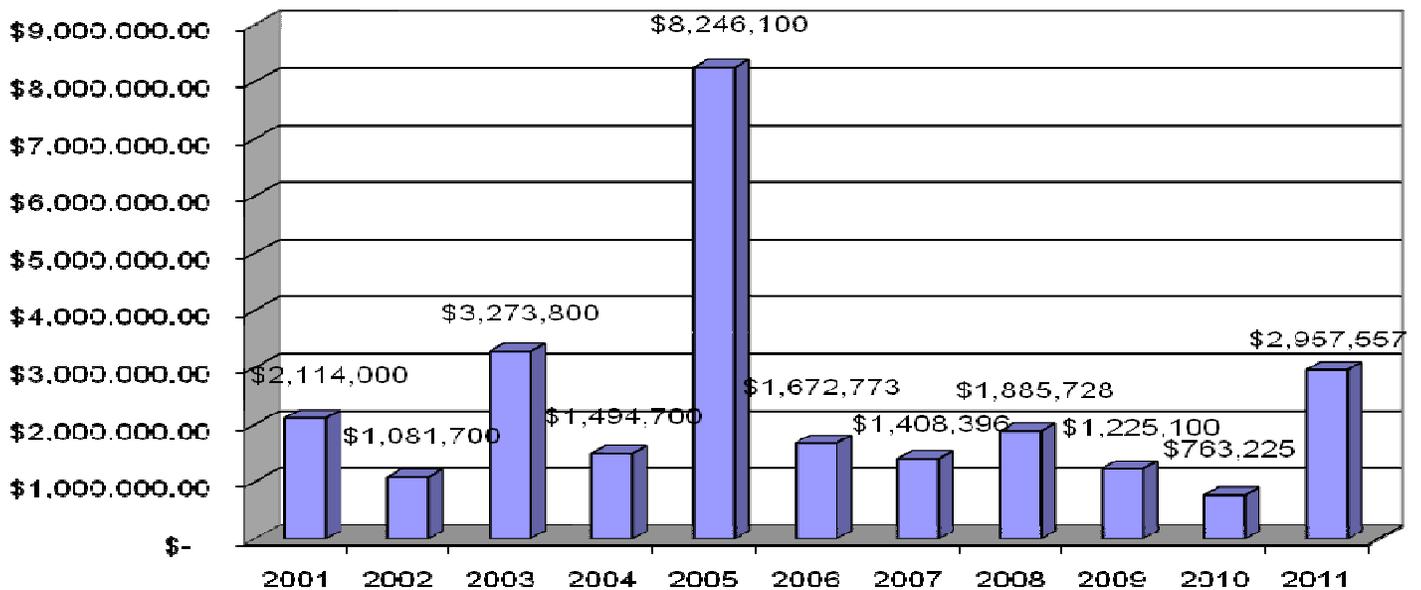
Number of Reimbursable Violations



Consumer Credit Division Licensees and Filers



Amount of Reimbursable Violations



CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2011

License ID	Name	CITY	STATE	DATE
Loan License				
15705	VITALITY FINANCIAL, INC	SAN FRANCISCO	CA	3/31/11
16413	ONEMAIN FINANCIAL, INC	BALTIMORE	MD	3/29/11
16180	TD AUTO FINANCE LLC	FARMINGTON HILLS	MI	5/23/11
16755	VCI LOAN SERVICES, LLC	AUBURN HILLS	MI	6/17/11
Pawnbrokers				
15486	FCFS IN, INC.	ARLINGTON	TX	1/19/11
16300	ELKHART PAWN	ELKHART	IN	3/7/11
16658	PARLOR CITY PAWN, LLC	BLUFFTON	IN	10/20/11
17198	TRADING POST, LLC	MARION	IN	11/3/11
Money Transmitters				
15383	ITC FINANCIAL LICENSES, INC.	COLUMBUS	GA	7/28/11
17068	FACEBOOK PAYMENTS INC.	PALO ALTO	CA	10/6/11
15268	BANCOMER TRANSFER SERVICES, INC.	HOUSTON	TX	11/3/11
17098	TRAVELEX GLOBAL BUSINESS PAYMENTS, INC.	WASHINGTON	DC	9/30/11
17097	PNB REMITTANCE CENTERS, INC.	LOS ANGELES	CA	11/1/11
Check Cashers				
16205	FCFS IN, INC.	ARLINGTON	TX	2/17/11
17127	BOWLING SHIPP, LLC	INDIANAPOLIS	IN	9/9/11
16236	CW FINANCIAL OF IN, LLC	SILVER SPRING	MD	9/16/11
17031	JAMIE REYES	ELKHART	IN	9/28/11
Debt Management				
15725	AMERICAN DEBT COUNSELING INC.	SUNRISE	FL	3/31/11
16358	CONSUMER CREDIT COUNSELING-NORTHEASTERN	FORT WAYNE	IN	6/17/11
16765	CONSUMERS ALLIANCE PROCESSING CORPORATION	CARLSBAD	CA	7/6/11
16775	CONSUMER CREDIT COUNSELING-SAN FRANCISCO	SAN FRANCISCO	CA	8/25/11
Small Loan (Payday Loan)				
16719	CASH KING, INC.	COLUMBUS	IN	6/17/11
16389	FAST CASH PLUS, LLC	WARSAW	IN	5/23/11

CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2011

NUMBER	NAME	CITY	STATE	DATE
First Lien Mortgage Lending				
15534	DHI MORTGAGE COMPANY, LTD.	AUSTIN	TX	1/20/11
15700	REAL ESTATE MORTGAGE NETWORK, INC.	RIVER EDGE	NJ	1/20/11
15632	SOUTHWEST STAGE FUNDING, LLC	MESA	AZ	1/20/11
15640	STEARNS LENDING, INC.	SANTA ANA	CA	1/20/11
15572	U.V.S. INC.	LOS ANGELES	CA	2/4/11
16181	MGIC MORTGAGE SERVICES, LLC	MILWAUKEE	WI	2/11/11
16129	RESIDENTIAL ACCEPTANCE CORPORATION	TAMPA	FL	2/11/11
16146	SEMPER HOME LOANS, INC.	PROVIDENCE	RI	2/11/11
15536	WESTERN OHIO MORTGAGE CORP.	SIDNEY	OH	2/11/11
15402	UNITED SECURITY FINANCIAL CORP	MURRAY	UT	3/7/11
16080	REDBUD ESTATES SALES, INC	ANDERSON	IN	3/7/11
16109	NOVA FINANCIAL & INVESTMENT CORPORATION	TUCSON	AZ	3/7/11
15610	KROLL FACTUAL DATA, INC.	LOVELAND	CO	3/7/11
16242	RESIDENTIAL FINANCE CORPORATION	COLUMBUS	OH	3/18/11
15584	WEI MORTGAGE CORPORATION	ROCKVILLE	MD	4/1/11
16410	SAGAMORE HOME MORTGAGE, LLC	LEBANON	IN	4/15/11
16155	REPUBLIC STATE MORTGAGE CO.	HOUSTON	TX	4/29/11
15701	CASHCALL, INC.	ANAHEIM	CA	4/29/11
16368	TOWNSTONE FINANCIAL INC.	CHICAGO	IL	4/29/11
16344	GREENLIGHT FINANCIAL SERVICES	IRVINE	CA	5/24/11
16640	HARVEST MORTGAGE, LLC	MILFORD	MI	6/14/11
16622	AMERICAS MORTGAGE PROFESSIONALS, LLC	FORT LAUDER- DALE	FL	6/16/11
16375	ONEMAIN FINANCIAL, INC.	BALTIMORE	MD	6/16/11
16321	CLEARPOINT FUNDING, INC.	WESTBOROUGH GREENWOOD VI-	MA	6/20/11
16616	CHERRY CREEK MORTGAGE CO., INC.	LLAGE	CO	7/13/11
16217	GREEN HILL FINANCIAL LLC	CHICAGO	IL	7/12/11
16835	CAPITAL SOLUTIONS FINANCIAL GROUP	IRVINE	CA	7/13/11
15403	JAMES F. MESSINGER & CO, INC.	ALSIP	IL	2/4/11
17032	HAMILTON GROUP FUNDING, INC	PACE	FL	8/12/11
16384	ON Q FINANCIAL, INC	SCOTTSDALE	AZ	8/25/11
16950	LIBERTY MORTGAGE COMPANY, INC	COLUMBUS	OH	8/25/11
16935	REPUBLIC MORTGAGE HOME LOANS, LLC	MURRAY	UT	10/3/11
17193	R.H. LENDING, INC.	COLLEYVILLE	TX	10/4/11
16689	PMAC LENDING SERVICES, INC.	CHINO HILLS	CA	10/6/11
17190	WESTSTAR MORTGAGE CORPRATION	ALBUQUERQUE	NM	10/24/11
17040	PROVIDENTIAL BANCORP, LTD	CHICAGO	IL	10/26/11
17121	ISGN SOLUTIONS, INC	BENSALEM	PA	11/17/11
16492	RESIDENTIAL CREDIT SOLUTIONS, INC.	FORT WORTH	TX	5/26/11
16783	MORTGAGE NETWORK, INC.	DANVERS	MA	12/1/11

CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2011

NUMBER	NAME	CITY	STATE	DATE
First Lien Mortgage Lending				
17189	ALL WESTERN MORTGAGE, INC.	LAS VEGAS	NV	12/13/11
17457	THE ANDERSON FINANCIAL GROUP, INC.	CHICAGO	IL	12/13/11
16976	CORELOGIC SERVICES, LLC	WESTLAKE	TX	12/13/11
16848	RESIDENTIAL HOME FUNDING CROP	WHITE PLAINS	NY	6/28/11
17450	SUTHERLAND MORTGAGE SERVICES, INC.	HOUSTON	TX	12/29/11
16909	RILEY MODERN ESTATES INC.	ELKHART	IN	8/17/11
16208	MORTGAGE INVESTORS GROUP	KNOXVILLE	TN	4/1/11
Subordina te Lien Mortgage Lending				
15535	DHI MORTGAGE COMPANY, LTD.	AUSTIN	TX	1/20/11
16147	AMERICAN INTERNET MORTGAGE, INC.	SAN DIEGO	CA	2/25/11
16429	CENTURY MORTGAGE COMPANY	LOUISVILLE	KY	4/29/11
15702	CASHCALL, INC.	ANAHEIM	CA	4/29/11
16602	CITIFINANCIAL, INC.	BALTIMORE	MD	6/14/11
16376	ONEMAIN FINANCIAL, INC.	BALTIMORE	MD	6/16/11
16322	CLEARPOINT FUNDING, INC.	WESTBOROUGH	MA	6/23/11
16801	FNF SERVICING, INC.	VIRGINIA BEACH	VA	6/29/11
16617	CHERRY CREEK MORTGAGE CO., INC.	GREENWOOD VILLAGE	CO	7/13/11
17039	PROVIDENTIAL BANCORP, LTD.	CHICAGO	IL	10/26/11
16491	RESIDENTIAL CREDIT SOLUTIONS, INC.	FORT WORTH	TX	5/26/11
16784	MORTGAGE NETWORK, INC.	DANVERS	MA	12/1/11
16977	CORELOGIC SERVICES, LLC	WESTLAKE	TX	12/13/11
11383	JJG CAPITAL CORPORATION	ORANGE	CA	7/11/11
16849	RESIDENTIAL HOME FUNDING CORP.	WHITE PLAINS	NY	6/28/11

Mortgage Loan Originator

1,395 MLO Licenses Issued in 2011

LICENSEES AND REGISTRANTS

As of December 31, 2011

TYPE	NUMBER REGISTERED	NUMBER BRANCH LOCATIONS
LOAN LICENSES (NON-MORTGAGE)	32	93
SMALL LOAN LICENSES	36	355
RETAIL CREDITORS	2085	1185
RENTAL PURCHASE	48	229
DEBT MANAGEMENT	38	12
PAWNBROKERS	63	99
MONEY TRANSMITTERS	32	15
CHECK CASHERS	56	503
FINANCIAL INSTITUTIONS	208	1316
GAP ADMINISTRATORS	45	
FIRST LIEN MORTGAGE	253	218
SUBORDINATE LIEN MORTGAGE	83	149
MORTGAGE LOAN ORIGINATOR	2794	
DEBT CANCELLATION ADMINISTRATORS	5	
EXEMPT COMPANY MORTGAGE REGISTRATION	5	
TOTALS	5783	4174

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.

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 2011 was 5.3%.

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 utilizes cost-effective training resources made available by The Conference of State Bank Supervisor; our Federal counterparts; and other third parties. These include a wide array of online training programs, webinars, and courses.

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 a cost-effective and 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. The Department's Credit Union Division has taken strides to reduce the amount of paper they collect and print during examinations, and has implemented a process for scanning and storing electronically most of the examination workpapers. The Department is currently looking at ways to implement these practices across divisions.

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. 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

