

INDIANA DEPARTMENT OF FINANCIAL INSTITUTIONS



Governor: Eric Holcomb
Lt. Governor: Suzanne Crouch

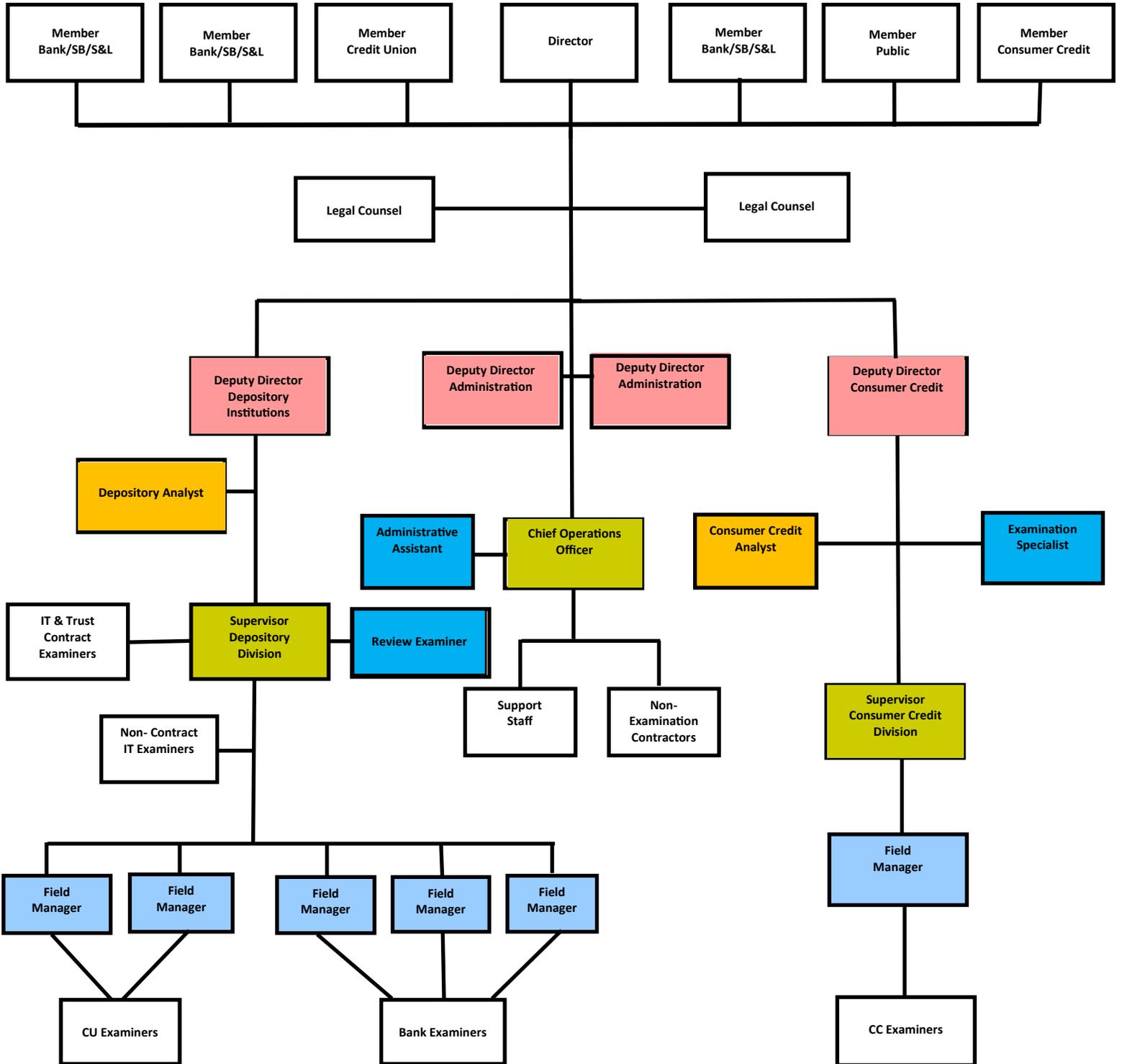


2018
ANNUAL REPORT

TABLE OF CONTENTS

HISTORY OF DIRECTORS	4
MISSION STATEMENT, VISION, STAKEHOLDERS, VALUES	5
MEMBERS OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS	6
DEPARTMENT PERSONNEL	7
OVERVIEW	13
Introduction	
Comparative Financial Statement	
LEGISLATIVE CHANGES	16
DIVISION OF BANKS AND TRUST COMPANIES	21
Organizational Chart	
Comparative Statement of Condition	
Holding Company Ownership Analysis	
Total Assets of Indiana Banks	
Status Changes	
Active Commercial Banking Institutions	
DIVISION OF CREDIT UNIONS	39
Organizational Chart	
Balance Sheet	
Income Statement	
Total Credit Union Assets	
DIVISION OF CONSUMER CREDIT	45
Organizational Chart	
Number of Licensees and Registrants	
Examination Summary	
Consumer Credit Division licenses issued in 2017	
Violation Summary	
DIVISION OF ADMINISTRATION	56
Organizational Chart	

Department of Financial Institutions



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	January	2014
Dennis L. Bassett	March	2014	April	2015
Tim Berry	June	2015	November	2015
Thomas C. Fite	January	2016	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 Experience

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

Donald E. Goetz
Demotte
Bank/Thrift Experience

VACANT
Consumer Credit Experience

Jean L. Wojtowicz
Indianapolis
Member at Large

VACANT
Bank/Thrift Experience

Thomas C. Fite
Director
Department of Financial Institutions

DEPARTMENT PERSONNEL

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

Thomas C. Fite, Director
Christopher C. Dietz, Deputy Director
J. Deron Thompson, Depository Supervisor

SPECIAL ACTIONS

Kirk J. Schreiber, Depository Analyst

REGULATION & SUPERVISION

Richard C. Nelson, Review Examiner

BANK DIVISION EXAMINATION STAFF

Paul G. Brockman, Field Manager
Patrick W. Land, Field Manager
Kristy Hubele, Field Manager

David H. Hoeferkamp - I	Mark Keen - III
Jacob P. Swanson - I	Kevin Polston - III
Marc A. Ward - I	Tyler J. Shearer III
Alfred R. Westfall - I	Gage L. Russell - III
Steven R. Wachter - I	Michael J. Nickell - III
Robin R. Upchurch - I	Tyler Wolpert - III
Craig R. Smith - I	Daniel Elick - III
Kevin Stouder - I	Daniel Ullrich - III
Jody Morrissey - II	Jay Gala - IV
Kristie Gregar-Skillman - II	Dalton Schultz - IV
Sam A. Patterson II	Matthew Delaney - IV
Alexandra Smedley - III	Mitchell Boyer - IV
Jackson Warren - III	

DIVISION OF CREDIT UNIONS

Thomas C. Fite, Director
Chris Dietz, Deputy Director
J. Deron Thompson, Depository Supervisor
Mark K. Powell, Field Manager
Gloria A. Thomson, Field Manager

Mark A. Walters - I
Charles R. Hall - I
Eric Mehlig - III
Joseph English - IV
Alexander Tison- IV

DIVISION OF CONSUMER CREDIT

Thomas C. Fite, Director
Lyndsay Miller, Deputy Director (Interim)
Scott J. Imbus, Supervisor
Aaron B. Sweet, Field Manager
Tabitha Butts, UCCC Licensing Analyst

Kent D. Sager - I
Dee A. Stauffer - I
Richard W. Norrell - II
Robert M. Payne - II
Rita Sturgill - II
Mitchell D. Bowers - II

Nancy G. DeGott - III
Anthony Lockett - III
Bradley Ball - III
Joe Dean - III
Michelle Dowling - IV
Joshua Reynolds - IV

EXAMINER CERTIFICATIONS

BANK DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Brockman, Paul G.
Fite, Thomas C.
Land, Patrick W.

Thompson, Deron J.
Dietz, Chris C.

CERTIFIED EXAMINER IN CHARGE (“CEIC”)

Hoeferkamp, David H.
Nelson, Richard C.
Pogue, Troy D.
Schreiber, Kirk J.
Swanson, Jacob P.
Upchurch, Robin R.

Wachter, Steven R.
Ward, Marc A.
Williams, Gina R.
Westfall, Alfred R.
Smith, Craig R.
Hubele, Kristy
Patterson, Sam R.

CERTIFIED CREDIT EXAMINER (“CCE”)

Nickell, Mike J.

CERTIFIED OPERATIONS EXAMINER (“COE”)

Shearer, Tyler J.
Russell, Gage L.
Elick, Daniel E.
Wolpert, Tyler J.

CERTIFIED INFORMATION SYSTEMS EXAMINER (“CISE”)

Stouder, Kevin

ASSOCIATE CERTIFIED INFORMATION SYSTEMS EXAMINER (“ACISE ”)

Stouder, Kevin
Gregar-Skillman, Kristie J.

CREDIT UNION DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Powell, Mark K.
Thomson, Gloria A.

CREDIT UNION DIVISION CERTIFICATIONS

CERTIFIED EXAMINER IN CHARGE ("CEIC")

Hall, Charles R.
Walters, Mark A.

CONSUMER CREDIT DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER ("CEM")

Imbus, Scott J.
Sweet, Aaron B.

COMPLEX INSTITUTIONS SPECIALIST ("CIS")

Butts, Tabitha M.
Sager, Kent D.
Stauffer, Dee A.
Norrell, Richard W.
Bowers, Mitchell D.
Payne, Robert M.

DEPOSITORY/INVESTIGATION SPECIALIST (DIS)

Sweet, Aaron B.
DeGott, Nancy G.

CONSUMER CREDIT COMPLIANCE EXAMINER ("CCCE")

Dean Jr., Joe 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

In 2017, the certification program was expanded to include the following Information Technology Certifications:

ACISE - Associate Certified Information Systems Examiner
CCSE - Certified Cyber Security Examiner
CISE - Certified Information Systems Examiner

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 2018

Executive Division

Tom Fite - 20 Years of Service

Administration Division

Sharmaine Stewart - 15 Years of Service

Banking Division

Sam Patterson - 5 Years of Service

Kristy Hubele - 10 Years of Service

Craig Smith - 10 Years of Service

Consumer Credit Division

Robert Payne - 5 Years of Service

Kent Sager - 25 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 non-cabinet level department of the executive branch of the Government of Indiana and is subject to legislative oversight and audit by the State Board of Accounts. It remains a self-funded (dedicated funds) agency that is entirely supported by fees paid by the institutions that are regulated and supervised by the Department. Indiana Code 28-11-3-5 grants authority to the Department to generate revenue and to fund ongoing operations. Annually, the Department adopts a schedule of fees to cover expected operating costs. Revenue is driven solely from supervision, examination, and license fees that are assessed to those financial institutions that are regulated by the Department.

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

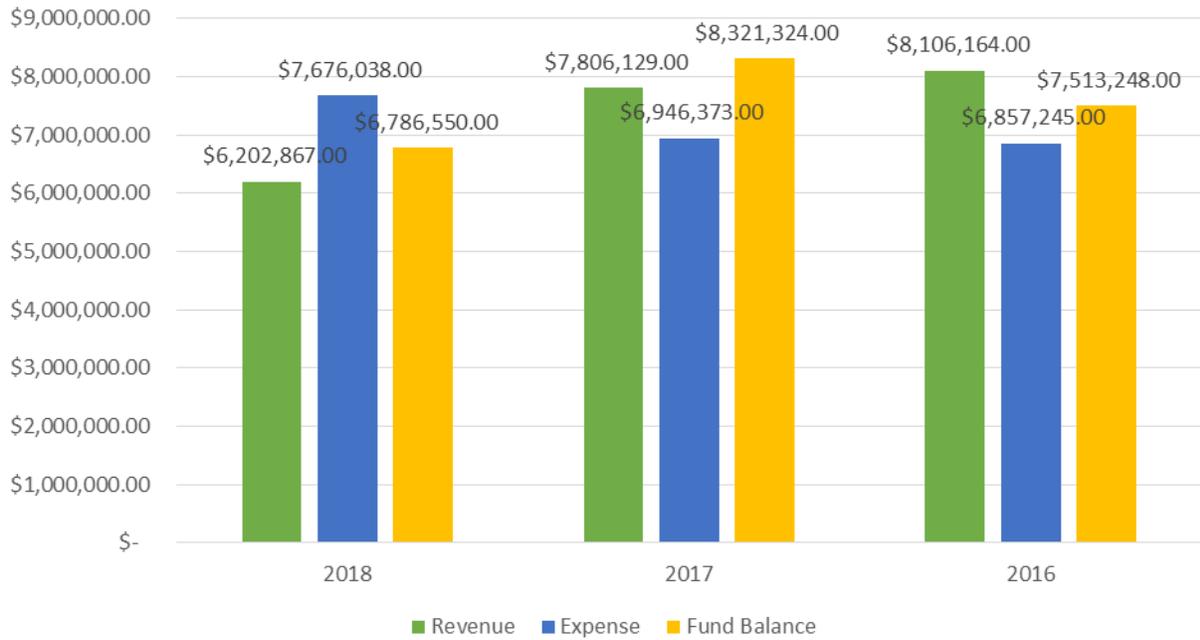
The Executive Team consists of the Director, who serves as the Chief Executive and Administrative Officer, and three Deputy Directors. The Director is responsible for the administration of the policies established by the Members and all applicable legislative actions or policies. The Director exercises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

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

REVENUE AND EXPENDITURES

<u>REVENUE</u>	2018	2017	2016
BANK AND SAVINGS & LOAN FEES	3,388,776	4,219,703	4,184,120
CREDIT UNION FEES	839,036	1,085,011	1,112,360
PAWNBROKING LICENSING FEES	93,630	111,680	135,420
APPLICATION /MISC. FEES	112,320	82,000	139,880
DEBT MANAGEMENT COMPANIES	14,100	21,800	21,560
UCCC FEES	606,408	768,205	1,094,734
PAYDAY LENDERS	107,062	136,390	146,100
RENTAL/PURCHASE LICENSE	61,329	74,060	91,240
MONEY TRANSMITTER FEES	60,000	70,000	61,000
CHECK CASHERS FEES	30,978	36,720	40,850
GAP/Debt Cancellation/CPAP	11,590	70,660	66,300
First Lien & Subordinate Lien Mortgage Lenders	312,600	533,000	489,000
Mortgage Loan Originators	565,038	596,900	523,600
TOTAL REVENUE	6,202,867	7,806,129	\$8,106,164
<u>EXPENDITURES</u>			
PERSONNEL COSTS	6,066,850	5,259,486	5,568,895
UTILITIES, TELEPHONE, COMMUNICATION	108,723	98,431	95,625
CONTRACT SERVICES	387,520	476,168	249,653
OFFICE SUPPLIES	13,916	24,774	19,996
EQUIPMENT/COMPUTERS	44,343	45,846	27,372
TRAVEL IN-STATE	442,299	435,394	382,627
TRAVEL OUT-OF-STATE	21,918	16,379	8,168
PERSONNEL DEVELOPMENT & RELATED TRAVEL	160,269	156,906	73,881
OFFICE LEASES, DUES, SUBSCRIPTIONS	430,200	432,989	431,028
TOTAL EXPENDITURES	7,676,038	6,946,373	\$6,857,245
NET REVENUE (EXPENDITURES)	(1,473,171)	859,756	1,248,919
CASH BALANCE, JULY 1	8,321,324	7,513,248	6,339,293
CASH BALANCE, JUNE 30	6,848,153	8,373,004	7,588,212
LESS ENCUMBRANCES	61,603	51,680	74,964
FUND BALANCE, JUNE 30	6,786,550	8,321,324	7,513,248

Last 3 Fiscal Years -Revenue, Expense and Fund Balance Comparison



LEGISLATIVE CHANGES

2018 GENERAL ASSEMBLY - LEGISLATION OF INTEREST

Prepared by Lyndsay H. Miller, General Counsel
May 15, 2018

The following is a brief summary of legislation adopted by the 2018 Indiana General Assembly which may be of interest to the Department, its constituencies, staff, and members. For additional information regarding any bill of particular interest, the complete list of all legislation enacted or considered in the 2018 General Assembly, can be found here: <http://iga.in.gov/legislative/2018/bills/>.

HB 1397 Financial institutions and consumer credit (commonly known as the "DFI Omnibus Bill").

The following is a brief summary of HB 1397, authored by Representative Woody Burton, which was signed by the Governor in Public Law 69 on March 13, 2018. As in years' past, the vast majority of the bill changes included updated references to federal and state laws; streamlining and modernization efforts; and additional technical or housekeeping matters. *All provisions become effective July 1, 2018.*

Dollar adjustments to 750 IAC 1. In addition to the above, the Department is charged with calculating and adjusting as necessary certain dollar amounts based on changes in the Consumer Price Index every even numbered year. The dollar amounts change based on 10% incremental changes to the index values. Such changes are dictated primarily under Ind. Code § 24-4.5-1-106 of the Indiana Uniform Consumer Credit Code, and changes are adopted by the Department through the emergency rulemaking authority under IC § 4-22-2-37.1 and published under 750 IAC 1 on or before April 1. The Emergency Rule was posted in the Indiana Register as [LSA Document #18-155](#) on March 21, 2018. *The dollar adjustments become effective July 1, 2018.*

For Indiana Uniform Consumer Credit Code ("IUCCC") changes, three different base index values are used, depending on the timing of the statutory implementation. There are several IUCCC dollar value changes under the rule this year.

High Cost Home Loans, IC § 24-9-2-8, enacted in 2005, provides for an adjustment to a dollar amount at the time and according to the procedure set forth in the provisions of IC § 24-4.5-1-106 concerning the adjustment of dollar amounts in IC § 24-4.5. The dollar amount did change.

Under IC § 34-55-10-2.5, certain dollar amounts in the Indiana Bankruptcy Exemptions statute are subject to adjustment, and the Department is charged with the calculation of these changes. Values may change every six years, and adjustments are rounded to the nearest \$50 dollars. These values were not subject to change this year.

LEGISLATIVE CHANGES

The following are provisions of interest contained in HB 1397:

Consumer Credit:

Codification of historically-approved DFI charges as permissible additional charges. The Uniform Consumer Credit Code outlines what additional charges (in addition to finance charges) a creditor may charge a consumer and finance in a credit sale or loan. In addition to the specific charges listed, a creditor may also ask the Department to review and approve a charge under certain conditions. The Department has historically approved only four charges – Guaranteed Asset Protection (“GAP”), debt cancellation for depository institutions, skip-a-pay fees, and expedited payment fees. The guidelines have been modernized from when the charges were first approved. See also the [GAP and Debt Cancellation Guidance](#) issued by the Department on April 2, 2018.

- ◇ Applies to: creditors of consumer credit transactions
- ◇ Statutory references: IC § 24-4.5-3-202 (consumer loans); IC § 24-4.5-2-202 (consumer credit sales)

- ◆ **Combining the first lien mortgage lending license and subordinate lien mortgage lending license into one general mortgage lending license.** DFI historically issued two separate mortgage lending licenses: one for first lien mortgages under IC § 24-4.4, and one for subordinate lien mortgages under IC § 24-4.5. DFI combined the mortgage licensing process in summer 2017 to create one general mortgage lending license covering all mortgage lending activity under both articles. This streamlined the licensing process for both the industry and the Department, and saved licensees the cost of maintaining two licenses. Minor language updates reflect the need for only one mortgage lending license.
 - ◇ Applies to: mortgage lenders
 - ◇ Statutory references: IC §§ 24-4.4-1-202.5, -301; IC §§ 24-4.4-2-401, -402.3, -402.4, -403, -404.2, -405, -406; IC §§ 24-4.5-3-301.5, -502.1, -503.3, -503.4

- ◆ **Update for internet payday loan rescission issues.** The original small loan law did not consider delays in funding that could occur with online transactions (internet payday loans); 2017 law provides a rescission period that could expire before a consumer actually receives the money loaned. This update will have the consumer’s rescission period start on the date the person receives the funds.
 - ◇ Applies to: small loan lenders
 - ◇ Statutory reference: IC § 24.4.5-7-402

- ◆ **Persistent violations of Extend Payment Plans on small loans.** Small loan lenders are required to offer a consumer an extended payment plan (EPP) under certain circumstances. Lenders are prohibited from influencing consumers against taking out an EPP in an effort to increase fees. The legislation includes: new language that prevents a small loan lender from influencing a consumer into paying off an EPP eligible loan; further clarifications regarding the time period in which a consumer may request an EPP.
 - ◇ Applies to: small loan lenders
 - ◇ Statutory references: IC §§ 24-4.5-7-301 and -401

LEGISLATIVE CHANGES

- ◆ **Updating the UCCC to conform to federal Truth in Lending time frames for crediting consumer payments.**
 - ◇ Applies to: creditors in consumer credit transactions
 - ◇ Statutory references: IC § 24-4.5-2-417 (consumer credit sales); IC § 24-4.5-3-408 (consumer loans)
- ◆ **Explicitly excluding lead generators from small loan licensing.** The Department does not consider loan lead generators to be subject to the small loan statutes for licensing purposes. The 2017 statute could be mis-interpreted that small loan licensing statutes apply to lead generators. The legislation deletes the reference language that could be mis-interpreted to include lead generators.
 - ◇ Statutory references: IC § 24-4.5-7-102
- ◆ **U.S. GAAP requirement for submitting financial statements in support of licensing applications.** The legislation requires that non-U.S. based companies applying for licenses with the Department provide financial statements reflecting U.S. GAAP accounting methods.
 - ◇ Applies to: consumer lenders; rental purchase entities; debt management companies; money transmitters
 - ◇ Statutory references: IC § 24-4.5-3-505 (consumer loans); IC § 24-7-7-2 (rental purchase); IC § 28-8-4-12, -24, -25, -33, -38, -44 (money transmission); IC § 28-1-29-5 (debt management companies)
- ◆ **Adding other legal business offerings as permissible for debt management companies.** In 2017, the Department clarified for many industries that it regulates that a licensed company, in addition to undertaking the licensed activity by the Department at its place of business, may carry on other legal business at the same location. Debt management company statutes were unintentionally excluded from the 2017 legislation; this industry is likewise updated with the 2018 legislation.
 - ◇ Applies to: debt management companies
 - ◇ Statutory references: IC § 28-1-29-8
- ◆ **Renewal dates for pawnbroker and check casher licenses.** This legislation consolidates the Department's renewal periods to decrease collective renewal dates from four down to two, by changing the renewal date for these two license types.
 - ◇ Applies to: pawnbrokers and check cashers
 - ◇ Statutory references: IC § 28-7-5-11 (pawnbroker license); IC § 28-8-5-14 (check cashing license)
- ◆ **Various clarifications and updates under the Rental Purchase Agreement Act (RPAA).** Confusion appears to exist between the rent-to-own industry and the Department concerning what constitutes an initial payment and how it must be treated on a rental purchase agreement. There is also some indication that virtual leasing companies do not acquire 100% ownership of merchandise with the local retailer that is facilitating the transaction, prior to entering into a rental purchase agreement with the consumer. The legislation addresses these items and also includes some general updates, revisions, and clarifications of the Rental Purchase Agreement Act.
 - ◇ Applies to: rental purchase entities
 - ◇ Statutory references: IC §§ 24-7-2-8, -9; IC §§ 24-7-3-3, -6, -8; IC §§ 24-7-4-1, -1.5; IC §§ 24-7-4-11, -13; IC §§ 24-7-5-5, -5.5, -10; IC § 24-7-6-2; IC §§ 24-7-7-1, -2; IC § 24-7-8-2

LEGISLATIVE CHANGES

- ◆ **Clarification of DFI authority over first lien mortgages at financial institutions.** This is a clarification item to make clear the longstanding position regarding the Department’s examination and investigative authority, and administrative enforcement authority, for consumer credit matters that extend to first lien mortgage transactions at state chartered depository institutions.
 - ◇ Applies to: financial institutions
 - ◇ Statutory references: IC § 24-4.5-3-105

- ◆ **Modernize returned payment language.** The way in which payments can be made has expanded to include more than just traditional paper checks. The 2017 statute limits the fees that can be collected from a consumer for returned payments to mostly traditional payment methods. The legislation modernizes the language as well as adds electronic funds transfers to the list of payments where return fees are permitted to be charged.
 - ◇ Applies to: creditors under the UCCC, small loan lenders, debt management companies
 - ◇ Statutory references: IC §§ 24-4.5-2-202 (consumer credit sales), 3-202 (consumer loans); IC § 24-4.5-7-202 (small loans); IC § 28-1-29-8.3 (debt management companies).

Depositories:

Policies and Procedures for branch application approval on an expedited basis. The 2017 statute requires that every time a bank or credit union wants to relocate or open a branch they have to apply and receive approval from the Department. Formalities have been reduced by creating an “expedited” branch application policy, whereby some minor statute changes were needed to reflect this new option.

- ◇ Applies to: banks, credit unions, trust companies, corporate fiduciaries, savings banks, savings associations, and industrial loan and investment companies chartered in the state of Indiana
- ◇ Statutory references: IC §§ 28-2-13-19, 18-19 (banks, trust companies, corporate fiduciaries, savings associations, industrial loan and investment companies); IC § 28-6.1-12-3 (savings banks); IC §§ 28-7-1-9, -28, -34 (credit unions)
- ◇ Note: Additional policies and procedures to be issued by the Department are forthcoming

- ◆ **Credit union loan statute – clarifying terminology replacing “notwithstanding.”** The statute lays out the guidelines for how a credit union can make a loan to its members. This is a clean-up to replace the term “notwithstanding.” Some credit unions have been unsure about offering different loan options because of the confusing language.
 - ◇ Applies to: credit unions
 - ◇ Statutory references: § 28-7-1-17

- ◆ **Modernization of credit union statutory requirements.** Loan officers are required to provide a list of both approved and denied loans to the credit union’s credit committee or board. This change deletes the required list of denied loans. A credit union statute requires the board to approve loan application forms; this change allows the credit union itself to approve the forms rather than the board. Clean-up to remove references to a regulatory policy that was previously rescinded/repealed.
 - ◇ Applies to: credit unions
 - ◇ Statutory references: IC §§ 28-7-1-16, -17, -24

LEGISLATIVE CHANGES

Other Bills of Interest:

- ◆ **Uniform Business Organizations (SB 180; Public Law 52).** Secretary of State Omnibus Bill; includes additional limitation requiring all new corporate entities that utilize “bank” in their corporate name must first receive approval from the Department of Financial Institutions.
- ◆ **Secretary of State – Dealer Services Division (HB 1063; Public Law 137).** Requires an auto dealer to be in good standing with the Department in order to maintain in good standing a dealer’s license with the Secretary of State’s auto dealer services division.
- ◆ **Unclaimed Property (SB 376; Public Law 70).** Provides that an owner may consent at the time of the original account opening or account agreement for a certificate of deposit that upon maturity it may be renewed automatically, without triggering escheatment processes under the Unclaimed Property Act.
- ◆ **Small Loans (SB 377; Public Law 60).** Allows the director of the Department of Financial Institutions to take certain actions concerning the use of technology for oversight and enforcement of compliance with the law concerning small loans.

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.

As of December 31, 2018, there were 107 depository institutions, excluding credit unions, in Indiana compared to 109 at year-end 2017, 111 at year-end 2016, and 119 at year-end 2015. Of the 109 depository institutions at year-end 2017, there were 73 FDIC-insured state-chartered commercial banks, eight FDIC-insured state chartered savings banks, one FDIC-insured state chartered savings association, one FDIC-insured industrial loan and investment company, 9 national banks and 15 federal thrifts. In addition, the bank and trust division had jurisdiction and regulation over one non-depository industrial loan and investment company and five corporate fiduciaries. The corporate fiduciaries are not included in the consolidated financial information as of December 31, 2018.

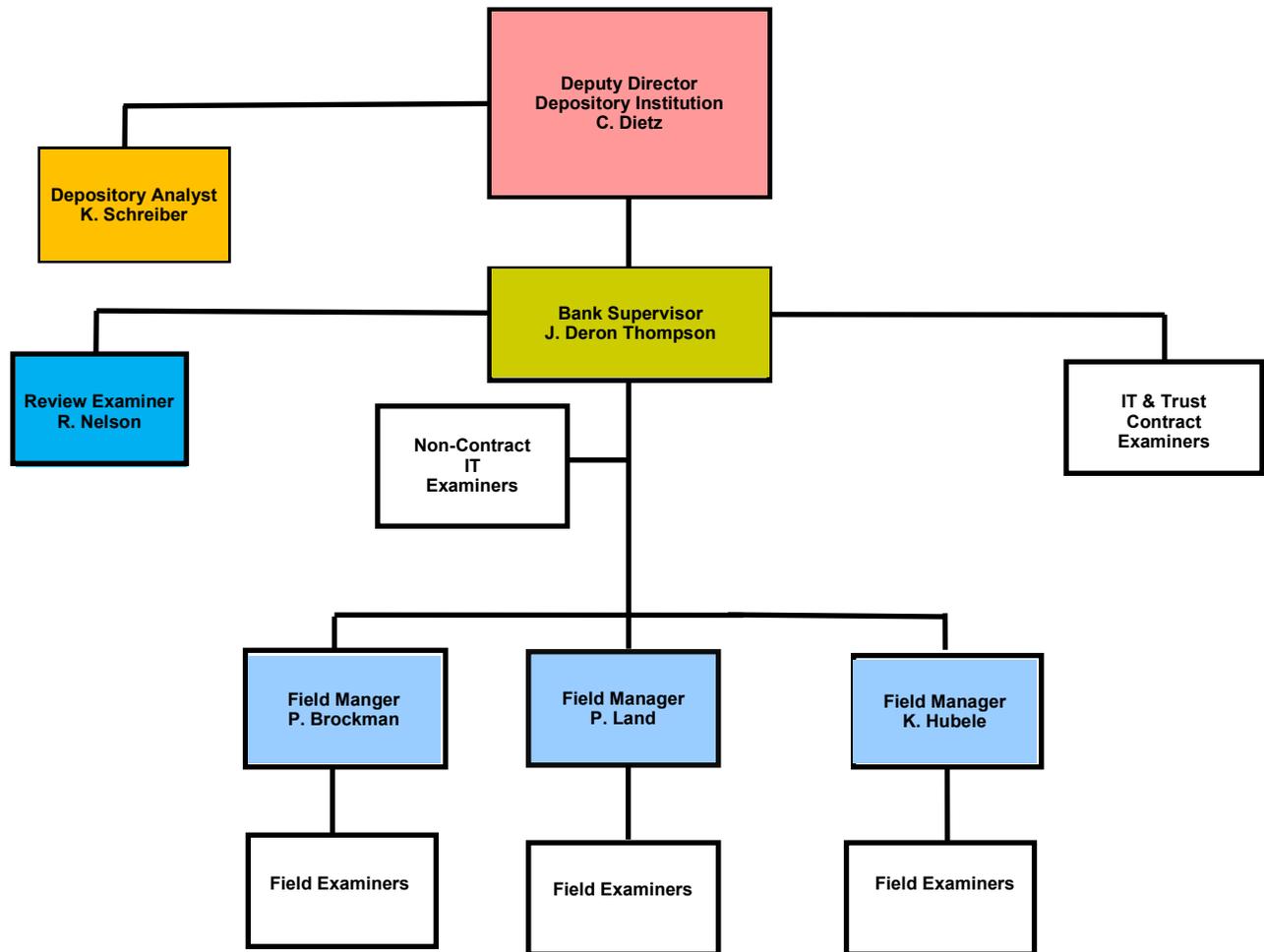
Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$68.5 billion at the end of 2018 which represented a 2.07% increase from the year-end 2017 total. The increase in consolidated assets is due to the stability of the economy, improvement is noted in the performance and condition of Indiana's financial institutions as reflected in most financial categories and ratios from year-end 2017 to year-end 2018. Increased interest income helped lift the earnings performance for financial institutions. In 2018, 1.19% of all Indiana financial institutions were unprofitable compared to 1.72% in 2017, 1.90% in 2016, 2.52% in 2015, and 2.42% in 2014. The aggregate provision to the allowance for loan and lease losses for all state-chartered banks decreased from \$93 million for 2012 to \$43 million for 2013 to \$34 million for 2014 and 2015 and due to several conversions increased to \$52 million in 2016 to \$69 million in 2017 and \$95 million for 2018. National banks' loan provisions decreased from \$45 million for year-end 2012 to \$17 million for year-end 2013 to \$14 million for year-end 2014 to \$13 million for year-end 2015, to \$8 million for year-end 2016 to \$7 million for year-end 2017 and due to stability increased to \$11 million for year-end 2018.

Bank liquidity continues to improve as institutions have reduced their reliance on noncore funding and liquid assets increase. Total deposits for state chartered institutions aggregated \$55.3 billion an increase of \$1.5 billion or 2.75% for 2018 compared to an aggregate of \$53.8 billion an increase of \$7.7 billion or 16.68% in 2017. As of December 31, 2018, the Loan to Deposit ratio for state banks was 91.58% and 82.65% for national banks.

The aggregate return on average assets ("ROAA") for state-chartered financial institutions in 2018 was 1.33%, up significantly from 1.09% at year-end 2017. National banks' aggregate ROAA was up significantly also from 0.72% to 1.16% during the same time-frame. Net loan charge-offs of total loans and leases for state chartered financial institutions increased slightly from 0.07% as of December 31, 2017, to 0.11% at year-end 2018. Net loan charge-offs for national banks stayed the same from 0.03% as of December 31, 2017, to 0.03% as of December 31, 2018.

Aggregate equity capital in Indiana's state chartered financial institutions increased 0.98% at \$7.74 billion at year end 2018, up from \$7.66 billion in 2017. The total equity capital to total assets ratio was 11.29% as December 31, 2018, down from 11.41% at year-end 2017. National banks' aggregate equity capital was \$3.50 billion at year-end 2018. The total equity capital to total assets ratio for national banks increased from 12.30% at year-end 2017 to 13.42% at year-end 2018.

BANK DIVISION



COMPARATIVE STATEMENT STATE CHARTERED BANKS

ACCOUNT DESCRIPTIONS (\$ In Millions)	12/31/2018	% CHANGE	12/31/2017	% CHANGE	12/31/2016	% CHANGE	12/31/2015
Assets	68,511	2.07%	67,119	18.09%	56,838	19.00%	47,765
Deposits	55,309	2.75%	53,831	16.68%	46,134	19.09%	38,738
Total Equity Capital Adjusted	7,736	0.98%	7,661	22.87%	6,235	20.90%	5,157
Tier 1 Capital	6,943	3.04%	6,738	17.55%	5,732	26.93%	4,516
LVR	575	3.05%	558	8.56%	514	15.77%	444
Total Capital	7,518	3.04%	7,296	16.81%	6,246	25.93%	4,960
Total Net Charge-Offs	55	61.76%	34	-2.86%	35	-36.36%	55
Total Gross Loans & Leases	50,652	3.70%	48,847	20.68%	40,477	20.00%	33,730
Total Securities	11,290	-4.55%	11,828	12.66%	10,499	13.43%	9,256
Federal Funds Sold	160	8.11%	148	26.50%	117	-33.90%	177
Interest Bearing Balances	1,629	14.48%	1,423	-17.79%	1,731	9.63%	1,579
Trading Account Securities	173	10.90%	156	0.65%	155	22.05%	127
Total Earning Assets	63,329	2.40%	61,844	17.88%	52,465	18.11%	44,419
Total Interest Income	2,711	14.00%	2,378	20.59%	1,972	17.59%	1,677
Total Interest Expense	466	64.08%	284	42.71%	199	25.16%	159
Net Interest Income	2,245	7.21%	2,094	18.10%	1,773	16.80%	1,518
Total Non-interest Income	603	-1.47%	612	11.88%	547	12.32%	487
Total Non-interest Expenses	1,665	2.90%	1,618	12.83%	1,434	12.29%	1,277
Loan Provisions	95	37.68%	69	32.69%	52	52.94%	34
Net Income	900	24.48%	723	18.33%	611	20.99%	505

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.

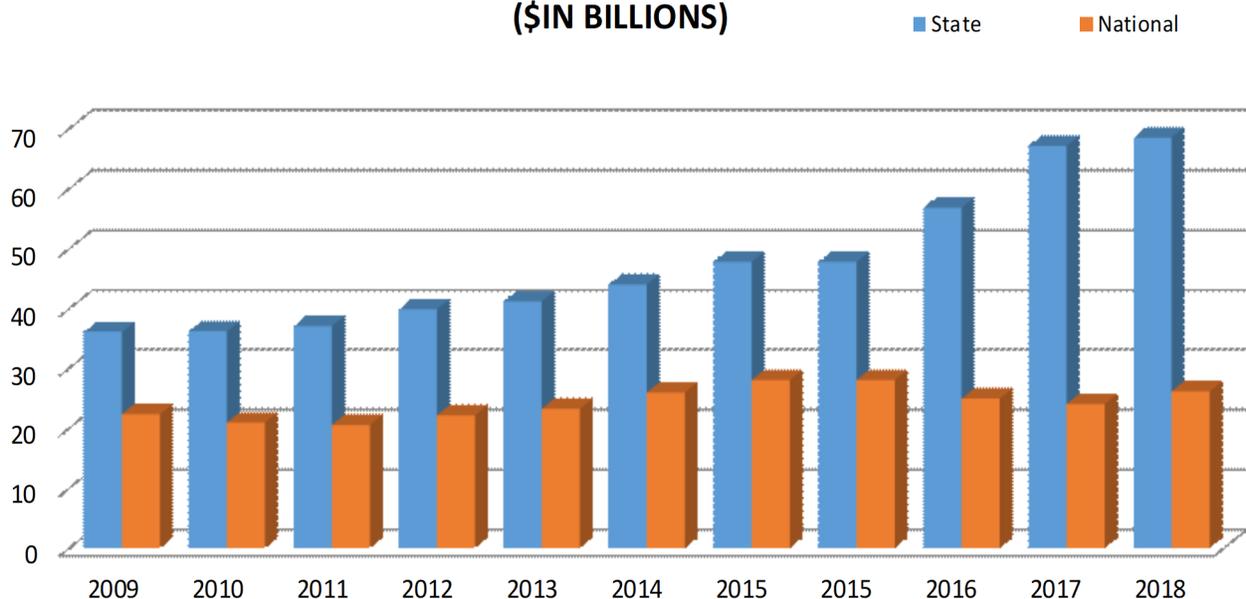
HOLDING COMPANY OWNERSHIP ANALYSIS

(\$ IN MILLIONS)

DATA AS OF 12/31/2018	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOSITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	10	0	\$821	0.87%	\$611	0.81%
IN HC w/One State Bank	72	72	\$66,769	70.56%	\$54,024	71.86%
National Banks w/o HC	1	0	\$327	0.35%	\$268	0.36%
IN HC w/One National Bank	6	6	\$22,859	24.16%	\$17,212	22.89%
TOTALS	89	78	\$90,776	95.94%	\$72,115	95.92%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	2	2	\$922	0.97%	\$674	0.90%
IN HC w/One or More National Banks	1	1	\$2,924	3.09%	\$2,391	3.18%
Sub Total	3	3				
Holding Company Duplications	0	-1				
TOTALS	3	2	\$3,846	4.06%	\$3,065	4.08%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	0	0	\$0	0.00%	\$0	0.00%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	0	0				
Holding Company Duplications	0	0				
TOTALS	0	0	\$0	0.00%	\$0	0.00%
GRAND TOTALS	92	80	\$94,622	100.00%	\$75,180	100.00%

DATA AS OF 12/31/2017	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOSITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	9	0	\$756	0.83%	\$566	0.79%
IN HC w/One State Bank	73	72	\$65,537	71.96%	\$52,648	73.10%
National Banks w/o HC	1	0	\$321	0.35%	\$278	0.39%
IN HC w/One National Bank	7	7	\$20,710	22.74%	\$15,499	21.52%
TOTALS	90	79	\$87,324	95.89%	\$68,991	95.80%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	2	2	\$827	0.91%	\$617	0.86%
IN HC w/One or More National Banks	1	1	\$2,919	3.21%	\$2,410	3.35%
Sub Total	3	3				
Holding Company Duplications	0	-1				
TOTALS	3	2	\$3,746	4.11%	\$3,027	4.20%
OUT OF STATE MULTI-BK HOLDING CO.						
O-ST HC w/One or More State Banks	0	0	\$0	0.00%	\$0	0.00%
O-St HC w/One or More National Banks	0	0	\$0	0.00%	\$0	0.00%
Sub Total	0	0				
Holding Company Duplications	0	0				
TOTALS	0	0	\$0	0.00%	\$0	0.00%
GRAND TOTALS	93	81	\$91,070	100.00%	\$72,018	100.00%

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



Year	State Banks Total Assets (\$ In Billions)	%	National Banks Total Assets (\$ In Billions)	%
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%
2013	41.2	64.0%	23.2	36.0%
2014	44.0	62.9%	25.9	37.1%
2015	47.8	63.1%	28.0	36.9%
2016	56.8	69.5%	24.9	30.5%
2017	67.1	73.7%	24.0	26.3%
2018	68.5	72.4%	26.1	27.6%

ACCOUNT DESCRIPTIONS	State	National	State	National
(\$ IN MILLIONS)	12/31/2018	12/31/2018	12/31/2017	12/31/2017
Number of Banks	84	8	84	9
Consolidated Balance Sheet				
Total Gross Loans & Leases	50,652	16,423	48,847	15,227
Total Allowance for Loans & Leases (ALLL)	575	104	558	98
Total Net Loans & Leases	50,077	16,319	48,289	15,129
Total Securities	11,290	6,189	11,828	5,520
Total Interest Bearing Balances	1,629	352	1,423	400
Total Fed Funds Sold/Repurchase Agreements	160	5	148	4
Total Trading Accounts	173	15	156	8
Total Earning Assets	63,329	22,880	61,844	21,061
Total Cash and Due From Bank	1,089	399	1,093	363
Total Premises and Fixed Assets	865	573	860	547
Total Other Real Estate Owned	49	3	49	11
Total Other Assets	3,179	2,256	3,273	1,969
Total Assets	68,511	26,111	67,119	23,951
Average Assets	67,921	25,272	66,062	22,989
Total Deposits	55,309	19,871	53,831	18,187
Total Fed Funds Purchased	1,048	866	1,217	935
Total Other Borrowed Funds	3,957	1,615	3,936	1,624
Total Subordinated Debt	0	12	0	12
Total All Other Liabilities	461	244	474	248
Total Liabilities	60,775	22,608	59,458	21,006
Total Equity Capital	7,736	3,503	7,661	2,945
Total Liabilities and Equity Capital	68,511	26,111	67,119	23,951

ACCOUNT DESCRIPTIONS	State	National	State	National
(\$ IN MILLIONS)	12/31/2018	12/31/2018	12/31/2017	12/31/2017
Number of Banks	84	8	84	9
Consolidated Income Statement				
Total Interest Income	2,711	877	2,378	714
Total Interest Expense	466	109	284	64
Total Net Interest Income	2,245	768	2,094	650
Total Non Interest Income	603	257	612	235
Total Non Interest Expense	1,665	679	1,618	606
Total Loan Provisions	95	11	69	7
Total Pre Tax Operating Income	1,088	335	1,019	272
Total Securities Gains/Losses	6	2	4	8
Total Applicable Income Tax	192	43	300	115
Total Income Before Extraordinary Items	902	294	723	165
Total Net Extraordinary Items	-2	0	0	0
Total Net Income	900	294	723	165
Total Net Charge-Offs	55	5	34	5
Total Cash Dividends Declared	414	129	345	135
Ratio Analysis				
Net Income to Average Assets	1.33%	1.16%	1.09%	0.72%
Net Income to Year End Total Equity	11.63%	8.39%	9.44%	5.60%
Net Interest Income to Average Assets	3.31%	3.04%	3.17%	2.83%
Total Loans to Total Deposits	91.58%	82.65%	90.74%	83.72%
Loan Loss Provisions to Total Loans	0.19%	0.07%	0.14%	0.05%
ALLL to Total Loans	1.14%	0.63%	1.14%	0.64%
Net Charge-Offs to Total Loans	0.11%	0.03%	0.07%	0.03%
Total Equity Capital to Total Assets	11.29%	13.42%	11.41%	12.30%
Total Equity Capital and ALLL to Total Assets and ALLL	12.03%	13.76%	12.14%	12.65%

ACCOUNT DESCRIPTIONS (\$ IN MILLIONS)	State 12/31/2018	National 12/31/2018	All Banks 12/31/2018	All Banks 12/31/2017	% Change
Number of Banks	84	8	92	93	
Combined Statement of Condition					
Total Gross Loans & Leases	50,652	16,423	67,075	64,074	4.68%
Total Allowance for Loans & Leases (ALLL)	575	104	679	656	3.51%
Total Net Loans & Leases	50,077	16,319	66,396	63,418	4.70%
Total Securities	11,290	6,189	17,479	17,348	0.76%
Total Interest Bearing Balances	1,629	352	1,981	1,823	8.67%
Total Fed Funds Sold/Repurchase Agreements	160	5	165	152	8.55%
Total Trading Accounts	173	15	188	164	14.63%
Total Earning Assets	63,329	22,880	86,209	82,905	3.99%
Total Cash and Due From Bank	1,089	399	1,488	1,456	2.20%
Total Premises and Fixed Assets	865	573	1,438	1,407	2.20%
Total Other Real Estate Owned	49	3	52	60	-13.33%
Total Other Assets	3,179	2,256	5,435	5,242	3.68%
Total Assets	68,511	26,111	94,622	91,070	3.90%
Average Assets	67,921	25,272	93,193	89,051	4.65%
Total Deposits	55,309	19,871	75,180	72,018	4.39%
Total Fed Funds Purchased	1,048	866	1,914	2,152	-11.06%
Total Other Borrowed Funds	3,957	1,615	5,572	5,560	0.22%
Total Subordinated Debt	0	12	12	12	0.00%
Total All Other Liabilities	461	244	705	722	-2.35%
Total Liabilities	60,775	22,608	83,383	80,464	3.63%
Total Equity Capital	7,736	3,503	11,239	10,606	5.97%
Total Liabilities and Equity Capital	68,511	26,111	94,622	91,070	3.90%

RETURN ON ASSETS (ROA) OF THE STATE BANKS IN INDIANA 2018 VS 2017
 (\$ IN MILLIONS)

	2018			2017		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	45	53,514	787	38	49,619	607
.75% TO .99%	22	12,115	99	18	10,236	80
.50% TO .74%	7	1,436	9	13	4,426	27
BELOW .50%	10	1,446	5	15	2,838	9
	84	68,511	900	84	67,119	723

RETURN ON ASSETS (ROA) OF THE NATIONAL BANKS IN INDIANA 2018 VS 2017
 (\$ IN MILLIONS)

	2018			2017		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	4	25,154	287	0	0	0
.75% TO .99%	2	544	4	5	6,007	50
.50% TO .74%	2	413	3	3	17,635	114
BELOW .50%	0	0	0	1	309	1
	8	26,111	294	9	23,951	165

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2018

<u>Name</u>	<u>City</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Opened</u>
Owen County State Bank	Spencer	1600 A Street N.E., Suite 25	Linton	IN	1/15/2018
The Commerce Bank	Evansville	612-618 North St. Joseph Avenue	Evansville	IN	1/29/2018
Centra Credit Union	Columbus	450 Patrol Road	Jeffersonville	IN	2/1/2018
The Farmers Bank, Frankfort, Indiana, Inc.	Frankfort	5450 West State Road 26	Rossville	IN	2/5/2018
The North Salem State Bank	North Salem	9 West Kentucky Street	Clayton	IN	4/20/2018
German American Bank	Jasper	304 East 10th Street	Greensburg	IN	5/18/2018
German American Bank	Jasper	1901 25th Street	Columbus	IN	5/18/2018
German American Bank	Jasper	2310 Jonathan Pike	Columbus	IN	5/18/2018
German American Bank	Jasper	803 Washinton Street	Columbus	IN	5/18/2018
German American Bank	Jasper	529 Washinton Street	Columbus	IN	5/18/2018
First Merchants Bank	Muncie	855 Webster Street, Suite 200	Fort Wayne	IN	6/18/2018
First Merchants Bank	Muncie	801 North Huntington Avenue	Warren	IN	6/18/2018
First Merchants Bank	Muncie	1010 Cumberland Avenue	West Lafayette	IN	6/18/2018
Horizon Bank	Michigan City	44 South 8th Street	Noblesville	IN	7/23/2018
Interra Credit Union	Goshen	1629 North Michigan Street	Plymouth	IN	7/23/2018
Centier Bank	Whiting	11684 Allisonville Road	Fishers	IN	7/29/2018
1st Source Bank	South Bend	1700 Mishawaka Avenue	South Bend	IN	8/6/2018
German American Bank	Jasper	3537 East 10th Street	Jeffersonville	IN	9/17/2018
First Farmers Bank and Trust Company	Converse	2359 State Road 46/40	Terre Haute	IN	10/9/2018
Demotte State Bank	Demotte	125 South Bierma Street	Wheatfield	IN	10/15/2018
Centier Bank	Whiting	2809 Emerson Drive	Elkhart	IN	11/8/2018
The Peoples State Bank	Ellettsville	802 Mulberry Street, Units DB04 and DB05	Noblesville	IN	11/12/2018

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2018

NAME	CITY	ADDRESS	CITY	STATE	CLOSED
MainSource Bank	Greensburg	4304 South Scatterfield Road	Anderson	IN	1/5/2018
MainSource Bank	Greensburg	165 East State Road 64	Marengo	IN	1/5/2018
MainSource Bank	Greensburg	102 Underwood Drive	Westport	IN	1/5/2018
MainSource Bank	Greensburg	101 East Main Street	Centerville	IN	1/5/2018
MainSource Bank	Greensburg	5959 U.S. Highway 6	Portage	IN	1/5/2018
MainSource Bank	Greensburg	1305 Veteran's Parkway, Suite 100	Clarksville	IN	1/5/2018
MainSource Bank	Greensburg	213 East Main Street	Madison	IN	1/5/2018
First Merchants Bank	Muncie	2513 Maple Point Drive	Lafayette	IN	3/2/2018
BloomBank	Bloomfield	658 South U.S. Highway 231	Bloomfield	IN	3/30/2018
Forum Credit Union	Fishers	14800 Hazel Dell Crossing	Noblesville	IN	4/27/2018
First Merchants Bank	Muncie	105 East 2nd Street	Reynolds	IN	6/29/2018
First Merchants Bank	Muncie	189 West Market Street	Wabash	IN	7/12/2018
First Bank Richmond	Richmond	2140 West Michigan Street	Sidney	OH	8/31/2018
German American Bank	Jasper	1025 State Road 62	Charlestown	IN	9/15/2018
First Merchants Bank	Muncie	118 East Ludwig Road	Fort Wayne	IN	10/5/2018
First Merchants Bank	Muncie	9031 Stelborn Crossing Parkway	Fort Wayne	IN	10/12/2018
State Bank of Lizton	Lizton	7984 West State Road 32	Thorntown	IN	11/15/2018
State Bank of Lizton	Lizton	33 Bush Street	Jamestown	IN	11/15/2018
The Fountain Trust Company	Covington	3990 State Road 38 East, Suite 4	Lafayette	IN	11/21/2018

NEW STATE BANK SUBSIDIARIES IN 2018

Subsidiary Name	Bank Name	City	Purpose	Established
OneTrust Funding, Inc.	Merchants Bank of Indiana	Carmel	Warehouse Funding	4/17/2018
SPF15, Inc.	First Internet Bank of Indiana	Fishers	Special Purpose Entity	8/15/2018

CONVERSIONS 2018

Name	City	Old Charter	New Charter	Converted Name	City	Consummated
First Harrison Bank Federal Stock Savings Bank to State Commercial Bank	Corydon	Federal Stock Savings Bank	State Commercial Bank	First Harrison Bank	Corydon	6/30/2018
First Federal Savings Bank of Washington Federal Mutual Savings Bank to State Mutual Savings Bank	Washington	Federal Mutual Savings Bank	State Mutual Savings Bank	First Federal Savings Bank of Washington	Washington	12/31/2018

Branch Relocations 2018

Name	From/To Address	From/To City	Moved
The Fountain Trust Company	24-26 North Monroe Street 106 North Monroe Street	Williamsport Williamsport	1/22/2018
STAR Financial Bank	14160 Mundy Drive, Suite 100 9480 East 146th Street	Noblesville Noblesville	4/9/2018
First Merchants Bank	4 North College Avenue 355 South College Avenue	Oxford, OH Oxford, OH	4/23/2018
1st Source Bank	12460 State Road 23 12455 Adams Road	Granger Granger	4/30/2018
MainSource Bank	1802 Allison Lane 3539 East Tenth Street	Jeffersonville Jeffersonville	8/3/2018
1st Source Bank	12455 Adams Road 12460 State Road 23	Granger Granger	8/27/2018

Main Office Relocations 2018

Name	From/To Address	From/To City	Moved
The Commerce Bank	20 N.W 4th Street 320 Eagle Crest Drive	Evansville Evansville	1/29/2018
Hendricks County Bank and Trust Company	1 East Main Street 963 North State Road 267	Brownsburg Avon	5/21/2018
Public Service Credit Union	4025 West Jefferson Boulevard 7017 Old Trail Road	Fort Wayne Fort Wayne	7/30/2018

MERGERS IN 2018

<u>SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED</u>	<u>CITY</u>	<u>SURVIVING INSTITUTION NAME</u>	<u>CITY</u>	<u>CONSUMMATED</u>
First Savings Bank The FirstNational Bank of Odon	Clarksville Odon	First Savings Bank	Clarksville	2/12/2018
MutualBank BloomBank	Muncie Bloomfield	MutualBank	Muncie	2/28/2018
First Financial Bank MainSource Bank	Cincinnati, OH Greensburg	First Financial Bank	Cincinnati, OH	4/1/2018
Peoples Bank SB First Personal Bank	Munster Orland Park, IL	Peoples Bank SB	Munster	7/27/2018
First State Bank of Middlebury FSB Trust Subsidiary	Middlebury Lagrange	First State Bank of Middlebury	Middlebury	9/17/2018
German American Bank Fist Security Bank, Inc.	Jasper Owensboro, KY	German American Bank	Jasper	10/15/2018

HOLDING COMPANY ACQUISITIONS IN 2018

Holding Company Name	City	Target Name	City	Consummated
First Savings Financial Group, Inc.	Clarksville	Dearmin Bancorp, Inc.	Odon	2/12/2018
MutualFirstFinancial, Inc.	Muncie	Universal Bancorp	Bloomfield	2/28/2018
First Financial Bancorp	Cincinnati, Ohio	MainSource Financial Group, Inc.	Greensburg	4/1/2018
NorthWest Indiana Bancorp	Munster	First Personal Financial Corp.	Orland Park, IL	7/27/2018
German American Bancorp, Inc.	Jasper	First Security, Inc.	Owensboro, KY	10/15/2018

ADDITIONS AND DELETIONS IN 2018

Name	City	Activity	Effective Date
BloomBank	Bloomfield	Merged with MutualBank, Muncie	2/28/2018
MainSource Bank	Greensburg	Merged with First Financial Bank, Cincinnati, OH	4/1/2018
OneMain Financial Center, Inc.	Evansville	Voluntary Dissolution	6/1/2018
OneMainFinancial Center, Incorporated	Evansville	Voluntary Dissolution	6/1/2018
Thrift Incorporated	Evansville	Voluntary Dissolution	6/1/2018
First Harrison Bank	Corydon	Conversion from a Federal Stock Savings Bank to a State Commercial Bank	6/30/2018
First Federal Savings Bank of Washington	Washington	Conversion from a Federal Mutual Savings Bank to a State Mutual Savings Bank	12/31/2018

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/2018

Name	City	Total Assets
Community State Bank	Avilla	\$265,388
Bath State Bank	Bath	\$161,192
Bedford Federal Savings Bank	Bedford	\$121,834
First Bank of Berne	Berne	\$711,379
Farmers and Mechanics Federal Savings Bank	Bloomfield	\$73,874
Boonville Federal Savings Bank	Boonville	\$50,823
Peoples Trust & Savings Bank	Boonville	\$189,116
The Farmers & Merchants Bank	Boswell	\$125,388
Community State Bank	Brook	\$59,516
Hendricks County Bank & Trust Company	Brownsburg	\$159,379
The Peoples Bank	Brownstown	\$211,883
State Bank of Burnettsville	Burnettsville	\$36,875
Wayne Bank and Trust Company	Cambridge City	\$169,541
Merchants Bank of Indiana	Carmel	\$3,710,275
First Savings Bank	Clarksville	\$1,071,570
First Farmers Bank and Trust Company	Converse	\$1,743,398
First Harrison Bank	Corydon	\$790,026
The Fountain Trust Company	Covington	\$369,699
Hoosier Heartland State Bank	Crawfordsville	\$198,942
DeMotte State Bank	DeMotte	\$417,499
The Elberfield State Bank	Elberfeld	\$81,006
The Peoples State Bank	Ellettsville	\$287,279
First Federal Savings Bank	Evansville	\$440,355
The Commerce Bank	Evansville	\$182,831
The Fairmount State Bank	Fairmount	\$44,431
First Internet Bank of Indiana	Fishers	\$3,538,467
STAR Financial Bank	Fort Wayne	\$2,002,618
Fowler State Bank	Fowler	\$166,918
Alliance Bank	Francesville	\$304,258
The Farmers Bank	Frankfort	\$562,795
Mutual Savings Bank	Franklin	\$159,005
Springs Valley Bank & Trust Company	French Lick	\$401,077
The Friendship State Bank	Friendship	\$373,107
The Garrett State Bank	Garrett	\$239,256
Bank of Geneva	Geneva	\$289,807
Greenfield Banking Company	Greenfield	\$574,316
Agri Business Finance, Inc.	Greensburg	\$78,032
Freedom Bank	Huntingburg	\$419,791
First Federal Savings Bank	Huntington	\$334,151
The Bippus State Bank	Huntington	\$175,364
Salin Bank and Trust Company	Indianapolis	\$924,303
German American Bancorp	Jasper	\$3,921,959

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/2018

Name	City	Total Assets
The Campbell & Fetter Bank	Kendallville	\$321,716
Kentland Bank	Kentland	\$308,173
Community First Bank of Howard County	Kokomo	\$286,626
Farmers State Bank	Lagrange	\$758,911
Farmers & Merchants Bank	Laotto	\$158,635
State Bank of Lizton	Lizton	\$496,918
Logansport Savings Bank, FSB	Logansport	\$173,315
LNB Community Bank	Lynnville	\$115,786
State Bank of Medora	Medora	\$87,694
Horizon Bank	Michigan City	\$4,241,335
First State Bank of Middlebury	Middlebury	\$564,490
Peoples Savings & Loan Association, Monticello	Monticello	\$28,361
Citizens Bank	Mooreville	\$480,610
First Merchants Bank	Muncie	\$9,873,896
MutualBank	Muncie	\$2,044,013
Peoples Bank SB	Munster	\$1,093,760
The Napoleon State Bank	Napoleon	\$246,407
Citizens State Bank	New Castle	\$541,068
The New Washington State Bank	New Washington	\$330,114
The North Salem State Bank	North Salem	\$342,234
Ossian State Bank	Ossian	\$111,787
First State Bank of Porter	Porter	\$140,672
Community State Bank of Southwestern Indiana	Poseyville	\$80,853
First Bank Richmond	Richmond	\$844,978
West End Bank, SB	Richmond	\$299,485
Tri-County Bank & Trust Company	Roachdale	\$197,734
Community State Bank	Royal Center	\$121,636
American Community Bank of Indiana	Saint John	\$226,401
Spencer County Bank	Santa Claus	\$106,053
Jackson County Bank	Seymour	\$567,813
1st Source Bank	South Bend	\$6,289,875
Our Community Bank	Spencer	\$72,394
Owen County State Bank	Spencer	\$221,865
Grant County State Bank	Swayzee	\$177,183
Terre Haute Savings Bank	Terre Haute	\$341,111
The Morris Plan Company of Terre Haute	Terre Haute	\$76,579
CentreBank	Veedersburg	\$77,002
Crossroads Bank	Wabash	\$400,067
Lake City Bank	Warsaw	\$4,859,101
First Federal Savings Bank of Washington	Washington	\$73,687
Centier Bank	Whiting	\$4,426,972
Bank of Wolcott	Wolcott	\$164,950

ACTIVE CORPORATE FIDUCIARIES 12/31/2018

NAME	CITY	(IN THOUSANDS) TRUST ASSETS UNDER ADMINISTRATION
Trust Company of Oxford	Carmel	\$1,065,869
Indiana Land Trust Company	Crown Point	\$1
Hoosier Trust Company	Indianapolis	\$252,849
Harbour Trust and Investment Management Company	Michigan City	\$670,292
Indiana Trust and Investment Management Company	Mishawaka	\$1,722,108

FORMATIONS IN 2018

Incorporator(s)	Proposed Name	Proposed City	Consummated
Larry C. Tomlin	FSB Trust Subsidiary	Lagrange	9/17/2018

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

The Credit Union Division consists of two Field Managers and five Field Examiners.

The Credit Union Division continues to provide extensive training and professional development to its examiners. In 2018 division staff attended training sessions sponsored by several federal regulatory agencies as well as private organizations. These sessions provided up-to-date training on bank secrecy act/anti-money laundering issues, current and emerging issues, investment/asset liability management issues, consumer, commercial and real estate lending, fraud detection, and effective problem resolution. These sessions also afforded an exchange of ideas and experiences with examiners from outside Indiana.

EXAMINATION AND SUPERVISION

With certain exceptions, the division's goal is to perform an examination of each of our state chartered credit unions within a twelve/twenty-one month cycle. Examiners also perform several interim contacts at credit unions exhibiting problem areas. In addition to on-sight contacts, supervision occurs via monthly reporting to assigned examiners.

The division's approach to the examination process 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 in the pre-examination packet.

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

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

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

DIVISION OF CREDIT UNIONS

The division continues 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

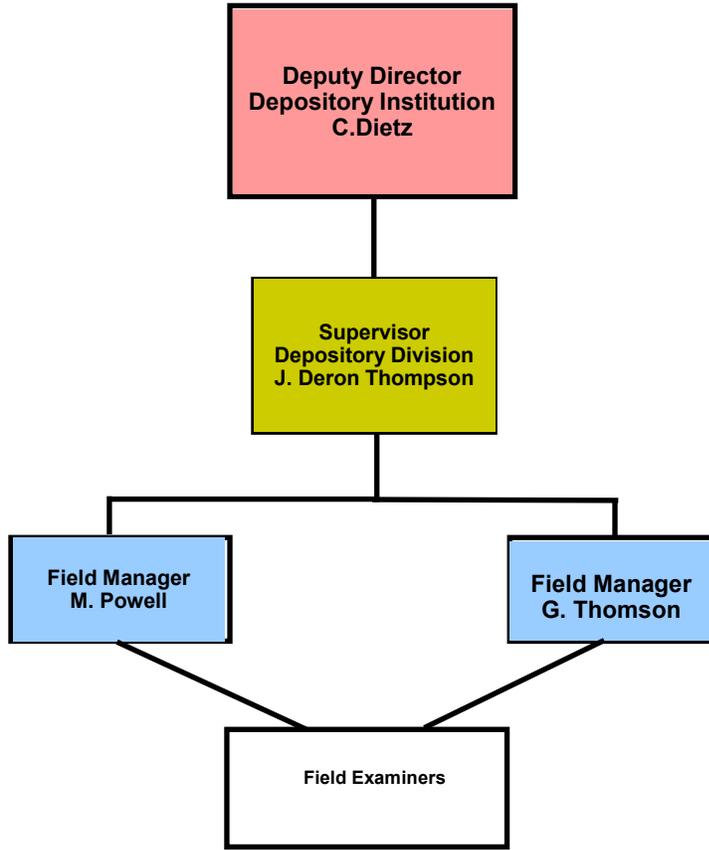
The division continues to work cooperatively with trade associations and professional organizations devoted to the benefit of the credit union industry. As part of our commitment, senior division and department staff attend meetings with the Indiana Credit Union League to discuss potential legislation 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. During 2018 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. During 1990 Indiana's Credit Union Division was the second state regulatory authority to receive NASCUS accreditation, and we remain committed to the high ideals for which it stands.

FINANCIAL TRENDS

As of December 31, 2018 there were 39 active state chartered credit unions. The combined total assets of these 39 credit unions as of December 31, 2018 were \$14,858M an increase of \$506M over December 31, 2017. This translates to a 3.5% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$11,354M as of December 31, 2016 to \$11,833M as of December 31, 2017 this represents a growth in deposits of 4.2%. Member loans made by Indiana credit unions increased from \$9,956M as of December 31, 2016 to \$10,671M as of December 31, 2017. This represents an increase of 7.2% in loans to members.

CREDIT UNION DIVISION



CREDIT UNION ANNUAL REPORT 12/31/18
BALANCE SHEET

	State Chartered Credit Unions			Indiana Federally Chartered Credit Un- ions
<u>ASSETS</u>	<u>12/31/16</u>	<u>12/31/17</u>	<u>12/31/18</u>	<u>12/31/18</u>
Loans	9,956	10,671	11,340	9,637
Less: Allowance for Loan Loss	(68)	(72)	(79)	(82)
Cash on Hand, Cash on Deposit, & Cash Equivalents	905	978	962	730
Federal Agencies & U. S. Government Obligations	1,542	1,460	1,368	716
Banks, Savings & Loan & Mutual Sav. Banks	303	229	186	701
Other Investments	469	446	436	655
Other Assets	614	640	645	735
TOTAL ASSETS	\$ 13,721	\$ 14,352	\$ 14,858	\$ 13,092
<u>LIABILITIES</u>				
Shares	11,354	11,833	12,378	11,039
Total Borrowings	768	788	658	487
Dividends Payable	1	1	1	1
Accounts Payable & Other Liabilities	118	155	141	165
TOTAL LIABILITIES	12,241	12,777	13,178	11,692
<u>EQUITY</u>				
Regular Reserve	688	740	800	185
Other Reserve	30	32	30	14
Accumulated Unrealized Gain/Loss	(8)	(7)	(14)	(14)
Undivided Earnings	770	810	864	1,215
TOTAL EQUITY	1,480	1,575	1,680	1,400
TOTAL LIABILITIES & EQUITY	\$ 13,721	\$ 14,352	\$ 14,858	13,092
Number of State Chartered Credit Unions:	41	39	39	
Number of Federally Chartered Credit Unions:	117	115	115	

INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/2018
INCOME STATEMENT

<u>INCOME</u>	State Chartered Credit Unions			Indiana Federally Chartered Credit Unions
	<u>12/31/16</u>	<u>12/31/17</u>	<u>12/31/18</u>	<u>12/31/18</u>
Interest on Loans	368	404	461	424
Less Interest Refunds	(1)	(2)	(2)	
Income on Investments	38	46	57	57
Other Income	181	197	199	247
TOTAL INCOME	586	645	715	728
 <u>EXPENSES</u>				
Employee Compensation & Benefits	214	230	246	244
Travel & Conference	5	5	5	5
Office Occupancy	30	30	32	29
Office Operations	71	73	76	97
Educational & Promotional	15	16	17	18
Loan Servicing	22	22	24	47
Professional & Outside	40	42	46	44
Provision for Loan Losses	25	30	36	51
Members Insurance	-	1	-	-
Operating Fees	1	1	1	3
Interest on Borrowed Money	11	12	14	10
Other Expenses	16	15	18	6
TOTAL EXPENSES	450	477	515	554
NET INCOME BEFORE TRANSFERS & DIVIDENDS	136	168	200	174
DIVIDENDS TO MEMBERS	57	66	86	65
NET INCOME	79	102	114	109
 DISTRIBUTION OF NET INCOME				
Transferred to Regular Reserves	47	56	60	-

TOTAL CREDIT UNIONS ASSETS AS OF DECEMBER 31, 2018

Location	Name of Association	Total Net Assets
Bedford	Hoosier Hills Credit Union	554,200,810
Bloomington	Indiana University Credit Union	998,123,805
Bluffton	Bluffton Motor Works/Franklin Electric Employees Credit Union	1,207,462
Columbus	Centra Credit Union	1,468,696,851
Crown Point	Tech Credit Union	359,478,606
East Chicago	East Chicago Firemen's Credit Union	1,072,846
Fishers	Forum Credit Union	1,416,758,841
Fort Wayne	Public Service Employees Credit Union	53,480,411
Goshen	Interra Credit Union	1,162,229,017
Hagerstown	Perfect Circle Credit Union	53,685,152
Hammond	Hammond Firefighters Association Credit Union	1,528,782
Indianapolis	Energy Plus Credit Union	34,130,368
Indianapolis	Family Horizons Credit Union	81,265,804
Indianapolis	Financial Center First Credit Union	560,227,038
Indianapolis	Firefighters Credit Union	67,474,141
Indianapolis	Harvester Credit Union	52,454,412
Indianapolis	Hoosier United Credit Union	20,694,076
Indianapolis	Indiana Members Credit Union	1,913,793,857
Indianapolis	Indianapolis Post Office Credit Union	55,844,726
Indianapolis	KEMBA (Indianapolis) Credit Union	65,430,093
Indianapolis	NorthPark Community Credit Union	43,637,994
Indianapolis	Professional Police Officers Credit Union	40,562,163
La Porte	Municipal Employees Credit Union	1,318,815
Lawrenceburg	Community Spirit Credit Union	13,055,568
Loogootee	Martin County Cooperative Credit Union	12,642,401
Marion	Via Credit Union	360,798,023
Merrillville	Members Source Credit Union	76,115,716
Michigan City	First Trust Credit Union	113,791,568
Michigan City	Members Advantage Credit Union	94,143,582
Mishawaka	Taper Lock Credit Union (TLCU)	36,510,497
Monroe	Adams County Credit Union	18,619,949
Muncie	Muncie Post Office Credit Union	716,325
Odon	Crane Credit Union	586,119,845
Richmond	NATCO Credit Union	84,280,186
Seymour	Jackson County Co-Op Credit Union	22,390,552
South Bend	South Bend Post Office Credit Union	8,918,885
South Bend	Teachers Credit Union	3,171,994,317
Sullivan	Western Indiana Credit Union	26,452,466
Wabash	Beacon Credit Union	1,223,748,107
	Net Assets - Includes Allowance for Loan Losses	\$ 14,857,594,057

39 CU's

DIVISION OF CONSUMER CREDIT

Statutes and Rule administered by the Consumer Credit Division:

IC 24-4.4 et seq.	First Lien Mortgage Lending
IC 24-4.5 et seq.	Indiana Uniform Consumer Credit Code
IC 24-4.5-7 et seq.	Small Loans (Payday Loans)
IC 24-7 et seq.	Rental Purchase Agreements
IC 24-12 et seq.	Civil Proceeding Advance Payment Providers
IC 28-1-29 et seq.	Debt Management Companies
IC 28-7-5 et seq.	Pawnbrokers
IC 28-8-4 et seq.	Money Transmitters
IC 28-8-5 et seq.	Check Cashers
750 IAC 9 et seq.	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, although entities licensed under 24-4.4 that also undertake loan brokerage activity are subject to the loan brokering statutes of IC 23-2.5. The purpose of the act is to: 1) permit and encourage the development of fair and economically sound first lien mortgage lending practices, and 2) make the regulation of first lien mortgage lending practices conform to applicable state and federal laws, rules, and regulations.

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 apply for the license via the Nationwide Multistate Licensing System (NMLS), with all licensing decisions being made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions. Effective 7/1/18, the First Lien Mortgage Lender License was combined with the Subordinate Lien Mortgage Lender License under IC 24-4.5 and converted to a general Mortgage Lending License. The Mortgage Lending License permits a lender to engage in first lien and subordinate lien mortgage transactions under the authority granted by this singular license.

Exempt Company Registration: Certain entities related to the mortgage industry are exempt from licensure under IC 24-4.4 and/or IC 24-4.5, but employ mortgage loan originators; 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 properly employed and licensed. Exempt Company Registrants apply via NMLS, with all decisions made by the Department. NMLS collects registration and renewal fees from applicants and registrants, and remits such fees to the appropriate jurisdictions.

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 credit, or leases a good for personal use, the consumer is entering into a transaction that is regulated by the Indiana Uniform Consumer Credit Code (the IUCCC). This means that the consumer must also receive certain required disclosures dictated by federal law (Regulation Z, Truth in Lending) that has been incorporated into state law. There are limitations on the maximum rate of finance charge permitted and limitations on kinds and amounts of other charges that may be imposed on the transaction. The IUCCC has been in force since it was enacted in 1971. Nine other states have similar uniform consumer credit laws.

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

- 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;

CONSUMER CREDIT

- protect consumers from unfair practices arising from consumer credit transactions having due regard for the interests of legitimate and scrupulous creditors;
- permit and encourage the development of fair and economically sound consumer credit practices; and make the regulation of consumer credit transactions conform to the policies of the Federal Consumer Credit Protection Act.

The IUCCC provides for regulation of all persons or entities regularly extending credit to individuals for a personal, family, or household purpose. Lenders subject to chapter 3 of the IUCCC are required to obtain a loan license from the Department, and other creditors subject to chapter 2 of the IUCCC (as well as Lessors) are required to file a notification with the Department of their intent to extend consumer credit and/or engage in consumer leasing activity.

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

Ancillary Products/Permitted Additional Charges (See generally IC 24-4.5-2-202 and IC 24-4.5-3-202):

GAP Agreement: 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 may be waived, subject to certain conditions and limitations.

Debt Cancellation Agreement: A limited number of providers offer Debt Cancellation solely through depository institutions. This product 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 a covered transaction. Triggering events may include death or disability of the borrower.

Other permitted additional charges include: official fees and taxes; charges for insurance; annual participation fees; certain closing costs for mortgage related loans; returned check fee; revolving loan account fees; skip a payment service; optional expedited payment service. Please consult the relevant statutes for additional information, including maximum charges and product and service limitations.

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

An alternative form of short-term and small dollar lending is permissible as small loans, commonly known as payday loans. Consumers that have employment and an active checking account 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 (no other pledge of security being permitted) for repayment of the loans.

Because these loans are made without regard to traditional underwriting standards, the transactions carry an enhanced repayment risk factor, and lenders are permitted to impose substantially higher finance charge rates than are permitted on credit transactions under the IUCCC. These transactions have the highest finance rates permitted by statute. In addition to numerous other provisions and restrictions, a statewide database is used to track all payday loans in order to maintain industry compliance with loan eligibility limitations.

IC 24-7: Rental Purchase Agreements

As an alternative to making a purchase on credit, a consumer may enter into a rental purchase transaction for certain goods. While distinct from “consumer leases” as defined by Regulation M and state law (IC 24-4.5-2), these transactions are often referred to as leases. These transactions allow consumers to rent household goods, take the goods home, and make periodic payments similar to credit transactions. In a rental purchase transaction, the consumer may return the goods to the rental store and cancel the transaction at any time without penalty. 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 rental purchase transactions in Indiana. The statute contains disclosure requirements and additional charge limitations to give consumers a measure of protection, and defines

CONSUMER CREDIT

what property and services are prohibited from being the subject of a Rental Purchase Agreement. Entities engaged in this business must be registered with the Department.

IC 24-12: Civil Proceeding Advance Payment Providers

A Civil Proceeding Advance Payment (CPAP) transaction is a nonrecourse transaction in which a person (a CPAP Provider) provides to a consumer claimant in a civil proceeding a funded amount, the repayment of which is: (1) required only if the consumer claimant prevails in the civil proceeding; and (2) sourced from the proceeds of the civil proceeding. CPAP Providers are required to obtain and maintain a license. The CPAP Act (IC 24-12) requires specific disclosures for a CPAP contract and requires that, if the consumer claimant entering into the CPAP transaction is represented by an attorney, the consumer claimant's attorney must review the CPAP contract. Prohibited acts are set forth with respect to CPAP providers and attorneys representing consumer claimants. The CPAP Act reflects the maximum fees a CPAP Provider may charge. A CPAP transaction is not a loan.

IC 28-1-29: Debt Management Companies

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

Debt management companies apply for a license via NMLS, with all licensing decisions being made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

IC 28-7-5: Pawnbrokers

A credit source available to any person with portable security is a pawn loan. Pawnbrokers make short term, small dollar amount loans, based on the value of the pledge offered as security for the transaction. The pledged item(s) must be portable because the pawnbroker must take possession of the pledged item(s) offered on a pawn loan, and must hold the item(s) in a safe and secure manner. 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 individual consumers is by the use of a money transmitter. Money Transmitters may also be frequently used as an expedited payment method between consumers when more traditional means (i.e. cash or check) are not available. An Indiana consumer may remit cash at an agent location in Indiana or via the Internet. In return, they may receive a money order payable to a third party, or they execute an order for funds to be sent to a specific person. These services allow unbanked consumers to make money order payments to certain entities, and they allow all consumers to electronically send money to any other person at almost any location in the world. A Money Transmitter License only covers consumer-to-consumer money transmission. Money transmitters who do business with Indiana consumers must obtain a license before doing business in Indiana.

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

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.

CONSUMER CREDIT

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. Additionally, the chapter does not apply to a person principally engaged in the bona fide retail sale of goods or services if:

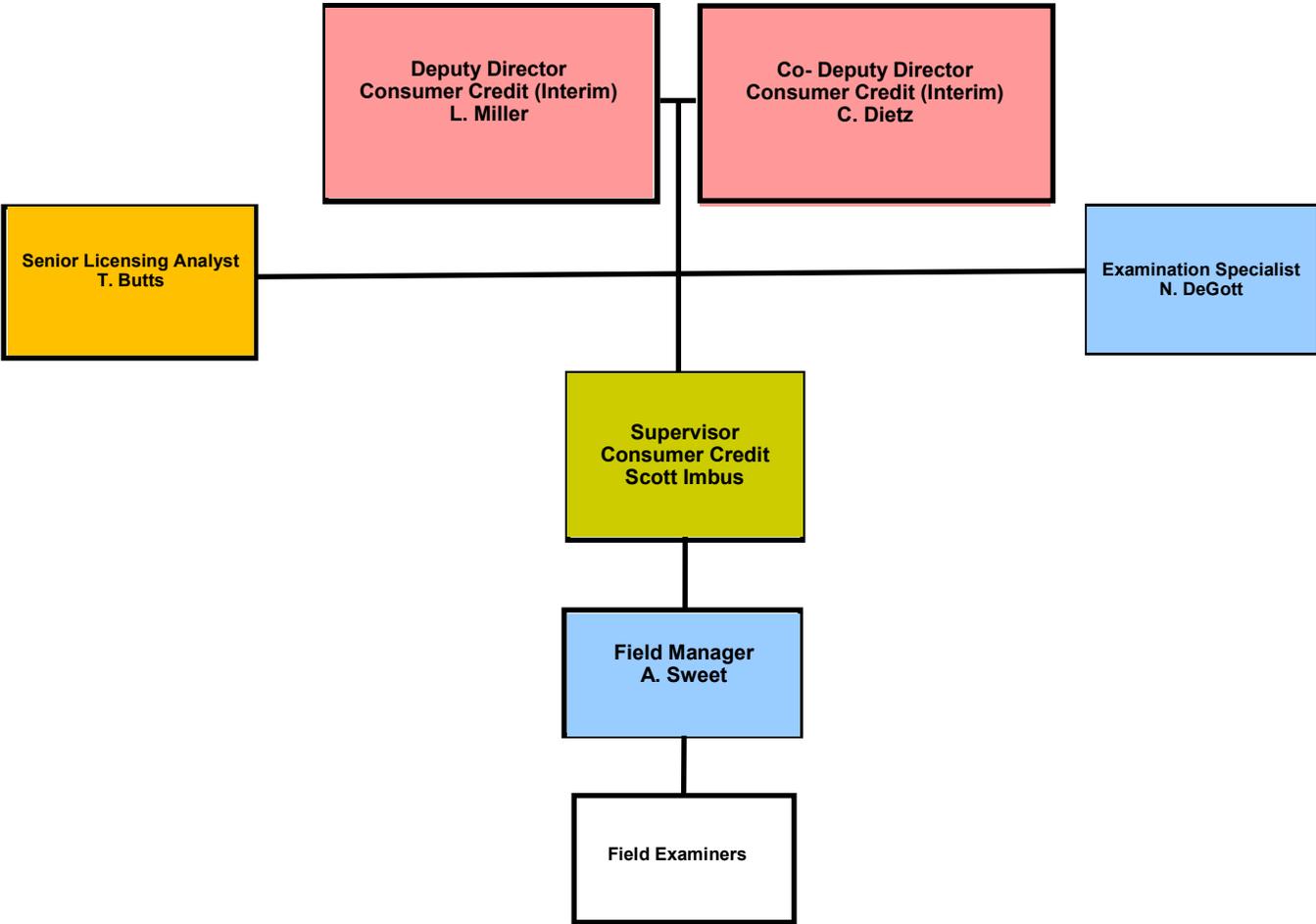
- (1) the person, either incidental to or independent of a retail sale of goods or services, from time to time cashes checks; and
- (2) the consideration charged for cashing checks does not exceed five dollars (\$5).

750 IAC 9 – Indiana’s adoption of the federal SAFE Act: Mortgage Loan Originators licensing rule

A person who takes a mortgage application, or offers or negotiates rates and terms of a mortgage, meets the definition of a Mortgage Loan Originator. Under the federal SAFE Act (Secure and Fair Enforcement for Mortgage Licensing Act of 2008), and corresponding DFI Administrative Rule, 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: a criminal background check, a credit report review, pre-licensure education requirements, and assessment standards. To renew a license the mortgage loan originator must meet continuing education requirements. Indiana utilizes the Uniform State Test developed by NMLS. Mortgage Loan Originators apply for the license via NMLS, with all licensing decisions being made by the Department. NMLS collects licensing and renewal fees from applicants and licensees, and remits such fees to licensing jurisdictions.

CONSUMER CREDIT



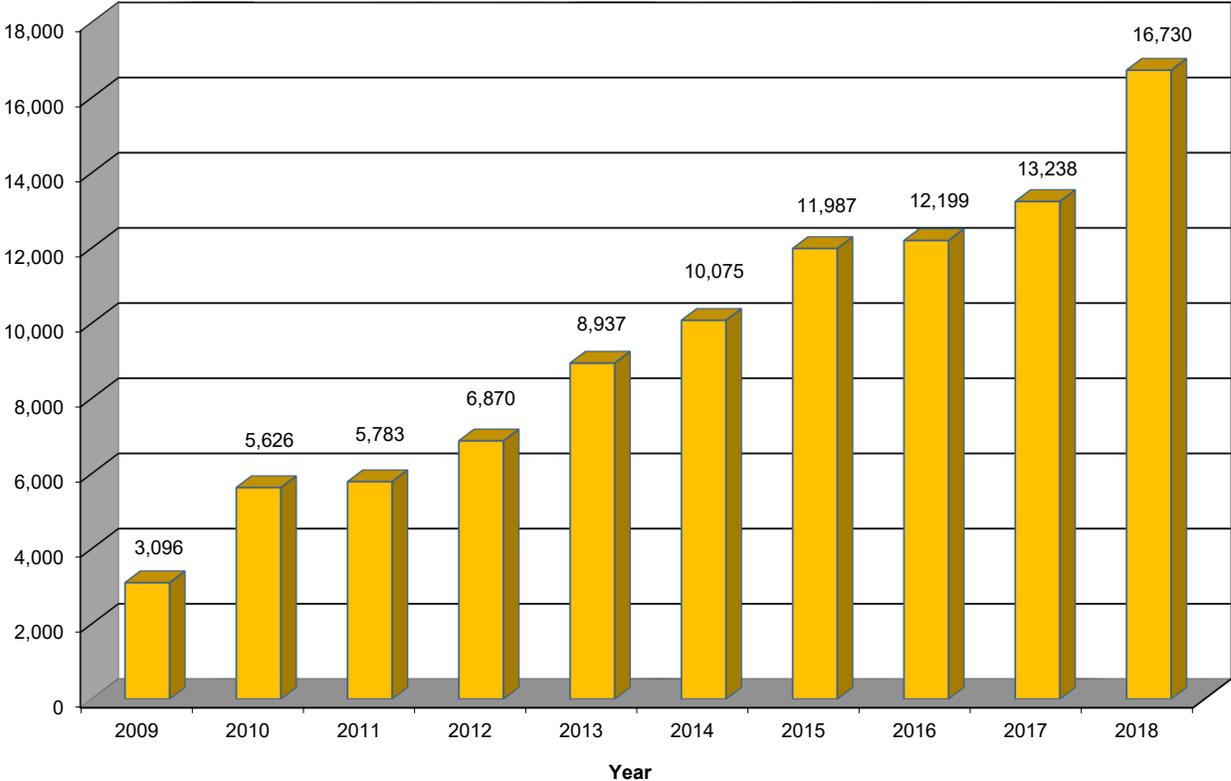
CONSUMER CREDIT

Number of Licensees and Registrants as of December 31, 2018		
Type	Number Registered / Licensed	Number of Branches
Loan License (Non-Mortgage)	84	275
Small Loan Licenses	30	296
Retail Creditors (Non-Lenders)	1,900	2,260
Rental Purchase Registrants	62	242
Debt Management Companies	29	6
Pawnbrokers	72	116
Money Transmitters	69	*
Check Cashers	30	425
CPAP Providers	9	0
Financial Institutions (state-chartered)	127	*
Mortgage Lenders**	386	*
Mortgage Loan Originators	13,925	*
Exempt Company Mortgage Registrants	7	*
Totals	16,730	

*Branch locations either inapplicable or not tracked by the Consumer Credit Division.

CONSUMER CREDIT

Consumer Credit Division Licensees and Registrants



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 made in compliance with applicable statutes. Preventing violations is considered to be as significant as citing violations for remedies.

2018

Type of Examination	# of Exams	Exam Hours	# of Violations	\$ Amount of Violations	# of Non-\$ Violations
Check Casher	10	164.75	3,532	\$109,977.21	1
CPAP Providers	3	58.00	5	\$291.09	9
Debt Management	12	257.00	38	\$4,236.49	17
Financial Institution	36	1,196.50	3,707	\$78,877.27	88
Licensed Lender	27	573.25	453	\$7,116.16	13
Money Transmitter	66	42.25	0	\$0.00	4
Mortgage Lender	68	1,106.75	1	\$10.32	24
Pawnbroker	26	429.50	265	\$3,949.90	27
Rental Purchase	36	776.50	2,563	\$50,659.39	71
Retail Creditor	656	4,239.25	9,752	\$862,159.79	269
Small Loan Lender	9	364.50	9,030	\$247,784.41	14
Totals	949	9,208.25	29,346	\$1,365,062.03	537

CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2018

License ID	Loan Licenses	City	State	License Date
40096	AccessOne MedCard, Inc	Fort Mill	SC	10/3/2018
38973	Capital Finance LLC	Fort Wayne	IN	6/11/2018
40715	CarFinance.com, LLC	Irvine	CA	12/17/2018
38229	Confie Premium Finance, LLC	Baton Rouge	LA	4/4/2018
37405	Direct Capital Partners Indiana, LLC	Dayton	OH	1/31/2018
40329	Great American Finance Holdings, LLC	Chicago	IL	11/8/2018
40328	Navient Solutions, LLC	Reston	VA	11/8/2018
37406	NCP Finance Ohio, LLC	Dayton	OH	1/31/2018
38173	OneMain Financial Services, Inc	Evansville	IN	3/28/2018
40796	Oportun, Inc	San Carlos	CA	12/20/2018
37407	Paramount Equity Mortgage, LLC	Roseville	CA	1/31/2018
37151	Payoff, Inc	Costa Mesa	CA	1/16/2018
38337	Prestige Financial Services, Inc.	Draper	UT	4/12/2018
37152	Scratch Financial, Inc.	Pasadena	CA	1/16/2018
37788	Square Capital, LLC	San Francisco	CA	3/1/2018

License ID	CPAP Providers	City	State	License Date
38174	Plaintiff Funding Holding, Inc	Brooklyn	NY	3/28/2018
39777	Thrivest Legal Funding, LLC	Conshohocken	PA	9/4/2018
38462	US Claims OPCO, LLC	Delray Beach	FL	4/26/2018

License ID	Pawnbrokers	City	State	License Date
36986	Antlers Pawn LLC	New Albany	IN	1/4/2018
36997	Mike's Pawn & Jewelry, LLC	Scottsburg	IN	1/10/2018
38813	S&J Holdings LLC	Indianapolis	IN	5/23/2018

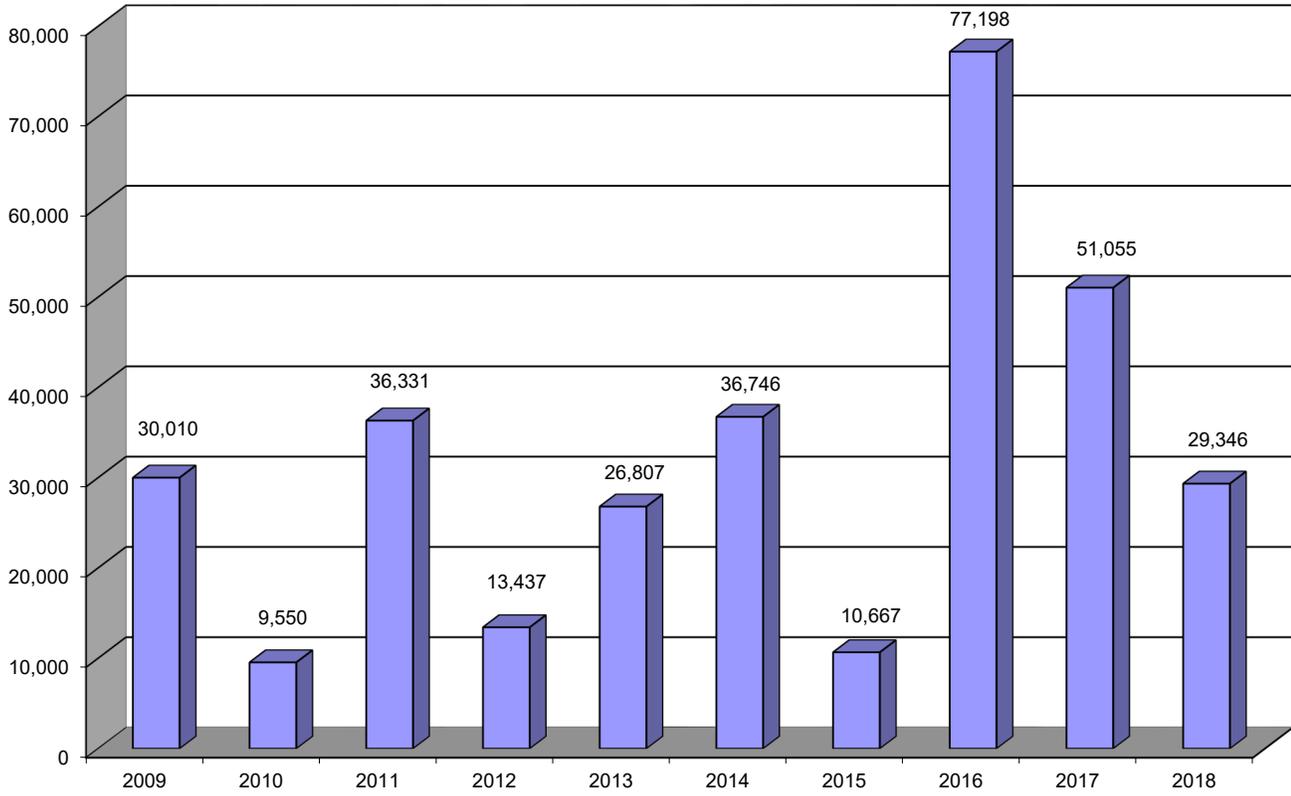
License ID	Money Transmitters	City	State	License Date
37411	Apple Payments Inc.	Cupertino	CA	1/31/2018
39778	GSC Enterprises, Inc.	Sulphur Springs	TX	9/4/2018
37413	Moneydart Global Services Inc.	Woodbridge	NJ	1/31/2018
39472	Pronto Money Transfer Inc.	Manhattan Beach	CA	8/6/2018

CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2018

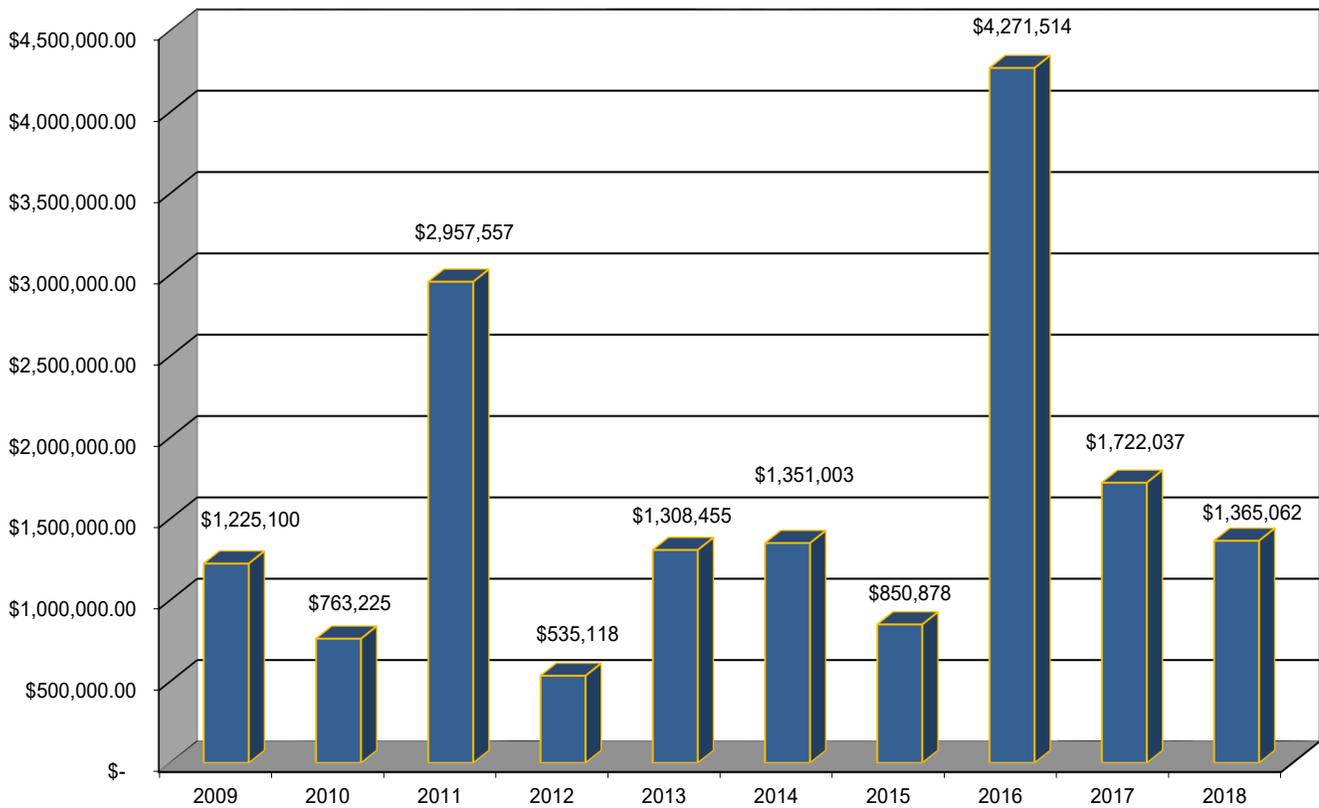
License ID	First Lien Mortgage Lenders	City	State	License Date
40794	All Credit Considered Mortgage, Inc.	Rockville	MD	12/18/2018
38176	Assurance Financial Group, L.L.C.	Baton Rouge	LA	3/28/2018
40323	Bayshore Mortgage Funding, LLC	Timonium	MD	11/1/2018
40322	Chou Team Realty, LLC	Lake Forest	CA	11/1/2018
40795	City Lending Inc	Vienna	VA	12/18/2018
37675	DATA MORTGAGE, INC.	Orange	CA	2/20/2018
40711	Dignified Home Loans, LLC	Westlake Village	CA	12/6/2018
39933	Figure Lending LLC	San Francisco	CA	9/25/2018
37408	Guidance Residential, LLC	RESTON	VA	1/31/2018
40098	Howser Boggs Group Mortgages, LLC	Columbus	IN	10/5/2018
38975	Iconic Mortgage Corp.	Miami	FL	6/14/2018
37409	Infosys BPO Americas, LLC	Atlanta	GA	1/31/2018
39932	Insight Financial Services LLC	Novi	MI	9/25/2018
40858	Inspire Home Loans Inc.	Newport Beach	CA	12/20/2018
40712	Integrity Financial Services of Tampa Bay, Inc.	Largo	FL	12/6/2018
40490	Integrity First Financial Group, Inc.	San Diego	CA	11/16/2018
37790	JFQ Lending, Inc.	Scottsdale	AZ	3/1/2018
38333	JMAC Lending, Inc.	Santa Ana	CA	4/12/2018
37791	Loan Cabin Inc.	Lombard	IL	3/1/2018
39779	LoanUnited.com, LLC	Duluth	GA	9/4/2018
39548	OwnEZ Asset Management, LLC	Indianapolis	IN	8/10/2018
38335	Park Lane Finance Solutions, LLC	Staunton	VA	4/12/2018
40325	Performance Mortgage LLC	Chalmette	LA	11/1/2018
40793	Plus Relocation Mortgage, LLC	St. Louis Park	MN	12/18/2018
38334	Prime Choice Funding Inc.	Tustin	CA	4/12/2018
38810	Promontory Fulfillment Services LLC	Danbury	CT	5/21/2018
40859	Residential Wholesale Mortgage, Inc.	San Diego	CA	12/20/2018
37676	Royal Pacific Funding Corporation	Costa Mesa	CA	2/20/2018
40324	SG Capital Partners LLC	Stamford	CT	11/1/2018
37412	Signature Mortgage Corporation	CANTON	OH	1/31/2018
39547	Specialized Loan Servicing LLC	Highlands Ranch	CO	8/10/2018
40097	Thompson Kane & Company, LLC	Madison	WI	10/5/2018
40710	Thrive Mortgage, LLC	Georgetown	TX	12/6/2018
40326	Titan Mutual Lending Inc.	Irvine	CA	11/1/2018
38811	TJC Mortgage, Inc.	Birmingham	AL	5/21/2018
37410	United Northern Mortgage Bankers Limited	Levittown	NY	1/31/2018
37789	Volunteer Mortgage, Inc.	Nashville	TN	3/1/2018

Mortgage Loan Originators				
3,613 MLO licenses issued in 2018				

Number of Reimbursable Violations



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

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

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

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. 46204

DIVISION OF ADMINISTRATION

