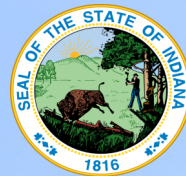


INDIANA DEPARTMENT OF FINANCIAL INSTITUTIONS



Governor: Eric Holcomb
Lt. Governor: Suzanne Crouch

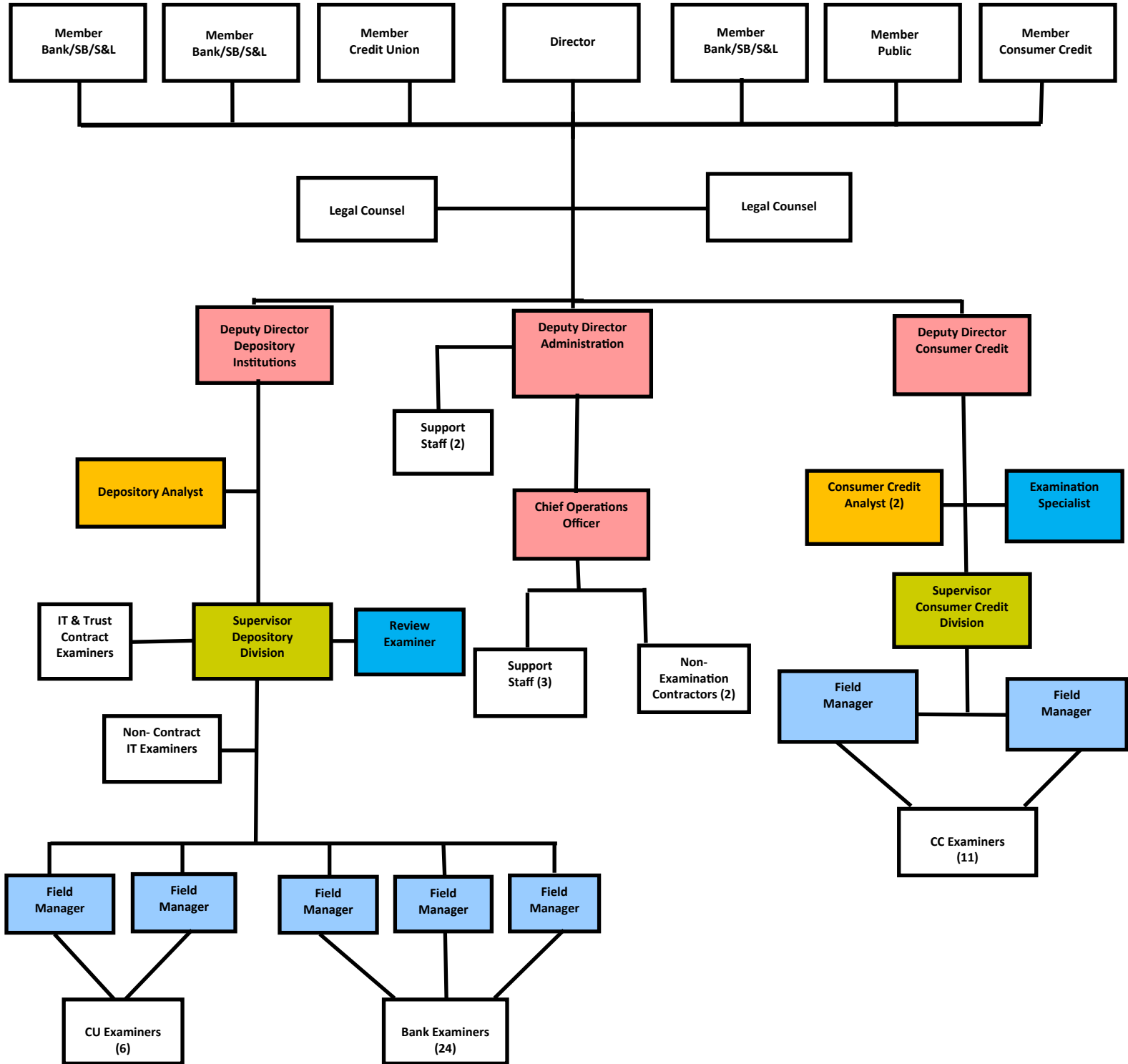


2019
ANNUAL REPORT

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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

Benjamin Bochnowski
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	Tyler J. Shearer III
Jacob P. Swanson - I	Gage L. Russell - III
Steven R. Wachter - I	Michael J. Nickell - III
Robin R. Upchurch - I	Tyler Wolpert - III
Kevin Stouder - I	Daniel Elick - III
Jody Morrissey - II	Daniel Ullrich - III
Kristie Gregar-Skillman - II	Konnor Miller-III
Alexendra Smedley - II	Maggie Koch-IV
Jackson Warren - II	Schwartz Zachary- IV
Mark Keen - III	Jay Gala - IV
Kevin Polston - III	Matthew Delaney - IV
	Mitchell Boyer - IV

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
Rita A. Sturgill- II
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
Luke VanNatter, Field Manager
Robert M. Payne, Field Manager
Tabitha Butts, UCCC Licensing Analyst
Nancy G. DeGott - Consumer Credit Analyst

Kent D. Sager - I
Aaron B. Sweet- I
Dee A. Stauffer - I
Richard W. Norrell - II
Mitchell D. Bowers - II

Anthony Lockett - III
Bradley Ball - III
Joe Dean - III
Adam Brinegar - IV
Luke Baumgardner - IV

LEGAL DIVISION

Thomas C. Fite, Director

Lyndsay Miller, General Counsel
Nicole Buskill, General Counsel

DIVISION OF ADMINISTRATION

Thomas C. Fite, Director
Michael R. Fracassa, Deputy Director
Troy D. Pogue, Chief Operations Officer

Susan L. Ellison, Administrative Assistant
Sharmaine W. Stewart, Administrative Assistant
Angie M. Smith, Secretary
Kelly L. Nelson, Billing Coordinator
Cheryl L. Loveless, Program Coordinator



EXAMINER CERTIFICATIONS

BANK DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

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

Thompson, Deron J.
Dietz, Chris C.
Hubele, Kristy

CERTIFIED EXAMINER IN CHARGE (“CEIC”)

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

Wachter, Steven R.
Westfall, Alfred R.

CERTIFIED CREDIT EXAMINER (“CCE”)

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

CERTIFIED OPERATIONS EXAMINER (“COE”)

Ullrich, Daniel A.

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.

CERTIFIED OPERATIONS EXAMINER (“COE”)

Walters, Mark A.
Mehlig, Eric C.

CONSUMER CREDIT DIVISION CERTIFICATIONS

CERTIFIED EXAMINATIONS MANAGER (“CEM”)

Imbus, Scott J.
Sweet, Aaron B.

COMPLEX INSTITUTIONS SPECIALIST (“CIS”)

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

DEPOSITORY/INVESTIGATION SPECIALIST (DIS)

DeGott, Nancy G.
Dean Jr., Joe A.

CERTIFIED APPLICATION SPECIALIST (CAS III)

Butts, Tabitha M.

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

CAS III - Certified Application Specialist
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 2019.

Credit Union Division

*Mark Powell- 45 Years of Service
Gloria Thomson - 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.

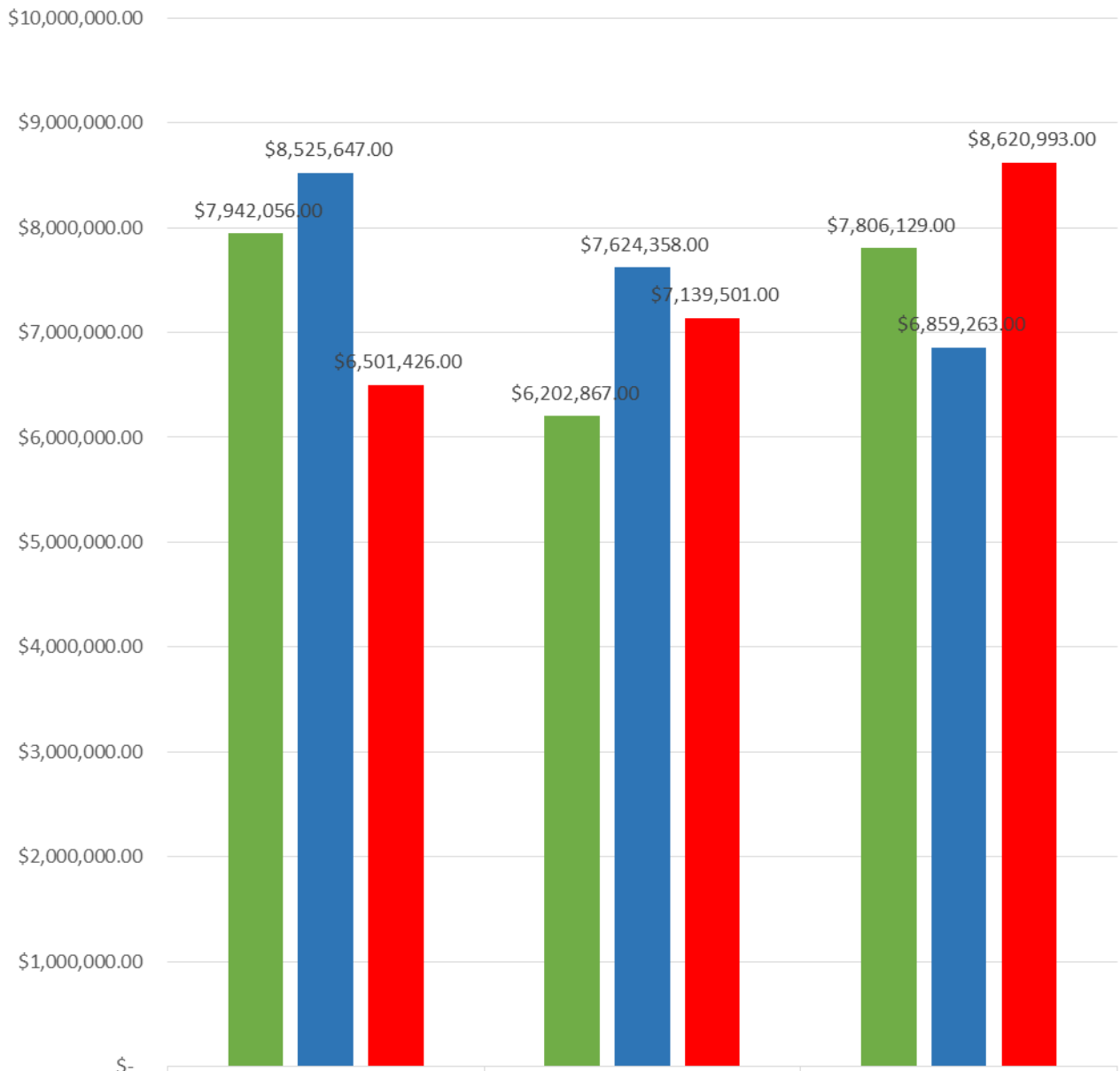
Five divisions reside within the Department, each under the direct control of a deputy or supervisor. These are the Division of Banks and Trust Companies, Division of Consumer Credit, Division of Credit Unions, Division of Administration, and the Legal Division.

REVENUE AND EXPENDITURES

<u>REVENUE</u>	2019	2018	2017
BANK AND SAVINGS & LOAN FEES	4,538,215	3,388,776	4,219,703
CREDIT UNION FEES	1,150,313	839,036	1,085,011
PAWNBROKING LICENSING FEES	1,000	93,630	111,680
APPLICATION /MISC. FEES	83,720	112,320	82,000
DEBT MANAGEMENT COMPANIES	16,800	14,100	21,800
UCCC FEES	805,308	606,408	768,205
PAYDAY LENDERS	124,250	107,062	136,390
RENTAL/PURCHASE LICENSE	77,850	61,329	74,060
MONEY TRANSMITTER FEES	83,000	60,000	70,000
CHECK CASHERS FEES	30,850	30,978	36,720
GAP/Debt Cancellation/CPAP	1,000	11,590	70,660
First Lien & Subordinate Lien Mortgage Lenders	405,000	312,600	533,000
Mortgage Loan Originators	624,750	565,038	596,900
TOTAL REVENUE	7,942,056	6,202,867	7,806,129
<u>EXPENDITURES</u>			
PERSONNEL COSTS	6,913,092	6,066,850	5,259,486
UTILITIES, TELEPHONE, COMMUNICATION	129,027	108,723	98,431
CONTRACT SERVICES	419,576	*341,675	*391,733
OFFICE SUPPLIES	9,670	13,916	*24,576
EQUIPMENT/COMPUTERS	3,665	*44,205	*45,591
TRAVEL IN-STATE	468,187	442,299	435,394
TRAVEL OUT-OF-STATE	23,461	21,918	16,379
PERSONNEL DEVELOPMENT & RELATED TRAVEL	189,532	160,269	156,906
OFFICE LEASES, DUES, SUBSCRIPTIONS	369,437	*424,503	*430,766
TOTAL EXPENDITURES	8,525,647	*7,624,358	*6,859,263
NET REVENUE (EXPENDITURES)	(583,591)	*(1,421,491)	*946,867
CASH BALANCE, JULY 1	7,139,501	*8,620,993	*7,732,579
CASH BALANCE, JUNE 30	6,555,909	*7,199,502	*8,682,969
LESS ENCUMBRANCES	54,483	*60,001	*61,976
FUND BALANCE, JUNE 30	6,501,426	*7,139,501	*8,620,993

* Corrected from previous report

Last 3 Years Revenue, Expense and Fund Balance Comparison



	2019	2018	2017
■ Revenue	\$7,942,056.00	\$6,202,867.00	\$7,806,129.00
■ Expense	\$8,525,647.00	\$7,624,358.00	\$6,859,263.00
■ Fund Balance	\$6,501,426.00	\$7,139,501.00	\$8,620,993.00

■ Revenue ■ Expense ■ Fund Balance

LEGISLATIVE CHANGES

2019 GENERAL ASSEMBLY – DFI LEGISLATION OF INTEREST

Prepared by Lyndsay H. Miller, General Counsel
2019

The following is a brief summary of legislation adopted by the 2019 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 2019 General Assembly can be found [here](#).

HEA 1447 Financial institutions and consumer credit (commonly known as the "DFI Omnibus Bill").

The following is a brief summary of [HEA 1447](#), authored by Representative Woody Burton, which was signed into law by the Governor into Public Law 176 on May 1, 2019. 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. The summary below is not all inclusive of the bill's accomplishments; interested parties are encouraged to review all provisions of the legislation. While this publication is intended to provide DFI regulated industries with an overview of recent legislation enacted, businesses are encouraged to seek counsel with questions regarding how the new laws may impact a particular business model or product. *All provisions become effective July 1, 2019.*

Consumer Credit:

Migration of all CPAP (Civil Proceeding Advance Payments) provisions from the Indiana Uniform Consumer Credit Code (IC 24-4.5) into the CPAP Act (IC § 24-12). In order to provide regulatory clarity and transparency to the CPAP industry, all provisions applicable to CPAP, including licensing, have been migrated out of the Indiana Consumer Credit Code and into the CPAP Act. A separate advisory publication providing a detailed overview of the legislative changes and updates has been published concurrently with this summary.

Applies to: licensed CPAP providers

Statutory references: IC § 24-4.5-1-201.1 (REPEALED); IC § 24-4.5-1-301.5 (46) – (51) (REPEALED IN PART); IC § 24-4.5-3-110 (REPEALED); IC § 24-4.5-3-110.5 (REPEALED); IC § 24-4.5-3-202 (AMENDED); IC 24-4.5-3-502(6) (AMENDED); IC 24-12-1-0.5 (NEW); IC 24-12-1-1 (AMENDED); IC 24-12-2-1 (AMENDED); IC 24-12-4-1 (AMENDED); IC 24-12-4.5 (NEW); IC 24-12-5-1 (AMENDED); IC 24-12-9-1 (AMENDED); IC 24-12-9-2 (REPEALED); IC 24-12-9-3 (AMENDED); IC 24-12-9-4 (NEW); IC 24-12-9-5 (NEW); IC 24-12-9-6 (NEW); IC 24-12-9-7 (NEW); IC 24-12-9-8 (NEW); IC 24-12-9-9 (NEW); IC 24-12-9-10 (NEW); IC 24-12-9-11 (NEW); IC 24-12-9-12 (NEW)

LEGISLATIVE CHANGES

GAP update to additional changes regarding interest penalty. Update applicable statutory references to include that GAP additional charges will accrue interest penalties on refunds not made within sixty (60) days of prepayment in full by a consumer. This was historically the case when GAP was previously an approved additional charge by Department policy (which is now codified into statute, effective July 2018).
Applies to: creditors in consumer credit transactions
Statutory references: IC § 24-4.5-4-108.

Clarify the UCCC exemption for state educational institutions. The legislation clarifies that the current exemption provided to state educational institutions from application of the Indiana Uniform Consumer Credit Code extends to related foundations, affiliates and subsidiaries.
Applies to: state educational institutions as defined in IC 21-7-13-32; instrumentality of a governmental entity
Statutory references: IC § 24-4.5-1-202

Expands to all department licensing types a bar against an entity to renew a license when it has outstanding state tax liabilities. The Indiana Uniform Consumer Credit Code and First Lien Mortgage Lending Act will be amended to add language similar to other current statutes under the Department's authority pertaining to the state tax warrant list. Entities licensed under these areas will not be permitted to renew an applicable license if they have outstanding tax liabilities owed to the state, as determined by the Department of Revenue.
Applies to: licensed mortgage lenders; licensed lenders;
Statutory references: IC § 24-4.4-2-402 (first lien mortgage lending); IC § 24-4.5-3-503 (consumer loans);

Prohibition against leasing of live domestic animals (as defined by IC 34-30-30-1). This change does not negatively impact the commercial market for leasing livestock, and also does not prevent the extension of credit or a loan to a consumer for the purpose of purchasing a pet. An amendment was also proposed and incorporated by the ASPCA which generally prohibits the leasing of live animals for consumer purposes under the UCCC, chapter 2.

Applies to: rental purchase registrants; consumer credit lessors
Statutory references: IC 24-7-1-5 (rental purchase); IC 24-4.5-2-407.5 (consumer leasing)

Various clarifications under the Rental Purchase Agreement Act (RPAA) regarding certain property prohibited to be the subject of a rent-to-own agreement, and use of rental purchase agreements to avoid application of the Uniform Consumer Credit Code. Expands the existing provisions in the Rental Purchase Agreement Act ("RPAA", IC 24-7) that certain items are prohibited from being the subject of a rental purchase agreement. The RPAA already prohibits rent-to-own of motor vehicles (as defined in state law). However, the referenced definition of a motor vehicle did not specifically define or include certain parts of a motor vehicle; the new legislation broadens and defines the exclusion to cover certain categories of parts (as statutorily defined) and component parts necessary to operate a motor vehicle.

In addition, in an effort to proactively address an emerging predatory market, the proposal also includes a new prohibition for rent-to-own of household pets ("live animals").

LEGISLATIVE CHANGES

These legislative changes also provide the Director of the department with the authority to treat the transaction as a disguised consumer credit sale if the rental purchase act and rental purchase agreements are being used for the purpose of circumventing the uniform consumer credit code (IC 24-4.5).

A new section has also been added providing additional clarity to legislation passed during the 2018 legislative session, reflecting new definitions of an “initial rental payment” (NEW section, IC 24-7-2-3.5), and “regular rental payment” (NEW section, IC 24-7-2-8.5). Additional statutory clarification also reflects that a copy of the rental purchase agreement is required to be provided to the lessee at the time the agreement is consummated.

Applies to: rental purchase registrants; consumer credit lessors

Statutory references: IC 24-7-4-1.5 (REPEALED), IC 24-7-1-5, IC 24-7-2-3.5 (NEW), IC 24-7-2-8.5 (NEW), IC 24-7-3-6 (AMENDED), IC 24-7-4-1 (AMENDED), IC 24-7-5-5 (AMENDED), IC 24-7-6-2 (AMENDED) (rental purchase); IC 24-4.5-2-407.5 (consumer leasing)

Depositories:

Capital requirements for de novo and chartered Industrial Loan Corporations (“ILCs”). This legislation removes the \$50,000 minimum capital requirement currently referenced in statute and replaces it with similar statutory language found for other new and existing financial institution charters, providing for department discretion in determining minimum capital stock will be required for de novo ILCs, based on the risk profile and business activity of the company as proposed during any charter application or approval process. It also clarifies that the department may determine if the company’s capital is impaired in order to invoke the related statutory remedy.

Applies to: existing state-chartered Industrial Loan Corporations; de novo Industrial Loan Corporations
Statutory references: Indiana Code § IC 28-5-1-5

Application of state anti-money laundering requirements to privately insured credit unions and corporate fiduciaries to file SARs and CTRs as part of an anti-money laundering program. Indiana statutes are currently silent regarding the state law requirements applicable to privately insured credit unions and corporate fiduciaries regarding their requirements to file Suspicious Activity Reports (SARS – reports into a federal law enforcement and regulatory database used to investigate financial crimes) and Currency Transaction Reports (CTRs – report filing required to track deposits/withdrawals of \$10,000 or more). While such entities are believed to be voluntarily complying as part of an overall sound anti-money laundering program, a regulatory gap currently exists at the state level that is silent regarding the responsibilities of state-chartered credit unions who are privately insured, as well as state-chartered corporate fiduciaries, to file SARs and CTRs as part of the entity’s anti-money laundering program.

Applies to: privately insured credit unions; corporate fiduciaries
Statutory references: Indiana Code § 28-1-2-6.5

LEGISLATIVE CHANGES

Other Bills of Interest:

Loan Broker Act ([HB 1440](#)). Indiana's Loan Broker Act administered by the Indiana Secretary of State's Office has undergone significant changes. The former Article (IC 23-2-5) will be repealed and replaced with a new Article (IC 23-2.5) effective July 1, 2019. The new Article reorganizes current provisions regulating loan brokers and adds or otherwise updates provisions to adapt to progress in technology and industry practices. Please see the [Indiana Secretary of State's Compliance Alert published on June 3, 2019](#).

Uniform Consumer Credit Code ([HB 1136](#)). Makes changes to the Uniform Consumer Credit Code, including authorization of specified additional charges for consumer credit sales (IC 24-4.5-2) and consumer loans (IC 24-4.5-3), effective July 1, 2019:

- (1) in the case of a revolving loan account, permits a lender to contract for and receive a transaction fee that may not exceed the greater of (i) 2 % of the amount of the transaction; or \$10 (current language is "lesser of");
- (2) Replaces the authorized \$5 delinquency charge (subject to indexing by the department of financial institutions) for consumer credit sales and consumer loans with a non-indexed delinquency charge of:
 - (A) \$5, if installments are due every 14 days or less;
 - (B) \$25, if installments are due every 15 days or more; or
 - (C) \$25, in the case of a single installment due at least 30 days after the sale or loan is made.
- (3) Specifies that a creditor may not charge or collect a delinquency charge on a payment that:
 - (A) is paid within 10 days after its scheduled due date; and
 - (B) is otherwise a full payment of the payment due for the applicable installment period; if the only delinquency with respect to a consumer credit sale or a consumer loan is attributable to a delinquency charge for an earlier installment. Repeals the current installment rule, and replaces it with the Federal Trade Commission's anti-pyramiding regulation.

Use of Social Security Numbers in Credit Files ([HEA 1668](#)). Requires a consumer reporting agency that uses a Social Security Number as a factor in determining whether a file matches the identity of the subject of a credit inquiry to ensure that the name and at least one additional identifier of the subject matches the name and the same identifier in the file (effective immediately).

Various Trust Matters ([SEA 265](#)). Establishes the ability to create a legacy trust; provides for certain modifications of rights to beneficiaries; creates an expanded method by which a trustee may propose the termination of a trust; provides a trustee with a nonjudicial method for settlement of the trust accounting; clarifies interested persons, designated representatives of beneficiaries;

Regulation of Hemp ([SEA 516](#)). Creates the Indiana Hemp Advisory Committee, consisting of various members including the director of the department of financial institutions or the director's designee.

Dealer Services ([HEA 1237](#)). Creates a new definition of "document preparation fee" regarding any fee charged by a dealership concerning the sale of a motor vehicle, and provides it is an unfair practice for a dealer to charge a document preparation fee in excess of \$200. This legislative change became effective immediately and was retroactive to July 1, 2013.

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, 2019, there were 104 depository institutions, excluding credit unions, in Indiana compared to 107 at year-end 2018, 109 at year-end 2017, and 111 at year-end 2016. Of the 104 depository institutions at year-end 2019, there were 71 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, 8 national banks and 14 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, 2019.

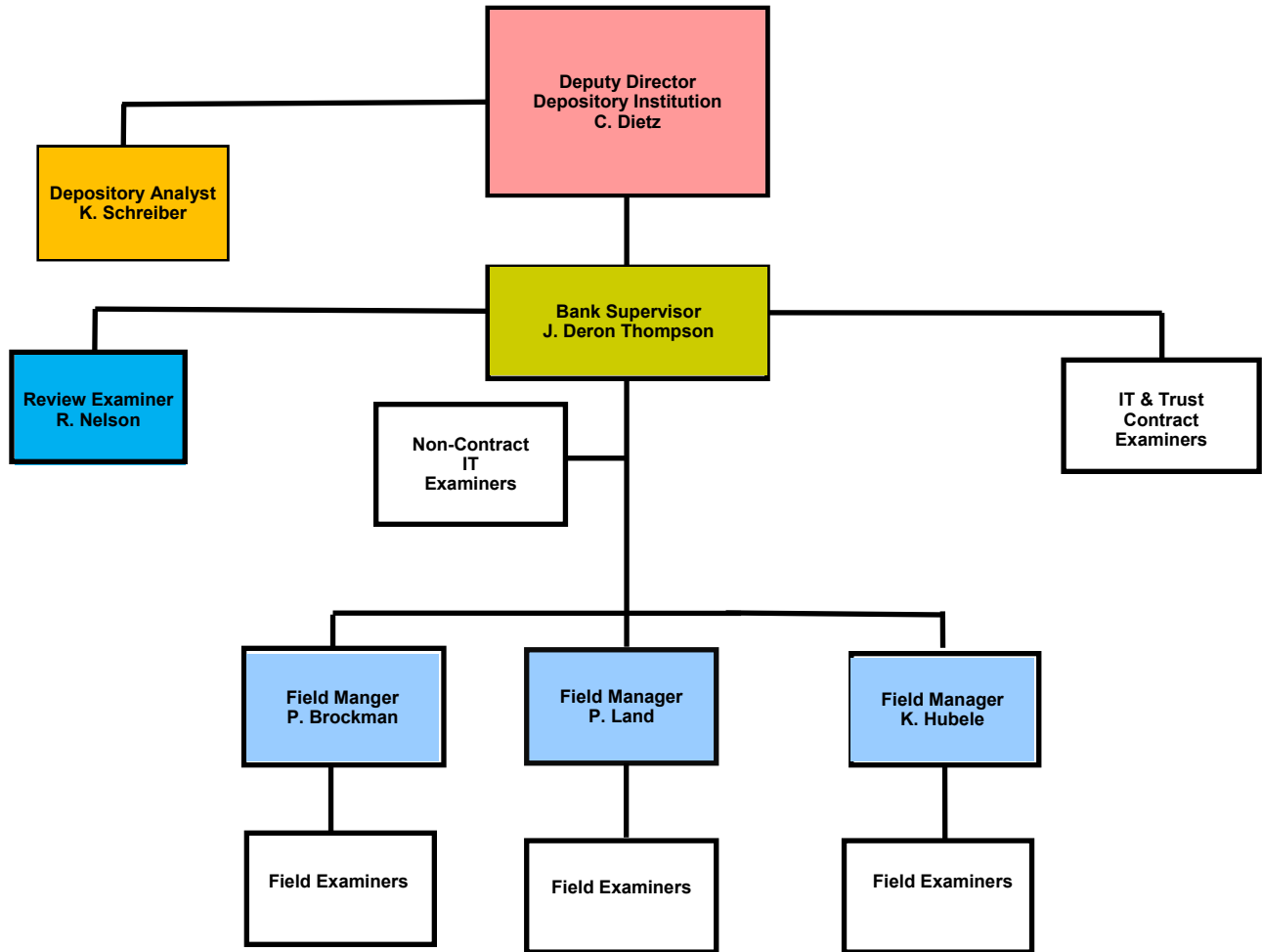
Indiana's state-chartered financial institutions under the jurisdiction of the division reported total consolidated assets of \$76.8 billion at the end of 2019 which represented a 12.04% increase from the year-end 2018 total. The increase in consolidated assets is due to the stability of the economy, improvement is noted in the performance and condition of Indiana's financial institutions as reflected in some financial categories and ratios from year-end 2018 to year-end 2019. Earnings of several institutions are under some stress; however, asset quality is showing improvement. In 2019, 1.92% of all Indiana financial institutions were unprofitable compared to 1.19% in 2018, 1.72% in 2017, 1.90% in 2016, and 2.52% in 2015. The aggregate provision to the allowance for loan and lease losses for all state-chartered banks decreased from \$43 million for 2013 to \$34 million for 2014; however, in 2015 due to several conversions increased to \$52 million in 2016 to \$69 million in 2017 to \$95 million for 2018 and decreasing to \$78 million in 2019. National banks' loan provisions decreased from \$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 due to stability increased to \$11 million for year-end 2018 and decreased again to \$8 million for year-end 2019.

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 \$62.1 billion an increase of \$6.8 billion or 12.24% for 2019 compared to an aggregate of \$55.3 billion an increase of \$1.5 billion or 2.75% in 2018. As of December 31, 2019, the Loan to Deposit ratio for state banks was 90.47% and 81.31% for national banks.

The aggregate return on average assets ("ROAA") for state-chartered financial institutions in 2019 was 1.28%, down slightly from 1.33% at year-end 2018. National banks' aggregate ROAA was up from 1.16% to 1.23% during the same time-frame. Net loan charge-offs of total loans and leases for state chartered financial institutions decreased slightly from 0.11% as of December 31, 2018, to 0.08% at year-end 2019. Net loan charge-offs for national banks increased slightly from 0.03% as of December 31, 2018, to 0.06% as of December 31, 2019.

Aggregate equity capital in Indiana's state chartered financial institutions increased 16.99% at \$9.05 billion at year end 2019, up from \$7.74 billion in 2018. The total equity capital to total assets ratio was 11.79% as December 31, 2019, up from 11.29% at year-end 2018. National banks' aggregate equity capital was \$3.84 billion at year-end 2019. The total equity capital to total assets ratio for national banks increased from 13.43% at year-end 2018 to 13.74% at year-end 2019.

BANK DIVISION



COMPARATIVE STATEMENT STATE CHARTERED BANKS

ACCOUNT DESCRIPTIONS	12/31/2019	%	12/31/2018	%	12/31/2017	%	12/31/2016
(In Millions of \$)	Change		Change		Change		
Assets	76,762	12.04%	68,511	2.07%	67,119	18.09%	56,838
Deposits	62,077	12.24%	55,309	2.75%	53,831	16.68%	46,134
Total Equity Capital	9,050	16.99%	7,736	0.98%	7,661	22.87%	6,235
Tier 1 Capital	7,836	12.86%	6,943	3.04%	6,738	17.55%	5,732
ALLL	598	4.00%	575	3.05%	558	8.56%	514
Total Capital	8,434	12.18%	7,518	3.04%	7,296	16.81%	6,246
Total Net Charge-Offs	45	-18.18%	55	61.76%	34	-2.86%	35
Total Gross Loans & Leases	56,158	10.87%	50,652	3.70%	48,847	20.68%	40,477
Total Securities	12,688	12.38%	11,290	-4.55%	11,828	12.66%	10,499
Fed Funds Sold	255	59.38%	160	8.11%	148	26.50%	117
Interest Bearing Balances	2,337	43.46%	1,629	14.48%	1,423	-17.79%	1,731
Trading Account Securities	297	71.68%	173	10.90%	156	0.65%	155
Total Earning Assets	71,137	12.33%	63,329	2.40%	61,844	17.88%	52,465
Total Interest Income	3,093	14.09%	2,711	14.00%	2,378	20.59%	1,972
Total Interest Expense	701	50.43%	466	64.08%	284	42.71%	199
Net Interest Income	2,392	6.55%	2,245	7.21%	2,094	18.10%	1,773
Total Non-interest Income	692	14.76%	603	-1.47%	612	11.88%	547
Total Non-interest Expense	1,815	9.01%	1,665	2.90%	1,618	12.83%	1,434
Loan Provisions	78	-17.89%	95	37.68%	69	32.69%	52
Net Income	987	9.67%	900	24.48%	723	18.33%	611

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)

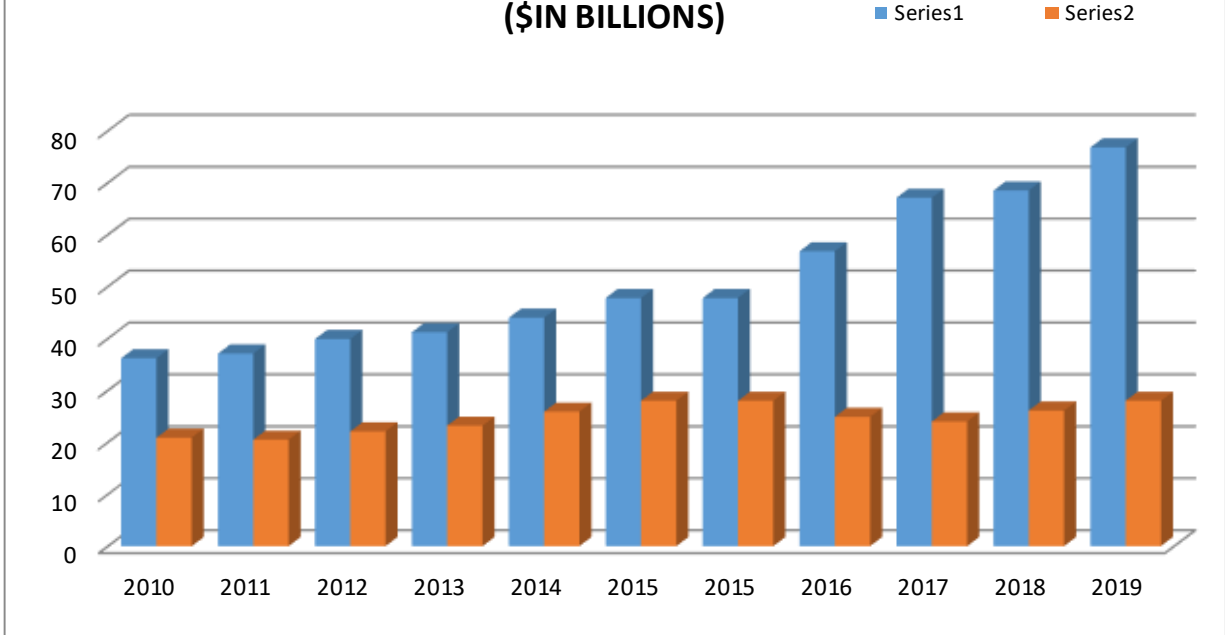
DATA AS OF 12/31/19	NUMBER OF BANKS	NUMBER OF HC'S	TOTAL ASSETS	ASSETS %	TOTAL DEPOSITS	DEPOSITS %
INDEPENDENT BANKS						
State Banks w/o HC	10	0	\$854	0.82%	\$639	0.77%
IN HC W/One State Bank	70	70	\$74,829	71.44%	\$60,706	73.10%
National Banks w/o HC	1	0	\$330	0.32%	\$271	0.33%
IN HC w/One National Bank	6	6	\$23,729	22.66%	\$17,485	21.05%
TOTALS	87	76	\$99,742	95.23%	\$79,101	95.25%
INDIANA MULTI-BK HOLDING CO.						
IN HC w/One or More State Banks	2	2	\$1,080	1.03%	\$732	0.88%
IN HC w/One or More National Banks	1	1	\$3,918	3.74%	\$3,212	3.87%
Sub Total	3	3				
Holding Company Duplications	0	-1				
TOTALS	3	2	\$4,998	4.77%	\$3,944	4.75%
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	90	78	\$104,740	100.00%	\$83,045	100.00%

HOLDING COMPANY OWNERSHIP ANALYSIS

(In Millions of \$)

DATA AS OF 12/31/18	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%

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



Year	State Banks Total Assets (\$ In Billions)	%	National Banks Total Assets (\$ In Billions)	%
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%
2019	76.8	73.3%	28.0	26.7%

ACCOUNT DESCRIPTIONS	State	National	State	National
(\$ IN MILLIONS)	12/31/2019	12/31/2019	12/31/2018	12/31/2018
Number of Banks	82	8	84	8
Consolidated Balance Sheet				
Total Gross Loans & Leases	56,158	17,050	50,652	16,423
Total Allowance for Loans & Leases (ALLL)	598	102	575	104
Total Net Loans & Leases	55,560	16,948	50,077	16,319
Total Securities	12,688	7,074	11,290	6,189
Total Interest Bearing Balances	2,337	589	1,629	352
Total Fed Funds Sold/Repurchase Agreements	255	9	160	5
Total Trading Accounts	297	43	173	15
Total Earning Assets	71,137	24,663	63,329	22,880
Total Cash and Due From Bank	948	339	1,089	399
Total Premises and Fixed Assets	1,011	696	865	573
Total Other Real Estate Owned	42	5	49	3
Total Other Assets	3,624	2,275	3,179	2,256
Total Assets	76,762	27,978	68,511	26,111
Average Assets	77,079	27,631	67,921	25,272
Total Deposits	62,077	20,968	55,309	19,871
Total Fed Funds Purchased	897	952	1,048	866
Total Other Borrowed Funds	4,017	1,965	3,957	1,615
Total Subordinated Debt	0	12	0	12
Total All Other Liabilities	721	238	461	244
Total Liabilities	67,712	24,135	60,775	22,608
Total Equity Capital	9,050	3,843	7,736	3,503
Total Liabilities and Equity Capital	76,762	27,978	68,511	26,111

ACCOUNT DESCRIPTIONS	State	National	State	National
(\$ IN MILLIONS)	12/31/2019	12/31/2019	12/31/2018	12/31/2018
Number of Banks	82	8	84	8
Consolidated Income Statement				
Total Interest Income	3,093	1,008	2,711	877
Total Interest Expense	701	160	466	109
Total Net Interest Income	2,392	848	2,245	768
Total Non Interest Income	692	263	603	257
Total Non Interest Expense	1,815	685	1,665	679
Total Loan Provisions	78	8	95	11
Total Pre Tax Operating Income	1,191	418	1,088	335
Total Securities Gains/Losses	10	2	6	2
Total Applicable Income Tax	214	80	192	43
Total Income Before Extraordinary Items	987	340	902	294
Total Net Extraordinary Items	0	0	-2	0
Total Net Income	987	340	900	294
Total Net Charge-Offs	45	10	55	5
Total Cash Dividends Declared	535	273	414	129
Ratio Analysis				
Net Income to Average Assets	1.28%	1.23%	1.33%	1.16%
Net Income to Year End Total Equity	10.91%	8.85%	11.63%	8.39%
Net Interest Income to Average Assets	3.10%	3.07%	3.31%	3.04%
Total Loans to Total Deposits	90.47%	81.31%	91.58%	82.65%
Loan Loss Provisions to Total Loans	0.14%	0.05%	0.19%	0.07%
ALLL to Total Loans	1.06%	0.60%	1.14%	0.63%
Net Charge-Offs to Total Loans	0.08%	0.06%	0.11%	0.03%
Total Equity Capital to Total Assets	11.79%	13.74%	11.29%	13.42%
Total Equity Capital and ALLL to	12.47%	14.05%	12.03%	13.76%
Total Assets and ALLL				

ACCOUNT DESCRIPTIONS <i>(IN MILLIONS OF \$)</i>	State 12/31/2019	National 12/31/2019	ALL BANKS 12/31/2019	ALL BANKS 12/31/2018	% CHANGE
Number of Banks	82	8	90	92	
Combined Statement of Condition					
Total Gross Loans & Leases	56,158	17,050	73,208	67,075	9.14%
Total Allowance for Loans & Leases (ALLL)	598	102	700	679	3.09%
Total Net Loans & Leases	55,560	16,948	72,508	66,396	9.21%
Total Securities	12,688	7,074	19,762	17,479	13.06%
Total Interest Bearing Balances	2,337	589	2,926	1,981	47.70%
Total Fed Funds Sold/Repurchase Agreements	255	9	264	165	60.00%
Total Trading Accounts	297	43	340	188	80.85%
Total Earning Assets	71,137	24,663	95,800	86,209	11.13%
Total Cash and Due From Bank	948	339	1,287	1,488	-13.51%
Total Premises and Fixed Assets	1,011	696	1,707	1,438	18.71%
Total Other Real Estate Owned	42	5	47	52	-9.62%
Total Other Assets	3,624	2,275	5,899	5,435	8.54%
Total Assets	76,762	27,978	104,740	94,622	10.69%
Average Assets	77,079	27,631	104,710	93,193	12.36%
Total Deposits	62,077	20,968	83,045	75,180	10.46%
Total Fed Funds Purchased	897	952	1,849	1,914	-3.40%
Total Other Borrowed Funds	4,017	1,965	5,982	5,572	7.36%
Total Subordinated Debt	0	12	12	12	0.00%
Total All Other Liabilities	721	238	959	705	36.03%
Total Liabilities	67,712	24,135	91,847	83,383	10.15%
Total Equity Capital	9,050	3,843	12,893	11,239	14.72%
Total Liabilities and Equity Capital	76,762	27,978	104,740	94,622	10.69%

**RETURN ON ASSETS (ROA) OF THE
STATE BANKS IN INDIANA 2019 VS 2018**

	2019			2018		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	45	63,231	901	45	53,514	787
.75% TO .99%	20	10,043	82	22	12,115	99
.50% TO .74%	6	641	4	7	1,436	9
BELOW .50%	11	2,847	0	10	1,446	5
	82	76,762	987	84	68,511	900

**RETURN ON ASSETS (ROA) OF THE
NATIONAL BANKS IN INDIANA 2019 VS 2018**

	2019			2018		
	NO.	TOTAL ASSETS	NET INCOME	NO.	TOTAL ASSETS	NET INCOME
ROA (%)						
OVER 1%	4	26,979	333	4	25,154	287
.75% TO .99%	2	569	4	2	544	4
.50% TO .74%	2	430	3	2	413	3
BELOW .50%	0	0	0	0	0	0
	8	27,978	340	8	26,111	294

SUMMARY OF STATE BANK BRANCH OPENINGS IN 2019

Name	City	Address	City	State	Opened
Centier Bank	Whiting	5517 Franklin Street	Michigan City	IN	7/30/2019
Community First Bank of Indiana	Kokomo	381 South Junction Crossing	Westfield	IN	8/5/2019
Tech Credit Union	Crown Point	9707 West 133rd Avenue	Cedar Lake	IN	8/19/2019
Springs Valley Bank & Trust Company	French Lick	1717South State Road 57, Suite A	Washington	IN	9/31/2019
Owen County State Bank	Spencer	34 East Main Street	Bloomfield	IN	10/21/2019
Centier Bank	Whiting	100 South Main Street	Elkhart	IN	11/4/2019
German American Bank	Jasper	2 North Green Street	Henderson	KY	11/18/2019
Farmers and Merchants Bank	Boswell	2 North 4th Street	Lafayette	IN	12/18/2019

SUMMARY OF STATE BANK BRANCH CLOSINGS IN 2019

Name	City	Address	City	State	Closed
First Farmers Bank and Trust Company	Converse	221 Bank Street	Hoopeston	IL	1/5/2019
First Farmers Bank and Trust Company	Converse	901 South Dixie Highway	Hoopeston	IL	1/7/2019
First Merchants Bank	Muncie	5217 Merchandise Drive	Fort Wayne	IN	2/15/2019
Citizens State Bank of New Castle	New Castle	120 South Memorial Drive	New Castle	IN	3/16/2019
First Merchants Bank	Muncie	189 Commercial Street	Nashville	IN	3/29/2019
First Merchants Bank	Muncie	3055 West U.S. Highway 36	Pendleton	IN	4/12/2019
Horizon Bank	Michigan City	200 Main Street	Leesburg	IN	4/19/2019
Horizon Bank	Michigan City	500 North Grand Street	Schoolcraft	MI	4/19/2019
Horizon Bank	Michigan City	22730 Main Street	Woodburn	IN	4/19/2019
First Merchants Bank	Muncie	901 State Road 114 West	North Manchester	IN	4/19/2019
First Merchants Bank	Muncie	107 West Harris Street	Eaton	IN	4/26/2019
First Merchants Bank	Muncie	937 West Walnut Street	Albany	IN	4/26/2019
STAR Financial Bank	Fort Wayne	1820 Nort Boulevard	Fort Wayne	IN	6/21/2019
STAR Financial Bank	Fort Wayne	360 West North Street	Kendallville	IN	6/21/2019
First Savings Bank	Clarksville	510 IN-62	Leavenworth	IN	7/19/2019
First Farmers Bank and Trust Company	Converse	115 South Main Street	Amboy	IN	8/30/2019
Horizon Bank	Michigan City	118 Ashman Avenue	Midland	MI	9/6/2019
First Merchants Bank	Muncie	1088 West Broadway Street	Monticello	IN	10/29/2019
The Peoples State Bank	Ellettsville	802 Mulberry Street	Noblesville	IN	10/31/2019
First Merchants Bank	Muncie	1100 South Peru Street	Cicero	IN	12/10/2019

NEW STATE BANK SUBSIDIARIES IN 2019

Subsidiary Name	Bank Name	City	Purpose	Established
P.R. Mortgage Investment, LP	Merchants Bank of Indiana	Carmel	Mortgage Lending	5/3/2019
PRMGP, LLC	Merchants Bank of Indiana	Carmel	Mortgage Lending	5/3/2019
P.R. Mortgage Investment Management, LLC	Merchants Bank of Indiana	Carmel	Mortgage Lending	5/3/2019
Alliance NMTC Investment Fund, LLC	First Farmers Bank and Trust Company	Converse	Special Purpose Entity	6/26/2019

CONVERSIONS 2019

Name	City	Old Charter	New Charter	Converted Name	City	Consummated
NONE						

Branch Relocations 2019

Name	From/To Address	From/To City	Moved
First Farmers Bank and Trust Company	27 West Main Street 709 Eas Columbia Street	Flora Flora	1/7/2019
Bank of Geneva	1061 South 13th Street 1118 South 13th Street	Decatur Decatur	3/4/2019
Lake City Bank	102 East Rochester Street 114 West Rochester Street	Akron Akron	5/6/2019
Harvester Financial Credit Union	1220 Miller Avenue 2507 Progress Parkway	Shelbyville Shelbyville	6/28/2019
Centier Bank	1 North Pennsylvania Street, Suite 100 50 South Meridian Street, Suite 100	Indianapolis Indianapolis	8/29/2019
The Peoples State Bank	802 Mulberry Street 50 North 9th Street, Suite 205, 207, and 210	Noblesville Noblesville	10/31/2019
Lake City Bank	311 West Sycamore Street 206 South Higbee Road	Milford Milford	11/4/2019

Main Office Relocations 2019

Name	From/To Address	From/To City	Moved
Hendricks County Bank and Trust Company	963 North State Road 267 One East Main Street	Avon Brownsburg	7/1/2019
Public Service Credit Union	7017 Old Trail Road 4025 West Jefferson Boulevard	Fort Wayne Fort Wayne	7/29/2019
Merchants Bank of Indiana	11555 North Meridian Street, Suite 400 410 Monon Boulevard	Carmel Carmel	9/13/2019
First Savings Bank	501 East Lewis & Clark Parkway 702 North Shore Drive	Clarksville Jeffersonville	12/18/2019

MERGERS IN 2019

SURVIVING INSTITUTION INSTITUTION MERGED/CONSOLIDATED	City	SURVIVING INSTITUTION NAME	City	Consummat- ed
The Farmers & Merchants State Bank Bank of Geneva	Archbold, OH Geneva	The Farmers & Merchants State Bank	Archbold. OH	1/1/2019
Peoples Bank SB A.J. Smith Federal Savings Bank	Munster Midlothian, IL	Peoples Bank SB	Munster	1/24/2019
Horizon Bank Salin Bank and Trust Company	Michigan City Indianapolis	Horizon Bank	Michigan City	3/26/2019
German American Bank Citizens First Bank, Inc.	Jasper Bowling Green, KY	German American Bank	Jasper	7/1/2019
First Merchants Bank Monroe Bank & Trust	Muncie Monroe, MI	First Merchants Bank	Muncie	8/29/2019

HOLDING COMPANY ACQUISITIONS IN 2019

Holding Company Name	City	Target Name	City	Consummated
Farmers & Merchants Bancorp, Inc.	Archbold, OH	Limberlost Bancshares, Inc.	Geneva	1/1/2019
NorthWest Indiana Bancorp	Munster	AJS Bancorp, Inc.	Midlothian, IL	1/24/2019
Horizon Bancorp	Michigan City	Salin Bancshares, Inc.	Indianapolis	3/26/2019
German American Bancorp, Inc.	Jasper	Citizens First Corporation	Bowling Green, KY	7/1/2019
First Merchants Corporation	Muncie	MBT Financial Corp.	Monroe, MI	8/29/2019

ADDITIONS AND DELETIONS IN 2019

Name	City	Activity	Effective Date
Bank of Geneva	Geneva	Merged with The Farmers & Merchants State Bank, Archbold, OH	1/1/2019
Salin Bank and Trust Company	Indianapolis	Merged with Horizon Bank, Michigan City	3/26/2019

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/2019

NAME	CITY	TOTAL ASSETS
Community State Bank	Avilla	\$278,489
Bath State Bank	Bath	\$165,989
Bedford Federal Savings Bank	Bedford	\$130,557
First Bank of Berne	Berne	\$714,301
Farmers and Mechanics Federal Savings Bank	Bloomfield	\$74,156
Boonville Federal Savings Bank	Boonville	\$54,703
Peoples Trust & Savings Bank	Boonville	\$189,980
The Farmers & Merchants Bank	Boswell	\$131,114
Community State Bank	Brook	\$69,177
Hendricks County Bank & Trust Company	Brownsburg	\$168,795
The Peoples Bank	Brownstown	\$203,791
State Bank of Burnettsville	Burnettsville	\$42,599
Wayne Bank and Trust Company	Cambridge City	\$168,523
Merchants Bank of Indiana	Carmel	\$6,167,493
First Savings Bank	Clarksville	\$1,289,704
First Farmers Bank and Trust Company	Converse	\$1,907,914
First Harrison Bank	Corydon	\$823,006
The Fountain Trust Company	Covington	\$406,921
Hoosier Heartland State Bank	Crawfordsville	\$203,283
DeMotte State Bank	DeMotte	\$446,309
The Elberfield State Bank	Elberfeld	\$80,929
The Peoples State Bank	Ellettsville	\$306,743
First Federal Savings Bank	Evansville	\$452,750
The Commerce Bank	Evansville	\$182,626
The Fairmount State Bank	Fairmount	\$45,468
First Internet Bank of Indiana	Fishers	\$4,097,505
STAR Financial Bank	Fort Wayne	\$2,089,468
Fowler State Bank	Fowler	\$167,253
Alliance Bank	Francesville	\$311,229
The Farmers Bank	Frankfort	\$611,761
Mutual Savings Bank	Franklin	\$175,862
Springs Valley Bank & Trust Company	French Lick	\$452,588
The Friendship State Bank	Friendship	\$388,676
The Garrett State Bank	Garrett	\$259,773
Greenfield Banking Company	Greenfield	\$619,714
Agri Business Finance, Inc.	Greensburg	\$73,210
Freedom Bank	Huntingburg	\$447,085
First Federal Savings Bank	Huntington	\$353,875
The Bippus State Bank	Huntington	\$189,852
German American Bancorp	Jasper	\$4,385,485
The Campbell & Fetter Bank	Kendallville	\$316,463
Kentland Bank	Kentland	\$301,003
Community First Bank of Howard County	Kokomo	\$330,642
Farmers State Bank	Lagrange	\$836,333
Farmers & Merchants Bank	Laotto	\$162,622
State Bank of Lizton	Lizton	\$504,070
Logansport Savings Bank, FSB	Logansport	\$188,220
LNB Community Bank	Lynnville	\$124,396
State Bank of Medora	Medora	\$93,162
Horizon Bank	Michigan City	\$5,236,417
First State Bank of Middlebury	Middlebury	\$593,315

ACTIVE STATE FINANCIAL INSTITUTIONS 12/31/2019

NAME	CITY	TOTAL ASSETS
Peoples Community Bank of Monticello, Indiana	Monticello	\$28,908
Citizens Bank	Mooreville	\$486,622
First Merchants Bank	Muncie	\$12,430,349
MutualBank	Muncie	\$2,058,934
Peoples Bank SB	Munster	\$1,326,463
The Napoleon State Bank	Napoleon	\$278,238
Citizens State Bank	New Castle	\$577,892
The New Washington State Bank	New Washington	\$343,508
The North Salem State Bank	North Salem	\$385,306
Ossian State Bank	Ossian	\$111,644
First State Bank of Porter	Porter	\$142,738
Community State Bank of Southwestern Indiana	Poseyville	\$85,329
First Bank Richmond	Richmond	\$983,369
West End Bank, SB	Richmond	\$287,986
Tri-County Bank & Trust Company	Roachdale	\$205,275
Community State Bank	Royal Center	\$128,553
American Community Bank of Indiana	Saint John	\$228,408
Spencer County Bank	Santa Claus	\$108,992
Jackson County Bank	Seymour	\$589,584
1st Source Bank	South Bend	\$6,622,194
Our Community Bank	Spencer	\$72,703
Owen County State Bank	Spencer	\$232,449
Grant County State Bank	Swayzee	\$196,412
Terre Haute Savings Bank	Terre Haute	\$350,358
The Morris Plan Company of Terre Haute	Terre Haute	\$96,360
CentreBank	Veedersburg	\$78,641
Crossroads Bank	Wabash	\$419,028
Lake City Bank	Warsaw	\$4,934,311
First Federal Savings Bank of Washington	Washington	\$78,273
Centier Bank	Whiting	\$4,694,690
Bank of Wolcott	Wolcott	\$183,481

ACTIVE CORPORATE FIDUCIARIES 12/31/2019

NAME	CITY	(IN THOUSANDS) TRUST ASSETS UNDER ADMINISTRATION
Trust Company of Oxford	Carmel	\$1,261,629
Indiana Land Trust Company	Crown Point	\$1
Hoosier Trust Company	Indianapolis	\$277,999
Harbour Trust and Investment Management Company	Michigan City	\$807,941
Indiana Trust and Investment Management Company	Mishawaka	\$1,843,737

FORMATIONS IN 2019

Incorporator(s)	Proposed Name	Proposed City	Consummated
NONE			

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

Depository Division Supervisor John D. Thompson directs a division comprised of a highly trained, professional staff comprised of six field examiners and two field managers.

The Credit Union Division continues to provide extensive training and professional development to its examiners. In 2019 division management and staff attended training sessions sponsored by both the National Credit Union Administration (NCUA) and the National Association of State Credit Union Supervisors (NASCUS). These sessions provided up-to-date training on bank secrecy act/anti-money laundering issues, current and emerging issues, investment/asset liability management issues, consumer, commercial and real estate lending, fraud detection, and effective problem resolution. These sessions also afforded an exchange of ideas and experiences with examiners from outside Indiana.

EXAMINATION AND SUPERVISION

With certain exceptions the division's goal is to perform an examination of each of our state chartered credit unions within a fifteen/twenty four month cycle. This goal was met during 2019. 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.

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.

DIVISION OF CREDIT UNIONS

INDUSTRY ASSOCIATIONS

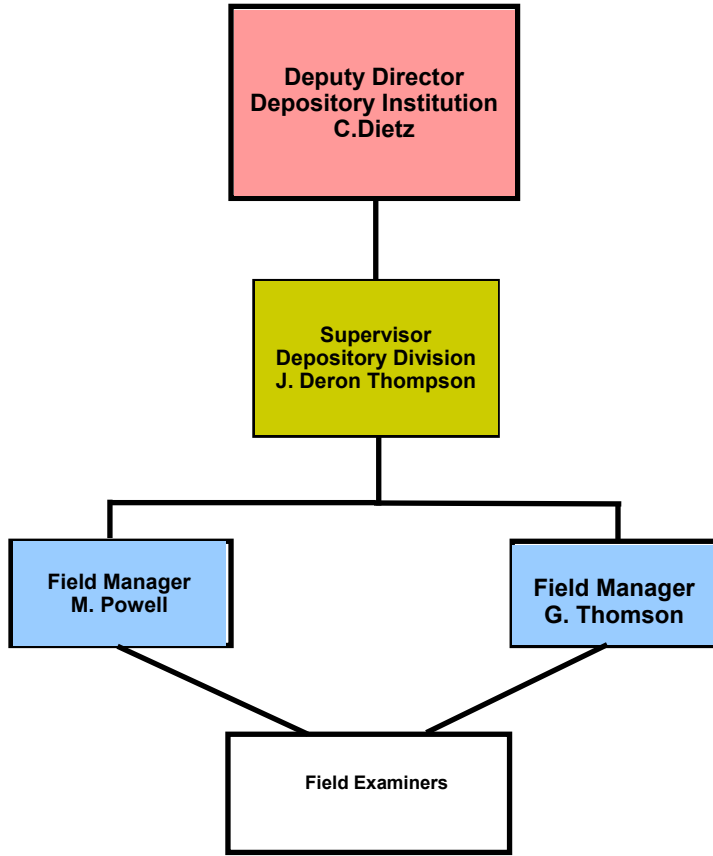
The division continued to work cooperatively with trade associations and professional organizations devoted to the benefit of the credit union industry. As part of our commitment senior division and department staff attended several meetings with the Indiana Credit Union League to discuss potential legislation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

The division remains closely involved with the National Association of State Credit Union Supervisors (NASCUS). NASCUS promotes the dual chartering system, and the autonomy of state regulatory agencies. During 2019 the division maintained its accredited status. The maintenance of accredited status involves extensive self-evaluation, prepared by examination and supervisory staff, and on-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, 2019 there were 39 active state chartered credit unions. The combined total assets of these 39 credit unions as of December 31, 2019 were \$15,759M an increase of \$901M over December 31, 2018. This translates to an 6.1% increase in the total assets of all state chartered credit unions in Indiana. Member deposits in Indiana credit unions increased from \$12,378M as of December 31, 2018 to \$13,300M as of December 31, 2019 this represents a growth in deposits of 7.4%. Member loans made by Indiana credit unions increased from \$11,340M as of December 31, 2018 to \$11,791M as of December 31, 2019. This represents an increase of 4.0% in loans to members.

CREDIT UNION DIVISION



CREDIT UNION ANNUAL REPORT 12/31/19
BALANCE SHEET

<u>ASSETS</u>	State Chartered Credit Unions			Indiana Federally Chartered Credit Unions
	<u>12/31/17</u>	<u>12/31/18</u>	<u>12/31/19</u>	<u>12/31/19</u>
Loans	10,671	11,340	11,791	10,225
Less: Allowance for Loan Loss	(72)	(79)	(80)	(82)
Cash on Hand, Cash on Deposit, & Cash Equivalents	978	962	1,209	902
Federal Agencies & U. S. Government Obligations	1,460	1,368	1,733	1,207
Banks, Savings & Loan & Mutual Sav. Banks	229	186	192	656
Other Investments	446	436	179	372
Other Assets	640	645	735	888
TOTAL ASSETS	\$ 14,352	\$ 14,858	\$ 15,759	\$ 14,168
 <u>LIABILITIES</u>				
Shares	11,833	12,378	13,300	11,912
Total Borrowings	788	658	482	523
Dividends Payable	1	1	2	1
Accounts Payable & Other Liabilities	155	141	156	194
TOTAL LIABILITIES	12,777	13,178	13,940	12,630
 <u>EQUITY</u>				
Regular Reserve	740	800	860	185
Other Reserve	32	30	33	16
Accumulated Unrealized Gain/Loss	(7)	(14)		
Undivided Earnings	810	864	926	1,337
TOTAL EQUITY	1,575	1,680	1,819	1,538
TOTAL LIABILITIES & EQUITY	\$ 14,352	\$ 14,858	\$ 15,759	14,168
Number of State Chartered Credit Unions:	41	39	39	
Number of Federally Chartered Credit Unions:	117	115	113	

INDIANA STATE-CHARTERED CREDIT UNIONS YEAR ENDED 12/31/2019
INCOME STATEMENT

<u>INCOME</u>	<u>12/31/17</u>	<u>12/31/18</u>	<u>12/31/19</u>	<u>12/31/19</u>
		State Chartered Credit Unions		Indiana Federally Chartered Credit Unions
Interest on Loans	404	461	518	482
Less Interest Refunds	(2)	(2)	(2)	(2)
Income on Investments	46	57	71	71
Other Income	197	199	206	268
TOTAL INCOME	645	715	793	819
 <u>EXPENSES</u>				
Employee Compensation & Benefits	230	246	264	268
Travel & Conference	5	5	6	5
Office Occupancy	30	32	34	32
Office Operations	73	76	80	101
Educational & Promotional	16	17	18	21
Loan Servicing	22	24	24	53
Professional & Outside	42	46	54	47
Provision for Loan Losses	30	36	40	50
Members Insurance	1		-	1
Operating Fees	1	1	1	4
Interest on Borrowed Money	12	14	10	11
Other Expenses	15	18	16	1
TOTAL EXPENSES	477	515	547	594
 NET INCOME BEFORE TRANSFERS & DIVIDENDS	 168	 200	 246	 225
 DIVIDENDS TO MEMBERS	 66	 86	 124	 98
 NET INCOME	 102	 114	 122	 127
 DISTRIBUTION OF NET INCOME				
Transferred to Regular Reserves	56	60	60	230

TOTAL CREDIT UNIONS ASSETS AS OF DECEMBER 31, 2019

Location	Name of Association	Total Net Assets
Bedford	Hoosier Hills Credit Union	609,328,905
Bloomington	Indiana University Credit Union	1,144,998,039
Bluffton	Bluffton Motor Works/Franklin Electric Employees Credit Union	1,096,112
Columbus	Centra Credit Union	1,559,069,587
Crown Point	Tech Credit Union	379,016,034
East Chicago	East Chicago Firemen's Credit Union	937,274
Fishers	Forum Credit Union	1,487,794,680
Fort Wayne	Public Service Employees Credit Union	58,025,985
Goshen	Interra Credit Union	1,205,496,948
Hagerstown	Perfect Circle Credit Union	53,061,526
Hammond	Hammond Firefighters Association Credit Union	1,457,962
Indianapolis	Energy Plus Credit Union	34,507,819
Indianapolis	Family Horizons Credit Union	81,667,180
Indianapolis	Financial Center First Credit Union	586,539,940
Indianapolis	Firefighters Credit Union	66,779,452
Indianapolis	Harvester Credit Union	55,046,443
Indianapolis	Hoosier United Credit Union	21,863,037
Indianapolis	Indiana Members Credit Union	2,049,131,784
Indianapolis	Indianapolis Post Office Credit Union	54,486,201
Indianapolis	KEMBA (Indianapolis) Credit Union	67,880,822
Indianapolis	NorthPark Community Credit Union	42,608,814
Indianapolis	Professional Police Officers Credit Union	41,387,308
La Porte	Municipal Employees Credit Union	1,203,198
Lawrenceburg	Community Spirit Credit Union	12,701,478
Loogootee	Martin County Cooperative Credit Union	13,001,478
Marion	Via Credit Union	396,018,459
Merrillville	Members Source Credit Union	75,145,635
Michigan City	First Trust Credit Union	120,638,031
Michigan City	Members Advantage Credit Union	99,384,325
Mishawaka	Taper Lock Credit Union (TLCU)	37,180,365
Monroe	Adams County Credit Union	18,448,540
Muncie	Muncie Post Office Credit Union	705,024
Odon	Crane Credit Union	617,542,630
Richmond	NATCO Credit Union	91,644,699
Seymour	Jackson County Co-Op Credit Union	23,070,681
South Bend	South Bend Post Office Credit Union	9,135,948
South Bend	Teachers Credit Union	3,348,045,690
Sullivan	Western Indiana Credit Union	32,545,526
Wabash	Beacon Credit Union	1,260,998,615
	Net Assets - Includes Allowance for Loan Losses	\$ 15,759,592,174

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

Generally, 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 have been incorporated into state law. There are limitations on the maximum rate of finance charges 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:

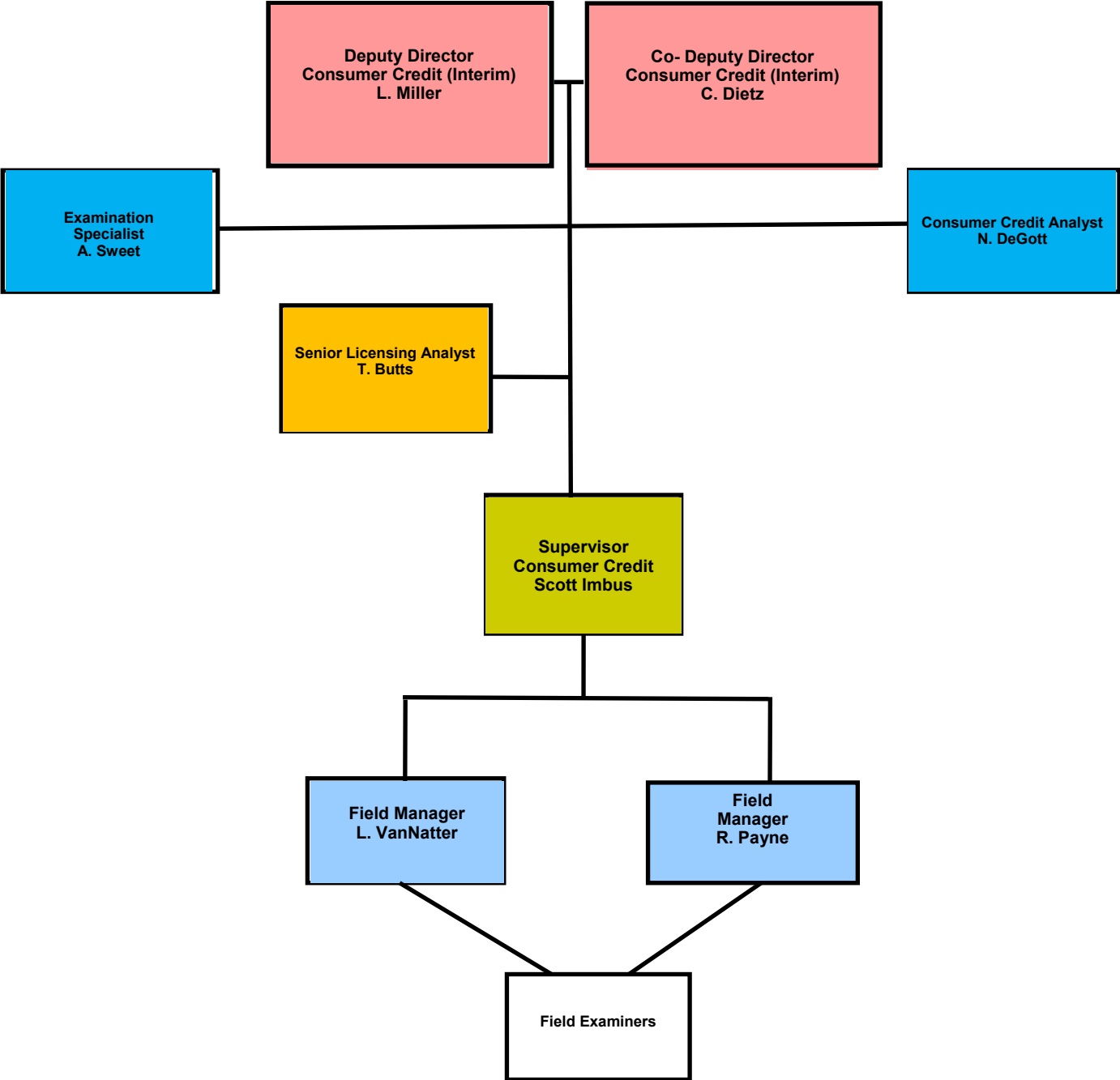
- (1) the person, either incidental to or independent of a retail sale of goods or services, from time to time cashes checks; and
- (2) the consideration charged for cashing checks does not exceed five dollars (\$5).

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



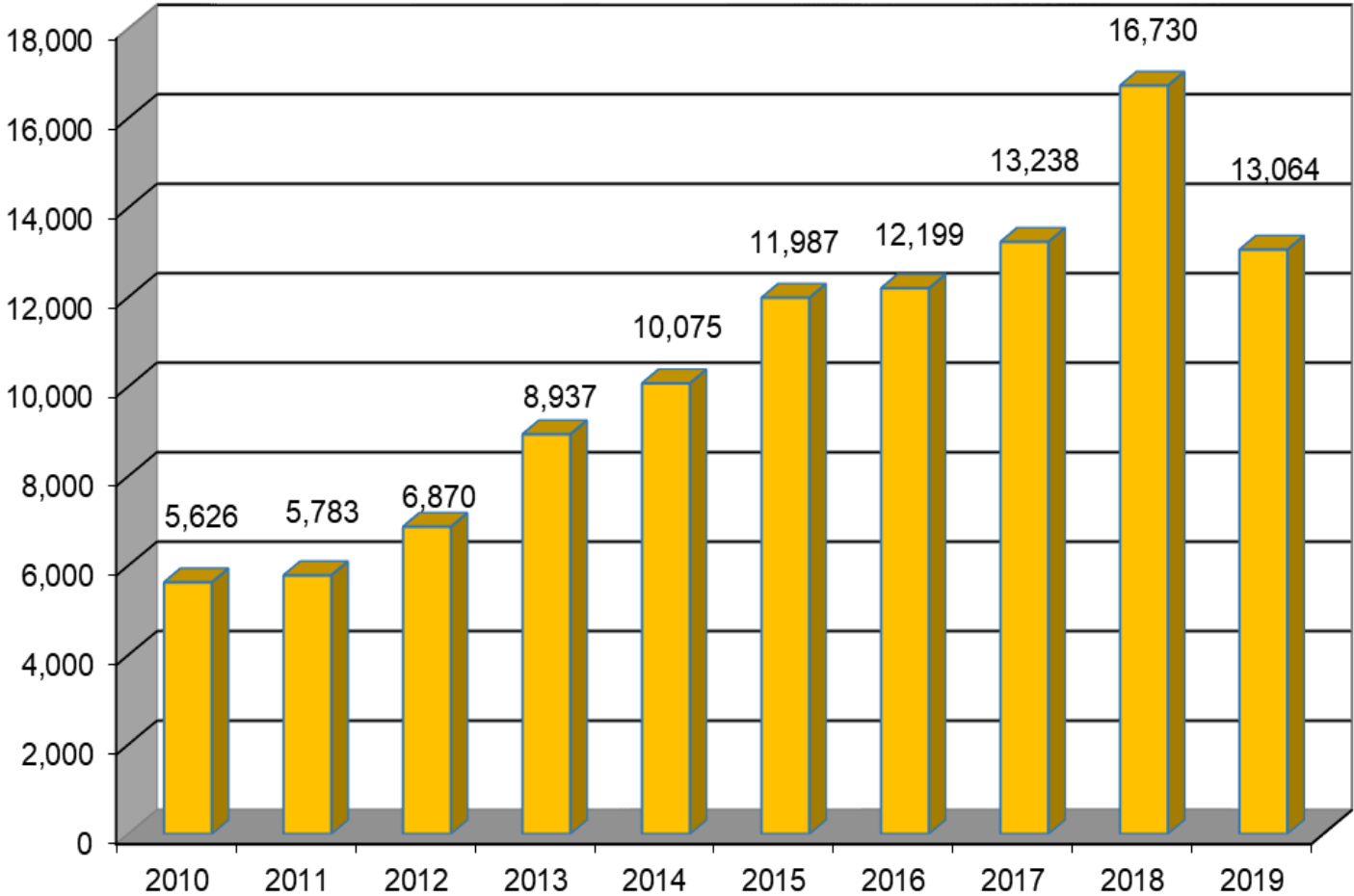
CONSUMER CREDIT

Number of Licensees and Registrants as of December 31, 2019		
Type	Number Registered / Licensed	Number of Branches
Loan License (Non-Mortgage)	88	195
Small Loan Licenses	29	249
Retail Creditors (Non-Lenders)	1733	1355
Rental Purchase Registrants	67	216
Debt Management Companies	29	5
Pawnbrokers	70	86
Money Transmitters	78	*
Check Cashers	28	205
CPAP Providers	9	0
Financial Institutions (state-chartered)	127	*
Mortgage Lenders	415	*
Mortgage Loan Originators	11,499	*
Exempt Company Mortgage Registrants	7	*
Totals	14,179	

*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.

2019

Type of Examination	# of Exams	Exam Hours	# of Violations	\$ Amount of Violations	# of Non-\$ Violations
State-chartered Bank	24	977.25	746	\$40,853.89	57
Check Cashing	12	167.00	3,559	\$110,197.08	2
CPAP Lender	4	75.75	0	\$0.00	12
State-chartered Credit Union	9	334.50	3,018	\$65,321.30	9
Debt Management	9	196.50	61	\$5,106.73	19
Licensed Lender	25	375.25	256	\$5,232.80	6
Small Loan Lender	16	476.75	9,126	\$255,387.84	17
Money Transmitter	1	1.00	0	\$0.00	4
Mortgage Lender	106	1,039.75	3	\$121.97	74
Non-Lender	642	4,066.75	7,273	\$613,382.99	258
Pawn Broker	19	527.75	405	\$7,033.99	19
Rental Purchase	15	278.00	3,600	\$224,295.58	31
Totals:	882	8,516.25	28,047	\$1,326,934.17	508

CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2019

License ID	Loan Licenses	City	State	License Date
41298	AmeriCredit Financial Services, Inc.	Fort Worth	TX	3/7/2019
42713	Constant Energy Capital Management, Inc	Falmouth	ME	9/19/2019
42715	Figure Lending LLC	San Francisco	CA	9/19/2019
42714	Funding University, Inc	Atlanta	GA	9/19/2019
42584	Green Bear of Indiana LLC	Park City	UT	9/4/2019
42852	Nicholas Financial, Inc.	Clearwater	FL	10/10/2019
43206	Tally Technologies, Inc	San Francisco	CA	11/15/2019
42924	The Lutheran University Association, Inc.	Valparaiso	IN	11/1/2019
43318	Thrive Financial Inc	San Francisco	CA	12/9/2019
42583	Versara Lending, LLC	New York	NY	9/4/2019

License ID	Money Transmitters	City	State	License Date
41297	Associated Foreign Exchange, Inc.	Woodland Hills	CA	3/6/2019
43320	Bakkt Marketplace, LLC	Atlanta	GA	12/9/2019
41350	Circle Internet Financial, Inc.	Boston	MA	3/8/2019
41034	eBay Commerce Inc.	San Jose	CA	1/22/2019
41782	Eris Clearing, LLC	Chicago	IL	5/13/2019
42813	LL Pay U.S., LLC	New York City	NY	9/27/2019
43319	Omnex Group, Inc.	Englewood Cliffs	NJ	12/9/2019
41781	Stripe Payments Company	San Francisco	CA	5/13/2019
41711	TokenVault LLC	San Francisco	CA	5/3/2019
41710	tZERO Crypto, Inc.	Midvale	UT	5/3/2019
41839	Wyre Payments, Inc.	San Francisco	CA	5/17/2019

License ID	First Lien Mortgage Lenders	City	State	License Date
41224	Advisors Mortgage Group, L.L.C.	Ocean	NJ	2/28/2019
41124	AHL Funding	Costa Mesa	CA	1/31/2019
41780	ALAMEDA MORTGAGE CORPORATION	Walnut Creek	CA	5/13/2019
41404	American Pacific Mortgage Corporation	Roseville	CA	3/21/2019
42589	AmWest Funding Corp.	Brea	CA	9/4/2019
42155	ATHAS CAPITAL GROUP, INC.	Calabasas	CA	7/8/2019
42156	Bates Mortgage Group LLC.	Smyrna	GA	7/8/2019
41940	Best Capital Funding	Chatsworth	CA	6/6/2019
43111	Better Mortgage Corporation	New York	NY	11/1/2019
42532	Castle Mortgage Corporation	San Diego	CA	8/22/2019
41033	Chaos Home Loans LLC	Las Vegas	NV	1/22/2019
41123	CityWorth Mortgage LLC	Fairfax	VA	1/31/2019

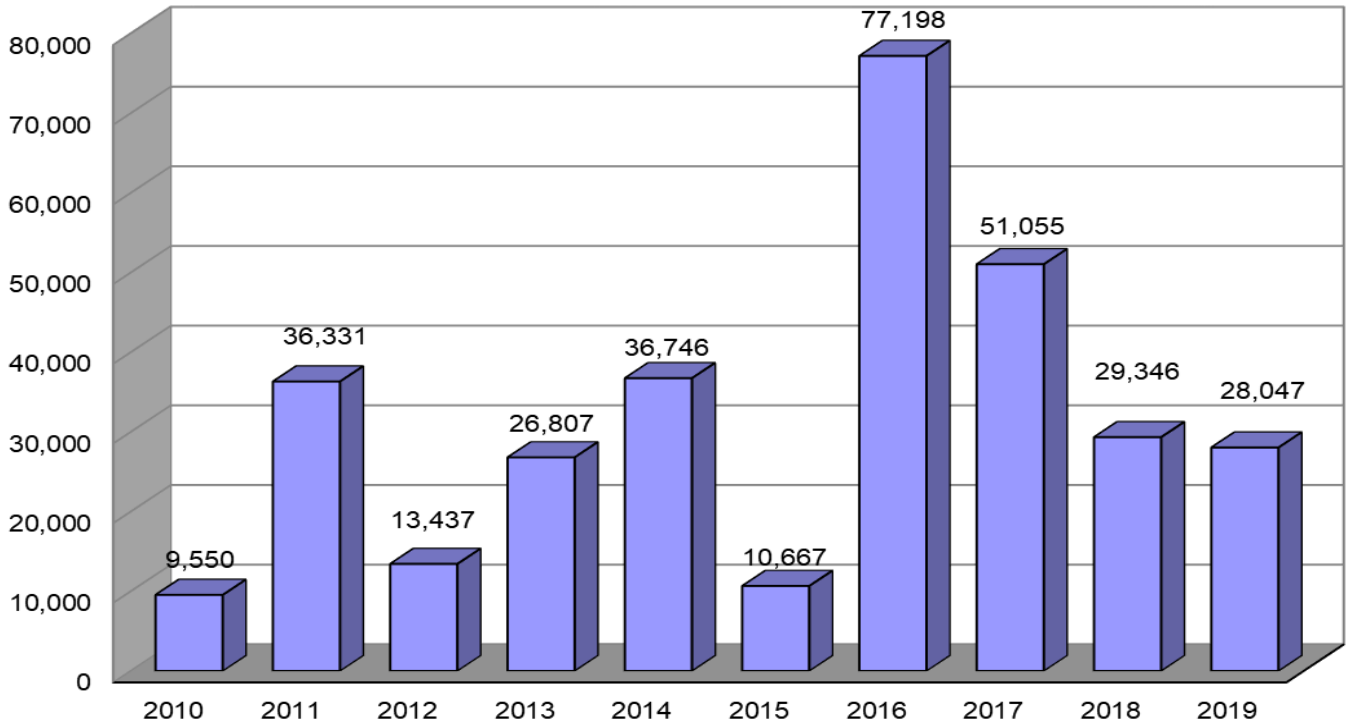
CONSUMER CREDIT DIVISION LICENSES ISSUED IN 2019

License ID	First Lien Mortgage Lenders	City	State	License Date
43499	Colten Mortgage, LLC	Greenwood Village	CO	12/19/2019
43207	Gershman Investment Corp.	Chesterfield	MO	11/15/2019
41223	GMH Mortgage Services LLC	Conshohocken	PA	2/28/2019
41708	Guaranty Home Mortgage Corporation	Murfreesboro	TN	5/3/2019
43110	Howard Hanna Financial Services, Inc.	Pittsburgh	PA	11/1/2019
42462	Liberty Home Mortgage Corporation	Independence	OH	8/15/2019
42533	Mortgage 1 Incorporated	Sterling Heights	MI	8/22/2019
43321	Mutual of Omaha Mortgage, Inc.	San Diego	CA	12/9/2019
43498	Nationwide Mortgage Bankers, Inc.	Lebanon	NJ	12/19/2019
43208	NewCastle Home Loans, LLC	Chicago	IL	11/15/2019
41709	NewRez Community Lending LLC	Westlake	OH	5/3/2019
42710	Nova Financial & Investment Corporation	Tucson	AZ	9/16/2019
41570	Oaktree Funding Corp.	Upland	CA	4/15/2019
43497	Pacific Residential Mortgage, LLC	Lake Oswego	OR	12/19/2019
41939	Premier Mortgage Resources, L.L.C.	Portland	OR	6/6/2019
42463	Sprout Mortgage, LLC	Port Saint Lucie	FL	8/15/2019
41225	Strong Home Mortgage, LLC	Manassas	VA	2/28/2019
42531	T2 Financial LLC	Westerville	OH	8/22/2019
41941	U.S. Mortgage Funding, Inc.	Naperville	IL	6/6/2019

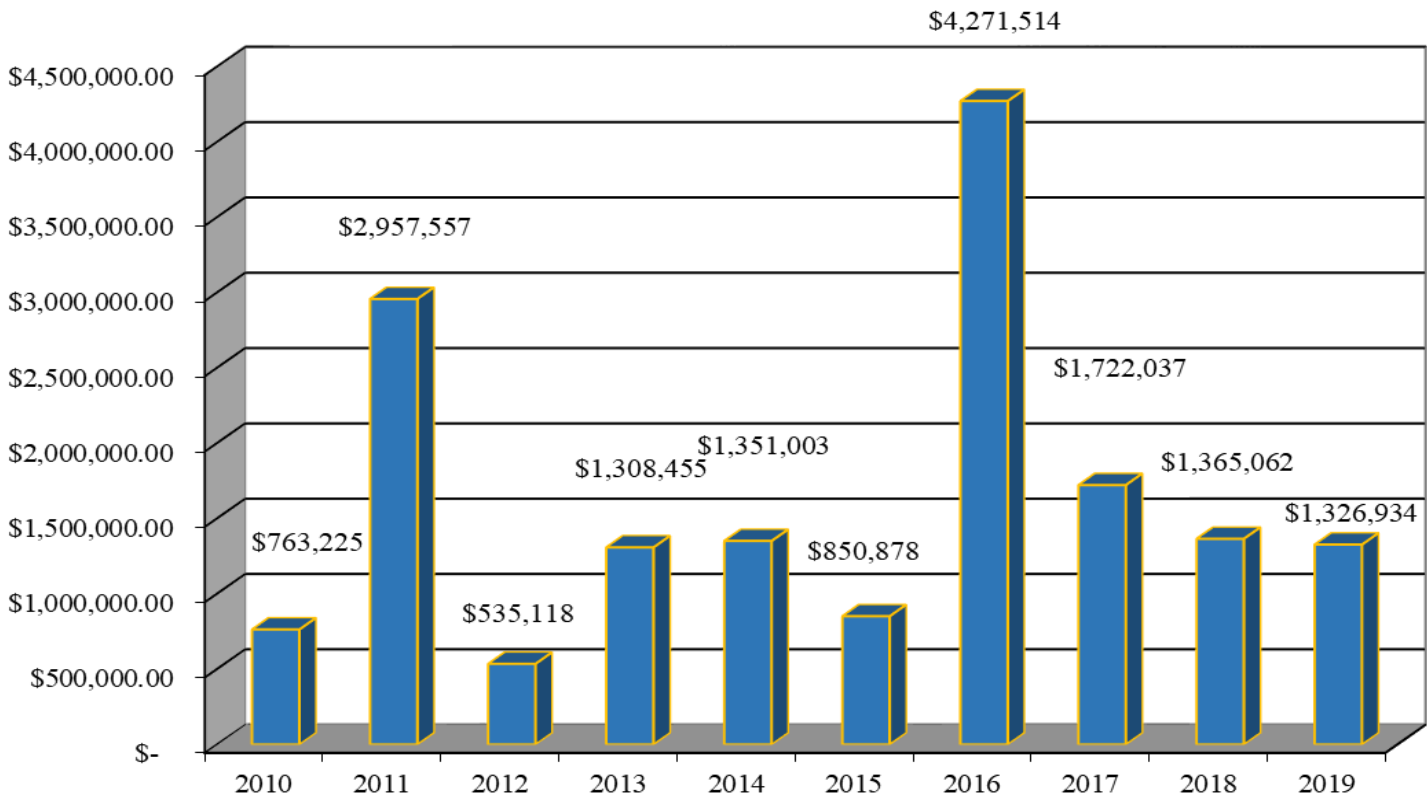
	Mortgage Loan Originators			
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2,456 MLO licenses issued in 2019

Number of Refundable Violations



Amount of Refundable 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

