



IDAHO

DEPARTMENT OF FINANCE



104TH ANNUAL REPORT 2009



C.L. 'Butch' Otter
Governor

Gavin M. Gee
Director

Protecting the Integrity of Idaho Financial Markets Since 1905



IDAHO

DEPARTMENT OF FINANCE

July 1, 2009

THE HONORABLE C. L. "BUTCH" OTTER
GOVERNOR, STATE OF IDAHO

Dear Governor Otter:

I am pleased to submit herewith the 104th Annual Report of the Department of Finance for fiscal year 2009, July 1, 2008 through June 30, 2009. To the extent material events have transpired between the end of the fiscal year and the writing of this Report, those events have been included.

The Department's mission is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idahoans. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken. These goals guide the Department's actions and provide a framework to review items of note from the past year.

The economic turmoil Americans have experienced for the past two years continued this fiscal year. The effects of this downturn are reflected in the Department's fiscal year end statistics, most of which show little increase or an actual decrease, over the last fiscal year. While some economists see signs of improvement on the economic horizon, others find it difficult to predict what the near term holds. We continue to see banks failing nationally at near record numbers, and unprecedented intervention by governments and central banks attempting to restore economic stability. Fortunately, Idaho's financial institutions have fared better than most because of their traditionally conservative lending practices. Overall, Idaho state-chartered financial institutions have remained safe and sound. These financial institutions are well-positioned to assist small businesses, the primary source of new job growth, as the economy recovers.

Despite the economic conditions, the Department collected revenue in the amount of \$10,928,357 this fiscal year, a record amount for our Department. This is attributable in part to over \$776,000 in fines received from large securities firms in settlement of the multi-state auction rate securities cases. As a result of the record revenue, the Department transferred \$5,560,948 to the General Fund; an amount more than the Department's entire fiscal year budget.

During this difficult economic time, our employees have done a superb job of carrying out your administration's goals of providing quality and efficient service to our many stakeholders. We have increased our efforts to promote economic development, reduce regulatory burden, improve financial literacy, and protect consumers in the state.

The Department continues its participation in Small Business Information Fairs throughout the state, and educational efforts for industry. Again this year, consumer educational efforts remained a priority. For example, as in past fiscal years, Department employees made financial education presentations to high school students, remained active in the Idaho Financial Literacy Coalition, and co-sponsored and participated in the State Treasurer's Smart Women, Smart Money Financial Conference. We continued this year to participate in the Idaho Supreme Court's Guardianship Monitoring Project, primarily providing financial review of documents submitted by conservators and trustees in Bannock and Caribou counties; however, we are pleased to report that the Idaho Supreme Court has now taken over this role. Finally, FY2009 consumer protection efforts of the Department resulted in approximately \$140 million ordered returned to victims of fraud or other violations of law.

This Annual Report contains many other highlights of Department initiatives for both industry and consumers. I express my sincere appreciation for the support we have received from you, your staff, the Legislature, the industries we regulate and their associations, and our national associations, and for the dedication of our employees.

Sincerely,

GAVIN M. GEE
Director of Finance

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FOREWORD

The Department of Finance is a regulatory agency charged with the supervision and oversight of state-chartered financial institutions, regulated lenders, securities issuers, broker-dealers and stockbrokers, residential mortgage brokers, lenders, and loan originators, investment advisers and sales personnel, collection agencies, endowed care cemeteries, and others. The Department administers nine distinct programs. Two of these programs relate to the Department's internal operations, while the other seven involve the administration and enforcement of the following twenty-three regulatory statutes:

<i>Idaho Bank Act</i>	<i>Idaho Credit Code</i>
<i>Idaho Bank Holding Company Act</i>	<i>Idaho Mortgage Company Act</i>
<i>Idaho Interstate Banking Act</i>	<i>Idaho Collection Agency Act</i>
<i>Idaho Interstate Branching Act</i>	<i>Idaho Uniform Securities Act</i>
<i>Idaho International Banking Act</i>	<i>Idaho Residential Mortgage Practices Act</i>
<i>Idaho Trust Institutions Act</i>	<i>Business Combination Act</i>
<i>Idaho Savings Bank Act</i>	<i>Control Share Acquisition Act</i>
<i>Business And Industrial Development Corporation Act (BIDCO)</i>	<i>Idaho Commodity Code</i>
<i>Idaho Credit Union Act</i>	<i>Endowment Care Cemetery Act</i>
<i>Idaho Money Transmitters Act</i>	<i>Continuing Care Disclosure Act</i>
<i>Idaho Financial Fraud Prevention Act</i>	<i>Idaho Escrow Act</i>
	<i>Idaho Loan Broker Act</i>

MISSION STATEMENT

The mission of the Idaho Department of Finance is to aggressively promote access to vigorous, healthy and comprehensive financial services for Idaho citizens. This is accomplished through prudent and efficient oversight of financial institutions, investment opportunities, and credit transactions. Through administration of laws enacted by the Idaho Legislature, legitimate financial transactions are encouraged, while fraud, unsafe practices, and unlawful conduct are detected and appropriate enforcement action is taken.

The Department is funded entirely by fees levied by law on the industries subject to its supervision. A list of prior Commissioners/Directors of the Department of Finance is shown in Exhibit I, and a summary of income and expenses and personnel status is shown in Exhibit II. Exhibit VII provides a list of the Department's staff.

DEPARTMENT HIGHLIGHTS AND CURRENT ISSUES

The Department, originally known as the Idaho office of “State Bank Commissioner,” was created March 6, 1905. At that time, the Department administered only one law, the *Idaho Bank Act*, and regulated only the banking industry. Today, the Department oversees nearly 152,000 entities in 15 different financial service industries with billions of dollars in combined assets. The Department delivers services through three operating bureaus: Financial Institutions, Securities, and Consumer Finance. Each bureau delivers services in both a regulatory capacity and as a consumer protection and education advocate.

National and Regional Economic Update – The National Bureau of Economic Research recently dated the start of the recession in December 2007. On average, economists expect signs of improvement in 2010. The recessions of 1973-75 and 1981-82 both lasted 16 months, making this recession the longest downturn since the Great Depression. It is important to note, however, that this recession appears in some respects to be less intense than those in the 1970s and 1980s; this is likely because the business community anticipated a downturn months in advance. Many economists also note that this recession has hit consumers, through declining home prices, reduced values of retirement and other investment accounts, and job losses, harder than businesses.

Idaho Economic Conditions – As noted in the October 2009 *Idaho Economic Forecast*, published by the State of Idaho Division of Financial Management, Idaho’s economic growth slowed this year and jobs data showed markedly poorer employment performance than expected. These factors suggest continued tough economic times ahead in Idaho. In fact, the *Idaho Economic Forecast* suggests that 2010 “is a transitional year with the economy showing some signs of growth...this growth is forecast to pick up speed in 2011 and 2012.”

In addition to the factors affecting the national economy, Idaho experienced further job reductions. Idaho’s largest private employer Micron Technology, and Hewlett Packard further reduced their labor force in late 2008 and early 2009, while MPC closed its doors permanently. A difficult housing market and declines in related construction employment both continued this past year. The higher than anticipated decline in employment is a significant contributor to the current weakening of Idaho’s economy. *Moody’s Economy* forecasts that Idaho’s employment

should begin improving in 2011. Idaho-based financial institutions were significantly impacted during fiscal year 2009 by poor real estate markets, high unemployment, and tighter credit. Idaho deposits in Idaho-based institutions declined slightly during that period, and Idaho state institutions lost a small amount of market share to institutions headquartered outside of the state. The reduction in deposits was partially attributed to the loss of two state-headquartered institutions during the year: one due to acquisition by a nationally chartered bank and one due to the closure of First Bank of Idaho, FSB, by the Office of Thrift Supervision in April 2009, the first closure in the state since August 1988.

As of year-end 2008, institutions headquartered in Idaho continued to outperform institutions nationwide with higher levels of capital and lower levels of delinquencies and charge-offs. However, the decline in asset quality at Idaho institutions affected their earnings. Idaho-based institutions experienced lower earnings last year due to increased provision expenses necessary to build loan loss reserves and cover loan charge-offs. Nonetheless, capital levels in Idaho-based institutions should enable them to face ongoing economic challenges and ensure their viability and presence in Idaho communities.

The credit union industry as a whole remains healthy, as are Idaho-chartered credit unions. Idaho credit unions continued positive growth trends in assets, shares (deposits), and loans. As might be expected under the current economic conditions, delinquency ratios rose slightly in 2008. Overall, net worth decreased from 9.36 percent in 2007 to 8.97 percent at year-end 2008 due to asset growth of 14.92 percent exceeding net worth growth of 10.09 percent for the year. Two credit unions went through charter conversions in fiscal year 2009: one converted from a state charter to a federal charter, and one converted from a federal charter to a state charter. Additionally, two state-chartered credit unions merged during fiscal year 2009. Two new credit union branches were approved and opened during the year, which increased choices for Idaho consumers.

The condition of credit markets had a significant impact on mortgage lending during the fiscal year. Idaho, along with other states, has been proactive in seeking ways to regulate the mortgage industry for many years. A significant element to creating efficiencies in mortgage regulation

has been the implementation of the Nationwide Mortgage Licensing System (NMLS), discussed more fully below.

State and federal authorities have also coordinated their efforts to regulate the mortgage industry in other ways. A summary of three major regulatory initiatives adopted or implemented during the fiscal year are as follows:

- The publication of interagency guidelines for subprime lending and the subsequent issuance of parallel guidance for state-supervised entities, followed by state-developed model examination procedures to test and monitor providers' adoption of these guidelines;
- The utilization of a multi-state protocol for examination and enforcement alliances to build upon the success of previous state predatory lending enforcement cases; and
- The utilization of a state-federal pilot examination program which brings state examiners together with examiners from the various federal financial regulators to conduct simultaneous examinations of mortgage companies whose separate charters cross federal and state jurisdiction.

Global Financial Turmoil – In light of the events that have taken place over the past two years, this report would not be complete without some description of what has transpired. While greatly oversimplified, the Department hopes this overview gives the reader a basic explanation of what has happened and some of the causes.

The terrorist attacks on September 11, 2001, occurred at a time when the U.S. markets were trying to recover from the bursting of the dotcom bubble in the late 1990's. To keep the economy moving forward amid fears of another terrorist attack, the Federal Reserve began to dramatically cut interest rates. The goal of these interest rate reductions was to make credit more widely available and encourage borrowing, spending, and investing. Low interest rates had the intended effect, and one important outgrowth was a boom in the housing market starting in 2002. Record numbers of homes were bought and sold, and home prices increased dramatically due to demand. Many mortgages were re-financed during this time, which allowed homeowners to take out the inflated equity in their homes because of rising home prices.

At the same time, new financial products were introduced into the market. Government National Mortgage Association (Ginnie Mae) had been securitizing and selling asset-backed securities (ABS) and mortgage-backed securities (MBS) for many years, and the securitization of bundles of home mortgages began to expand. Subprime lenders, who participated heavily in the real estate mania, found their loans could be sold to Wall Street, packaged with other loans as MBSs, and sold to investors. Another investment product was also created called the collateralized debt obligation (CDO). CDOs were basically a re-packaging of the lower grades of MBSs. Many of these securities were able to garner investment grade ratings from the credit rating agencies and, thus, were attractive to institutional buyers. These MBS and CDO securities were widely purchased by pension funds, hedge funds, commercial banks, and other institutional investors.

Wall Street appears to have had an endless demand for mortgage loans at this point. This demand made it very profitable for mortgage originators to make loans. Lending criteria for many originators became lax or non-existent. Potential homeowners, who would never have qualified for a home loan under traditional lending standards, were approved.

By mid-2006, home sales began to slow, and home prices stopped rising. The first of the adjustable rate mortgages that borrowers obtained began to reset (adjust) to higher rates. Borrowers who struggled with higher payments began to default.

As borrowers defaulted and foreclosure rates rose, the value of MBSs and CDOs dropped dramatically and in some cases became worthless. Unfortunately, the bad loans had been bundled and re-bundled in the securitization process and made it virtually impossible to discern the true value of any given bundle. These products became too risky for institutional purchasers, and they stopped buying. Without purchasers for their loans, dozens of mortgage lenders closed, filed for bankruptcy, or ceased lending altogether.

In normal credit markets, financial institutions borrow and lend hundreds of billions of dollars a day to each other. This money is extended as credit to consumers and businesses to fuel the U.S. economy. However, financial institutions became wary of lending to each other because it was impossible to tell how large of an exposure each had to the toxic MBSs and CDOs. This resulted in a “credit crisis.” A number of economists say the biggest problem with a credit crisis is that the fear that starts in one place will spread quickly to other areas, even those that do not have

fundamental problems. A credit crisis requires fast intervention to forestall further panic and damage.

In September 2007, the Federal Reserve made the first of seven interest rate cuts to address this crisis. In an unprecedented move, the Federal Reserve also agreed to start loaning money directly to Wall Street firms and to accept MBSs as collateral.

The subprime holdings of large institutions also began to create problems. Ultimately, two Bear Stearns hedge funds closed after large subprime losses, and created losses for Wall Street firms that had lent to them. Seemingly like dominoes, October 2007 saw the first announcement of huge subprime related losses from UBS, Merrill Lynch, Citigroup, and others.

In March 2008, Bear Stearns collapsed and was acquired by JP Morgan. At the time, Bear Stearns was the fifth largest investment bank in the U.S. Institutions around the world continued to report huge losses. In September 2008, the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corp. (Freddie Mac) were placed into conservatorship by the U.S. Treasury. A week later, Lehman Brothers filed for bankruptcy, and Bank of America agreed to buy Merrill Lynch. On September 16, 2008, AIG Corp., the world's largest insurer, received an \$85 billion bailout from the U.S. Federal Reserve. That same day, the net asset value of shares in the Reserve Primary Money Fund fell below \$1, due largely to losses related to Lehman Brothers. On September 25, 2008, Washington Mutual, Inc. was purchased by JP Morgan. As financial firms failed, the stock market plummeted.

In October 2008, Congress passed and President Bush signed the Emergency Economic Stabilization Act of 2008. This program established the \$700 billion Troubled Asset Relief Program (TARP). This rescue plan was designed primarily to remove the worthless mortgage assets from the books of financial companies. On October 7, 2008, the FDIC announced a temporary increase in deposit insurance coverage to \$250,000 per depositor. (In May 2009, this increase was extended by President Obama through December 31, 2013.) On October 14, 2008, Treasury announced that the TARP would make available \$250 billion of capital to U.S. financial institutions. Under TARP, banking organizations could apply for a preferred stock investment by Treasury. By the end of FY2009, the treasury ultimately purchased \$203 billion in

preferred stock in 649 U.S. banks. Thirty-two banks repaid their TARP investments, totaling \$316 million

Market conditions deteriorated into November. During the month, Treasury announced a new streamlined loan modification program in conjunction with the Federal Housing Finance Agency (FHFA), the Department of Housing and Urban Development (HUD), and the HOPE NOW Alliance. The program was designed to reach and help homeowners who want to keep their homes and have means to do so. Shortly thereafter, Treasury Secretary Paulson announced that Treasury had decided not to use TARP funds to purchase illiquid mortgage-related assets from financial institutions as the money could be used more effectively elsewhere.

In December, the National Bureau of Economic Research, Inc., announced that the U.S. had entered a recession in December 2007. On December 16, 2008, the U.S. Federal Reserve Board lowered the target range for the Federal Funds rate (its benchmark interest rate for short-term interest rates) to 0.25 percent. This was the first time on record that the rate was lowered to near zero. The Federal Reserve stated: “The Federal Reserve will employ all available tools to promote the resumption of sustainable economic growth.”

In January 2009, newly-elected President Barack Obama was inaugurated. His administration had worked closely with the Bush administration during the transition period so there appeared to be a smooth hand-off of the financial situation. Financial turmoil continued, however. On January 28, 2009, the National Credit Union Administration (NCUA) announced that it would guarantee uninsured shares at all corporate credit unions through February 2009. It also established a voluntary guarantee program for uninsured shares of credit unions through December 2010. The NCUA Board also approved a \$1 billion capital purchase in U.S. Central Corporate Federal Credit Union.

On February 17, 2009, President Obama signed into law the “American Recovery and Reinvestment Act of 2009” which contained a variety of spending measures and tax cuts intended to promote economic recovery. The next day, President Obama announced the Homeowner Affordability and Stability Plan. This program was designed to facilitate the refinancing of conforming home mortgages owned or guaranteed by Fannie Mae or Freddie Mac that exceeded 80 percent of the value of the underlying home. The program also created a \$75 billion Homeowner Stability Initiative to modify the terms of eligible home loans to reduce monthly loan payments.

Also in February, the Federal Reserve Board, FDIC, Office of the Comptroller of the Currency and Office of Thrift supervision announced that the number of “problem banks” increased from 171 institutions at the end of the third quarter of 2008 to 252 institutions at the end of fourth quarter 2008. There were 25 bank failures in 2008, the largest number since 1993. Banks failed at an alarming rate throughout 2009, with 124 bank failures reported at November 30, 2009. A Ketchum, Idaho-based federal savings bank was the only financial institution to fail in Idaho during the fiscal year, the first bank failure in Idaho in over 21 years.

In March, the Treasury Department outlined its plan for financial regulatory reform. The plan, which focuses on containing systemic risk in the financial system, calls for a single regulator to be responsible for systemically-important firms and critical payment and settlement systems. The plan seeks to require registration of hedge funds over a certain size, comprehensive regulation of the OTC derivatives market, new requirements for money market funds, and stronger resolution authority for financial institutions that pose systemic risks to the economy.

In May, the Federal Reserve Board released the results of the Supervisory Capital Assessment Program or “stress tests” of the 19 largest U.S. bank holding companies finding ten of the institutions needed to raise additional capital to meet their required capital buffers. This determination was made to ensure the bank holding companies could withstand a worse-than-expected economic scenario. (By November 2009, nine of the ten bank holding companies had raised the needed capital, and the tenth was expected to meet the requirements by accessing TARP funds.)

On May 22, 2009, President Obama signed the Credit Card Accountability, Responsibility and Disclosure Act of 2009 or Credit CARD Act of 2009. This comprehensive credit card reform legislation has several key components:

- Bans unfair rate increases
- Prevents unfair fee traps
- Plain sight/plain language disclosures
- Accountability
- Protections for students and young people.

The bill was passed with extremely high bipartisan support by both the House of Representatives and the Senate.

In June 2009, Treasury released its proposal for reforming the financial regulatory system. It seeks creation of a Financial Services Oversight Council and new authority for the Federal Reserve to supervise all firms that pose a threat to financial stability, including firms that do not own a bank. Treasury also proposed that Congress create a new Consumer Financial Protection Agency. Treasury's bill proposes that all current consumer protection functions of the Federal Reserve System, Comptroller of the Currency, Office of Thrift Supervision, FDIC, FTC and the NCUA be transferred to the new agency.

By the third quarter of 2009, the earnings of banks and thrifts appeared slightly improved. However, the FDIC reported the number of "problem banks" continued to rise, hitting 552, its highest level in 16 years.

2010 will again be a challenging year for businesses, individuals, and government policymakers. We are hopeful that the positive indicators being seen in the market at the end of 2009 will continue into the new year.

Legislation and Rulemaking – The Department sponsored one piece of legislation that was enacted during the 2009 Idaho Legislature. Amendments were made to the Idaho Residential Mortgage Practices Act to implement the federal Secure And Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act), which Congress adopted as part of the Housing and Economic Recovery Act of 2008. By passing this legislation, Idaho averted a burdensome dual federal/state mortgage regulatory structure in Idaho. The federal S.A.F.E. Act standards do more than require mortgage loan originators to be licensed or registered in every state through the Nationwide Mortgage Licensing System. The new standards for regulation of mortgage loan originators also include:

- Credit report checks
- Criminal history checks
- Pre-license testing
- Pre-license education and post-licensure continuing education
- State mortgage recovery fund
- Annual mortgage call reports

- Reporting of enforcement actions and public access to this information
- Consumer complaint processing

The S.A.F.E. Act standards also include a lifetime bar from obtaining a mortgage loan originator license in the United States by anyone who has been convicted of a felony involving fraud, dishonesty, or breach of trust, or money laundering.

The Legislature also approved the Department's pending rules pursuant to the Idaho Residential Mortgage Practices Act. The rules pertain primarily to continuing education requirements and the Nationwide Mortgage Licensing System.

Electronic Commerce and Technological Adaptation – With the help of technology, states continue to take the lead in passing and enforcing laws to protect consumers in the mortgage arena. Over the past two years, state mortgage regulators have implemented the Nationwide Mortgage Licensing System (NMLS) to enhance consumer protection by, among other things, identifying perpetrators of mortgage fraud and weeding them out of the business. Additionally, during the past year, 49 states, including Idaho, have adopted the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Act), discussed above. The S.A.F.E. Act requires that all states have a mortgage loan originator licensing system in place by August 1, 2009, utilizing the NMLS. Idaho was ahead of most states in this area because Idaho has licensed mortgage loan originators since January of 2006. Idaho was also among the first states to join the NMLS in January of 2008.

In August 2008, ComplianceEase®, a private provider of compliance solutions, announced its initial release of its RegulatorConnect® and RegulatorDirect® solutions. These programs will enable state-regulated mortgage lenders and banking institutions to plug into a new, automated regulatory examination process to reduce time and costs. At the heart of the new process is ComplianceAnalyzer®, which was selected by the Conference of State Bank Supervisors (CSBS) to provide baseline as well as customized state agency-specific audits as the examination automation component of the Model Examination Guidelines (MEGs) initiative. In 2007, the American Association of Residential Mortgage Regulators and CSBS established the MEGs for state regulators to use as a set of recommended standards for their members' examination processes.

The Department continues its commitment to find ways to streamline regulation while improving internal productivity. The application of new technology, regulatory adaptation, and operational design has allowed the Department to provide appropriate oversight for the many entities and individuals under its authority. During the fiscal year, the Department recorded and processed more than 150,000 submissions for securities filings, registration/license applications, charter applications and others. Most Idaho registered securities sales agents (this year numbering approximately 78,000) have been licensing electronically since the 1980s. Also, the Department continued its participation in a national electronic licensing and filing system for investment advisory firms and their agents. The Department plans to eventually have the capability to accommodate electronic submission capabilities for each industry overseen by the Department. The Department's current web address is <http://finance.idaho.gov>.

This year the Department continued to use its financial literacy webpage where visitors may view a schedule of events for Financial Literacy Month, and find other helpful financial education links, materials, and curriculum for presentations.

REGULATORY AND EDUCATIONAL INITIATIVES

Significant changes in the regulatory and competitive structures of the financial services industry continue to occur. These changes require adaptation by both industry and regulators. In this regard, the Department and its staff have engaged in several activities associated with improving regulation and reducing regulatory burdens, while also expanding educational opportunities for both industry and consumers.

Individual Development Account (IDA) Advisory Board – The Idaho IDA Program is an asset-building program that helps qualified low-income applicants purchase a home, go to school, or start a business. With matching funds saved in these accounts from various sources, IDAs promote self-sufficiency and build personal assets that help low-income individuals and families move out of poverty. The Director of the Department of Finance serves on the Idaho IDA Advisory Board.

Regulatory Burdens and Related Costs – The Department continues its commitment to provide reasonable regulatory oversight without imposing excessive costs on industry. Idaho’s overall regulatory fees are among the lowest of any state in the country. Moreover, annual assessments charged to banks and credit unions have been discounted from the statutory maximum amounts. This discount has resulted in significant savings for state-chartered financial institutions.

In addition to reducing fees, the Department is implementing ways to reduce other regulatory burdens without reducing the effectiveness of its regulatory oversight. For example, the Department continues to explore ways to direct its examination resources more effectively by reducing the number of staff hours spent in institutions that are healthy and that routinely gain high marks for financial and operational integrity.

Small Business Capital Formation Efforts – The Department again participated with more than a dozen state and federal agencies in Small Business Information Fairs held throughout the state. The fairs are a one-stop source of information for persons interested in starting a small business. At these events, the Department presents information about financing options for small businesses in addition to providing assistance in understanding and complying with the various laws the Department administers.

Industry Educational Efforts – The Department continues its efforts to assist industry in understanding and complying with regulatory requirements. During the course of each year, members of the Department’s staff make presentations before various local industry groups. In many cases, the Department delivers information on current industry compliance issues, as well as helping industry to better understand how the Department operates. Often, these presentations result in an opportunity for industry participants to have specific issues and concerns addressed in an informal discussion setting. The Department’s Consumer Finance Bureau publishes a bi-annual industry newsletter entitled “*The Idaho Compliance Connection*” as a tool to inform collection agencies, mortgage brokers, mortgage lenders, mortgage loan originators, regulated lenders, escrow agencies, and payday lenders about statutory and regulatory requirements and changes.

Throughout the year, the Department provides educational opportunities for industry participants. Programs presented this year included:

- The Department conducted mortgage licensee training seminars in Boise, Twin Falls, Idaho Falls/Pocatello and Coeur d'Alene for nearly 290 participants covering mortgage fraud trends, preparing for compliance examinations, and the Nationwide Mortgage Licensing System (NMLS). Continuing education credits were offered to loan originators who attended the trainings.
- The Department Director and Consumer Finance Bureau staff made presentations to the annual meeting of the Idaho Financial Services Association.
- Consumer Finance Bureau staff made educational presentations during the 2008 Annual Conference of the Idaho Association of Mortgage Brokers.
- The Department participated in a Credit Union Outreach program with the Idaho Credit Union League in Lewiston, Boise, Idaho Falls and Pocatello. The program provided senior credit union management and volunteers with information on the Idaho Credit Union Act, fields of membership, Bank Secrecy Act and other "hot topics."
- The Department co-sponsored and gave presentations at AARP's Predatory Lending Conference. The Conference offered mortgage industry training to attorneys, real estate agents, and insurance agents and provided continuing education credits to mortgage loan originators.
- The Department co-sponsored the seventh annual Conference of State Bank Supervisors (CSBS) Bank Directors Training Seminar in Coeur d'Alene in September 2008. Several prominent speakers shared current information on market conditions and the banking industry, merger and acquisition conditions and opportunities, bond portfolio management, real estate appraisals in a down market, risk management issues for commercial real estate, and red flags for problem banks.
- Consumer Finance Bureau staff spoke at a meeting of the National Association of Professional Mortgage Women on the state of the mortgage industry in Idaho.
- Consumer Finance Bureau staff also made presentations at the Western Business Education Association's annual meeting. This is an association of business teachers. Approximately 200 teachers attended.

- Members of the Consumer Finance staff spoke at the Idaho Collectors Association’s annual meeting to discuss compliance issues, enforcement actions, and licensing information.
- The Director and Financial Institutions Bureau Chief participated in a “Meet Your Regulator” panel discussion at the Idaho Credit Union League’s annual meeting.
- The Director spoke at the annual and winter meetings of the Idaho Bankers Association and the Idaho Community Bankers Association.

Consumer Educational Efforts – The Department has a long tradition of providing educational resources to Idahoans. The Department maintains an active “speakers bureau” and provides educational presentation materials on a variety of topics including investment fraud and consumer credit issues.

This year, in light of the widespread financial turmoil, the Department made a concerted effort to educate Idahoans about the overall safe and sound condition of Idaho state-chartered financial institutions, and the safety of insured deposit accounts. Throughout the year, the Department made presentations, issued press releases, prepared a flyer on the safety of federal deposit insurance, prepared a flyer on the soundness of Idaho’s banks, thrifts and credit unions, responded to media inquiries and assisted industry groups in getting the word out that money in insured accounts is safe.

This year staff presentations included those at Boise State University through the University 101 classes, the Employee Learning and Development Program, the College Assistance Migrant Program (CAMP) and a local fraternity; the Idaho Department of Transportation; the Idaho State Treasurer’s Smart Women, Smart Money Financial Conference; the Idaho Victim Assistance Academy (this presentation was done by a Department deputy attorney general); the Idaho History and Social Sciences Teachers conference; AARP’s “Retire Well” pilot series; the Idaho Paralegal Society, and others. The Department also co-sponsored with the Idaho Financial Literacy Coalition conferences called “Your Money Matters.”

The Department continued its partnership with the Idaho Council on Economic Education (ICEE) during the fiscal year. ICEE and the Department sponsor the “Stock Market Game” and other financial education programs. This year an Idaho student from Bishop Kelly High School

in Boise won first place in the national InvestWrite investment essay contest which is part of the Stock Market Game. Both the student and his teacher won a laptop and a trip to New York among other prizes. The Department participated in workshops sponsored by ICEE to educate teachers about securities fraud, financial literacy and other financial educational opportunities in conjunction with ICEE. The Department also participated in the ICEE's International Economic Summit in Boise. This Summit is geared toward junior and senior high school students in the Boise, Meridian, and Eagle school districts. During the Summit, students are divided into teams representing various countries throughout the world. The teams compete as "economic advisers" and work to better their country's economic situation as well as improve the world as a whole. Finally, the Department participated in the ICEE's International Economic Summit held in Nampa at Northwest Nazarene University later in the year.

Industries regulated by the Department also actively promote financial literacy. Many participate in or sponsor programs designed to increase students' knowledge about personal finance, including The Bank of Commerce's partnership with the University of Idaho's "Welcome to the Real World" financial literacy program targeted to tenth grade students; Idaho Central Credit Union's partnership with Mountain View High School in Meridian, including teaching classes on savings and credit, and a student-operated branch within the school; and, Community 1st Bank's facilitation of a Junior Achievement class for the eighth grade at River City Middle School in Post Falls. Other banks and credit unions provide valuable financial counseling to their customers and members, and to their communities at large. This past year, Idaho Advantage Credit Union participated with the Idaho Credit Union League in providing budgeting basics to members during their lunch hour; Idaho Credit Union partnered with SHIP (Supporting Housing and Innovative Partnerships) to provide financial education to people recovering from alcohol and substance abuse, and also offered free mortgage education in the Boise area. These are only a few examples of the commendable efforts of Idaho's banks and credit unions during the past year to serve their communities by increasing knowledge about personal finance.

Financial Literacy Month 2009 – Joining state securities regulators and a broad-based coalition of consumer groups and industry members, including the Idaho Financial Literacy Coalition (IFLC), the Department participated in the eleventh annual Financial Literacy Month during the

month of April. On March 31, 2009 Governor C.L. “Butch” Otter signed a proclamation declaring April to be “Financial Literacy Month” in Idaho. This year the events that occurred during financial literacy month included weekly press releases on financial “hot topics,” and presentations on financial topics to Boise State University and high school classes.

Kootenai County has become very active in Financial Literacy Week. Its IFLC affiliate, Get \$mart Idaho, along with our Department and the Idaho State Treasurer’s Office, participated in Kootenai County Financial Literacy Week. In addition to community events, Department staff made presentations at Post Falls High School, Coeur d’Alene High School, Coeur d’Alene Alternative School and Kootenai High School.

Other events during the month included: the “You Can Retire Well” seminar series sponsored by the University of Idaho Extension, AARP, the Social Security Administration, and the Department. The Idaho Financial Literacy Coalition and the Department co-sponsored the conference “Your Money Matters” at the Nampa Civic Center; in conjunction with this conference, IFLC and the Department sponsored a teacher training course entitled “A Training Session for Teachers of the New High School Course: Mathematics of Personal Finance.”

Idaho Financial Literacy Coalition – The Department remained actively involved in the Idaho Financial Literacy Coalition (IFLC) again this year. The IFLC is comprised of a broad array of individuals from government, education, segments of the financial services industry, and for-profit and non-profit groups. The mission of the IFLC is to improve the quantity and quality of information and educational programs related to personal finance by providing resources and instruction to educators, youth leaders, and others in need of assistance or at financial risk.

Industry and Regulatory Cooperation and Coordination – The Department makes significant efforts to coordinate its activities with both industry and other regulatory agencies. Such coordination and cooperation is increasingly important in an interstate, international and electronic commercial world. The Department meets regularly with industry trade associations and other state and federal regulators. The Department has also continued to work closely with CSBS and AARMR on the Nationwide Mortgage Licensing System (NMLS).

In July 2008, the Department participated in the Homeownership Preservation Meeting sponsored by the Federal Reserve Bank of San Francisco in Boise. The purpose of this meeting was to bring together local groups to discuss the state's foreclosure situation and to develop ways to help Idahoans who are facing or already in foreclosure. Other participating agencies were the Idaho Bankers Association, the Boise office of HUD, Idaho Housing & Finance Association, local housing agencies and the largest mortgage lenders and servicers in Idaho.

Other joint initiatives undertaken this year include:

- The Department made presentations to various groups in conjunction with the Idaho Department of Insurance - sponsored "Fraud Week."
- The Department and 22 other states participated in the Federal Trade Commission's "Operation Clean Sweep" directed at companies offering or engaging in unlawful credit repair practices.
- The Department joined the U.S. Postal Service (USPS), the Better Business Bureau, the Twin Falls Police Department and the Social Security Administration in making presentations at several Idaho retirement homes during National Consumer Protection Week in March. This is a program sponsored by the USPS. In May, the Department teamed up with the cities of Nampa and Caldwell, Neighborhood Housing Services, Idaho Housing & Finance Association, the Federal Reserve Bank of San Francisco, HUD, Idaho Legal Aid, IFLC, and others to present a "Foreclosure Intervention Workshop". The event was well-received with more than 100 Idahoans attending.

Securities Investor Education Fund – The Department continues to stress the overall importance of financial literacy among Idahoans as a means to reduce the number of fraud victims and other investment related complaints. The Securities Investor Education Fund, established as part of the Idaho Uniform Securities Act, provides a source of funding for securities investor education and training. Since September 1, 2004, monies received as part of civil penalties and administrative fines have been used to establish a fund (up to \$50,000 per year) for the education of Idaho investors.

INDUSTRY RESULTS IN IDAHO

Banking in Idaho – Total deposits in Idaho-based institutions increased over the prior period. Idaho state-chartered banks reported an increase in total deposits of \$190 million or 4.5 percent in calendar year 2008. Idaho state-chartered banks also increased total assets 9.5 percent to \$6.1 billion.

Credit Unions in Idaho – Idaho state-chartered credit unions continued to experience growth in both assets and deposits over the past calendar year. Total assets of state-chartered credit unions increased by \$142.9 million or 9.02 percent, and total aggregate net worth increased by \$19.3 million to \$161.8 million. Idaho-based credit unions also experienced strong growth in shares (deposits) to \$1,540 million, an increase of 8.61 percent.

Consumer Finance – Conditions in the mortgage market have had an impact on licensed entities doing business in Idaho, as well as on consumers seeking credit. Although this has led to a reduction in the overall number of mortgage related licensees, the Department continues to receive a steady number of mortgage broker/lender and loan originator license applications. This year, the Department had regulatory oversight responsibility for 464 licensed regulated lender and title lender office locations, 224 licensed payday lender office locations, 980 licensed mortgage broker/lender office locations, 3,156 individual mortgage loan originator licensees, and 40 licensed escrow agency locations. In addition, the Consumer Finance Bureau had regulatory oversight responsibility for 575 licensed collection agencies. The number of collection agency solicitors/collectors registered in Idaho was 56,845 at fiscal year end.

Securities – The Securities Bureau processed more than 88,000 submissions in fiscal year 2009, down about 3% from the prior year. The Bureau's oversight also extends to nearly 78,000 individuals who currently hold Idaho registrations as broker-dealer agents, investment adviser representatives and issuer agents. This represents a 3% decrease over the prior fiscal year. Through civil and administrative sanctions, the Bureau obtained orders for approximately \$11.5

million in rescission for Idaho investors. The potential financial impact of securities cases under investigation during the fiscal year exceeded \$325 million.¹

¹ During the fiscal year, the Department undertook an investigation of a seller of auction rate securities. The financial impact of that case alone was approximately \$75 million.

FINANCIAL INSTITUTIONS BUREAU

Idaho Bank Act
Idaho Bank Holding Company Act
Idaho Financial Fraud Prevention Act
Idaho International Banking Act
Idaho Interstate Banking Act
Idaho Interstate Branching Act
Idaho Trust Institutions Act
Idaho Savings Bank Act
Business and Industrial Development Corporation Act
Idaho Credit Union Act

The Financial Institutions Bureau is responsible for promoting the safety and soundness of state-chartered commercial banks, savings banks, credit unions, bank holding companies, trust companies, and business and industrial development corporations operating in Idaho. The Bureau ensures that these institutions are operating safely and soundly, that the public can have confidence in the financial system, and that the interests of depositors, creditors and shareholders are protected. The Bureau is responsible for enforcement of the Idaho Bank Act, Idaho Bank Holding Company Act, Idaho Financial Fraud Prevention Act, Idaho Interstate Branching Act, Idaho Interstate Banking Act, Idaho International Banking Act, Idaho Savings Bank Act, Idaho Trust Institutions Act, Idaho Credit Union Act, and the Business and Industrial Development Corporation Act. The Bureau supervises state-chartered institutions by providing high quality supervision directed at identifying material problems, or emerging problems, in individual institutions or the financial services industry, and ensuring that such problems are appropriately corrected. The Bureau monitors and evaluates the financial health of state-chartered institutions, along with the various risks facing these institutions, through the on-site regulatory examination process and off-site monitoring program. The Bureau also investigates complaints against state-chartered financial institutions filed with the Department.

The Bureau works closely with federal and other state regulators to provide our industries seamless supervision, minimal disruption and costs, and effective use of resources. Teams for examinations normally include both state and federal examiners. We support the "single point of contact" process for state-chartered institutions operating on a multi-state basis.

The Bureau is strongly committed to providing effective regulation without excessive costs. Our fees remain among the lowest in the nation. This results in significant savings for state-chartered banks. We do not charge examination fees and process most applications for nominal, or no fees. Idaho financial institutions incur significantly less in regulatory costs than their federal counterparts.

Recent challenges in the state and national economies have impacted our citizens and the institutions we regulate. We are responding through the prudent and efficient oversight of financial institutions, by the administration of laws enacted by the Idaho Legislature, and by applying appropriate enforcement actions where necessary.

National Accreditation

The Conference of State Bank Supervisors (CSBS) and the National Association of State Credit Union Supervisors (NASCUS) have established accreditation standards for both bank and credit union supervision and regulation. The accreditation process requires a comprehensive review of all factors needed to have a fully functional regulatory organization. The bank and credit union sections were initially accredited in 1990. Every year the accreditation committee requires updated information to maintain accredited status; a full-scale re-accreditation occurs every five years and was last renewed in 2005. The Department's banking and credit union programs have been continuously accredited by CSBS and NASCUS since 1990, contributing to the Department's ranking among the top banking departments in the country.

Education and Examiner Training

Continuing education and training continue to be very important elements to maintaining accreditation, as well as maintaining confidence and validation with those we regulate. The Department aggressively supports educational opportunities for its examiners. During fiscal year 2009, examiners attended training sessions provided or sponsored by the Federal Deposit Insurance Corporation, the Federal Reserve System, the Conference of State Bank Supervisors, and the Pacific Coast Banking School. The ten examiners assigned to the banking section attended 20 weeks of off-site training during the fiscal year.

BANKING SECTION

The Banking Section is charged with the responsibility of supervising Idaho's state-chartered commercial banks, savings banks, and bank holding companies to ensure safe and prudent banking practices for the benefit of depositors and shareholders, to maintain public confidence in the banking system, to promote fair competition, and to encourage the continuation, maintenance, and preservation of the dual banking system. The Banking Section also licenses and supervises financial institution trust departments, and business and industrial development corporations (BIDCOs).

As of June 30, 2009, there were eight bank holding companies, fifteen commercial banks (four with trust powers), and one BIDCO under the Banking Section's direct supervision. The Banking Section also has regulatory oversight responsibilities, as the host state supervisor, for eight state-chartered banks operating in Idaho and chartered by other states. As of June 30, 2009, these institutions held \$1.9 billion of Idaho deposits and operated 73 offices throughout the state: AmericanWest Bank (9 branches), Banner Bank (8 branches), Inland Northwest Bank (4 branches), Sterling Savings Bank (18 branches), and Washington Trust Bank (13 branches) are chartered by the State of Washington; Bank of the West (7 branches) is chartered by the State of California; Bank of the Cascades (13 branches) is chartered by the State of Oregon; and Lewiston State Bank (1 branch) is chartered by the State of Utah. As a host state supervisor, the Banking Section also has indirect supervision over eleven out-of-state bank or financial holding companies with banking operations in Idaho.

In fiscal year 2009, the Banking Section completed eleven risk management examinations, one consumer compliance examination, and four trust examinations. The Banking Section also performed ten information technology examinations and eleven Bank Secrecy Act examinations in conjunction with the risk management examinations, and participated in three consumer compliance visitations, one new bank visitation, and one coordinated supervisory review of an out-of-state bank holding company.

Legislation and Regulation

Important legislation and regulations were enacted during this fiscal year. These laws addressed the serious financial challenges facing the economy and the country's financial systems.

The Federal Emergency Economic Stabilization Act (EESA) of 2008 was signed into law on October 3, 2008, with a stated purpose to provide authority to the Treasury Secretary to restore liquidity and stability to the U.S. financial system and to ensure the economic well-being of Americans. EESA contains several programs that promote this goal. Particular to banking, the Troubled Asset Relief Program (TARP) was established to stabilize the nation's financial system and prevent a systemic collapse. Under the TARP umbrella, the U.S. Treasury implemented the Capital Purchase Program (CPP). This program allows the U.S. government to invest in preferred equity securities issued by viable, healthy financial institutions. To date, four Idaho state-chartered banks participate in this program with \$61.8 million in preferred equity issued.

To complement the CPP, the FDIC implemented the Temporary Liquidity Guarantee Program (TLGP) on October 13, 2008, by invoking the systemic risk exception pursuant to Section 141 of the Federal Deposit Improvement Act of 1991. Designed to improve access to liquidity due to major disruptions in credit markets for financial institutions, this program contains two components. Participants in the Debt Guarantee Program may issue senior unsecured debt that is guaranteed by the government. The Transaction Account Guarantee Program guarantees non-interest-bearing transaction deposit accounts above \$250,000 regardless of dollar amount, in participating institutions. The TAG Program's expiration date was extended to June 30, 2010, and the Debt Guarantee Program was extended to the earlier of maturity of the debt or December 31, 2012. In addition to extending the expiration on TLGP, the expiration date on the temporary increase in deposit insurance from \$100,000 to \$250,000 was extended to December 31, 2013.

IDAHO BANKING INDUSTRY REVIEW

Performance and Condition of Idaho Financial Institutions

As of June 30, 2009, there were 18 financial institutions (15 state-chartered banks, 1 national bank, and 2 federal thrifts) based in Idaho with combined assets of \$7.5 billion, loans and leases of \$5.5 billion, and deposits of \$5.6 billion². While Idaho-based financial institutions continued to outperform institutions nationwide with higher levels of capital and lower delinquency and charge-off levels, they incurred net losses and experienced declining asset quality. As of June 30, 2009, the core capital ratio for Idaho-based institutions was stronger at 12.36 percent versus 8.25 percent for institutions nationwide. The percentage of Idaho's noncurrent loans to total loans increased from 0.95 percent to 3.74 percent, but still remained below the 4.35 percent for the nation. Idaho institutions reported net charge-offs to loans of 1.83 percent, up from 0.31 percent a year earlier, but below the 2.24 percent for institutions nationwide. Idaho institutions had a return on assets of -0.55 percent, compared to 0.04 percent for all institutions nationally.

Idaho continued to experience slow economic growth, rising unemployment, and deteriorating real estate markets through fiscal year 2009. Although payrolls continued to decline, the acceleration of that decline moderated after major employers completed mass layoffs earlier in 2009. Even though Federal Reserve Chairman Ben Bernanke announced the end to the longest recession on record from a technical perspective in September 2009, the rebound is likely to be so moderate that the economy will remain weak for some time due to the lack of job creation. That may be the case for Idaho as well, since the level of employment in the tech sector is not expected to rebound to prior levels due to partial movement of tech operations overseas. Prices in Idaho's housing market continued to fall, which will most likely continue to affect financial institutions' performance. Recovery in this area will likely lag the rest of the nation due to excess supply and high foreclosure rates. Nonetheless, Idaho's existing concentration in tech industries, low business costs, young, talented labor force, and strong demographics remain attractive and should provide opportunities for future growth.

Because of the housing correction and regulatory guidance, Idaho banks have implemented procedures to monitor their exposures to real estate lending. Risk management examinations

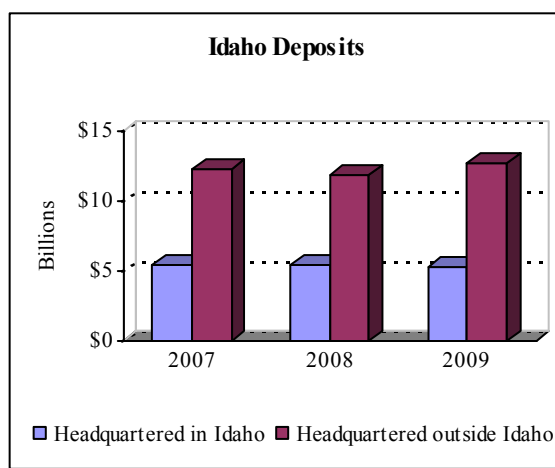
² Source: FDIC Statistics on Depository Institutions

have disclosed generally robust real estate lending policies and forward-looking risk management practices.

Idaho Deposits Increase

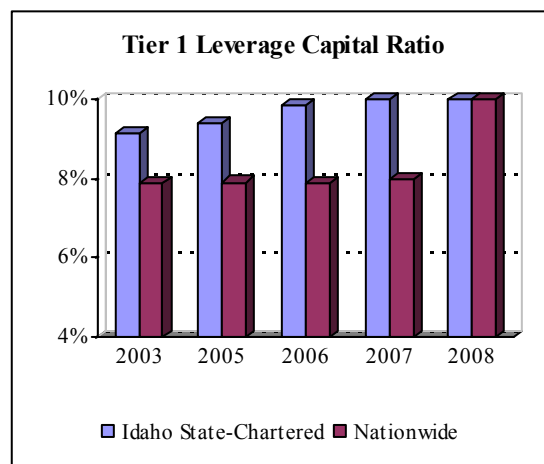
As of June 30, 2009, there were 35 commercial banks and savings institutions operating 543 offices competing for deposits in Idaho, compared to 37 institutions with 541 offices reported as of June 30, 2008. Institutions headquartered outside of Idaho continue to hold a large percentage of Idaho deposits (70.6 percent), while the 18 institutions based in Idaho lost market share and hold 29.4 percent of Idaho deposits, down from 31.1 percent of the market share last year.

Total deposits in Idaho increased 4.4 percent during the year, to \$17.9 billion as of June 30, 2009. Deposits of institutions based in Idaho decreased slightly by 1.2 percent, while institutions based outside Idaho increased market share by 7.0 percent to \$12.7 billion. The decrease in market share is due partially to the acquisitions of First Bank of Idaho, FSB, by U.S. Bank and United Bank of Idaho by Wells Fargo during the fiscal year.



State-Chartered Banks Increase Capital Levels

Idaho state-chartered banks reported an increase in the average Tier 1 Leverage Capital ratio from 10.58 percent as of December 31, 2007, to 11.31 percent as of December 31, 2008. This ratio greatly exceeded the 7.47 percent average of all banks in the nation. Total equity capital of state-chartered banks increased 14.2 percent in 2008 from \$624 million to \$713 million. State-chartered banks reported similar increases in other key capital

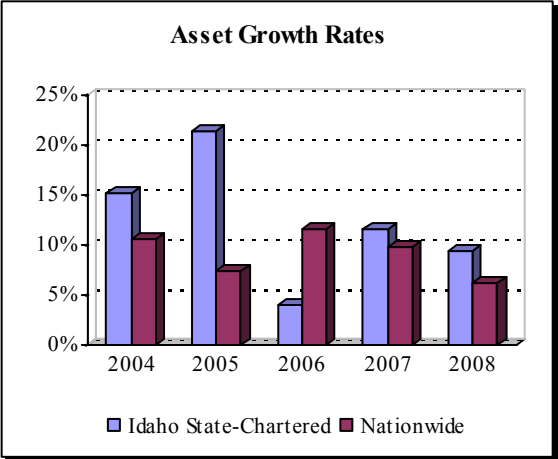


measurements with the average Tier 1 Risk-Based Capital ratio increasing from 12.21 percent to

13.33 percent and the average Total Risk-Based Capital ratio increasing from 13.39 percent to 14.56 percent, comparing favorably to the national average of all banks of 9.96 percent and 12.78 percent, respectively.

State-Chartered Banks Reported Higher Asset Growth for 2008

Idaho state-chartered banks reported total assets of \$6.1 billion as of December 31, 2008, a 9.5 percent increase from \$5.5 billion on December 31, 2007. This increase was higher than the 6.2 percent asset growth experienced by banks nationwide. The disparity in 2006 was due to the acquisition of an Idaho state-chartered institution by an out-of-state bank.

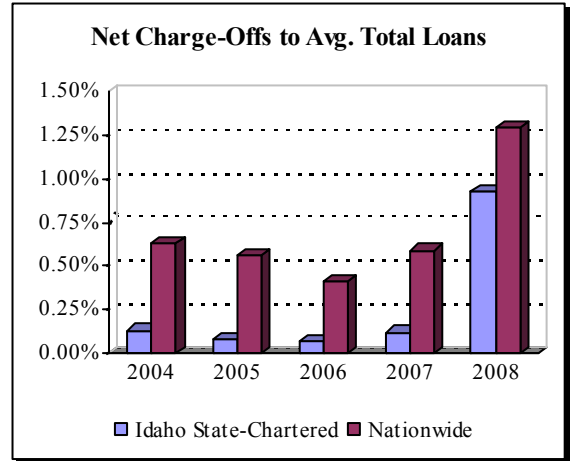


Net loans and leases held by Idaho state-chartered banks totaled \$4.5 billion as of December 31, 2008, an increase of \$274 million or 6.5 percent from \$4.2 billion as of December 31, 2007, well above the 1.3 percent decline reported by all banks in the nation. Notably, construction and development loans declined 9.7 percent from \$1.3 billion to \$1.2 billion, the largest portion of which consisted predictably of a 29.0 percent decline in residential construction.

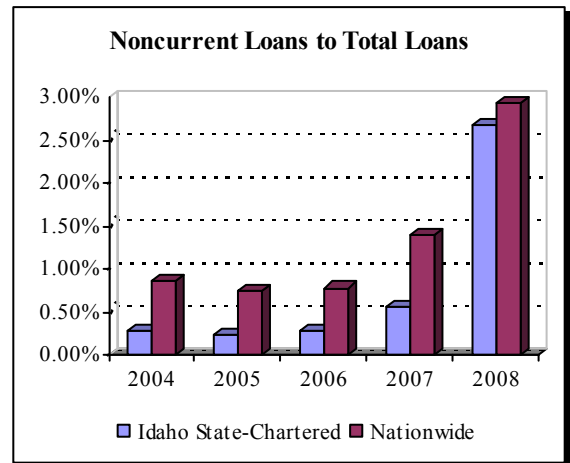
Idaho state-chartered banks reported \$4.4 billion in total deposits as of December 31, 2008, an increase of \$190 million or 4.5 percent from the \$4.2 billion reported as of December 31, 2007. The growth rate trailed behind the 5.8 percent growth rate reported in 2007.

Asset Quality and Earnings

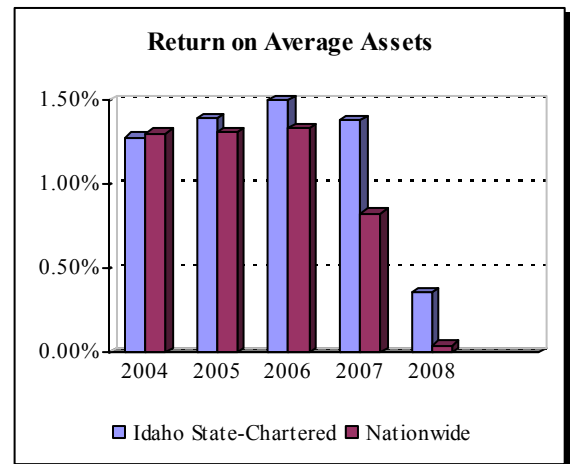
In concert with the continuing challenges in the economy, Idaho state-chartered banks reported declining asset quality. Net charge-offs to total loans and leases for Idaho state-chartered banks increased from 0.12 percent in 2007 to 0.93 percent in 2008. However, this rate is still below the national average of 1.29 percent.



Noncurrent loans to total loans for state-chartered banks increased from 0.55 percent to 2.67 percent. This rate was only slightly lower than the national rate of 2.93 percent, which indicates Idaho’s level of noncurrent loans has lagged the national level. Idaho state-chartered banks also reported lower reserves for possible loan losses than for all banks nationwide. The allowance for loan and lease losses for Idaho state-chartered banks stood at 1.83 percent of total loans as of December 31, 2008, compared to 2.21 percent for all banks nationwide.



Idaho state-chartered banks reported earnings of \$20.9 million in 2008, a 71.2 percent decline over earnings of \$72.4 million in 2007. Net interest income decreased 2.8 percent during 2008 to \$249.2 million, as yields on earning assets were driven down by the declining interest rate environment. The net interest margin for state-chartered institutions contracted 62 basis points from 5.33 percent to 4.71 percent at year-end



2008. The 12.2 percent increase in non-interest expense outstripped the 8.3 percent gain in the

non-interest income, further reducing income. However, earnings for state-chartered institutions were primarily affected by the amount of provisions allocated to loan loss reserves. Provisions for loan and lease losses increased 440.0 percent from \$12.3 million at year-end 2007 to \$66.4 million at year-end 2008. All of these factors, coupled with the increase in average assets, resulted in an overall decline in the return on average assets (ROAA) for Idaho-chartered institutions. ROAA for Idaho state-chartered banks fell 102 basis points from 1.38 percent in December 2007 to 0.36 percent in December 2008, while the ROAA for banks nationwide fell 77 basis points from 0.81 percent in 2007 to 0.04 percent in 2008. Although the ROAA for Idaho banks was greater than that for banks nationwide, the larger decline for state-chartered institutions points to a lag in developing asset quality issues.

**Commercial Banks Based in Idaho
Aggregate Condition and Performance**

Idaho Banks	06/30/2009	06/30/2008	\$/# Change	% Change	12/31/2008	12/31/2007	\$/# Change	% Change
<i>(dollar figures in</i>								
Number of institutions	16	17	1	-6%	16	16	0	0%
Total employees (full-time equivalent)	2,088	2,155	-67	-3%	2,110	2,097	13	1%
AGGREGATE CONDITION AND INCOME DATA								
Net income (year-to-date)	-21	28	-48	-175%	25	78	-53	-68%
Total assets	6,444	6,165	279	5%	6,448	5,997	451	8%
Earning assets	5,908	5,636	272	5%	5,916	5,509	407	7%
Total loans & leases	4,839	4,799	40	.1%	4,846	4,582	264	6%
Other real estate owned	59	21	38	181%	33	3	30	1,000%
Total deposits	4,805	4,565	240	5%	4,733	4,598	135	3%
Equity capital	778	750	28	4%	764	696	68	10%
PERFORMANCE RATIOS (YTD, %)								
			BP Change				BP Change	
Yield on earning assets	5.84	7.03	-119		6.74	8.19	-145	
Cost of funding earning	1.41	2.29	-88		2.09	2.91	-82	
Net interest margin	4.43	4.73	-30		4.64	5.28	-64	
Noninterest income to	1.09	1.13	-4		1.11	1.15	-4	
Noninterest expense to	3.94	3.90	4		3.93	3.91	2	
Net charge-offs to loans &	1.96	0.34	162		0.88	0.11	77	
Credit-loss prov. to net	164.06	168.85	-479		160.33	263.25	-10,292	
Net operating income to	-0.71	0.87	-158		0.40	1.38	-98	
Retained earnings to	-8.77	6.80	-1,557		2.06	6.55	-449	
Pre tax return on assets	-0.91	1.45	-236		0.60	2.09	-149	
Return on assets	-0.66	0.94	-160		0.41	1.38	-97	
Return on equity	-5.48	7.68	-1,316		3.42	11.82	-840	
CONDITION RATIOS (%)								
Net loans and leases to	73.29	76.75	-346		73.81	75.39	-158	
Loss allowance to:								
Loans and leases	2.41	1.39	102		1.78	1.34	44	
Noncurrent loans and	59.05	147.28	-8,823		68.69	241.85	-17,316	
Noncurrent loans to total	4.08	0.95	313		2.59	0.56	203	
Nonperforming assets to	3.97	1.07	290		2.45	0.47	198	
Core deposits to total	68.63	69.10	-47		68.41	71.93	-352	
Equity capital to total assets	12.07	12.17	-10		11.85	11.61	24	
Core capital (leverage) ratio	11.57	11.72	-15		11.41	11.06	35	
Total capital to risk-	15.09	14.64	45		14.71	13.90	81	
1-4 family mortgages to	13.13	11.85	128		12.70	10.57	213	
Total real estate loans to	52.00	53.34	-134		52.36	51.73	63	

National-Chartered Bank Converts to Idaho State Charter and State-Chartered Bank Acquired during Fiscal Year 2009

Effective December 4, 2008, Idaho Trust Bank converted from a national charter to an Idaho state charter. Idaho Trust Company was chartered as an Idaho state-chartered trust company headquartered in Coeur d’Alene in 1994. In 2006, the trust company converted to a nationally chartered commercial bank, was renamed Idaho Trust National Bank, and moved its headquarters to Boise. The bank continues to operate one branch in Coeur d’Alene. As of December 31, 2008, Idaho Trust Bank had total assets of \$106.0 million and total deposits of \$80.6 million. Charged with trust powers, the bank has managed trust assets of \$183.7 million and non-managed assets of \$39.3 million as of year-end 2008. Idaho Trust Bank is a wholly owned subsidiary of Idaho Trust Bancorp.

Wells Fargo Bank acquired United Bank of Idaho on July 1, 2008.

Branch and Relocation Application Activity

Branch expansion among community banks continued in fiscal year 2009, providing additional choices for Idaho consumers. The following branches were approved and/or opened in fiscal year 2009:

Branch Applications

Institution	New Branch Location	City	State	Approved	Opened
Idaho State-Chartered Institutions					
The Bank of Commerce	859 S. Yellowstone	Rexburg	ID	07/13/2007	01/12/09
Mountain West Bank	1319 Highway 2	Sandpoint	ID	08/13/2007	09/02/2008
Citizens Community Bank	900 S. Utah Avenue	Idaho Falls	ID	12/18/2008	03/09/2009
The Bank of Commerce	241 W. Quinn Road	Pocatello	ID	12/18/2008	03/09/2009
Other State-Chartered Institutions					
Washington Trust Bank	6010 E. Franklin Road	Nampa	ID		12/15/2008
Banner Bank	6543 N. Glenwood Street	Boise	ID		Pending

TRUST DEPARTMENTS AND TRUST COMPANIES

The Banking Section is responsible for enforcing the *Idaho Trust Institutions Act* and currently supervises the trust departments of four state-chartered banks. These trust departments primarily administer personal trusts, agency accounts, safekeeping, and non-complex employee benefit accounts. The employee benefit accounts are mostly self-directed IRAs and 401(k) accounts.

Total trust assets under supervision increased by 88.2 percent during the year to \$422.7 million as of December 31, 2008, consisting of \$294.5 million in managed assets, and \$128.2 million in non-managed assets. Idaho Trust Bank's conversion to a state charter is largely responsible for the significant increase in trust assets.

The Department has approved three out-of-state trust companies to operate in Idaho. These companies—First Capital Surety and Trust Company (Sioux Falls, South Dakota), and U.S. Trust Company of Delaware (Wilmington, Delaware)—have no offices in Idaho. State Bank & Trust (Fargo, North Dakota), operates a representative trust office in Boise. These out-of-state trust companies are supervised in accordance with the terms of the Nationwide Cooperative Agreement for Supervision and Examination of Multi-State Trust Institutions, with the home state regulator as the single point of contact.

	12/31/2008	12/31/2007	\$/# Change	% Change
Fiduciary powers granted	7	6	0	16.67%
Fiduciary powers exercised	4	3	1	33.33%
Fiduciary or related activity	4	3	1	33.33%
Number of fiduciary and related asset accounts	1,689	812	877	108.00%
Number of managed accounts	1,046	520	526	101.15%
Number of non-managed accounts	643	292	351	120.21%
Total fiduciary and related assets (\$)	422,725	224,625	198,100	88.19%
Managed assets (\$)	294,553	130,620	163,933	125.50%
Non-managed assets (\$)	128,172	94,005	34,167	36.35%

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATIONS

On July 1, 1989, the Business and Industrial Development Corporation Act became effective, authorizing an alternative form of financial institution. The Act authorizes the formation of business and industrial development corporations (BIDCOs) to provide financing and management assistance to new or expanding companies.

Working closely with the Small Business Administration, other federal financial assistance programs, local economic development organizations, and traditional commercial lenders, BIDCOs are licensed to increase the level and quality of financial services available to the small business community in Idaho. This financial assistance has led to the creation or retention of an estimated 1,492 permanent jobs in the state. The Idaho Company, located in Idaho Falls, is the only licensed BIDCO currently operating in Idaho.

Business and Industrial Development Corporations		
Activity for Calendar Year 2008	Number	Dollar Amount
Number and dollar amount of financing assistance provided to business firms in 2008:	31	\$1,522,147
Number and dollar amount of financing assistance provided to minority-owned business firms in 2008:	1	\$5,100
Estimated number of jobs created or retained through financing assistance in 2008:	69	NA
Activity Since Inception	Number	Dollar Amount
Number and dollar amount of financing assistance provided to business firms:	243	\$26,731,268
Number and dollar amount of financing assistance provided to minority-owned and woman-owned business firms:	24	\$2,014,516
Estimated number of jobs created:	978	NA
Estimated number of jobs retained:	374	NA

CREDIT UNION SECTION

The Credit Union Section is charged with the responsibility of supervising all Idaho state-chartered credit unions and ensuring compliance with the Idaho Credit Union Act and numerous federal regulations. As of June 30, 2009, there were 39 Credit Unions under the Credit Union Section's direct supervision. The Section has additional responsibilities, as the host-state supervisor, for five state-chartered credit unions operating in Idaho and chartered by other states. Washington-chartered Global Credit Union has branches in Coeur d'Alene, Moscow and Post Falls; Horizon Credit Union has branches in Coeur d'Alene, Ponderay, Post Falls and Sandpoint; Numerica Credit Union has branches in Coeur d'Alene and Hayden; and Spokane Teachers Credit Union has branches in Dalton Gardens, Ponderay and Post Falls. California-chartered Silverado Credit Union operates one branch in Nampa.

The Department enjoys an excellent working relationship with other state and federal credit union regulators and a private insurer. The Credit Union Section is an active participant in the National Association of State Credit Union Supervisors (NASCUS); the Financial Institutions Bureau Chief currently serves on the NASCUS Board of Directors. NASCUS actively coordinates with all state credit union regulatory agencies and the National Credit Union Administration (NCUA) on a variety of credit union regulatory issues.

Branching Activity

During fiscal year 2009, two credit unions opened new branches. Idaho Advantage Credit Union opened a branch in Nampa, and Members Preferred Credit Union opened a branch in Idaho Falls.

Conversions

During fiscal year 2009, two credit unions took part in conversions. PocaHy Family Credit Union, located in Pocatello, Idaho, converted from a state charter to a federal charter, effective September 2008. Idaho Federal Credit Union, headquartered in Boise, converted from a federal charter to a state charter, effective December 2008. Idaho Credit Union has five offices: three in Boise, one in Coeur d'Alene, and one in La Grande, Oregon.

Mergers

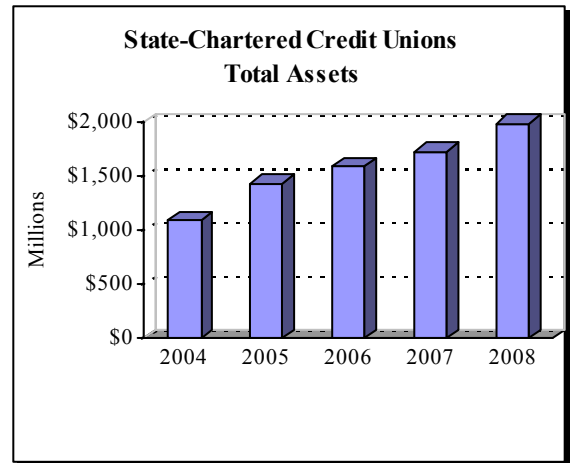
Effective March 2009, I.C.E. Credit Union, located in Inkom, Idaho, merged into Potelco United Credit Union, headquartered in Pocatello.

Performance and Condition of Idaho Credit Unions

Credit unions as a whole, including state-chartered credit unions in Idaho, have continued to grow and provide financial security to their membership even during the current economic downturn. The information used to compile the dollar figures and ratios presented in the following charts and narrative comments is derived from the consolidated Call Reports filed by Idaho's state-chartered credit unions for the period ending December 31, 2008.

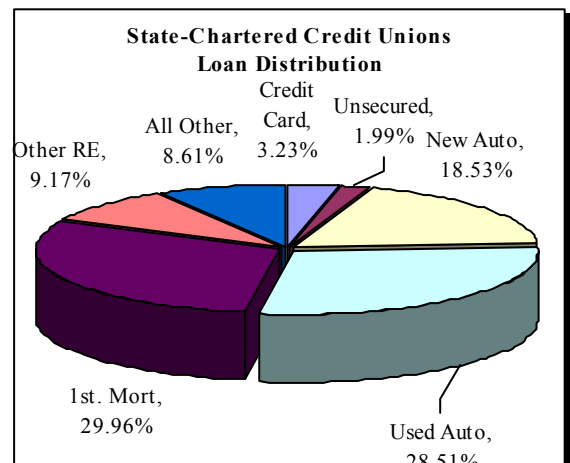
Growth

Idaho state-chartered credit unions continued to grow in 2008. Total assets grew by \$258.1 million, a rate of 14.92 percent. The growth rate was much higher than that in 2007, which was 9.02 percent.



Loan Trends

Total loans continued to grow in 2008. Loan growth for the year was 15.62 percent, eclipsing the growth realized in 2007 of 10.94 percent. Total loans for state-chartered credit unions are now \$1.51 billion, an increase of nearly \$203.6 million. First Mortgage Real Estate Loans grew 23.85 percent in 2008 despite the perceived slow down in these types of loans both locally and nationally. The First Mortgage Real Estate Loans

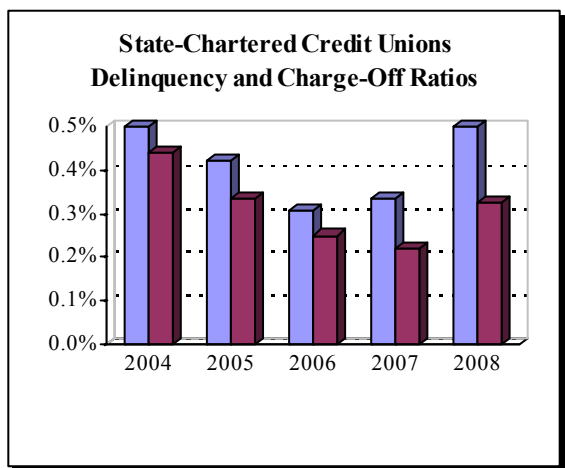


section remains the largest segment of total loans at 29.96 percent. The second largest loan segment continues to be Used Autos, representing 28.5 percent of total loans. The Used Auto segment of the loan portfolio grew at a rate of 15.9 percent in 2008. The fastest growing loan

category, again, was the Other Real Estate Loans category, which grew 33.22 percent for a new total of \$138.1 million. This category includes Home Equity Lines of Credit (HELOC) and second mortgages. All Other Unsecured Loans was the second fastest growing segment at 25.55 percent, for a total of nearly \$30.0 million. During the same time period, share growth occurred at a slightly slower rate of 15.61 percent, which decreased liquidity and increased the loan to share ratio to 84.60 percent from 84.59 percent in 2007.

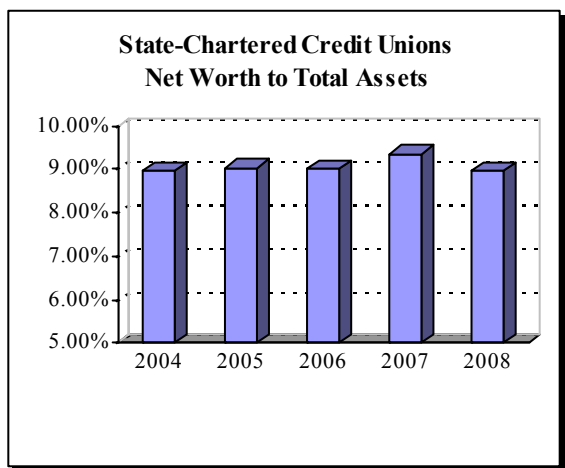
Delinquency Trends

Loan delinquency increased again in 2008 to 0.52 percent, an increase from 0.34 percent in 2007. The dollar amount of delinquent loans increased to \$7.9 million from \$4.5 million in 2007. The amount of net charge-offs increased in 2008 to \$4.8 million, an increase from the \$2.9 million that was realized in 2007. The ratio of loans charged off to total loans increased from 0.23 percent in 2007 to 0.34 percent in 2008.



Net Worth

The Net Worth to Total Assets ratio decreased from 9.36 percent to 8.97 percent in 2008. Net worth total dollars increased to \$178.4 million, an increase of \$16.4 million from 2007. The decline in the net worth ratio was due to assets increasing at a faster rate (14.92 percent) than total net worth (10.09 percent).



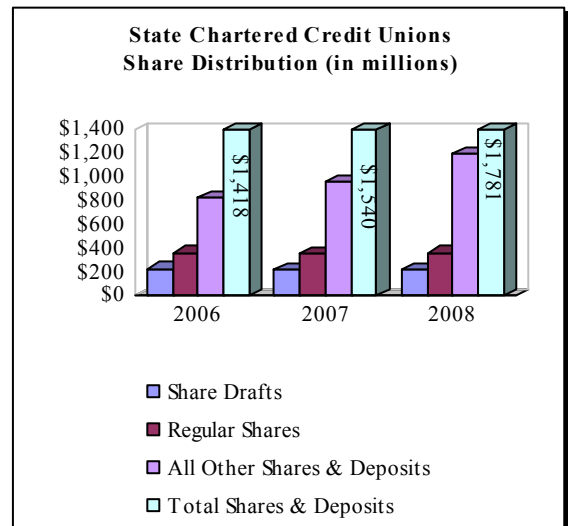
Operating Results

Net income for 2008 was \$4.2 million, a decrease of \$11.1 million from 2007. Interest income remains the largest source of income for Idaho state-chartered credit unions. The total interest income for 2008 was \$105.4 million compared to \$96.1 million in 2007. Interest on loans accounted for \$93.4 million of the \$105.4 million total. The largest interest expense remains

interest paid on deposits at \$32.7 million, or 72.77 percent of total interest expense. The largest non-interest income remains fee income, which increased to \$17.3 million in 2008, up from \$16.2 million in 2007. The largest non-interest expense is employee compensation and benefits at \$39.7 million, which increased nearly \$5.2 million from 2007. The return on average assets (ROAA) for 2008 was 0.23 percent, a decrease of 70 basis points from 2007. The decrease in this ratio is a result of falling real income and increasing total assets.

Share Trends

Total shares increased 15.61 percent to \$1.78 billion in 2008. Regular shares account for 20.52 percent of total shares, a decrease from 22.85 percent in 2007. Growth continues to be centered in certificates of deposit, which grew 25.06 percent in 2008, and currently makes up the largest portion of total shares at 43.54 percent.



Liquidity Trends

Cash and cash equivalents decreased 14.64 percent to \$108.7 million in 2008. The decrease was due in part to growth in both lending activities and investments. Loan growth was 15.62 percent in 2008, and investments realized a 35.77 percent growth ratio.

Summary

Overall, state-chartered credit unions in Idaho remain financially viable and operate within their charters and the Idaho Credit Union Act. Credit union managers continue to monitor their credit portfolios and economic trends to ensure that the credit crisis that has swept across the country has minimal impact on their institutions. State-chartered credit unions continue to encourage thrift among their members and ensure that their members have access to credit and basic financial services.

CONSUMER FINANCE BUREAU

Idaho Credit Code
Idaho Collection Agency Act
Idaho Residential Mortgage Practices Act
Idaho Mortgage Company Act
Idaho Escrow Act
Idaho Loan Broker Statute

The Consumer Finance Bureau is the regulatory and licensing authority for regulated lenders under the *Idaho Credit Code*. Regulated lenders include consumer finance companies, financial institutions, payday lenders, title lenders, and creditors who take assignments and undertake collection of payments from debtors arising from regulated consumer loans. Provisions of the *Idaho Credit Code* also apply to retail sellers of goods and services who extend credit to their customers.

The Bureau is committed to providing reasonable regulation of mortgage brokers, mortgage lenders, mortgage loan originators, and mortgage servicing providers operating in Idaho under the *Idaho Residential Mortgage Practices Act* and the *Idaho Mortgage Company Act*.

The Bureau is responsible for the licensing and enforcement provisions of the *Idaho Collection Agency Act*. Collection agencies that engage in collection activities with Idaho residents are required to obtain a license under and comply with the provisions of the Act. Entities that engage in credit counseling, debt counseling, and credit repair within the state of Idaho are also required to obtain a license and comply with the provisions of the Act.

The Bureau is responsible for the licensing and enforcement provisions of the *Idaho Escrow Act*, an Act that provides a regulatory framework for independent escrow companies operating in Idaho. The coverage of the Act extends to exchange accommodators who facilitate exchange transactions allowed pursuant to 26 USC §1031.

The Bureau administers and enforces Idaho's Loan Broker statute, which prohibits loan brokers operating in Idaho from receiving any fee, interest, or other charge prior to a loan or extension of credit, or written commitment to loan or extend credit, being made by an authorized lender.

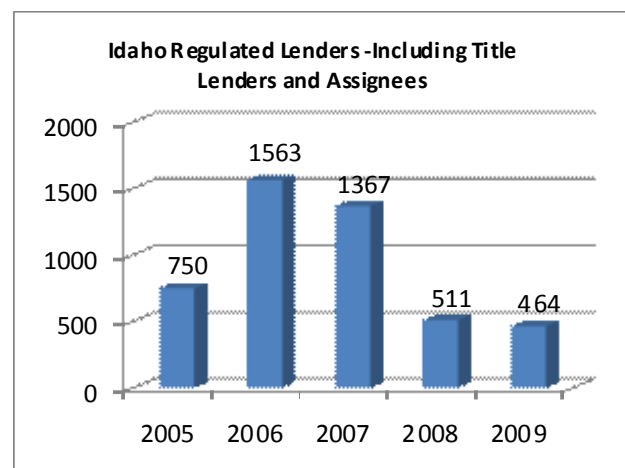
Compliance with the above laws is accomplished by on-site examinations of licensees, and by investigations of complaints filed with the Bureau. The goal of the Bureau is to assure the availability and quality of consumer financial services and ethical debt collection practices. The Bureau currently has a 16 member staff.

IDAHO CREDIT CODE

The *Idaho Credit Code* (ICC) is a state law that regulates specific terms and conditions of consumer credit in Idaho. A consumer credit transaction is a credit sale or loan in which the credit or loan is extended by a person who is regularly engaged in the offering of credit or financing to a borrower who will use it for personal, family or household purposes, and in which a finance charge is imposed or the debt is payable in installments.

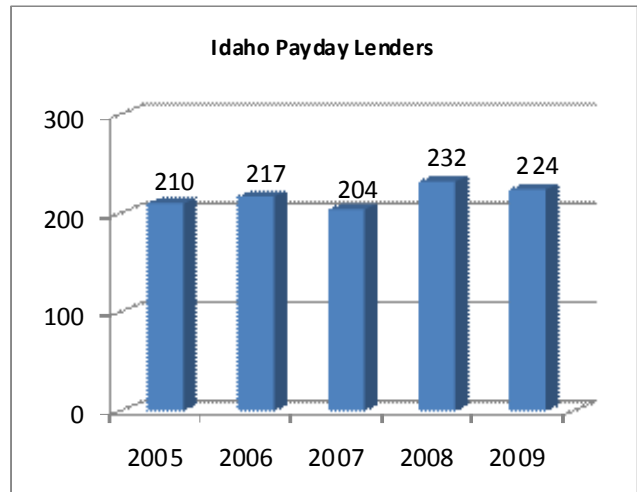
The ICC does not apply to first mortgages but does apply to subordinate lien mortgages. Most other consumer credit transactions such as automobile loans and the extensions of credit through credit cards are subject to the ICC. The ICC also applies to single advance payday loan transactions and short-term equity loans on titled vehicles. The ICC includes specific lending procedures and consumer protection provisions for the payday and title lending industries in Idaho, as well as separate licensing requirements for payday lenders. The ICC also includes other generally applicable consumer protection provisions, such as a consumer's right to be informed about the costs of a loan before it is made, the right to cancel a payday or title loan by the next business day after it is extended, and the right to cancel certain home solicitation sales and real estate transactions.

Licensing/Lending Activity – Under the ICC, creditors engaged in the business of making regulated consumer loans, or taking assignment of and undertaking direct



collection of payments from debtors arising from regulated consumer loans, must obtain a regulated lender license. Regulated lenders must file for license renewal and submit composite annual reports on or before May 31 of each year.

During fiscal year 2009 lending activity by state licensed regulated lenders ranged from a sole-proprietor title lender to a national finance company with nearly a billion dollars in outstanding Idaho loans. The composition of regulated lenders is split between finance companies, including second mortgage lenders, consumer loan assignees, and payday/title lenders. The 2009 Idaho Legislature passed legislation



amending the ICC and establishing that payday loans made in Idaho by unlicensed payday lenders are void, uncollectible, and unenforceable. The new provisions of the ICC provide a private right of action for recovery of monies paid by borrowers to unlicensed payday lenders operating in Idaho and grant authority to the Idaho Department of Finance to issue cease and desist orders and seek restitution on behalf of Idaho consumers for unlicensed payday lending activities in Idaho. As of June 30, 2009, Idaho had 464 licensed regulated lender offices, which includes title lenders, consumer loan assignees, consumer finance companies, and 224 licensed payday lender offices. This represented a year over year decrease in the number of entities licensed under the ICC, mainly represented by mortgage lenders offering second mortgage loans.

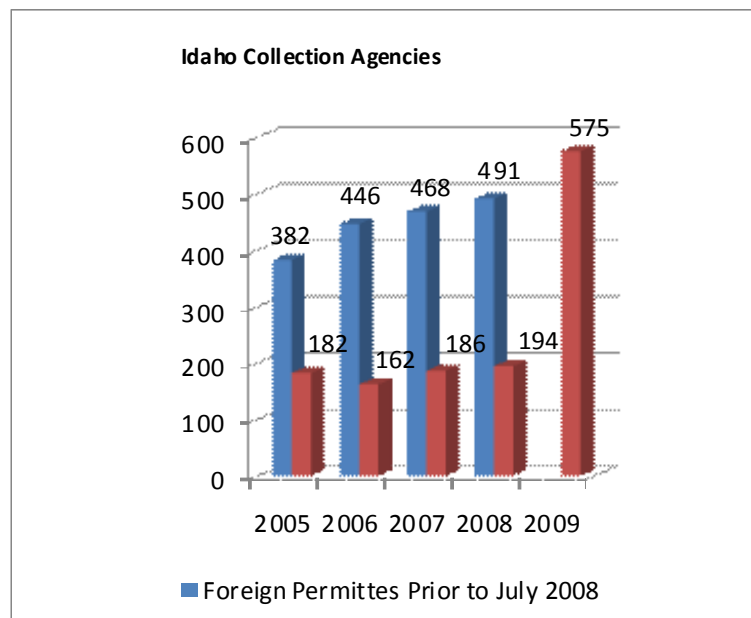
Compliance/Enforcement – In addition to answering consumer inquiries and complaints, staff members of the Department’s Consumer Finance Bureau conduct routine and “for-cause” on-site examinations of regulated lenders. The Bureau is committed to examining offices of payday and title lenders situated in Idaho regularly to ensure that their business practices comply with Idaho Credit Code standards. During the past fiscal year, the Bureau’s field examiner staff members conducted 19 examinations of payday lender offices, 9 examinations of title loan offices, and 9 examinations of other regulated lender offices. The Bureau also received and acted upon 56 complaints from Idaho consumers regarding entities operating as regulated lenders or title lenders, and 7 complaints against payday lenders.

IDAHO COLLECTION AGENCY ACT

The Consumer Finance Bureau oversees collection agencies that collect from Idaho residents under the authority of the *Idaho Collection Agency Act* (Act). Consumers have an obligation to pay their debts. However, collection agencies must deal openly, fairly, honestly and without deception when collecting debts. This includes complying with the federal Fair Debt Collection Practices Act.

Licensing – Under the Act, the following activities cannot be conducted in Idaho without obtaining a collection agency license:

- Operating as a collection agency, debt counselor, credit counselor, or credit repair organization;
- Engaging, either directly or indirectly, in the business of collecting or receiving payment for another of any account, bill, claim, or other indebtedness;
- Soliciting or advertising to collect or receive payment for another of any account, bill, claim, or other indebtedness;
- Selling or distributing any system of collection letters in which the name of any person other than the creditor to whom the debt is owed appears;
- Engaging in any activity which indicates that a third party may be involved in effecting collections; or
- Engaging in, or offering to engage in, the business of collecting any form of indebtedness for that person's own account if the indebtedness was acquired from another person and if the indebtedness was either delinquent or in default at the time it was acquired.



On July 1, 2008, the status of “foreign permittee,” which allowed foreign companies engaging in collection agency activity in Idaho to obtain a permit under certain conditions, was eliminated from the Act and all entities engaging in a collection agency business in Idaho were required to obtain a Collection Agency license. As a result, the Department saw a decrease in the overall number of collection agency licensees mostly attributed to the application of additional licensing requirements to former “foreign permittees.” All collection agencies must renew their licenses and pay an annual renewal fee prior to March 15 of each year.

As of June 30, 2009, Idaho had 575 Idaho collection agency licensees. These agencies had a combined total of 56,845 individual solicitors/collectors registered with the Department. Additionally, the Department had licensed 59 credit/debt counselors, 7 credit repair organizations, and 35 debt buyers, a category of collection agency which does not engage in direct collection activity with Idaho residents.

Compliance/Enforcement – In addition to answering consumer inquiries and complaints, the Bureau staff regularly conduct routine on-site examinations of collection agencies licensed in Idaho. The Department received 185 complaints against collection agencies and 22 complaints against credit/debt counselors. The Department issued seven cease and desist orders against companies engaging in collection or credit/debt counseling activities in violation of the Act. Also, 10 companies entered into administrative consent orders to resolve allegations of violations of the Act. Additionally, the Department filed one civil complaint against a collection agency that failed to obtain a collection agency license prior to conducting collection activities in Idaho. Details of these actions are provided in Exhibit VI.

During fiscal year 2009, the Department’s Consumer Finance Bureau Chief, Michael Larsen, was elected as President of the North American Collection Agency Regulatory Association (NACARA). As such, the Department hosted the national 2009 NACARA Annual Conference, featuring presenters from the collection industry as well as from federal and state regulatory agencies. Topics of the 2009 NACARA Annual Conference included the federal Fair Debt Collection Practices Act (FDCPA), practices of debt buyers, credit and debt counseling, bankruptcy, and the practices of debt settlement companies.

IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT AND IDAHO MORTGAGE COMPANY ACT

Under the *Idaho Residential Mortgage Practices Act* (Act), all non-exempt office locations from which mortgage brokering or mortgage lending activities are conducted are required to be licensed with the Department. The provisions of the Act also extend to individuals who originate residential mortgage loans for certain mortgage broker and lender licensees. The purpose of the Act is to ensure that companies and individuals offering mortgage services meet certain minimum standards and that consumers are protected from unfair practices.



Mortgage brokers are companies in the business of:

- (i) assisting borrowers in obtaining mortgage loans from banks or other lenders; or
- (ii) assisting others to obtain an adjustment or compromise of an existing residential mortgage loan.

Mortgage lenders fund mortgage loans and may also perform the mortgage brokering activities mentioned above. Loan originators assist in the preparation of applications for new residential mortgage loans and for modifications of existing residential mortgage loans. The Act applies to those making first mortgage loans as well as to those making subordinated lien loans secured by a dwelling, as defined in section 103(v) of the Truth in Lending Act (15 U.S.C. Section 1601 *et seq.*), located in Idaho, or on residential real estate.

In addition, the Department has authority under the *Idaho Mortgage Company Act* to ensure that mortgage companies are properly handling borrower reserves, impound and escrow accounts, as well as properly applying borrower payments.

Licensing – The Act requires that mortgage brokers and mortgage lenders obtain a license for each office from which they conduct mortgage brokering activities. Licensees are not required to have a physical office location in Idaho. In fact, the Department has license holders nationwide. The Department issued 269 mortgage broker/lender licenses during fiscal year 2009. As of June 30, 2009, the Department had 980 active mortgage broker/lender licenses in effect. The Department experienced licensee growth in all years prior to 2008, with the largest increases seen in fiscal years 2006 and 2007, at the height of growth in the mortgage market. However, a decline in licensees was realized in fiscal year 2008 and has continued into fiscal year 2009, following deterioration in mortgage lending credit markets. These market conditions have led to a 30 % net decrease in mortgage broker/lender licensees at the end of fiscal year 2009 as compared to the end of fiscal year 2008. The Department also observed a 7% year-over-year decrease in the number of loan originator licensees, from 3,392 at the end of fiscal year 2008 to 3,156 at the end of fiscal year 2009.

Compliance – The Bureau conducts routine on-site examinations, as well as investigations, of mortgage brokers, lenders, and mortgage loan originators to verify that business is conducted in compliance with the Act. With the demands of implementing the S.A.F.E. Act, together with a heavy workload of transitioning licensees onto the Nationwide Mortgage Licensing System, the Department conducted only six mortgage broker/lender examinations during fiscal year 2009. The Bureau also handles customer complaints and inquiries. In fiscal year 2009, the Department received and processed 97 complaints against mortgage brokers and mortgage lenders.

Mortgage Loan Delinquencies – In fiscal year 2009, residential mortgage loan default rates across the nation continued to increase over past years. While home foreclosures are rising in many areas of the country, Idaho has not been as dramatically affected as other states. By the end of fiscal year 2009, 15,206 Idaho residential properties were subject to seriously delinquent mortgage payments or were in foreclosure. At the end of fiscal 2009 the percentage of residential mortgage loans nationally that were seriously delinquent or in foreclosure was 7.97%. At the same time, Idaho's rate was 5.76%, which was 38% better than the national average.

Enforcement – The Department initiated seven administrative actions against licensed mortgage brokers/lenders and mortgage loan originators resulting in license denials, revocations,

orders to cease and desist, and consent orders. The Department also initiated two civil actions against individuals or entities, in one action receiving summary judgment against an individual engaging in unlicensed mortgage loan origination activity. The second civil case is still pending. Additionally, the Department entered into a settlement agreement with a nationwide mortgage lender following a joint examination of the lender by the Department and regulatory agencies in 13 other states. These enforcement actions addressed a variety of mortgage practices representing violations of the Act, as well as license application deficiencies. Details of these actions are provided in Exhibit VI.

IDAHO ESCROW ACT

The *Idaho Escrow Act*, assigns regulatory oversight responsibilities to the Idaho Department of Finance over independent Idaho escrow agencies. Idaho escrow agencies, as defined in the Idaho Escrow Act, are required to obtain a license prior to engaging in escrow activities in Idaho. This includes exchange accommodators who facilitate “1031” exchanges, pursuant to 26 USC §1031. As of June 30, 2009, the Department had issued 40 licenses to entities engaged in escrow activities in the state of Idaho. Additionally, during fiscal year 2009 the Bureau received four complaints against escrow companies.

IDAHO LOAN BROKER STATUTE

Idaho’s Loan Broker statute, Idaho Code § 26-2501 *et seq.*, prohibits anyone who acts as a loan broker in Idaho from receiving any fee, interest, or other changes prior to a loan or extension of credit being made to a borrower by an authorized lender, or prior to a written commitment of the same being made to a borrower by an authorized lender. During fiscal 2009 the Department received numerous inquiries from consumers contemplating paying upfront fees to loan brokers. In response to these inquiries, and in financial literacy trainings throughout the state, Department employees regularly warn Idaho citizens of the perils of falling prey to advance fee loan scams. Perpetrators of advance fee loan scams commonly operate from outside of the United States but use local sounding addresses. Victims are commonly asked to wire money to foreign locations as a part of the scam.

REGULATORY AND EDUCATIONAL INITIATIVES

Mortgage Advisory Board – Pursuant to the provisions of the Idaho Residential Mortgage Practices Act, the Director appoints four members to a Mortgage Advisory Board annually. The Mortgage Advisory Board meets quarterly with members of the Department and provides feedback on regulatory issues, market conditions, and industry initiatives. Through fiscal year 2009, the members of the Mortgage Advisory Board, who also represent mortgage industry associations in Idaho, provided the Department with vital support in disseminating legislative and regulatory changes to the mortgage industry in Idaho, as well as participated directly on committees which developed mortgage loan originator testing standards under the requirements of the S.A.F.E. Act. As of the date of publication of this Annual Report, the two current members of the Mortgage Advisory Board representing the Idaho Mortgage Lenders Association (IMLA) are: Dominique Love and Marsha Shaffer. The two current members of the Mortgage Advisory Board representing the Idaho Association of Mortgage Brokers (IAMB) are: Chuck Anderson and Steve Cox. Former members of the Mortgage Advisory Board representing IMLA include Susan Semba (2004-2005), Rebecca “Becky” Thomas (2004-2005), and Sharon O. Hancock (2006-2007). Former members of the Mortgage Advisory Board representing IAMB include Kathy Smith (2004), Robert Hall (2005), Jeffrey Avery (2006-2007), and Scott A. Stingley (2008).

Regulatory Initiatives – To promote uniformity, reduce mortgage fraud, and eliminate a patchwork of duplicative state regulatory requirements in the mortgage industry, during fiscal 2009 the Department continued with its conversion to the Nationwide Mortgage Licensing System (NMLS). The NMLS became operational on January 2, 2008, and Idaho was one of seven initial states joining the system. Since the Department’s commitment to utilizing the NMLS, federal law specifically relevant to the licensure or registration of mortgage loan originators became effective in July 2008. The federal Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act), which Congress adopted as a part of the Housing and Economic Recovery Act of 2008, was introduced to amend the Idaho Residential Mortgage Practices Act, and was passed by the 2009 Idaho Legislature. By adoption of the S.A.F.E. Act at the federal level, Congress required that all states adopt the minimum standards of the S.A.F.E. Act and implement a mortgage loan originator licensing system by August 1, 2009, utilizing the

Nationwide Mortgage Licensing System (NMLS). As part of the licensing of mortgage loan originators, the S.A.F.E. Act standards include:

- credit report checks of loan originator applicants
- criminal history checks of loan originator applicants
- pre-license testing of loan originator applicants
- pre-license education and post-licensure continuing education
- the creation of a state mortgage recovery fund
- submission of annual mortgage call reports
- reporting of enforcement actions and public access to this information
- consumer complaint processing

Additionally, the S.A.F.E. Act provisions include a lifetime bar from obtaining a mortgage loan originator license in the United States by anyone who has been convicted of a felony involving fraud, dishonesty, or breach of trust, or money laundering. Also, under the federal standards, an applicant for a mortgage loan originator license must not have any other felonies within the seven years immediately preceding the date of the license application. Any person who has had a mortgage license revoked anywhere in the United States is barred from ever obtaining a mortgage loan originator license. In conjunction with the adoption of the S.A.F.E. Act, as mandated by Congress, the 2009 Idaho Legislature also adopted provisions requiring individuals and companies offering mortgage loan modification services for others in Idaho to obtain a license under the Idaho Residential Mortgage Practices Act. The Department adopted temporary rules during fiscal year 2009 in furtherance of its commitment to meet the standards set forth in the S.A.F.E. Act.

Throughout fiscal year 2009 and prior to adoption of the S.A.F.E. Act within the Idaho Residential Mortgage Practices Act, the Department was regularly involved in the efforts of the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to develop licensing and regulatory processes that would meet the requirements of the S.A.F.E. Act. This included participation by Bureau employees on various committees to develop procedural standards for licensing, including licensee testing, and continuing education. During fiscal year 2009 the Department's Consumer Finance Bureau Chief, Michael Larsen, served as a Director of AARMR.

SECURITIES BUREAU

Uniform Securities Act
Idaho Commodity Code
Control Share Acquisition Act
Business Combination Act

Idaho Money Transmitters Act
Endowment Care Cemetery Act
Continuing Care Disclosure Act
Idaho Financial Fraud Prevention Act

The Securities Bureau administers and enforces several consumer and business protection statutes. Through the authority of the *Uniform Securities Act* and the *Idaho Commodity Code*, the Bureau regulates the sale of investment securities and those individuals and entities that offer investment opportunities to the public. The Bureau's objectives in administering and enforcing these statutes include promoting the integrity and vitality of state and federal financial markets, protecting the investing public from fraudulent investment schemes, and assisting legitimate businesses in their efforts to raise capital in Idaho.

In addition, the Bureau has limited duties under Idaho's *Control Share Acquisition Act*, *Business Combination Act*, and the *Continuing-Care Disclosure Act*, and the *Idaho Financial Fraud Prevention Act*. Also, the Bureau ensures that endowed care cemeteries properly handle the funds and trust placed with them through administration of the *Endowment Care Cemetery Act*.

Finally, the Securities Bureau is responsible for the licensing and enforcement provisions of the *Idaho Money Transmitters Act*. A money transmitter includes any business engaged in receiving money for transmission by any and all means and any business that issues payment instruments to purchasers (e.g., money orders).

Where individuals or entities violate these statutes, appropriate remedies are sought using statutory and administrative enforcement authority. The Bureau also provides assistance in criminal prosecutions when necessary.

UNIFORM SECURITIES ACT

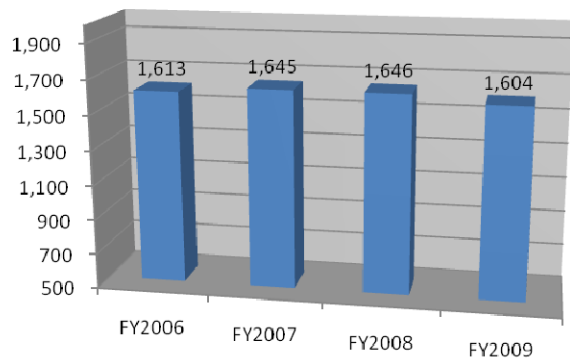
The *Uniform Securities Act* (Act) seeks to preserve and promote legitimate securities markets by assisting companies in their attempts to raise capital and prevent investment fraud. While the Act is designed to protect investors from fraud, it does not protect investors from the possibility

of investment loss resulting from securities price movements, market changes or business failures. The Act requires that persons who solicit investments provide complete disclosure of all the important aspects of the investment being promoted. With this information, investors are empowered to make reasoned investment decisions.

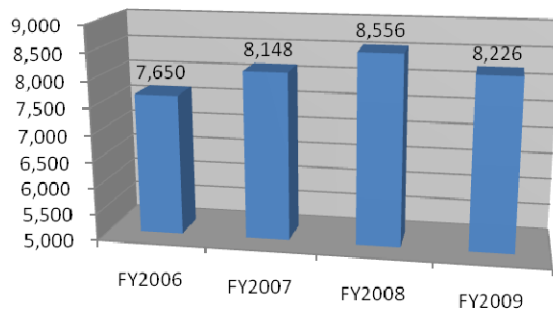
Securities Issuer Filings – Generally, any public offering of newly issued securities must be registered with Securities Bureau before it is offered to public investors. The review is designed to determine whether the offering materials provide full, fair and accurate disclosure of all material information and whether the offering materials contain fraudulent terms or the offering is structured unfairly.

Registration of Firms and Agents – The Bureau registers and provides oversight for most broker-dealers, securities sales agents and investment advisory representatives doing business in or from Idaho. Additionally, the Bureau registers and is the sole regulator for investment advisory firms that are located in Idaho and manage assets of \$25 million or less. Every application for registration is examined either

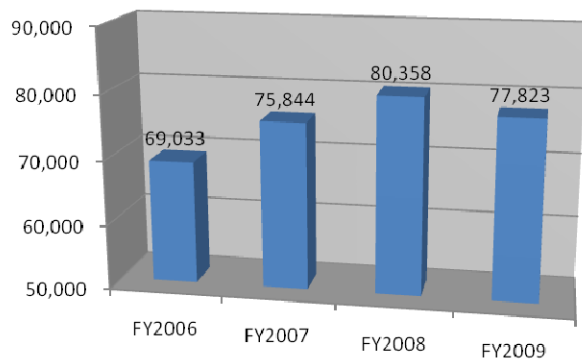
Idaho Registered Broker-Dealers and Investment Advisors



Number of Securities Issuer Filings



Idaho Registered Agents For Broker-Dealers, Investment Advisors, and Issuers



electronically or manually prior to approval.

As noted in the accompanying charts, the Bureau has oversight responsibility for more than 1,600 broker-dealer firms and state registered investment adviser firms. This oversight also extends to nearly 78,000 individuals who currently hold Idaho registration as broker-dealer agents, investment adviser representatives and issuer agents. While these numbers have decreased from last year's high of 80,358, the number of agents remains well above the number reported in fiscal 2006. The number of broker-dealer and investment advisory firms has remained somewhat static in recent years.

Compliance – In an effort to assure that the securities industry is complying with the Idaho Uniform Securities Act, registration amendments are regularly reviewed to consider changes in the applicant's business, ownership and new disciplinary information. Bureau staff also investigates investor complaints, reviews advertising and analyzes financial data on broker-dealer and investment adviser firms. Finally, periodic on-site examinations of broker-dealer and investment adviser offices are conducted to verify compliance with the Act and to educate industry professionals. When a violation is discovered, the Department determines whether sanctions are appropriate or whether other corrective action can address the issue. The Bureau may seek fines, deny, suspend or revoke licenses or initiate administrative or court action.

Enforcement – As an enforcement agency, one of the Bureau's missions is to protect Idaho investors from fraudulent investment schemes. Bureau professionals investigate complaints of possible violations of the Act, negotiate administrative sanctions, assist in bringing civil lawsuits and assist in criminal prosecutions to enforce the law. The potential financial impact of securities cases under investigation during the fiscal year exceeded \$325 million. During FY 2009, the Securities Bureau initiated or completed 18 enforcement actions involving 52 respondents or defendants. Details of the administrative and civil court actions filed or completed by the Bureau during fiscal 2008 are provided in Exhibit VI. Criminal enforcement actions initiated or concluded during the reporting period are also described in Exhibit VI.

Rescissions & Refunds – As a result of the Bureau’s regulatory enforcement efforts, Idaho residents were offered, or awarded in judgments by the courts, more than \$11.5 million in refunds on their securities investments. Additionally, the Department estimates that more than \$125 million in rescission was or will be offered to Idaho retail investors that purchased illiquid auction rate securities (ARS). ARS were sold as liquid debt securities that suddenly became non-saleable when credit market dislocations occurred during 2008. These totals include amounts refunded to Idaho investors due to the administrative and civil enforcement actions described earlier as well as voluntary rescission offers made in accordance with the Act.

Civil Penalties and Administrative Fines – The Bureau assessed total fines and penalties in excess of \$1.4 million for fiscal year 2009. A large portion of these penalties were paid by national brokerage firms in connection with multi-state investigations and enforcement efforts related to the failure of the ARS market.

IDAHO MONEY TRANSMITTERS

The Department of Finance is charged with the responsibility of administering and enforcing the *Idaho Money Transmitter Act*. A “money transmitter” is defined as any business engaged in receiving money for transmission, or transmitting money within the United States or to locations outside the United States, by any and all means including, but not limited to, payment instruments, wire transfers, and facsimile or electronic transfers. At fiscal year end, the Department had 44 licensees under this statute.

ENDOWMENT CARE CEMETERIES

A “perpetual” or “endowed care cemetery” is a cemetery where lots are sold under the representation that the cemetery and lots will receive perpetual maintenance and oversight. This “endowed care” is provided free of further cost to the purchaser after payment of the original purchase price for a lot or burial space. All “endowed care” or “perpetual care” cemeteries in Idaho are required to be registered with the Securities Bureau. The purpose of the *Endowment Care Cemetery Act* is to ensure that sound business practices essential to the continued furnishing of endowed or perpetual care are followed.

An endowed or perpetual care cemetery is required to establish an irrevocable trust fund in the sum of at least \$50,000 for the care of the cemetery. The income from the trust fund may only be used for the general care, maintenance, and embellishment of the cemetery.

There are 12 endowed care cemeteries licensed in Idaho. Each of these cemeteries is required to submit a renewal fee and form every year, along with a financial statement for its trust account. The Securities Bureau conducts periodic audits of endowed care cemeteries to verify that the trust funds are being handled properly.

Name of Cemetery	Location
Cloverdale Memorial Park Assoc., Inc.	Boise
Coeur d'Alene Memorial Gardens, Inc.	Coeur d'Alene
Filer Cemetery Association, Inc.	Filer
Hillcrest Memorial Gardens, Inc.	Caldwell
Lakeview Cemetery Association	Sandpoint
Lewis-Clark Memorial Park, Inc.	Lewiston
Mountain View Memorial Park, Inc.	Boise
Pinecrest Memorial Park	Sandpoint
Rosedale Memorial Park, Inc.	Payette
Shoshone Memorial Gardens, Inc.	Pinehurst
Sunset Memorial Park	Twin Falls
Twin Falls Cemetery Association	Twin Falls

IDAHO COMMODITY CODE

The *Idaho Commodity Code* is designed to reduce fraud by outlawing certain commodity investment contracts where the investor never receives delivery of the commodity. The statute provides an enforcement tool to prevent and prosecute illegal and fraudulent schemes involving commodity contracts and to maximize coordination with federal law and the laws of other states. It has proven effective in Department lawsuits against fraudulent commodity investment schemes, including several enforcement cases during recent years. One enforcement case was concluded during fiscal 2009 that included alleged violations of the Idaho Commodity Code. Information relating to this case is included in Exhibit VI.

CORPORATE TAKEOVER ACTS

In 1988, the Legislature adopted the *Control Share Acquisition Act* and the *Business Combination Act* to govern certain corporate mergers in Idaho. The first law gives shareholders more authority to decide the terms of a takeover and the second allows a corporation to limit the

effects of a takeover. There was no activity by the Department involving Idaho companies covered by these laws during the fiscal year.

CONTINUING-CARE DISCLOSURE ACT

Idaho's *Continuing-Care Disclosure Act* was enacted in 1988 in response to problems caused when residents of an Idaho nursing home lost their money due to embezzlement and mismanagement. The statute regulates entities that offer to provide long-term care and lodging after payment of an advance fee often called an "entrance fee". Anyone wanting to offer this type of program is required to register with the Securities Bureau, provide detailed disclosure to purchasers, and adhere to several other requirements. One provider filed a registration statement under this law during the most recent fiscal year.

SUPPORTING SERVICES BUREAU

This Bureau provides operational support to the Director and the chiefs of the other Bureaus in carrying out their program responsibilities. This support is provided through the development and maintenance of the accounting system and records for the Department; maintenance of personnel records; preparation and submission of the Department's budget; providing financial, management and statistical reports; coordination of the Department's business services; maintenance of the Departments vehicles, and, maintenance of the Department's information technology systems.

The Supporting Services Bureau completed several large projects this year including a full replacement of all computer servers, overseeing increased design and transition into a comprehensive records management system, rebuilt several large databases; including Mortgage Loan Originators, Mortgage Loan Originator Continuing Education, and the first phase of a Case Management database to aid in investigation and enforcement actions.

The following information regarding the Department is included in the following exhibits:

Exhibit II	Summary of Income and Expenses
Exhibit VII	Department of Finance Staff
Exhibit VIII	Americans with Disabilities Act Compliance Statement
Exhibit IX	Civil Rights Grievance Procedure

**DEPARTMENT OF FINANCE DIRECTORS/COMMISSIONERS
SINCE DATE OF ITS CREATION BY ACT OF LEGISLATURE IN 1905**

<u>Director/Commissioner</u>	<u>Term of Office</u>
C. C. Loveland	March 6, 1905 to June 1, 1907
W. S. Chaney	June 1, 1907 to March 6, 1909
William G. Cruse	March 6, 1909 to June 2, 1911
V. W. Platt	June 2, 1911 to February 1, 1913
A. E. Reid	February 1, 1913 to February 6, 1915
G. R. Hitt	February 6, 1915 to January 25, 1919
Jay Givson	January 25, 1919 to September 10, 1920
J. G. Fralick	September 10, 1920 to February 7, 1923
E. W. Potter	February 7, 1923 to February 1, 1931
Ben Diefendorf	February 1, 1931 to January 13, 1937
George W. Wedgwood	January 13, 1937 to January 1, 1939
G. L. Jenkins	January 1, 1939 to January 6, 1941
George W. Wedgwood	January 6, 1941 to January 4, 1943
G. L. Jenkins	January 4, 1943 to January 2, 1945
J. B. Newport	January 4, 1945 to December 28, 1946
William J. Sewell	December 28, 1946 to January 6, 1947
E. F. Haworth	January 6, 1947 to August 15, 1952
Austin Schauweiler	August 15, 1952 to May 14, 1954
R. U. Spaulding	June 17, 1954 to April 14, 1961
J. L. McCarthy	June 1, 1961 to July 9, 1965
Tom D. McEldowney (Acting)	August 10, 1965 to January 31, 1967
John D. Silva	February 1, 1967 to January 4, 1971
Tom D. McEldowney (Acting)	January 4, 1971 to August 29, 1971
Tom D. McEldowney	August 30, 1971 to March 31, 1987
Belton J. Patty	April 1, 1987 to January 1, 1995
Gavin M. Gee (Acting)	January 2, 1995 to March 13, 1996
Gavin M. Gee	March 13, 1996 to Present

SUMMARY OF INCOME AND EXPENSES

July 1, 2008 through June 30, 2009

INCOME BY SOURCE

Dedicated Account-----	\$10,982,357.78
TOTAL INCOME COLLECTED-----	\$10,982,357.78

APPROPRIATION

Dedicated Account-----	\$5,450,000.00
TOTAL APPROPRIATION-----	\$5,450,000.00

EXPENDITURES

Personnel Costs-----	\$3,561,320.00
Operating Expenditures-----	\$1,488,402.00
Capital Outlay-----	\$134,005.00
TOTAL EXPENDITURES-----	\$5,183,727.00
BALANCE OF APPROPRIATION-----	\$266,273.00

EXPENDITURES BY MAJOR CLASSES

Salaries & Wages-----	\$2,618,690.00
Personnel Benefits-----	\$942,630.00
Communication Services-----	\$45,642.00
Employee Development & Other Services-----	\$210,380.00
Professional Services-----	\$523,539.00
Repairs & Maintenance Service-----	\$14,552.00
Administrative Services-----	\$11,829.00
DP Services-----	\$63,508.00
Employee Travel-----	\$174,242.00
Materials & Supplies-----	\$87,935.00
Insurance-----	\$4,021.00
Rentals & Operating Leases-----	\$319,452.00
Miscellaneous Operating Expenditures-----	\$33,302.00
Capital Outlay-----	\$134,005.00
TOTAL EXPENDITURES BY MAJOR CLASSES-----	\$5,183,727.00

TRANSFERRED TO GENERAL FUND ----- \$5,560,948.00

PERSONNEL STATUS	POSITIONS	POSITIONS	POSITIONS
June 30	AUTHORIZED	APPROPRIATED	FILLED
Full-Time Employees	52	52	51
Part-Time Employees	1	1	0
TOTALS	53	53	51

FUND SOURCE

Security Investor Fund (Securities Fines Only)-----	\$50,000.00
TOTAL COLLECTED -----	<u>\$50,000.00</u>

EXPENDITURES

Personnel Costs-----	\$0.00
Operating Expenditures-----	\$41,746.00
Capital Outlay-----	\$0.00
TOTAL EXPENDITURES -----	<u>\$41,746.00</u>
BALANCE OF FUND -----	<u>\$8254.00</u>

STATE OF IDAHO
STATE-CHARTERED BANKS AND SAVINGS BANKS*
COMPARATIVE STATEMENT
Close of Business 12/31/08 and 12/31/07
(000's Omitted)

	2008	2007	\$ Change
Cash and balances due from depository institutions			
Noninterest-bearing balances and currency and coin	156,207	169,464	-13,257
Interest-bearing balances	101,868	61,610	40,258
Securities:			
Held-to-maturity securities	128,604	102,996	25,608
Available-for-sale securities	672,271	601,675	70,596
Federal funds sold and securities purchased under agreements to resell			
Federal funds sold	145,845	87,876	57,969
Securities purchased under agreements to resell			
Loans and lease financing receivables			
Loans and leases held for sale	60,695	44,525	16,170
Loans and leases, net of unearned income	4,571,970	4,272,462	299,508
LESS: Allowance for loan and lease losses	83,803	58,531	25,272
Loans and leases, net of unearned income and allowance	4,488,167	4,213,931	274,236
Trading assets	2,030	2,754	-724
Premises and fixed assets (including capitalized leases)	147,821	129,560	18,261
Other real estate owned	32,312	2,631	29,681
Intangible assets:			
Goodwill	44,751	44,596	155
Other intangible assets	1,471	1,949	-478
Other assets	130,781	108,473	22,308
Total assets	6,052,128	5,527,515	524,613
Deposits:			
In domestic offices:			
Noninterest-bearing	4,392,684	4,202,375	190,309
Interest-bearing	957,366	965,957	-8,591
Interest-bearing	3,435,318	3,236,421	198,897
Federal funds purchased and securities sold under agreements to repurchase			
Federal funds purchased	86,822	15,350	71,472
Securities sold under agreements to repurchase	234,314	262,459	28,145
Trading liabilities	2,030		2,030
Other borrowed money	586,655	371,572	215,083
Bank's liability on acceptances executed and outstanding			
Subordinated notes and debentures			
Other liabilities	36,920	51,544	-14,624
Total liabilities	5,339,425	4,903,300	436,125
Minority interest in consolidated subsidiaries			
Perpetual preferred stock and related surplus			
Common stock	99,013	71,592	27,421
Surplus (exclude all surplus related to preferred stock)	378,295	318,481	59,814
Retained earnings and Other Equity Capital Components	235,395	234,142	1,253
Total equity capital	712,703	624,215	88,488
Total liabilities, minority interest, and equity capital	6,052,128	5,527,515	524,613

* Includes only state-chartered banks headquartered in Idaho as of 12/31/2008 and 12/31/2007

Source: Federal Deposit Insurance Corporation

DECEMBER 31, 2008
BANK OF IDAHO
IDAHO FALLS, IDAHO
Charter No. 240
Charter Issued September 13, 1985
Incorporated July 17, 1985

OFFICERS:

President and Chief Executive Officer: Park L. Price
Chief Financial Officer: Jeff R. Manser

DIRECTORS:

Emma L. Atchley; Steven E. Carr;
Ralph M. Hartwell; Kenlon P. Johnson;
Harold L. Latin; Park L. Price;
John Rigby;
Fred T. Thompson, Jr.

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	6,938
Interest-bearing balances	28
Securities:	
Held-to-maturity securities	1,999
Available-for-sale securities	28,397
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	6,265
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	6,306
Loans and leases, net of unearned income	199,201
LESS: Allowance for loan and lease losses	3,426
Loans and leases, net of unearned income and allowance	195,775
Trading assets	0
Premises and fixed assets (including capitalized leases)	5,581
Other real estate owned	1,012
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	2,715
Total assets	255,016
Deposits:	
In domestic offices:	217,787
Noninterest-bearing	56,642
Interest-bearing	161,145
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	4,151
Trading liabilities	0
Other borrowed money	9,000
Subordinated notes and debentures	0
Other liabilities	2,342
Total liabilities	233,280
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	1,402
Surplus (exclude all surplus related to preferred stock)	9,859
Retained earnings	10,193
Accumulated other comprehensive income	282
Other equity capital components	0
Total equity capital	21,736
Total liabilities, minority interest, and equity capital	255,016

DECEMBER 31, 2008
bankcda
COEUR D'ALENE, IDAHO
Charter No. 258
Charter Issued May 3, 2001
Incorporated October 16, 2000

OFFICERS:

President & Chief Executive Officer: Max J. Faller
Chief Financial Officer: Robert Stephens

DIRECTORS:

Charles J. Clock; Max J. Faller; Joseph Haley,
Mark A. Kontos; John Marcheso;
C. Richard Nordstrom; Ben R. Rolphe;
John Shovic; Wayne R. Sorensen;
Craig S. Tedmon

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,495
Interest-bearing balances	469
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	7,656
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	0
Loans and leases, net of unearned income	82,686
LESS: Allowance for loan and lease losses	1,274
Loans and leases, net of unearned income and allowance	81,412
Trading assets	0
Premises and fixed assets (including capitalized leases)	1,181
Other real estate owned	446
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	3,336
Total assets	<u>96,025</u>
Deposits:	
In domestic offices:	74,403
Noninterest-bearing	10,968
Interest-bearing	63,435
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	10,983
Subordinated notes and debentures	0
Other liabilities	832
Total liabilities	<u>86,218</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	6,429
Surplus (exclude all surplus related to preferred stock)	1,776
Retained earnings	1,541
Accumulated other comprehensive income	61
Other equity capital components	0
Total equity capital	<u>9,807</u>
Total liabilities, minority interest, and equity capital	<u><u>96,025</u></u>

DECEMBER 31, 2008
CITIZENS COMMUNITY BANK
POCATELLO, IDAHO
Charter No. 254
Charter Issued June 6, 1997
Incorporated April 17, 1996

OFFICERS:

President & Chief Executive Officer: Ralph G. Cottle
Chief Financial Officer: Terrill R. Schwartz

DIRECTORS:

J. Loren Azzola; Gary N. Blanchard; Michael Blodnick;
Ralph G. Cottle; Dave Hermansen H. Brent Hill;
Thomas J. Holmes; W. James Johnston; William A. Knick;
James E. Lee; Diana B. Lyon; Alan E. Stanek;
Jim Windmiller

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	4,934
Interest-bearing balances	6
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	29,230
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	7,320
Loans and leases, net of unearned income	154,814
LESS: Allowance for loan and lease losses	2,722
Loans and leases, net of unearned income and allowance	152,092
Trading assets	0
Premises and fixed assets (including capitalized leases)	7,513
Other real estate owned	1,322
Intangible assets:	
Goodwill	9,553
Other intangible assets	403
Other assets	5,614
Total assets	217,987
Deposits:	
In domestic offices:	135,970
Noninterest-bearing	28,707
Interest-bearing	107,263
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	27,414
Securities sold under agreements to repurchase	13,256
Trading liabilities	0
Other borrowed money	11,000
Subordinated notes and debentures	0
Other liabilities	1,237
Total liabilities	188,877
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	2,193
Surplus (exclude all surplus related to preferred stock)	19,127
Retained earnings	8,200
Accumulated other comprehensive income	-410
Other equity capital components	0
Total equity capital	29,110
Total liabilities, minority interest, and equity capital	217,987

DECEMBER 31, 2008
COMMUNITY 1ST BANK
POST FALLS, IDAHO
Charter No. 261
Charter Issued May 21, 2007
Incorporated May 10, 2007

OFFICERS:

Chief Executive Officer: David P. Bobbitt
 President & Chief Operations Officer: Jerry C. Lyon
 Chief Financial Officer: William R. Basom

DIRECTORS:

David P. Bobbitt; William R. Basom;
 William R. Booth; David B. Holloway;
 Cyndie J. Johnson; Jerry C. Lyon;
 Gary T. Schneidmiller; Jack P. Tibesar

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	545
Interest-bearing balances	1,720
Securities:	
Held-to-maturity securities	6,453
Available-for-sale securities	0
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	0
Loans and leases, net of unearned income	21,130
LESS: Allowance for loan and lease losses	156
Loans and leases, net of unearned income and allowance	20,974
Trading assets	0
Premises and fixed assets (including capitalized leases)	1,026
Other real estate owned	0
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	171
Total assets	<u>30,889</u>
Deposits:	
In domestic offices:	21,416
Noninterest-bearing	1,057
Interest-bearing	20,359
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	25
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	118
Total liabilities	<u>21,559</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	5,250
Surplus (exclude all surplus related to preferred stock)	5,272
Retained earnings	-1,192
Accumulated other comprehensive income	0
Other equity capital components	0
Total equity capital	<u>9,330</u>
Total liabilities, minority interest, and equity capital	<u><u>30,889</u></u>

DECEMBER 31, 2008
D. L. EVANS BANK
BURLEY, IDAHO
Charter No. 26
Charter Issued August 29, 1904
Incorporated August 23, 1904

OFFICERS:

Chief Executive Officer: John V. Evans, Jr.
President: John V. Evans, Sr.
Chief Financial Officer: Brenda Sanford

DIRECTORS:

John V. Evans, Jr.; John V. Evans, Sr.; Don S. Evans, Sr.;
Don S. Evans, Jr.; Larry L. Evans; M. DeLell Evans;
Paula D. Evans; Martha Gilgen; Glen R. Kunau;
Lex H. Kunau; James J. Lynch; Susan D. Evans Scarlett;
David L. Evans

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	18,696
Interest-bearing balances	8,504
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	92,463
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	301
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	4,675
Loans and leases, net of unearned income	643,898
LESS: Allowance for loan and lease losses	8,654
Loans and leases, net of unearned income and allowance	635,244
Trading assets	0
Premises and fixed assets (including capitalized leases)	31,989
Other real estate owned	1,733
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	10,713
Total assets	804,318
Deposits:	
In domestic offices:	681,056
Noninterest-bearing	128,816
Interest-bearing	552,240
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	37,186
Trading liabilities	0
Other borrowed money	14,100
Subordinated notes and debentures	0
Other liabilities	3,753
Total liabilities	736,095
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	901
Surplus (exclude all surplus related to preferred stock)	38,225
Retained earnings	27,920
Accumulated other comprehensive income	1,177
Other equity capital components	0
Total equity capital	68,223
Total liabilities, minority interest, and equity capital	804,318

DECEMBER 31, 2008
IDAHO BANKING COMPANY
BOISE, IDAHO
Charter No. 250
Charter Issued October 3, 1996
Incorporated May 14, 1996

OFFICERS:

President & Chief Executive Officer: James Latta
Chief Credit Officer: Gary Quast
Chief Financial Officer: Bruce Barfuss

DIRECTORS:

V. Dale Babbitt; M. Dean Buffington;
Leo S. Harf; B. Randy Harris;
Thomas F. Kealey; James C. Latta
Tom Morgan; John S. Simko

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	2,584
Interest-bearing balances	105
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	25,562
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	115
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	4,596
Loans and leases, net of unearned income	205,052
LESS: Allowance for loan and lease losses	4,553
Loans and leases, net of unearned income and allowance	200,499
Trading assets	0
Premises and fixed assets (including capitalized leases)	4,274
Other real estate owned	904
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	8,187
Total assets	<u>246,826</u>
Deposits:	
In domestic offices:	185,552
Noninterest-bearing	23,550
Interest-bearing	162,002
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	6,100
Securities sold under agreements to repurchase	5,372
Trading liabilities	0
Other borrowed money	26,990
Subordinated notes and debentures	0
Other liabilities	1,326
Total liabilities	<u>225,340</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	4,298
Surplus (exclude all surplus related to preferred stock)	14,338
Retained earnings	3,542
Accumulated other comprehensive income	-692
Other equity capital components	0
Total equity capital	<u>21,486</u>
Total liabilities, minority interest, and equity capital	<u>246,826</u>

DECEMBER 31, 2008
IDAHO FIRST BANK
MCCALL, IDAHO
Charter No. 259
Charter Issued September 3, 2005
Incorporated March 3, 2005

OFFICERS:

President & Chief Executive Officer: Greg P. Lovell
Chief Financial Officer: Don D. Madsen

DIRECTORS:

Natalie A. Barry; James F. Fletcher;
Daniel C. Krahn; Larry LaRocco; Greg P. Lovell;
Mark J. Miller; Daniel A. Neef;
Terry L. Robinson; Brenda L. Totorica

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	964
Interest-bearing balances	14
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	8,988
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	660
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	0
Loans and leases, net of unearned income	51,665
LESS: Allowance for loan and lease losses	741
Loans and leases, net of unearned income and allowance	50,924
Trading assets	0
Premises and fixed assets (including capitalized leases)	540
Other real estate owned	459
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	1,826
Total assets	<u>64,375</u>
Deposits:	
In domestic offices:	53,326
Noninterest-bearing	6,178
Interest-bearing	47,148
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	4,000
Subordinated notes and debentures	0
Other liabilities	540
Total liabilities	<u>57,866</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	6,883
Surplus (exclude all surplus related to preferred stock)	4,932
Retained earnings	-5,599
Accumulated other comprehensive income	293
Other equity capital components	0
Total equity capital	<u>6,509</u>
Total liabilities, minority interest, and equity capital	<u><u>64,375</u></u>

DECEMBER 31, 2008
IDAHO INDEPENDENT BANK
COEUR D'ALENE, IDAHO
Charter No. 246
Charter Issued September 7, 1993
Incorporated November 3, 1992

OFFICERS:

Chief Executive Officer: Jack W. Gustavel
 President & Chief Operating Officer: Kurt R. Gustavel
 Chief Financial Officer: Paul H. Montreuil

DIRECTORS:

Arthur Brown; Rod B. Colwell;
 Michael J. Coughlin; Roy L. Eiguren;
 Jack W. Gustavel; Kurt R. Gustavel;
 Terry Gustavel; Jerald J. Jaeger; Gary L. Mahn

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	14,259
Interest-bearing balances	55,363
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	1,092
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	320
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	4,570
Loans and leases, net of unearned income	471,675
LESS: Allowance for loan and lease losses	12,630
Loans and leases, net of unearned income and allowance	459,045
Trading assets	2,030
Premises and fixed assets (including capitalized leases)	23,191
Other real estate owned	7,046
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	21,815
Total assets	588,731
Deposits:	
In domestic offices:	421,230
Noninterest-bearing	107,937
Interest-bearing	313,292
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	1,600
Securities sold under agreements to repurchase	36,625
Trading liabilities	2,030
Other borrowed money	55,100
Subordinated notes and debentures	0
Other liabilities	4,760
Total liabilities	521,345
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	34,813
Surplus (exclude all surplus related to preferred stock)	43,613
Retained earnings	0
Accumulated other comprehensive income	-1
Other equity capital components	-11,039
Total equity capital	67,386
Total liabilities, minority interest, and equity capital	588,731

DECEMBER 31, 2008
IDAHO TRUST BANK
BOISE, IDAHO
Charter No. 263
Charter Issued December 4, 2008
Incorporated December 4, 2008

OFFICERS:

Chief Executive Officer: Daniel W. Prohaska
President: Thomas F. Prohaska
Chief Financial Officer: Geri L. Bullard

DIRECTORS:

Daniel W. Prohaska; Thomas F. Prohaska;
Matthew J. Baker; Arthur J. Berry;
Richard H. Jones; Thomas F. Ripke

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	925
Interest-bearing balances	9,350
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	2,965
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	14,176
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	0
Loans and leases, net of unearned income	73,437
LESS: Allowance for loan and lease losses	1,718
Loans and leases, net of unearned income and allowance	71,719
Trading assets	0
Premises and fixed assets (including capitalized leases)	4,103
Other real estate owned	0
Intangible assets:	
Goodwill	155
Other intangible assets	0
Other assets	2,635
Total assets	<u>106,028</u>
Deposits:	
In domestic offices:	80,570
Noninterest-bearing	5,902
Interest-bearing	74,668
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	1,660
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	406
Total liabilities	<u>82,636</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	22,100
Surplus (exclude all surplus related to preferred stock)	3,767
Retained earnings	-2,451
Accumulated other comprehensive income	9
Other equity capital components	-33
Total equity capital	<u>23,392</u>
Total liabilities, minority interest, and equity capital	<u>106,028</u>

DECEMBER 31, 2008
IRELAND BANK
MALAD, IDAHO
Charter No. 7
Charter Issued May 1, 1899
Incorporated December 8, 1892

OFFICERS:

President & Chief Executive Officer: R. Blair Hawkes
Chief Financial Officer: Lawrence G. Knudsen

DIRECTORS:

Timothy P. Deeg; R. Blair Hawkes;
David G. Jenkins; Jeff Schutte;
Randon W. Wilson; Randall E. Marshall

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	8,816
Interest-bearing balances	92
Securities:	
Held-to-maturity securities	4,129
Available-for-sale securities	34,673
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	8
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	1,140
Loans and leases, net of unearned income	151,594
LESS: Allowance for loan and lease losses	2,025
Loans and leases, net of unearned income and allowance	149,569
Trading assets	0
Premises and fixed assets (including capitalized leases)	2,189
Other real estate owned	287
Intangible assets:	
Goodwill	222
Other intangible assets	0
Other assets	7,105
Total assets	<u>208,230</u>
Deposits:	
In domestic offices:	171,781
Noninterest-bearing	45,128
Interest-bearing	126,653
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	11,400
Securities sold under agreements to repurchase	1,423
Trading liabilities	0
Other borrowed money	3,867
Subordinated notes and debentures	0
Other liabilities	1,220
Total liabilities	<u>189,691</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	705
Surplus (exclude all surplus related to preferred stock)	6,367
Retained earnings	11,109
Accumulated other comprehensive income	358
Other equity capital components	0
Total equity capital	<u>18,539</u>
Total liabilities, minority interest, and equity capital	<u>208,230</u>

DECEMBER 31, 2008
MOUNTAIN WEST BANK
COEUR D'ALENE, IDAHO
Charter No. 256
Charter Issued June 30, 1999
Incorporated June 28, 1999

OFFICERS:

President & Chief Executive Officer: Jon W. Hippler
Chief Financial Officer: Ronn C. Rich

DIRECTORS:

Dennis Downer; Bradley E. Dugdale, Jr.; James English;
Tom Gibson; Jon Hippler; Marcia Johnson;
Stephen Meyer; Charles Nipp; J. Michael Patano;
Donald Shepherd; Steven Tester; Thomas K. Thilo

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	34,440
Interest-bearing balances	1,665
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	159,020
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	30,875
Loans and leases, net of unearned income	940,593
LESS: Allowance for loan and lease losses	15,982
Loans and leases, net of unearned income and allowance	924,611
Trading assets	0
Premises and fixed assets (including capitalized leases)	25,851
Other real estate owned	8,286
Intangible assets:	
Goodwill	23,159
Other intangible assets	492
Other assets	19,936
Total assets	1,228,335
Deposits:	
In domestic offices:	680,404
Noninterest-bearing	177,277
Interest-bearing	503,127
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	39,787
Securities sold under agreements to repurchase	25,635
Trading liabilities	0
Other borrowed money	352,105
Subordinated notes and debentures	0
Other liabilities	5,523
Total liabilities	1,103,454
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	1,789
Surplus (exclude all surplus related to preferred stock)	58,308
Retained earnings	64,853
Accumulated other comprehensive income	-69
Other equity capital components	0
Total equity capital	124,881
Total liabilities, minority interest, and equity capital	1,228,335

DECEMBER 31, 2008
PANHANDLE STATE BANK
SANDPOINT, IDAHO
Charter No. 238
Charter Issued May 15, 1981
Incorporated December 19, 1980

OFFICERS:

Chief Executive Officer: Curt Hecker
President: Jerry Smith
Chief Financial Officer: Douglas Wright

DIRECTORS:

Charles L. Bauer; James T. Diehl; Ford Elsaesser;
Curt Hecker; Ron Jones; Maggie Lyons;
John B. Parker; James Patrick; Michael J. Romine;
Jerrold B. Smith

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	22,051
Interest-bearing balances	182
Securities:	
Held-to-maturity securities	17,604
Available-for-sale securities	147,619
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	71,450
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	933
Loans and leases, net of unearned income	769,033
LESS: Allowance for loan and lease losses	16,433
Loans and leases, net of unearned income and allowance	752,600
Trading assets	0
Premises and fixed assets (including capitalized leases)	22,327
Other real estate owned	4,541
Intangible assets:	
Goodwill	11,662
Other intangible assets	576
Other assets	30,208
Total assets	1,081,753
Deposits:	
In domestic offices:	796,976
Noninterest-bearing	160,829
Interest-bearing	636,147
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	109,006
Trading liabilities	0
Other borrowed money	46,000
Subordinated notes and debentures	0
Other liabilities	4,493
Total liabilities	956,475
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	2,668
Surplus (exclude all surplus related to preferred stock)	80,864
Retained earnings	46,696
Accumulated other comprehensive income	-4,950
Other equity capital components	0
Total equity capital	125,278
Total liabilities, minority interest, and equity capital	1,081,753

DECEMBER 31, 2008
SYRINGA BANK
BOISE, IDAHO
Charter No. 251
Charter Issued February 13, 1997
Incorporated March 8, 1996

OFFICERS:

President & Chief Executive Officer: Jerry F. Aldape
Chief Financial Officer: Jerry F. Aldape

DIRECTORS:

Hilario "Larry" J. Arguinchona;
Scott J. Chandler; Thomas B. Chandler; Don Deters;
LaVern Gentry; Terry L. Hayden; Louann Krueger;
Cheryl A. Larrabee; Harvey L. Neef; Jody Olson;
Bruce C. Parker; Charles H. Wilson

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	5,767
Interest-bearing balances	572
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	17,247
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	280
Loans and leases, net of unearned income	259,913
LESS: Allowance for loan and lease losses	7,613
Loans and leases, net of unearned income and allowance	252,300
Trading assets	0
Premises and fixed assets (including capitalized leases)	3,328
Other real estate owned	3,428
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	6,715
Total assets	289,637
Deposits:	
In domestic offices:	200,150
Noninterest-bearing	28,392
Interest-bearing	171,759
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	496
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	53,510
Subordinated notes and debentures	0
Other liabilities	1,329
Total liabilities	255,485
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	5,082
Surplus (exclude all surplus related to preferred stock)	34,371
Retained earnings	-5,216
Accumulated other comprehensive income	-85
Other equity capital components	0
Total equity capital	34,152
Total liabilities, minority interest, and equity capital	289,637

DECEMBER 31, 2008
THE BANK OF COMMERCE
IDAHO FALLS, IDAHO
Charter No. 225
Charter Issued March 30, 1959
Incorporated March 30, 1959

OFFICERS:

President & Chief Executive Officer: Thomas J. Romrell
Chief Financial Officer: Ronald M. Johnson

DIRECTORS:

Richard N. Adams; Bradford C. Bowen;
Julian G. Cowley; Calvin Erb; John W. Erb;
William Reed; Thomas J. Romrell

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	33,724
Interest-bearing balances	0
Securities:	
Held-to-maturity securities	98,419
Available-for-sale securities	101,039
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	52,550
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	0
Loans and leases, net of unearned income	476,046
LESS: Allowance for loan and lease losses	5,755
Loans and leases, net of unearned income and allowance	470,291
Trading assets	0
Premises and fixed assets (including capitalized leases)	14,079
Other real estate owned	2,848
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	9,463
Total assets	<u>782,413</u>
Deposits:	
In domestic offices:	653,849
Noninterest-bearing	174,767
Interest-bearing	479,082
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	8,603
Total liabilities	<u>662,452</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	1,000
Surplus (exclude all surplus related to preferred stock)	29,200
Retained earnings	88,448
Accumulated other comprehensive income	1,313
Other equity capital components	0
Total equity capital	<u>119,961</u>
Total liabilities, minority interest, and equity capital	<u><u>782,413</u></u>

DECEMBER 31, 2008
WESTERN CAPITAL BANK
BOISE, IDAHO
Charter No. 262
Charter Issued March 25, 2008
Incorporated March 31, 2008

OFFICERS:

President & Chief Executive Officer: Rob R. Perez
Chief Financial Officer: Neva J. McCormick

DIRECTORS:

Rob. R Perez; Tamara C. Brandstetter;
Steve D. Wasson; William K. Ilett;
Jeffery D. Gow

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	69
Interest-bearing balances	23,798
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	16,320
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	0
Loans and leases, net of unearned income	10,538
LESS: Allowance for loan and lease losses	121
Loans and leases, net of unearned income and allowance	10,417
Trading assets	0
Premises and fixed assets (including capitalized leases)	649
Other real estate owned	0
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	312
Total assets	51,565
Deposits:	
In domestic offices:	18,214
Noninterest-bearing	1,216
Interest-bearing	16,998
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	438
Total liabilities	18,652
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	3,500
Surplus (exclude all surplus related to preferred stock)	28,276
Retained earnings	1,106
Accumulated other comprehensive income	31
Other equity capital components	0
Total equity capital	32,913
Total liabilities, minority interest, and equity capital	51,565

DECEMBER 31, 2008
THE IDAHO COMPANY
IDAHO FALLS, IDAHO
Charter No. 1
Incorporated November 28, 1986
BIDCO License Issued July 11, 1989

OFFICERS:

Chairman, President, & Chief Executive Officer:
 William F. Rigby

DIRECTORS:

Jeffrey Jones; John Rigby;
 William F. Rigby; Fred T. Thompson, Jr.;
 Shanon Taylor

	(000's Omitted)
<u>ASSETS</u>	
Cash	2
Loan Receivable.....	1,116
Less: Allowance for Loan Losses	93
Net Loans and Leases.....	1,023
Interest Receivable	111
Prepaid Expenses	6
Other Investments	528
Total Assets.....	1,671
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	
Accounts Payable	1,000
Accrued Expenses	20
Notes Payable.....	397
Accrued Interest	33
Total Liabilities	431
 <u>STOCKHOLDERS' EQUITY</u>	
Common Stock.....	1,137
Retained Earnings	103
Total Stockholders' Equity.....	1,240
Total Liabilities and Stockholders' Equity.....	1,671

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Ireland Bank	386 N. Main	Aberdeen	ID	83210
Wells Fargo Bank, N.A.	165 South Main Street	Aberdeen	ID	83210
D. L. Evans Bank	Main and Market Streets	Albion	ID	83311
Keybank, N.A.	290 Idaho Street	American Falls	ID	83211
The Bank of Commerce	590 Tyhee Avenue	American Falls	ID	83211
U.S. Bank, N.A.	588 Fort Hall Avenue	American Falls	ID	83211
Wells Fargo Bank, N.A.	246 Idaho Street	American Falls	ID	83211
The Bank of Commerce	120 W. Grand Avenue	Arco	ID	83213
Wells Fargo Bank, N.A.	205 W. Grand Avenue	Arco	ID	83213
Bank of Idaho	600 Main Street	Ashton	ID	83420
Keybank, N.A.	24 S. 5 th Street	Ashton	ID	83420
U.S. Bank, N.A.	625 S. Main Street	Bellevue	ID	83313
U.S. Bank, N.A.	731 N. Main Street, Suite A	Bellevue	ID	83313
Keybank, N.A.	15 N. Ash Street	Blackfoot	ID	83221
The Bank of Commerce	280 W. Judicial Street	Blackfoot	ID	83221
U.S. Bank, N.A.	9 S. Ash Street	Blackfoot	ID	83221
Washington Federal Savings & Loan Assoc.	715 W. Judicial	Blackfoot	ID	83221
Wells Fargo Bank, N.A.	109 South Broadway	Blackfoot	ID	83221
Zions First National Bank	1350 Parkway Drive #1	Blackfoot	ID	83221
Bank of America, N.A.	1200 Main Street	Boise	ID	83702
Bank of America, N.A.	280 S. Capitol Boulevard	Boise	ID	83702
Bank of the Cascades	121 N. 9 th Street, Suite 100	Boise	ID	83702
Bank of the Cascades	121 N. 9 th Street, Suite 101	Boise	ID	83702
Bank of the West	827 W. Idaho Street	Boise	ID	83702
Banner Bank	950 W. Bannock, Suite 100	Boise	ID	83702
D. L. Evans Bank	213 N. 9 th Street	Boise	ID	83702
Home Federal Bank	800 W. State Street	Boise	ID	83702
Idaho Independent Bank	317 N. 9 th Street	Boise	ID	83702
Idaho Independent Bank	401 W. Front Street	Boise	ID	83702
Idaho Trust Bank	888 W. Broad Street	Boise	ID	83702
JP Morgan Chase Bank, N.A.	175 N. Capitol Boulevard	Boise	ID	83702
Keybank, N.A.	702 W. Idaho Street	Boise	ID	83702
Mountain West Bank	800 W. Bannock Street	Boise	ID	83702
Mountain West Bank	433 N. 16 th Street	Boise	ID	83702
Sterling Savings Bank	420 W. Main Street	Boise	ID	83702
Syringa Bank	999 Main Street, Suite 100	Boise	ID	83702
U.S. Bank, N.A.	101 S. Capitol Boulevard, Suite 102	Boise	ID	83702
U.S. Bank, N.A.	111 S. 27 th Street	Boise	ID	83702
U.S. Bank, N.A.	1688 State Street	Boise	ID	83702
U.S. Bank, N.A.	205 N. 10 th Street	Boise	ID	83702
Washington Federal Savings & Loan Assoc.	1001 W. Idaho Street	Boise	ID	83702
Washington Trust Bank	901 West Bannock Street	Boise	ID	83702
Wells Fargo Bank, N.A.	848 W. Main Street	Boise	ID	83702
Wells Fargo Bank, N.A.	877 W. Main Street	Boise	ID	83702
Western Capital Bank	1750 Front Street	Boise	ID	83702
Zions First National Bank	890 Main Street	Boise	ID	83702
D. L. Evans Bank	3845 W. State Street	Boise	ID	83703
JP Morgan Chase Bank, N.A.	3550 W. State Street	Boise	ID	83703

³ Source: FDIC Summary of Deposits

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Keybank, N.A.	6700 W. State Street	Boise	ID	83703
U.S. Bank, N.A.	3614 W. State Street	Boise	ID	83703
U.S. Bank, N.A.	7100 W. State Street	Boise	ID	83703
Wells Fargo Bank, N.A.	4630 W. State Street	Boise	ID	83703
Bank of America, N.A.	421 N. Cole Road	Boise	ID	83704
Bank of America, N.A.	9780 W. Fairview Avenue	Boise	ID	83704
Bank of the West	9140 W. Emerald	Boise	ID	83704
Banner Bank	6850 Fairview Avenue	Boise	ID	83704
Home Federal Bank	10440 W. Ustick Road	Boise	ID	83704
Idaho Banking Company	6010 Fairview Avenue	Boise	ID	83704
JP Morgan Chase Bank, N.A.	373 N. Milwaukee Street	Boise	ID	83704
Keybank, N.A.	3149 N. Cole Road	Boise	ID	83704
Keybank, N.A.	8157 W. Fairview Avenue	Boise	ID	83704
U.S. Bank, N.A.	10556 Fairview Avenue	Boise	ID	83704
U.S. Bank, N.A.	7230 Fairview Avenue	Boise	ID	83704
Washington Federal Savings & Loan Assoc.	10150 Fairview Avenue	Boise	ID	83704
Washington Federal Savings & Loan Assoc.	3197 N. Cole Road	Boise	ID	83704
Washington Trust Bank	7930 Fairview Avenue	Boise	ID	83704
Wells Fargo Bank, N.A.	7700 Fairview Avenue	Boise	ID	83704
Zions First National Bank	7402 Fairview Avenue	Boise	ID	83704
Bank of America, N.A.	3563 S. Federal Way	Boise	ID	83705
Bank of the Cascades	801 S. Vista Avenue	Boise	ID	83705
D. L. Evans Bank	1600 S. Vista Avenue	Boise	ID	83705
JP Morgan Chase Bank, N.A.	3527 Federal Way SE, Ste A	Boise	ID	83705
Keybank, N.A.	4920 Overland Street	Boise	ID	83705
Keybank, N.A.	875 E. Parkcenter Boulevard	Boise	ID	83705
U.S. Bank, N.A.	1103 Vista Avenue	Boise	ID	83705
U.S. Bank, N.A.	1515 S. Orchard	Boise	ID	83705
U.S. Bank, N.A.	2730 Airport Way	Boise	ID	83705
Washington Federal Savings & Loan Assoc.	10 S. Orchard Street	Boise	ID	83705
Wells Fargo Bank, N.A.	1400 Vista Avenue	Boise	ID	83705
Home Federal Bank	871 Parkcenter Boulevard	Boise	ID	83706
Idaho Banking Company	449 E. Parkcenter Boulevard	Boise	ID	83706
JP Morgan Chase Bank, N.A.	2423 Apple Street	Boise	ID	83706
JP Morgan Chase Bank, N.A.	5120 W. Franklin Road	Boise	ID	83706
Keybank, N.A.	1111 Broadway Avenue	Boise	ID	83706
Syringa Bank	1299 N. Orchard Street	Boise	ID	83706
U.S. Bank, N.A.	1000 Broadway Avenue	Boise	ID	83706
U.S. Bank, N.A.	301 W. Parkcenter Boulevard	Boise	ID	83706
Washington Federal Savings & Loan Assoc.	1789 Broadway Avenue	Boise	ID	83706
Wells Fargo Bank, N.A.	1205 Broadway Avenue	Boise	ID	83706
Wells Fargo Bank, N.A.	421 N. Orchard Avenue	Boise	ID	83706
Wells Fargo Bank, N.A.	505 W. Bannock Street	Boise	ID	83706
Wells Fargo Bank, N.A.	818 E. Boise Avenue	Boise	ID	83706
Bank of the Cascades	6981 Overland Road	Boise	ID	83709
Banner Bank	1550 S. Kimball Way	Boise	ID	83709
Home Federal Bank	1307 Maple Grove Road	Boise	ID	83709
Home Federal Bank	8300 W. Overland Road	Boise	ID	83709
JP Morgan Chase Bank, N.A.	10751 W. Overland Rd., #D	Boise	ID	83709
Mountain West Bank	80 S. Cole Road	Boise	ID	83709

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
U.S. Bank, N.A.	10500 Overland Road	Boise	ID	83709
U.S. Bank, N.A.	10541 Overland Road	Boise	ID	83709
U.S. Bank, N.A.	8534 Franklin Road	Boise	ID	83709
Washington Trust Bank	7802 W. Overland Road	Boise	ID	83709
Wells Fargo Bank, N.A.	10342 Overland Road	Boise	ID	83709
D. L. Evans Bank	7450 W. Emerald Street	Boise	ID	83713
U.S. Bank, N.A.	10700 Ustick Road	Boise	ID	83713
U.S. Bank, N.A.	4700 N. Eagle Road	Boise	ID	83713
Wells Fargo Bank, N.A.	4594 N. Eagle Road	Boise	ID	83713
Wells Fargo Bank, N.A.	3150 N. Five Mile Road	Boise	ID	83713
Zions First National Bank	6176 N. Eagle	Boise	ID	83713
JP Morgan Chase Bank, N.A.	6490 S. Federal Way	Boise	ID	83716
U.S. Bank, N.A.	6560 S. Federal Way	Boise	ID	83716
Idaho Independent Bank	8351 W. Overland Road	Boise	ID	83719
Mountain West Bank	7186 1 st Street	Bonnors Ferry	ID	83805
Panhandle State Bank	6750 Main Street	Bonnors Ferry	ID	83805
Wells Fargo Bank, N.A.	6764 Main Street	Bonnors Ferry	ID	83805
First Federal Savings Bank of Twin Falls	123 Broadway Avenue, North	Buhl	ID	83316
The Farmers National Bank of Buhl	914 Main Street	Buhl	ID	83316
U.S. Bank, N.A.	819 Main Street	Buhl	ID	83316
Wells Fargo Bank, N.A.	200 Broadway North	Buhl	ID	83316
D. L. Evans Bank	2281 Overland Avenue	Burley	ID	83318
D. L. Evans Bank	397 N. Overland Avenue	Burley	ID	83318
First Federal Savings Bank of Twin Falls	1095 East Main Street	Burley	ID	83318
First Federal Savings Bank of Twin Falls	2059 Overland Avenue	Burley	ID	83318
Keybank, N.A.	1301 Overland Avenue	Burley	ID	83318
U.S. Bank, N.A.	112 E. Main Street	Burley	ID	83318
Wells Fargo Bank, N.A.	130 E. Main Street	Burley	ID	83318
Wells Fargo Bank, N.A.	937 E. Main Street	Burley	ID	83318
Zions First National Bank	102 W. Main Street	Burley	ID	83318
Bank of the Cascades	1110 Blaine	Caldwell	ID	83605
Home Federal Bank	923 Dearborn Street	Caldwell	ID	83605
Idaho Independent Bank	620 S. Kimball Avenue	Caldwell	ID	83605
JP Morgan Chase Bank, N.A.	1018 Blaine Street	Caldwell	ID	83605
Keybank, N.A.	309 S. 9 th Street	Caldwell	ID	83605
U.S. Bank, N.A.	607 Cleveland Boulevard	Caldwell	ID	83605
Washington Federal Savings & Loan Assoc.	515 Cleveland Boulevard	Caldwell	ID	83605
Wells Fargo Bank, N.A.	2500 Blaine Street	Caldwell	ID	83605
Wells Fargo Bank, N.A.	823 Cleveland Boulevard	Caldwell	ID	83605
Zions First National Bank	509 S. Kimball Avenue	Caldwell	ID	83605
Panhandle State Bank	506 S. 10 th Avenue	Caldwell	ID	83606
Wells Fargo Bank, N.A.	5218 Cleveland Boulevard	Caldwell	ID	83607
U.S. Bank, N.A.	95 N. Superior Street	Cambridge	ID	83610
Ireland Bank	20449 Main Street	Carey	ID	83320
Sterling Savings Bank	101 S. Main Street	Cascade	ID	83611
Wells Fargo Bank, N.A.	Fourth & Main	Challis	ID	83226
AmericanWest Bank	223 W. Ironwood Drive	Coeur d'Alene	ID	83814
Bank of America, N.A.	401 Front Avenue	Coeur d'Alene	ID	83814
Bank of America, N.A.	357 W. Canfield Street	Coeur d'Alene	ID	83814
Bank of America, N.A.	501 W. Appleway	Coeur d'Alene	ID	83814

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
bankcda	912 Northwest Boulevard	Coeur d'Alene	ID	83814
Idaho Independent Bank	1260 W. Riverstone Drive	Coeur d'Alene	ID	83814
Idaho Trust Bank	608 Northwest Boulevard, Suite 300	Coeur d'Alene	ID	83814
Inland Northwest Bank	955 Ironwood Drive	Coeur d'Alene	ID	83814
JP Morgan Chase Bank, N.A.	560 W. Kathleen, Suite A	Coeur d'Alene	ID	83814
Mountain West Bank	125 Ironwood Drive	Coeur d'Alene	ID	83814
Sterling Savings Bank	1233 Northwood Center Court	Coeur d'Alene	ID	83814
U.S. Bank, N.A.	1603 N. 4 th Street	Coeur d'Alene	ID	83814
U.S. Bank, N.A.	302 Sherman Avenue	Coeur d'Alene	ID	83814
Washington Trust Bank	218 Lakeside Street	Coeur d'Alene	ID	83814
Wells Fargo Bank, N.A.	114 W. Appleway	Coeur d'Alene	ID	83814
Wells Fargo Bank, N.A.	2100 Northwest Boulevard	Coeur d'Alene	ID	83814
Wells Fargo Bank, N.A.	230 W. Ironwood Drive	Coeur d'Alene	ID	83814
Wells Fargo Bank, N.A.	301 E. Sherman Avenue	Coeur d'Alene	ID	83814
Inland Northwest Bank	30 West Prairie Avenue	Coeur d'Alene	ID	83815
Mountain West Bank	1715 W. Kathleen Avenue	Coeur d'Alene	ID	83815
Panhandle State Bank	200 W. Neider Avenue	Coeur d'Alene	ID	83815
U.S. Bank, N.A.	6376 N. Government Way	Coeur d'Alene	ID	83815
Sterling Savings Bank	1106 Sherman Avenue	Coeur d'Alene	ID	83816
U.S. Bank, N.A.	104 Main Street	Cottonwood	ID	83522
Wells Fargo Bank, N.A.	316 Main Street	Cottonwood	ID	83522
U.S. Bank, N.A.	210 Illinois Avenue	Council	ID	83612
Wells Fargo Bank, N.A.	113 W. Main Street	Craigmont	ID	83523
Ireland Bank	Main and Center Streets	Downey	ID	83234
Keybank, N.A.	15 N. Main Street	Driggs	ID	83422
The Bank of Commerce	65 E. Wallace Avenue	Driggs	ID	83422
U.S. Bank, N.A.	200 S. Main Street	Driggs	ID	83422
Wells Fargo Bank, N.A.	185 South Main Street	Driggs	ID	83422
Bank of the Cascades	1101 E. Winding Creek Drive	Eagle	ID	83616
Bank of the West	47 E. Riverside Drive	Eagle	ID	83616
Home Federal Bank	100 E. Riverside Drive	Eagle	ID	83616
Idaho Banking Company	402 S. Eagle Road	Eagle	ID	83616
Idaho Independent Bank	560 E. State Street	Eagle	ID	83616
JP Morgan Chase Bank, N.A.	468 Rivershore Lane	Eagle	ID	83616
Keybank, N.A.	3314 E. Chinden Boulevard	Eagle	ID	83616
Mountain West Bank	1539 E. Iron Eagle Drive	Eagle	ID	83616
Syringa Bank	3172 E. State Street	Eagle	ID	83616
U.S. Bank, N.A.	150 W. State Street	Eagle	ID	83616
U.S. Bank, N.A.	250 S. Eagle Road	Eagle	ID	83616
Washington Federal Savings & Loan Assoc.	701 E. State Street	Eagle	ID	83616
Wells Fargo Bank, N.A.	498 E. State Street	Eagle	ID	83616
Home Federal Bank	250 S. Washington	Emmett	ID	83617
Keybank, N.A.	1024 S. Washington Avenue	Emmett	ID	83617
U.S. Bank, N.A.	200 S. Washington	Emmett	ID	83617
Wells Fargo Bank, N.A.	102 W. Main Street	Emmett	ID	83617
U.S. Bank, N.A.	512 Soldier Road	Fairfield	ID	83327
U.S. Bank, N.A.	98 Highway 30	Filer	ID	83328
Bank of the Cascades	1850 N. Whitley Drive	Fruitland	ID	83619
Keybank, N.A.	1515 N. Whitley Drive	Fruitland	ID	83619
Panhandle State Bank	1710 N. Whitley Drive, Suite A	Fruitland	ID	83619
Zions First National Bank	909 NW 16 th Street, Suite B	Fruitland	ID	83619
Bank of the Cascades	4128 Adams Street	Garden City	ID	83714
Home Federal Bank	7319 W. State Street	Garden City	ID	83714

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
JP Morgan Chase Bank, N.A.	5425 Chinden Boulevard	Garden City	ID	83714
Mountain West Bank	7107 W. State Street	Garden City	ID	83714
U.S. Bank, N.A.	5312 Chinden Boulevard	Garden City	ID	83714
Washington Trust Bank	7309 W. State Street	Garden City	ID	83714
Wells Fargo Bank, N.A.	6788 Glenwood St.	Garden City	ID	83714
Wells Fargo Bank, N.A.	3301 W. Chinden Boulevard	Garden City	ID	83714
Wells Fargo Bank, N.A.	102 E. Walnut Street	Genesee	ID	83832
U.S. Bank, N.A.	102 E. Idaho Avenue	Glenns Ferry	ID	83623
Bank of America, N.A.	645 Main Street	Gooding	ID	83330
Panhandle State Bank	746 Main Street	Gooding	ID	83330
Wells Fargo Bank, N.A.	445 Main Street	Gooding	ID	83330
Zions First National Bank	502 Main Street	Gooding	ID	83330
Ireland Bank	1 N. Main	Grace	ID	83241
U.S. Bank, N.A.	300 S. Main Street	Grand View	ID	83624
Sterling Savings Bank	147 W. Main Street	Grangeville	ID	83530
U.S. Bank, N.A.	104 E. Main Street	Grangeville	ID	83530
Wells Fargo Bank, N.A.	162 E. Main Street	Grangeville	ID	83530
U.S. Bank, N.A.	111 W. Hagerman Avenue	Hagerman	ID	83332
Bank of America, N.A.	215 N. Main Street	Hailey	ID	83333
D. L. Evans Bank	12 E. Bullion Street	Hailey	ID	83333
Mountain West Bank	206 N. Main Street	Hailey	ID	83333
U.S. Bank, N.A.	314 N. Main Street	Hailey	ID	83333
Wells Fargo Bank, N.A.	100 N. Main Street	Hailey	ID	83333
AmericanWest Bank	255 W. Hayden Avenue	Hayden	ID	83835
Bank of America, N.A.	162 W. Hayden Avenue	Hayden	ID	83835
bankcda	200 W. Honeysuckle Avenue	Hayden	ID	83835
Idaho Independent Bank	8882 N. Government Way	Hayden	ID	83835
Mountain West Bank	305 West Prairie Avenue	Hayden	ID	83835
Sterling Savings Bank	8060 N. Cornerstone Drive	Hayden	ID	83835
U.S. Bank, N.A.	197 W. Prairie Avenue	Hayden	ID	83835
Washington Trust Bank	8050 N. Government Way	Hayden	ID	83835
Wells Fargo Bank, N.A.	204 W. Hayden Avenue	Hayden	ID	83835
U.S. Bank, N.A.	255 Main Street	Hazelton	ID	83335
U.S. Bank, N.A.	112 S. Main Street	Homedale	ID	83628
Bank of America, N.A.	110 N. Holmes Avenue	Idaho Falls	ID	83401
JP Morgan Chase Bank, N.A.	1555 Northgate Mile, SuiteA	Idaho Falls	ID	83401
The Bank of Commerce	1455 Northgate Mile	Idaho Falls	ID	83401
U.S. Bank, N.A.	585 First Street	Idaho Falls	ID	83401
Wells Fargo Bank, N.A.	305 First Street	Idaho Falls	ID	83401
Wells Fargo Bank, N.A.	400 S. Woodruff Avenue	Idaho Falls	ID	83401
Wells Fargo Bank, N.A.	576 E. 17 th Street	Idaho Falls	ID	83401
Bank of Idaho	399 N. Capital Avenue	Idaho Falls	ID	83402
Citizens Community Bank	900 S. Utah Avenue	Idaho Falls	ID	83402
The Bank of Commerce	1730 W. Broadway Street	Idaho Falls	ID	83402
The Bank of Commerce	375 Yellowstone Avenue	Idaho Falls	ID	83402
U.S. Bank, N.A.	1555 W. Broadway	Idaho Falls	ID	83402
U.S. Bank, N.A.	330 Shoup Avenue	Idaho Falls	ID	83402
Wells Fargo Bank, N.A.	320 A Street	Idaho Falls	ID	83402
Wells Fargo Bank, N.A.	635 N. Skyline Drive	Idaho Falls	ID	83402
Zions First National Bank	1235 S. Utah Avenue	Idaho Falls	ID	83402
Bank of Idaho	1800 Channing Way	Idaho Falls	ID	83403
Keybank, N.A.	1625 Northgate Mile	Idaho Falls	ID	83403
D. L. Evans Bank	888 E. 17 th Street	Idaho Falls	ID	83404
The Bank of Commerce	1770 E. 17 th Street	Idaho Falls	ID	83404

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Wells Fargo Bank, N.A.	1798 Hitt Road	Idaho Falls	ID	83404
Keybank, N.A.	501 Broadway	Idaho Falls	ID	83405
Washington Federal Savings & Loan Assoc.	500 N. Capital	Idaho Falls	ID	83405
Citizens Community Bank	2797 S. 25 th East	Idaho Falls	ID	83406
JP Morgan Chase Bank, N.A.	1711 S. 25 th East	Idaho Falls	ID	83406
Keybank, N.A.	2655 E. 17 th Street	Idaho Falls	ID	83406
The Bank of Commerce	3113 S. 25 th East	Idaho Falls	ID	83406
Zions First National Bank	2540 E. Sunnyside Road	Idaho Falls	ID	83406
Ireland Bank	Main Street and Highway 30	Inkom	ID	83245
Bank of Idaho	3976 U.S. Highway 20	Island Park	ID	83429
D. L. Evans Bank	1014 S. Lincoln Avenue	Jerome	ID	83338
First Federal Savings Bank of Twin Falls	1515 S. Lincoln Avenue	Jerome	ID	83338
The Farmers National Bank of Buhl	1441 S. Lincoln Avenue	Jerome	ID	83338
U.S. Bank, N.A.	300 S. Lincoln Avenue	Jerome	ID	83338
Washington Federal Savings & Loan Assoc.	140 E. Main Street	Jerome	ID	83338
Wells Fargo Bank, N.A.	100 E. Main Street	Jerome	ID	83338
Wells Fargo Bank, N.A.	320 Idaho Street	Kamiah	ID	83536
AmericanWest Bank	120 Railroad Avenue	Kellogg	ID	83837
Panhandle State Bank	302 W. Cameron Avenue	Kellogg	ID	83837
U.S. Bank, N.A.	7 McKinley Avenue	Kellogg	ID	83837
Wells Fargo Bank, N.A.	100 McKinley Avenue	Kellogg	ID	83837
Wells Fargo Bank, N.A.	202 W. Cameron Avenue	Kellogg	ID	83837
Wells Fargo Bank, N.A.	501 E. Main Street	Kendrick	ID	83537
Bank of America, N.A.	311 Main Street	Ketchum	ID	83340
Bank of the West	600 Sun Valley Road	Ketchum	ID	83340
D. L. Evans Bank	680 Sun Valley Road	Ketchum	ID	83340
Idaho Independent Bank	180 First Street West, Unit 103	Ketchum	ID	83340
Mountain West Bank	331 N. Leadville Avenue	Ketchum	ID	83340
U.S. Bank, N.A.	111 Main Street	Ketchum	ID	83340
U.S. Bank, N.A.	191 Sun Valley Road	Ketchum	ID	83340
Wells Fargo Bank, N.A.	600 Sun Valley Road	Ketchum	ID	83340
Zions First National Bank	291 Washington Avenue	Ketchum	ID	83340
First Federal Savings Bank of Twin Falls	22349 Kimberly Road	Kimberly	ID	83341
Wells Fargo Bank, N.A.	242 Main Street North	Kimberly	ID	83341
Sterling Savings Bank	1 Main Street	Kooskia	ID	83539
Bank of the Cascades	840 E. Avalon Street	Kuna	ID	83634
U.S. Bank, N.A.	485 W. Third Street	Kuna	ID	83634
Ireland Bank	110 Main Street	Lava Hot Springs	ID	83246
AmericanWest Bank	2201 Thain Grade	Lewiston	ID	83501
Banner Bank	1031 21 st Street	Lewiston	ID	83501
Banner Bank	639 Bryden Avenue	Lewiston	ID	83501
Sterling Savings Bank	2250 Thain Grade Road	Lewiston	ID	83501
Sterling Savings Bank	444 Thain Road	Lewiston	ID	83501
Sterling Savings Bank	921 F Street	Lewiston	ID	83501
Syringa Bank	1005 Bryden	Lewiston	ID	83501
Twin River National Bank	1507 G Street	Lewiston	ID	83501
Twin River National Bank	3330 10 th Street	Lewiston	ID	83501
U.S. Bank, N.A.	1900 19 th Avenue	Lewiston	ID	83501
U.S. Bank, N.A.	835 Main Street	Lewiston	ID	83501
Wells Fargo Bank, N.A.	303 Thain Road	Lewiston	ID	83501

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Wells Fargo Bank, N.A.	868 Main Street	Lewiston	ID	83501
Zions First National Bank	623 Main Street	Lewiston	ID	83501
Zions First National Bank	3506 12 th Street	Lewiston	ID	83501
Ireland Bank	208 S. Main Street	Mackay	ID	83251
U.S. Bank, N.A.	202 S. Main Street	Mackay	ID	83251
Ireland Bank	33 Bannock Street	Malad City	ID	83252
U.S. Bank, N.A.	25 E. 50 South	Malad City	ID	83252
U.S. Bank, N.A.	445 Main Street	Marsing	ID	83639
Idaho First Bank	475 E. Deinhard Lane	McCall	ID	83638
Sterling Savings Bank	900 Second Street	McCall	ID	83638
U.S. Bank, N.A.	905 N. Second Street	McCall	ID	83638
Washington Federal Savings & Loan Assoc.	204 E. Park Street	McCall	ID	83638
Bank of the Cascades	30 E. Broadway Avenue	Meridian	ID	83642
Bank of the Cascades	3135 E. Overland Road	Meridian	ID	83642
Bank of the West	1630 S. Wells Avenue	Meridian	ID	83642
Banner Bank	900 E. Fairview Avenue	Meridian	ID	83642
D. L. Evans Bank	2560 E. Fairview Avenue	Meridian	ID	83642
Home Federal Bank	4051 E. Fairview Avenue	Meridian	ID	83642
Home Federal Bank	55 E. Franklin Road	Meridian	ID	83642
Idaho Banking Company	1875 S. Eagle Road	Meridian	ID	83642
Idaho Independent Bank	113 E. Idaho Street	Meridian	ID	83642
JP Morgan Chase Bank, N.A.	1850 E. Fairview Avenue	Meridian	ID	83642
Keybank, N.A.	1650 E. Fairview Avenue	Meridian	ID	83642
Keybank, N.A.	3055 E. Overland Road	Meridian	ID	83642
Mountain West Bank	2970 E. St. Lukes Drive	Meridian	ID	83642
Mountain West Bank	4250 Fairview Avenue East	Meridian	ID	83642
Sterling Savings Bank	1595 S. Eagle Road	Meridian	ID	83642
Syringa Bank	3671 E. Fairview Avenue	Meridian	ID	83642
U.S. Bank, N.A.	20 East Fairview Avenue	Meridian	ID	83642
U.S. Bank, N.A.	220 West Cherry Lane	Meridian	ID	83642
U.S. Bank, N.A.	3301 West Cherry Lane	Meridian	ID	83642
Washington Federal Savings & Loan Assoc.	713 N. Main Street	Meridian	ID	83642
Washington Trust Bank	3251 E. Presidential Drive	Meridian	ID	83642
Washington Trust Bank	4037 E. Clocktower Lane, #12	Meridian	ID	83642
Wells Fargo Bank, N.A.	1682 N. Main Street	Meridian	ID	83642
Wells Fargo Bank, N.A.	210 E. Corporate Drive	Meridian	ID	83642
Zions First National Bank	3715 E. Overland Road	Meridian	ID	83642
Syringa Bank	1028 W. Main Street	Middleton	ID	83644
Ireland Bank	420 N. 4 th Street	Montpelier	ID	83254
U.S. Bank, N.A.	672 Washington	Montpelier	ID	83254
Wells Fargo Bank, N.A.	830 Washington Street	Montpelier	ID	83254
Zions First National Bank	902 Washington Street	Montpelier	ID	83254
AmericanWest Bank	600 S. Jackson	Moscow	ID	83843
JP Morgan Chase Bank, N.A.	1790 W. Pullman Road	Moscow	ID	83843
Sterling Savings Bank	201 S. Jackson Street	Moscow	ID	83843
Sterling Savings Bank	609 S. Washington	Moscow	ID	83843
U.S. Bank, N.A.	1314 S. Blaine Street	Moscow	ID	83843
U.S. Bank, N.A.	301 S. Main Street	Moscow	ID	83843
Wells Fargo Bank, N.A.	1313 S. Blaine Street	Moscow	ID	83843
Wells Fargo Bank, N.A.	221 S. Main Street	Moscow	ID	83843
Zions First National Bank	105 S. Main Street	Moscow	ID	83843
Home Federal Bank	400 N. 3 rd East	Mountain Home	ID	83647

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Idaho Independent Bank	310 American Legion Boulevard	Mountain Home	ID	83647
JP Morgan Chase Bank, N.A.	290 N. 2 nd Avenue East	Mountain Home	ID	83647
U.S. Bank, N.A.	305 N. Second East	Mountain Home	ID	83647
Wells Fargo Bank, N.A.	210 E. Jackson Street	Mountain Home	ID	83647
Wells Fargo Bank, N.A.	415 Rosewood Avenue	Mountain Home	ID	83648
		AFB		
Bank of America, N.A.	1460 Caldwell Boulevard	Nampa	ID	83651
Bank of the Cascades	112 2 nd Street South	Nampa	ID	83651
Bank of the West	1313 Caldwell Boulevard	Nampa	ID	83651
D. L. Evans Bank	1536 Caldwell Boulevard	Nampa	ID	83651
Home Federal Bank	1820 Caldwell Boulevard	Nampa	ID	83651
Home Federal Bank	500 12 th Avenue South	Nampa	ID	83651
Idaho Independent Bank	804 12 th Avenue South	Nampa	ID	83651
JP Morgan Chase Bank, N.A.	50 2 nd Street South	Nampa	ID	83651
Keybank, N.A.	1020 Caldwell Boulevard	Nampa	ID	83651
Keybank, N.A.	324 12 th Avenue South	Nampa	ID	83651
Mountain West Bank	1223 12 th Avenue Road	Nampa	ID	83651
Mountain West Bank	2024 Caldwell Boulevard	Nampa	ID	83651
Panhandle State Bank	521 12 th Avenue, South	Nampa	ID	83651
U.S. Bank, N.A.	1112 1 st Street South	Nampa	ID	83651
U.S. Bank, N.A.	1515 Caldwell Boulevard	Nampa	ID	83651
Washington Federal Savings & Loan Assoc.	223 11 th Avenue South	Nampa	ID	83651
Washington Trust Bank	2200 N. Cassia Street	Nampa	ID	83651
Washington Trust Bank	6010 E. Franklin Road	Nampa	ID	83651
Wells Fargo Bank, N.A.	103 12 th Avenue South	Nampa	ID	83651
Wells Fargo Bank, N.A.	1401 12 th Avenue South	Nampa	ID	83651
Wells Fargo Bank, N.A.	2122 W. Karcher Road	Nampa	ID	83651
Zions First National Bank	2121 W. Karcher Road	Nampa	ID	83651
Bank of the Cascades	1513 12 th Avenue Road	Nampa	ID	83686
D. L. Evans Bank	2071 12 th Avenue Road	Nampa	ID	83686
Home Federal Bank	2100 12 th Avenue Road	Nampa	ID	83686
JP Morgan Chase Bank, N.A.	164 E. Maine Avenue	Nampa	ID	83686
U.S. Bank, N.A.	2400 12 th Avenue Road	Nampa	ID	83686
Banner Bank	16292 N. Marketplace Boulevard	Nampa	ID	83687
Home Federal Bank	5875 E. Franklin Road	Nampa	ID	83687
Wells Fargo Bank, N.A.	5607 E. Franklin Road	Nampa	ID	83687
Sterling Savings Bank	308 Virginia Avenue	New Meadows	ID	83654
Zions First National Bank	130 Plymouth Avenue, North	New Plymouth	ID	83655
U.S. Bank, N.A.	410 Oak Street	Nezperce	ID	83543
AmericanWest Bank	100 Main Street	Orofino	ID	83544
U.S. Bank, N.A.	333 Michigan Avenue	Orofino	ID	83544
Wells Fargo Bank, N.A.	210 Michigan Avenue	Orofino	ID	83544
Bank of America, N.A.	733 E. Mullen Avenue	Osburn	ID	83849
Wells Fargo Bank, N.A.	703 E. Mullen Avenue	Osburn	ID	83849
U.S. Bank, N.A.	Third and Grove Streets	Parma	ID	83660
Wells Fargo Bank, N.A.	202 E. Grove Street	Parma	ID	83660
Keybank, N.A.	108 E. Ellis	Paul	ID	83347
Bank of America, N.A.	102 S. Main Street	Payette	ID	83661
Panhandle State Bank	175 N. 16 th Street	Payette	ID	83661
U.S. Bank, N.A.	101 S. Main Street	Payette	ID	83661
Wells Fargo Bank, N.A.	2 S. Main Street	Payette	ID	83661
U.S. Bank, N.A.	1 Country Club Lane	Pinehurst	ID	83850
Sterling Savings Bank	365 10 th and D Street	Plummer	ID	83851

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Bank of America, N.A.	860 Yellowstone Avenue	Pocatello	ID	83201
Bank of Idaho	1230 Yellowstone Avenue	Pocatello	ID	83201
Bank of Idaho	2300 Via Caporatti Drive	Pocatello	ID	83201
D. L. Evans Bank	333 Yellowstone Avenue	Pocatello	ID	83201
D. L. Evans Bank	4080 Yellowstone Avenue	Pocatello	ID	83201
Ireland Bank	486 Yellowstone Avenue	Pocatello	ID	83201
JP Morgan Chase Bank, N.A.	800 Yellowstone Avenue	Pocatello	ID	83201
Keybank, N.A.	910 Yellowstone Avenue	Pocatello	ID	83201
The Bank of Commerce	241 W. Quinn Road	Pocatello	ID	83201
U.S. Bank, N.A.	855 Yellowstone Avenue	Pocatello	ID	83201
Wells Fargo Bank, N.A.	751 E. Clark Street	Pocatello	ID	83201
Wells Fargo Bank, N.A.	950 Yellowstone Avenue	Pocatello	ID	83201
Zions First National Bank	1590 Yellowstone Avenue	Pocatello	ID	83201
Citizens Community Bank	2000 Flandro Drive	Pocatello	ID	83202
Keybank, N.A.	4730 Yellowstone Avenue	Pocatello	ID	83202
Wells Fargo Bank, N.A.	4195 Yellowstone Avenue	Pocatello	ID	83202
Citizens Community Bank	280 S. Arthur Avenue	Pocatello	ID	83204
Keybank, N.A.	105 N. Arthur Street	Pocatello	ID	83204
U.S. Bank, N.A.	120 N. Arthur Avenue	Pocatello	ID	83204
Wells Fargo Bank, N.A.	333 S. Main Street	Pocatello	ID	83204
Zions First National Bank	253 S. Main Street	Pocatello	ID	83204
Ireland Bank	2715 Poleline Road	Pocatello	ID	83205
Washington Federal Savings & Loan Assoc.	1045 Yellowstone Avenue	Pocatello	ID	83206
Mountain West Bank	476655 Highway 95 North	Ponderay	ID	83852
Panhandle State Bank	300 Kootenai Cutoff Road	Ponderay	ID	83852
Bank of America, N.A.	405 E. Seltice Way	Post Falls	ID	83854
Community 1 st Bank	707 N. Post Street	Post Falls	ID	83854
Inland Northwest Bank	1729 E. Seltice Way	Post Falls	ID	83854
JP Morgan Chase Bank, N.A.	3134 E. Mullan Avenue, Suite E	Post Falls	ID	83854
Mountain West Bank	709 E. Seltice Way	Post Falls	ID	83854
Panhandle State Bank	3235 E. Mullan Avenue	Post Falls	ID	83854
U.S. Bank, N.A.	1026 E. Polston Avenue	Post Falls	ID	83854
Washington Trust Bank	1601 E. Seltice Way	Post Falls	ID	83854
Wells Fargo Bank, N.A.	701 Goude Street	Post Falls	ID	83854
U.S. Bank, N.A.	200 6 th and Pine Street	Potlatch	ID	83855
Ireland Bank	85 E. Oneida	Preston	ID	83263
Lewiston State Bank	217 S. State	Preston	ID	83263
U.S. Bank, N.A.	1 S. State	Preston	ID	83263
Wells Fargo Bank, N.A.	5 N. State Street	Preston	ID	83263
Panhandle State Bank	6568 Highway 2	Priest River	ID	83856
U.S. Bank, N.A.	102 Treat Street	Priest River	ID	83856
Wells Fargo Bank, N.A.	U.S. Highway #2	Priest River	ID	83856
Panhandle State Bank	662 Commercial Park Avenue	Rathdrum	ID	83858
Washington Trust Bank	16102 Highway 41	Rathdrum	ID	83858
Wells Fargo Bank, N.A.	16234 N. Highway 41	Rathdrum	ID	83858
Citizens Community Bank	452 N. 2 nd East	Rexburg	ID	83440
Keybank, N.A.	110 E. Main Street	Rexburg	ID	83440
The Bank of Commerce	184 E. 2 nd North	Rexburg	ID	83440
The Bank of Commerce	859 S. Yellowstone Hwy, Suite 2001	Rexburg	ID	83440
U.S. Bank, N.A.	77 E. Main	Rexburg	ID	83440
Washington Federal Savings & Loan Assoc.	80 N. 2 nd East	Rexburg	ID	83440

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
Wells Fargo Bank, N.A.	39 E. Main Street	Rexburg	ID	83440
Zions First National Bank	149 W. Main Street	Rexburg	ID	83440
The Bank of Commerce	463 Rigby Lake Drive	Rigby	ID	83442
U.S. Bank, N.A.	183 S. State	Rigby	ID	83442
Wells Fargo Bank, N.A.	127 N. State Street	Rigby	ID	83442
Zions First National Bank	219 E. Main Street	Rigby	ID	83442
Sterling Savings Bank	402 S. Main Street	Riggins	ID	83549
The Bank of Commerce	386 Main Street	Ririe	ID	83443
D. L. Evans Bank	418 S. Oneida Street	Rupert	ID	83350
First Federal Savings Bank of Twin Falls	701 Seventh	Rupert	ID	83350
U.S. Bank, N.A.	612 Fifth Street	Rupert	ID	83350
Wells Fargo Bank, N.A.	602 E. Street	Rupert	ID	83350
Bank of America, N.A.	603 Shoup Street	Salmon	ID	83467
U.S. Bank, N.A.	501 Main Street	Salmon	ID	83467
Wells Fargo Bank, N.A.	116 N. Andrews Street	Salmon	ID	83467
AmericanWest Bank	605 5 th Avenue	Sandpoint	ID	83864
Bank of America, N.A.	405 N. Second Avenue	Sandpoint	ID	83864
Mountain West Bank	1319 Highway 2	Sandpoint	ID	83864
Mountain West Bank	201 E. Superior Street, Ste A	Sandpoint	ID	83864
Panhandle State Bank	231 N. Third Avenue	Sandpoint	ID	83864
Panhandle State Bank	414 Church Street	Sandpoint	ID	83864
U.S. Bank, N.A.	201 Main Street	Sandpoint	ID	83864
Washington Trust Bank	515 Pine Street, Suite D	Sandpoint	ID	83864
Wells Fargo Bank, N.A.	320 N. Fourth Avenue	Sandpoint	ID	83864
The Bank of Commerce	270 S. Emerson Avenue	Shelley	ID	83274
U.S. Bank, N.A.	201 W. Pine Street	Shelley	ID	83274
Wells Fargo Bank, N.A.	103 S. Birch Street	Shoshone	ID	83352
Ireland Bank	98 W. 2 nd South	Soda Springs	ID	83276
U.S. Bank, N.A.	189 S. Main	Soda Springs	ID	83276
Inland Northwest Bank	31845 N. 5 th Avenue	Spirit Lake	ID	83869
Bank of Idaho	135 N. Bridge Street	St. Anthony	ID	83445
Keybank, N.A.	30 W. Main	St. Anthony	ID	83445
Wells Fargo Bank, N.A.	40 S. Bridge Street	St. Anthony	ID	83445
AmericanWest Bank	1500 Main	St. Maries	ID	83861
U.S. Bank, N.A.	138 N. Eighth Street	St. Maries	ID	83861
Wells Fargo Bank, N.A.	729 Main Avenue	St. Maries	ID	83861
Idaho Independent Bank	90 S. Star Road	Star	ID	83669
Wells Fargo Bank, N.A.	Boardwalk Mall	Sun Valley	ID	83353
The Bank of Commerce	1098 E. 1500 North	Terreton	ID	83450
Sterling Savings Bank	424 S. Main Street	Troy	ID	83871
Bank of America, N.A.	1040 Shoshone Drive	Twin Falls	ID	83301
Banner Bank	1340 Blue Lakes Boulevard, North	Twin Falls	ID	83301
D. L. Evans Bank	215 Blue Lakes Boulevard, North	Twin Falls	ID	83301
D. L. Evans Bank	222 Main Avenue, South	Twin Falls	ID	83301
D. L. Evans Bank	906 Blue Lakes Boulevard, North	Twin Falls	ID	83301
First Federal Savings Bank of Twin Falls	110 Falls Avenue	Twin Falls	ID	83301
First Federal Savings Bank of Twin Falls	148 Eastland Drive	Twin Falls	ID	83301
First Federal Savings Bank of Twin Falls	383 Shoshone Street North	Twin Falls	ID	83301
First Federal Savings Bank of Twin Falls	886 Blue Lakes Boulevard, North	Twin Falls	ID	83301

Financial Institutions Operating in Idaho³

Institution Name	Address	City	State	Zip
JP Morgan Chase Bank, N.A.	705 Blue Lakes Boulevard, North, Suite G	Twin Falls	ID	83301
Keybank, N.A.	103 Main Avenue, East	Twin Falls	ID	83301
Keybank, N.A.	1665 Blue Lakes Boulevard North	Twin Falls	ID	83301
Panhandle State Bank	113 Main Avenue West	Twin Falls	ID	83301
Panhandle State Bank	1715 Poleline Road, East	Twin Falls	ID	83301
The Farmers National Bank of Buhl	1097 Blue Lakes Boulevard, North	Twin Falls	ID	83301
The Farmers National Bank of Buhl	341 Pole Line Road	Twin Falls	ID	83301
U.S. Bank, N.A.	241 Shoshone Street North	Twin Falls	ID	83301
U.S. Bank, N.A.	748 Blue Lakes Boulevard North	Twin Falls	ID	83301
Washington Federal Savings & Loan Assoc.	494 Blue Lake Boulevard, North	Twin Falls	ID	83301
Wells Fargo Bank, N.A.	102 Main Avenue South	Twin Falls	ID	83301
Wells Fargo Bank, N.A.	1303 Addison Avenue East	Twin Falls	ID	83301
Wells Fargo Bank, N.A.	1329 Filer Avenue East	Twin Falls	ID	83301
Wells Fargo Bank, N.A.	1864 Blue Lakes Boulevard North	Twin Falls	ID	83301
Zions First National Bank	1863 Blue Lakes Boulevard, North	Twin Falls	ID	83301
Zions First National Bank	1913 Addison Avenue	Twin Falls	ID	83301
The Farmers National Bank of Buhl	890 Shoshone Street	Twin Falls	ID	83303
U.S. Bank, N.A.	138 N. Main Street	Victor	ID	83455
AmericanWest Bank	806 Bank Street	Wallace	ID	83873
U.S. Bank, N.A.	528 Cedar Street	Wallace	ID	83873
Wells Fargo Bank, N.A.	419 Sixth Street	Wallace	ID	83873
Bank of the West	34 E. Main Street	Weiser	ID	83672
Panhandle State Bank	440 E. Main Street	Weiser	ID	83672
Wells Fargo Bank, N.A.	407 State Street	Weiser	ID	83672
Zions First National Bank	606 State Street	Weiser	ID	83672
The Farmers National Bank of Buhl	Main and Idaho Streets	Wendell	ID	83355
U.S. Bank, N.A.	15 S. Idaho Street	Wendell	ID	83355
Zions First National Bank	315 Avenue A	Wilder	ID	83676

STATE OF IDAHO
STATE-CHARTERED CREDIT UNIONS
COMPARATIVE STATEMENT
Close of Business 12/31/08 and 12/31/07

	<u>2008</u>	2007	%
			Change
<u>ASSETS</u>			
Cash and Cash Equivalents	108,704,105	127,257,517	-14.58%
Unsecured Credit Cards	48,670,120	46,119,902	5.53%
All Other Unsecured Loans	29,985,861	23,884,537	25.55%
New Auto Loans	279,179,351	277,485,828	0.61%
Used Auto Loans	429,548,990	370,754,122	15.86%
First Mortgage Real Estate Loans	451,285,947	364,375,732	23.85%
Other Real Estate Loans	138,117,529	103,677,964	33.22%
Other Loans (Includes Loans Held for Sales)	129,671,355	116,590,389	11.22%
Total Loans	\$1,506,459,153	\$1,302,888,474	15.62%
Less: Allowance for Loan and Lease Losses	-6,871,694	-4,303,647	59.67%
Loans Held For Sale	771,501	2,209,860	-65.09%
Available for Sale Securities	18,619,234	25,828,622	-27.91%
Held-to Maturity	16,575,456	12,387,759	33.81%
Deposits in Commercial Banks, Savings & Loans, Savings Banks	55,611,230	26,892,673	106.79%
Loans to, Deposits in, and Investments in Natural Person Credit Unions	3,193,055	3,481,080	-8.27%
Membership Capital and Paid-in Capital at Corporate Credit Unions	10,282,094	9,818,813	4.72%
All Other Investments in Corporate Credit Unions	166,335,598	117,476,479	41.59%
All Other Investments	2,029,527	4,928,116	-58.82%
Total Investments	\$272,646,194	\$200,813,542	35.77%
Other Real Estate Owned	0	0	0.00%
Land and Building (Net of Dep)	69,681,729	61,575,880	13.16%
Other Fixed Assets	11,469,918	11,553,103	-0.72%
Shares Insurance Capitalization Deposit	9,827,595	12,226,033	-19.62%
Other Assets	7,997,898	8,736,307	-8.45%
Total Other Assets	\$14,771,201	\$15,716,249	-6.01%
TOTAL ASSETS	\$1,988,138,255	\$1,729,937,011	14.93%
<u>LIABILITIES, SHARES AND EQUITY</u>			
Promissory and other Notes Payable	7,231,253	8,228,602	-12.12%
Dividends / Interest Payable	5,985,836	5,821,681	2.82%
Accounts Payable & Liabilities	19,671,945	13,896,518	41.56%
Total Liabilities	\$32,889,034	\$27,946,801	17.68%
Share Drafts	227,495,627	227,241,314	0.11%
Regular Shares	365,444,271	352,002,487	3.82%
All Other Shares and Deposits	1,187,662,493	960,946,709	23.59%
Total Shares And Deposits	\$1,780,602,391	\$1,540,190,510	15.61%
Undivided Earnings	118,927,441	108,896,974	9.21%
Regular Reserves	58,487,585	52,284,610	11.86%
Other Reserves	939,431	829,119	13.30%
Unrealized Gain/Loss A-F-S SEC	60,991	-99,650	-161.21%
Other Comprehensive Income	-3,768,618	-111,353	3284.39%
Total Equity	\$174,646,830	\$161,799,700	7.94%
Total Savings And Equity	\$1,955,249,221	\$1,701,990,210	14.88%
TOTAL LIABILITIES AND EQUITY	\$1,988,138,255	\$1,729,937,011	14.93%

**STATE OF IDAHO
STATE-CHARTERED CREDIT UNIONS
TOTAL ASSETS**

Name	City	State	12/31/2008	12/31/2007	% Change
<u>Idaho State-Chartered Credit Unions</u>					
A+ Credit Union	Idaho Falls	ID	15,369,697	13,431,053	14.43%
Boise Fire Department Credit Union	Boise	ID	5,596,009	5,558,388	0.68%
Boise Valley Credit Union	Boise	ID	834,953	764,254	9.25%
Cassia County Education Association Credit Union	Burley	ID	2,819,182	2,953,958	-4.56%
Clearwater Credit Union	Lewiston	ID	24,067,385	23,013,603	4.58%
Cornerstone Union	Caldwell	ID	25,712,292	23,032,700	11.63%
E.S.A. Credit Union	Boise	ID	5,280,909	5,858,536	-9.86%
East Idaho Credit Union	Idaho Falls	ID	206,127,808	192,394,473	7.14%
Health Care Idaho Credit Union	Boise	ID	8,601,422	8,409,296	2.28%
Idadiv Credit Union	Nampa	ID	42,830,359	42,939,179	-0.25%
Idahy Credit Union	Boise	ID	126,700,206		100.00%
Idaho Advantage Credit Union	Boise	ID	44,588,815	40,746,905	9.43%
Idaho Central Credit Union	Pocatello	ID	723,968,144	622,612,263	16.28%
Idaho United Credit Union	Boise	ID	20,537,694	19,931,915	3.04%
Inkom Cement Workers Credit Union	Inkom	ID	1,629,809	1,486,397	9.65%
Jefferson County Public Employees Credit Union	Menan	ID	394,933	436,352	-9.49%
Kamiah Community Credit Union	Kamiah	ID	34,446,325	24,195,267	42.37%
Lewis Clark Credit Union	Lewiston	ID	36,743,860	33,110,316	10.97%
Lewiston Catholic Credit Union	Lewiston	ID	379,506	388,580	-2.34%
M.A.P. Credit Union	Burley	ID	1,891,892	1,658,825	14.05%
Members Preferred Credit Union	Idaho Falls	ID	27,336,505	29,615,924	-7.70%
Mini-Cassia Employees Credit Union	Burley	ID	568,811	549,047	3.60%
Northwest Christian Credit Union	Nampa	ID	27,487,400	28,162,617	-2.40%
Payette River Credit Union	Emmett	ID	6,283,242	6,430,190	-2.29%
Pine Tree Credit Union	Grangeville	ID	23,554,718	20,531,013	14.73%
Pocatello Simplot Credit Union	Pocatello	ID	32,095,865	32,397,860	-0.93%
Potelco United Credit Union	Pocatello	ID	56,245,444	56,221,224	0.04%
Public Employees	Coeur d'Alene	ID	8,173,097	7,925,313	3.13%
Shell-Fir Credit Union	Shelley	ID	879,153	913,130	-3.72%
Shoshone County School Employees Credit Union	Wardner	ID	879,618	850,387	3.44%
SIMCOE Credit Union	Burley	ID	5,316,717	5,056,816	5.14%
Simplot Employees Credit Union	Caldwell	ID	18,215,332	17,838,445	2.11%
St. Joe Valley Credit Union	St. Maries	ID	7,681,849	7,678,772	0.04%
St. Alphonsus Medical Credit Union	Boise	ID	5,918,286	6,244,113	-5.22%
Times- News Employees Credit Union	Twin Falls	ID	196,615	185,338	6.08%
Tribune Credit Union	Lewiston	ID	733,175	695,678	5.39%
Valley Credit Union	Nampa	ID	8,121,281	9,831,664	-17.40%
Westmark Credit Union	Idaho Falls	ID	410,562,648	400,235,609	2.58%
White Pine Credit Union	Pierce	ID	7,811,126	7,003,178	11.54%
Total Idaho State-Chartered Credit Unions			\$1,991,074,169	\$1,729,937,011	15.10%
<u>Other State-Chartered Credit Unions Operating in Idaho</u>					
Global Credit Union	Spokane	WA	45,747,327	40,805,242	12.11%
Horizon Credit Union	Spokane	WA	76,444,570	69,949,322	9.29%
Numerica Credit Union	Spokane	WA	70,295,218	48,376,504	45.31%
Spokane Teachers Credit Union	Spokane	WA	27,610,939	19,217,899	43.67%
Silverado Credit Union	Angwin	CA	897,628	993,849	-9.68%
Total Other State-Chartered Credit Unions			220,995,682	179,342,816	-17.43%
Total State-Chartered Credit Unions			\$2,212,069,851	1,909,279,827	15.86%

SECURITIES BUREAU SANCTIONS REPORT

I. CRIMINAL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO UNIFORM SECURITIES ACT / IDAHO COMMODITY CODE

June 2, 2009
and June 16, 2009

MICHAEL J. BREINHOLT, Star, ID; TERRY DEEBLE, Meridian, ID - On June 2, 2009 an Ada County Grand Jury handed down an indictment charging Michael Breinholt with 23 felonies. Fifteen of the felony counts pertain to the sale of unregistered securities and fraud in connection with the offer and sale of these securities. Six counts pertain to penalty enhancements when the defendant knowingly accepted money that represented equity from a victim's home. Two counts essentially allege theft.

Mr. Breinholt was the subject of a previous civil enforcement action by the Department for his fraudulent offer and sale of promissory notes issued by Streamline Financial. The Department obtained a \$5 million money judgment in that matter. The complaint had also alleged that a substantial portion of the funds raised were sent to Annuity Coeptis in Utah for further payment to companies controlled by "Ric" Koerber. Koerber was later charged in a federal indictment that alleged that he had run a \$100 million fraud scheme.

Terry Deeble, an associate of Mr. Breinholt, was also charged with five felony counts of aiding and abetting securities fraud for his part in helping Breinholt to raise funds.

II. CIVIL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO UNIFORM SECURITIES ACT / IDAHO COMMODITY CODE

July 15, 2008

MICHAEL J. BREINHOLT; STREAMLINE FINANCIAL, LLC; FOUR SEASONS FINANCIAL LLC, Star, ID - On July 15, 2008, the Court entered a Judgment and Permanent Injunction against Mr. Breinholt, Streamline Financial, LLC and Four Seasons Financial, LLC. Breinholt and his companies consented to the entry of a Judgment and Permanent Injunction, admitting that they had a) made false and misleading representations to prospective investors, b) failed to disclose material facts to prospective investors, and c) sold unregistered securities in violation of Idaho law. While a \$5 million money judgment was entered, Mr. Breinholt agreed to make nominal

payments toward the judgment, while cooperating in further actions against other parties that benefited from the illegally raised funds. Breinholt subsequently failed to meet his payment obligations and the entire judgment is now due and payable.

The Department's original lawsuit alleged that the defendants a) offered and sold unregistered promissory notes, b) misrepresented the investment as risk free, and c) misrepresented that investment returns were generated through "hard lending" practices when most of the funds were directed to Annuity Coeptis, LLC in Cedar City, Utah.

August 19, 2008

TODD WATTS, Nampa, ID; VOHN WATTS, Star, ID; CAPITAL VENTURES, LLC, Meridian, ID - The Department had filed a civil lawsuit in early 2008 which alleged that the defendants raised more than \$6.2 million and offered rates of return in excess of 30 percent annually. The litigation revealed that the defendants raised about \$7 million from more than 50 Idaho individuals and entities and that they were able to repay about \$2 million to investors.

On August 19, 2008, the defendants consented to the entry of a Judgment and Permanent Injunction, admitting that they had made false and misleading representations to prospective investors, failed to disclose material facts to prospective investors, failed to register as securities broker-dealers, and sold unregistered securities in violation of Idaho law.

August 28, 2008 and
September 23, 2008

JACK LEE SMILEY, Coeur d'Alene, ID - The Department filed a civil lawsuit against Smiley in 2007 alleging violations of the Idaho Commodity Code and that Smiley had violated a previous Order issued by the Department. The earlier Order had directed Smiley to cease his activities involving Iraqi currency. The complaint was later amended to include allegations that Smiley violated the registration and anti-fraud provisions of the Idaho Uniform Securities Act.

The Department's complaint alleged that Smiley continued to sell his foreign currency investments in violation of the Idaho Commodity Code, the Idaho Uniform Securities Act and the previously issued Cease and Desist Order. Investors are alleged to have been told that they would realize near term profits of at least 33 times their investment amount when the Iraqi currency hit the world markets.

On August 28, 2008 the Court found that summary judgment was appropriate as to each charge made by the State, including findings that Smiley made material misrepresentations and omitted to provide investors with important information as required by Idaho law. On September 23, 2008, the Court entered a Judgment, Permanent Injunction and Order Appointing Receiver. In this order, the Court

named the Department as receiver, entered a money judgment in the amount of \$1,195,009 and awarded \$140,000 in penalties. Smiley refused to deliver the Iraqi dinars as ordered by the Court and was incarcerated due to his contempt of the Court's orders. The Department later located the dinars and has made pro-rata distributions of the Iraqi dinars to Smiley's investors.

September 11, 2008
And December 3, 2008

TERRY DEEBLE, Meridian, ID; GABRIEL JOSEPH; ANNUIT COEPTIS, LLC; Cedar City, UT – In connection with the action reported earlier in this section involving Michael Breinholt, the complaint was amended to include these defendants on September 11, 2008.

On December 3, 2008, and after failing to defend themselves against the Department's action, Gabriel Joseph and his company Annuit Coeptis, LLC were ordered to return more than \$2.4 million when the Court found that these defendants received funds through unlawful and fraudulent transactions as alleged in the State's amended complaint. The Court found that Mr. Joseph and his company would be unjustly enriched if allowed to retain these proceeds.

Terry Deeble stipulated to a Judgment and Permanent Injunction in connection with his actions as a sales agent for Streamline Financial and Mr. Breinholt. Deeble admitted to acting as an unregistered sales agent and agreed to a money judgment in the amount of \$73,000.

January 2, 2009

DEREK F.C. ELLIOTT; SUN VILLAGE JUAN DOLIO ASSOCIATES, INC., Dominican Republic; JAMES B. CATLEDGE; DAVID BRIMLEY; BARBARA NAGEL; IMPACT, INC.; IMPACT NET WORTH, LLC, Henderson, NV; STEVE CABEZUD, Santa Rosa, CA; JOHN THOMPSON, Orem, UT; TREVOR WALKER, Idaho Falls, ID – A civil securities lawsuit was filed against these defendants alleging that they sold, or materially aided in the offer or sale of investment contract securities in violation of the registration and anti-fraud provisions of the Idaho Uniform Securities Act.

The Department's complaint alleges that the defendants offered and sold over \$3 million in various types of unregistered Dominican Republic resort-related securities to Idaho investors. More specifically, various defendants are alleged to have a) misrepresented that the investments were safe, b) misrepresented that investors would receive a fee simple deeded title to their portion of the resort property, c) misrepresented the terms of an allegedly fixed-term income investment that was actually a 45 year resort time-share interest, and c) violated the mortgage loan originator licensing provisions of the Idaho Residential Mortgage Practices Act.

The State initiated the suit after the primary promoters, Derek Elliot, James Catledge, Sun Village Juan Dolio Associates, LLC and Impact, Inc. failed to adhere to the terms of previous Consent Orders that required more disclosure and refund offers to Idaho investors. The seven count complaint seeks a permanent injunction, investor restitution of over \$3 million and civil penalties.

January 14, 2009

DBSI, INC.; FOR 1031, LLC; FOR 1031 QUOURUM, LLC; FOR 1031 QUORUM OFFICES, LLC, Meridian, ID; DOUGLAS SWENSON, Eagle, ID - The Department filed a civil securities lawsuit which alleges that the defendants raised millions of dollars through tenant in common, or “TIC”, transactions involving hundreds of real estate properties. The TIC transactions offered by defendants and their affiliates involved investors in every state and several foreign countries each purchasing an undivided, fractional interest in parcels of real estate. The complaint further alleges that the defendants engaged in a scheme to defraud thousands of investors – many of them elderly – through the sale of unregistered securities by unregistered broker-dealers. By failing to register the securities, defendants appear to have attempted to avoid having to disclose material information required by securities laws. The complaint focuses on sales of interests in a specific property called FOR 1031 Quorum LLC, which is alleged to be similar to and representative of hundreds of other offerings. Sales of the Quorum investments occurred in 2004.

Specific allegations include that the defendants a) misrepresented that the investment was essentially guaranteed, b) misrepresented the terms of the loans on the property, c) failed to inform investors that their investments were widely considered to be a security, not a real estate transaction, and d) failed to inform investors that the investment required ongoing new sales, and that it could collapse if sales ceased.

With the downturn in the housing market, the defendants were unable to raise sufficient new capital from investors or obtain sufficient new lending from institutional lenders to continue their real estate acquisition and sales operation. This and other factors contributed to some of the defendants’ November 2008 chapter 11 bankruptcy filing. More than 140 entities affiliated with defendants sought bankruptcy protection. The State seeks a return of \$9,750,000 in investors’ money, penalties for each violation and an order permanently enjoining the defendants from further violations of the Idaho Uniform Securities Act.

February 23, 2009
And April 21, 2009

MILLENNIAL FINANCIAL GROUP, Inc.; TYREE MACKEY, Driggs, ID; JEREMY KING, Lehi, UT – The Department filed a civil securities lawsuit alleging that the defendants offered and sold an

unregistered installment note to Idaho investors, and that misrepresentations and omissions of material facts occurred in connection with the offer and sale of the note. In part, the complaint specifically alleged that the defendants a) misrepresented that the investment was risk free or otherwise guaranteed, b) misrepresented that investment returns were generated through the purchase and resale of “viatical” insurance death benefit interests available through another company operated by Steven L. Bowers and Pat G. Miner, both of Utah, and c) failed to disclose to Idaho investors that the investors’ funds would be used for the personal benefit of the defendants, as well as Ms. Miner and Mr. Bowers.

On April 21, 2009, the Defendants stipulated to the entry of a Judgment and Permanent Injunction that prohibits them from future violations of Idaho securities laws and awards a money judgment against the defendants in the amount of \$305,000 to be used for restitution and civil penalties. While neither admitting nor denying the fraud allegations, the Defendants admitted to violating the securities, broker-dealer and agent registration provisions of the Idaho Uniform Securities Act. The Defendants agreed to a quarterly payment plan to effect the restitution ordered by the Court.

March 20, 2009

JAMISON POTTER; Boise, ID; ADAM BENTLY; CHRISTOPHER DRISCOLL; Saint George, UT NORTH AMERICAN CAPITAL TRUST, LLC; PACIFIC PARTNERS, LLC; Nampa, ID; NORTH AMERICAN CAPITAL GROUP, LLC; AND SILVERSTONE EQUITY GROUP, LLC., Silver Springs, NV – The Department filed a civil securities lawsuit against these defendants alleging that they sold investment contract securities in violation of the registration and anti-fraud provisions of the Idaho Uniform Securities Act.

The Department’s complaint alleged that the defendants misrepresented to investors that their investment proceeds would be used to purchase insurance life settlement policies. In addition to other allegations, the Department alleged that the defendants never purchased life insurance policies and instead forwarded invested funds to out-of-state promoters, who in turn sent the money to Panama.

The Department’s lawsuit seeks a court order permanently enjoining the defendants from further violations of Idaho securities laws, while also seeking more than \$5 million in restitution and penalties.

April 2, 2009

GENE HINSLEY; , GALAXY COIN, LLC; Idaho Falls, ID – The Department filed a civil securities action against these defendants alleging that they sold investment contract securities in violation of the registration and anti-fraud provisions of the Idaho Uniform Securities Act.

The complaint alleged that the defendants promised annualized investment returns of nearly 80 percent while a) misrepresenting that the investment was safe or otherwise backed by silver or other precious metals, b) misrepresenting that investor funds would be applied to the purchase and resale of silver when significant funds were used to make ponzi payments to earlier investors, and c) failing to tell investors that the defendants produced falsely inflated bi-monthly account statements to investors. The lawsuit alleges that investors suffered investment losses of between \$1.5-2 million. The suit seeks a permanent injunction, an order of investor restitution and restrictions on the defendants' future business activities.

III. ADMINISTRATIVE SANCTIONS & ORDERS ISSUED UNDER THE IDAHO UNIFORM SECURITIES ACT

Dates: Various

AUCTION RATE SECURITIES (ARS) GLOBAL/STATE SETTLEMENTS – Administrative Consent Orders – In the time leading up to the credit market dislocations of 2008, ARS were, in many instances, marketed nationally as a very safe and liquid alternative to money market mutual funds or other cash-type investments. Liquidity in nearly all of the ARS market ceased in February 2008 when the brokerage firms that supported ARS liquidity auctions ceased to provide support. Both retail and institutional investors were left with no reasonable liquidation mechanism and, in some cases, potentially significant losses to principle.

Idaho participated in a multi-state task force comprised of state securities regulators in a comprehensive review of potential securities violations. These coordinated investigations resulted in the negotiation of global settlement terms that were then adapted to settlement orders executed with each state regulator. Beyond findings that violations had occurred and the imposition of penalties, the most important aspect of these settlements was the provision that the broker-dealers provide a liquidity mechanism to ARS buyers, including offers to refund or repurchase ARS securities from small businesses, retail clients, and others. The Department estimates that more than \$125 million in rescission was or will be offered to Idaho investors that purchased auction rate securities. The Department continues to work with other broker-dealers that participated in the ARS market and other settlements are anticipated during Fiscal 2010.

	<i>Name of Firm</i>	<i>Penalty Paid</i>
June 9, 2009	Bank of America Securities, LLC Bank of America Investment Services, LLC	\$105,588.00

June 18, 2009	Citigroup Global Markets, Inc.	\$151,404.00
June 18, 2009	Merrill Lynch, Pierce, Fenner & Smith, Inc.	\$306,734.00
June 22, 2009	Wachovia Securities, LLC Wachovia Capital Markets, LLC	\$191,049.00

July 16, 2008 **SET ADVISORS, LLC, Caldwell, ID** – Agreement and Order – The Order alleges that Set Advisors failed to meet multiple books, records and procedural requirements. These deficiencies resulted in finding that the firm a) failed to properly supervise its representatives, b) made unsuitable recommendations since the Respondent failed to document client suitability information in order to establish reasonable grounds for the Respondent’s recommendations, and c) had systemic deficiencies with its client billing system that resulted in fee related errors in client accounts.

While neither admitting nor denying the Department’s findings, the Respondent agreed to a) correct all fee errors and repay affected clients, b) address or otherwise correct deficiencies noted during the Department’s examination, c) pay a \$3,000 fine, and d) comply in the future with Idaho securities laws.

July 19, 2008 **PAUL HORTON SMITH SR., Riverside, CA** – Agreement and Order – The Order alleges that Horton filed a false and misleading application for registration as an investment advisor representative during 2008. More specifically, Horton filed an application that failed to disclose a Cease and Desist Order that had previously been issued by the Department in 2000. The prior Order had alleged that Smith violated the registration and anti-fraud provisions of the Idaho Securities Act.

The Agreement and Order indicated that the Director had multiple grounds to deny the pending registration application of the Respondent. In resolution of this matter, the Respondent agreed to a) withdraw his application for registration, b) not apply with the Department for securities registration in any capacity for a period of ten years, c) pay a civil penalty in the amount of \$2,500 and investigative costs of \$500, and d) not provide any investment advice or sell securities in or from Idaho unless properly registered.

January 27, 2009 **DAREN PALMER; TRIGON GROUP, INC., Idaho Falls, ID** – Consent Order To Cease and Desist and Acknowledgment – The Order found that since at least January 2007, Palmer accepted funds from Idaho residents to purportedly be invested by him on behalf of investors. Palmer told some investors that the funds would be used to buy and sell large futures contracts involving commodities or securities, including, but not limited to, the S&P 500 Index. Palmer

told other investors that their funds were pooled in a hedge fund and that he directed the hedge fund's investments to create profits for investors. Although some funds may have been pooled and invested in futures contracts, a substantial amount of investors' funds were used for other purposes not disclosed to or authorized by investors. These uses include paying fictitious returns to other investors and personal expenses, including the construction of a new home.

Palmer and Trigon agreed to permanently cease and desist from violating the Idaho Uniform Securities Act, including the immediate cessation of selling or accepting funds for any of the investments described above or any other investment. They also acknowledged that the Department of Finance may initiate further actions against them once its investigation is completed.

October 17, 2008

JERRY WARD, DBA MED-LIFE, Boise, ID – Order to Cease and Desist - The Order alleged that Ward, through his assumed business name Med-Life, offered and sold at least one unregistered “certificate of deposit” issued by Med-Life and that misrepresentations and omissions of important information occurred in connection with the sale of the investment interest. It further alleged that Ward acted as an unlicensed broker-dealer contrary to Idaho law.

Without admitting or denying the State's allegations, Ward consented to the entry of the order and agreed to not now, or in the future, provide investment advice or sell securities in or from Idaho. Further, Ward acknowledged that the Department of Finance may undertake additional investigation and initiate additional enforcement proceedings to establish restitution, civil penalties and to prove other violations.

February 5, 2009

MARK WINSTEIN; ECOSTRUCTURE CORP. AKA ECOSTRUCTURE FINANCIAL; ECOSTRUCTURE CAPITAL, LLC; WINMARK, INC.; Moscow, ID – Agreement and Order – The Order alleged the Respondents offered and sold unregistered securities, were not licensed to sell securities and engaged in violations of the anti-fraud provisions of the Idaho Uniform Securities Act. More specifically, the Respondents are alleged to have raised money for application to “eco-friendly” businesses via the creation and funding of a private equity fund and a related “Ecopreneur Portal.” Further the Respondents were alleged to have a) failed to disclose the financial condition and operating history of the issuers, b) failed to adequately disclose the risks associated with the investment, and c) misrepresented the value of Ecostructure with no reasonable basis for a claimed value of \$5 million.

Without admitting nor denying the Department's findings, the Respondents agreed to a) not claim or otherwise sell securities under

any Idaho securities exemption without first providing written notice to the Department of Finance and b) to comply with the Idaho Uniform Securities Act in any future securities activities. While the Respondents agreed to offer rescission to affected investors, the rescission requirement was waived based on the existing financial condition of the promoter and the related entities.

September 30, 2008

PAT G. MINER, Provo, UT –Consent Order – This Order was entered as an extension of the Department’s civil lawsuit filed against Millennial Financial Group,, Inc., Tyree Mackey and Jeremy King reported in the preceding section. For her part in the promotion of a high yield investment opportunity to one Idaho investor, Miner admitted violating the registration provisions of the Idaho Uniform Securities Act and agreed to a) permanently refrain from engaging in any act practice or course of business that violates Idaho securities laws, b) pay the Idaho victims \$5,000 as partial restitution, and c) fully cooperate with the Department in the furtherance of the case. Miner neither admitted nor denied the anti-fraud violations alleged in the Order.

CONSUMER FINANCE BUREAU SANCTIONS REPORT

I. ORDERS ISSUED UNDER THE IDAHO COLLECTION AGENCY ACT

- July 25, 2008 **DMB FINANCIAL, LLC** (Beverly, Massachusetts) – On July 25, 2008, the Idaho Department of Finance and DMB Financial, LLC (DMB) entered into a consent order addressing DMB’s acts of engaging in debt adjustment services in Idaho, which acts constituted credit counseling under the Idaho Collection Agency Act, while the company did not hold the license required by that Act. Under the terms of the consent order, DMB agreed to cease credit counseling activities in Idaho until it obtained the appropriate license; to refund within a six-month period approximately \$61,000 in fees paid by Idaho residents for the company’s services; and to accompany such refunded fees with a letter to consumers that includes language approved by the Department. DMB further agreed to pay \$1,500 in attorney fees and investigative costs to the Department. In addition, DMB agreed to disclose on its website and any other Internet advertising that its programs were not available to Idaho residents. After this agreement was entered into, the Department received information indicating that the company had failed to disclose the full extent of its unlicensed activity in Idaho. Department staff reviewed the matter and determined additional restitution was due. DMB ultimately refunded a total restitution amount of \$82,464.15 in fees paid by Idaho residents. To date, DMB has not applied for an Idaho collection agency license.
- July 31, 2008 **MCT GROUP, INC.** (Redondo Beach, California) – On July 31, 2008, the Director issued an Order to Cease and Desist against this California collection agency that had collected in Idaho without the license required by the Idaho Collection Agency Act. After receiving the Order to Cease and Desist, the company informed the Idaho Department of Finance that it intends to become licensed under the Act and work with the Department to achieve full compliance. To date, this company has not applied for an Idaho collection agency license.
- August 8, 2008 **DEBT SETTLEMENT USA, INC.** (Scottsdale, Arizona) – On August 8, 2008, the Idaho Department of Finance and Debt Settlement USA, Inc. (DSUSA) entered into a consent order addressing DSUSA’s acts of engaging in debt adjustment services in Idaho, which acts constitute credit counseling under the Idaho Collection Agency Act. DSUSA failed to hold the license required under the Act for engaging in credit counseling in Idaho. Under the terms of the consent order, DSUSA agreed to cease credit counseling activities in Idaho until it obtained the appropriate license; to refund approximately \$111,000 in fees paid by Idaho residents for the company’s unlicensed services; and to accompany such refunded

fees with a letter including language approved by the Department. DSUSA further agreed to pay \$1,500 in attorney fees and investigative costs to the Department. DSUSA also agreed to disclose on its website and any Internet advertising that its programs were not available in all states, to include Idaho. To date, DSUSA has not applied for an Idaho credit counselor license.

August 19, 2008

ACCESS RECOVERY SERVICE, INC., dba PATIENT ACCOUNT CARE and MICHELLE MUSIC, fka MICHELLE JAMISON (Boise, Idaho) – On August 11, 2008, the Idaho Department of Finance became aware that Access Recovery Service, Inc., dba Patient Account Care (Access), an Idaho-licensed collection agency, was out of compliance with the trust account requirements of the Idaho Collection Agency Act. On that date, Department staff investigated Access’s business operations and found numerous apparent violations of the Idaho Collection Agency Act. On August 19, 2008, the Department and Access entered into a consent order addressing the company’s violations and current financial situation. Access was ordered to immediately cease and desist from misappropriating, transferring, or converting client funds in violation of the Act. Access was ordered to provide the Department with information designed to give the Department complete knowledge of the company’s business practices and finances. The Department impounded Access’s bank accounts for a short period of time. The order limited the company’s business activities for a period of time, and required the company to either find a buyer or surrender its license to the Department, in which circumstance the license would be deemed revoked. The order required that the provisions of § 26-2246 of the Idaho Collection Agency Act be strictly followed in discontinuing operations of the business, should that become necessary. The company was eventually sold to another Idaho collection agency.

August 29, 2008

PARKER ELLIOTT, INC. (Newport Beach, California) – On August 29, 2008, the Director issued an Order to Cease and Desist against this California collection agency doing business in Idaho without the license required by the Idaho Collection Agency Act. In the order, the Director found that Parker Elliott, Inc. had contracted with a Twin Falls business to collect for that business. Despite the fact that Parker Elliott, Inc. did not maintain a collection agency license as required by the Idaho Collection Agency Act, it engaged in approximately twenty-three (23) collection attempts against at least one Idaho resident, and in doing so made numerous threats, including threatening criminal charges.

September 10, 2008

DEBT RELIEF USA, INC. (Addison, Texas) – On September 10, 2008, the Idaho Department of Finance and Debt Relief USA, Inc. (DRUSA) entered into a Consent Order addressing DRUSA’s unlicensed credit counseling activities in Idaho. Under the terms of the Consent Order, DRUSA agreed not to accept Idaho clients until it was issued a license under the Idaho Collection Agency Act. Further, the company agreed to

refund \$201,829.35 in fees paid by Idaho residents for the company's services, and paid to the Department \$2,500 in attorney fees and investigative costs. DRUSA paid a total amount of \$149,384.78, constituting the refund of fees that had been paid by Idaho residents. The company later filed a Chapter 7 bankruptcy petition in the Northern District of Texas.

- September 18, 2008 **STEPHEN WHITE, dba AMERICAN CREDIT** (Redding, California) – On September 18, 2008, the Director issued a Cease and Desist Order against Stephen White, dba American Credit, for engaging in credit repair activities in Idaho without the license required by the Idaho Collection Agency Act. The order required Stephen White and his company to cease engaging in credit repair activity in Idaho until such time as proper licensure under the Act was obtained.
- September 18, 2008 **FINANCIAL FREEDOM RESOURCES, INC.** (Clearwater, Florida) – Financial Freedom Resources, Inc. (FFR), operating out of Florida, apparently contracts with consumers for the maintenance or management of consumer debt with a goal of improving credit scores. The Idaho Collection Agency Act requires a license for engaging in this type of business activity in Idaho. Despite the fact that FFR failed to hold a license under the Idaho Collection Agency Act, in 2005 and again in 2008 its agents contacted Idaho residents soliciting for its services. When the Idaho Department of Finance became aware that the company was offering its services to Idaho residents without holding the required license, the Director issued the Order to Cease and Desist on September 18, 2008. The order alleged that the company charges an upfront fee of approximately \$895 for improvement of a consumer's credit score.
- September 30, 2008 **TOPCO FINANCIAL SERVICES, INC.** (Everett, Washington) – On September 30, 2008, the Director issued an Order to Cease and Desist against Topco Financial Services, Inc. (Topco), a Washington collection agency that does not hold a license under the Idaho Collection Agency Act. The Order alleged that on at least sixty (60) occasions, Topco collected against Idaho residents, primarily through telephone calls. The order also alleged that Topco's representatives directed profane or obscene terms to Idaho consumers in their unlicensed collection attempts. The Order required Topco to immediately cease and desist from collecting in Idaho without a license under the Idaho Collection Agency Act.
- January 26, 2009 **OLDE CITY FINANCIAL, INC.** (Wayne, Pennsylvania) – On January 26, 2009, the Idaho Department of Finance and Olde City Financial, Inc. (Olde City) entered into a consent order addressing Olde City's acts of operating a collection agency business in Idaho without a license as required by the Idaho Collection Agency Act (the Act). Olde City neither admitted nor denied the allegations contained in the consent order. Under the terms of the consent order, Olde City agreed to pay to the Department an administrative penalty of \$7,000 and attorney fees and investigative

costs in the amount of \$1,000. Olde City applied for and was issued an Idaho collection agency license, and the company agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

February 13, 2009 **HALO DEBT SOLUTIONS, INC.** (Allen, Texas) – On February 13, 2009, the Idaho Department of Finance and Halo Debt Solutions, Inc. (Halo) entered into a consent order addressing Halo’s acts of engaging in credit counseling activities in Idaho while Halo did not hold the license required by the Idaho Collection Agency Act (the Act). Under the terms of the consent order, Halo agreed to refund \$16,788.12 in fees paid by Idaho residents for the company’s services and to accompany such refunded fees with a letter to consumers that included language approved by the Department. In addition, Halo agreed to pay to the Department \$1,000 in attorney fees and investigative costs and agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

March 26, 2009 **VERICORE, LLC** (Mandeville, Louisiana) – On March 26, 2009, the Idaho Department of Finance and Vericore, LLC (Vericore) entered into a consent order addressing the company’s collection activity in Idaho without the license required by the Idaho Collection Agency Act (the Act). Vericore neither admitted nor denied the allegations contained in the consent order. Vericore agreed to pay to the Department the sum of \$15,000 in settlement of the Department’s allegations contained in the consent order and attorney fees and investigative costs in the amount of \$1,000. Vericore applied for and was granted an Idaho collection agency license and agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

March 31, 2009 **VANDENBERG, CHASE AND ASSOCIATES LLC** (Atlanta, Georgia) – On March 31, 2009, the Idaho Department of Finance and Vandenberg, Chase and Associates LLC (Vandenberg) entered into a consent order addressing Vandenberg’s acts of operating a collection agency business without a license as required by the Idaho Collection Agency Act (the Act). Under the terms of the consent order, Vandenberg agreed to pay to the Department an administrative penalty of \$1,000 and attorney fees and investigative costs in the amount of \$500. Vandenberg applied for and was issued an Idaho collection agency license, and the company agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

April 7, 2009 **YOUR CREDIT ANGEL LLC, a division of CORONWA INVESTMENTS, LLC** (Las Vegas, Nevada) – On April 7, 2009, the Director issued an Order to Cease and Desist against this Nevada mortgage modification company doing business in Idaho without the license required by the Idaho Collection Agency Act. The order alleged that Your Credit Angel LLC, a division of Coronwa Investments, LLC

(Your Credit Angel) offered mortgage modification services in Idaho without a license, which services constituted debt and credit counseling activity in Idaho. The order further alleges that Your Credit Angel refused to refund an Idaho consumer a \$1,495 upfront fee paid to it, even though the consumer received no benefit from his dealings with Your Credit Angel. The order required Your Credit Angel to immediately cease and desist from engaging in mortgage modification activity in Idaho without a license under the Idaho Collection Agency Act.

April 20, 2009

BRIAN KVARFORDT dba NORTH AMERICAN COLLECTIONS and SAFETY CHECK (Idaho Falls, Idaho) – On April 20, 2009, the Idaho Department of Finance and Brian Kvarfordt, dba North American Collections and Safety Check (North American Collections) entered into a consent order addressing North American Collections’ acts of conducting business in a manner that is not fair, honest, or open, in violation of the Idaho Collection Agency Act (the Act). The order addressed acts committed by a representative or employee of North American Collections who altered court documents in an attempt to collect on a judgment it received against an Idaho resident. Under the terms of the Consent Order, North American Collections agreed to pay to the Department an administrative penalty of \$4,000 and \$1,000 constituting investigative costs and attorney fees. North American Collections also agreed to provide to the Department a written certification that it has changed its collection practices to ensure that the acts and violations described in the consent order will not occur again in the future and agreed to provide a written explanation of the change in procedures. North American Collections further agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

April 21, 2009

NATIONAL FORECLOSURE RELIEF, INC. (Santa Ana, California) – On April 21, 2009, the Director issued an Order to Cease and Desist against this California mortgage modification company doing business in Idaho without the license required by the Idaho Collection Agency Act. The order alleged that National Foreclosure Relief, Inc. (NFR) offered mortgage modification services in Idaho without a license, which services constitute debt and credit counseling activity in Idaho. The order further alleged that NFR accepted \$1,875 in upfront fees from an Idaho couple; falsely guaranteed to save the couple’s home from foreclosure; required to couple to pay additional amount of \$3,600, which was supposed to be partially applied towards the couple’s mortgage payment; and misrepresented the services it would be providing for the couple. The order required NFR to immediately cease and desist from engaging in mortgage modification activity in Idaho without a license under the Idaho Collection Agency Act.

June 17, 2009

FREEDOM DEBT RELIEF, LLC (San Mateo, California) – On June 17, 2009, the Director issued an order denying Freedom Debt Relief, LLC’s (FDR) application for an Idaho debt/credit counselor license. The

denial order was based on FDR's failure to cure the deficiencies in its license application; its failure to fully disclose regulatory actions taken against it and orders entered against it in other states; and engaging in business practices, all of which demonstrate a lack of fitness to engage in business activities authorized for a licensee. The Director concluded that FDR is not fit to hold the license it sought.

After the Director issued the order denying FDR's application for a debt/credit counselor license, FDR filed a motion for reconsideration of that order. The case is currently pending a hearing on the matter.

June 30, 2009

SIERRA CAPITAL SERVICES, INC. (Tulsa, Oklahoma) – On June 30, 2009, the Idaho Department of Finance and Sierra Capital Services, Inc. (Sierra) entered into a consent order addressing Sierra's acts of operating a collection agency business without the license required by the Idaho Collection Agency Act (the Act). While the consent order takes into account the fact that Sierra is no longer in business, Sierra admitted to the allegations contained in the consent order. Under the terms of the consent order, Sierra agreed to execute, file, and record a satisfaction of judgment on each of the two outstanding judgments it was awarded in Idaho courts; agreed to cease engaging in the business activities which gave rise to the issuance of the consent order; and agreed to abide by all provisions of the Act and rules promulgated there under at all times in the future.

June 30, 2009

APPLY 2 SAVE, INC. (Post Falls, Idaho) – On June 30, 2009, the Director issued an order denying Apply 2 Save, Inc.'s (the company) application for a debt/credit counselor license. The denial order was based on the fact that the company obtained or attempted to obtain fees, compensation, or consideration from Idaho consumers through false or fraudulent representations or statements that a debt, loan, or extension of credit would be eliminated, reduced, or substituted; that the company engaged in mortgage loan modification activity without a license; and that the company had filed for Chapter 7 Bankruptcy in United States Bankruptcy Court for the District of Idaho. The Director concluded that such facts considered together demonstrate a lack of fitness to engage in business activities authorized for a licensee, and that the company is not fit to hold the license it sought.

II. CIVIL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO COLLECTION AGENCY ACT

November 3, 2008

NATIONAL CREDIT ACCEPTANCE, dba NATIONAL CREDIT ACCEPTANCE, INC. (Sacramento, California) – On July 3, 2008, the

Idaho Department of Finance filed a civil lawsuit in Ada County District Court against National Credit Acceptance, dba National Credit Acceptance, Inc. (NCA) alleging violations of the Idaho Collection Agency Act. NCA failed to file an answer to the Department's civil complaint, and on November 3, 2008, a default judgment was entered against NCA. The default order found that NCA engaged in unlicensed collection activity in Idaho in violation of the Idaho Collection Agency Act and in violation of a Cease and Desist Order previously issued by the Director. The order enjoined NCA from further violations of the Idaho Collection Agency Act. NCA was ordered to pay penalties to the Department in the amount of \$90,000 as well as attorney fees and investigative costs. The Department learned that NCA filed for bankruptcy protection and has filed a proof of claim in that case.

February 26, 2009 **HOME 2 STAY, INC.** (Boise, Idaho) – On February 26, 2009, the Idaho Department of Finance and Home 2 Stay, Inc. entered into a consent order addressing the company's acts of engaging in debt or credit counseling activities in Idaho while it did not hold the license required by the Idaho Collection Agency Act (the Act). Under the terms of the consent order, Home 2 Stay, Inc. agreed to pay to the Department an administrative penalty of \$500 and \$500 in attorney fees and investigative costs and agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

III. ORDERS ISSUED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT-Mortgage Companies

August 1, 2008 **PREMIER MORTGAGE RESOURCES AND GREGORY JAMES GOODRICH** (Boise, Idaho) – On April 18, 2008, the Idaho Department of Finance issued an administrative complaint against this Idaho-licensed mortgage broker/lender and its owner, Mr. Goodrich, alleging violations of the Idaho Residential Mortgage Practices Act and the Idaho Financial Fraud Prevention Act. The company filed an answer to the Department's complaint. Upon review, the Department determined the company's answer satisfied the issues alleged in the complaint and the Department dismissed the complaint on August 1, 2008.

August 11, 2008 **ASSURITY FINANCIAL SERVICES, LLC** (Englewood, Colorado) – On May 1, 2008, the Director issued an Order to Cease and Desist against Assurity Financial Services, LLC (Assurity), a Colorado-based mortgage broker/lender licensed under the Idaho Residential Mortgage Practices Act. The Order to Cease and Desist required Assurity to cease forwarding to Idaho residents advertisements concerning mortgage loans, which

advertisements were misleading, confusing, false, and deceptive. To address the allegations included in the Order to Cease and Desist, on August 11, 2008, the Idaho Department of Finance and Assurity entered into a consent order, which included Assurity's agreement to pay to the Department an administrative penalty of \$15,000. Additionally, Assurity agreed to pay to the Department \$2,000 in attorney fees and investigative costs. Assurity agreed that for a period of twelve months, the Department would review all advertising and solicitations prior to the company's dissemination of such material to Idaho consumers.

September 23, 2008 **ACCESS MORTGAGE COMPANY, INC.** (Seattle, Washington) In June of 2005, the Idaho Department of Finance received information indicating that Access Mortgage Company, Inc. (Access), a Seattle-based mortgage broker/lender, had engaged in unlicensed mortgage brokering/lending activity in Idaho. On July 26, 2005, Access and the Department entered into an Agreement and Order addressing the unlicensed activity. Access admitted to the unlicensed activity and paid a \$15,000 administrative penalty to the Department. In January of 2008, the Department received a consumer complaint from an Idaho resident alleging that Access had misrepresented terms of a mortgage loan. The Department conducted an investigation, and on September 23, 2008 the Department filed an administrative complaint against Access seeking revocation of the company's license and the imposition of other sanctions. Access was served with the administrative complaint and filed an answer. The administrative action is being held in abeyance pending the resolution of a related civil lawsuit against the company.

October 6, 2008 **INFINITY FINANCIAL GROUP, LLC** (Priest River, Idaho) – The Idaho Department of Finance issued a Complaint for Revocation of Mortgage Broker/Lender Licenses against Infinity Financial Group, LLC (Infinity), alleging violations of the Idaho Residential Mortgage Practices Act. Infinity filed an answer to the Department's complaint.

On October 6, 2008, Infinity entered into a Consent Order of Revocation of Mortgage Broker/Lender Licenses with the Department to resolve violations underlying the Complaint for Revocation of Mortgage Broker/Lender Licenses issued on May 21, 2008. Through the Consent Order of Revocation of Mortgage Broker/Lender Licenses, Infinity consented to the entry of an order revoking the mortgage broker/lender license issued to Infinity.

November 12, 2008 **DMI FUNDING INCORPORATED, dba DIRECT MORTGAGE** (Boise, Idaho) – On November 12, 2008, the Director issued an Order to Cease and Desist from Violating the Idaho Residential Mortgage Practices Act and Imposing Affirmative Duties (the Order) against DMI Funding Incorporated, dba Direct Mortgage (DMI), a Boise-based mortgage broker/lender licensed under the Idaho Residential Mortgage Practices Act (the Act). The Order required DMI to cease violating the Act by failing to

abide by federal laws and rules requiring the safeguarding of confidential personal and financial information of its customers and others whose confidential personal and/or financial information was in the custody or control of DMI. The Order required DMI to carry out tasks and duties to mitigate or prevent injury to others through DMI's actions, which tasks and duties included to conduct an examination of the breached records to identify customers and others whose personally identifiable and or financial information may have been compromised or subject to compromise; to provide written notification to the customers or others whose confidential information was breached or may have been breached; to destroy the confidential records according to applicable federal rules; to provide certification to the Idaho Department of Finance that the records were acceptably destroyed; and to provide certification to the Department that any other records containing confidential information were properly safeguarded or destroyed. The Order further required DMI to comply with all requirements of the Act and federal regulations applicable to the safeguarding of confidential information and mortgage brokering and mortgage lending. DMI subsequently complied with the requirements contained in the Order.

December 19, 2008 **AMWEST CAPITAL MORTGAGE, INC.** (Escondido, California) – On December 19, 2008, the Director issued an order denying the application of Amwest Capital Mortgage, Inc. (Amwest) for a mortgage broker/lender license. The denial order was based upon the fact that Amwest had misrepresented to a mortgage lender that it held an Idaho mortgage broker/lender license. Such action was deemed by the Director to demonstrate a lack of character and fitness to warrant the belief that Amwest would engage in the mortgage brokering business in Idaho honestly and fairly, within the purposes of the Act. In addition, Amwest's acts of engaging in unlicensed mortgage brokering/lending activity in Idaho constituted a separate basis for denial of its application for a mortgage broker/lender license.

March 24, 2009 **DMI FUNDING INCORPORATED, dba DIRECT MORTGAGE** (Boise, Idaho) – On March 24, 2009, the Idaho Department of Finance and DMI Funding Incorporated, dba Direct Mortgage (DMI) entered into a consent order addressing the company's acts of engaging in mortgage brokering activities from an unlicensed location, failing to notify the Department of a change in its business location, and failing to safeguard confidential customer information. Such acts were in violation of the Idaho Residential Mortgage Practices Act (the Act) and federal laws pertaining to mortgage brokering or mortgage lending. Under the terms of the consent order, DMI agreed to pay to the Department an administrative penalty of \$1,000 and \$500 in attorney fees and investigative costs and agreed to abide by all provisions of the Act and rules promulgated thereunder at all times in the future.

IV. ORDERS ISSUED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT—Loan Originators

- February 25, 2009 **MINDY S. TAYLOR** (Boise, Idaho) – Mindy S. Taylor became licensed as a mortgage loan originator under the Idaho Residential Mortgage Practices Act on December 14, 2007. During an examination of Ms. Taylor’s employer, Idaho Department of Finance examiners obtained information indicating that Ms. Taylor had originated mortgage loans prior to obtaining a mortgage loan originator license. On July 25, 2008, the Department issued an administrative complaint seeking revocation of Ms. Taylor’s mortgage loan originator license based on her alleged unlicensed mortgage loan origination activity. Ms. Taylor failed to file an answer to the complaint. On September 30, 2008, the Director issued a default order revoking Ms. Taylor’s mortgage loan originator license, subject to her right to request a hearing on the matter. On October 14, 2008, Ms. Taylor requested a hearing concerning the revocation of her license. A hearing was held on December 15, 2008. After reviewing the evidence and testimony submitted at the hearing, the hearing officer entered Findings of Fact, Conclusions of Law, and a Preliminary Order on February 25, 2009, revoking Ms. Taylor’s mortgage loan originator license. That order became final following the expiration of the applicable appeal periods.
- April 8, 2009 **STEVEN JOSEPH DUGAN** (Mount Holly, New Jersey) – On April 8, 2009, the Idaho Department of Finance issued a complaint against this Idaho licensed mortgage loan originator, seeking suspension of his license due to failure to timely submit continuing education certificates of completion, in violation of the Idaho Residential Mortgage Practices Act and rules pursuant to that Act. That same day, the Department received certificates of completion from Mr. Dugan’s prior employer and as a result, the action was dismissed.
- April 16, 2009 **SCOTT EDWARD JONES** (Evansville, Indiana) – On April 8, 2009, the Idaho Department of Finance issued a complaint against this Idaho licensed mortgage loan originator, seeking suspension of his license due to failure to timely submit continuing education certificates of completion, in violation of the Idaho Residential Mortgage Practices Act and rules pursuant to that Act. The Department subsequently received certificates of completion from Mr. Jones’ prior employer as well as a request by Mr. Jones to surrender his license. As a result, the action was dismissed on April 16, 2009.
- April 22, 2009 **ZACHARY B. CLUNE** (Meridian, Idaho) – On October 6, 2008, the Director issued an order denying Zachary B. Clune’s application for a mortgage loan originator license. The denial order was based on Mr.

Clune's past felony convictions, which included convictions of forgery, fraud by computer, and conspiracy to distribute methamphetamine, cocaine, and ecstasy. The Director concluded that such convictions show that Mr. Clune is not fit to hold the license he sought.

After the Director issued the order denying Mr. Clune's application for a mortgage loan originator license, Mr. Clune filed a motion for reconsideration of that order. A hearing was held on that motion on January 6, 2009. On February 12, 2009, Findings of Fact, Conclusions of Law and a Preliminary Order was entered by the hearing officer confirming the Director's denial order. Mr. Clune subsequently filed a motion for reconsideration of the hearing officer's preliminary order. The hearing officer denied Mr. Clune's motion and on April 22, 2009, after all relevant appeal times ran, the preliminary order became final.

May 5, 2009

SUZANNE DANIELLE REED (Murphy, Texas) – On April 9, 2009, the Idaho Department of Finance issued a complaint against this Idaho licensed mortgage loan originator, seeking suspension of her license due to failure to timely submit continuing education certificates of completion, in violation of the Idaho Residential Mortgage Practices Act and rules pursuant to that Act. Ms. Reed failed to file an answer to the complaint and the Department served a Notice of Proposed Default Order upon Ms. Reed. After serving the Notice of Proposed Default Order upon Ms. Reed, the Department received a request by Ms. Reed to surrender her license. As a result, the action was dismissed on May 5, 2009.

V. CIVIL ENFORCEMENT ACTIONS INITIATED OR COMPLETED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT

March 19, 2009

ACCESS MORTGAGE COMPANY, INC. (Seattle, Washington) On March 19, 2009, the Idaho Department of Finance filed a civil lawsuit in Ada County District Court against Access Mortgage Company, Inc. (Access) alleging violations of the Idaho Residential Mortgage Practices Act, the Idaho Financial Fraud Prevention Act, federal Regulation X, and the Rules Pursuant to the Idaho Residential Mortgage Practices Act. The allegations contained in the civil complaint include that Access engaged in multiple counts of unlicensed loan origination activity in Idaho, misrepresented and concealed material terms of a residential mortgage loan transaction, obstructed a Department investigation, obtained signatures from borrowers on forms where blanks were left to be filled in later, and engaged in mortgage fraud and financial fraud. Access was served with the civil complaint and filed an answer. A trial in the matter is currently scheduled for April of 2010.

April 27, 2009

CHRISTOPHER ALLAN STRAWN (Meridian, Idaho) – On March 26, 2009, the Idaho Department of Finance filed a civil lawsuit in Ada County District Court against Christopher Allan Strawn alleging violations of the Idaho Residential Mortgage Practices Act. Mr. Strawn failed to file an answer to the Department’s civil complaint, and on April 27, 2009, a default judgment was entered against Mr. Strawn. The default order found that Mr. Strawn had engaged in unlicensed mortgage loan origination activity in Idaho in violation of the Idaho Residential Mortgage Practices Act. The order enjoined Mr. Strawn from further violations of the Idaho Residential Mortgage Practices. Mr. Strawn was ordered to pay penalties to the Department in the amount of \$40,000 as well as attorney fees and investigative costs.

VI. ORDERS ISSUED UNDER THE IDAHO CREDIT CODE—Payday Lenders

November 13, 2008 **BRIDGE TO PAYDAY** (Burley, Idaho) – During an examination of this Idaho licensed payday lender, the Idaho Department of Finance obtained information indicating that Bridge to Payday made payday loans to borrowers which exceeded the aggregate principal balance as required by the Idaho Credit Code, entered into loan transactions that were not signed by the borrower, entered into loan transactions that were not dated by the borrower or the company, and failed to follow common, prudent lending and contractual practices. On May 6, 2008, the Department issued an administrative complaint to revoke Bridge to Payday’s payday loan licenses based on the information obtained during the company’s examination. To address the issues alleged in the complaint, the company indicated it wished to enter into a consent order with the Department that would allow it to continue operations of its business. On November 13, 2008, a Consent Order between the Department and Bridge to Payday was issued. In the Consent Order, Bridge to Payday agreed to pay \$3,500 to the Department constituting penalties, investigative costs, and attorney fees. Bridge to Payday also agreed to comply at all times in the future with the Idaho Payday Loan Act, the Idaho Credit Code, and any other federal and state laws which govern its business. Bridge to Payday specifically agreed to require a personal check as collateral for payday loan transactions; to ensure that no more than \$1,000 is loaned to any single borrower; to detail any adjustments, revisions, or modifications made to its “Drawer Transaction Report;” to ensure that every payday loan transaction is documented in a written loan contract; to separate any unrelated business records, files, assets, funds, finances, and accounts from its payday loan business records, files, assets, funds, finances, and accounts; and agreed to comply fully with requests of Department representatives in future examinations.

DEPARTMENT OF FINANCE STAFF – JUNE 30, 2009

ADMINISTRATION

Gavin M. Gee	Director of Finance
Shirley A. Whitney	Administrative Assistant 2

SUPPORTING SERVICES BUREAU

David L. Jensen	Supporting Services Bureau Chief
David S. Wentland	IT Systems Integration Analyst, Sr.
Erik P. Jorgensen	Web Developer
Dan J. Hoard	IT Database Analyst, Associate
Paula J. Kaptan	Personnel Technician
Jill R. Peterson-Pate	Financial Technician
Caroline C. Dickson	Office Specialist 2

FINANCIAL INSTITUTIONS BUREAU

Mary E. Hughes	Financial Institutions Bureau Chief
Nancy G. Page	Administrative Assistant 1
Bryce C. J. Baertsch	Financial Institutions Examiner, Commissioned Sr.
George L. Baker	Financial Institutions Examiner, Commissioned Sr.
Brad P. Bergquist	Financial Institutions Examiner, Commissioned Sr.
Bruce M. Eames	Financial Institutions Examiner, Commissioned Sr.
Mark W. Boschulte	Financial Institutions Examiner, Commissioned
Connie D. Newgard	Financial Institutions Examiner, Commissioned
Richard D. Sherrick	Financial Institutions Examiner, Commissioned
Sam F. Blake	Financial Institutions Examiner, 3*
Andrew C. Forth	Financial Institutions Examiner, 3*
Krista M. H. Bolt	Financial Institutions Examiner 1*
Geoff L. Coonce	Financial Institutions Examiner 1*
Adrienne L. Hendricks	Financial Institutions Examiner 1*
Honalee R. (Smith) Thomas	Financial Institutions Examiner 1*

*underfilling Financial Institutions Examiner, Commissioned

CONSUMER FINANCE BUREAU

Mike Larsen	Consumer Finance Bureau Chief
Audrey L. Bath	Administrative Assistant 1
Karen A. Carlyle	Administrative Assistant 1
Martha (Marti) L. Cooper	Administrative Assistant 1
Carol A. Berenger	Office Specialist 2
Linda J. Tennyson	Office Specialist 2
Anthony T. Polidori	Financial Examiner/Investigator 4
Karlyne C. (K.C.) Schaler	Financial Examiner/Investigator 4
Jo Ann Lanham	Consumer Affairs Specialist
Rich A. Dekker	Financial Examiner/Investigator 2*
Billie K. Havery	Financial Examiner/Investigator 2*
Dan D. Kline	Financial Examiner/Investigator 2*
Jan L. Kochan	Financial Examiner/Investigator 2*
Tom S. Little	Financial Examiner/Investigator 2*
Erin J. Van Engelen	Financial Examiner/Investigator 2*
Tom Nate	Financial Examiner/Investigator 1*

*underfilling Financial Examiner/Investigator 3

DEPARTMENT OF FINANCE STAFF - Continued

SECURITIES BUREAU

Marilyn T. Chastain	Securities Bureau Chief
Katy M. Witt	Administrative Assistant 1
Ginnie L. Sorensen	Securities Technician
Mary J. Harper	Technical Records Specialist 1
James A. Burns	Financial Examiner/Investigator 4
Patricia R. Highley	Financial Examiner/Investigator 4
Nancy C. Ax	Financial Examiner/Investigator 3
Walter L. Bitner	Financial Examiner/Investigator 3
Coleen F. Hodson	Financial Examiner/Investigator 3
Timothy D. Martin	Financial Examiner/Investigator 3
Kurt V. Merritt	Financial Examiner/Investigator 2*
	*underfilling Financial Examiner/Investigator 3

LEGAL STAFF

A. Rene Martin	Deputy Attorney General (on assignment from AG)
Joseph B. Jones	Deputy Attorney General (on assignment from AG)
Alan Conilogue	Deputy Attorney General (on assignment from AG)
Rita Jensen	Paralegal (on assignment from AG)

YEARS OF STATE SERVICE AS OF JUNE 30, 2009
Recognizing Over 600 years of Combined Service to the State of Idaho

Shirley A. Whitney	39.7	Years of Service
Gavin M. Gee	34.4	Years of Service
Nancy G. Page	32.8	Years of Service
Bryce C. J. Baertsch	32.6	Years of Service
Brad P. Bergquist	28.5	Years of Service
Paula J. Kaptan	27.0	Years of Service
Ginnie L. Sorensen	25.0	Years of Service
George L. Baker	24.8	Years of Service
Katy M. Witt	22.7	Years of Service
Marilyn T. Chastain	22.1	Years of Service
James A. Burns	21.6	Years of Service
Tim D. Martin	20.2	Years of Service
Patricia R. Highley	19.8	Years of Service
Mary E. Hughes	18.9	Years of Service
Marti L. Cooper	18.1	Years of Service
Jo Ann Lanham	17.4	Years of Service
Coleen F. Hodson	17.0	Years of Service
Bruce M. Eames	15.5	Years of Service
Mike Larsen	13.9	Years of Service
Mary J. Harper	12.7	Years of Service
Billie K. Havery	12.5	Years of Service
Jill R. Peterson-Pate	12.3	Years of Service
K. C. Schaler	11.4	Years of Service
Nancy C. Ax	11.3	Years of Service
Anthony T. Polidori	8.7	Years of Service
Mark W. Boschulte	8.0	Years of Service
Walt L. Bitner	8.0	Years of Service
Karen A. Carlyle	6.9	Years of Service
Sam F. Blake	6.9	Years of Service
Connie D. Newgard	5.7	Years of Service
Rick J. Sherrick	5.7	Years of Service
Andy C. Forth	4.9	Years of Service
Jan L. Kochan	4.8	Years of Service
David L. Jensen	4.6	Years of Service
Daniel D. Kline	4.3	Years of Service
Erin J. Van Engelen	4.0	Years of Service
Rich A. Dekker	4.0	Years of Service
David S. Wentland	3.8	Years of Service
Erik P. Jorgensen	3.0	Years of Service
Tom S. Little	2.9	Years of Service
Daniel J. Hoard	2.7	Years of Service
Honalee R. Smith/Thomas	2.2	Years of Service
Linda J. Tennyson	1.8	Years of Service
Carol A. Berenger	1.7	Years of Service
Audrey L. Bath	1.4	Years of Service
Caroline C. Dickson	1.2	Years of Service
Kurt V. Merritt	1.1	Years of Service
Geoff L. Coonce	1.1	Years of Service
Krista M. H. Bolt	0.6	Years of Service
Tom H. Nate	0.5	Years of Service
Adrienne L. Hendricks	0.2	Years of Service

AMERICANS WITH DISABILITIES ACT COMPLIANCE

It is the policy of the Idaho Department of Finance to comply with Title II of the Americans With Disabilities Act which mandates that no qualified individual shall be excluded from participation, denied benefits, services, or access to programs or activities, or be subjected to discrimination by any public entity.

The Department of Finance does not discriminate on the basis of disability in access to, admission to, or operation of its programs, services, or activities or in its hiring or employment practices.

Individuals who need accessible communication or other accommodations in order to participate in programs and services of the Department of Finance are invited to make their needs and preferences known to the ADA Compliance Coordinator.

Questions, concerns, complaints, or requests for additional information should be forwarded to:

ADA COMPLIANCE COORDINATOR
DEPARTMENT OF FINANCE
800 Park Blvd., Suite 200
P O BOX 83720
BOISE ID 83720-0031

Phone: (208) 332-8001
Fax: (208) 332-8098
TDD to Voice Relay: 1-800-377-3529

This notice is also available audibly from the ADA Compliance Coordinator.

CIVIL RIGHTS GRIEVANCE PROCEDURES

The Idaho Department of Finance presents the following grievance procedure for the quick and fair investigation of discrimination complaints. Persons who feel they may have been discriminated against under conditions prohibited by law may file a complaint. The laws are those relating to nondiscrimination in the use of any of the Department's public facilities, programs or activities. These laws include protected classes of race, color, national origin, age, disability, sex and religion.

Complaints should be addressed to:

DIRECTOR OF FINANCE
DEPARTMENT OF FINANCE
P O BOX 83720
BOISE ID 83720-0031

1. A complaint may be filed in writing or by cassette tape and should be submitted with the signature of the complainant.
2. The complaint should contain the name, address and telephone number of the complainant, the date of the alleged discrimination, and a description of what happened.
3. The complaint shall be filed within 90 days from the date of the alleged discrimination.
4. The Department will contact the complainant in writing within 10 working days of receiving the complaint to acknowledge receipt and relate what action the Department has taken or will take in an attempt to resolve the complaint.
5. An investigation will be conducted within 30 working days of the date the Department receives the complaint. Investigations are authorized by the Director and may be conducted by a designee. The complainant or complainant's representative may submit evidence to support the complaint.
6. The Director or the Director's designee will send a written response to the complainant regarding the results of the investigation within 30 working days of the time the investigation began.
7. If dissatisfied with the results of the investigation, the complainant may request that the case be reconsidered. The request for reconsideration shall be made in writing or by tape to the Director of the Department of Finance within 10 days of the receipt of the Department's resolution letter.

8. The complainant may also file a complaint with the following state and federal agencies:

IDAHO HUMAN RIGHTS COMMISSION
1109 MAIN STREET
BOISE ID 83720-0040

THE OFFICE FOR EQUAL OPPORTUNITY
U S DEPARTMENT OF THE INTERIOR
WASHINGTON DC 20240

9. The Supporting Services Bureau within the Department of Finance will maintain the files and records relating to complaints for a period of three years.

Annual Report Credits

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Compilation of Securities Section.....	Marilyn Chastain, Katy Witt, Jim Burns
Compilation of Consumer Finance Section.....	Anthony Polidori, Mike Larsen, K.C. Schaler, Rene' Martin, Rita Jensen
Compilation of Department Financial Report.....	Jill Peterson-Pate
Director.....	Gavin M. Gee
Financial Institutions Bureau Chief	Mary E. Hughes
Securities Bureau Chief.....	Marilyn Chastain
Consumer Finance Bureau Chief.....	Mike Larsen
Supporting Services Bureau Chief.....	David Jensen

About The Cover:

2009 Department of Finance enforcement actions stretched across our hemisphere and involved several types of currency. In a single case, over 1 billion in Iraqi Dinar (\$1.1 million USD) was returned to investors. The Department also pursued investor refunds in Canadian courts and was successful in those efforts.