

# 2012

## 107<sup>TH</sup> ANNUAL REPORT

C.L. 'Butch' Otter  
Governor

Gavin M. Gee  
Director



# IDAHO

DEPARTMENT OF FINANCE

Protecting the Integrity of Idaho Financial Markets Since 1905





**IDAHO**  
DEPARTMENT OF FINANCE

July 1, 2012

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

Dear Governor Otter:

I am pleased to submit herewith the 107th Annual Report of the Department of Finance for fiscal year 2012, July 1, 2011 through June 30, 2012.

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. Department-wide, financial services sector licensing and registrations were up more than 2.3% over last fiscal year. This resulted in the Department being able to transfer \$5.2 million to the State's General Fund. In addition, more than \$10.2 million in restitution/rescission was ordered to be paid to consumers and investors as the result of enforcement and other actions by the Department.

The banking industry continues to make strides in the aftermath of the financial crisis. The Department welcomed Home Federal Bank of Nampa as our newest state chartered bank after its conversion from a federal thrift charter. We are also pleased that again this fiscal year, Idaho had no bank or credit union failures. Nationwide, 92 banks failed during 2011, but 2012 is on track to have a significantly lower failure rate with only 51 failures projected.

In the mortgage area, CoreLogic, which tracks residential real estate, recently ranked the Treasure Valley among the nation's top ten "most improving" housing markets. Consistent with this development, we have seen some stabilization in the number of filings associated with the Idaho mortgage industry over the past three years.

This Annual Report contains many highlights of Department initiatives for both the industries we oversee and consumers. We have continued our efforts to promote economic development, reduce regulatory burden, improve financial literacy, and protect financial service consumers in the state.

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 and hard work of our superb employees.

Sincerely,

GAVIN M. GEE, Director  
Idaho Department of Finance



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About The Cover: The cover photograph was taken by Idaho native Adam Schaub and is used with his permission. Adam, a 9th grade student at Frank Church High School in Boise, is an avid photographer, horseman, and archer.



## 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:

*Idaho Bank Act*

*Idaho Bank Holding Company Act*

*Idaho Interstate Banking Act*

*Idaho Interstate Branching Act*

*Idaho International Banking Act*

*Idaho Trust Institutions Act*

*Idaho Savings Bank Act*

*Business And Industrial Development*

*Corporation Act (BIDCO)*

*Idaho Credit Union Act*

*Idaho Money Transmitters Act*

*Idaho Financial Fraud Prevention Act*

*Idaho Credit Code*

*Idaho Mortgage Company Act*

*Idaho Collection Agency Act*

*Idaho Uniform Securities Act*

*Idaho Residential Mortgage Practices Act*

*Business Combination Act*

*Control Share Acquisition Act*

*Idaho Commodity Code*

*Endowment Care Cemetery Act*

*Continuing Care Disclosure Act*

*Idaho Escrow Act*

*Idaho Loan Broker Act*

## 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 more than 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.

## **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. The Department and its staff endeavor to improve the quality of its regulation and reduce regulatory burdens, while also expanding educational opportunities for both industry and consumers.

***Legislation and Rulemaking*** – During the 2012 legislative session, the Department sponsored House Bill No. 492, amendments to the Uniform Securities Act. The bill was signed into law by Governor C.L. “Butch” Otter on March 14, 2012. The legislation makes technical corrections to the Uniform Securities Act (2004), provides a clear statute of limitations on the Department's ability to bring civil actions, and specifically prohibits persons who accept investor funds from diverting those funds to the person's own use or to payments to other investors.

Also during the Idaho legislative session, amendments to the Rules Pursuant to the Idaho Residential Mortgage Practices Act were approved. The amendments update references to federal laws and regulations and make it clear that all mortgage license applications and renewals must be accomplished through the Nationwide Mortgage Licensing System and Registry (NMLSR).

While not requiring new state legislation, the federal Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law in July 2010, changed regulatory oversight

for many mid-sized investment adviser firms. The Act required that roughly 3,200 mid-sized investment adviser firms with assets under management (AUM) between \$25 million and \$100 million switch from federal to state regulation by June 28, 2012; about a dozen mid-sized investment advisor firms switched from federal to state regulation in Idaho. The transition was smooth and accomplished on time.

***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 has implemented ways to reduce other regulatory burdens without reducing the effectiveness of its regulatory oversight. For example, the Department continues to use 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.

This year saw the expansion of the Nationwide Mortgage Licensing System (NMLS) to include money transmitters. In April, NMLS expanded with the addition of five states going live on the NMLS to license and renew the following industries: Sales Finance, Debt Adjustors, Debt Collectors, Debt Management Companies, Small Loan Lenders, Check Cashers, Currency Exchangers, Money Transmitters, Payday Lenders and Pawnbrokers. The Department is expanding its use of the NMLS system to include money transmitters that conduct business in Idaho effective September 2012. There are currently 65 money transmitters licensed in Idaho and it will be up to those companies to decide whether to use NMLS. Currently, another 12 states are planning to use NMLS to license one or more of the above industries later in 2013.

Also this year, the Department signed the Nationwide Cooperative Agreement for Money Services Business (MSB) Supervision and Protocol for Performing Multi-State Examinations (Cooperative Agreement). This Cooperative Agreement for MSB supervision and examination protocol is patterned after similar interstate regulatory cooperative agreements the Department has with other state and federal regulatory agencies in other industries. This Agreement covers



MSB supervision, which includes money transmitters licensed by the Department and, in essence, commits the Department to cooperate, coordinate and share information with the other regulators that have signed the Agreement. It is hoped that all state regulators of MSBs will eventually sign the Agreement.

Finally, this year the Department and the FDIC reviewed the joint compliance examination program entered into with the FDIC nine years ago. Idaho is one of only three states that have a formal agreement with the FDIC on conducting joint compliance examinations. The consensus of the meeting was that the program has generally operated very well and has brought about much more efficient and less burdensome bank compliance examinations. The FDIC is eager to expand our model to other states. Under the program, the Department participates in every Idaho bank compliance examination, issues a joint examination report and, when necessary, issues joint informal or formal enforcement actions with the FDIC. The program has also been well received by Idaho bankers. The FDIC and the Conference of State Bank Supervisors (CSBS) are using the Idaho/FDIC agreement as a model for all states to consider for conducting joint FDIC bank compliance examinations.

***Industry and Regulatory Cooperation and Education*** – 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. To this end, the Department meets regularly with industry trade associations and other state and federal regulators. The Department also continues its efforts to assist industry in understanding and complying with regulatory requirements.

Throughout the year, the Department provides educational opportunities for industry participants. Programs highlights this year include:

- The Department co-sponsored, with CSBS and the Colorado Graduate School of Banking, the Tenth Annual Bank Directors Training Seminar in Coeur d'Alene. Over 60 bank directors and 5 banking department commissioners from Washington, Montana, Utah, Colorado and Idaho participated in the popular training program. This year, Lieutenant Governor Brad Little, along

with three other directors from Home Federal Bank of Nampa, which converted from a federal thrift to an Idaho state chartered commercial bank earlier this year, participated in the training.

- The Director spoke at the Idaho Community Bankers Association's Annual Meeting and the Idaho Bankers Association/Nevada Bankers Association/Oregon Bankers Association joint convention in Coeur d'Alene. The theme of the meeting was "Engines of Our Economy." The Director and staff met with senior executives of the banking industry to discuss the opportunities and challenges faced by the banking industry. The Director also joined representatives from the FDIC, Federal Reserve, and the Oregon Division of Finance and Corporate Securities on a panel discussion of Regulatory Hot Topics.

- The Department co-sponsored a continuing education presentation in Boise for mortgage loan originators. Other sponsors of the program were the Idaho Association of Mortgage Professionals, the Idaho Mortgage Lenders Association, and the National Association of Professional Mortgage Women. Department staff members participated in the question and answer session fielding questions about license renewal and financial responsibility requirements. Department staff members also presented two NMLS approved continuing education courses covering ethics and Idaho statutory requirements for the mortgage industry. Approximately 100 loan originators attended. The Department and a representative of Idaho Housing and Finance conducted a similar continuing education program for mortgage loan originators in Coeur d'Alene the following week.

- 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.

- The Department's Securities Bureau co-sponsored a seminar with the Internal Revenue Service on "Anti-Money Laundering for Money Services Businesses." Several members of the staff participated in the seminar. This seminar was an IRS effort to reach out to "mom and pop" money service businesses (MSB) and agents. The seminar covered the laws relating to money

laundering and MSB responsibilities to meet the requirements of these laws. A similar seminar was held in Pocatello the following week.

- The Department provided training and participated in educational sessions with numerous other industry and regulatory groups. These groups included the Idaho Financial Services Association, Mortgage Industry Advisory Board, Idaho Association of Mortgage Professionals, Idaho Mortgage Lenders Association, National Association of Professional Mortgage Women, National Association of Consumer Credit Administrators\*, Idaho Tax Commission, Better Business Bureau, Idaho Bankers Association, Idaho Credit Union League, National Association of State Credit Union Supervisors\*, Idaho Collectors Association, North American Collection Agency Regulatory Association, American Association of Residential Mortgage Regulators, Nationwide Mortgage Licensing System\*, Northwest Securities Institute, National White Collar Crime Center\*, North American Securities Administrators Association\*, J. Reuben Clark Law Society, the State Regulatory Registry\*, the Western Region Bank Regulators Meeting, the Eide Bailly Training Seminar for Bankers, and the Department's third annual CEO Roundtable with senior officials from the FDIC and many Idaho bank CEOs. \* = Department employee holds a leadership position in this nationwide organization or one of its committees.

***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.

During the fiscal year Department staff members made presentations at numerous high schools around the state; the College of Western Idaho; Lewis and Clark State College; Boise State University; the University of Idaho School of Law; Idaho State Treasurer's Smart Women, Smart Money Financial Conference; the Business Professionals of America; DECA (a student marketing and finance group); Family, Career and Community Leaders of America State Leadership Conference; the Idaho Academy of Family Physicians Annual Meeting focusing on Elder Abuse and Exploitation, and four Senior Scam Jams around the state.

***Financial Literacy Month - April 2012*** – Joining state securities regulators and a broad-based coalition of consumer groups and industry members, including the Idaho Financial Literacy Coalition (IFLC) and Get \$mart Idaho (IFLC’s northern Idaho affiliate), the Department participated in the 14th Annual Financial Literacy Month activities during the month of April.

Governor C.L. “Butch” Otter kicked off the celebration by signing a proclamation declaring April to be “Financial Literacy Month” in Idaho. During the ceremony, Lieutenant Governor Brad Little announced the Financial Literacy Month Proclamation and the winners of the Piggy Bank Beauty Contest. The contest is a part of Financial Literacy Month and each winner received a \$100 U.S. Savings Bond.

Department staff members presented a variety of seminars to various groups tailoring the message to the needs of each community. Together, the Securities Bureau and the Consumer Finance Bureau issued four informational press releases in April. A calendar of events reflecting the happenings during the month of April was posted to the Department’s website. As part of Financial Literacy Month, the Department educated 297 high school and college aged students in 14 classroom presentations, promoted financial education to over 260 attendees at the Scam Jam in Twin Falls, and educated 132 of those attendees during its three breakout presentations about Investment Fraud.

On a related note, Idaho came in third in Kiplinger’s Magazine’s list of “Money-Smart” states. The list was compiled by the Employment Benefit Research Institute of Washington, D.C. and the ratings were based on answers provided by 500 people in each state and the District of Columbia. Idaho did best on the following question: A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage but the total interest paid over the life of the loan will be less. True or False? 86% gave the correct answer, which is TRUE. Idaho scored 4th overall in Financial Capability rank (financial literacy) and 7th in Financial Behavior (such as having a three month savings cushion).

***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*** – Institutions headquartered in Idaho continued to experience operating losses during calendar year 2011. However, during the first half of 2012, these institutions had an average annualized Return on Assets of 0.54 percent. Other positive indicators include Net Charge-offs to Loans decreasing from 1.77 percent as of June 30, 2011 to 0.89 percent as of June 30, 2012, and Noncurrent Loans to Loans decreasing from 4.69 percent to 3.79 percent during the same period. Additionally, core capital increased from 11.03 percent to 12.05 percent. These indicators provide evidence of recovery in Idaho’s banking industry.

The FDIC reported that the number of “problem” institutions nationwide declined to 732 as of June 30, 2012, the smallest number of “problem” institutions since year-end 2009. “Problem” institutions are those financial institutions that are under formal enforcement actions. These enforcement actions are agreements between regulators and banks that are intended to assist institutions regain a healthy condition. At fiscal year-end 2012, four state-chartered institutions remain under formal enforcement actions. The Department and the FDIC entered into Consent Orders with Idaho First Bank on February 10, 2010, Syringa Bank on August 19, 2010, and Bank of Idaho on March 18, 2011. Idaho Banking Company entered into a Written Order with the Department and the Federal Reserve Board on March 10, 2010.

***Credit Unions in Idaho*** – Idaho state-chartered credit unions experienced an increase in total assets, shares (deposits), and net worth in calendar year 2011. Total assets of state-chartered credit unions increased by \$186.5 million, or 5.14 percent, to \$2.45 billion. Total shares increased by \$159.0 million, or 7.79 percent, to \$2.19 billion, and total aggregate net worth increased by \$24.5 million, or 12.18 percent, to \$225.4 million.

***Consumer Finance*** – By the end of fiscal year 2012 the Department observed a decline in the rate of residential mortgage loans that were either seriously delinquent or in foreclosure. These rates fell from 5.58 percent, reported at the end of fiscal year 2011, to 4.96 percent as of June 30, 2012. This year, the Department had regulatory oversight responsibility for 511 licensed regulated lender and title lender office locations, 211 licensed payday lender office locations, 585 licensed mortgage broker/lender office locations, 1,606 individual mortgage loan originator

licensees, and 40 licensed escrow agency locations. In addition, the Consumer Finance Bureau had regulatory oversight responsibility for 632 licensed collection agencies, 100 debt buyers, 8 credit repair organizations, and 48 credit/debt counselor agencies. The number of collection agency solicitors/collectors registered in Idaho was 45,188 at fiscal year-end.

*Securities* – The Securities Bureau processed more than 106,500 submissions in fiscal year 2012, up nearly three percent from the prior fiscal year. The Bureau’s oversight also extends to more than 95,000 individuals who currently hold Idaho registrations as broker-dealer agents, investment adviser representatives and issuer agents. This represents a three percent increase over the prior fiscal year. Through civil and administrative sanctions, the Bureau obtained orders for approximately \$10.2 million in rescission for Idaho investors. The potential financial impact of securities cases under investigation or in the process of resolution during the fiscal year exceeded \$85 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 assesses the condition of these institutions so that the public can have confidence in the financial system, and so 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 provides high quality supervision of state-chartered institutions 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. The Department continues its joint compliance examination program entered into with the FDIC nine years ago. Idaho is one of only three states that have a formal agreement with the FDIC on conducting joint compliance examinations. The joint compliance examinations, in addition to joint risk management examinations, result in more efficient and less burdensome bank examinations.



The Department 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 do their federal counterparts.

Recent challenges in the state and national economies affected our citizens and the institutions we regulate. The Bureau responded 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 on-site every five years and took place in 2010. The Department's banking and credit union programs have been continuously accredited by CSBS and NASCUS since 1990.

***Education and Examiner Training*** - Continuing education and training are important elements to maintain accreditation, and maintain the confidence of those we regulate. The Department continues to support educational opportunities for its examiners. During fiscal year 2012, examiners attended training sessions provided or sponsored by the Federal Deposit Insurance Corporation, the Federal Reserve System, the National Credit Union Administration, and the National Association of State Credit Union Supervisors. The ten examiners assigned to the banking section attended 15 weeks of off-site training during the fiscal year, and the six credit union examiners attended 14 weeks of training.

***Legislation and Regulation*** – During fiscal year 2012, important legislation and regulations were enacted. These laws addressed the serious financial challenges facing the economy and the country’s financial systems.

On August 9, 2011, the Federal Reserve Board (FRB) of Governors issued a press release stating that the federal funds rate will remain at “exceptionally low levels...at least through mid-2013.” This unprecedented use of clear terminology by the FRB in forecasting interest rates for the next two years was provided in an effort to promote the ongoing economic recovery of the country, maintain price stability, and to keep inflation in check. As a key interest rate benchmark that influences market interest rates throughout the world, the low federal funds rate translates to compressed net interest margins for many of Idaho’s financial institutions.

Effective October 1, 2011, the FRB of Governors enacted a final rule to impose maximum permissible interchange fees that card issuers may receive for electronic debit transactions. Interchange fees are the fees charged by financial institutions and debit/credit card processors to merchants who accept the cards as payments from customers. Known as the “Durbin Interchange Amendment,” the final rule states that the \$0.21 base fee cap for issuers should account for network connectivity costs, costs of hardware, software and labor, and transaction monitoring costs. In addition to the \$0.21 limit, financial institutions are allowed to charge an additional five basis points of the value of the transaction to cover potential fraudulent activity and an additional \$0.01 per transaction to cover fraud prevention costs. The final rule applies only to financial institutions with \$10 billion or more in total assets. A Federal Reserve study conducted in 2012 indicates that the average interchange fee charged by non-exempt institutions, those over \$10 billion in assets, declined from an average of \$0.50 per transaction during the first three quarters of 2011 to an average of \$0.24 per transaction for the fourth quarter of 2011. The study also indicated that exempt institutions under \$10 billion in assets had average interchange fees per transaction decline from \$0.45 during the first three quarters of 2011 to \$0.43 during the fourth quarter of 2011.

The Departments of the Treasury, Housing and Urban Development, and Federal Housing Finance Agency (FHFA) deployed a number of programs to assist homeowners refinance their mortgages to take advantage of historically low interest rates and to assist homeowners that are

experiencing financial difficulty in an effort to keep borrowers in their homes. The variety of programs are geared toward homeowners who are “underwater” on their mortgages, behind on the mortgage payments, or those who simply cannot qualify for traditional mortgage refinancing. One popular program utilized by many borrowers is the Home Affordable Refinance Program (HARP), which was expanded on December 1, 2011 to cater toward borrowers with loan-to-value (LTV) ratios of less than 125 percent and expanded again during the first quarter of 2012 to assist borrowers with LTV ratios of greater than 125 percent. The June 2012 FHFA Refinance Report states that 1,444,820 loans have been refinanced under the HARP program since inception. A total of 422,969 HARP loans were provided in the first six months of 2012, as compared to 400,024 HARP loans for the entirety of 2011. The Report also indicates that 12,302 HARP loans have been provided to Idaho borrowers since inception with nearly 25 percent of HARP loans having LTV ratios at or above 105 percent. Of the 705 HARP loans to Idaho borrowers originated in June of 2012, 72.91 percent had LTV ratios at or above 105 percent.

## **BANKING SECTION**

The Banking Section is responsible for supervising Idaho’s state-chartered commercial banks, savings banks, and bank holding companies 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).

The Banking Section directly supervises fourteen commercial banks (four with trust powers) and one BIDCO as of June 30, 2012. The section also has regulatory oversight responsibilities, as the host state supervisor, for ten state-chartered banks operating in Idaho and chartered by other states. As of June 30, 2012, these institutions held \$2.8 billion of Idaho deposits and operated 98 offices throughout the state: AmericanWest Bank (8 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; Glacier Bank (25 branches) is chartered by the State of Montana; State

Bank & Trust (1 branch) is chartered by the state of North Dakota; 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 twelve bank or financial holding companies with banking operations in Idaho.

In fiscal year 2012, the Banking Section completed 14 risk management examinations, 1 consumer compliance examination, and 2 trust examinations. In conjunction with the risk management examinations, the Banking Section performed information technology examinations and Bank Secrecy Act examinations. The Banking Section participated in 7 risk management visitations, 1 targeted asset review, 3 consumer compliance visitations, 1 trust visitation, and 1 coordinated supervisory review of an out-of-state bank holding company.

### ***Branch Activity***

During fiscal year 2012, Home Federal Bank closed five branches, two in Boise, Idaho and three in Central Oregon. In addition, The Bank of Commerce closed its branch in Arco, Idaho.

### ***Bank Conversions***

In April 2012, Mountain West Bank and Citizens Community Bank merged into Glacier Bank of Kalispell, Montana. While Mountain West Bank and Citizens Community Bank are no longer Idaho state-chartered commercial banks, their branches remain in Idaho and operate as divisions of Glacier Bank.

## **IDAHO BANKING INDUSTRY REVIEW**

### ***Performance and Condition of Idaho Financial Institutions***

As of June 30, 2012, there were 16 financial institutions (14 state-chartered banks, 1 national bank, and 1 federal thrift) based in Idaho with combined assets of \$6.3 billion, net loans and leases of \$3.5 billion, and deposits of \$5.2 billion<sup>1</sup>. Idaho-based financial institutions continued to outperform institutions nationwide with higher capital levels, and they have steadily narrowed the gap in earnings. As of June 30, 2012, the core capital ratio for Idaho-based institutions was stronger at 12.05 percent versus 9.25 percent for institutions nationwide. Idaho institutions

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<sup>1</sup> Source: FDIC Statistics on Depository Institutions

reported net charge-offs to loans of 0.89 percent, down from 1.77 percent a year earlier, and lower than the 1.13 percent reported for institutions nationwide. The percentage of Idaho's noncurrent loans to total loans decreased from 4.69 percent to 3.79 percent, which was slightly lower than 3.89 percent for the nation.

The Return on Average Assets (ROAA) for both Idaho institutions and all institutions nationwide improved as provision expense declined. Nationwide, banks realized a 21 percent increase in earnings from \$57.3 billion to \$69.3 billion that translated to an increased ROAA of 0.99 percent, up from 0.85 percent. Improvement in earnings performance for Idaho institutions exceeded banks nationwide as these institutions reduced provision expenses from \$38.9 million to \$8.1 million. These reduced provision expenses contributed to earnings that improved from a loss of \$2.9 million for the first half of 2011 to net income of \$17.1 million during the same period in 2012. Consequently, the ROAA for Idaho institutions improved from negative 0.07 percent to 0.54 percent.

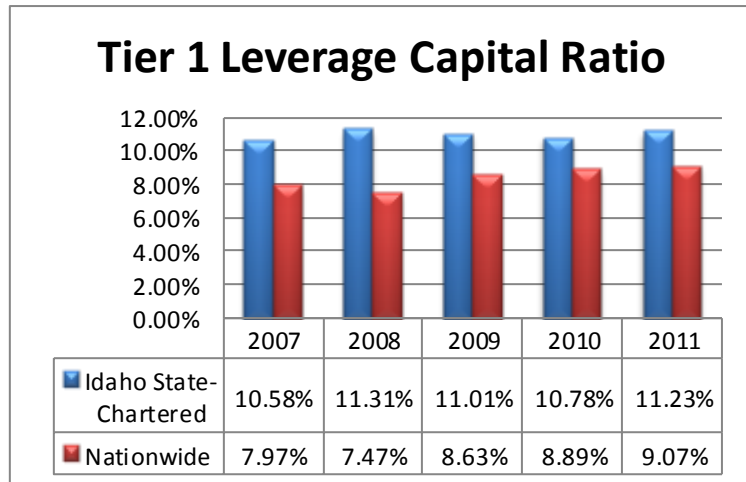
Overall, the outlook for Idaho banks is positive but challenges remain. The levels of troubled assets and troubled institutions remain high yet, continue to improve. Margins will continue to compress in the current low interest rate environment as lower yielding assets will replace older, high-yielding assets that have matured.

### ***Deposits in Idaho***

There were 35 commercial banks and savings institutions operating 536 offices for deposits in Idaho as of June 30, 2012. Total deposits in Idaho increased 3.3 percent during the year, to \$19.5 billion. Institutions headquartered outside of the state increased their market share of Idaho deposits to 76.4 percent, or \$14.9 billion in deposits. Meanwhile, institutions based in Idaho lost market share mostly due to Mountain West Bank and Citizens Community Bank merging with an out-of-state institution. As of June 30, 2012, these institutions had a combined Idaho deposit market share of 4.68 percent. Therefore, the remaining 16 institutions based in Idaho held 23.6 percent of the deposits, down from 28.6 percent of deposits held last year.

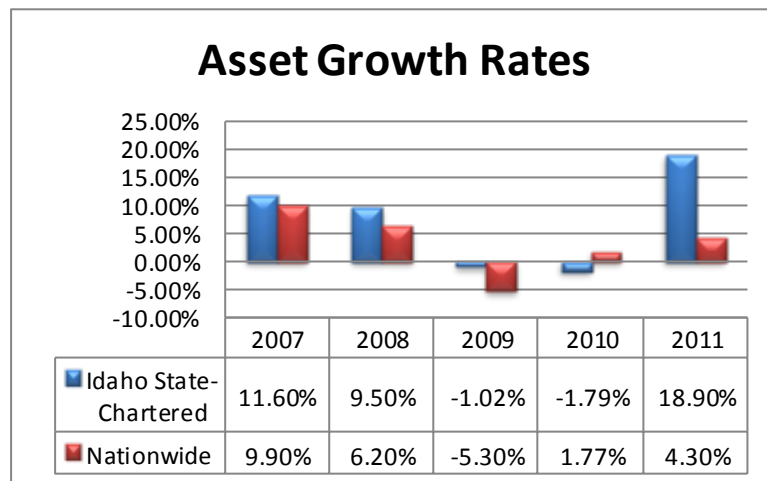
### ***Capital Levels Increase at State-Chartered Banks***

Idaho state-chartered banks reported an increase in the average Tier 1 Leverage Capital ratio from 10.78 percent as of December 31, 2010, to 11.23 percent as of December 31, 2011. This ratio greatly exceeded the 9.07 percent average of all banks in the nation. Total equity capital of state-chartered banks increased 22.42



percent in 2011 from \$686 million to \$840 million. Additionally, state-chartered banks reported increases in other key capital measurements with the average Tier 1 Risk-Based Capital ratio increasing from 15.16 percent to 17.57 percent, and the average Total Risk-Based Capital ratio increasing from 16.42 percent to 18.82 percent, comparing favorably to the national average of all banks of 13.02 percent and 15.31 percent, respectively.

### ***Asset Growth in State-Chartered Banks***



Idaho state-chartered banks reported total assets of \$7.0 billion as of December 31, 2011, an 18.9 percent increase from \$5.9 billion on December 31, 2010. Meanwhile, banks nationwide increased assets 4.3 percent.

The largest increase to asset size at Idaho-chartered banks occurred in investment portfolios, as institutions experienced low loan demand. While banks nationwide suffered from a similar scenario, these institutions redistributed over \$500 billion of assets into cash, due from depository institutions, and interest-bearing accounts. Total loans and leases held by Idaho-chartered banks were \$3.9 billion as of year-end 2011, an increase of \$156 million or

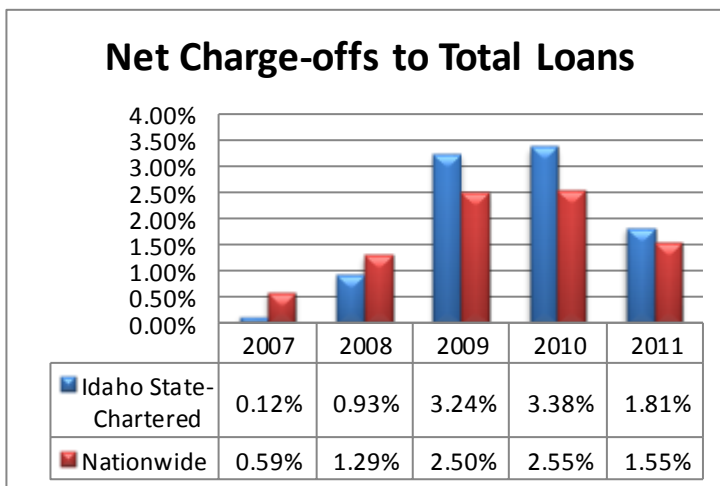
4.1 percent, compared to an increase of \$99 billion or 1.3 percent reported for all banks nationally. During the year, construction and land development loans held by state-chartered institutions declined 25.4 percent from \$558 million to \$416 million.

Idaho state-chartered banks reported \$5.6 billion in total deposits as of December 31, 2011, an increase of \$1.0 billion or 22.08 percent from the \$4.6 billion reported as of December 31, 2010. Deposits at banks nationwide increased from \$9.4 trillion to \$10.2 trillion or 8.1 percent.

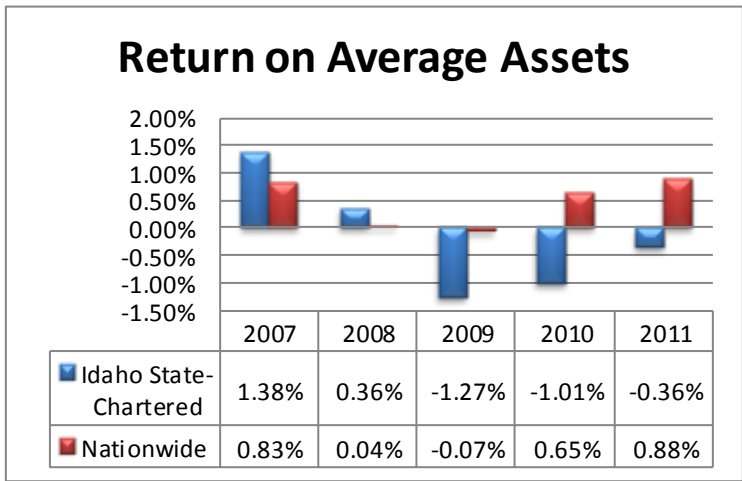
***Asset Quality and Earnings***

Although challenges in the economy continue, Idaho state-chartered banks experienced lessened deterioration in asset quality in 2011. The amount of net charge-offs decreased substantially from \$139 million to \$75 million, or a 46 percent decline. Additionally, the ratio of net charge-offs to total loans and leases for Idaho state-chartered banks decreased from 3.38 percent in 2010 to 1.81 percent in 2011. Nationwide banks also experienced a decline in net charge-offs of 39.2 percent and the ratio of net charge-offs to total loans and leases decreased to 1.55 percent.

Noncurrent loans decreased 15.2 percent from \$203 million to \$172 million. In addition, noncurrent loans to total loans for state-chartered banks decreased in 2011 from 5.34 percent to 4.35 percent,



although this ratio exceeded the national rate of 4.19 percent. Idaho state-chartered banks reported a higher ratio of reserves for possible loan losses to loans than for all banks nationwide. The allowance for loan and lease losses for Idaho state-chartered banks increased to 3.02 percent of total loans as of December 31, 2011, while the ratio for banks nationwide decreased to 2.56 percent.



Idaho state-chartered banks reported losses of \$25.7 million in 2011, an improvement of 57.2 percent compared to losses of \$60.1 million in 2010. Net interest income increased 16.3 percent during 2011 to \$264 million, due to lower interest expenses. The net interest margin for state-chartered institutions contracted slightly from

4.21 percent to 4.15 percent at year-end 2011. Non-interest income decreased by 34 basis points, while non-interest expense increased only by 16 basis points. Lower provision expense was the primary reason for lower losses at state-chartered institutions. Provisions for loan and lease losses decreased 46.1 percent from \$126 million at year-end 2010 to \$67.9 million at year-end 2011. All of these factors contributed to the overall improvement in the year-end return on average assets (ROAA) for Idaho-chartered institutions. ROAA for Idaho state-chartered banks increased 65 basis points from -1.01 percent in December 2010 to -0.36 percent in December 2011, while the ROAA for banks nationwide increased from 0.65 percent to 0.88 percent over the same period.



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

<b>IDAHO BANKS</b>	<b>6/30/2012</b>	<b>6/30/2011</b>	<b>\$/# Change</b>	<b>% Change</b>	<b>12/31/2011</b>	<b>12/31/2010</b>	<b>\$/# Change</b>	<b>% Change</b>
<i>(dollar figures in millions)</i>								
Number of institutions reporting	16	18	2	0	18	18	0	0
Total employees (full-time equivalent)	1,927	2,490	-563	-22.61	2,360	2,570	-210	8.17
<b>AGGREGATE CONDITION AND INCOME DATA</b>								
Net income (year-to-date)	17,121	-2,899	20,020	690.58	-21,619	-61,336	39,717	64.75
Total assets	6,279,629	7,849,354	-1,569,725	-20.00	7,841,262	8,067,131	-225,869	-2.80
Earning assets	5,708,028	7,067,225	-1,359,197	-19.23	7,116,627	7,286,171	-169,544	-2.33
Net loans & leases	3,509,164	4,523,499	-1,014,335	-22.42	4,363,858	4,827,546	-463,688	-9.61
Other real estate owned	79,142	129,925	-50,783	-39.09	111,645	110,058	1,587	1.44
Total deposits	5,203,081	6,276,948	-1,073,867	-17.11	6,332,319	6,438,178	-105,859	-1.64
Equity capital	793,624	941,395	-147,771	-15.70	941,975	930,755	11,220	1.21
<b>PERFORMANCE RATIOS (YTD, %)</b>								
			<b>BP Change</b>				<b>BP Change</b>	
Yield on earning assets	4.55	4.71	-16		4.84	5.10	-26	
Cost of funding earning assets	0.58	0.78	-20		0.74	1.08	-34	
Net interest margin	3.98	3.92	6		4.10	4.02	8	
Noninterest income to earning assets	0.79	1.09	-30		0.81	1.27	-46	
Noninterest expense to earning assets	3.87	4.02	-15		4.39	4.31	8	
Net charge-offs to loans & leases	0.89	1.77	-88		1.68	3.10	-142	
Credit-loss prov. to net charge-offs	51.19	92.93	40.84		87.84	87.75	9	
Net operating income to assets	0.48	-0.07	55		-0.29	-0.81	52	
Retained earnings to average equity	4.18	-1.14	532		-2.94	-7.2	426	
Pre tax return on assets	0.64	-0.10	74		-0.38	-0.91	53	
Return on assets	0.54	-0.07	61		-0.27	-0.78	51	
Return on equity	4.43	-0.62	505		-2.31	-6.42	411	
<b>CONDITION RATIOS (%)</b>								
Loss allowance to loans	2.23	2.91	-68		2.88	2.74	14	
Loss allowance to noncurrent loans	58.74	61.96	-322		67.07	45.65	2,142	
Noncurrent assets plus OREO to assets	3.43	4.44	-101		3.88	5.05	-117	
Noncurrent loans to loans	3.79	4.69	-9		4.29	5.99	-170	
Net loans and leases to deposits	67.44	72.07	-463		68.91	74.98	-607	
Net loans and leases to core deposits	71.78	79.42	-764		74.94	82.00	-706	
Equity capital to assets	12.64	11.99	65		12.01	11.54	47	
Core capital (leverage) ratio	12.05	11.03	102		11.26	10.79	47	
Tier 1 risk-based capital ratio	19.04	17.01	203		17.68	16.38	130	
Total risk-based capital ratio	20.26	18.23	203		18.92	17.63	129	

## 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 decreased by 1.45 percent during the year to \$460.0 million as of December 31, 2011, consisting of \$300.2 million in managed assets, and \$159.8 million in non-managed assets.

The Department has approved three out-of-state trust companies to operate in Idaho. Two of 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.

	12/31/2011 (\$ amounts in thousands)	12/31/2010 (\$ amounts in thousands)	\$/# Change	% Change
Fiduciary powers granted	7	7	0	0.00%
Fiduciary powers exercised	4	4	0	0.00%
Fiduciary or related activity	4	4	0	0.00%
Number of fiduciary and related asset accounts	1,954	2,008	-54	-2.69%
Number of managed accounts	1,067	1,023	44	4.30%
Number of non-managed accounts	887	985	-98	-9.95%
Total fiduciary and related assets (\$)	459,971	466,762	6,791	-1.45%
Managed assets (\$)	300,188	287,823	12,365	4.30%
Non-managed assets (\$)	159,783	178,939	19,156	-10.71%

## 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 1,399 permanent jobs in the state. The Idaho Company, located in Idaho Falls, is the only licensed BIDCO currently operating in Idaho.

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### Business and Industrial Development Corporations

Activity for Calendar Year 2011	Number	Dollar Amount
Number and dollar amount of financing assistance provided to business firms:	5	\$33,466
Number and dollar amount of financing assistance provided to minority-owned and woman-owned business firms:	0	\$0
Estimated number of jobs created or retained through financing assistance:	1	NA
Activity Since Inception	Number	Dollar Amount
Number and dollar amount of financing assistance provided to business firms:	301	\$26,206,384
Number and dollar amount of financing assistance provided to minority-owned and woman-owned business firms:	26	\$2,057,916
Estimated number of jobs created:	1,025	NA
Estimated number of jobs retained:	374	NA

## **CREDIT UNION SECTION**

The Credit Union Section is responsible for supervising all Idaho state-chartered credit unions and ensuring compliance with the Idaho Credit Union Act and applicable federal regulations. As of June 30, 2012, there were 36 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 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 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. In November 2010, the Credit Union Section was successfully reaccredited by NASCUS for another 5-year term.

In fiscal year 2012, the Credit Union Section completed 38 examinations, 11 follow-up visitations, and participated in one examination of a Washington-state chartered credit union. Within the 49 total contacts of Idaho credit unions, the Credit Union Section conducted 20 joint examinations and 8 joint visitations with examiners from either American Share Insurance or the National Credit Union Administration, depending on whether the institution is federally insured or privately insured.

### ***Branching Activity***

During fiscal year 2012, Icon Credit Union opened a new branch in Meridian, Idaho. Idaho Central Credit Union relocated its Burley, Idaho branch to 110 Overland Road and relocated the Chubbuck, Idaho branch to 4714 Yellowstone Avenue.

### ***Mergers and Conversions***

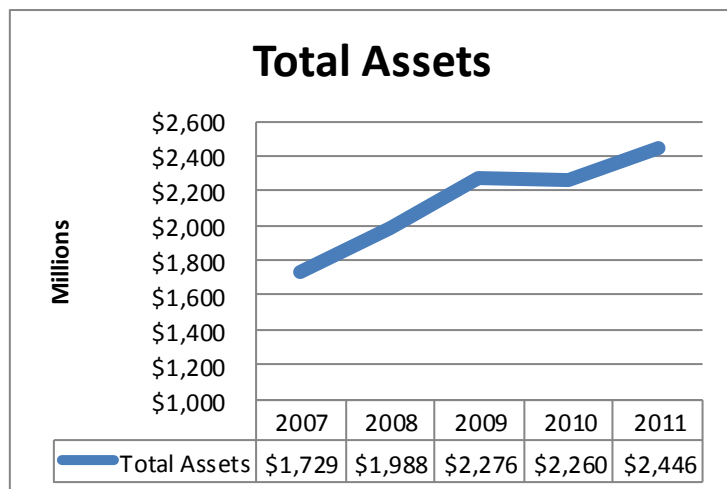
During fiscal year 2012, four Idaho-chartered credit unions undertook and completed successful mergers. With an effective date of December 7, 2011, Boise Valley Credit Union merged into E.S.A. Credit Union. On December 28, 2011, Valley Community Credit Union merged into Les Bois Credit Union. On March 7, 2012, Times-News Employees Credit Union merged into Magic Valley Federal Credit Union. On June 30, 2012, Shoshone County School Employees Credit Union merged into Potlatch #1 Federal Credit Union. The Department also welcomed Les Bois Credit Union as the newest state-chartered credit union; Les Bois Credit Union converted from a federal charter to a state charter on December 22, 2011.

### ***Performance and Condition of Idaho Credit Unions***

During calendar year 2011, Idaho state-chartered credit unions experienced asset growth of 8.25 percent, loan growth of 9.47 percent, and net worth growth of 11.94 percent. Growth figures in 2011 for all credit unions in the nation are reported as 5.14 percent asset growth, 1.16 percent loan growth, and 6.78 percent net worth growth. Idaho credit unions strived to manage operations and performance in a challenging financial environment. As a group, Idaho credit unions continue to provide financial security to their membership, offering needed products and providing basic financial services. 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, 2011.

### ***Assets***

Idaho state-chartered credit unions added \$186.5 million in total assets to their balance sheets in 2011, a 5.14 percent growth rate. Total assets as of December 31, 2011 for Idaho state-chartered credit unions were \$2.45 billion.

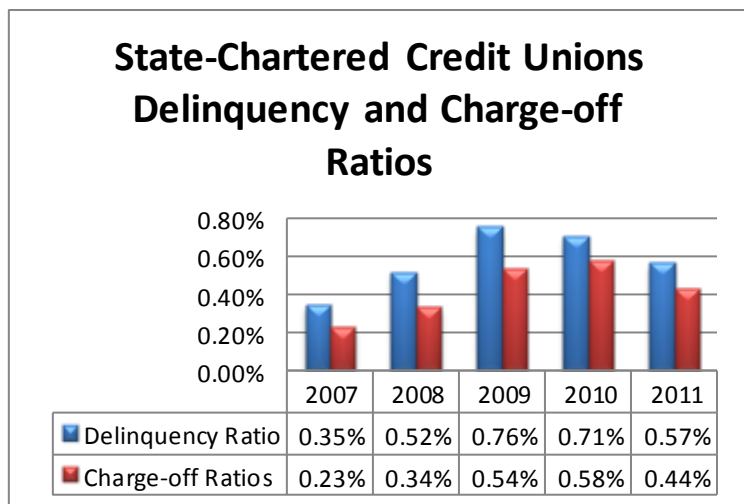


## ***Loans***

In 2011, total loans grew at over twice the rate as 2010. Loan growth for the year was 9.47 percent, as compared to the 2010 loan growth rate of 3.85 percent. Total loans for state-chartered credit unions are now approximately \$1.85 billion, an increase of approximately \$160 million. First mortgage real estate loans and used auto loans each comprise nearly equal portions of the aggregate Idaho state-chartered credit union loan portfolio at 32.53 percent and 32.79 percent, respectively. The credit card segment of the loan portfolio experienced the highest growth in 2011 at 19.89 percent, followed by first mortgage real estate loans at 14.81 percent, and used vehicle loans at 11.98 percent. The top three segments of the loan portfolio for all credit unions in the country are for first mortgage real estate loans at 40.88 percent, used vehicles at 18.63 percent, and other real estate loans at 14.00 percent.

## ***Delinquency and Charge-offs***

Loan delinquency declined for the second consecutive year, falling to 0.71 percent in 2010 and 0.57 percent in 2011. This continued decrease in delinquency appears to indicate stabilizing asset quality at Idaho state-chartered credit unions. Net Charge-offs to Average Loans also decreased from 0.58 percent in 2010 to 0.44 percent in 2011.



Nationally, the loan delinquency trend also continued its multi-year decline, falling to 1.61 percent as of December 31, 2011, from 1.77 percent at year-end 2010. The Net Charge-offs to Average Loans for all credit unions in the country decreased from 1.13 percent to 0.91 percent over the same period. The dollar amount of delinquent loans over sixty days past due for Idaho state-chartered credit unions declined from \$12.0 million in 2010, to \$10.6 million. Net charge-offs for these same institutions decreased by \$1.8 million and totaled \$7.7 million at the end of 2011.

### ***Net Worth***

The Net Worth to Total Assets ratio increased from 9.11 percent to 9.42 percent in 2011. Net worth levels in dollars increased by \$24.5 million to \$225.4 million, a growth rate of 12.18 percent. The increase in the Net Worth to Total Assets ratio is due to positive earnings growth outpacing total asset growth in 2011.

### ***Operating Results***

Idaho state-chartered credit unions reported \$24.7 million in net income for 2011, an increase of \$8.2 million from the 2010 earnings of \$16.5 million. The 1.05 percent Return on Average Assets Ratio (ROAA) for Idaho state-chartered credit unions compares favorably to the ROAA ratio of 0.66 reported by all credit unions nationally. Despite a 44 basis point reduction in the yield earned on average loans, Idaho state-chartered credit unions were able to maintain their Net Interest Margin (NIM) to Average Assets Ratio at 3.41 percent, which is nearly the same level reported in 2010. This NIM Ratio captures interest earned on loans and investments while subtracting interest paid on borrowed money and subtracting dividends paid on share accounts. The unchanged NIM Ratio appears attributable to a reduction in the Cost of Funds (COF) to Average Assets Ratio from 1.08 percent to 0.78 percent in 2011. Nationally, credit unions are reporting a NIM to Average Assets Ratio of 3.12 percent and a COF to Average Assets Ratio of 0.92 percent.

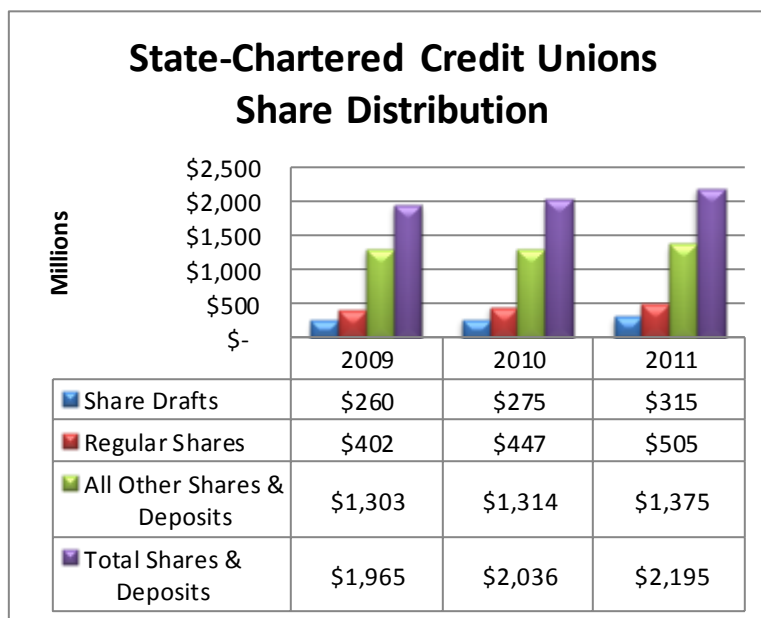
Loan income for 2011 of \$93.8 million continued to constitute the largest portion of Idaho state-chartered credit unions' income. Despite Idaho credit unions holding \$3.7 million in additional investments at the end of 2011 as compared to 2010, total investment income declined by 25.61 percent in 2011, partly due to a reduced yield on average investments from 1.37 percent to 1.10 percent. Fee income for Idaho state-chartered credit unions increased by 3.67 percent in 2011; this increase diverges from the 1.05 percent reduction in fee income reported by credit unions nationally.

## ***Membership***

Membership levels continue to increase at Idaho's state-chartered credit unions. As of December 31, 2011, total membership surpassed 300,000 for the first time. Total membership grew by nearly 15,000 individuals from 2010 to 2011.

## ***Shares***

Total shares increased by 7.79 percent to \$2.19 billion in 2011. Regular shares account for 23.00 percent of total shares, an increase from 21.95 percent in 2010. Although certificates of deposit (CDs) continue to represent the largest portion of total shares and deposits at 31.98 percent, growth in CDs continued its multi-year decline by falling 1.75 percent to \$701.99 million



in 2011. Money market shares grew by 17.47 percent to \$490.32 million; money market shares represent 22.34 percent of total shares and deposits as of December 31, 2011.

## ***Liquidity***

Cash and cash equivalents increased by 7.20 percent, or \$12.8 million, and totaled \$191.1 million as of December 31, 2011. Total investments also increased to \$283.1 million, up \$3.7 million from \$279.3 million in 2010. The Cash and Short Term Investments to Assets ratio as of December 31, 2011 was 11.78 percent, down 50 basis points from the prior year's 12.28 percent. Loans comprise 84.19 percent of shares and 75.52 percent of assets. Borrowing lines of \$266.2 million remained available, but unused, by Idaho state-chartered credit unions.



### *Summary*

Overall, Idaho state-chartered credit unions remain financially viable and operate within their charters. Credit union managers continue to monitor their credit portfolios and economic trends to make certain 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 Loan Broker Statute*  
*Idaho Escrow Act*

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 service 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, or 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. In fiscal year 2013, the department will transfer the administration of the *Idaho Escrow Act* from the Consumer Finance Bureau to the Department's Securities Bureau.

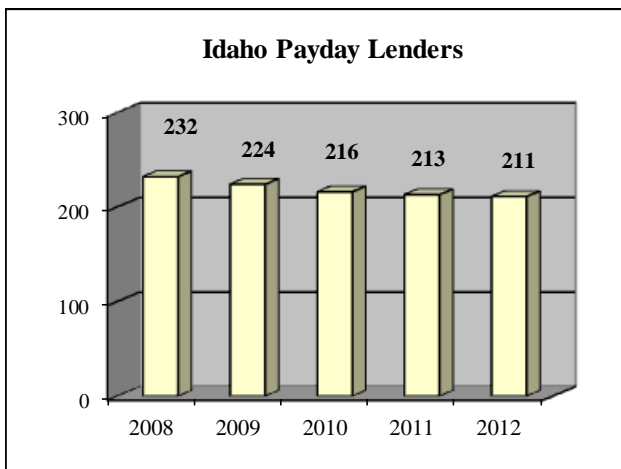
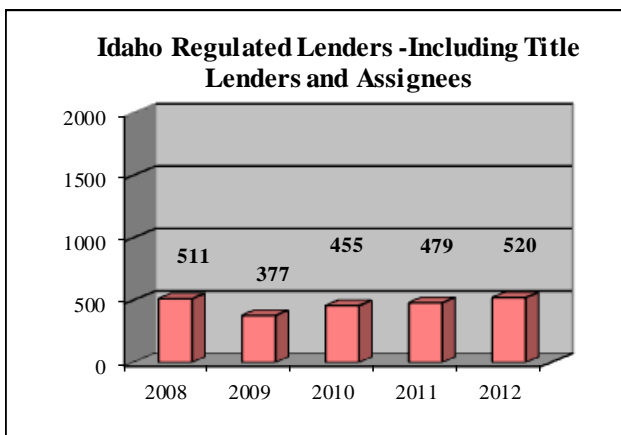
The Bureau administers and enforces Idaho's Loan Broker statute that prohibits loan brokers operating in Idaho from receiving any fee, interest, or other charge prior to a loan or extension of credit, or written commitment to loan or extend credit, being made by an authorized lender.

Compliance with the above laws is accomplished by on-site examinations of licensees and by investigations of complaints filed with the Consumer Finance Bureau. The goal of the Bureau is to assure the availability and quality of consumer financial services and ethical debt collection practices. The Consumer Finance Bureau currently has a 23 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 borrowers 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 extensions of credit through credit cards are subject to the ICC. The ICC also applies to 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 2012, lending activity by state licensed regulated lenders ranged from a sole-proprietor title lender to a national finance company with several million dollars in outstanding Idaho loans. The composition of regulated lenders consists of finance companies, including second mortgage lenders, consumer loan assignees, and payday/title lenders. As of June 30, 2012, Idaho had 520 licensed regulated lender offices, which includes title lenders, consumer loan assignees, consumer finance companies, and 211 licensed payday lender offices.

***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 regularly examining offices of payday and title lenders situated in Idaho to ensure that their business practices comply with the ICC. During fiscal year 2012, the Bureau’s field examiners conducted 77 examinations of payday lender offices, 30 examinations of title loan offices, and 74 examinations of other regulated consumer lender offices. Many licensees examined by the Bureau hold both a regulated lender license and a payday lender license. Therefore, Bureau examiners often have the ability to examine an entity’s payday lending activity and other regulated lending activity, including title loans, during a single examination. The Bureau also received and acted upon 47 complaints from Idaho consumers regarding entities operating as regulated lenders or title lenders, and 38 complaints against payday lenders. During the fiscal year, the Bureau obtained one final order denying licensure of a regulated lender offering title loans and also revoked the license of one payday lender. Details of these actions are included in Exhibit VI.

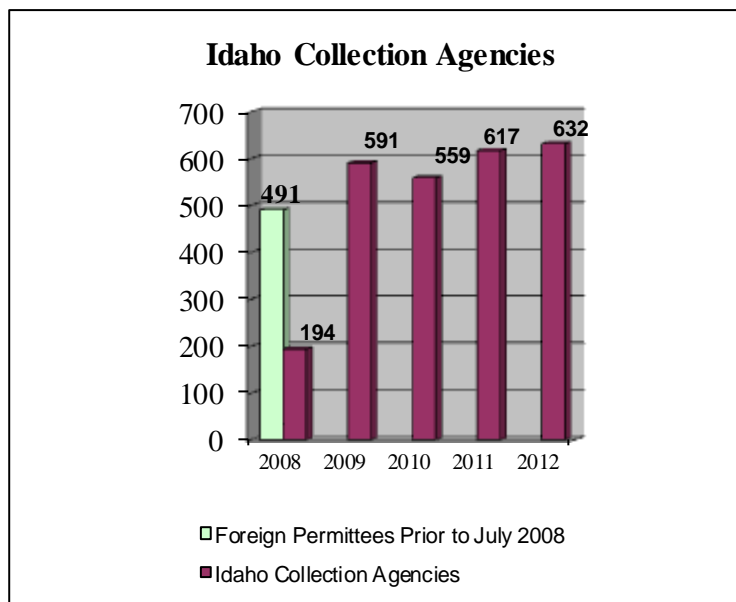
### **IDAHO COLLECTION AGENCY ACT**

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 by non-exempt entities without first obtaining an Idaho 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;
- Engaging in the business of credit or debt counseling, or credit repair; 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.



No matter where located, all entities engaged in any of the activities listed above in Idaho are required to obtain a Collection Agency license, which license must be renewed annually on or before March 15 of each year.

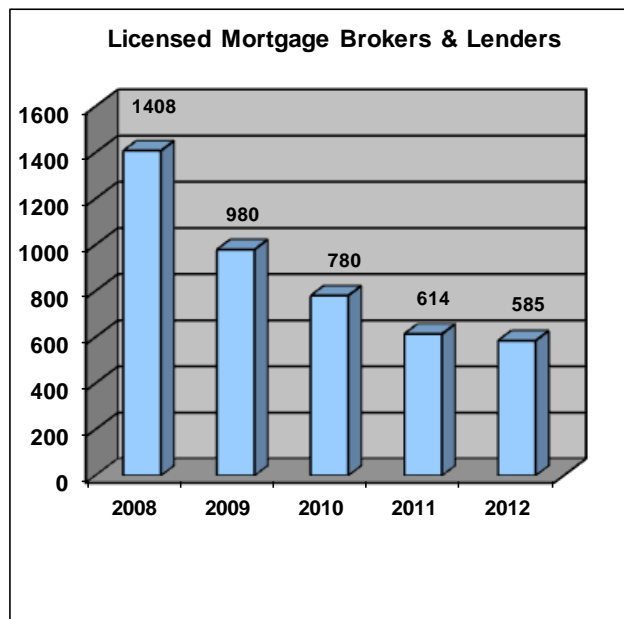
As of June 30, 2012, Idaho had 632 Idaho collection agency licensees. These agencies had a combined total of 41,438 individual solicitors/collectors registered with the Department.

Additionally, the Department had licensed 48 credit/debt counselors, 8 credit repair organizations, and 100 debt buyers.

**Compliance/Enforcement** – In addition to answering consumer inquiries and complaints, Bureau examiners regularly conduct on-site compliance examinations of licensed collection agencies. During the past fiscal year, Bureau examiners conducted 55 examinations of collection agency licensees, 6 examinations of credit/debt counselor licensees, and 3 examinations of credit repair organizations. The Department received 233 complaints against collection agencies and debt buyers and 25 complaints against credit/debt counselors. The Department entered into administrative consent orders with eight companies to resolve allegations of violations of the Act. Furthermore, the Department revoked the license of one collection agency for failure to meet the licensing requirements of the Act and ordered four companies to cease and desist from conducting unlicensed collection or credit counseling activities in Idaho. Details of these actions are included in Exhibit VI.

**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 mortgage broker and lender licensees. The purpose of the Act is to ensure that companies and individuals offering mortgage services meet 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 USC 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 location from which they conduct mortgage brokering/lending activities. Licensees are not required to have a physical office location in Idaho. In fact, the Department has license holders nationwide. During fiscal year 2012 the Department issued 169 mortgage broker/lender licenses and as of June 30, 2012, the Department had 585 active mortgage broker/lender licenses in effect. The Department also had 1,606 mortgage loan originator licenses in effect as of that date.

**Compliance** – The Bureau conducts on-site examinations, and investigations when warranted, of mortgage brokers, lenders, and mortgage loan originators to verify that business is conducted in compliance with the Act. During fiscal year 2012 the Department conducted examinations of 113 mortgage broker/lender licensees. The Bureau also handles customer complaints and inquiries. During fiscal year 2012 the Department received and processed 28 complaints against mortgage brokers/lenders and 17 complaints against mortgage loan originators.

**Mortgage Loan Delinquencies** – In fiscal year 2012, the Department observed a decrease over the previous year in the rates of residential loans in Idaho reported as seriously delinquent or in foreclosure. At the end of the second quarter of fiscal year 2012 (December 31, 2011) the number of residential mortgage loans in Idaho that were in foreclosure or reported over 90 days delinquent had fallen to 5.22 percent from 6.21 percent one year earlier. This positive trend in reduced delinquencies and foreclosures in Idaho continued, and by the end of fiscal year 2012 Idaho's rates had dropped to 4.96 percent from 5.58 percent one year earlier. At fiscal year-end,

Idaho compared favorably to the national percentage of residential mortgage loans that were seriously delinquent or in foreclosure, which stood at 7.31 percent.

**Enforcement** – In fiscal year 2012 the Department ordered the denial of three mortgage loan originator and one mortgage broker/lender license applications. Additionally, the Department entered into an administrative consent order with one mortgage broker/lender to address violations of the Act and ordered one unlicensed entity to cease and desist from unauthorized loan modification activities within Idaho. Furthermore, the Department entered into a consent judgment with five mortgage servicing companies to address mortgage loan servicing issues effecting citizens within Idaho. Details of these actions are included in Exhibit VI.

### **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 charge 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 2012 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, Bureau staff members regularly warn Idaho consumers 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 Idaho mortgage industry members to a Mortgage Advisory Board annually. The Mortgage Advisory Board meets throughout the year with the Department Director and Bureau staff members and provides valuable input on mortgage regulatory issues, market conditions, and industry initiatives. Through fiscal year 2012, 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. The current members of the Mortgage Advisory Board are Chuck Anderson, Ty Porter, Allison Gillespie, Michelle Guth, and Suzi Boyle.



***Regulatory Initiatives*** – The Department continues to be 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 meet the requirements of Idaho’s adoption of requirements of the federal Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act). This includes participation by Bureau staff members on various committees to develop procedural standards for licensing, including licensee testing, and continuing education to be implemented through the Nationwide Mortgage Licensing System (NMLS). Throughout fiscal year 2012 Bureau staff members have been in communication with the federal Consumer Financial Protection Bureau (CFPB), which administers the federal SAFE Act to ensure the effective administration of the SAFE Act in Idaho.

***Mortgage Recovery Fund*** – Idaho law establishes a mortgage recovery fund to provide reimbursement to persons damaged as a result of violations of the Idaho Residential Mortgage Practices Act. Mortgage licensees pay into the fund as a part of their initial license application and at the time of their annual license renewals. On an annual basis, the Department may apply up to \$50,000 of moneys accumulated in the mortgage recovery fund in excess of \$1,500,000 to: (i) fund the department’s expenses in administering the mortgage recovery fund; (ii) develop and implement consumer education concerning the residential mortgage industry; (iii) contract for research projects for the state concerning the residential mortgage industry; (iv) fund the training expenses of department staff members and its attorneys concerning the residential mortgage industry; and (v) publish and distribute educational materials to licensees and applicants for licensure under the Idaho Residential Mortgage Practices Act. At the end of fiscal year 2012 the mortgage recovery fund balance was \$1,154,444.34. The Department projects that the fund will reach \$1,500,000 by the end of calendar year 2013.

## 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. Through the *Idaho Escrow Act*, the Bureau provides oversight to independent escrow companies, as well as those providing 1031 exchange accommodation services.

In addition, the Bureau has limited duties under Idaho's *Control Share Acquisition Act*, *Business Combination Act*, *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.

### **Idaho Registered Broker-Dealers and Investment Advisors**

***Securities Issuer Filings*** – Generally, any public offering of newly issued securities must be reviewed and registered with the 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. The accompanying chart includes data for all issuer filings made with the Bureau, including private placements.

***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 (IA) firms that are located in Idaho and have assets under management of up to \$100 million. Every application for registration is examined either electronically or manually prior to approval. In this fiscal year the Bureau assumed oversight of 13 IAs with assets under management of less than \$100 million which previously had been under federal supervision. As noted in the accompanying charts, the Bureau had oversight responsibility for 1,530 broker-dealer firms and state registered investment adviser firms during FY 2012. This oversight also extends to more than 95,000 individuals who currently hold Idaho registrations as broker-dealer agents, investment adviser representatives and issuer agents. While the aggregate number of broker-dealer and investment advisory firms has been somewhat static in recent years, the number of agents has continued to climb to an all-time high this fiscal year of 95,343.

***Compliance*** – In an effort to assure that the securities industry is complying with the 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 or in the process of resolution during the fiscal year approached \$85 million. During FY 2012, the Securities Bureau initiated or completed 14 enforcement actions involving 28 respondents or defendants. Details of the administrative and civil court actions filed or completed by the Bureau during fiscal 2012 are provided in Exhibit V.

***Rescission, Refunds and Penalties*** – As a result of the Bureau’s regulatory enforcement efforts, Idaho residents were offered, or awarded in judgments by the courts, more than \$10 million in refunds on their securities investments due to the administrative and civil enforcement actions described earlier. This also includes voluntary rescission offers made in accordance with the Act. Unfortunately, only a small portion of this amount is collectible by the Department. For this reason, the Department encourages victims of investment fraud to pursue their own remedies and not rely on the Department to recover any lost funds. The Bureau assessed total fines and penalties of more than \$650,000 in fiscal year 2012. Much of this amount is also uncollectible.

### **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 65 licensees under this statute.

### **IDAHO ESCROW ACT**

The *Idaho Escrow Act* assigns the Department regulatory oversight responsibilities for 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, 2012, the Department had issued 40 licenses to entities engaged in escrow activities in the state of Idaho. In fiscal year 2013, the Department will transfer the administration of the Idaho Escrow Act from the Consumer Finance Bureau to the Department’s Securities Bureau.

### **ENDOWMENT CARE CEMETERIES**

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 cemeteries are followed. 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. 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. All “endowed care” or “perpetual care” cemeteries in Idaho are required to be registered with the Securities Bureau.

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 and 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 prohibiting 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 completed during fiscal 2012 that included alleged violations of the Idaho Commodity Code.

### **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. No person has registered under this law.

## **SUPPORTING SERVICES BUREAU**

This Bureau provides enterprise 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 fiscal year 2012 including: IT and fiscal or budgetary support for both CSBS and NASCUS accreditations, replacement of key equipment, updating the Strategic IT Plan, and overseeing increased design and transition into a comprehensive records management system. Several large databases including Mortgage Loan Originators, Mortgage Loan Originator Continuing Education, and a Case Management database to aid in investigation and enforcement actions, also all received significant synchronization capabilities and other upgrades.

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

<b>Exhibit II</b>	Summary of Income and Expenses
<b>Exhibit VII</b>	Department of Finance Staff









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, 2011 through June 30, 2012

**INCOME BY SOURCE**

Dedicated Account-----	\$11,662,390.06
<b>TOTAL INCOME COLLECTED-----</b>	<b>\$11,662,390.06</b>

**APPROPRIATION**

Dedicated Account-----	\$6,052,800.00
<b>TOTAL APPROPRIATION-----</b>	<b>\$6,052,800.00</b>

**EXPENDITURES**

Personnel Costs-----	\$4,152,864.00
Operating Expenditures-----	\$1,522,201.00
Capital Outlay-----	\$189,074.00
<b>TOTAL EXPENDITURES-----</b>	<b>\$5,864,139.00</b>
<b>BALANCE OF APPROPRIATION-----</b>	<b>\$188,661.00</b>

**EXPENDITURES BY MAJOR CLASSES**

Salaries & Wages-----	\$3,102,632.00
Personnel Benefits-----	\$1,050,232.00
Communication Services-----	\$55,973.92
Employee Development & Other Services-----	\$168,801.65
Professional Services-----	\$450,327.00
Repairs & Maintenance Service-----	\$35,920.70
Administrative Services-----	\$3,147.50
DP Services-----	\$102,953.00
Employee Travel-----	\$277,676.59
Materials & Supplies-----	\$103,619.90
Insurance-----	\$1,097.00
Rentals & Operating Leases-----	\$305,713.99
Miscellaneous Operating Expenditures-----	\$16,969.75
Capital Outlay-----	\$189,074.00
	<b>\$5,864,139.00</b>

**TRANSFERRED TO GENERAL FUND -----** \$5,427,512.00

<b>PERSONNEL STATUS June 30</b>	<b>POSITIONS AUTHORIZED</b>	<b>POSITIONS APPROPRIATED</b>	<b>POSITIONS FILLED</b>
Full-Time Employees	61	61	59



**FUND SOURCE B**

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

**EXPENDITURES**

Personnel Costs-----	\$0.00
Operating Expenditures-----	\$48,678.00
Capital Outlay-----	\$1,140.00
	<u>\$49,818.00</u>
	<u><u>\$182.00</u></u>

**FUND SOURCE C**

Mortgage Recovery Fund-----	<u>\$1,154,444.34</u>
<b>TOTAL COLLECTED</b> -----	<u><u>\$1,154,444.34</u></u>





**STATE OF IDAHO**  
**STATE-CHARTERED BANKS AND SAVINGS BANKS\***  
**COMPARATIVE STATEMENT**  
**Close of Business 12/31/11 and 12/31/10**  
**(000's Omitted)**

	2011	2010	\$ Change
<b>Cash and balances due from depository institutions</b>			
Noninterest-bearing balances and currency and coin	149,881	96,830	53,051
Interest-bearing balances	616,026	456,737	159,289
<b>Securities:</b>			
Held-to-maturity securities	106,060	115,155	(9,095)
Available-for-sale securities	1,599,806	966,525	633,281
<b>Federal funds sold and securities purchased under agreements to resell</b>			
Federal funds sold	162,620	104,102	58,518
Securities purchased under agreements to resell			
<b>Loans and lease financing receivables</b>			
Loans and leases held for sale	77,693	74,101	3,592
Loans and leases, net of unearned income	3,885,833	3,807,510	78,323
LESS: Allowance for loan and lease losses	119,847	111,367	8,480
Loans and leases, net of unearned income and allowance	3,765,986	3,696,143	69,843
<b>Trading assets</b>	2,864	2,822	42
<b>Premises and fixed assets (including capitalized leases)</b>	185,270	161,881	23,389
<b>Other real estate owned</b>	104,869	77,892	26,977
<b>Investments in unconsolidated subsidiaries and associated companies</b>	86		86
<b>Intangible assets:</b>			
Goodwill	9,930	33,089	(23,159)
Other intangible assets	3,461	638	2,823
<b>Other assets</b>	210,977	171,157	39,820
<b>Total assets</b>	<u>6,995,529</u>	<u>5,882,971</u>	<u>1,112,558</u>
<b>Deposits:</b>			
In domestic offices:			
Noninterest-bearing	5,612,601	4,597,517	1,015,084
Interest-bearing	1,396,137	1,045,596	350,541
Interest-bearing	4,216,463	3,551,921	664,542
<b>Federal funds purchased and securities sold under agreements to repurchase</b>			
Federal funds purchased	19,450	5,500	13,950
Securities sold under agreements to repurchase	228,849	230,716	(1,867)
<b>Trading liabilities</b>	2,864	2,822	42
<b>Other borrowed money</b>	243,094	326,618	(83,524)
<b>Bank's liability on acceptances executed and outstanding</b>			
<b>Subordinated notes and debentures</b>			
<b>Other liabilities</b>	45,976	33,917	12,059
<b>Total liabilities</b>	<u>6,155,834</u>	<u>5,197,090</u>	<u>958,744</u>
<b>Minority interest in consolidated subsidiaries</b>			
<b>Perpetual preferred stock and related surplus</b>			
<b>Common stock</b>	116,665	107,513	9,152
<b>Surplus (exclude all surplus related to preferred stock)</b>	595,715	503,546	92,169
<b>Retained earnings and Other Equity Capital Components</b>	127,315	74,821	52,494
<b>Total equity capital</b>	<u>839,695</u>	<u>685,880</u>	<u>153,815</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u>6,995,529</u>	<u>5,882,970</u>	<u>1,112,559</u>

\* Includes only state-chartered banks headquartered in Idaho as of 12/31/2011 and 12/31/2010  
Source: Federal Deposit Insurance Corporation

**DECEMBER 31, 2011**  
**BANK OF IDAHO**  
**IDAHO FALLS, IDAHO**  
**Charter No. 240**  
**Charter Issued September 13, 1985**  
**Incorporated July 17, 1985**

**OFFICERS:**

President & CEO: Park L. Price  
Chief Financial Officer: Jeff R. Manser  
Chief Credit Officer: Cam Payne

**DIRECTORS:**

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

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	6,904
Interest-bearing balances	13,648
<b>Securities:</b>	
Held-to-maturity securities	180
Available-for-sale securities	47,445
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	11,389
Loans and leases, net of unearned income	144,506
LESS: Allowance for loan and lease losses	4,000
Loans and leases, net of unearned income and allowance	140,506
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	4,786
<b>Other real estate owned</b>	5,598
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	2,763
<b>Total assets</b>	<u>233,219</u>
<b>Deposits:</b>	
In domestic offices:	211,872
Noninterest-bearing	67,056
Interest-bearing	144,816
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	3,209
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	0
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	2,533
<b>Total liabilities</b>	<u>217,614</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	1,402
<b>Surplus (exclude all surplus related to preferred stock)</b>	9,981
<b>Retained earnings</b>	3,994
Accumulated other comprehensive income	228
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>15,605</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>233,219</u></u>

**DECEMBER 31, 2011**  
**bankcda**  
**COEUR D'ALENE, IDAHO**  
**Charter No. 258**  
**Charter Issued May 3, 2001**  
**Incorporated October 16, 2000**

**OFFICERS:**

Chief Executive Officer: Richard C. Emery  
President: Wesley R. Veach  
Cashier: Kim Nordstrom  
Chief Credit Officer: Shelly Romine

**DIRECTORS:**

Richard C. Emery; Joseph Haley;  
C. Richard Nordstrom; John C. Shovic;  
Wayne R. Sorensen; Craig S. Tedmon;  
Wesley R. Veach

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,886
Interest-bearing balances	7,046
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	5,936
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	2,465
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	57,093
LESS: Allowance for loan and lease losses	1,574
Loans and leases, net of unearned income and allowance	55,519
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	712
<b>Other real estate owned</b>	84
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	3,623
<b>Total assets</b>	<u><u>77,271</u></u>
<b>Deposits:</b>	
In domestic offices:	63,986
Noninterest-bearing	19,981
Interest-bearing	44,005
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	3,361
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	582
<b>Total liabilities</b>	<u>67,929</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	6,445
<b>Surplus (exclude all surplus related to preferred stock)</b>	1,808
<b>Retained earnings</b>	1,050
Accumulated other comprehensive income	39
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>9,342</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>77,271</u></u>

**DECEMBER 31, 2011**  
**CITIZENS COMMUNITY BANK**  
**POCATELLO, IDAHO**  
**Charter No. 254**  
**Charter Issued June 6, 1997**  
**Incorporated April 17, 1996**

**OFFICERS:**

President & CEO: Ralph G. Cottle  
Chief Financial Officer: Terrill R. Schwartz  
Chief Credit Officer: Daniel Heiner

**DIRECTORS:**

J. Loren Azzola; Marcia Johnson;  
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

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	3,491
Interest-bearing balances	11
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	170,377
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	11,634
Loans and leases, net of unearned income	155,143
LESS: Allowance for loan and lease losses	5,325
Loans and leases, net of unearned income and allowance	149,818
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	6,627
<b>Other real estate owned</b>	1,692
<b>Intangible assets:</b>	
Goodwill	9,553
Other intangible assets	124
<b>Other assets</b>	7,823
<b>Total assets</b>	361,150
<b>Deposits:</b>	
In domestic offices:	238,314
Noninterest-bearing	45,236
Interest-bearing	193,078
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	19,450
Securities sold under agreements to repurchase	15,902
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	48,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	1,425
<b>Total liabilities</b>	323,091
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	2,193
<b>Surplus (exclude all surplus related to preferred stock)</b>	19,265
<b>Retained earnings</b>	14,577
Accumulated other comprehensive income	2,024
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	38,059
<b>Total liabilities, minority interest, and equity capital</b>	361,150

**DECEMBER 31, 2011**  
**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: Nicole M. Montgomery

**DIRECTORS:**

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

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	456
Interest-bearing balances	20,403
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	4,368
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	201
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	43,862
LESS: Allowance for loan and lease losses	885
Loans and leases, net of unearned income and allowance	42,977
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	1,189
<b>Other real estate owned</b>	0
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	588
<b>Total assets</b>	<u>70,182</u>
<b>Deposits:</b>	
In domestic offices:	60,533
Noninterest-bearing	6,239
Interest-bearing	54,294
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	0
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	177
<b>Total liabilities</b>	<u>60,710</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	5,250
<b>Surplus (exclude all surplus related to preferred stock)</b>	5,317
<b>Retained earnings</b>	(1,178)
Accumulated other comprehensive income	83
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>9,472</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>70,182</u></u>



**DECEMBER 31, 2011**  
**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  
Chief Credit Officer: H. Scott Horsley

**DIRECTORS:**

David L. Evans, IV; Don S. Evans, Sr.; Don S. Evans, Jr.;  
John V. Evans, Sr.; John V. 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

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	18,706
Interest-bearing balances	61,762
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	282,375
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	657
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	8,371
Loans and leases, net of unearned income	554,220
LESS: Allowance for loan and lease losses	13,848
Loans and leases, net of unearned income and allowance	540,372
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	29,262
<b>Other real estate owned</b>	16,498
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	12,447
<b>Total assets</b>	970,450
<b>Deposits:</b>	
In domestic offices:	786,850
Noninterest-bearing	179,148
Interest-bearing	607,702
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	71,776
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	8,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	4,307
<b>Total liabilities</b>	870,933
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	901
<b>Surplus (exclude all surplus related to preferred stock)</b>	65,525
<b>Retained earnings</b>	28,103
Accumulated other comprehensive income	4,988
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	99,517
<b>Total liabilities, minority interest, and equity capital</b>	970,450

**DECEMBER 31, 2011**  
**HOME FEDERAL BANK**  
**NAMPA, IDAHO**  
**Charter No. 264**  
**Charter Issued May 31, 2011**  
**Incorporated January 1, 1920**

**OFFICERS:**

President & CEO: Len E. Williams  
Chief Financial Officer: Eric S. Nadeau  
Assistant Vice President: Lisa Rice  
Chief Credit Officer: Cindy Bateman

**DIRECTORS:**

Charles N. Hedermark; Brad J. Little;  
Richard J. Navarro; James R. Stamey;  
Daniel L. Stevens; Robert A. Tintman; Len E. Williams

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	21,330
Interest-bearing balances	121,778
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	384,719
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	463,956
LESS: Allowance for loan and lease losses	14,171
Loans and leases, net of unearned income and allowance	449,785
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	28,296
<b>Other real estate owned</b>	19,780
<b>Investments in unconsolidated subsidiaries and associated companies</b>	86
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	3,086
<b>Other assets</b>	69,680
<b>Total assets</b>	<u>1,098,540</u>
<b>Deposits:</b>	
In domestic offices:	928,857
Noninterest-bearing	149,953
Interest-bearing	778,904
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	4,913
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	0
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	13,237
<b>Total liabilities</b>	<u>947,007</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	1
<b>Surplus (exclude all surplus related to preferred stock)</b>	86,154
<b>Retained earnings</b>	59,704
Accumulated other comprehensive income	5,674
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>151,533</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>1,098,540</u></u>

**DECEMBER 31, 2011**  
**IDAHO BANKING COMPANY**  
**BOISE, IDAHO**  
**Charter No. 250**  
**Charter Issued October 3, 1996**  
**Incorporated May 14, 1996**

**OFFICERS:**

President & CEO: James Latta  
Chief Financial Officer: Bruce Barfuss

**DIRECTORS:**

V. Dale Babbitt; M. Dean Buffington;  
B. Randy Harris; James C. Latta;  
John S. Simko

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	642
Interest-bearing balances	10,520
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	7,947
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	110
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	93,037
LESS: Allowance for loan and lease losses	6,170
Loans and leases, net of unearned income and allowance	86,867
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	3,549
<b>Other real estate owned</b>	10,581
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	4,675
<b>Total assets</b>	<u>124,891</u>
<b>Deposits:</b>	
In domestic offices:	115,270
Noninterest-bearing	27,143
Interest-bearing	88,127
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	28
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	5,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	543
<b>Total liabilities</b>	<u>120,841</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	4,298
<b>Surplus (exclude all surplus related to preferred stock)</b>	21,521
<b>Retained earnings</b>	(21,864)
Accumulated other comprehensive income	95
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>4,050</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u>124,891</u>

**DECEMBER 31, 2011**  
**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:**

Don Driscoll; Justin Dye;  
James F. Fletcher; Daniel C. Krahn;  
Larry LaRocco; Greg P. Lovell;  
Mark J. Miller; Daniel A. Neef; William Rawlings

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,967
Interest-bearing balances	5,798
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	3,827
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	1,479
Loans and leases, net of unearned income	62,654
LESS: Allowance for loan and lease losses	1,052
Loans and leases, net of unearned income and allowance	61,602
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	249
<b>Other real estate owned</b>	887
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	1,347
<b>Total assets</b>	<u>77,156</u>
<b>Deposits:</b>	
In domestic offices:	69,115
Noninterest-bearing	10,401
Interest-bearing	58,714
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	3,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	341
<b>Total liabilities</b>	<u>72,456</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	14,678
<b>Surplus (exclude all surplus related to preferred stock)</b>	0
<b>Retained earnings</b>	(9,989)
Accumulated other comprehensive income	11
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>4,700</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u>77,156</u>

**DECEMBER 31, 2011**  
**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; Roy L. Eiguren;  
Jack W. Gustavel; Kurt R. Gustavel;  
Terry Gustavel; Jerald J. Jaeger;  
Gary L. Mahn; Alicia Ritter

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	8,375
Interest-bearing balances	91,779
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	51,154
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	1,096
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	4,184
Loans and leases, net of unearned income	243,221
LESS: Allowance for loan and lease losses	9,473
Loans and leases, net of unearned income and allowance	233,748
<b>Trading assets</b>	2,864
<b>Premises and fixed assets (including capitalized leases)</b>	19,432
<b>Other real estate owned</b>	9,041
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	19,428
<b>Total assets</b>	<u>441,101</u>
<b>Deposits:</b>	
In domestic offices:	357,515
Noninterest-bearing	106,058
Interest-bearing	251,457
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	10,305
<b>Trading liabilities</b>	2,864
<b>Other borrowed money</b>	9,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	4,920
<b>Total liabilities</b>	<u>384,604</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	44,746
<b>Surplus (exclude all surplus related to preferred stock)</b>	41,532
<b>Retained earnings</b>	(18,704)
Accumulated other comprehensive income	(38)
<b>Other equity capital components</b>	(11,039)
<b>Total equity capital</b>	<u>56,497</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>441,101</u></u>

**DECEMBER 31, 2011**  
**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: Ranka Zivanic

**DIRECTORS:**

John B. Dimmer; Stanley K. Fornander;  
Richard H. Jones; Daniel W. Prohaska;  
Thomas F. Prohaska

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,301
Interest-bearing balances	16,701
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	302
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	954
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	49,299
LESS: Allowance for loan and lease losses	1,416
Loans and leases, net of unearned income and allowance	47,883
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	3,757
<b>Other real estate owned</b>	608
<b>Intangible assets:</b>	
Goodwill	155
Other intangible assets	0
<b>Other assets</b>	2,923
<b>Total assets</b>	<u>74,584</u>
<b>Deposits:</b>	
In domestic offices:	59,081
Noninterest-bearing	8,522
Interest-bearing	50,558
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	0
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	416
<b>Total liabilities</b>	<u>59,497</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	22,007
<b>Surplus (exclude all surplus related to preferred stock)</b>	3,861
<b>Retained earnings</b>	(10,749)
Accumulated other comprehensive income	1
<b>Other equity capital components</b>	(33)
<b>Total equity capital</b>	<u>15,087</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>74,584</u></u>

**DECEMBER 31, 2011**  
**IRELAND BANK**  
**MALAD, IDAHO**  
**Charter No. 7**  
**Charter Issued May 1, 1899**  
**Incorporated December 8, 1892**

**OFFICERS:**

President & Chief Executive Officer: Bruce Lowry  
Chief Financial Officer: Lawrence G. Knudsen  
Chief Credit Officer: Blake Marchant

**DIRECTORS:**

Timothy P. Deeg; David G. Jenkins;  
Bruce Lowry; Randall E. Marshall;  
Jeff Schutte; Randon W. Wilson

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,938
Interest-bearing balances	5,535
<b>Securities:</b>	
Held-to-maturity securities	17,546
Available-for-sale securities	37,947
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	138,253
LESS: Allowance for loan and lease losses	1,456
Loans and leases, net of unearned income and allowance	136,797
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	1,641
<b>Other real estate owned</b>	3,032
<b>Intangible assets:</b>	
Goodwill	222
Other intangible assets	0
<b>Other assets</b>	7,520
<b>Total assets</b>	<u>212,178</u>
<b>Deposits:</b>	
In domestic offices:	187,258
Noninterest-bearing	54,279
Interest-bearing	132,979
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	993
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	3,482
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	1,186
<b>Total liabilities</b>	<u>192,919</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	705
<b>Surplus (exclude all surplus related to preferred stock)</b>	6,367
<b>Retained earnings</b>	11,810
Accumulated other comprehensive income	377
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>19,259</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>212,178</u></u>

**DECEMBER 31, 2011**  
**MOUNTAIN WEST BANK**  
**COEUR D'ALENE, IDAHO**  
**Charter No. 256**  
**Charter Issued June 30, 1999**  
**Incorporated June 28, 1999**

**OFFICERS:**

President & CEO: Russell Porter  
Chief Financial Officer: Dennis Durfee  
Chief Credit Officer: Kathy Dutro

**DIRECTORS:**

Mick Blodnick; Dennis Downer; Bradley E. Dugdale, Jr.;  
James English; Tom Gibson; Jon Hippler; Stephen Meyer;  
Charles Nipp; J. Michael Patano; Russell Porter;  
Donald Shepherd; Steven Tester

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	19,709
Interest-bearing balances	11,108
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	264,860
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	83,925
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	34,674
Loans and leases, net of unearned income	672,768
LESS: Allowance for loan and lease losses	36,167
Loans and leases, net of unearned income and allowance	636,601
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	31,603
<b>Other real estate owned</b>	18,951
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	62
<b>Other assets</b>	27,924
<b>Total assets</b>	1,129,417
<b>Deposits:</b>	
In domestic offices:	806,039
Noninterest-bearing	262,558
Interest-bearing	543,481
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	36,619
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	118,251
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	6,289
<b>Total liabilities</b>	970,198
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	1,789
<b>Surplus (exclude all surplus related to preferred stock)</b>	136,572
<b>Retained earnings</b>	16,618
Accumulated other comprehensive income	4,240
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	159,219
<b>Total liabilities, minority interest, and equity capital</b>	1,129,417



**DECEMBER 31, 2011**  
**PANHANDLE STATE BANK**  
**SANDPOINT, IDAHO**  
**Charter No. 238**  
**Charter Issued May 15, 1981**  
**Incorporated December 19, 1980**

**OFFICERS:**

President and CEO: Curt Hecker  
Chief Financial Officer: Douglas Wright  
Chief Operations Officer: Pam Rasmussen  
Credit Administration: John Nagel

**DIRECTORS:**

James T. Diehl; Ford Elsaesser;  
Curt Hecker; Ron Jones; John Kubiak;  
Maggie Lyons; John B. Parker;  
James Patrick; John Peitrzak  
Michael J. Romine; John Welborn

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	27,193
Interest-bearing balances	82,242
<b>Securities:</b>	
Held-to-maturity securities	16,143
Available-for-sale securities	219,039
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	5,561
Loans and leases, net of unearned income	516,940
LESS: Allowance for loan and lease losses	12,690
Loans and leases, net of unearned income and allowance	504,250
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	37,377
<b>Other real estate owned</b>	6,650
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	189
<b>Other assets</b>	37,657
<b>Total assets</b>	936,301
<b>Deposits:</b>	
In domestic offices:	731,678
Noninterest-bearing	192,380
Interest-bearing	539,298
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	85,104
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	29,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	5,736
<b>Total liabilities</b>	851,518
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	2,668
<b>Surplus (exclude all surplus related to preferred stock)</b>	91,863
<b>Retained earnings</b>	(12,448)
Accumulated other comprehensive income	2,700
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	84,783
<b>Total liabilities, minority interest, and equity capital</b>	936,301

**DECEMBER 31, 2011**  
**SYRINGA BANK**  
**BOISE, IDAHO**  
**Charter No. 251**  
**Charter Issued February 13, 1997**  
**Incorporated March 8, 1996**

**OFFICERS:**

President & CEO: Scott Gibson  
Senior V.P. & Controller: Brian Heim

**DIRECTORS:**

Hilario "Larry" J. Arguinchona;  
Scott J. Chandler; Don Deters;  
Scott Gibson; Bruce C. Parker

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	5,836
Interest-bearing balances	205
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	12,481
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	9,311
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	401
Loans and leases, net of unearned income	162,243
LESS: Allowance for loan and lease losses	3,801
Loans and leases, net of unearned income and allowance	158,442
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	2,551
<b>Other real estate owned</b>	4,586
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	3,626
<b>Total assets</b>	<u>197,439</u>
<b>Deposits:</b>	
In domestic offices:	172,513
Noninterest-bearing	33,833
Interest-bearing	138,680
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	16,000
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	642
<b>Total liabilities</b>	<u>189,155</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	5,082
<b>Surplus (exclude all surplus related to preferred stock)</b>	43,765
<b>Retained earnings</b>	(40,866)
Accumulated other comprehensive income	303
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>8,284</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>197,439</u></u>

**DECEMBER 31, 2011**  
**THE BANK OF COMMERCE**  
**IDAHO FALLS, IDAHO**  
**Charter No. 225**  
**Charter Issued March 30, 1959**  
**Incorporated March 30, 1959**

**OFFICERS:**

President & CEO: Thomas J. Romrell  
Chief Financial Officer: Ronald M. Johnson  
Chief Credit Officer: A. Michael Morrison

**DIRECTORS:**

Ross Morrell (Mick) Bowen;  
Julian G. Cowley; Calvin Erb;  
Richard H. Groberg; Giles Newman;  
William Reed; Thomas J. Romrell

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	27,000
Interest-bearing balances	129,541
<b>Securities:</b>	
Held-to-maturity securities	72,191
Available-for-sale securities	72,405
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	63,901
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	445,618
LESS: Allowance for loan and lease losses	6,724
Loans and leases, net of unearned income and allowance	438,894
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	13,926
<b>Other real estate owned</b>	6,881
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	8,499
<b>Total assets</b>	<u>833,238</u>
<b>Deposits:</b>	
In domestic offices:	698,550
Noninterest-bearing	213,174
Interest-bearing	485,376
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	0
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	3,088
<b>Total liabilities</b>	<u>701,638</u>
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	1,000
<b>Surplus (exclude all surplus related to preferred stock)</b>	29,200
<b>Retained earnings</b>	98,841
Accumulated other comprehensive income	2,559
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	<u>131,600</u>
<b>Total liabilities, minority interest, and equity capital</b>	<u><u>833,238</u></u>

**DECEMBER 31, 2011**  
**WESTERN CAPITAL BANK**  
**BOISE, IDAHO**  
**Charter No. 262**  
**Charter Issued March 25, 2008**  
**Incorporated March 31, 2008**

**OFFICERS:**

President & CEO: Rob R. Perez  
Chief Financial Officer: Neva J. McCormick  
Chief Credit Officer: Jack B. Nowatzki

**DIRECTORS:**

Tami Michele Chafin;  
Jeffery D. Gow; William K. Ilett;  
John W. Mitchell; Rob. R Perez;  
Steve D. Wasson

<b>Cash and balances due from depository institutions</b>	(000's omitted)
Noninterest-bearing balances and currency and coin.	3,147
Interest-bearing balances	37,949
<b>Securities:</b>	
Held-to-maturity securities	0
Available-for-sale securities	34,624
<b>Federal funds sold and securities purchased under agreements to resell</b>	
Federal funds sold	0
Securities purchased under agreements to resell	0
<b>Loans and lease financing receivables</b>	
Loans and leases held for sale	0
Loans and leases, net of unearned income	83,020
LESS: Allowance for loan and lease losses	1,095
Loans and leases, net of unearned income and allowance	81,925
<b>Trading assets</b>	0
<b>Premises and fixed assets (including capitalized leases)</b>	313
<b>Other real estate owned</b>	0
<b>Intangible assets:</b>	
Goodwill	0
Other intangible assets	0
<b>Other assets</b>	454
<b>Total assets</b>	158,412
<b>Deposits:</b>	
In domestic offices:	125,170
Noninterest-bearing	20,176
Interest-bearing	104,994
<b>Federal funds purchased and securities sold under agreements to repurchase</b>	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
<b>Trading liabilities</b>	0
<b>Other borrowed money</b>	0
<b>Subordinated notes and debentures</b>	0
<b>Other liabilities</b>	554
<b>Total liabilities</b>	125,724
<b>Minority interest in consolidated subsidiaries</b>	0
<b>Perpetual preferred stock and related surplus</b>	0
<b>Common stock</b>	3,500
<b>Surplus (exclude all surplus related to preferred stock)</b>	32,984
<b>Retained earnings</b>	(3,557)
Accumulated other comprehensive income	(239)
<b>Other equity capital components</b>	0
<b>Total equity capital</b>	32,688
<b>Total liabilities, minority interest, and equity capital</b>	158,412

**DECEMBER 31, 2011**  
**THE IDAHO COMPANY**  
**IDAHO FALLS, IDAHO**  
**Charter No. 1**  
**Incorporated November 28, 1986**  
**BIDCO License Issued July 11, 1989**

**OFFICERS:**

Chairman, President, & CEO:  
William F. Rigby

**DIRECTORS:**

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

	(000's Omitted)
<b><u>ASSETS</u></b>	
Cash.....	5
Loan Receivable.....	378
Less: Allowance for Loan Losses .....	16
Net Loans and Leases.....	362
Interest Receivable .....	96
Prepaid Expenses .....	0
Other Investments .....	1,974
Total Assets.....	2,437
 <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>	
Accounts Payable .....	0
Accrued Expenses .....	0
Notes Payable.....	372
Accrued Interest .....	13
Total Liabilities .....	385
 <b><u>STOCKHOLDERS' EQUITY</u></b>	
Common Stock.....	1,137
Retained Earnings .....	916
Accumulated Other Comprehensive Activity.....	-1
Total Stockholders' Equity.....	2,052
Total Liabilities and Stockholders' Equity.....	2,437





**STATE OF IDAHO**  
**STATE-CHARTERED CREDIT UNIONS**  
**COMPARATIVE STATEMENT**  
**Close of Business 12/31/11 and 12/31/10**

	2011	2010	% Change
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	191,052,921	178,227,695	7.20
Unsecured Credit Cards	85,778,658	71,546,189	19.89
All Other Unsecured Loans	25,856,863	33,022,201	-21.70
New Auto Loans	246,468,756	252,333,298	-2.32
Used Auto Loans	605,910,805	541,110,829	11.98
First Mortgage Real Estate Loans	601,141,572	523,583,386	14.81
Other Real Estate Loans	130,429,896	134,421,906	-2.97
Other Loans, Leases, and Non-Federally Guaranteed Student Loans	152,108,018	131,769,027	15.44
Total Loans	\$1,847,694,568	\$1,687,786,836	9.47
Allowance for Loan and Lease Losses	-14,969,417	-13,482,866	11.03
Loans Held For Sale	9,249,895	5,416,151	70.78
Loans Including Loans For Sale Less ALLL	1,841,975,046	1,679,720,121	9.66
Available for Sale Securities	68,121,798	64,853,650	5.04
Held-to Maturity	31,193,773	22,358,120	39.52
Deposits in Commercial Banks, Savings & Loans, Savings Banks	141,436,733	87,688,903	61.29
Loans to, Deposits in, and Investments in Natural Person Credit Unions	6,361,008	4,146,505	53.41
Membership Capital and Paid-in Capital at Corporate Credit Unions	2,169,793	469,313	362.33
All Other Investments in Corporate Credit Unions	30,500,099	92,690,366	-67.09
All Other Investments	3,301,851	7,131,014	-53.70
Total Investments	\$283,085,055	\$279,337,871	1.34
Land and Building (Net of Dep)	79,430,829	77,049,417	3.09
Other Fixed Assets	9,223,476	9,532,962	-3.25
NCUA Share Insurance Capitalization Deposit	19,003,240	17,916,850	6.06
Other Assets	21,067,919	17,151,653	22.83
<b>TOTAL ASSETS</b>	<b>\$2,446,749,547</b>	<b>\$2,260,250,806</b>	<b>8.25</b>
<b><u>LIABILITIES, SHARES AND EQUITY</u></b>			
Promissory and other Notes Payable	0	0	-
Dividends / Interest Payable	2,740,148	2,909,472	-5.82
Accounts Payable & Liabilities	23,798,549	20,165,877	18.01
Total Liabilities	\$26,538,697	\$23,075,349	15.01
Share Drafts	314,508,658	275,369,237	14.21
Regular Shares	504,789,559	446,970,055	12.94
All Other Shares and Deposits	1,375,476,901	1,313,877,659	4.69
Total Shares And Deposits	\$2,194,775,118	\$2,036,216,951	7.79
Undivided Earnings	161,162,742	140,298,705	14.87
Regular Reserves	69,141,468	65,369,909	5.77
Other Reserves	229,118	269,367	-14.94
Unrealized Gain/Loss A-F-S SEC	113,806	-146,350	177.76
Other Comprehensive Income	-5,285,788	-4,833,125	9.37
Total Equity	\$225,435,732	\$200,958,506	12.18
<b>TOTAL LIABILITIES, SHARES, AND EQUITY</b>	<b>\$2,446,749,547</b>	<b>\$2,260,250,806</b>	<b>8.25</b>



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

<b>Name</b>	<b>City</b>	<b>State</b>	<b>12/31/2011</b>	<b>12/31/2010</b>	<b>% Change</b>
<b><u>Idaho State-Chartered Credit Unions</u></b>					
A+ Credit Union	Idaho Falls	ID	15,918,859	17,545,413	-9.27
Boise Fire Department Credit Union	Boise	ID	8,189,375	7,567,400	8.22
Boise Valley Credit Union	Boise	ID	N/A	1,028,451	-
Cassia County Education Association Credit Union	Burley	ID	2,715,234	2,970,017	-8.58
Clearwater Credit Union	Lewiston	ID	22,554,787	22,494,780	0.27
Cornerstone Credit Union	Caldwell	ID	18,759,110	19,880,736	-5.64
E.S.A. Credit Union	Boise	ID	5,585,006	4,885,079	14.33
East Idaho Credit Union	Idaho Falls	ID	252,617,963	237,695,149	6.28
Health Care Idaho Credit Union	Boise	ID	9,866,687	9,070,959	8.77
Idadiv Credit Union	Nampa	ID	41,950,602	44,554,267	-5.84
Icon Credit Union (previously known as Idahy)	Boise	ID	143,803,636	137,047,489	4.93
Idaho Advantage Credit Union	Boise	ID	58,158,919	52,625,384	10.51
Idaho Central Credit Union	Pocatello	ID	1,011,052,324	865,899,955	16.76
Idaho United Credit Union	Boise	ID	26,507,490	25,800,169	2.74
Jefferson County Public Employees Credit Union	Menan	ID	423,149	399,894	5.82
Kamiah Community Credit Union	Kamiah	ID	46,576,526	40,584,131	14.77
Les Bois Credit Union	Boise	ID	74,090,021	N/A	-
Lewis Clark Credit Union	Lewiston	ID	46,665,308	49,105,112	-4.97
Lewiston Catholic Credit Union	Lewiston	ID	403,844	352,758	14.48
M.A.P. Credit Union	Burley	ID	1,883,204	1,945,779	-3.22
Members Preferred Credit Union	Idaho Falls	ID	23,597,375	25,770,692	-8.43
Mini-Cassia Employees Credit Union	Burley	ID	596,264	577,544	3.24
Mountain Gem Credit Union	Nampa	ID	13,807,232	13,734,140	0.53
Northwest Christian Credit Union	Nampa	ID	36,236,031	33,367,246	8.60
Payette River Credit Union	Emmett	ID	7,107,194	6,723,017	5.71
Pine Tree Credit Union	Grangeville	ID	31,399,237	29,166,341	7.66
Pocatello Simplot Credit Union	Pocatello	ID	32,958,018	33,408,262	-1.35
Potelco United Credit Union (Includes merged ICE)	Pocatello	ID	62,977,230	62,460,166	0.83
Public Employees Credit Union	Coeur d'Alene	ID	8,810,574	8,270,219	6.53
Shell-Fir Credit Union	Shelley	ID	909,404	963,993	-5.66
Shoshone County School Employees Credit Union	Wardner	ID	930,417	888,041	4.77
SIMCOE Credit Union	Burley	ID	5,922,411	5,654,142	4.74
Simplot Employees Credit Union	Caldwell	ID	18,228,101	18,494,473	-1.44
St. Alphonsus Medical Credit Union	Boise	ID	5,683,304	6,319,599	-10.07
St. Joe Valley Credit Union	St. Maries	ID	7,278,339	7,222,870	0.77
Times- News Employees Credit Union	Twin Falls	ID	184,464	213,986	-13.80
Tribune Credit Union	Lewiston	ID	702,059	717,963	-2.22
Valley Community Credit Union	Nampa	ID	N/A	8,458,149	-
Westmark Credit Union	Idaho Falls	ID	459,247,379	447,348,629	2.66
White Pine Credit Union	Pierce	ID	8,698,342	9,038,412	-3.76
<b>Total Idaho State-Chartered Credit Union Assets</b>			<b>2,512,995,419</b>	<b>2,260,250,806</b>	<b>11.18</b>
<b><u>Other State-Chartered Credit Unions Operating in Idaho (Idaho Assets)</u></b>					
Global Credit Union	Spokane	WA	34,293,468	37,284,200	-8.02
Horizon Credit Union	Spokane	WA	84,588,349	82,475,692	2.56
Numerica Credit Union	Spokane	WA	62,287,574	63,318,190	-1.63
Spokane Teachers Credit Union	Spokane	WA	65,778,070	52,297,049	25.78
Silverado Credit Union	Angwin	CA	991,067	1,264,747	-21.64
<b>Total Other State-Chartered Credit Unions</b>			<b>247,938,528</b>	<b>236,639,878</b>	<b>4.77</b>
<b>Total Idaho Assets</b>			<b>2,760,933,947</b>	<b>2,496,890,684</b>	<b>10.57</b>





## SECURITIES BUREAU SANCTIONS REPORT

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

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August 15, 2011  
February 3, 2012

**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 in February of 2009 alleging that they sold, or materially aided in the offer or sale of investment contract securities in violation of the registration and antifraud provisions of the Idaho Uniform Securities Act. The Department’s complaint alleged that the defendants offered and sold over \$3 million in various types of unregistered Dominican Republic resort-related securities to Idaho investors.

This fiscal year, the case against the two remaining defendants was settled. Trevor Walker consented to the entry of a judgment and permanent injunction barring him from violating the Idaho Uniform Securities Act in the future. James Catledge and several of his companies also settled after an Idaho court entered a \$3.4 million judgment against them. Because of various court orders and coincident settlements with other defendants, Idaho investors are expected to receive approximately \$510,000 in cash compensation.

September 9, 2011

**JASON WINWAR LEE, individually and dba ELITE VENTURES, LLC, Nampa, ID** - A civil lawsuit was filed against Jason Winwar Lee of Nampa and his limited liability company, Elite Ventures, LLC. The action alleges securities fraud and selling unregistered investments. Lee owes more than \$340,000 to at least six investors, according to the complaint filed in Ada County District Court. Lee, who controlled and managed the now-dissolved Elite Ventures, allegedly raised money by promising investors annual returns of up to 36 percent. Neither Lee nor Elite Ventures were registered to sell investments in Idaho, as required by law. According to the complaint, Lee offered and sold purported high-yield securities in the form of “Financial Joint Venture Agreements.” Lee led investors to believe that their money would be sent to New York to be

used in overnight bank arbitrage trading and that the investment would have little or no risk. In reality, the department alleges the funds were never sent to New York and were not used for bank arbitrage trading. The State alleges that Lee used a portion of the funds for his own personal use and used some of the money to pay back existing investors.

September 29, 2011

**WAYNE NILES BECKLEY, Eagle, ID** - A civil securities lawsuit was filed in Ada County against Wayne N. Beckley of Eagle. The complaint cites violations of the registration and anti-fraud provisions of the Idaho Uniform Securities Act. Beckley is alleged to have obtained nearly \$800,000 from at least ten Idahoans and promised 12-percent interest payments and a possible doubling of investment principal while misrepresenting and omitting important disclosures to investors. The complaint further states that “Beckley’s investment scheme is characterized as an affinity fraud, because most of the investors Beckley solicited knew Beckley through work. Beckley presented himself as a successful businessman and investor who had much experience and success investing in real estate projects. Developing this persona helped Beckley persuade investors to give him their money.” The lawsuit seeks restitution for investors, penalties of \$45,000 and a permanent injunction prohibiting Beckley from offering securities in Idaho in the future.

December 8, 2011

**KEITH EUGENE MITCHELL, Coeur d’Alene, ID** - A stipulated judgment and a permanent injunction were entered against Keith Eugene Mitchell of Coeur d’Alene resolving a civil securities lawsuit brought by the Department. The court permanently enjoined Mitchell from engaging in any future violations of the Idaho Commodity Code and from engaging in any violations of the Idaho Uniform Securities Act. Additionally, the court established limitations on Mitchell’s future securities and commodities activities.

January 13, 2012

**LOUIS C. NARDONE, III, individually and dba Precision Marketing Group, Lake Mohegan, NY** - A final judgment and permanent injunction was entered against New York resident, Louis C. Nardone III, after Nardone agreed to settle a securities fraud lawsuit. Mr. Nardone stipulated to a money judgment in the amount of \$177,446.22 and agreed to make regular payments toward this judgment for the benefit of about two dozen Idaho investors. A civil penalty of \$40,000 was imposed in the event that Nardone fails to make restitution payments as required. While neither admitting nor denying the state’s allegations, Nardone was permanently barred from selling securities in Idaho.

January 26, 2012

**BROCK BRUEGEMAN, Rigby, ID; BRIAN BIRCH, Idaho Falls, ID; SONNY JENSEN, Utah; BRANDON JOHNSON, Idaho Falls, ID** - This fiscal year, Brandon Johnson, the lone remaining defendant

in this case, agreed to a judgment and permanent injunction barring him from offering or selling securities in the state of Idaho. Mr. Johnson was ordered to pay partial restitution to injured investors as were other settling defendants.

April 11, 2012

**GERALD RICHARD THOMPSON, individually and dba SKY DETECTIVE, INC., Boise, ID** - A civil securities lawsuit filed against Thompson in April, 2011, alleged he violated the registration and anti-fraud provisions of Idaho's Uniform Securities Act. Thompson is alleged to have created Sky Detective for the purpose of developing and marketing a tracking and surveillance device for law enforcement. Without admitting or denying the allegations, Mr. Thompson agreed to pay partial restitution and consented to the entry of a judgment and permanent injunction barring him from offering or selling securities in the state of Idaho.

## ***II. ADMINISTRATIVE SANCTIONS & ORDERS ISSUED UNDER THE IDAHO UNIFORM SECURITIES ACT/IDAHO ESCROW ACT***

April 11, 2012  
July 2, 2012

**FINTEGRA, LLC** – A Consent Order resolving a previously issued Order Imposing Penalties and Notice of Opportunity for Hearing was entered July 2, 2012. The order arose from Fintegra's association with a bank which agreed to allow Fintegra to offer its brokerage services on the bank's premises. As part of the agreement, the parties contemplated they would employ "dual employees," that is, persons considered to be employees of both Fintegra and the bank. At least one such employee engaged in certain activities that the Department deemed to violate the Idaho securities laws. Without admitting or denying the allegations in the Order Imposing Penalties, Fintegra agreed to pay fines and penalties of \$35,000 to settle the matter.

August 20, 2011

**JAMES BRAINARD; COVENTRY, LLC; COPPER CREEK, LLC, Pocatello, ID** - Agreement and Order - The order alleges that Brainard operated Coventry, LLC as a real estate development company involved in the funding and development of the Copper Creek Subdivision in Pocatello, Idaho. Brainard solicited investors to fund the development and building of homes on these properties. Brainard represented to investors that their investments would be collateralized by real estate in this and other properties and that their interests in the properties would be recorded with the county. The investors were also told that they would receive 12 percent interest on their investments, paid monthly. Brainard also provided written personal guarantees to investors.

The order alleges that Brainard neither developed Copper Creek, nor recorded investors' interests in the properties, as promised. In fact, it

is alleged that Brainard used these same properties as collateral in a large loan transaction made with a corporate lender. The Copper Creek Subdivision was never developed and no homes were built. The investors did not receive interest payments on their loans and have not received a return of their principle.

Without admitting or denying the allegations, Brainard agreed to not solicit further investments in Idaho or to claim exemptions from securities registration without approval of the Department, to provide rescission to all investors who gave him money, and pay a \$10,000.00 fine.

October 3, 2011

**RAYMOND JAMES & ASSOCIATES, INC. (RJA); RAYMOND JAMES FINANCIAL SERVICES, INC. (RJFS)** – Administrative Consent Order – As detailed in previous reports, the Department participated in a multi-state task force comprised of state securities regulators in a review of potential securities violations in the auction rate securities market (ARS). Liquidity in nearly all of the ARS market ceased in February 2008, causing investors to lose the ability to liquidate their positions and sometimes incurring significant losses. During this fiscal year, the Department settled with RJA and RJFS pursuant to the global settlements negotiated by the task force. The settlement includes a requirement that investors be offered rescission of their ARS investments and that the Respondents pay a penalty to the Department of approximately \$4,500.

December 29, 2011

**MERRILL, LYNCH, PIERCE, FENNER & SMITH, INC.** – Administrative Consent Order - Merrill Lynch, Pierce, Fenner & Smith, Inc., a unit of Bank of America Corp., agreed to pay up to \$26.5 million in a national settlement consent order stemming from claims that the brokerage allowed client associates to sell securities without being properly registered. A seven-state task force investigated Merrill Lynch's failure to supervise its client associates, who act as sales assistants and administrative support personnel for Merrill Lynch's financial advisors. The Department received \$352,050 in settlement of its claims.

January 5, 2012

**HOPKINS FINANCIAL SERVICES, INC., Meridian, ID – Agreement and Order** – The Department alleged that Respondent initially raised investor money, pooled it and lent it out to various real estate-related projects on behalf of several limited liability companies. The investments were successful and Respondent experienced increasing demand for loans. New investment funds were started, new money was solicited, and the pooled money was leveraged by borrowing from a bank to place into the lending pools.

As business boomed, Respondent began to take greater risks in the funds. Respondent was also alleged to have omitted material information about the funds from offering documents and investor presentations. When the real estate market collapsed beginning in 2007, Respondent's business model became difficult to sustain. Respondent's funds experienced increased loan defaults, significant decreases in property values and a significant decrease in development viability for bare ground. Eventually, two of Respondent's investment funds collapsed and Respondent ceased paying investors their interest, and has been unable to return investor money.

Without admitting or denying any violations of Idaho law, Respondent agreed to pay partial restitution to investors, discontinue starting new investment funds for a period of three and a half years, operate its investment funds in accordance with certain restrictions, and comply with specified reporting requirements.

July 3, 2012

**ALL NET ESCROW, Internet based** – Cease and Desist Order - After distributing a consumer warning about the activities of All Net Escrow, the Department issued a formal Cease and Desist Order to the purported online escrow company. The company claimed to be located at an Eagle, Idaho, address that actually housed an unrelated business. That business had no knowledge of All Net Escrow and became concerned after an individual came into its business inquiring about escrow services. All Net Escrow is not licensed by the department as an escrow company or as any other financial service provider. A phony "Idaho escrow company license" was provided by All Net Escrow to one customer. The Cease and Desist order alleges violations by All Net Escrow of the Idaho Escrow Act for its actions purporting to operate as a licensed Idaho escrow company. The order also alleges violations of the Idaho Financial Institutions Fraud Prevention Act, which prohibits leading the public to believe one is a financial institution, such as an escrow company, for the purpose of obtaining money.









# CONSUMER FINANCE BUREAU SANCTIONS REPORT

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## *I. ORDERS ISSUED UNDER THE IDAHO CREDIT CODE*

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- July 15, 2011      **BROADWAY PAWN AND LOAN, LLC** (Boise, Idaho) Order issued denying the company's application for a regulated lender license based on unlicensed activity. The company contested the denial order and an evidentiary administrative hearing was subsequently held resulting in an order upholding the Department's denial order.
- February 29, 2012      **T & L BROKERAGE, INC., dba TLC CHECK CASHING** (Emmett, Idaho) Order issued revoking the company's payday lender license for violations of the Idaho Credit Code.
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## *II. ORDERS ISSUED UNDER THE IDAHO COLLECTION AGENCY ACT*

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- July 14, 2011      **JAFFE & ASHER LLP** (New York, New York) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$6,000 to the Department constituting penalties, investigative costs, and attorney fees. The company applied for and was granted an Idaho collection agency license.
- July 21, 2011      **SUPERIOR DEBT SERVICES, dba SUPERIOR DEBT SERVICES, INC.** (Fort Collins, Colorado) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$55,000 to the Department constituting of penalties, investigative costs, and attorney fees. Later, the company applied for and was granted an Idaho collection agency license.
- August 2, 2011      **VISION FINANCIAL CORP.** (White Plains, New York) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$32,000 to the Department constituting of penalties, investigative costs, and attorney fees. Later, the company applied for and was granted an Idaho collection agency license.
- September 15, 2011      **HILLCREST, DAVIDSON AND ASSOCIATES, LLC** (Richardson, Texas) Order to Cease and Desist issued against Hillcrest Davidson and Associates, LLC, for violations of the Idaho Collection Agency Act. The company contacted the Department to confirm that it had closed all its

Idaho accounts and suspended all collection efforts in Idaho as of February 2011.

- September 28, 2011 **ALLIED INTERSTATE, LLC, formerly known as ALLIED INTERSTATE, INC.** (Columbus, Ohio) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$26,000 to the Department constituting penalties, investigative costs, and attorney fees. The company applied for and was granted an Idaho collection agency license.
- October 11, 2011 **STA INTERNATIONAL, INC.** (Uniondale, New York) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$5,500 to the Department constituting penalties, investigative costs, and attorney fees. The company applied for and was granted an Idaho collection agency license.
- October 12, 2011 **RELIANT CAPITAL SOLUTIONS, LLC** (Gahanna, Ohio) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$11,000 to the Department constituting penalties, investigative costs, and attorney fees. The company applied for and was granted an Idaho collection agency license.
- October 18, 2011 **DEBTPRO 123, LLC** (Irvine, California) Order to Cease and Desist issued against DebtPro 123, LLC for operating a debt and credit counseling business in Idaho without a license.
- November 1, 2011 **AVADANIAN & ADLER, LLC** (Boca Raton, Florida) Order issued revoking the company's collection agency license for failure to maintain a surety bond as required by the Idaho Collection Agency Act.
- December 1, 2011 **DTA SOLUTIONS, LLC formerly known as FASLO SOLUTIONS, LLC** (Watauga, Texas) Consent order issued addressing violations of the Idaho Collection Agency Act. The company paid \$11,000 to the Department constituting penalties, investigative costs, and attorney fees. The company later applied for and was granted an Idaho collection agency license.
- December 13, 2011 **BEACON DEBT SOLUTIONS, INC.** (Irvine, California) Order to Cease and Desist issued against Beacon Debt Solutions for operating a debt settlement business in Idaho without the license required by the Idaho Collection Agency Act.
- February 13, 2012 **CAMBRIDGE HUXLEY & ASSOCIATES, LLC** (Amherst, New York) Order to Cease and Desist issued against Cambridge Huxley & Associates, LLC for operating a collection agency business in Idaho without the license required by the Idaho Collection Agency Act and for making numerous misrepresentations about the alleged debts owed, including the threat that failure to pay the alleged debts would result in felony criminal charges.

March 30, 2012 **THE CREDIT PROS INTERNATIONAL CORPORATION** (Newark, New Jersey) Consent order issued addressing violations of the Idaho Collection Agency Act. The company refunded to all Idaho residents the fees collected for its credit repair services and paid \$1,000 to the Department constituting penalties, investigative costs, and attorney fees.

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### ***III. ORDERS ISSUED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT – Mortgage Companies***

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September 12, 2011 **FREEDOM COMPANIES, INC., FREEDOM COMPANIES MARKETING, INC., FREEDOM COMPANIES LENDING, INC., and FREEDOM FINANCIAL MORTGAGE CORPORATION** (Chicago, Illinois) Order to Cease and Desist issued against Freedom Companies, Inc., Freedom Companies Marketing, Inc., Freedom Companies Lending, Inc., and Freedom Financial Mortgage Corporation for violations of the Idaho Residential Mortgage Practices Act and the Rules Pursuant to the Idaho Residential Mortgage Practices Act. The Director found that the company had offered mortgage modification services not only without a license but also in a false, deceptive, and misleading manner.

September 30, 2011 **ACADEMY MORTGAGE CORPORATION (Sandy, Utah)** Consent order issued addressing violations of the Idaho Residential Mortgage Practices Act. The company paid \$155,000 to the Department constituting penalties, investigative costs, and attorney fees. Academy maintains an Idaho mortgage broker/lender license.

April 4, 2012 **BANK OF AMERICA CORP., WELLS FARGO & CO., J.P. MORGAN CHASE & CO., CITIGROUP, INC., and ALLY FINANCIAL, INC.** Separate consent judgments were issued against the nation's five largest mortgage servicing companies, identified above, by a federal district judge in the United States District Court for the District of Columbia. The judgments grew out of an historic \$25 billion mortgage servicing settlement with the Department and 44 other state regulatory agencies and the District of Columbia, 49 state attorneys general, and the federal Departments of Justice, Treasury, and Housing and Urban Development. The settlement grew out of significant and far-reaching problems discovered in the residential mortgage servicing industry. Idaho's share of the settlement was \$114 million, of which \$100 million was earmarked for direct relief to Idaho homeowners whose mortgages are owned and serviced or were foreclosed on by one of the defendants. The terms of the settlement are extensive and impact a significant number of homeowners. Among other things, the settlement:

- Implemented more stringent standards for affidavits and sworn statements in foreclosure and bankruptcy proceedings;
- Imposed new requirements for accuracy and verification of a borrower's account information;
- Clarified documentation of noteholder status and chain of assignment;
- Directed the five servicers to implement quality assurance systems and conduct regular audits of such systems;
- Applied loss mitigation requirements, intended to apply to both government-sponsored and proprietary loss mitigation programs;
- Prohibited the five servicers from initiating a foreclosure while a loan modification is in process;
- Directed the five servicers to provide a single point of contact and single electronic record to a borrower;
- Seeks to enforce protections for military personnel established by the Servicemembers Civil Relief Act;
- Restricted default and foreclosure-related fees the five servicers can charge;
- Addressed force-placed insurance; and
- Outlined general servicer duties and prohibitions.

June 26, 2012      **SMART FUNDING CORP.** (Santa Ana, California) Order issued denying the company's mortgage license renewal application based on a failure to meet statutory requirements for license renewal.

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***IV. ORDERS ISSUED UNDER THE IDAHO RESIDENTIAL MORTGAGE PRACTICES ACT – Mortgage Loan Originators***

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January 9, 2012      **WILLIAM CHARLES RANDAL** (Spokane, Washington) Order issued denying Mr. Randal's request for a mortgage loan originator license due to a failure to meet statutory requirements for licensure.

March 1, 2012      **AUDREY P. D'ORAZIO** (Nampa, Idaho) Order issued denying Ms. D'Orazio's mortgage loan originator renewal application for failure to meet statutory requirements. Ms. D'Orazio appealed the order but later withdrew her license renewal application. The parties subsequently stipulated to dismiss the appeal, and on September 5, 2012, the hearing officer filed a corresponding order. As part of the stipulation the denial order was withdrawn.

March 28, 2012      **MARY ELIZABETH ANNE SPERRY** (Nampa, Idaho) Order issued denying Ms. Sperry's mortgage loan originator license renewal application based on failure to meet statutory requirements for licensure.







## DEPARTMENT OF FINANCE STAFF – JUNE 30, 2012

### ADMINISTRATION

Gavin M. Gee	Director of Finance
Lisa A. Baker	Administrative Assistant 2

### SUPPORTING SERVICES BUREAU

David L. Jensen	Supporting Services Bureau Chief
Blake Wickham	IT Systems Integration Analyst, Sr.
Homero P. Rodriguez	Web Developer
Breck Dahlin	IT Programmer Analyst, Sr.
Angela M. Baker	Personnel Technician
Jill R. Peterson-Pate	Financial Specialist
Caroline C. Dickson	Office Specialist 2

### FINANCIAL INSTITUTIONS BUREAU

Mary E. Hughes	Financial Institutions Bureau Chief
Stephanie Seeds	Administrative Assistant 1
Richard J. Sherrick	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
Andrew C. Forth	Financial Institutions Examiner, Commissioned
Krista M. Bolt	Financial Institutions Examiner, Commissioned
Honalee R. Thomas	Financial Institutions Examiner, Commissioned
Jeffrey C. Reinhardt	Financial Institutions Examiner 3*
Geraldine L. Bullard	Financial Institutions Examiner 3*
Kayce C. Lamb	Financial Institutions Examiner 2*
James J. Tunca	Financial Institutions Examiner 2*
Gordon E. Titus	Financial Institutions Examiner 2*
Vacant	Financial Institutions Examiner 2*
Vacant	Financial Institutions Examiner 1*
Vacant	Financial Institutions Examiner 1*

\*underfilling Financial Institutions Examiner, Commissioned

### CONSUMER FINANCE BUREAU

Michael Larsen	Consumer Finance Bureau Chief
Karen J. Holcomb	Administrative Assistant 1
Karen A. Carlyle	Administrative Assistant 1
Martha (Marti) L. Cooper	Administrative Assistant 1
Mel White	Administrative Assistant 1
Bennie J. Bourn	Office Specialist 2
Linda J. Tennyson	Office Specialist 2
Mary T. Dambitis	Office Specialist 2
Anthony T. Polidori	Financial Examiner/Investigator 4
Karlyne C. (K.C.) Schaler	Financial Examiner/Investigator 4
Jo Ann Lanham	Consumer Affairs Officer
Erin J. Van Engelen	Financial Examiner/Investigator 3
Billie K. Havery	Financial Examiner/Investigator 3
Dan D. Kline	Financial Examiner/Investigator 3
Jan L. Kochan	Financial Examiner/Investigator 3
Tom S. Little	Financial Examiner/Investigator 3
Tom H. Nate	Financial Examiner/Investigator 3
Carol A. Berenger	Financial Examiner/Investigator 1*

Laurie J. Coburn  
Brad C. Carpenter  
Tracy L. Posey  
Jillian K. Laine  
Dustin Mortimer  
Gabe Gerrish

Financial Examiner/Investigator 1\*  
Financial Examiner/Investigator 1\*  
Financial Examiner/Investigator 1\*  
Financial Examiner/Investigator 1\*  
Financial Examiner/Investigator 1\*  
Financial Examiner/Investigator 1\*  
\*underfilling Financial Examiner/Investigator 3

**SECURITIES BUREAU**

Marilyn T. Chastain  
Katy M. Witt  
Virginia L. Sorensen  
Mary J. Harper  
James A. Burns  
Patricia R. Highley  
Nancy C. Ax  
Walter L. Bitner  
Coleen F. Hodson  
Timothy D. Martin  
Kurt V. Merritt

Securities Bureau Chief  
Administrative Assistant 1  
Securities Technician  
Technical Records Specialist 1  
Financial Examiner/Investigator 4  
Financial Examiner/Investigator 4  
Financial Examiner/Investigator 3  
Financial Examiner/Investigator 3  
Financial Examiner/Investigator 3  
Financial Examiner/Investigator 3  
Financial Examiner/Investigator 3  
Financial Examiner/Investigator 2\*  
\*underfilling Financial Examiner/Investigator 3

**LEGAL STAFF**

Joseph B. Jones  
Alan Conilogue  
Brian Nicholas  
Rita Jensen

Deputy Attorney General (On assignment from AG)  
Deputy Attorney General (On assignment from AG)  
Deputy Attorney General (On assignment from AG)  
Paralegal (On assignment from AG)

Recognizing 600 years of Combined Service to the State of Idaho

Gavin M. Gee	37.2	Years of Service
Brad P. Bergquist	31.6	Years of Service
George L. Baker	29.6	Years of Service
Katy M. Witt	28.3	Years of Service
Ginnie L. Sorensen	27.9	Years of Service
Marilyn T. Chastain	24.7	Years of Service
James A. Burns	24.9	Years of Service
Tim D. Martin	23.2	Years of Service
Patricia R. Highley	22.6	Years of Service
Mary E. Hughes	22.1	Years of Service
Marti L. Cooper	21.1	Years of Service
Jo Ann Lanham	20.5	Years of Service
Coleen F. Hodson	19.2	Years of Service
Bruce M. Eames	18.5	Years of Service
Michael Larsen	16.8	Years of Service
Mary J. Harper	15.4	Years of Service
Billie K. Havery	15.3	Years of Service
Jill R. Peterson-Pate	15.2	Years of Service
K. C. Schaler	14.3	Years of Service
Nancy C. Ax	14.2	Years of Service
Anthony T. Polidori	11.6	Years of Service
Mark W. Boschulte	11.1	Years of Service
Walt L. Bitner	11.0	Years of Service
Karen A. Carlyle	9.7	Years of Service
Rick J. Sherrick	8.8	Years of Service
Connie D. Newgard	8.6	Years of Service
Andy C. Forth	7.8	Years of Service
Jan L. Kochan	7.8	Years of Service
David L. Jensen	7.5	Years of Service
Daniel D. Kline	7.2	Years of Service
Erin J. Van Engelen	6.9	Years of Service
Angela M. Baker	6.1	Years of Service
Tom S. Little	5.8	Years of Service
Honalee R. Thomas	5.1	Years of Service
Linda J. Tennyson	4.6	Years of Service
Carol A. Berenger	4.6	Years of Service
Kurt V. Merritt	4.0	Years of Service
Caroline C. Dickson	3.9	Years of Service
Krista M. H. Bolt	3.5	Years of Service
Tom H. Nate	3.4	Years of Service
Jeffrey C. Reinhardt	2.8	Years of Service
Blake Wickham	2.5	Years of Service
Gordon E. Titus	2.3	Years of Service
James J. Tunca	1.7	Years of Service
Homero P. Rodriguez	1.6	Years of Service
Lisa A. Baker	1.3	Years of Service
Kayce C. Lamb	1.2	Years of Service
Bennie J. Bourn	.9	Years of Service
Mel White	.9	Years of Service
Brad C. Carpenter	.8	Years of Service
Tracy L. Posey	.8	Years of Service
Laurie J. Coburn	.8	Years of Service
Jillian K. Laine	.8	Years of Service
Dustin Mortimer	.8	Years of Service
Gabe Gerrish	.7	Years of Service
Breck T. Dahlin	.7	Years of Service
Geraldine L. Bullard	.6	Years of Service

Karen J. Holcomb	.6	Years of Service
Stephanie A. Seeds	.4	Years of Service
Mary Dambitis	.1	Years of Service





## Annual Report Credits

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Connie Newgard, Mary Hughes, Lisa Baker,  
Stephanie Seeds

Compilation of Securities Section.....Marilyn Chastain, Jim Burns

Compilation of Consumer Finance Section.....Anthony Polidori, Michael Larsen,  
K.C. Schaler, 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.....Michael Larsen

Supporting Services Bureau Chief.....David Jensen