

2016

111TH 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, 2016

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

Dear Governor Otter:

I am pleased to submit herewith the 111th Annual Report of the Department of Finance for fiscal year 2016, July 1, 2015 through June 30, 2016.

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 financial services sector licensing and registrations increased more than 5 percent over last fiscal year. As a result, the Department was able to transfer \$5.3 million to the State's General Fund.

The Department provides regulatory oversight for multiple financial services industries and undertakes enforcement actions where necessary. This past fiscal year, Department enforcement actions resulted in over \$450,000 in restitution/rescission/refunds ordered for the benefit of Idaho residents. Beyond its regulatory oversight functions and enforcement activities, the Department continued its efforts to promote economic development, appropriately reduce regulatory burdens, improve financial literacy, and protect financial service consumers in the state. A few examples of these efforts include:

- Supporting federal legislation and regulatory efforts to reduce the federal regulatory burden on Idaho financial services businesses, including "Right-Size Regulation" for community banks and smaller financial institutions.
- Continuing to expand the availability of online licensing and reporting (approximately 98% effective), including the roll-out and participation in a new electronic securities issuer filing platform for various classes of securities offerings.
- Expanding the use of online access to certain data in order to perform more of the Department's regulatory examinations off-site, reducing travel expenses and the amount of time spent in the offices of certain licensees.

Continuing the Department's participation and/or sponsorship of *America Saves and Military Saves Week*, the *17th Annual Financial Literacy Month*, "*Bank On Treasure Valley*," three *Scam Jam events*, and two *Smart Women Smart Money: Idaho Everywoman's Financial Conferences*

Finally, the Department again conducted Town Hall Meetings with Idaho community bankers and participated in a national community banking research/policy initiative alongside the Federal Reserve System and the Conference of State Bank Supervisors. The initiative focused on the challenges and opportunities facing community banks with the goal of developing policy initiatives to support the vital role of community banks.

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,

A handwritten signature in blue ink, appearing to read "Gavin M. GEE".

GAVIN M. GEE, Director
Idaho Department of Finance

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About The Cover:

The trading floor of the New York Stock Exchange

FOREWORD

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

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

MISSION STATEMENT

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

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

DEPARTMENT HIGHLIGHTS AND CURRENT ISSUES

The Department, originally known as the Idaho office of “State Bank Commissioner,” was created March 6, 1905. At that time, the Department administered only one law, the *Idaho Bank Act*, and regulated only the banking industry. This year the Department processed more than 171,000 business filings, licenses and registrations for companies 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 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

The 2016 Idaho Legislature passed Senate Bill No. 1314, amending the Idaho Trust Institutions Act (ITIA) to create an exception to the trust company charter requirement for “friends” of the grantor of a trust. The Department worked with trust attorneys and professionals in Idaho, as well as the Idaho Bankers Association (IBA) to formulate language to create the trust charter exception.

Community Banking Initiative - In support of Idaho community banks, the Department participated in the fourth annual Community Banking in the 21st Century Research and Policy Conference, sponsored by the Federal Reserve System and the Conference of State Bank Supervisors (CSBS). The conference was held September 28 – 29, 2016, at the Federal Reserve Bank of St. Louis. The conference brought together community bankers, academic experts, and federal and state policymakers to discuss the latest research on community banking. In preparation, the Department met with Idaho community bank CEOs to discuss issues unique to their industry, which were contained within “Five Questions for Five Bankers.” In addition, a National Survey of Community Banks was administered by state banking commissioners in 29 states. A total of 557 community bankers participated in the survey. A report, *Community Banking in the 21st Century*, was issued following the conference, along with the results of the survey taken by community bankers. The report provides a comprehensive view of opportunities and challenges facing community banks with emphasis on small business lending, compliance costs, and the changing nature of products or services offered by community banks. This is an ongoing initiative that the Department will continue to work on with industry, and state and federal policymakers.

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.
- 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.
- The Department provides online collection agency agent-registration and quarterly reporting capability through the Access Idaho portal. Although use of the online process is optional, approximately 90 percent of Idaho’s licensed collection agencies have transitioned from paper filings with check payments to online filings, record retention, and multiple payment options.
- Consumer finance companies, money transmitters, payday lenders and collection agencies continue to have the option of obtaining and renewing licenses through the NMLS (Nationwide Multistate Licensing System).
- The Department continues to remain abreast of developing issues in the emerging payment systems space, including working with industry and other regulators to address these issues.

EDUCATIONAL INITIATIVES

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. Program highlights this year include:

- ***Bank Directors College*** – The Department cosponsored the 2015 Bank Directors College, along with the FDIC and Idaho Bankers Association, in Boise.
- ***Credit Union Outreach*** – Director of Finance Gavin Gee, Financial Institutions Bureau Chief Mary Hughes, Deputy Attorney Joseph Jones, Supervising Examiner Rick Sherrick, as well as credit union examination staff participated in the 2016 Credit Union Outreach in Boise. The event was cosponsored by the Department, the National

Association of State Credit Union Supervisors (NASCUS), and the Idaho Credit Union League.

- ***Compliance Officer Training*** – The Department participated in the FDIC compliance training for bankers in Boise, cosponsored by the Department, FDIC, and the Idaho Bankers Association.
- ***Board of Directors of CSBS*** – Director Gee serves on the Board of Directors of the Conference of State Bank Supervisors (CSBS)
- ***State Liaison Committee for the Federal Financial Institutions Examination Council*** – Bureau Chief Hughes continued in her term on the State Liaison Committee for the Federal Financial Institutions Examination Council (FFIEC).
- ***North American Securities Administration Association (NASAA) Automated Securities Filings System*** – The Department was initially a pilot state for the new NASAA Automated Securities Filings System which is now fully operational. Upgrades to the system may include electronic filing capabilities for other types of securities issuers.
- ***President of the National Association of Consumer Credit Administrators (NACCA)*** – Consumer Finance Bureau Chief Mike Larsen was elected as the President of the National Association of Consumer Credit Administrators (NACCA) for the 2016-2017 term.
- ***Nationwide Multi-State Licensing System (NMLS)*** K.C. Schaler is co-chair of the NMLS Steering Committee tasked with a total rebuild of the NMLS for nationwide use.
- ***Meeting With Credit Union Representatives From Moldova*** – Bureau Chief Hughes, Supervising Examiner Sherrick, and Supervising Examiner Brad Bergquist met with a delegation representing credit unions in Moldova to discuss federal and state laws and regulation of credit unions.
- ***FDIC Cybersecurity Awareness Training*** – Director Gee participated in FDIC-produced Cybersecurity Awareness training at the San Francisco Regional Office.
- ***FDIC Bankers Roundtable*** – The Department participated in the FDIC Bankers Roundtable to discuss industry issues with Idaho bank management, including cybersecurity, consumer protection and compliance examinations, community bank regulatory burden relief, and competitive challenges from fintech companies.
- ***President of the North American Collection Agency Regulatory Association (NACARA)*** – Supervising Examiner in the Department’s Consumer Finance Bureau, Anthony Polidori, served a record third term as President of NACARA during the 2015-2016 term.

Department staff participated in additional meetings during the year with representatives of the financial services industry and regulators, including: Annual Meeting of the Idaho Community Bankers; Idaho Community Bankers Association Management and Directors Leadership Conference; Idaho Bankers Association Compliance and Community Development Committee; Western Region Regulators’ Interagency Meetings; Idaho Credit Union League Board Meetings; Idaho Credit Union League Annual Conference; Idaho Credit Union League Governmental Affairs Conference; NASCUS Annual Summit; NASCUS Annual State Regulators Meeting;

NASCUS Cybersecurity Symposium; NCUA Regional Meeting; CSBS Supervisors Symposium; CSBS Fly-In; CSBS State-Federal Supervisory Forum; and Federal Home Loan Bank of Des Moines.

Consumer Educational Efforts – The Department has a long tradition of providing educational resources to Idahoans. The Department provides educational presentations and materials on a variety of topics including investment fraud and consumer credit issues. Among the Department’s efforts this year:

- ***Smart Women, Smart Money Financial Conferences*** – The Department provided monetary sponsorship and staff support for this important annual conference hosted by the Office of the State Treasurer. Conferences were held in Boise in February 2016 and in Moscow in September 2016. The primary purpose of this event is to educate women in financial matters. At this annual event, the Department provides speakers and staffs a booth from which conference attendees may obtain free educational materials.
- ***Financial Literacy Month*** – Joining other state securities regulators and a broad-based coalition of consumer groups and industry members, the Department participated in the annual Financial Literacy Month during April. Kicked off with Governor C. L. “Butch” Otter’s Proclamation that “April is Financial Literacy Month”, the Department distributed educational materials and made presentations designed to increase financial knowledge and help Idahoans recognize and avoid securities fraud. The Department hosted a Financial Literacy Month section on its website listing many of the activities and events scheduled during the month.
- ***Scam Jams*** – The Department, a member of the Idaho Scam Jam Alliance (ISJA), joined other ISJA members to host 2016 Scam Jam Conferences in various locations throughout the state, including Coeur d’Alene, Salmon, and McCall. The ISJA is a coalition of non-profit entities and government agencies dedicated to fighting fraud through sponsorship of free Scam Jams throughout Idaho. Attendees of the 2016 Scam Jam were provided information on investment fraud, financial scams, Medicare fraud, local law enforcement cases, and tips on how to avoid becoming a victim of identity theft. The Department participated in chairing and leading the ISJA while also staffing a booth for the event where free educational materials were provided to attendees.
- ***Idaho Military Financial Alliance*** – The Department joined the Idaho Military Financial Alliance in 2013. The Alliance is comprised of non-profits, credit unions, government and military agencies which strive to build awareness and mobilize the financial community on behalf of service members and their families. In 2016, the Department participated in sponsoring Military Saves Week and “Operation Financial Freedom”, a special event that featured keynote speaker Jina Choi, Regional Director in the San Francisco Regional Office of the U.S. Securities and Exchange Commission.
- ***America Saves Week*** – The Department joined agencies throughout the United States to celebrate America Saves Week. America Saves Week is an annual nationwide event and an opportunity for organizations to promote good savings behavior and a chance for

individuals to assess their own saving status. The America Saves program seeks to encourage and support households to save money, reduce debt, and build wealth.

Notable Trends and Events

- Cybersecurity, defined as measures taken to protect a computer or computer system against unauthorized access or attack, became a major focus of government, regulators, and financial institutions in fiscal year 2016. The Department has taken an active role; first with holding the Executive Leadership on Cybersecurity meeting in Coeur' d Alene for banks in Oregon, Idaho and other states, and we participated in the Information & Technology Sharing Workgroup for the Governors Cybersecurity Taskforce. Additionally, in response to the increasing volume and sophistication of cyber threats, the FFIEC released a Cybersecurity Assessment Tool in July 2015 to help financial institutions identify risks and assess their cybersecurity preparedness to mitigate cyber risks. Cyber attacks can have significant financial, operational, legal, and reputational effects on financial institutions. In response, financial institutions and regulators have made cybersecurity and information protection an ongoing top priority in the U.S.
- In October of 2015 the requirements for the Consumer Financial Protection Bureau (CFPB) integrated Real Estate Settlement Procedures Act (RESPA) and Truth in Lending Act (TILA) disclosures and regulations went into effect. The TILA-RESPA Integrated Disclosure (TRID) regulations, which implemented key provisions of the federal Dodd-Frank Act, represent a significant change in the timing and content of mortgage loan disclosures. Based on these new requirements, the Department implemented examination processes to ensure mortgage lender and broker compliance with the new regulations.
- On December 16, 2015, the Federal Reserve raised the target range for the federal funds rate from 0 to 0.25 percent to a range of 0.25 to 0.50 percent for the first time since June 2006. With respect to future rate increases, the Federal Reserve has adopted a patient stance focused on "gradual increases" in the target range for the federal funds rate to avoid adversely impacting economic recovery.
- The formation of new institutions has always been cyclical and well correlated to the strength of an economic recovery period following a financial crisis. New bank formation has been notably sluggish during the latest economic recovery. In August 2009, during the recession, the FDIC imposed nonstandard conditions for state nonmember de novo banks of higher capital requirements and more frequent examinations, and extended the novo period from three to seven years. As of April 6, 2016, the FDIC rescinded the policy and returned to a three-year de novo period, given the ongoing improvements in post-crisis industry performance and increased interest in de novo bank formation.
- Beginning October 1, 2015, financial institutions were able to shift liability for fraudulent credit card transactions to retailers by transitioning from magnetic-strip

payment cards to Europay Mastercard Visa (EMV) cards. Most retail merchants that were not EMV compliant by the deadline faced financial liability for card-present counterfeit fraud loss. Financial institutions that mass-issued new chip cards rather than replacing cards at expiration were able to issue chargebacks sooner and offset costs. According to Visa and Mastercard, counterfeit card fraud declined significantly with the EMV cards. The next phase of EMV migration will affect ATM owners and automated fuel dispensers (self-serve gas pumps). Those ATM owners that cannot process a MasterCard EMV chip card after October 1, 2016, will be responsible for the chargeback costs of any fraud that occurs from a nonchip secured transaction. Visa's shift date deadline is October 1, 2017. Automated fuel dispensers must also become EMV compliant by the October 1, 2017, deadline.

- Idaho's federally insured credit unions (both state- and federally-chartered institutions) experienced favorable rankings in numerous key indicators of financial health and viability, as evidenced by a press release issued by the National Credit Union Administration on September 14, 2016. NCUA's press release references a Quarterly U.S. Map Review, which provides data for the year ending June 30, 2016. Highlights of Idaho credit union successes are detailed below:
 - Idaho had the highest deposit growth in the nation, with a deposit growth rate of 7.3 percent. Nationally, the median deposit growth rate was 3.3 percent.
 - Idaho had the fourth highest median asset growth rate in the nation, with an asset growth rate of 5.9 percent. Nationally, the median asset growth rate was 3.2 percent.
 - Idaho's credit unions experienced the fourth highest median membership growth rate in the nation, with a growth rate of 2.4 percent. Nationally, the median membership growth rate was zero percent, meaning that, overall, 50 percent of federally insured credit unions had fewer members at the end of the second quarter of 2016 compared with the same period one year earlier, while 50 percent had more members.
 - Idaho had the second highest median loan-to-share ratio in the nation of 86 percent. Nationally, the median loan-to-share ratio was 62 percent.
 - Idaho is tied with several other states for the third lowest loan delinquency rate in the nation, with a median delinquency rate of 0.5 percent. Nationally, the median delinquency rate is 0.7 percent.

INDUSTRY RESULTS IN IDAHO

Banking in Idaho – Idaho-based banks continued to exhibit stable or improved performance and financial condition over the past year. As of June 30, 2016, the average aggregate return on assets remained relatively stable and declined just 2 basis points to 0.96 percent for Idaho-based banks, compared to a 4 basis-point decline to 1.02 percent for banks nationwide. The net interest margin for Idaho-based banks improved from 3.85 percent to 3.94 percent, which compared favorably to the national average of 3.10 percent. While the ratio of net charge-offs to loans and leases increased from 0.04 percent to 0.09 percent for Idaho-based banks, the ratio of noncurrent loans to loans declined from 0.75 percent to 0.47 percent; the national average for all banks for these ratios was 0.45 percent and 1.50 percent, respectively. The core capital ratio for Idaho-based banks increased 4 basis points to 11.82 percent, while the national average for all banks declined 3 basis points to 9.53 percent.

Credit Unions in Idaho – Idaho-chartered credit unions exhibited strong financial performance in calendar year 2015, outperforming peer credit unions nationally in several key areas. The aggregate Return on Average Assets ratio for Idaho-chartered credit unions improved from 0.76 percent to 1.19 percent in 2015, which was 45 basis points higher than the national peer group average of 0.74 percent. Asset quality indicators also reflected favorably on Idaho-chartered credit unions when compared to the national peer group. Specifically, the Delinquent Loans to Total Loans ratio of 0.33 percent was 48 basis points lower than the national peer group, while the Net Charge-Offs to Average Loans ratio of 0.22 percent was less than half of the national peer group average of 0.48 percent. In the aggregate, Idaho-chartered credit unions generally demonstrated adequate capital levels with an average Net Worth to Total Assets ratio of 9.08 percent.

Consumer Finance – By the end of fiscal year 2016 the Department observed a continuing decline in the rate of residential mortgage loans that were either seriously delinquent or in foreclosure. These rates fell from 1.91 percent, reported at the end of fiscal year 2015, to 1.45 percent as of June 30, 2016. This year, the Department had regulatory oversight responsibility for 653 licensed regulated lender and title lender office locations, 174 licensed payday lender office locations, and 827 licensed mortgage broker/lender office locations. The number of licensed mortgage loan originators in Idaho grew from 2,673 in 2015 to 3,467 at 2016 fiscal year-end, a 29.7 percent year-over-year increase. In addition, the Consumer Finance Bureau had regulatory oversight responsibility for 610 licensed collection agencies, 93 debt buyers, 9 credit repair organizations, and 42 credit/debt counselor agencies. The number of collection agency solicitors/collectors registered in Idaho grew from 46,759 in 2015 to 50,971 at 2016 fiscal year-end, a nine percent year-over-year increase.

Securities – The Securities Bureau processed more than 124,000 submissions in fiscal year 2016, up more than 4 percent from the prior fiscal year. The Bureau’s oversight extends to more than 112,000 individuals who currently hold Idaho registrations as broker-dealer agents, investment adviser representatives and issuer agents. This represents more than a 4 percent increase over the prior fiscal year. Through civil and administrative sanctions, the Bureau obtained orders for over \$450,000 in restitution and rescission for Idaho investors. The potential financial impact of securities cases under investigation or in the process of resolution during the fiscal year approached \$9 million.

FINANCIAL INSTITUTIONS BUREAU

Idaho Bank Act
Idaho Bank Holding Company Act
Idaho Credit Union Act
Idaho Financial Fraud Prevention Act
Idaho International Banking Act
Idaho Interstate Banking Act
Idaho Interstate Branching Act
Idaho Savings Bank Act
Idaho Trust Institutions Act
Business and Industrial Development Corporation 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 Credit Union Act*, *Idaho Financial Fraud Prevention Act*, *Idaho International Banking Act*, *Idaho Interstate Banking Act*, *Idaho Interstate Branching Act*, *Idaho Savings Bank Act*, *Idaho Trust Institutions Act*, and the *Business and Industrial Development Corporation Act*. The Bureau provides high quality supervision of state-chartered institutions directed at identifying material 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 regulated 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 13 years ago. Idaho is one of few 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; we do not charge examination fees and process most applications for nominal or no fees. Idaho financial institutions incur significantly less regulatory costs than their federal counterparts.

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 Department's bank and credit union sections have been continuously accredited by CSBS and NASCUS since 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 most recently occurred in 2015.

Education and Examiner Training - Continuing education and training are important to maintaining accreditation and maintaining the confidence of those we regulate. The Department continues to support educational opportunities for its examiners. During fiscal year 2016, examiners attended training sessions provided or sponsored by the Federal Deposit Insurance Corporation, the Federal Reserve System, the National Credit Union Administration, CSBS, NASCUS, and Pacific Coast Banking School (PCBS) in partnership with the University of Washington. The nine examiners assigned to the Banking Section attended 25 weeks of training during the fiscal year, and the six examiners assigned to the Credit Union Section attended 14 weeks of training. In addition, the examiners complete on-line training and participate in webinars on emerging issues.

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 trust departments within financial institutions, non-depository trust companies, and business and industrial development corporations (BIDCOs). The Banking Section directly supervised 11 commercial banks (3 with trust powers) and a single BIDCO as of June 30, 2016.

The Banking Section is an active participant in the Conference of State Bank Supervisors (CSBS). CSBS actively coordinates with all state and federal bank regulatory agencies on industry issues. In December 2015, the Banking Section was successfully reaccredited by CSBS for another 5-year term.

The section also has regulatory oversight responsibilities, as the host state supervisor, for 11 state-chartered banks operating in Idaho and chartered by other states. As of June 30, 2016, these institutions held \$4.2 billion of Idaho deposits and operated 111 offices throughout the

state: Banner Bank (14 branches), Columbia Bank (16 branches), Inland Northwest Bank (4 branches), and Washington Trust Bank (15 branches) are chartered by the State of Washington; Bank of the West (5 branches) and Sunwest Bank (3 branches) are chartered by the State of California; Bank of the Cascades (14 branches) and Umpqua State Bank (16 branches) are chartered by the State of Oregon; Glacier Bank (22 branches) is chartered by the State of Montana; People's Intermountain Bank, formerly Lewiston State Bank, (1 branch) is chartered by the State of Utah; and Bell Bank, formerly Bell State Bank and Trust, (1 representative trust office) is chartered by North Dakota. As a host state supervisor, the Banking Section also has indirect supervision over 11 bank or financial holding companies.

In fiscal year 2016, the Banking Section completed nine risk management examinations, three of which included concurrent trust examinations, four consumer compliance examinations, and one consumer compliance visitation. In conjunction with the risk management examinations, information technology and Bank Secrecy Act/Anti-Money Laundering examinations were performed. In addition, the Banking Section participated in one host-state risk management examination and one technology service provider (TSP) examination.

Branch Activities

Branching and relocation activity in Idaho continued throughout fiscal year 2016. D. L. Evans Bank opened a branch in Paul; Ireland Bank opened a branch in Twin Falls; and Idaho First Bank converted a Boise loan production office to a branch. Two host state banks relocated branches: Banner Bank relocated a Lewiston branch and Washington Trust Bank relocated a Sandpoint branch. Host state banks closed several branches in Idaho in fiscal year 2016. Bank of the Cascades closed a branch in Boise; Bank of the West closed a branch in Eagle; Banner Bank and Sunwest Bank closed branches in Lewiston; and Umpqua Bank closed a branch in New Meadows.

IDAHO BANKING INDUSTRY REVIEW

Performance and Condition of Idaho Financial Institutions

As of June 30, 2016, there were 12 financial institutions (11 state-chartered banks and 1 federal savings bank) based in Idaho with combined assets of \$5.3 billion, net loans and leases of \$3.4 billion, and deposits of \$4.5 billion¹. Idaho-based institutions outperformed institutions nationwide with higher average core capital (leverage ratio) of 11.82 percent versus 9.57 percent, higher net interest margin of 3.94 percent versus 3.10 percent, lower ratio of loan charge-offs to loans of 0.09 percent versus 0.45 percent, and lower ratio of noncurrent loans to total loans of 0.47 percent versus 1.50 percent. The return on assets for Idaho-based institutions and institutions nationwide declined as of June 30, 2016, but the return on assets for Idaho-based

¹ Source: FDIC Statistics on Depository Institutions

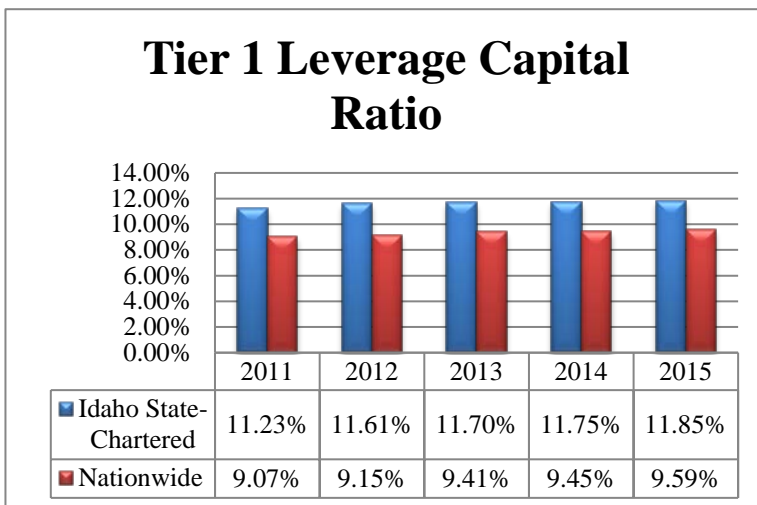
institutions declined 2 basis points to 0.96 percent, compared to a decline of 4 basis points to 1.02 percent for all institutions nationwide. In addition, all of Idaho’s institutions remained “well-capitalized” under state and federal capital standards as of June 30, 2016.

Deposits in Idaho

As of June 30, 2016, 31 commercial banks and savings institutions with 506 offices competed for deposits in Idaho. Total deposits in Idaho increased 7.4 percent during the fiscal year from \$21.6 billion to \$23.2 billion. Institutions headquartered outside of the state retained 82 percent of the market share of Idaho deposits, or \$19.1 billion, as of June 30, 2016. The remaining 18 percent, or \$4.2 billion, of deposits was shared between the 12 Idaho-based institutions.

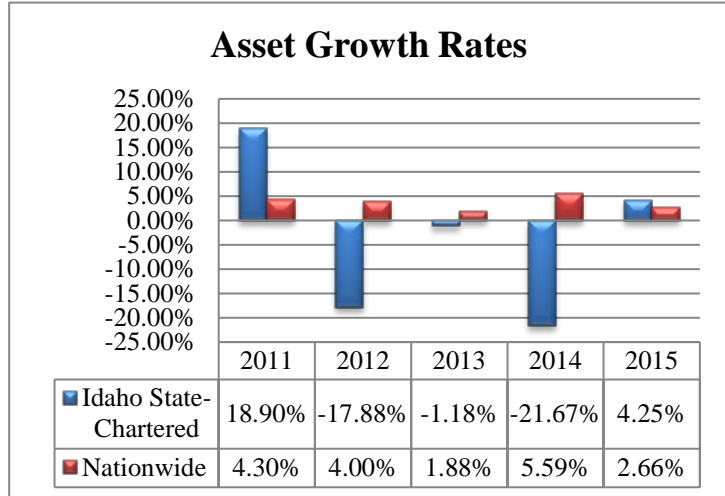
Capital Levels at Idaho State-Chartered Banks

Idaho state-chartered banks reported an increase in the average Tier 1 Leverage Capital ratio from 11.75 percent as of December 31, 2014, to 11.85 percent as of December 31, 2015, which greatly exceeded the 9.59 percent average for all banks in the nation. Total equity capital of state-chartered banks increased 7.8 percent, from \$523.4 million to \$564.2 million, in 2015. The average Tier 1 Risk-Based Capital ratio decreased from 16.67 percent to 16.30 percent, and the average Total Risk-Based Capital ratio decreased from 17.83 percent to 17.44 percent. Despite the declines, both of these ratios compared favorably to the national average of 12.75 percent and 14.21 percent, respectively, for all banks. The decline in these capital ratios is attributed to loan growth outpacing equity capital growth.



Asset and Deposit Growth in Idaho State-Chartered Banks

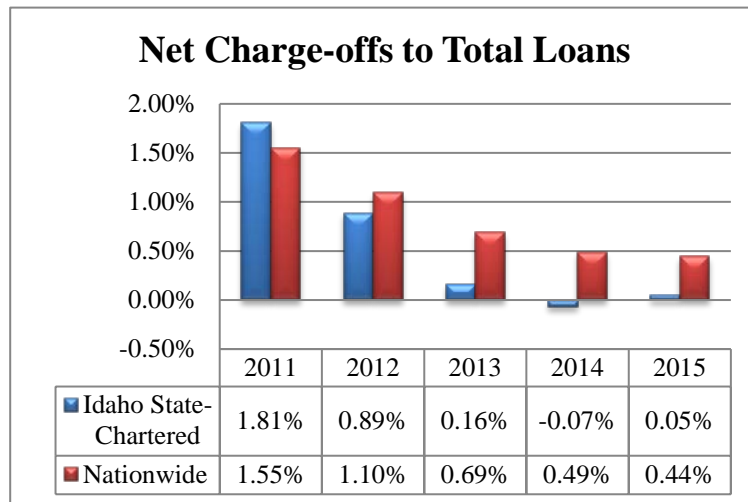
Asset and deposit growth resumed for Idaho-chartered banks after the merger activities undertaken in 2014. As of year-end 2015, total assets in Idaho-chartered banks increased 4.25 percent from \$4.5 billion to \$4.6 billion. Nationwide, total assets in all banks grew 2.66 percent, increasing from \$15.6 trillion to \$16.0 trillion. This growth was primarily supported by net loan growth. At Idaho-chartered institutions, net loans increased 9.3 percent from \$2.6 billion to \$2.8 billion, while net loans at banks nationwide increased 6.5 percent from \$8.2 trillion to \$8.7 trillion. For Idaho-chartered banks, real estate lending contributed the most to loan growth with a 10.0 percent increase from \$1.6 billion to \$1.8 billion. The majority of real estate loan growth occurred in the construction and development, commercial real estate, and 1-to-4 family residential loan segments. Similarly, all banks nationwide experienced the majority of loan growth in real estate. Real estate loans increased 4.9 percent from \$4.2 trillion to \$4.4 trillion and were composed of loans in the commercial real estate, multi-family residential, and 1-to-4 family residential loan segments.



Total deposits in Idaho-chartered banks increased 5.1 percent from \$3.7 billion as of December 31, 2014, to \$3.9 billion as of December 31, 2015. Similarly, bank deposits nationwide increased 3.6 percent from \$11.8 trillion to \$12.2 trillion over the same period.

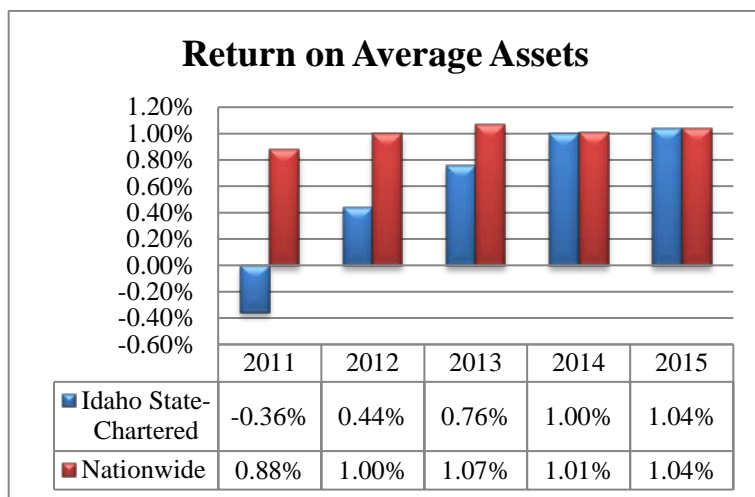
Asset Quality and Earnings in Idaho State-Chartered Banks

Overall, asset quality at Idaho-chartered banks continued to improve in 2015. Net charge-offs increased 183.5 percent from a net recovery position of negative \$1.6 million to \$1.3 million. In addition, the ratio of net charge-offs to total loans for Idaho-chartered banks increased from negative 0.07 percent in 2014 to 0.05 percent in 2015. Nationwide, banks experienced a decline in net charge-offs of 5.9 percent as the ratio of net charge-offs to total loans declined from 0.49 percent to 0.44 percent.



The ratio of noncurrent loans to total loans for Idaho-chartered banks decreased in 2015 from 1.21 percent to 0.46 percent, which was lower than the national ratio of 1.56 percent. Idaho state-chartered banks reported a higher ratio of reserves for possible loan losses to total loans of 1.65 percent, which was greater than the 1.34 percent average reported for banks nationwide.

Earnings for both Idaho-chartered banks and banks nationwide increased in 2015. Net income for Idaho-chartered banks increased \$5.8 million, or 14.2 percent, from \$40.8 million to \$46.6



million. The Return on Average Assets ratio (ROAA) for Idaho-chartered banks improved from 1.00 percent to 1.04 percent. All banks in the nation reported a 7.4 percent increase in net income from \$152.3 billion to \$163.5 billion. Accordingly, the average ROAA increased from 1.01 percent to 1.04 percent. The net interest margin (NIM) improved for Idaho-chartered banks but further contracted over the year for banks

nationwide as yields on earning assets nationwide continued to decline. The NIM for Idaho-chartered banks increased 16 basis points to 3.88 percent, while the NIM for banks nationwide declined 7 basis points to 3.07 percent.

**Idaho State-Chartered Commercial Banks
Aggregate Condition and Performance**

IDAHO BANKS	6/30/2016	6/30/2015	\$/# Change	% Change	12/31/2015	12/31/2014	\$/# Change	% Change
<i>(dollar figures in millions)</i>								
Number of institutions reporting	11	11	0	0.00	11	11	0	0.00
Total employees (full-time equivalent)	1,223	1,185	38	3.21	1,192	1,153	39	3.38
AGGREGATE CONDITION AND INCOME DATA (\$000)								
Net operating income (year-to-date)	23,695	23,407	288	1.23	46,598	40,823	5,775	14.15
Total assets	4,733,408	4,449,441	283,967	5.38	4,635,672	4,446,492	189,180	4.25
Earning assets	4,417,021	4,145,427	271,594	6.55	4,317,832	4,140,092	177,740	4.29
Net loans & leases	2,982,048	2,689,628	292,420	10.87	2,787,627	2,551,391	236,236	9.26
Other real estate owned	20,075	24,898	-4,823	-19.37	23,638	31,278	-7,640	-24.43
Total deposits	3,943,900	3,719,435	224,465	6.03	3,896,989	3,709,571	187,418	5.05
Equity capital	582,417	545,290	37,127	6.81	564,174	523,383	40,791	7.79
			BP Change				BP Change	
Yield on earning assets	4.16	4.12	4		4.10	4.02	8	
Cost of funding earning assets	0.21	0.23	-2		0.22	0.31	-9	
Net interest margin	3.96	3.89	7		3.88	3.72	16	
Noninterest income to average assets	0.83	0.83	0		0.80	0.87	-7	
Noninterest expense to average assets	3.05	3.04	1		3.10	3.14	-4	
Net charge-offs to loans & leases	0.10	0.04	6		0.05	-0.07	12	
Credit-loss prov. to net charge-offs	119.75	151.76	-3,201		93.72	-1.45	9,517	
Net operating income to assets	1.00	1.02	-2		1.02	0.99	3	
Retained earnings to average equity	4.25	8.13	-388		7.27	4.31	296	
Pre tax return on assets	1.41	1.43	-2		1.32	1.19	13	
Return on assets	1.02	1.06	-4		1.04	1.00	4	
Return on equity	8.29	8.75	-46		8.55	8.25	30	
Loss allowance to loans	1.55	1.72	-17		1.65	1.80	-15	
Loss allowance to noncurrent loans	301.77	211.28	9,049		358.55	149.30	20,925	
Noncurrent assets plus OREO to assets	0.75	1.06	-31		0.79	1.41	-62	
Noncurrent loans to loans	0.51	0.81	-30		0.46	1.21	-75	
Net loans and leases to deposits	75.61	72.31	330		71.53	68.78	275	
Net loans and leases to core deposits	79.82	76.41	341		75.58	72.84	274	
Equity capital to assets	12.30	12.26	4		12.17	11.77	40	
Core capital (leverage) ratio	11.96	11.97	-1		11.85	11.75	10	
Tier 1 risk-based capital ratio	15.79	16.35	-56		16.30	16.67	-37	
Total risk-based capital ratio	16.89	17.49	-60		17.44	17.83	-39	

TRUST DEPARTMENTS AND TRUST COMPANIES

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

Total trust assets under supervision increased by 1.5 percent during the year to \$462.6 million as of December 31, 2015, and consisted of \$352.2 million in managed assets and \$110.5 million in non-managed assets.

In addition to trust services offered by banks, one non-depository trust company has received Department approval to operate in Idaho. Columbia Trust Company, a subsidiary of Columbia Banking Systems, Inc., operates a trust office in Coeur d'Alene. This out-of-state trust company is 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.

Trust Departments and Trust Companies

Activity	12/31/2015 (\$ in 000's)	12/31/2014 (\$ in 000's)	\$/# Change	% Change
Fiduciary powers granted	5	5	0	0.00
Fiduciary powers exercised	3	3	0	0.00
Fiduciary or related activity	3	3	0	0.00
Number of fiduciary and related asset accounts	1,180	1,127	53	4.70
Number of managed accounts	967	903	64	7.09
Number of non-managed accounts	213	224	-11	-4.91
Total fiduciary and related assets (\$)	462,600	455,779	6,821	1.50
Managed assets (\$)	352,142	388,184	-36,042	-9.28
Non-managed assets (\$)	110,458	67,595	42,863	63.41

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 in Idaho and was inactive in 2015.

Business and Industrial Development Corporations		
Activity for Calendar Year 2015	Number	Dollar Amount
Number and dollar amount of financing assistance provided to business firms:	0	\$0
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:	0	NA
Activity Since Inception	Number	Dollar Amount
Number and dollar amount of financing assistance provided to business firms:	302	\$26,209,484
Number and dollar amount of financing assistance provided to minority-owned and woman-owned business firms:	30	\$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*. As of June 30, 2016, there were 24 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, Hayden, and Post Falls; and Spokane Teachers Credit Union has branches in Coeur d'Alene, 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). 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 2015, the Credit Union Section was successfully reaccredited by NASCUS for another 5-year term.

In fiscal year 2016, the Credit Union Section completed 24 examinations and 3 visitations, participated in one examination of a technology service provider (TSP), participated in an examination of American Share Insurance Corporation (ASI), and performed a conversion review of a federal credit union seeking to convert to a State of Idaho charter. Additionally, Credit Union Section examiners participated in two insurance reviews for the purposes of proposed mergers. Eleven of the examinations and two of the visitations were conducted jointly with examiners from either the NCUA or ASI, depending on whether the institution is federally or non-federally insured. The TSP examination was performed with examiners from the Federal Deposit Insurance Corporation (FDIC) and one other state banking agency.

New Branches

During fiscal year 2016, a total of three new branches were established by Idaho state-chartered credit unions. Westmark Credit Union opened new branches in Meridian, on September 8, 2015, and in Twin Falls, on December 24, 2015; Idaho Central Credit Union opened a new branch in Pocatello on March 28, 2016

Branch Closures

Mountain Gem Credit Union closed its Weiser branch, effective August 31, 2015. Icon Credit Union closed a Boise branch, effective January 28, 2016. On June 30, 2016, East Idaho Credit Union closed its Dubois branch, and Clarity Credit Union closed its Horseshoe Bend branch.

Mergers

Effective June 1, 2016, Cornerstone Credit Union merged into Pioneer Federal Credit Union. Pioneer Federal Credit Union continues to operate the one branch office acquired from Cornerstone Credit Union, located in Caldwell.

Name Change

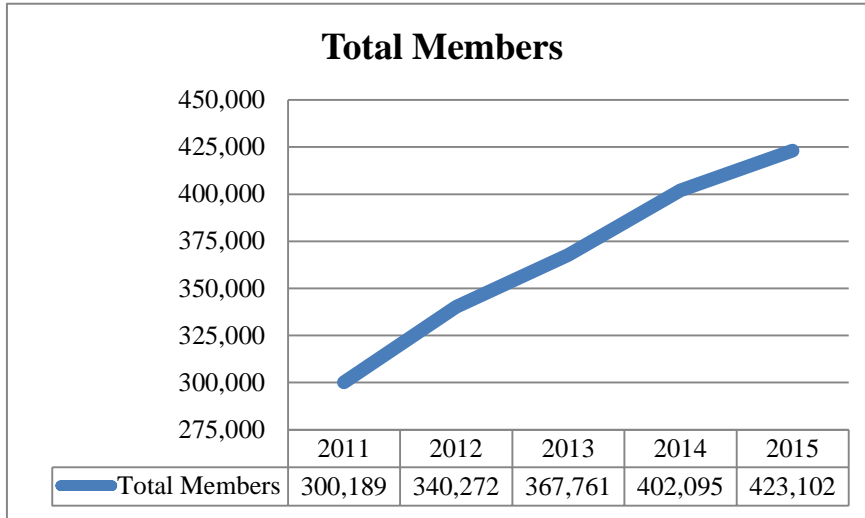
Kamiah Community Credit Union changed its name to Freedom Northwest Credit Union, effective June 1, 2016.

Performance and Condition of Idaho Credit Unions

Idaho state-chartered credit unions exhibited strong financial performance in calendar year 2015. This strong performance occurred despite the increased competitive landscape in the banking and financial technology areas, and in spite of the multi-year low interest rate environment that has compressed the net interest margins of Idaho state-chartered credit unions to historically low levels. As compared to the prior year, Idaho state-chartered credit unions are demonstrating many favorable trends, such as increased earnings, improved asset quality, robust membership growth, as well as strong loan and deposit growth.

Earnings, as measured by the Return on Average Assets ratio, increased by 43 basis points in 2015 as compared to 2014. The Delinquent Loans to Total Loans ratio, a key evaluation factor for asset quality, decreased by 37 basis points. Another important determinant of asset quality is the Net Charge-Offs to Average Loans ratio, which remained nearly unchanged at 0.22 percent as compared to 0.21 percent as of year-end 2014. Idaho state-chartered credit unions grew their net worth by 12.5 percent in 2015; however, this net worth growth was outpaced by asset growth of 15.9 percent, which thereby diluted the Net Worth ratio by 28 basis points to 9.08 percent. Other notable items are discussed below. The information used to compile the dollar amounts and ratios presented in the following charts and narrative comments was derived from the consolidated Call Reports filed by Idaho's state-chartered credit unions for the period ending December 31, 2015.

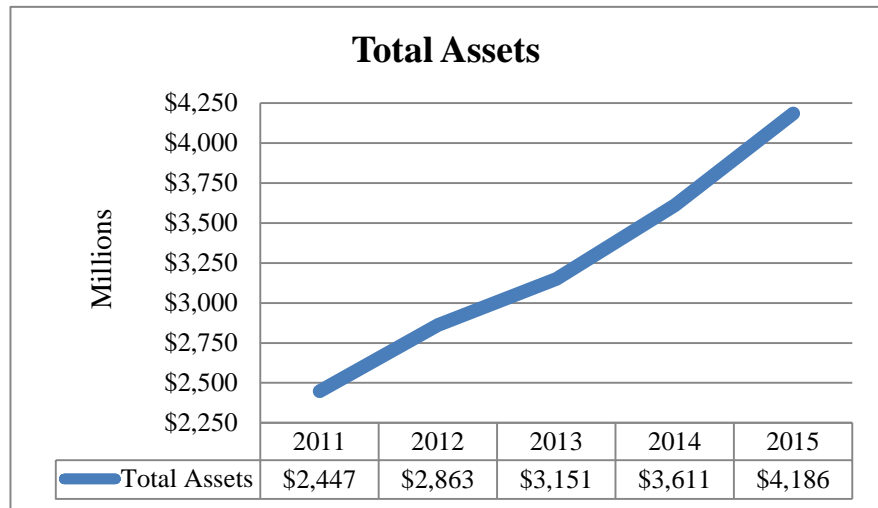
Members



Membership at Idaho-chartered credit unions totaled nearly 423,000 members as of year-end 2015. Total membership increased by about 21,000 in the last 12 months, representing a 5.2 percent annual growth rate. Nationally, credit unions increased their membership at an annual rate of 3.5 percent.

Assets

Idaho-chartered credit unions finished calendar year 2015 with total assets of \$4.2 billion, an increase of \$575.3 million from 2014. This represents a 15.9 percent annual growth rate and continues the multi-year double-digit annual asset growth experienced by Idaho-chartered credit union when measured as an average of aggregate growth.



Loans

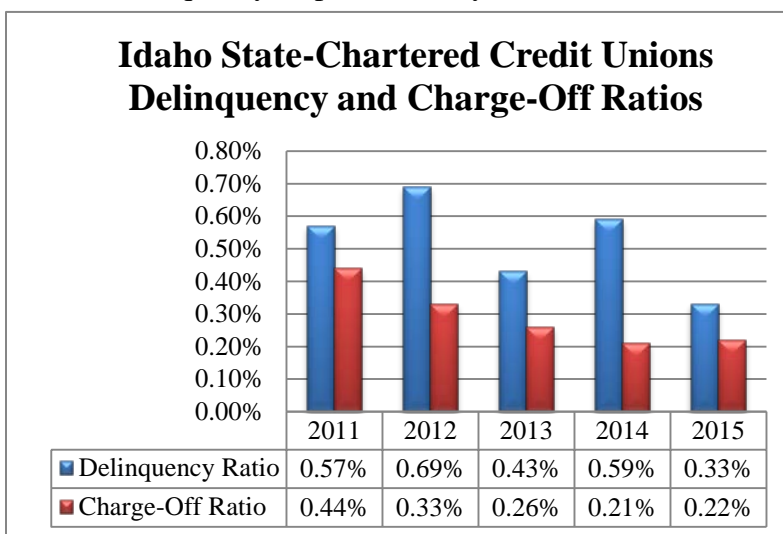
Idaho-chartered credit unions granted \$2.8 billion in loans in 2015, marking a 34.4 percent year-over-year increase. On the balance sheet, Idaho-chartered credit unions increased total loans by \$512.2 million in calendar year 2015, providing for an annual growth rate of 17.0 percent. This level of growth is significantly higher than the national credit union loan growth rate of 10.5 percent. The low interest rate environment combined with an increasingly competitive loan market, while beneficial for consumers, placed downward pressure on the loan yield earned by Idaho-chartered credit unions. This is evidenced by the yield on average loans of 3.70 percent reported by Idaho-chartered credit unions as of December 31, 2015, continuing a multi-year

decline and marking a 15 basis point decrease for 2015 as compared to a 30 basis point decrease noted for 2014. The downward trend for the yield on average loans is also seen with all credit unions in the country, with a similar 15 basis point decline to 4.64 percent noted in 2015.

The composition of the \$3.5 billion Idaho-chartered credit union loan portfolio is as follows: 38.08 percent in real estate-secured loans, 30.61 percent in used vehicle loans, 17.64 percent in new vehicle loans, 5.71 percent in unsecured credit card loans and other types of unsecured credit, and 7.96 percent in all other loans. Idaho-chartered credit unions experienced strong loan growth in the real estate category at 17.9 percent, as well as new vehicle loans at 17.4 percent, used vehicle loans at 13.92 percent, and unsecured credit cards and other unsecured credit at 11.26 percent. Credit unions are increasingly utilizing indirect lending relationships to generate new loans; total outstanding indirect loans increased by \$285.6 million, or 27.5 percent, in 2015 and indirect loans now represent 37.55 percent of total loans at Idaho-chartered credit unions as of December 31, 2015.

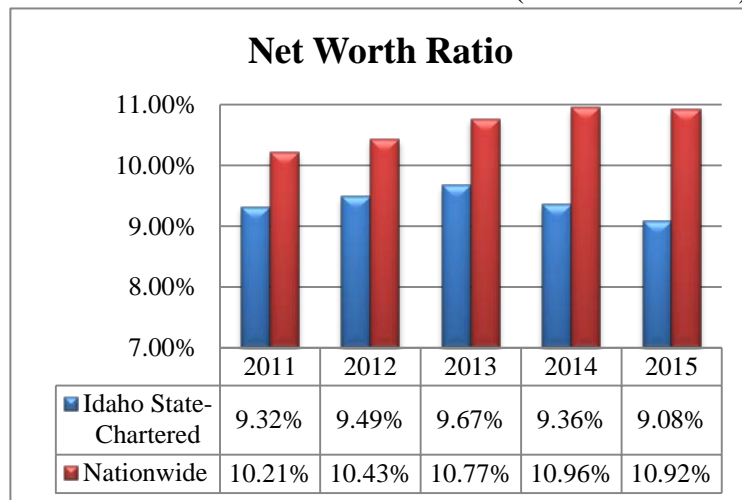
Delinquency and Charge-Offs

As a percentage of total loans, reportable loan delinquency decreased to 0.33 percent as of December 31, 2015, marking a 26 basis point decrease from year-end 2014. This level of delinquency denotes the lowest year-end delinquency experienced by Idaho-chartered credit unions since year-end 2006. The decline in delinquency appears primarily attributable to past due real estate secured member business loans, which declined from \$7.9 million as of year-end 2014 to \$306,000 as of year-end 2015. The Net Charge-Offs to Average Loans ratio remained nearly unchanged, increasing by one basis point to 0.22 percent as of December 31, 2015. Nationwide, the Delinquent Loans ratio decreased to 0.81 percent, while the Charge-Off ratio declined by one basis point to 0.48 percent as of December 31, 2015.



Net Worth

The Net Worth to Total Assets ratio (Net Worth ratio) decreased from 9.36 percent to 9.08



percent in 2015. Total net worth in dollars increased by \$42.2 million, or 12.5 percent, to \$380.4 million. The dilution of the Net Worth ratio is attributable to asset growth of 15.9 percent outpacing net worth growth of 12.5 percent in 2015. Idaho-chartered credit unions continue to trail the national credit union Net Worth ratio average of 10.92 percent as of December 31, 2015.

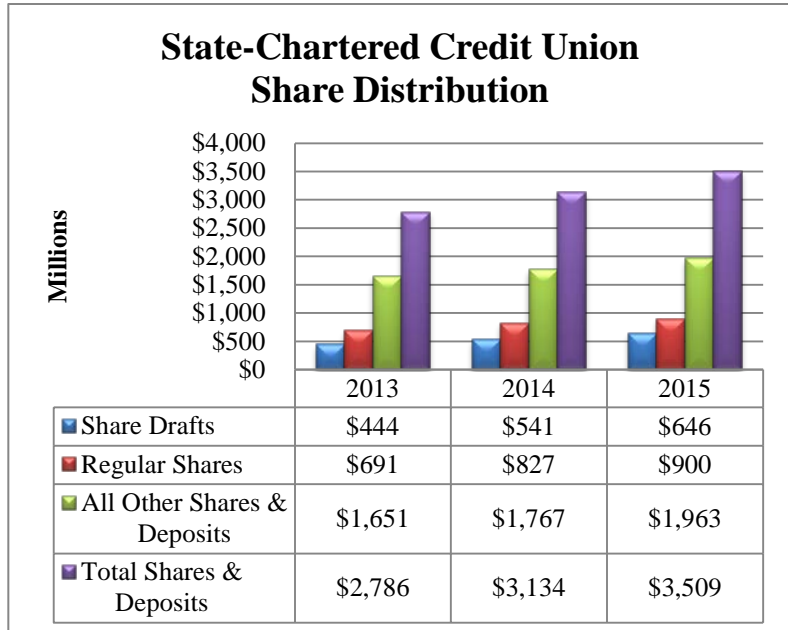
Operating Results

Idaho-chartered credit unions earned an aggregate of \$46.2 million in net income in 2015, an increase of \$20.4 million, or 79.2 percent, from 2014 earnings of \$25.8 million. The 1.19 percent Return on Average Assets ratio (ROAA) for Idaho-chartered credit unions compares very favorably to the ROAA of 0.74 percent reported by all credit unions nationwide for 2015. As discussed above, the continued low interest rate environment combined with a competitive marketplace for loan financing has placed increased compression on financial institutions' operating margins. The yield on average loans declined by 15 basis points to 3.70 percent, while the yield on average investments increased by 11 basis points to 1.00 percent. These movements, combined with an increased Cost of Funds to Average Assets ratio (COF) of 0.52 percent, have contributed to a continued multi-year decline in the Net Interest Margin to Average Assets ratio (NIM), which fell from 2.74 percent to 2.68 percent year over year. The NIM captures interest earned on loans and investments while subtracting interest paid on borrowed money and subtracting dividends paid on share and deposit accounts.

Loan interest income for 2015 of \$120.9 million continues to constitute the largest portion of Idaho-chartered credit unions' income. Investment income for 2015 remained nearly unchanged from the prior year at \$3.8 million, increasing by only of 0.6 percent. Total interest expense, including dividend expenses, interest paid on deposits, and interest paid on borrowed money, increased by \$3.4 million, or 20.7 percent, in 2015. One notable item within the total interest expense category is total interest paid on borrowed money, which increased by \$528 thousand, or 228.3 percent, in calendar year 2015.

Deposits

In 2015, total shares and deposits increased by 11.9 percent to \$3.5 billion. Total share drafts increased by 19.5 percent to \$646.1 million while total regular shares increased by 8.9 percent to \$900.5 million. Regular shares represent 25.66 percent of total deposits, similar to the 26.37 percent level noted as of year-end 2014. Certificates of deposit continue to represent the largest portion of total shares and deposits at 30.21 percent, as compared to 29.89 percent for the same period one year prior. Money market shares grew by 4.3 percent to \$607.6 million while IRA/KEOGH accounts grew by 7.4 percent to \$221.5 million as of December 31, 2015. As a non-core source of funds, Idaho-chartered credit unions are reporting \$23.4 million in non-member deposits as of year-end 2015. Prior to 2015, Idaho-chartered credit unions did not report any significant non-member deposits on their balance sheets for the past several years.



Liquidity

Cash and cash equivalents increased by \$72.0 million, or 60.4 percent, and totaled \$191.2 million as of December 31, 2015. Total short-term investments increased by \$44.6 million, or 26.6 percent, while long-term investments decreased by \$24.7 million, or 21.8 percent, from 2014. The Cash and Short Term Investments to Total Assets ratio (Liquidity ratio) of 6.08 percent represents a 45 basis point increase from year-end 2014. Loans comprise 100.37 percent of total shares and 84.13 percent of total assets. Total off-balance sheet borrowing capacity increased by \$276.2 million, or 37.5 percent, to \$1.0 billion as of December 31, 2015. Outstanding draws against borrowing lines of credit increased by \$95.5 million, or 134.2 percent, from year-end 2014 to year-end 2015.

CONSUMER FINANCE BUREAU

Idaho Collection Agency Act
Idaho Credit Code
Idaho Residential Mortgage Practices Act

The Consumer Finance Bureau is the regulatory and licensing authority for regulated consumer 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 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, made by an authorized lender.

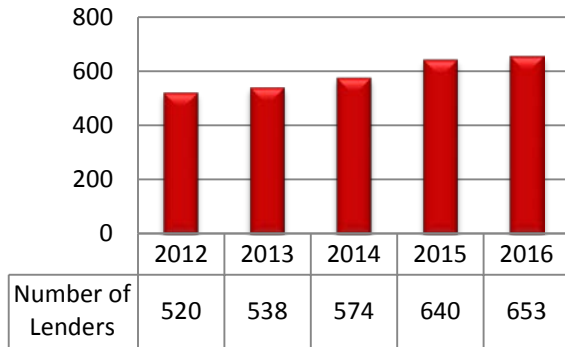
Compliance with the above laws is reviewed by onsite examinations of licensees and by investigations of complaints filed with the Consumer Finance Bureau. The goal of the Bureau is to assure the availability and quality of consumer financial services and lawful debt collection practices. The Consumer Finance Bureau currently has a 23 member staff.

IDAHO CREDIT CODE

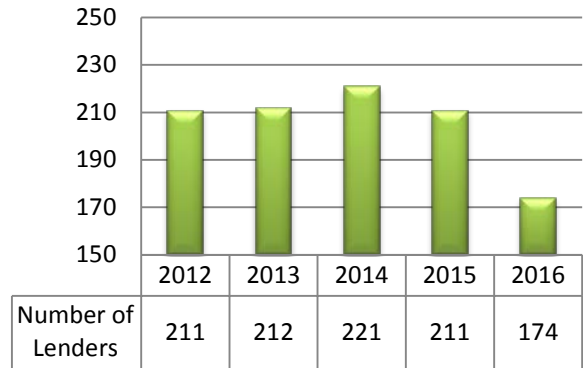
The *Idaho Credit Code* (ICC) is a state law that regulates specific terms and conditions of consumer credit in Idaho. A consumer credit transaction is a credit sale or loan in which the credit or loan is extended by a person who is regularly engaged in the offering of credit or financing to borrowers 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, the right, once per year, to an extended payment plan to pay off a payday loan, and the right to cancel certain home solicitation sales and real estate transactions.

Idaho Regulated Lenders-Including Title Lenders and Assignees



Idaho Payday Lenders



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.

During fiscal year 2016, lending activity by state licensed regulated lenders ranged from sole-proprietors located in Idaho to national finance companies 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, 2016, Idaho had 614 licensed regulated lender offices, which included title lenders, consumer loan assignees, and consumer finance companies, and 174 licensed payday lender offices.

Compliance/Enforcement – In addition to answering consumer inquiries and complaints, Consumer Finance Bureau staff members conduct routine and “for-cause” on-site compliance examinations of licensed regulated lenders. The Bureau is committed to regularly examining licensees to ensure that their business practices comply with the provisions of the ICC. During fiscal year 2016, the Bureau’s field examiners conducted 35 examinations of payday lender offices, four examinations of title loan offices, and 36 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 five complaints against payday lenders.

IDAHO COLLECTION AGENCY ACT

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

Licensing – Under the Act, the following activities cannot be conducted in Idaho by non-exempt entities without first obtaining an Idaho collection agency license:

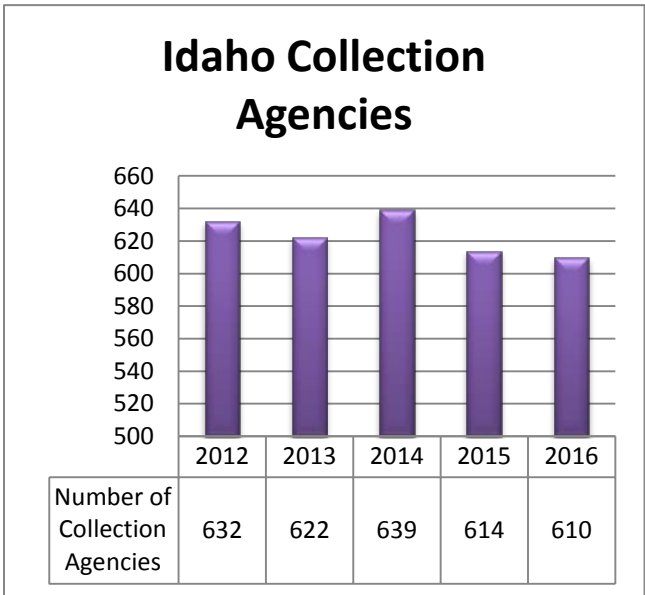
- Operating as a collection agency, debt counselor, credit counselor, or credit repair organization;
- Engaging, either directly or indirectly, in the business of collecting or receiving payment for another of any account, bill, claim, or other indebtedness;
- Soliciting or advertising to collect or 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.

As of June 30, 2016, Idaho had 610 Idaho collection agency licensees. These agencies had a combined total of 50,971 individual solicitors/collectors registered with the Department. Additionally, at fiscal year-end the Department had 35 credit/debt counselors, 9 credit repair organizations, and 93 debt buyers licensed under the Act.

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 four examinations of companies licensed under the Act. The Department received 109 complaints against collection agencies and debt buyers and six complaints against credit/debt counselors. The Department entered into four Consent Orders to resolve allegations of violations of the Act. Furthermore, the Department administratively revoked the licenses of two collection agencies for failure to maintain statutory licensing requirements and issued a Cease and Desist Order against a collection agency for violations of the Act. Details of these actions are included in Exhibit V.



**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 in Idaho meet minimum standards and that consumers are protected against unfair practices.

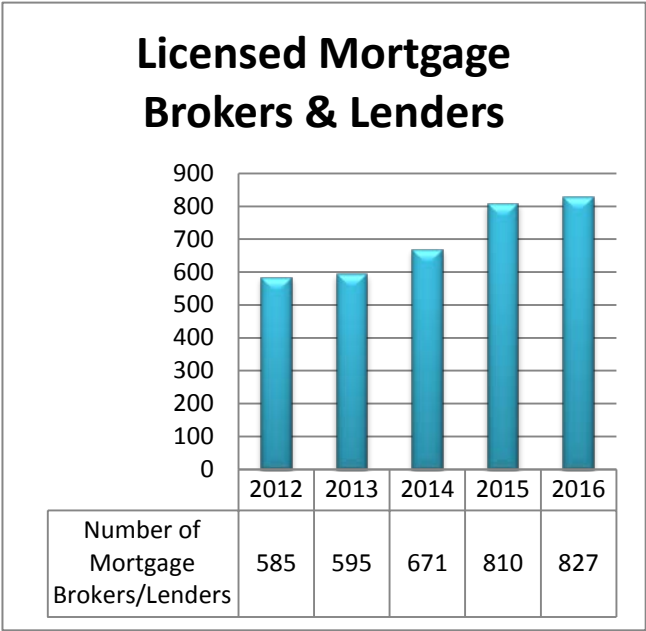
Mortgage brokers are companies in the business of:

- (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(w) 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/lenders obtain a license for each location from which they conduct mortgage brokering/lending activities in Idaho. Licensees are not required to have a physical office location in Idaho. In fact, the Department has license holders nationwide. As of June 30, 2016, the Department had 827 active mortgage broker/lender licenses in effect. The Department also had 3,467 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 2016, the Department conducted examinations of 68 licensed mortgage broker/lender companies, which included a review of the activities of approximately 337 mortgage loan originators for compliance with the Act. The Bureau also handles customer complaints and inquiries. During fiscal year 2016, the Department received and processed 33 complaints against mortgage service providers, 14 complaints against mortgage brokers/lenders, and five complaints against individual mortgage loan originators.

Mortgage Loan Delinquencies – In fiscal year 2016, 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 2016 (December 31, 2015) the number of residential mortgage loans in Idaho that were in foreclosure or reported over 90 days delinquent had fallen to 1.75 percent from 2.45 percent one year earlier. This positive trend in reduced delinquencies and foreclosures in Idaho continued, and by the end of fiscal year 2016 Idaho's rates had dropped to 1.45 percent from 1.91 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 3.11 percent.

Enforcement – In fiscal year 2016, the Department issued administrative orders denying two mortgage loan originator license applications for failure to meet statutory requirements for licensure. Details of these actions are included in Exhibit V.

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. The Department often receives 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, and rarely recover their funds.

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 2016, the members of the Mortgage Advisory Board, who also represent mortgage industry associations in Idaho, provided the Department with vital information and feedback relative to the Department’s oversight of the mortgage industry in Idaho. The current members of the Mortgage Advisory Board are Chuck Anderson, Ty Porter, Allison Gillespie, and Michelle Guth.

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 implemented through the Nationwide Multistate Licensing System (NMLS). Throughout fiscal year 2016 Bureau staff members were in communication with the federal Consumer Financial Protection Bureau (CFPB), the federal agency with oversight responsibility 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 2016 the mortgage recovery fund balance was \$1,963,1479.62. As a consequence of attaining a fund balance in excess of \$1,500,000 by fiscal year end, the Department notified its mortgage licensees, pursuant to Idaho Code § 26-31-110(2), of a mortgage recovery fund “fee holiday” for the 2016 mortgage license renewal process.

SECURITIES BUREAU

Business Combination Act
Continuing Care Disclosure Act
Control Share Acquisition Act
Endowment Care Cemetery Act
Idaho Commodity Code
Idaho Escrow Act
Idaho Financial Fraud Prevention Act
Idaho Money Transmitters Act
Uniform Securities 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, stored value products).

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 Advisers

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.

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. The Bureau had oversight responsibility for 1,467 broker-dealer firms and state registered investment adviser firms during FY 2016. This oversight also extends to more than 112,000 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 another all-time high this fiscal year.

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 \$9 million. During FY 2016, the Securities Bureau initiated or completed 7 formal enforcement actions. Details of the administrative and civil court actions filed or completed by the Bureau during FY 2016 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 \$450,000 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 \$80,000 in fiscal year 2016.

IDAHO MONEY TRANSMITTERS

The Department of Finance is charged with the responsibility of administering and enforcing the *Idaho Money Transmitters 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 104 licensees under this statute, an increase of more than 5 percent over the prior fiscal year. The number of money transmitter licensees has more than doubled since Fiscal 2010 as a result of new business models including Internet-only transmitters, stored value instruments and, most recently, crypto-currencies and blockchain payment technologies.

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, 2016, the Department had 38 licensees authorized to engage in escrow activities in the state of Idaho.

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.

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 during fiscal year 2016 including: improvement of a web-based licensing system for collection agents, IT, fiscal and budgetary support for national accreditations, replacement of key equipment, updating the Department strategic plan, the strategic IT plan, Emergency Operations Plan, and overseeing increased design and transition into a comprehensive records management system. Databases for Mortgage Loan Originators, Mortgage Loan Originator Continuing Education, and CFB Case Management, all received major upgrades. We also worked with Access Idaho and the Nationwide Multistate Licensing System (NMLS) to improve automated licensing of collection agencies, as well as solicitors and collectors. Many systems received significant synchronization capabilities and other upgrades during FY 2016.

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

Exhibit II	Summary of Income and Expenses
Exhibit VII	Department of Finance Staff

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

<u>Director/Commissioner</u>	<u>Term of Office</u>
Charles S. 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 Gibson	January 25, 1919 to September 10, 1920
J. G. Fralick	September 10, 1920 to February 7, 1923
E. W. Porter	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, 2015 through June 30, 2016

INCOME BY SOURCE

Dedicated Account-----	\$13,057,412
TOTAL INCOME COLLECTED-----	\$13,057,412

APPROPRIATION

Dedicated Account-----	\$7,650,000
TOTAL APPROPRIATION-----	\$7,650,000

EXPENDITURES

Personnel Costs-----	\$5,481,486
Operating Expenditures-----	\$1,624,593
Capital Outlay-----	\$84,105
TOTAL EXPENDITURES-----	\$7,190,184
BALANCE OF APPROPRIATION-----	\$459,816

EXPENDITURES BY MAJOR CLASSES

Salaries & Wages-----	\$3,961,139
Personnel Benefits-----	\$1,520,347
Communication Services-----	\$48,121
Employee Development & Other Services-----	\$138,046
Professional Services-----	\$481,567
Repairs & Maintenance Service-----	\$42,745
Administrative Services-----	\$2,572
DP Services-----	\$138,674
Employee Travel-----	\$341,610
Materials & Supplies-----	\$68,308
Insurance-----	\$2,291
Rentals & Operating Leases-----	\$327,029
Miscellaneous Operating Expenditures-----	\$33,630
Capital Outlay-----	\$84,105
	\$7,190,184

TRANSFERRED TO GENERAL FUND -----\$5,315,470

PERSONNEL STATUS June 30	POSITIONS AUTHORIZED	POSITIONS APPROPRIATED	POSITIONS FILLED
Full-Time Employees	64	64	63

FUND SOURCE B

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

EXPENDITURES

Personnel Costs-----	\$0
Operating Expenditures-----	\$15,012
Capital Outlay-----	\$0
	<u>\$15,012</u>
Balance-----	<u><u>\$34,988</u></u>

FUND SOURCE C

Mortgage Recovery Fund-----	<u>\$2,013,180</u>
TOTAL COLLECTED-----	<u><u>\$2,013,180</u></u>

STATE OF IDAHO
STATE-CHARTERED BANKS AND SAVINGS BANKS*
COMPARATIVE STATEMENT
Close of Business 12/31/15 and 12/31/14
(000's Omitted)

	2015	2014	\$ Change
Cash and balances due from depository institutions			
Noninterest-bearing balances and currency and coin	85,964	83,313	2,651
Interest-bearing balances	499,815	572,965	(73,150)
Securities:			
Held-to-maturity securities	154,111	151,883	2,228
Available-for-sale securities	808,497	808,374	123
Federal funds sold and securities purchased under agreements to resell			
Federal funds sold	64,095	51,628	12,467
Securities purchased under agreements to resell			
Loans and lease financing receivables			
Loans and leases held for sale	29,614	14,311	15,303
Loans and leases, net of unearned income	2,804,700	2,583,896	220,804
LESS: Allowance for loan and lease losses	46,687	46,816	(129)
Loans and leases, net of unearned income and allowance	2,758,013	2,537,080	220,933
Trading assets			
Premises and fixed assets (including capitalized leases)	101,906	94,730	7,176
Other real estate owned	23,638	31,278	(7,640)
Investments in unconsolidated subsidiaries and associated companies			
Intangible assets:			
Goodwill	419	419	0
Other intangible assets	1,934	2,057	(123)
Other assets	103,979	89,603	14,376
Total assets	<u>4,635,672</u>	<u>4,446,492</u>	<u>189,180</u>
Deposits:			
In domestic offices:			
Noninterest-bearing	3,896,989	3,709,571	187,418
Interest-bearing	1,339,435	1,205,891	133,544
Interest-bearing	2,557,554	2,503,680	53,874
Federal funds purchased and securities sold under agreements to repurchase			
Federal funds purchased			
Securities sold under agreements to repurchase	123,783	149,341	(25,558)
Trading liabilities			
Other borrowed money	22,314	22,259	55
Bank's liability on acceptances executed and outstanding			
Subordinated notes and debentures			
Other liabilities	24,725	38,087	(13,362)
Total liabilities	<u>4,071,498</u>	<u>3,923,109</u>	<u>148,389</u>
Minority interest in consolidated subsidiaries			
Perpetual preferred stock and related surplus			
Common stock	88,656	87,280	1,376
Surplus (exclude all surplus related to preferred stock)	252,713	251,274	1,439
Retained earnings and Other Equity Capital Components	222,805	184,829	37,976
Total equity capital	<u>564,174</u>	<u>523,383</u>	<u>40,791</u>
Total liabilities, minority interest, and equity capital	<u><u>4,635,672</u></u>	<u><u>4,446,492</u></u>	<u><u>189,180</u></u>

*Includes only state-chartered banks headquartered in Idaho as of 12/31/2015 and 12/31/2014
Source: Federal Deposit Insurance Corporation

DECEMBER 31, 2015
BANK OF IDAHO
IDAHO FALLS, IDAHO
Charter No. 240
Charter Issued September 13, 1985
Incorporated July 17, 1985

OFFICERS:

President & CEO: Jeffrey K. Newgard
Chief Operations Officer: Jeffrey E. Jones
Chief Financial Officer: Jeff Manser
Chief Credit Officer: Cam Payne

DIRECTORS:

Emma L. Atchley; Steven E. Carr;
Mario Hernandez; Kenlon P. Johnson;
Jeffrey K. Newgard, Park Price; John Spicer

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	4,658
Interest-bearing balances	11,557
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	49,497
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	10,532
Loans and leases, net of unearned income	192,394
LESS: Allowance for loan and lease losses	3,118
Loans and leases, net of unearned income and allowance	189,276
Trading assets	0
Premises and fixed assets (including capitalized leases)	6,292
Other real estate owned	1,220
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	2,640
Total assets	<u>275,672</u>
Deposits:	
In domestic offices:	245,766
Noninterest-bearing	84,741
Interest-bearing	161,025
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	2,645
Total liabilities	<u>248,411</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	1,402
Surplus (exclude all surplus related to preferred stock)	13,427
Retained earnings	12,162
Accumulated other comprehensive income	270
Other equity capital components	0
Total equity capital	<u>27,261</u>
Total liabilities, minority interest, and equity capital	<u><u>275,672</u></u>

DECEMBER 31, 2015
bankcda
COEUR D'ALENE, IDAHO
Charter No. 258
Charter Issued May 3, 2001
Incorporated October 16, 2000

OFFICERS:

President & CEO: Wes Veach
Chief Financial Officer: Ashley Lenz
Chief Credit Officer: Shelly Romine
Sr. Operations Officer: Kim Nordstrom

DIRECTORS:

Brad Corkill; William J. Haley;
Suzanne Metzger; C. Richard Nordstrom;
Robert Schmand; John C. Shovic;
Craig S. Tedmon; Wes Veach

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,765
Interest-bearing balances	5,182
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	20,195
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	2,335
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	65,153
LESS: Allowance for loan and lease losses	978
Loans and leases, net of unearned income and allowance	64,175
Trading assets	0
Premises and fixed assets (including capitalized leases)	5,073
Other real estate owned	20
Intangible assets:	
Goodwill	42
Other intangible assets	183
Other assets	3,625
Total assets	<u>102,595</u>
Deposits:	
In domestic offices:	90,005
Noninterest-bearing	23,064
Interest-bearing	66,941
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	2,611
Subordinated notes and debentures	0
Other liabilities	196
Total liabilities	<u>92,812</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	6,488
Surplus (exclude all surplus related to preferred stock)	1,869
Retained earnings	1,556
Accumulated other comprehensive income	(130)
Other equity capital components	0
Total equity capital	<u>9,783</u>
Total liabilities, minority interest, and equity capital	<u>102,595</u>

DECEMBER 31, 2015
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;
W. Bill Booth; David B. Holloway;
Cyndie J. Lempesis; Jerry C. Lyon;
Gary T. Schneidmiller; Jack P. Tibesar

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	598
Interest-bearing balances	16,764
Securities:	
Held-to-maturity securities	8,322
Available-for-sale securities	5,579
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	201
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	64,876
LESS: Allowance for loan and lease losses	1,129
Loans and leases, net of unearned income and allowance	63,747
Trading assets	0
Premises and fixed assets (including capitalized leases)	857
Other real estate owned	0
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	694
Total assets	<u>96,762</u>
Deposits:	
In domestic offices:	85,415
Noninterest-bearing	18,705
Interest-bearing	66,710
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	214
Total liabilities	<u>85,629</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	5,253
Surplus (exclude all surplus related to preferred stock)	5,367
Retained earnings	527
Accumulated other comprehensive income	(14)
Other equity capital components	0
Total equity capital	<u>11,133</u>
Total liabilities, minority interest, and equity capital	<u><u>96,762</u></u>

DECEMBER 31, 2015
D. L. EVANS BANK
BURLEY, IDAHO
Charter No. 26
Charter Issued August 29, 1904
Incorporated August 29, 1904

OFFICERS:

President & CEO: John V. Evans, Jr.
Chief Administrative Officer: Brenda Sanford
Chief Financial Officer: Curtis Smith
Chief Credit Officer: H. Scott Horsley

DIRECTORS:

David L. Evans, IV; Don S. Evans, Jr.; Don S. Evans, III;
John V. Evans, Jr.; Larry L. Evans;
Paula D. Evans; Susan D. Evans-Scarlett;
Martha Gilgen; Glen R. Kunau

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	25,617
Interest-bearing balances	59,962
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	305,365
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	450
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	3,640
Loans and leases, net of unearned income	757,519
LESS: Allowance for loan and lease losses	14,779
Loans and leases, net of unearned income and allowance	742,740
Trading assets	0
Premises and fixed assets (including capitalized leases)	44,807
Other real estate owned	13,937
Intangible assets:	
Goodwill	0
Other intangible assets	840
Other assets	29,751
Total assets	<u>1,227,109</u>
Deposits:	
In domestic offices:	1,000,549
Noninterest-bearing	353,209
Interest-bearing	647,340
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	105,406
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	4,082
Total liabilities	<u>1,110,037</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	901
Surplus (exclude all surplus related to preferred stock)	75,525
Retained earnings	38,732
Accumulated other comprehensive income	1,914
Other equity capital components	0
Total equity capital	<u>117,072</u>
Total liabilities, minority interest, and equity capital	<u><u>1,227,109</u></u>

DECEMBER 31, 2015
FARMERS BANK
BUHL, IDAHO
Charter No. 265
Charter Issued December 26, 2014
Incorporated December 23, 2014

OFFICERS:

President: Mike Hamilton
Chief Operations Officer: Lee Cline
Chief Information Officer: Pat Hamilton
Chief Financial Officer: Darcie Upton

DIRECTORS:

John Gibson; Mike Hamilton;
Pat Hamilton, Jr.; Vince Hamilton;
Walter C. Nelson; Jay L. Nielsen;
Steven Peterson

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	7,438
Interest-bearing balances	18,274
Securities:	
Held-to-maturity securities	41,004
Available-for-sale securities	206,057
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	323
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	180,420
LESS: Allowance for loan and lease losses	6,108
Loans and leases, net of unearned income and allowance	174,312
Trading assets	0
Premises and fixed assets (including capitalized leases)	820
Other real estate owned	770
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	6,760
Total assets	<u>455,758</u>
Deposits:	
In domestic offices:	395,191
Noninterest-bearing	108,281
Interest-bearing	286,910
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	605
Total liabilities	<u>395,796</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	2,000
Surplus (exclude all surplus related to preferred stock)	12,174
Retained earnings	45,483
Accumulated other comprehensive income	305
Other equity capital components	0
Total equity capital	<u>59,962</u>
Total liabilities, minority interest, and equity capital	<u><u>455,758</u></u>

DECEMBER 31, 2015
IDAHO FIRST BANK
MCCALL, IDAHO
Charter No. 259
Charter Issued September 3, 2005
Incorporated March 3, 2005

OFFICERS:

President & CEO: P. Greg Lovell
Chief Financial Officer: Don D. Madsen
Chief Credit Officer: Kathleen Lewis

DIRECTORS:

James L. Fletcher; Daniel C. Krahn;
Larry LaRocco; P. Greg Lovell;
Mark J. Miller; William B. Rawlings;
Andrew J. Scoggin

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	2,544
Interest-bearing balances	7,307
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	7,373
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	6,523
Loans and leases, net of unearned income	89,579
LESS: Allowance for loan and lease losses	1,234
Loans and leases, net of unearned income and allowance	88,345
Trading assets	0
Premises and fixed assets (including capitalized leases)	4,982
Other real estate owned	383
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	4,670
Total assets	122,127
Deposits:	
In domestic offices:	105,050
Noninterest-bearing	22,034
Interest-bearing	83,016
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	1,000
Subordinated notes and debentures	0
Other liabilities	437
Total liabilities	106,487
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	20,524
Surplus (exclude all surplus related to preferred stock)	0
Retained earnings	(4,866)
Accumulated other comprehensive income	(18)
Other equity capital components	0
Total equity capital	15,640
Total liabilities, minority interest, and equity capital	122,127

DECEMBER 31, 2015
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
Cashier: Paul H. Montreuil

DIRECTORS:

Richard D'Ambrosio; Roy L. Eiguren;
Jack W. Gustavel; Kurt R. Gustavel;
Jerald J. Jaeger; Alicia A. Ritter

Cash and balances due from depository institutions	(000's omitted)
Noninterest-bearing balances and currency and coin.	7,907
Interest-bearing balances	165,576
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	51,767
Federal funds sold and securities purchased under agreements to resell	
Federal funds sold	255
Securities purchased under agreements to resell	0
Loans and lease financing receivables	
Loans and leases held for sale	5,477
Loans and leases, net of unearned income	286,725
LESS: Allowance for loan and lease losses	6,114
Loans and leases, net of unearned income and allowance	280,611
Trading assets	0
Premises and fixed assets (including capitalized leases)	16,460
Other real estate owned	768
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	23,966
Total assets	<u>556,474</u>
Deposits:	
In domestic offices:	459,973
Noninterest-bearing	182,285
Interest-bearing	277,687
Federal funds purchased and securities sold under agreements to repurchase	
Federal funds purchased	0
Securities sold under agreements to repurchase	17,922
Trading liabilities	0
Other borrowed money	4,000
Subordinated notes and debentures	0
Other liabilities	6,965
Total liabilities	<u>492,547</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	44,883
Surplus (exclude all surplus related to preferred stock)	41,866
Retained earnings	(10,946)
Accumulated other comprehensive income	(67)
Other equity capital components	(11,809)
Total equity capital	<u>63,927</u>
Total liabilities, minority interest, and equity capital	<u><u>556,474</u></u>

DECEMBER 31, 2015
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: Ronnie Zivanic

DIRECTORS:

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

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,044
Interest-bearing balances	32,716
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	962
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	332
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	42,833
LESS: Allowance for loan and lease losses	750
Loans and leases, net of unearned income and allowance	42,083
Trading assets	0
Premises and fixed assets (including capitalized leases)	3,492
Other real estate owned	481
Intangible assets:	
Goodwill	155
Other intangible assets	0
Other assets	6,246
Total assets	<u>87,511</u>
Deposits:	
In domestic offices:	68,784
Noninterest-bearing	15,699
Interest-bearing	53,085
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	122
Total liabilities	<u>68,906</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	2,000
Surplus (exclude all surplus related to preferred stock)	15,517
Retained earnings	1,092
Accumulated other comprehensive income	(4)
Other equity capital components	0
Total equity capital	<u>18,605</u>
Total liabilities, minority interest, and equity capital	<u><u>87,511</u></u>

DECEMBER 31, 2015
IRELAND BANK
MALAD CITY, IDAHO
Charter No. 7
Charter Issued May 1, 1899
Incorporated December 8, 1892

OFFICERS:

President & CEO: Bruce Lowry
Chief Operations Officer: Cheryl Sorensen
Chief Financial Officer: Tony McClain
Chief Credit Officer: Blake Marchant

DIRECTORS:

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

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	1,951
Interest-bearing balances	6,395
Securities:	
Held-to-maturity securities	12,623
Available-for-sale securities	43,981
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	134,314
LESS: Allowance for loan and lease losses	1,514
Loans and leases, net of unearned income and allowance	132,800
Trading assets	0
Premises and fixed assets (including capitalized leases)	2,519
Other real estate owned	2,594
Intangible assets:	
Goodwill	222
Other intangible assets	0
Other assets	6,558
Total assets	209,643
Deposits:	
In domestic offices:	182,938
Noninterest-bearing	73,177
Interest-bearing	109,762
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	455
Trading liabilities	0
Other borrowed money	3,552
Subordinated notes and debentures	0
Other liabilities	929
Total liabilities	187,874
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	705
Surplus (exclude all surplus related to preferred stock)	6,370
Retained earnings	14,888
Accumulated other comprehensive income	(194)
Other equity capital components	0
Total equity capital	21,769
Total liabilities, minority interest, and equity capital	209,643

DECEMBER 31, 2015
NORTHWEST BANK
BOISE, IDAHO
Charter No. 262
Charter Issued March 25, 2008
Incorporated September 6, 2007

OFFICERS:

Chief Executive Officer: Steven D. Wasson
President & Chief Operating Officer: James R. Shulman
Chief Financial Officer: Debra L. Johnson
Chief Credit Officer: Thomas A. Vander Ploeg

DIRECTORS:

Tami M. Chafin; Jeffery D. Gow;
William K. Ilett; Gary G. Michael
John W. Mitchell; Steven D. Wasson

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	4,245
Interest-bearing balances	33,719
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	24,430
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	153
Loans and leases, net of unearned income	381,632
LESS: Allowance for loan and lease losses	4,281
Loans and leases, net of unearned income and allowance	377,351
Trading assets	0
Premises and fixed assets (including capitalized leases)	612
Other real estate owned	0
Intangible assets:	
Goodwill	0
Other intangible assets	911
Other assets	8,478
Total assets	<u>449,899</u>
Deposits:	
In domestic offices:	371,594
Noninterest-bearing	111,342
Interest-bearing	260,252
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	11,151
Subordinated notes and debentures	0
Other liabilities	3,029
Total liabilities	<u>385,774</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	3,500
Surplus (exclude all surplus related to preferred stock)	51,398
Retained earnings	9,231
Accumulated other comprehensive income	(4)
Other equity capital components	0
Total equity capital	<u>64,125</u>
Total liabilities, minority interest, and equity capital	<u><u>449,899</u></u>

DECEMBER 31, 2015
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
 Chief Operations Officer: Carlan McDaniel

DIRECTORS:

Ross M. Bowen;
 Calvin J. Erb; Newman Giles;
 Todd Groberg; Bruce Lake;
 William Reed; Thomas J. Romrell

Cash and balances due from depository institutions:	(000's omitted)
Noninterest-bearing balances and currency and coin.	28,197
Interest-bearing balances	142,363
Securities:	
Held-to-maturity securities	92,162
Available-for-sale securities	93,291
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	60,199
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	3,289
Loans and leases, net of unearned income	609,255
LESS: Allowance for loan and lease losses	6,682
Loans and leases, net of unearned income and allowance	602,573
Trading assets	0
Premises and fixed assets (including capitalized leases)	15,992
Other real estate owned	3,465
Intangible assets:	
Goodwill	0
Other intangible assets	0
Other assets	10,591
Total assets	<u>1,052,122</u>
Deposits:	
In domestic offices:	891,724
Noninterest-bearing	346,898
Interest-bearing	544,826
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money	0
Subordinated notes and debentures	0
Other liabilities	5,501
Total liabilities	<u>897,225</u>
Minority interest in consolidated subsidiaries	0
Perpetual preferred stock and related surplus	0
Common stock	1,000
Surplus (exclude all surplus related to preferred stock)	29,200
Retained earnings	123,196
Accumulated other comprehensive income	1,501
Other equity capital components	0
Total equity capital	<u>154,897</u>
Total liabilities, minority interest, and equity capital	<u><u>1,052,122</u></u>

STATE OF IDAHO
STATE-CHARTERED CREDIT UNIONS
COMPARATIVE STATEMENT
Close of Business 12/31/15 and 12/31/14

	2015	2014	% Change
<u>ASSETS</u>			
Cash and Cash Equivalents	\$191,177,502	\$119,170,458	60.4
Unsecured Credit Card Loans	155,628,243	139,072,965	11.9
All Other Unsecured Loans	45,348,491	45,643,382	-0.7
New Auto Loans	621,473,629	529,610,070	17.4
Used Auto Loans	1,077,973,151	946,239,075	13.9
First Mortgage Real Estate Loans/Lines of Credit	1,147,211,527	971,824,903	18.0
Other Real Estate Loans	194,110,338	165,975,668	17.0
Other Loans, Leases, and Non-Federally Guaranteed Student Loans	280,355,728	211,498,435	32.6
Total Loans	\$3,522,101,107	\$3,009,864,498	17.0
Allowance for Loan and Lease Losses	-12,669,578	-15,095,623	-16.1
Loans Held For Sale	14,373,347	5,965,616	140.9
Loans Including Loans For Sale Less ALLL	3,523,804,876	3,000,734,491	17.4
Available for Sale (AFS) Securities	59,764,828	83,293,237	-28.3
Held-to Maturity Securities	22,052,193	20,724,718	6.4
Deposits in Commercial Banks, Savings & Loans, Savings Banks	101,334,126	140,233,138	-27.7
Loans to, Deposits in, & Investments in Natural Person Credit Unions	15,165,030	13,371,334	13.4
Membership Capital and Paid-in Capital at Corporate Credit Unions	2,878,592	3,223,460	-10.7
All Other Investments in Corporate Credit Unions	563,000	663,000	-15.1
All Other Investments	38,525,622	31,388,000	22.7
Total Investments	\$240,283,391	\$292,896,887	-18.0
Land and Building (Net of Dep)	126,852,107	117,839,072	7.7
Other Fixed Assets	15,660,372	16,145,882	-3.0
NCUA Share Insurance Capitalization Deposit	30,045,838	27,567,109	9.0
Other Assets	57,138,133	33,899,852	68.6
TOTAL ASSETS	\$4,186,270,291	\$3,610,977,534	15.9
<u>LIABILITIES, SHARES AND EQUITY</u>			
Promissory and other Notes Payable	\$250,937,807	\$102,247,305	145.4
Accrued Dividends and Interest Payable	3,864,086	3,404,061	13.5
Accounts Payable & Other Liabilities	49,463,933	38,570,383	28.2
Total Liabilities	\$304,265,826	\$144,221,749	111.0
Share Drafts	646,067,028	540,852,246	19.5
Regular Shares	900,457,553,	826,738,649	8.9
All Other Shares and Deposits	1,962,689,818	1,767,270,900	11.1
Total Shares And Deposits	\$3,509,214,399	\$3,134,861,795	11.9
Undivided Earnings	279,412,383	241,995,891	15.5
Regular Reserves	87,232,540	81,868,590	6.6
Other Reserves	229,118	229,118	0.0
Equity Acquired in Merger	13,649,054	14,237,894	-4.1
Unrealized Gain/Loss on AFS Securities	-253,580	-99,437	155.0
Other Comprehensive Income	-7,479,449	-6,338,066	18.0
Total Equity	\$372,790,066	\$331,893,990	12.3
TOTAL LIABILITIES, SHARES, AND EQUITY	\$4,186,270,291	\$3,610,977,534	15.9

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

Name	City	State	12/31/2015	12/31/2014	% Change
<u>Idaho State-Chartered Credit Unions</u>					
Boise Fire Department Credit Union	Boise	ID	8,676,652	8,620,623	0.7
Clarity Credit Union (previously known as Idadiv)	Nampa	ID	65,493,494	61,212,233	7.0
Clearwater Credit Union	Lewiston	ID	23,045,555	22,109,082	4.2
Connections Credit Union (previously known as Potelco United)	Pocatello	ID	142,166,068	139,758,346	1.7
Cornerstone Credit Union	Caldwell	ID	15,602,660	17,444,504	-10.6
E.S.A. Credit Union	Boise	ID	6,342,415	6,220,600	2.0
East Idaho Credit Union	Idaho Falls	ID	262,657,459	253,057,410	3.8
Health Care Idaho Credit Union	Boise	ID	12,645,119	10,944,585	15.5
Icon Credit Union (previously known as Idahy)	Boise	ID	253,328,765	227,409,320	11.4
Idaho Central Credit Union	Pocatello	ID	2,418,391,383	1,853,241,094	30.5
Idaho United Credit Union	Boise	ID	29,434,498	27,828,380	5.8
Jefferson County Public Employees Credit Union	Menan	ID	278,391	325,832	-14.6
Kamiah Community Credit Union	Kamiah	ID	66,305,324	58,546,626	13.2
Les Bois Credit Union	Boise	ID	N/A	83,471,894	-
Lewis Clark Credit Union	Lewiston	ID	57,120,167	51,624,292	10.7
Members Preferred Credit Union	Idaho Falls	ID	21,149,667	19,737,617	7.2
Mini-Cassia Employees Credit Union	Burley	ID	583,001	559,117	4.3
Mountain Gem Credit Union	Nampa	ID	19,489,036	17,384,993	12.1
Northwest Christian Credit Union	Nampa	ID	50,711,394	45,145,790	12.3
Pine Tree Community Credit Union	Grangeville	ID	42,330,096	38,073,917	11.2
Pocatello Simplot Credit Union	Pocatello	ID	31,208,671	30,005,425	4.0
Public Employees Credit Union	Coeur d'Alene	ID	N/A	8,623,689	-
Simplot Employees Credit Union	Caldwell	ID	18,690,142	19,165,011	-2.5
St. Alphonsus Medical Credit Union	Boise	ID	4,814,296	4,699,507	2.4
St. Joe Valley Credit Union	St. Maries	ID	7,268,167	7,162,593	1.5
Westmark Credit Union	Idaho Falls	ID	620,577,403	590,476,160	5.1
White Pine Credit Union	Pierce	ID	7,960,468	8,128,894	-2.1
Total Idaho State-Chartered Credit Union Assets			\$4,186,270,291	\$3,610,977,534	15.9
<u>Other State-Chartered Credit Unions Operating in Idaho (Idaho Assets)</u>					
Global Credit Union	Spokane	WA	20,174,099	20,107,619	0.3
Horizon Credit Union	Spokane	WA	58,313,026	63,195,170	-7.7
Numerica Credit Union	Spokane	WA	208,370,786	190,821,678	9.2
Spokane Teachers Credit Union	Spokane	WA	122,088,332	98,960,395	23.4
Silverado Credit Union	Angwin	CA	1,239,011	1,187,063	4.4
Total Other State-Chartered Credit Unions			\$410,185,254	\$374,271,925	9.6
Total Idaho Assets			\$4,596,455,545	\$3,985,249,459	15.3

SECURITIES BUREAU SANCTIONS REPORT

I. ADMINISTRATIVE SANCTIONS & ORDERS ISSUED UNDER THE IDAHO UNIFORM SECURITIES ACT/IDAHO ESCROW ACT/IDAHO MONEY TRANSMITTERS ACT

July 13, 2015

CITIGROUP GLOBAL MARKETS INC, New York, NY – Administrative Consent Order – In resolving multi-state investigations, Citigroup Global Markets Inc (CGMI) entered into a settlement agreement in Idaho wherein the firm 1) neither admitted nor denied the findings of fact or conclusions of law contained in the order, 2) agreed to pay a penalty of \$35,000 and 3) agreed to establish and maintain policies, procedures and systems that reasonably supervise the trade process so that a sales associate (SA) can only accept client orders that originate from jurisdictions where the SA accepting the order is appropriately registered.

The multi-state investigation was focused on registered sales associates (RSAs) who accepted client orders while not being registered in the appropriate jurisdiction as required, and CGMI's supervision of state registrations for RSAs during the period from January 1, 2007 through September 30, 2014.

December 15, 2015

SMART PAYMENT PLAN LLC, Naples, FL – Agreement and Order – In connection with a review of their business activities and in connection with their application for a money transmitter license in Idaho, The Department alleged that unlicensed money transmission activity had occurred in Idaho prior to the submission of the application. In resolution of the Department's allegations, Smart Payment Plan LLC (SPP) executed a settlement order where SPP 1) neither admitted nor denied the state's findings of violations, 2) brought its money transmission activities into compliance with the Idaho Money Transmitters Act and 3) agreed to pay a fine of \$8,000.

December 21, 2015

LPL FINANCIAL, Boston, MA – Consent Order – To resolve coordinated multi-state investigations, LPL Financial (LPL) entered

into a settlement agreement in Idaho in which the firm 1) agreed to comply with all state and federal securities laws, 2) neither admitted nor denied the findings of fact or conclusions of law contained in the order, 3) agreed to offer to remediate losses for all non-traded REITs that were sold in amounts which exceeded state concentration limits and LPL's own guidelines for products sold between January 1, 2008 through December 31, 2013 and 4) agreed to pay a civil penalty to the Department in the amount of \$17,738.18.

The multi-state investigations related to sales transactions of non-traded REITs that were sold in excess of the prospectus standards, state concentration limits, and/or LPL's own guidelines. By engaging in such activities, LPL allegedly failed to diligently supervise its agents and to establish, maintain or enforce adequate written supervisory procedures reasonably designed to achieve compliance with state law in connection with LPL's sale of nontraded REITs.

December 21, 2015

CONSOLIDATED WEALTH HOLDINGS, INC., JOHN SPALDING, DEANNA OSBORNE, and SCOTT OSBORNE, Kansas City, MO – Agreement and Order – The Department alleged that Respondents engaged in omissions of material facts in connection with the offer, sale or purchase of life settlement securities. In resolution of the state investigation, the Respondents agree to 1) use their best efforts to pay the death benefits and premiums relating to the life insurance policies that affected Idaho investors had ownership interests in, 2) notify the Department when Idaho investors receive final payment from the identified life settlements, and 3) comply with all provisions of state and federal laws and regulations applicable to its business activities in Idaho at all times in the future.

March 22, 2016

RULON LEE TOLMAN, Meridian, ID – Agreement and Order – The Department alleged that Tolman violated the registration and anti-fraud provisions of the Idaho Uniform Securities Act in connection with his offer and sale of life settlement securities and related promissory notes. In resolution of the State's investigation, Tolman 1) admitted to the allegations and conclusions of law contained in the order, 2) agreed to pay a civil penalty of \$10,000 and 3) agreed to permanently refrain from selling or offering nonexempt securities aside from life, health or disability insurance unless Respondent and such security are duly registered.

CONSUMER FINANCE BUREAU SANCTIONS REPORT

I. ORDERS ISSUED UNDER THE IDAHO CREDIT CODE

March 1, 2016 **AFFORDABLE LOANS, LLC dba AFFORDABLE TITLE LOANS** (Boise, Idaho) – Consent Order issued addressing unlicensed activity under the Idaho Credit Code (ICC). Affordable admitted to the allegations, including extending regulated loans to Idaho residents between June 1, 2015, and February 10, 2016, without a license. Affordable paid the Department a \$5,000 penalty. Affordable Loans, LLC dba Affordable Title Loans subsequently applied for and was granted an Idaho regulated lender license.

II. ORDERS ISSUED UNDER THE IDAHO COLLECTION AGENCY ACT

July 7, 2015 **COMMERCIAL INDUSTRIES SERVICE, INC., dba CISCO, INC.** (Houston, Texas) – Consent Order entered into addressing unlicensed activity under the Idaho Collection Agency Act (the Act). Under the terms of the Consent Order the company admitted to engaging in violations of §§ 26-2223(1) and –(2) of the Act including collecting against Idaho residents without a license; agreed to cease and desist from all collection activities in Idaho until the company obtained a license to do so; and agreed to pay to the Department an administrative penalty of \$2,000 and attorney fees and investigative costs in the amount of \$500. The company subsequently applied for and was granted an Idaho collection agency license.

July 27, 2015 **JSD MANAGEMENT, INC. dba JAMES, STEVENS & DANIELS** (Dover, Delaware) – Consent Order entered into addressing unlicensed activity under the Idaho Collection Agency Act (the Act). Under the terms of the Consent Order, the company admitted to engaging in violations of §§ 26-2223(1) and –(2) of the Act including collecting against at least 72 Idaho residents between 2014 and 2015 without a license; agreed to cease and desist from all collection activities in Idaho until the company obtained a license to do so; and agreed to pay to the Department an administrative

penalty of \$2,000 and attorney fees and investigative costs in the amount of \$500. The company subsequently applied for and was granted an Idaho collection agency license.

- October 15, 2015 **INTERMOUNTAIN CREDIT SERVICES, LLC and AKBERET MEHERTAB, individually** (Boise, Idaho) – Consent Order entered into addressing unlicensed activity under the Idaho Collection Agency Act (the Act). Under the terms of the Consent Order, Intermountain and Mehertab admitted to the allegations contained in the Consent Order, including collecting against Idaho residents without a license and also agreed to pay the Department an administrative penalty of \$1,000 and attorney fees and investigative costs in the amount of \$500. Intermountain and Mehertab subsequently applied for and were granted an Idaho collection agency license.
- November 16, 2015 **THE LAW OFFICE OF CHARLES MIFSUD, LLC dba MLO GROUP** (Columbus, Ohio) – Consent Order entered into addressing unlicensed activity under the Idaho Collection Agency Act (the Act). The Respondent admitted to the allegations contained in the Consent Order, including collecting against Idaho residents without a license. The Respondent agreed to cease and desist from all collection activities in Idaho until it had obtained a license to do so. The Respondent paid the Department an administrative penalty of \$1,000 and attorney fees and investigative costs of \$500. The Respondent subsequently applied for and was granted an Idaho collection agency license.
- December 15, 2015 **INTERMOUNTAIN CREDIT SERVICES, LLC and AKBERET MEHERTAB, individually** (Boise, Idaho) – Amendment to Consent Order (the Amendment) amending Consent Order entered into October 15, 2015, addressing a change in the payment arrangement outlined in the original Consent Order. Intermountain and Meertab agreed to pay to the Department a monthly minimum of \$50 towards the administrative penalty of \$1,000 and attorney fees and \$500 in investigative costs, both of which were assessed in the original Consent Order. Full amount of \$1,500 for the penalties and fees were to be paid in full by June 15, 2016.
- December 16, 2015 **OXFORD LAW, LLC** (Bristol, Pennsylvania) – Notice of Intent to Revoke Idaho Collection Agency License and Notice of the Opportunity to Request a Hearing (Notice) issued to Oxford Law, LLC for failure to maintain a surety bond. The Respondent failed to cure its licensing deficiency or file an Objection and Request for a Hearing, and a Final Order Revoking the Respondent’s Idaho Collection Agency License was issued on January 11, 2016.
- December 17, 2015 **RJM ACQUISITIONS, LLC** (Syosset, New York) – Notice of Intent to Revoke Idaho Collection Agency License and Notice of the Opportunity to Request a Hearing (Notice) issued to RJM Acquisitions, LLC for failure to maintain a surety bond. The company failed to cure its licensing deficiency

or file an Objection and Request for a Hearing, and a Final Order Revoking the Respondent's Idaho Collection Agency License was issued on January 11, 2016.

June 13, 2016 **APG & ASSOCIATES aka APGOFNY.COM** (Location unknown) – Order to Cease and Desist issued against debt buyer engaging in unlicensed collection activity in Idaho under the Idaho Collection Agency Act (the Act). The order alleged the company engaged in collection activities against at least one Idaho resident without a license. The order required the company to immediately cease and desist from engaging in third-party debt collection activity in Idaho without a license under the Act.

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

October 13, 2015 **STEVEN MICHAEL HALL** (Boise, Idaho) – Final Order issued concluding the denial of Steven Michael Hall's loan originator application. A Notice of Denial of Mortgage Loan Originator License Application and Notice of the Opportunity to Request a Hearing (the Notice) was issued on June 12, 2015 after Hall failed to disclose a regulatory action that had previously been taken against him on the license application, as well as the submission of a material misstatement on the application. Hall contested the Denial Order. On August 24, 2015, a Hearing Officer's Findings of Fact, Conclusions of Law, and Preliminary Order was issued, upholding the Denial Order, which became final on October 13, 2015.

October 13, 2015 **ALLAN RAY EICHHORN** (Meridian, Idaho) – Final Order issued concluding the denial of Allan Ray Eichhorn's loan originator license application. The Hearing Officer's Findings of Fact, Conclusions of Law, and Preliminary Order was issued on December 10, 2015, upholding the Department's denial of the Respondent's license application.

FINANCIAL INSTITUTIONS BUREAU SANCTIONS REPORT

I. ORDERS ISSUED UNDER THE IDAHO FINANCIAL FRAUD PREVENTION ACT

October 16, 2015

TRACY ANN WIDNER, Boise, ID – Consent Order with Tracy Ann Widner for violating the Idaho Financial Fraud Prevention Act. Widner was employed by an Idaho state-chartered credit union; her position provided her with access to the credit union members' loan and share accounts. Widner embezzled over \$6,000 via unauthorized advances on members' loans, unauthorized share account withdrawals, and creation of unauthorized accounts beginning in September 2014. Widner was charged with grand theft, to which she pleaded guilty. The Consent Order states that Widner's activity violated the Act, and requires her to pay restitution to the credit union for any unreimbursed amounts. In addition, the Order bars Widner from employment by any Idaho financial institution, except with the prior written consent of the Director.

June 1, 2016

JACQUELINE KAY MANNING, Boise, ID. Consent Order with Jacqueline Kay Manning for violating the Idaho Financial Fraud Prevention Act. While employed by a federal credit union in Boise, Manning created and concealed unreconciled balances in the credit union's accounts by entering false entries to the ACH accounting records of the credit union. Manning was charged with felony grand theft, to which she pleaded guilty. The Consent Order states that Manning's activity violated the Act, and requires her to pay restitution to the credit union of \$213,382. In addition, the Order bars Manning from employment by any Idaho financial institution, except with the prior written consent of the Director.

II. ASSISTANCE IN CRIMINAL PROSECUTIONS

March 24, 2016

JACQUELINE MANNING, Boise, ID. – During July 2015, Manning was charged with grand theft in connection with her actions as an employee of Boise U.S. Employees Federal Credit Union. On November 25, 2015, Manning pleaded guilty to grand theft and was sentenced on March 22, 2016. Beyond being ordered to pay restitution of \$213,302, Manning received a sentence of 14 years to be served in the Idaho State Department of Corrections prison, 4 determinate years and 10 indeterminate. Significant portions of the investigation and prosecutorial assistance were provided by Jeff Flora and others in the Department of Finance.

YEARS OF STATE SERVICE AS OF JUNE 30, 2016
Recognizing over 670 years of Combined Service to the State of Idaho

Employee	Years of Service	Title
ADMINISTRATION		
Gavin M. Gee	41.4	Director of Finance
James A. Burns	29.0	Securities Bureau Chief
Mary E. Hughes	26.2	Financial Institutions Bureau Chief
Mike Larsen	20.9	Consumer Finance Bureau Chief
David L. Jensen	11.7	Supporting Services Bureau Chief
Lisa A. Baker	5.3	Administrative Assistant 2
SUPPORTING SERVICES BUREAU		
Jill R. Peterson-Pate	19.3	Financial Specialist
Vacant		Human Resources Specialist
Blake Wickham	6.6	IT Systems Integration Analyst, Sr.
Homero P. Rodriguez	5.7	Web Developer
Richard Baker	3.2	IT Programmer Analyst, Sr.
Aaron Hundt	.4	Office Specialist 2
FINANCIAL INSTITUTIONS BUREAU		
Brad P. Bergquist	36.7	Financial Institutions Examiner, Commissioned Sr.
Richard J. Sherrick	13.0	Financial Institutions Examiner, Commissioned Sr.
Andrew C. Forth	11.9	Financial Institutions Examiner, Commissioned Sr.
Vacant		Financial Institutions Examiner, Commissioned Sr.
Mark W. Boschulte	15.1	Financial Institutions Examiner, Commissioned
Connie D. Newgard	12.7	Financial Institutions Examiner, Commissioned
Jeffrey C. Reinhardt	7.0	Financial Institutions Examiner, Commissioned
Gordon E. Titus	6.4	Financial Institutions Examiner, Commissioned
James J. Tunca	5.9	Financial Institutions Examiner, Commissioned
Kayce C. White	5.2	Financial Institutions Examiner, Commissioned
Robert Moore	3.2	Financial Institutions Examiner, Commissioned
Salvador Cruz	2.8	Financial Institutions Examiner, Commissioned
Scott Eric Lindsay	2.7	Financial Institutions Examiner 3*
Sydney M. Hanchey	1.7	Financial Institutions Examiner 2*
Gabriel Quintero Corredor	.8	Financial Institutions Examiner 1*
Marquita L Gonzales	.6	Financial Institutions Examiner 1*
Vacant		Financial Institutions Examiner 1*
Tracy L. English	3.4	Administrative Assistant 1
Elizabeth Adcock	4.7	Office Specialist 2
		*underfilling Financial Institutions Examiner, Commissioned

CONSUMER FINANCE BUREAU

Karlyne C. (K.C.) Schaler	18.4	Financial Examiner/Investigator 4
Anthony T. Polidori	15.7	Financial Examiner/Investigator 4
Janet L. Kochan	11.9	Financial Examiner/Investigator 3
Daniel D. Kline	11.4	Financial Examiner/Investigator 3
Erin J. Van Engelen	11.1	Financial Examiner/Investigator 3
Tom S. Little	9.9	Financial Examiner/Investigator 3
Carol A. Berenger	8.7	Financial Examiner/Investigator 3
Tom H. Nate	7.5	Financial Examiner/Investigator 3
Jillian K. Laine	4.8	Financial Examiner/Investigator 3
Brad C. Carpenter	4.8	Financial Examiner/Investigator 3
Laurie J. Coburn	4.8	Financial Examiner/Investigator 3
Gabe Gerrish	4.7	Financial Examiner/Investigator 3
Dustin Mortimer	4.7	Financial Examiner/Investigator 3
Bennie J Bourn	4.9	Financial Examiner/Investigator 1*
Glenn P Lyons	.2	Financial Examiner/Investigator 1*
Jo Ann Lanham	24.6	Consumer Affairs Officer
Mel White	4.9	Administrative Assistant 1
Matthew Melton	2.7	Administrative Assistant 1
Christian M Taroreh	.6	Administrative Assistant 1
Brenda L Clement	.4	Administrative Assistant 1
Kimberley A. Banner	2.7	Office Specialist 2
Stephanie M. Sanders	2.0	Office Specialist 2

**underfilling Financial Examiner/Investigator 3*

SECURITIES BUREAU

Patricia R. Highley	25.7	Financial Examiner/Investigator 4
Coleen F. Hodson	21.9	Financial Examiner/Investigator 4
Timothy D. Martin	26.3	Financial Examiner/Investigator 3
Nancy C. Ax	17.3	Financial Examiner/Investigator 3
Walter L. Bitner	14.1	Financial Examiner/Investigator 3
Kurt V. Merritt	7.1	Financial Examiner/Investigator 3
Jeffrey R. Flora	2.8	Financial Examiner/Investigator 3
Norman J. Real	2.4	Financial Examiner/Investigator 2*
Kristen D. Butler	7.1	Financial Examiner/Investigator 1*
Mary J. Harper	18.5	Program Information Coordinator
Karabeth Tillman	2.7	Securities Technician

LEGAL STAFF (On assignment from Attorney General)

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Brian Nicholas	29.0	Deputy Attorney General
Alan Conilogue	16.5	Deputy Attorney General
Stephanie Sze	3.5	Paralegal

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