

Commerce - Credit Union Division

JoAnn Johnson, *Superintendent*

Mission Statement: To safeguard the interests of credit union depositors and stakeholders through the effective administration and execution of the laws relating to credit unions.

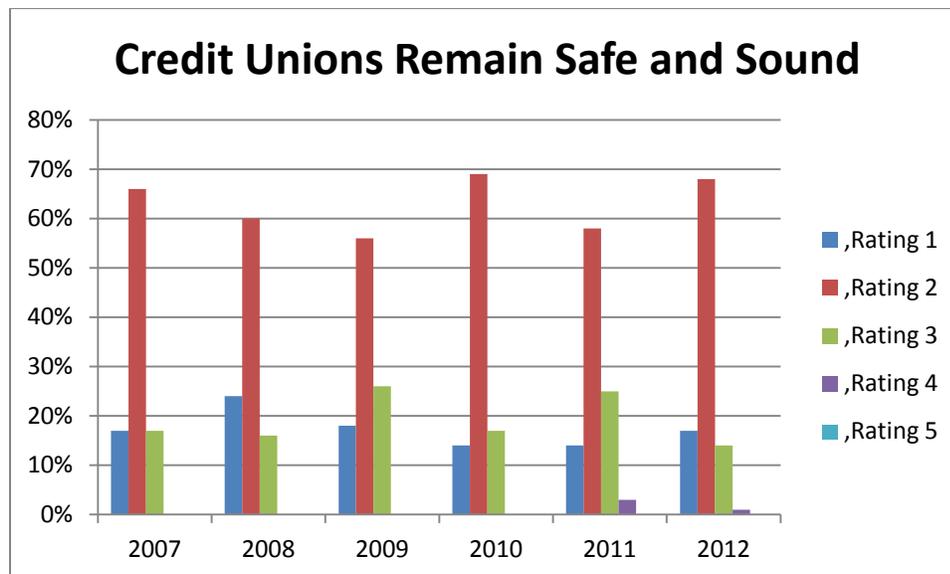
Highlighted Measure:

Percent of state-chartered credit unions operated in a safe and sound manner and in compliance with applicable laws and regulations.

Data Source: Credit Union Division Database Reporting System

Updated 12/17/2012

Why this is important: Composite ratings are based on a careful evaluation of an institution's managerial, operational, financial, and compliance performance. The six key components used to assess an institution's financial condition and operations are: capital adequacy, asset quality, management capability, earnings quantity and quality, the adequacy of liquidity, and sensitivity to market risk. The rating scale ranges from 1 to 5, with a rating of 1 indicating: the strongest performance and risk management practices relative to the institution's size, complexity, and risk profile; and the level of least supervisory concern. A 5 rating indicates: the most critically deficient level of performance; inadequate risk management practices relative to the institution's size, complexity, and risk profile; and the greatest supervisory concern. The composite ratings are defined as follows:



Composite 1 Rating - indicates **strong performance** and risk management practices, and any weaknesses are minor and can be handled in a routine manner. These credit unions give no cause for supervisory concern. Composite 2 Rating - reflects **satisfactory performance** and risk management practices, areas of weakness may be present but are considered minor and if left unchecked could develop into greater concern. These credit unions have minor supervisory contact. Composite 3 Rating - represents performance that is flawed to some degree and risk management practices may be **less than satisfactory**, credit unions require more than usual supervisory attention to address deficiencies. Composite 4 Rating - refers to **poor performance** of serious supervisory concern that, if left unchecked, would be expected to lead to conditions that could threaten the viability of the credit union, and weaknesses and problems are not being satisfactorily resolved. Composite 5 Rating - considered **unsatisfactory performance** that is critically deficient and in need of immediate remedial attention, weaknesses and severity of problems are beyond management's ability or willingness to control or correct, and these conditions directly threaten the viability of the credit union. These credit unions have a high probability of failure, are under continuous supervisory scrutiny and involvement, and will likely require emergency assistance, liquidation, merger or acquisition.

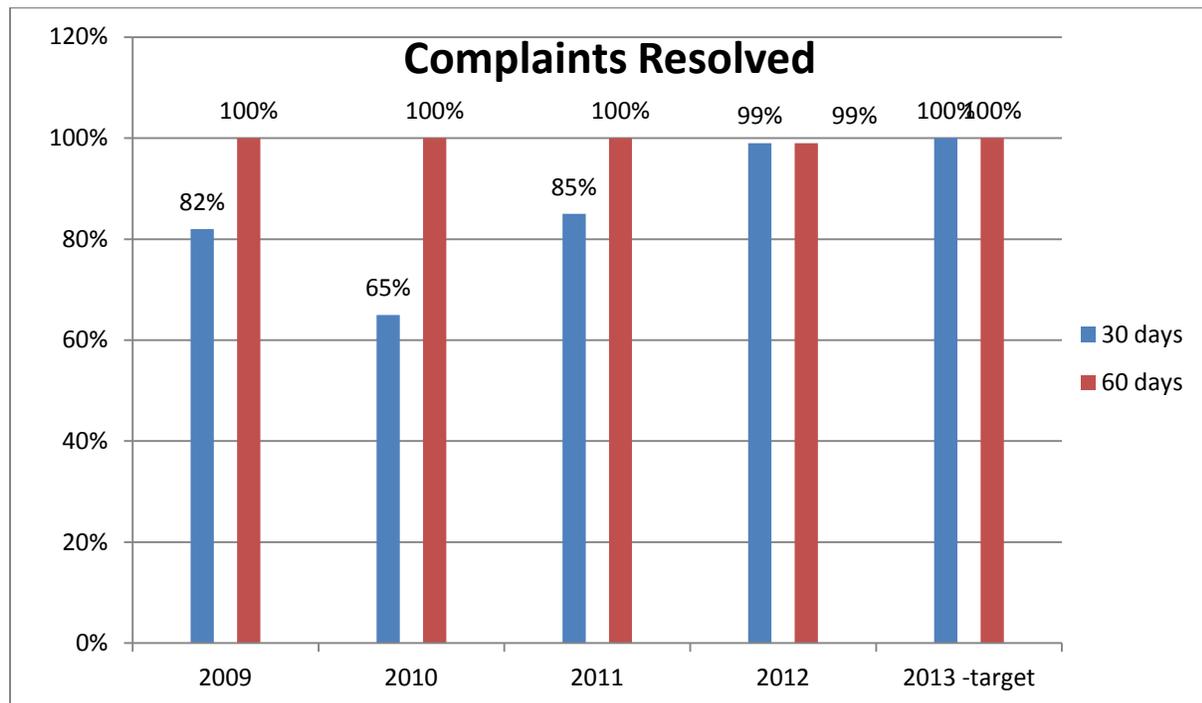
What we're doing about this: Our vision is to provide for a regulatory environment in which Iowa's credit unions can prosper, operate in a safe and sound manner, and meet the financial service needs of their members. By providing a safe and sound regulatory environment, we safeguard the interests of credit union depositors and shareholders. Presently there are 130 credit unions in the state.

Highlighted Measure:

Percent of complaints resolved within 60 days of receipt.

Data Source: Credit Union Division Database Reporting System

Updated 12/17/2012



Why this is important: The Credit Union Division provides a regulatory environment to safeguard the interests of credit union depositors and shareholders. Prompt and timely resolution to member complaints monitors the effective administration and execution of the laws relating to credit unions.

What we're doing about this: Each complaint is initially assessed to determine if the complaint requires assignment of an examiner to conduct an investigation. If no investigation is warranted, complaints are typically resolved within 30 days. If assigned, the examiner is expected to respond and investigate the complaint within 60 days. At the conclusion of the complaint, the findings are sent to the credit union and the complainant in written correspondence.

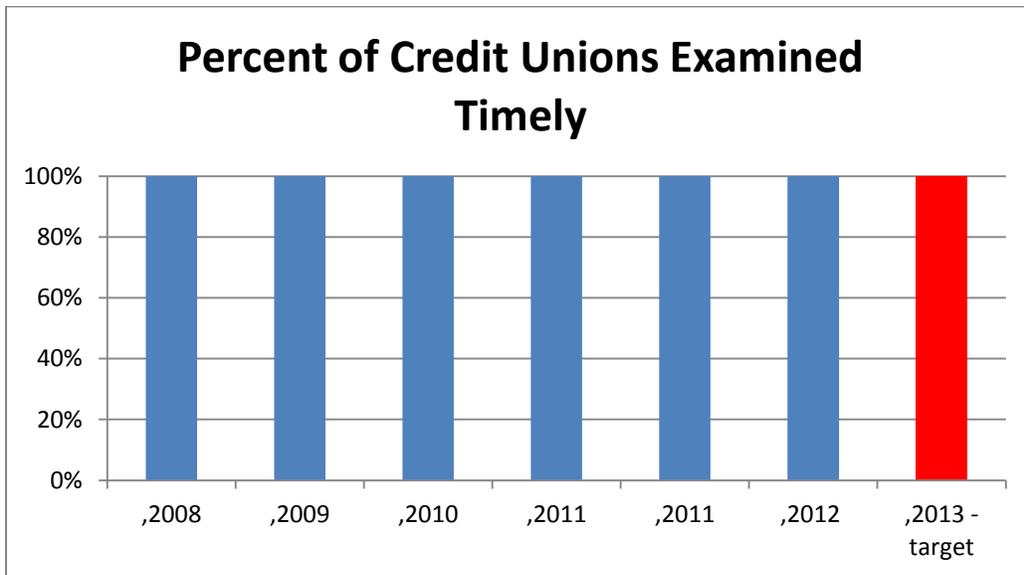
Although we strive to resolve and close complaints within the 60-day target, there are complicated complaints that require extended investigation and involve input from the Attorney General's Office.

Highlighted Measure:

Percent of state chartered credit unions required by statute to be examined annually.

Data Source: Credit Union Division database reporting system.

Updated 12/17/2012



Why this is important: By providing a timely examination program, we safeguard the interests of credit union depositors and shareholders. Presently there are 120 credit unions in the state. While the number of credit unions may continue to decline through mergers, the industry is not losing members/assets and the members traditionally gain additional services.

What we're doing about this: Credit unions at risk are closely monitored by Problem Credit Union Examiners and Letters of Understanding are put in place between the credit union and the Division to correct problems identified before a merger becomes necessary.