



The definition of insanity is doing the same thing over and over and expecting different results. ~ Benjamin Franklin

Monroe County mortgage originations in May continued at ten year low levels. The national media reports that despite a few signs of improvement, foreclosures continue to be a problem and the housing market is in danger of slipping back into a downturn. Credit is hard to come by unless you don't need any. Mortgage fraud continues to make headlines. After several years of living through the mortgage crisis, what's really different?

Well, for starters, there's a lot more regulatory overhead. I don't need to tell you that. But for all the new rules and procedures, there's one characteristic of the mid-2000's mortgage boom that hasn't changed. That would be absentee lending—loans both originated and funded by persons and entities with no physical presence in the community. In fact, the increasing use of the Internet is probably accelerating the growth of this mortgage distribution channel.

Is anyone surprised that many problem and fraudulent loans were originated and processed by community outsiders without local concern or knowledge of the viability of the transaction or the parties involved? Think about it. The originator is in a call center cube farm in California. The appraiser is from Muncie and her name is drawn from a hat by a vendor manager in Pennsylvania. The lender is in North Carolina and the investor is on Wall Street. The title and closing agent is in Florida and the notary signing agent drove one hundred miles to meet the borrower at the north side McDonald's. Is it any wonder then that no one can smell out an otherwise fishy deal? Fortunately, the incident of fraud in Bloomington is minimal. But up the road in Indianapolis, it's all too prevalent.

Maybe the mortgage business futurists are correct. Someday all mortgages will be originated without a local connection. I just don't see it happening; especially with pending regulations requiring the originator to retain some of the lender's risk. The long terms costs (both actual and lost opportunity) of managing risk coupled with defaults and fraud will, in my opinion, exceed any short term benefit of economies of scale this form of distribution brings to the originating process. Some absentee lenders and their service providers will continue tweaking this business model in hopes of achieving a different result.

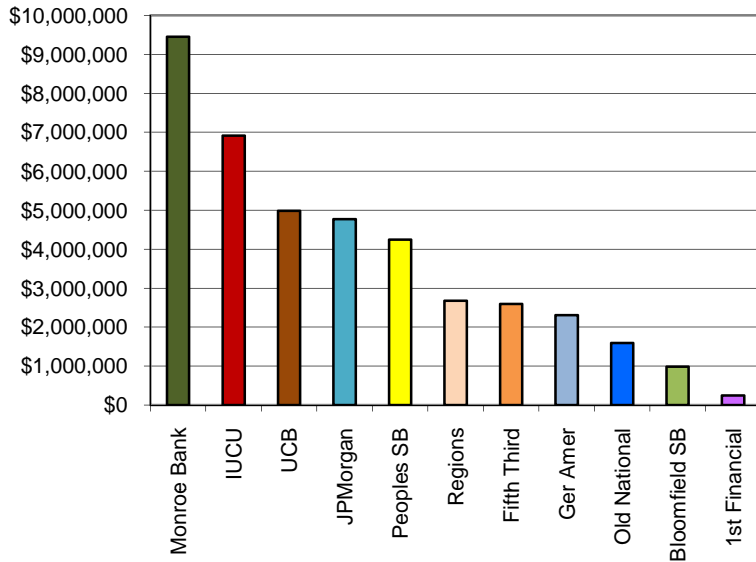
That's insanity!

~John Bethell



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Dollars - May 2010



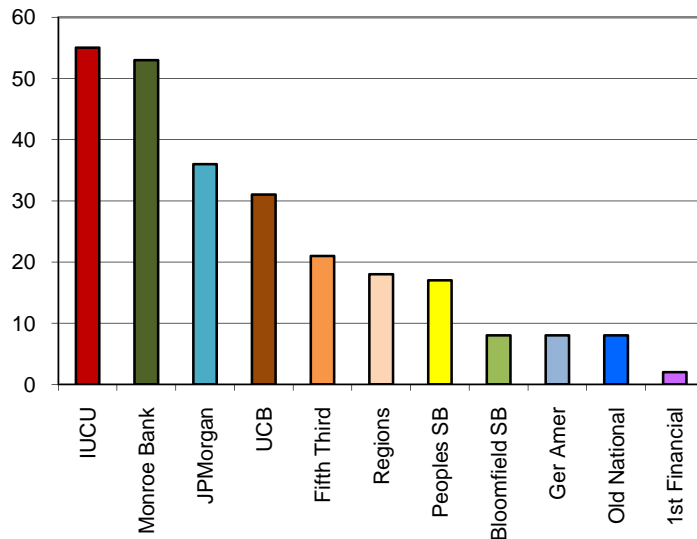
Residential and commercial property mortgages filed in Monroe County during May 2010.

Monroe Bank	9,448,316
IUCU	6,913,530
UCB	4,982,497
JPMorgan	4,774,840
Peoples SB	4,244,846
Regions	2,676,985
Fifth Third	2,595,733
Ger Amer	2,311,557
Old National	1,590,782
Bloomfield SB	988,487
1st Financial	243,920

Note- Charts & report do not include re-recordings, modifications, or those recorded without a property description. Fifth Third includes Fifth Third Bank & Fifth Third Mtg, Regions includes Regions Bank & Regions Mtg.

Transactions - May 2010

IUCU	55
Monroe Bank	53
JPMorgan	36
UCB	31
Fifth Third	21
Regions	18
Peoples SB	17
Bloomfield SB	8
Ger Amer	8
Old National	8
1st Financial	2





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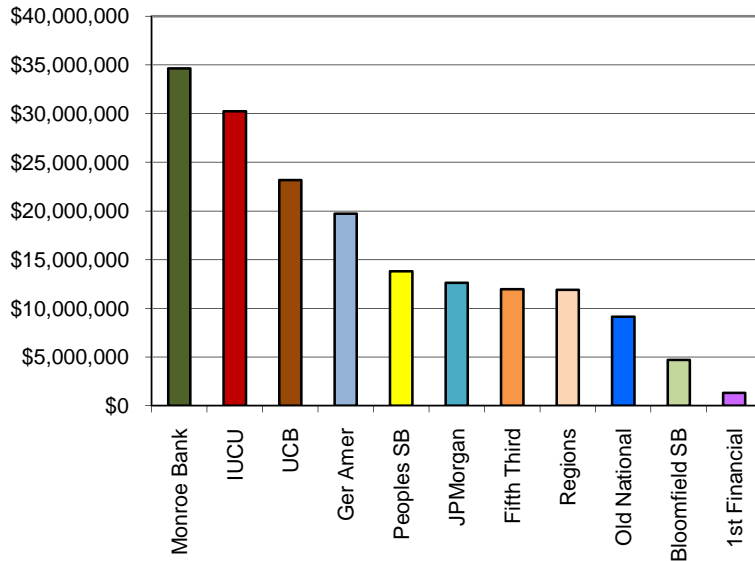
Mortgage Report covering all mortgages on Monre County property, both residential and commercial, filed with the Monroe County Recorder during the month of May 2010.

Lender	0 to \$49,999		\$50,000 to \$199,999		\$200,000-\$499,999		\$500,000 & up		Total Docs	%	Total Amount	%	
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount					
ALLY BANK	0	0	1	199,107	0	0	0	0	0	1	0.3	199,107	0.3
BANK OF AMERICA	0	0	7	876,872	2	689,470	1	730,000	10	2.5	2,296,342	3.1	
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	1	35,000	5	535,887	2	417,600	0	0	8	2	988,487	1.4	
CRANE FEDERAL CREDIT U	2	33,000	0	0	0	0	0	0	2	0.5	33,000	0	0
CITIMORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
FARM CREDIT SERVICES M	0	0	1	161,500	1	252,800	0	0	2	0.5	414,300	0.6	
FIRST FINANCIAL BANK	0	0	2	243,920	0	0	0	0	2	0.5	243,920	0.3	
FARMERS AND MECHANICS	0	0	4	430,500	0	0	0	0	4	1	430,500	0.6	
FIFTH THIRD BANK	3	83,692	3	333,840	0	0	0	0	6	1.5	417,532	0.6	
FIFTH THIRD MORTGAGE	0	0	14	1,836,201	1	342,000	0	0	15	3.8	2,178,201	3	0
GERMAN AMERICAN BANCOR	0	0	4	414,806	3	1,016,732	1	880,019	8	2	2,311,557	3.2	
HOOSIER HILLS CREDIT U	0	0	0	0	0	0	0	0	0	0	0	0	0
INDIANA UNIVERSITY CRE	13	375,710	33	4,024,020	9	2,513,800	0	0	55	14	6,913,530	9.5	
JPMORGAN CHASE BANK	0	0	30	3,181,273	6	1,593,567	0	0	36	9.2	4,774,840	6.5	
KEYBANK	0	0	0	0	1	325,000	0	0	1	0.3	325,000	0.4	
MONROE BANK	7	164,106	29	3,310,797	13	3,371,302	4	2,602,111	53	13.5	9,448,316	12.9	
METLIFE HOME LOANS	0	0	8	929,223	0	0	0	0	8	2	929,223	1.3	
MORTGAGE MASTERS	0	0	2	170,504	1	321,900	0	0	3	0.8	492,404	0.7	
NATIONAL CITY MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
OWEN COMMUNITY BANK	0	0	0	0	0	0	0	0	0	0	0	0	0
OWEN COUNTY STATE BANK	0	0	2	328,996	0	0	0	0	2	0.5	328,996	0.5	
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	1	20,000	4	463,219	3	1,107,563	0	0	8	2	1,590,782	2.2	
PROVIDENT FUNDING ASSO	0	0	2	266,000	2	747,000	0	0	4	1	1,013,000	1.4	
PEOPLES STATE BANK	2	32,000	11	1,425,058	3	767,350	1	2,020,438	17	4.3	4,244,846	5.8	
REGIONS BANK	1	25,000	0	0	0	0	0	0	1	0.3	25,000	0	0
REGIONS MORTGAGE	1	44,000	13	1,768,485	3	839,500	0	0	17	4.3	2,651,985	3.6	
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0	0
UNITED COMMERCE BANK	2	20,000	21	2,456,400	8	2,506,097	0	0	31	7.9	4,982,497	6.8	
UNITED STATES OF AMERI	1	39,900	2	204,000	0	0	0	0	3	0.8	243,900	0.3	
UNION SAVINGS BANK	0	0	3	323,820	0	0	0	0	3	0.8	323,820	0.4	
WELLS FARGO BANK	2	50,019	9	1,084,566	3	813,776	0	0	14	3.6	1,948,361	2.7	
All Others	9	169,473	50	6,277,501	18	5,095,213	2	11,762,300	79	20.1	23,304,487	31.9	
TOTALS	45	1,091,900	260	31,246,495	79	22,720,670	9	17,994,868	393	100	73,053,933	100	



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Dollars - Year-to-Date through May 2010



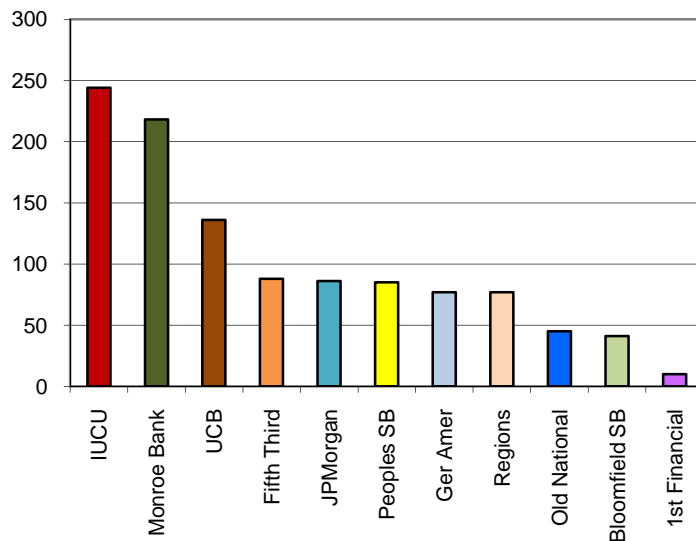
Residential and commercial property mortgages filed in Monroe County during 2010.

Monroe Bank	34,625,265
IUCU	30,231,211
UCB	23,183,412
Ger Amer	19,725,426
Peoples SB	13,810,103
JPMorgan	12,635,406
Fifth Third	11,977,514
Regions	11,901,647
Old National	9,153,576
Bloomfield SB	4,712,256
1st Financial	1,314,120

Note- Charts and report do not include re-recordings, modifications, or those recorded without a legal description. Fifth Third includes Fifth Third Bank & Fifth Third Mtg, Regions includes Regions Bank & Regions Mtg.

Transactions - Year-to-Date through May 2010

IUCU	244
Monroe Bank	218
UCB	136
Fifth Third	88
JPMorgan	86
Peoples SB	85
Ger Amer	77
Regions	77
Old National	45
Bloomfield SB	41
1st Financial	10





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Mortgage Report covering all mortgages on Monre County property, both residential and commercial, filed with the Monroe County Recorder during 2010.

Lender	0 to \$49,999		\$50,000 to \$199,999		\$200,000-\$499,999		\$500,000 & up		Total Docs	%	Total Amount	%
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount				
ALLY BANK	0	0	6	862,919	3	838,602	0	0	9	0.5	1,701,521	0.5
BANK OF AMERICA	0	0	27	3,646,948	10	2,649,207	1	730,000	38	2.3	7,026,155	2
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	12	339,230	22	2,362,526	6	1,440,500	1	570,000	41	2.5	4,712,256	1.4
CRANE FEDERAL CREDIT U	5	98,000	4	527,000	0	0	0	0	9	0.5	625,000	0.2
CITIMORTGAGE	1	26,800	3	326,411	3	815,000	0	0	7	0.4	1,168,211	0.3
FARM CREDIT SERVICES M	0	0	4	539,000	6	2,074,320	0	0	10	0.6	2,613,320	0.8
FIRST FINANCIAL BANK	3	60,000	4	523,120	3	731,000	0	0	10	0.6	1,314,120	0.4
FARMERS AND MECHANICS	0	0	9	906,500	1	204,000	0	0	10	0.6	1,110,500	0.3
FIFTH THIRD BANK	7	196,687	10	1,190,781	0	0	2	1,000,000	19	1.2	2,387,468	0.7
FIFTH THIRD MORTGAGE	3	134,400	57	7,073,099	9	2,382,547	0	0	69	4.2	9,590,046	2.8
GERMAN AMERICAN BANCOR	8	267,000	36	4,077,678	24	7,498,054	9	7,882,694	77	4.7	19,725,426	5.7
HOOSIER HILLS CREDIT U	2	70,400	2	149,200	0	0	0	0	4	0.2	219,600	0.1
INDIANA UNIVERSITY CRE	67	1,874,807	134	15,663,334	41	11,093,070	2	1,600,000	244	14.9	30,231,211	8.8
JPMORGAN CHASE BANK	3	88,878	67	7,601,841	15	3,944,687	1	1,000,000	86	5.2	12,635,406	3.7
KEYBANK	0	0	1	171,957	2	548,870	0	0	3	0.2	720,827	0.2
MONROE BANK	34	888,810	144	16,972,007	33	9,402,337	7	7,362,111	218	13.3	34,625,265	10
METLIFE HOME LOANS	0	0	16	1,903,734	1	206,068	0	0	17	1	2,109,802	0.6
MORTGAGE MASTERS	0	0	8	826,737	1	321,900	0	0	9	0.5	1,148,637	0.3
NATIONAL CITY MORTGAGE	0	0	1	100,000	0	0	0	0	1	0.1	100,000	0
OWEN COMMUNITY BANK	0	0	6	621,500	0	0	0	0	6	0.4	621,500	0.2
OWEN COUNTY STATE BANK	1	39,516	5	822,794	0	0	0	0	6	0.4	862,310	0.3
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	9	187,994	21	2,257,299	13	4,149,763	2	2,558,520	45	2.7	9,153,576	2.7
PROVIDENT FUNDING ASSO	0	0	11	1,471,400	7	2,195,800	0	0	18	1.1	3,667,200	1.1
PEOPLES STATE BANK	20	551,385	44	5,265,159	19	5,456,300	2	2,537,259	85	5.2	13,810,103	4
REGIONS BANK	3	50,000	7	608,149	1	250,000	0	0	11	0.7	908,149	0.3
REGIONS MORTGAGE	2	92,000	48	6,052,158	14	3,805,340	2	1,044,000	66	4	10,993,498	3.2
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0
UNITED COMMERCE BANK	16	340,050	86	10,061,928	31	9,572,188	3	3,209,246	136	8.3	23,183,412	6.7
UNITED STATES OF AMERI	1	39,900	6	627,083	0	0	0	0	7	0.4	666,983	0.2
UNION SAVINGS BANK	0	0	21	2,403,786	4	1,138,100	0	0	25	1.5	3,541,886	1
WELLS FARGO BANK	4	85,719	38	4,760,320	7	1,888,776	1	550,500	50	3	7,285,315	2.1
All Others	33	562,019	203	24,718,039	60	16,803,819	11	94,154,800	307	18.7	136,238,677	39.5
TOTALS	234	5,993,595	1051	125,094,407	314	89,410,248	44	124,199,130	1643	100	344,697,380	100



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Mortgage Report covering all mortgages on Monre County property, both residential and commercial, filed with the Monroe County Recorder during the month of May 2010.

Lender	0 to \$75,000		\$75,001 to \$199,999		\$200,000-\$417,000		\$417,001 & up		Total Docs	%	Total Amount	%	
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount					
ALLY BANK	0	0	1	199,107	0	0	0	0	0	1	0.3	199,107	0.3
BANK OF AMERICA	0	0	7	876,872	1	239,470	2	1,180,000	10	2.5	2,296,342	3.1	
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	2	105,440	4	465,447	2	417,600	0	0	8	2	988,487	1.4	
CRANE FEDERAL CREDIT U	2	33,000	0	0	0	0	0	0	2	0.5	33,000	0	0
CITIMORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
FARM CREDIT SERVICES M	0	0	1	161,500	1	252,800	0	0	2	0.5	414,300	0.6	
FIRST FINANCIAL BANK	0	0	2	243,920	0	0	0	0	2	0.5	243,920	0.3	
FARMERS AND MECHANICS	1	60,000	3	370,500	0	0	0	0	4	1	430,500	0.6	
FIFTH THIRD BANK	4	133,692	2	283,840	0	0	0	0	6	1.5	417,532	0.6	
FIFTH THIRD MORTGAGE	1	74,800	13	1,761,401	1	342,000	0	0	15	3.8	2,178,201	3	
GERMAN AMERICAN BANCOR	1	63,000	3	351,806	2	577,138	2	1,319,613	8	2	2,311,557	3.2	
HOOSIER HILLS CREDIT U	0	0	0	0	0	0	0	0	0	0	0	0	0
INDIANA UNIVERSITY CRE	19	767,710	27	3,632,020	9	2,513,800	0	0	55	14	6,913,530	9.5	
JPMORGAN CHASE BANK	6	354,316	24	2,826,957	6	1,593,567	0	0	36	9.2	4,774,840	6.5	
KEYBANK	0	0	0	0	1	325,000	0	0	1	0.3	325,000	0.4	
MONROE BANK	10	339,106	26	3,135,797	13	3,371,302	4	2,602,111	53	13.5	9,448,316	12.9	
METLIFE HOME LOANS	0	0	8	929,223	0	0	0	0	8	2	929,223	1.3	
MORTGAGE MASTERS	0	0	2	170,504	1	321,900	0	0	3	0.8	492,404	0.7	
NATIONAL CITY MORTGAGE	0	0	0	0	0	0	0	0	0	0	0	0	0
OWEN COMMUNITY BANK	0	0	0	0	0	0	0	0	0	0	0	0	0
OWEN COUNTY STATE BANK	0	0	2	328,996	0	0	0	0	2	0.5	328,996	0.5	
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	2	75,219	3	408,000	2	690,507	1	417,056	8	2	1,590,782	2.2	
PROVIDENT FUNDING ASSO	0	0	2	266,000	2	747,000	0	0	4	1	1,013,000	1.4	
PEOPLES STATE BANK	3	102,320	10	1,354,738	3	767,350	1	2,020,438	17	4.3	4,244,846	5.8	
REGIONS BANK	1	25,000	0	0	0	0	0	0	1	0.3	25,000	0	
REGIONS MORTGAGE	1	44,000	13	1,768,485	3	839,500	0	0	17	4.3	2,651,985	3.6	
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0	0
UNITED COMMERCE BANK	7	348,800	16	2,127,600	8	2,506,097	0	0	31	7.9	4,982,497	6.8	
UNITED STATES OF AMERI	1	39,900	2	204,000	0	0	0	0	3	0.8	243,900	0.3	
UNION SAVINGS BANK	0	0	3	323,820	0	0	0	0	3	0.8	323,820	0.4	
WELLS FARGO BANK	3	117,971	8	1,016,614	3	813,776	0	0	14	3.6	1,948,361	2.7	
All Others	14	495,060	45	5,951,914	17	4,606,713	3	12,250,800	79	20.1	23,304,487	31.9	
TOTALS	78	3,179,334	227	29,159,061	75	20,925,520	13	19,790,018	393	100	73,053,933	100	



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Mortgage Report covering all mortgages on Monre County property, both residential and commercial, filed with the Monroe County Recorder during 2010.

Lender	0 to \$75,000		\$75,001 to \$199,999		\$200,000-\$417,000		\$417,001 & up		Total Docs	%	Total Amount	%	
	Docs	Amount	Docs	Amount	Docs	Amount	Docs	Amount					
ALLY BANK	0	0	6	862,919	3	838,602	0	0	0	9	0.5	1,701,521	0.5
BANK OF AMERICA	1	59,650	26	3,587,298	9	2,199,207	2	1,180,000	38	2.3	7,026,155	2	
BANK OF AMERICA HOME L	0	0	0	0	0	0	0	0	0	0	0	0	0
BLOOMFIELD STATE BANK	17	676,270	17	2,025,486	6	1,440,500	1	570,000	41	2.5	4,712,256	1.4	
CRANE FEDERAL CREDIT U	5	98,000	4	527,000	0	0	0	0	9	0.5	625,000	0.2	
CITIMORTGAGE	2	90,800	2	262,411	3	815,000	0	0	7	0.4	1,168,211	0.3	
FARM CREDIT SERVICES M	1	72,000	3	467,000	4	1,174,320	2	900,000	10	0.6	2,613,320	0.8	
FIRST FINANCIAL BANK	3	60,000	4	523,120	3	731,000	0	0	10	0.6	1,314,120	0.4	
FARMERS AND MECHANICS	2	120,000	7	786,500	1	204,000	0	0	10	0.6	1,110,500	0.3	
FIFTH THIRD BANK	9	321,687	8	1,065,781	0	0	2	1,000,000	19	1.2	2,387,468	0.7	
FIFTH THIRD MORTGAGE	8	481,730	52	6,725,769	9	2,382,547	0	0	69	4.2	9,590,046	2.8	
GERMAN AMERICAN BANCOR	15	703,940	29	3,640,738	22	6,578,460	11	8,802,288	77	4.7	19,725,426	5.7	
HOOSIER HILLS CREDIT U	3	120,400	1	99,200	0	0	0	0	4	0.2	219,600	0.1	
INDIANA UNIVERSITY CRE	90	3,311,507	111	14,226,634	41	11,093,070	2	1,600,000	244	14.9	30,231,211	8.8	
JPMORGAN CHASE BANK	15	835,923	55	6,854,796	15	3,944,687	1	1,000,000	86	5.2	12,635,406	3.7	
KEYBANK	0	0	1	171,957	2	548,870	0	0	3	0.2	720,827	0.2	
MONROE BANK	59	2,349,910	119	15,510,907	33	9,402,337	7	7,362,111	218	13.3	34,625,265	10	
METLIFE HOME LOANS	0	0	16	1,903,734	1	206,068	0	0	17	1	2,109,802	0.6	
MORTGAGE MASTERS	0	0	8	826,737	1	321,900	0	0	9	0.5	1,148,637	0.3	
NATIONAL CITY MORTGAGE	0	0	1	100,000	0	0	0	0	1	0.1	100,000	0	
OWEN COMMUNITY BANK	1	74,000	5	547,500	0	0	0	0	6	0.4	621,500	0.2	
OWEN COUNTY STATE BANK	1	39,516	5	822,794	0	0	0	0	6	0.4	862,310	0.3	
OCEAN MIDWEST	0	0	0	0	0	0	0	0	0	0	0	0	0
OLD NATIONAL BANK	16	607,313	14	1,837,980	11	3,263,007	4	3,445,276	45	2.7	9,153,576	2.7	
PROVIDENT FUNDING ASSO	0	0	11	1,471,400	7	2,195,800	0	0	18	1.1	3,667,200	1.1	
PEOPLES STATE BANK	28	1,025,821	36	4,790,723	18	4,968,800	3	3,024,759	85	5.2	13,810,103	4	
REGIONS BANK	6	207,149	4	451,000	1	250,000	0	0	11	0.7	908,149	0.3	
REGIONS MORTGAGE	3	155,000	47	5,989,158	14	3,805,340	2	1,044,000	66	4	10,993,498	3.2	
STONE CITY BANK	0	0	0	0	0	0	0	0	0	0	0	0	0
UNITED COMMERCE BANK	32	1,399,252	70	9,002,726	28	8,236,938	6	4,544,496	136	8.3	23,183,412	6.7	
UNITED STATES OF AMERI	2	106,483	5	560,500	0	0	0	0	7	0.4	666,983	0.2	
UNION SAVINGS BANK	2	120,000	19	2,283,786	4	1,138,100	0	0	25	1.5	3,541,886	1	
WELLS FARGO BANK	7	298,986	35	4,547,053	7	1,888,776	1	550,500	50	3	7,285,315	2.1	
All Others	50	1,666,163	186	23,613,895	59	16,315,319	12	94,643,300	307	18.7	136,238,677	39.5	
TOTALS	378	15,001,500	907	116,086,502	302	83,942,648	56	129,666,730	1643	100	344,697,380	100	