



Annual Report

DIVISION OF
**Financial
Services**

2016
2017



COLORADO
Department of
Regulatory Agencies

A Message From The Commissioner



Chris Myklebust

Commissioner of Financial Services
Colorado Department of Regulatory Agencies

It is my honor to have been appointed by DORA's former Executive Director Joe Neguse to serve as the state's Commissioner

of Financial Services in April 2017. Prior to this appointment, I served as the State Commissioner of Financial Services from 2006-2015. In addition, I was appointed as Colorado's State Bank Commissioner in July 2015. I currently serve as both the Commissioner of the Divisions of Banking and Financial Services. In the months since my appointment, the Division has made accomplishments to preserve the integrity of the marketplace and to continue its commitment to promoting a fair and competitive business environment in Colorado.

The Division of Financial Services protects consumers by regulating and supervising state-chartered Credit Unions and Savings and Loan associations, administering and enforcing the Savings and Loan Public Deposit Protection

Act, and regulating certain financial activities of life care institutions.

The financial condition of the Division's regulated institutions during FY 2016-2017 was sound. Both state chartered credit union and savings and loan institutions realized positive asset growth. Total assets held by the state chartered credit unions grew by 6.5% to \$19.3 billion as of March 31, 2017.

I trust the information in this report will be helpful to you and through the hard work of the dedicated employees of the Division of Financial Services and the commitment from our stakeholders, FY 2017-2018 will be just as successful as this year!

Division of Financial Services Staff

COMMISSIONER OF BANKING AND FINANCIAL SERVICES

Chris Myklebust

DEPUTY COMMISSIONER OF FINANCIAL SERVICES

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Table of Contents

2

Overview

Mission Statement
Division Highlights

6

Industry Snapshot

Credit Unions
Savings and Loans
Public Deposits
LifeCare Facilities

8

Reducing Regulatory Burden

Advantages of the State Charter

10

Consumer Education and Public Outreach

Financial Literacy Education

12

Financial Institution Directory

Credit Unions
Public Depositories
LifeCare Facilities





From DORA's Leadership

At the Colorado Department of Regulatory Agencies (DORA), we believe in promoting a Colorado in which consumers and service providers partner to forge common successes. With a sharp focus on streamlining and modernizing processes and enhancing end-to-end customer experiences, we strive to advance an environment and regulatory framework where both businesses and consumers are treated fairly and the economy thrives. DORA looks to deliver the fastest, easiest, and most enjoyable experience to our customers—the businesses and individuals who interact with us to get the services they need. We are committed to protecting customers, reducing unnecessary “red tape,” and ensuring that businesses thrive in an environment that protects consumers.

Division Mission Statement

The Division of Financial Services protects consumers by regulating and supervising state-chartered Credit Unions and Savings and Loan associations, administering and enforcing the Savings and Loan Public Deposit Protection Act, and regulating certain financial activities of life care institutions.



Overview

DORA's Mission, Vision and Core Values

OUR MISSION

Consumer protection is our mission.

OUR VISION

To ensure Colorado has an effective regulatory landscape where both consumers are protected and businesses can thrive in a competitive and fair marketplace.

OUR CORE VALUES

DEDICATION

We are dedicated to serving the people of Colorado. We know that with sensibility, patience, and a positive attitude, we can do great things. We are committed to making our strengths stronger, focusing on the added value we bring to state government.

OPENNESS

We know that the best outcomes are built from including diverse perspectives in decision making. We seek and provide honest feedback, learning from mistakes and successes, and building trust by listening.

RESPECT

We treat our team members, customers, and stakeholders with respect and sensitivity to different views and interests. We recognize people for their contributions, and approach every interaction with mindfulness and presence.

ACCOUNTABILITY

We are committed to personal responsibility, demonstrating credibility and sincerity in our work. The strength of our Department is built upon the trust and confidence we inspire in our community, and we pledge to uphold that trust through our professional conduct.



Highlights of the 2016-2017 Fiscal Year

FIELD OF MEMBERSHIP EXPANSIONS

In July 2016, the Division of Financial Services Board approved field of membership (FOM) expansions for Arapahoe Credit Union and Bellco Credit Union into Jefferson, Douglas and Boulder counties. The FOM expansions increase consumer choice to 1.1 million Colorado residents and will allow for greater flexibility with how they define the local communities they are serving. Enhanced access to credit union services for residents that may have not been an option not only allows for greater expansion but also leads to a well defined community presence.

RULEMAKING

In 2016, the Division of Financial Services Board promulgated rules governing reasonable compensation to members of the Board of Directors of Colorado credit unions. The step illustrated the value of the state charter and the level of appreciation that goes to board of directors that are in state-chartered credit unions around Colorado. The credit unions are given room by the regulatory agency to encompass best practices as it relates to reasonable compensation for their entity. In order to communicate the change in rule, the Division distributed an industry bulletin in October 2016 to provide guidance on compensation of Credit Union Board of Directors.

MERGERS

In October of 2016, the Arkansas Valley Federal Credit Union merged into Fellowship Credit Union which continues to reflect the value of the state charter. The merger increased the Division's assets supervised to over \$18 billion. Division of Financial Services Commissioner, Chris Myklebust stated, "Mergers, such as the one between Arkansas Valley Federal Credit Union into Fellowship Credit Union, continue to show the value of the state charter. State regulators provide a 'local' perspective and tend to keep a "state" focus on financial issues that impact the state's economy. In addition, the dual chartering system enables state governments to apply state laws and regulations that ensure consumer protection, that serve the needs of local economies and that respond to the values and concerns of local citizens, thus, reducing regulatory burden."





COMMISSIONER APPOINTMENT

In April 2017, DORA's former Executive Director, Joe Neguse appointed Chris Myklebust to the role of Commissioner for the Division of Financial Services. Commissioner Myklebust had been serving as the Acting Commissioner for several months over the division and his recent appointment speaks to the dedication he has to industry and the people who are served. Commissioner Myklebust also serves as the role of Commissioner for the Division of Banking where his experience and strong abilities will help him lead these two distinct and important divisions on a permanent basis.

STAKEHOLDER ENGAGEMENT

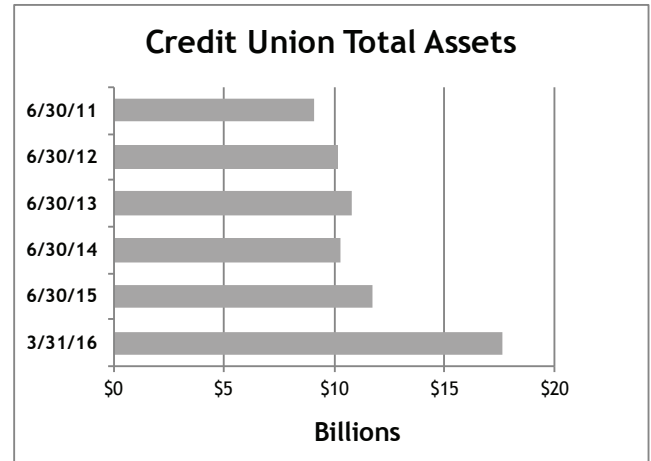
To develop a more productive rapport with internal and external stakeholders, the Division of Financial Services held a Stakeholder Meeting to engage the regulated institutions on topics that will affect them in the upcoming year. The meeting was open to all staff and the public to address the topics of legislation recently passed during session, review of rules and regulations, address consumer outreach and education and focus on the trends within the industry as it relates to the federal government. Within the stakeholder meeting the Division also provided attendees with the most recent copy of the administrative rules and asked for public comment on any changes that may be necessary. The Division also offered the opportunity for stakeholders to dial in via teleconference, which is the first of its kind, to ensure maximum participation from our regulated institutions. The Division will continue to host quarterly Stakeholder Meetings to ensure a more collaborative, inclusive and strategic relationship with the regulated industry throughout the year.



Industry Snapshot

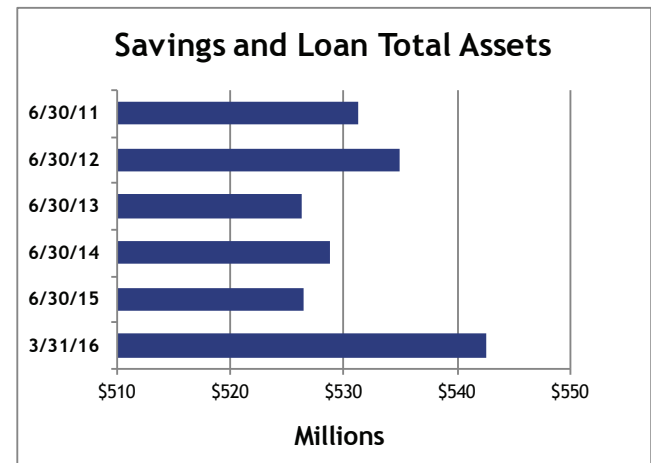
Credit Union Industry

The Division of Financial Services regulates the 38 state chartered credit unions in Colorado. It conducts comprehensive exams on a periodic basis to ensure the financial institutions' safety and soundness. Due to the many advantages of the state charter, such as reduced regulatory burden; relaxed field of membership rules; and local regulatory authority, the industry has seen steady asset growth since the end of the recession of 2012.



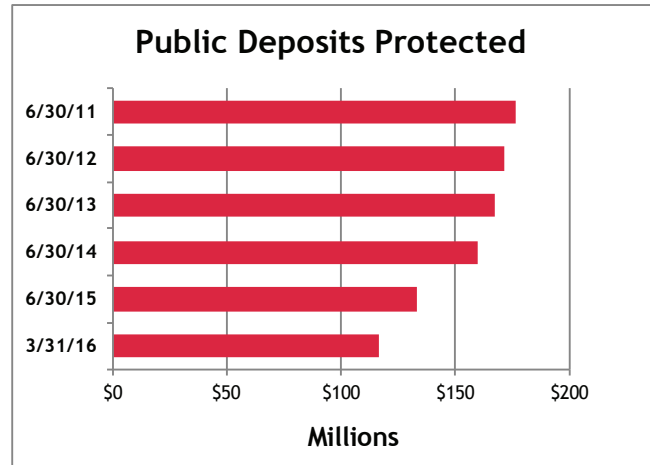
Savings and Loan Industry

The Division of Financial Services regulates the five savings and loan associations in Colorado that are located around the state. It conducts examinations along with our federal counterpart, the Federal Deposit Insurance Corporation (FDIC) to ensure safety and soundness in these institutions.



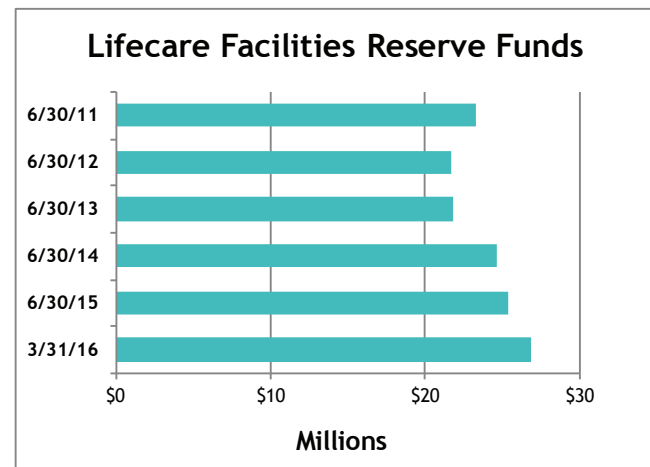
Public Deposits Industry

The Division of Financial Services regulates 12 Public Depository institutions which include all of our Colorado Savings and loans as well as other Savings and loan banks located outside of Colorado. Public Deposits in Colorado have decreased along with the economy as municipal and government agencies have reduced project spending over the past five years.



Lifecare Facilities

The Colorado Division of Financial Services regulates certain financial activity of seven retirement facilities that provide a single location for residents to live in while receiving professional assistance, nursing, and mental health care services as their needs change with age without having to move to another facility. This industry is starting to grow as the Colorado and U.S. population ages and the word about the benefits of this type of lifestyle spreads to retired seniors.





Reducing Regulatory Burden

The Division of Financial Services strives to make Colorado's regulatory environment even more efficient and, ultimately, more effective. By removing roadblocks and identifying efficiencies,

we can use the time to make real differences in people's lives. We consistently strive to reduce regulatory burden, support economic development, and protect consumers throughout our state.



EXAMPLES OF REDUCING REGULATORY BURDEN INCLUDE:

- The Division received and resolved nearly 50 consumer complaints regarding state chartered credit unions in FY 2017 with an average resolution time of 16 days. The consumer complaints ranged from loan and credit problems to alleged wrongful car repossessions and potential fraud.
- The Division initiated a new payment option which allows for all state chartered credit unions to pay any fees and assessments through our newly implemented Automated Clearing House (ACH) system. The new system will increase effective and efficient transmittal of all fees paid to the division.
- The Division initiated an administrative rules review for all state chartered credit unions. Stakeholder meetings were held which allowed credit unions to review current administrative rules and bring any comments directly to Division leadership.
- The Board has approved 12 FOM expansion applications in FY 16-17. This process continues to demonstrate the value of the state charter as it reduces regulatory burden on the credit union industry in Colorado, particularly in the area of field of membership (FOM) expansions. These FOM expansions expand consumer choice, increase access to affordable financial services and provide regulatory relief to a wide range of Colorado state chartered credit unions.
- The Division of Financial Services Board promulgated rules that allows for "reasonable compensation" of a member of the credit union's board of directors for their services to the credit union and would allow the board of directors to appoint an audit committee in lieu of a supervisory committee.

The Advantages of the State Charter

The dual chartering system has enabled credit unions to thrive for nearly 100 years. One of the strengths of the credit union movement is the versatility and flexibility of the dual chartering system. Credit Unions can be chartered by state government or the

federal government via the National Credit Union Administration (NCUA). Forty-seven states and Puerto Rico have laws permitting state-chartered credit unions. There are numerous advantages to the state charter:

BOARD COMPENSATION

The state system allows for board members to be compensated. The benefits to allow compensation to credit union directors includes: Expertise is required for a board to be fully accountable to the membership; the liabilities of serving on a credit union board are not insignificant; the financial marketplace is ever-more complex, requiring board members to have ever-increasing knowledge and responsibilities; credit unions are competing with for-profit institutions for not just executive talent, but also for board-level strategic and thought leadership.

STATE GOVERNANCE

State-chartered credit unions are subject to state laws and regulations, which have been enacted to meet the particular needs of the citizens of Colorado. The Colorado Legislature that approves state laws and oversees the Division of Financial Services is sensitive to local needs and receptive to Coloradans' concerns. The Division engages the industry with one-on-one contacts and stakeholder meetings that are not available with the federal charter.

FIELD OF MEMBERSHIP

State chartered credit unions in Colorado enjoy flexible field of membership regulations that adhere to our state's geography and communities so that credit unions can best serve their particular members financial services needs better than their federal counterparts.

LOCAL SUPERVISION

The state system allows for greater interaction with communities and groups in our state and a local voice. The five-member Governor-appointed Financial Services Board is the policy and rulemaking authority for Financial Services. The Board consists of three members who are executive officers of Colorado state credit unions, one member who is the executive officer of a state savings and loan association and one member to serve as a public member of the Board. This board works and lives in Colorado and is familiar with the unique needs of the citizens of the state.





Consumer Education and Public Outreach

The Consumer Education and Public Outreach section within the Division monitors, implements and tracks outreach on financial literacy and consumer education for the State of Colorado. In the Division, the role of Consumer Outreach and Public Education Coordinator was formed in September 2016 with the goal to create, maintain and administer outreach programs that focus on consumer financial literacy and fraud prevention, and to help industry professionals improve personal financial management for consumers.

The key strategy for the Division was to conduct outreach to Coloradans through presentations, town-halls, community forums or lectures to specified audiences, which were: youth, adults, seniors and veterans. In addition, the Division looked to raise awareness on perceived risk and potential opportunities in the financial market as it relates to Colorado consumers. Throughout the year the Division engaged in public speaking, educational activities and community events which promoted the overall message of financial education which, in turn, enhanced communication efforts between the financial services industry and consumers in Colorado.

The Division was honored to partner with several key organizations for national and local events, such as America Saves Week, Military Saves Week, National Consumer Protection Week, Financial Literacy Month and MoneySmart Week.

The Division engaged industry professionals through the launch of webinar hosted seminars and meetings along with quarterly industry bulletins highlighting and guiding professionals regarding key topics such as:

- Administrative Rulemaking
- Compensation to Credit Union Board of Directors
- Launch of Online Payment Processing—Automated Clearing House (ACH)

The Division also issued consumer advisories on key topics that would increase education on topics regarding fraud prevention, financial literacy and personal money management. The bulletins covered key topics such as:

- Common Scams
- Preventative Measures for Scams in Colorado
- Red Flags for Seniors
- Holiday Online Shopping
- Green-Dot Money Pak Scam



Financial Literacy Education

Throughout the year, the Consumer Education and Public Outreach Coordinator was involved in 25 events, which ranged from educational seminars, presentations, and townhalls. There were over 5,000 Colorado consumers reached during the fiscal year through the Division's outreach program.

The Consumer Education and Public Outreach Coordinator was also able to target diverse audiences throughout the state through program launches targeting consumers in varying life stages, professions and locations in Colorado, which include:

- Community Choice Credit Union SeniorSafe Industry Staff Training
- Aventa Credit Union SeniorSafe Industry Staff Training
- Military Saves Week—Ft. Carson Military Base
- Senior Residents at Volunteers of America Facilities—Colorado SeniorSafe Training
- El Paso County Certified Fraud Examiners (CFE) Conference
- National Consumer Protection Week—University of Colorado Boulder
- Women's Empowerment—Elevate Network Quarterly Seminar

- U 4 Reality Financial Literacy Fair—South High School
- University of Colorado, Colorado Springs "Reach Your Peak" Scholarship—Financial Workshop
- Colorado Association of Administrators of Student Loans and Accounts Receivable (CAASLAR) Conference—Financial Literacy Seminar
- Regis University—Elevating Ethics in Business Scholarship Awards

The Division plans to increase its engagement, consumer education and public outreach to varying populations across the State of Colorado over the next few years and will focus on collaborating with industry stakeholders and professionals, non-profits, Colorado universities and State colleges, as well as other public interest organizations to increase consumer education so people can make more informed financial decisions through their varying life stages.



Financial Institution Directory

State Chartered Credit Unions

ARAPAHOE CREDIT UNION

P.O. Box 2210
3999 E. Arapahoe Road
Centennial, CO 80161-2210
303-740-7063 Phone

AVENTA CREDIT UNION

2735 Dublin Blvd.
Colorado Springs, CO 80918
719-482-7600 Phone

BCS COMMUNITY CREDIT UNION

4203 Wadsworth Blvd
Wheat Ridge, CO 80033
303-425-6627 Phone

BELLCO CREDIT UNION

P.O. Box 6611
Englewood, CO 80155-6611
303-689-8139 Phone

COLORADO CREDIT UNION

8331 Continental Divide Road
Littleton, CO 80127
303-978-2274 or
1-800-828-2274 Phone

COMMUNITY CHOICE CREDIT UNION

6921 E. 72nd Avenue
Commerce City, CO 80022
303-287-8025 Phone

CREDIT UNION OF DENVER

9305 W. Alameda Avenue
Lakewood, CO 80226
303-234-1700 Phone

CREDIT UNION OF THE ROCKIES

607 19th Street
Golden, CO 80401
303-273-5200 Phone

DENVER COMMUNITY CREDIT UNION

1075 Acoma Street
Denver, CO 80204
303-573-1170 Phone
303-623-2860 Fax

ELEVATIONS CREDIT UNION

P.O. Box 9004
2300 55th Street
Boulder, CO 80301
303-443-4672 Phone

ENT CREDIT UNION

P.O. Box 15819
7250 Campus Drive
Colorado Springs, CO 80920
719-574-1100 Phone

FELLOWSHIP CREDIT UNION

803 E. Olive Street
Lamar, CO
719-336-5511 Phone

FOOTHILLS CREDIT UNION

7990 W. Alameda Avenue
Lakewood, CO 80226
720-962-8200 Phone

GUADALUPE PARISH CREDIT UNION

P.O. Box 97
217 West Third Avenue
Antonito, CO 81120-0097
719-376-5413 Phone

HORIZONS NORTH CREDIT UNION

11455 Pearl Street
Northglenn, CO 80223
303-451-1146 Phone

METRUM COMMUNITY CREDIT UNION

6980 South Holly Circle
Centennial, CO 80112-1018
303-770-4468 Phone

MINNEQUA WORKS CREDIT UNION

1549 East Abriendo Avenue
Pueblo, CO 81004
719-544-6928 Phone

MOUNTAIN RIVER CREDIT UNION

205 East 3rd Street
Salida, CO 81208
719-539-2968 Phone

NORTHERN COLORADO CREDIT UNION

2901 South 27th Avenue
Greeley, CO 80631-8531
970-330-3900 Phone

ON TAP CREDIT UNION

816 Washington Avenue
Golden, CO 80401
303-316-1545 Phone

ONE THIRTEEN CREDIT UNION

3505 North Chestnut Street
Colorado Springs, CO 80907
719-632-7118 Phone

OPTIONS CREDIT UNION

5935 South Zang Street
Unit 4, Littleton CO 80127
303-860-1117 Phone

PARTNER COLORADO CREDIT UNION

P.O. Box 1346
6221 Sheridan Boulevard
Arvada, CO 80001-1346
303-422-6221 Phone

PEOPLES CREDIT UNION

P.O. Box 416
125 Main Street
Springfield, CO 81073
719-523-6250 Phone

PIKES PEAK CREDIT UNION

1616 North Circle Drive
Colorado Springs, CO 80909
719-473-5962 Phone

POWER CREDIT UNION

1615 East Evans Avenue
Pueblo, CO 81004
719-564-0710 Phone

PREMIER MEMBERS CREDIT UNION

5505 Arapahoe Road
Boulder, CO 80303
303-657-7000 Phone

PUBLIC SERVICE CREDIT UNION

9990 Park Meadows Dr.
Lone Tree, CO 80124
303-691-2345 Phone

RED ROCKS CREDIT UNION

8195 South Park Lane
Littleton, CO 80120
303-471-7625 Phone

SAN JUAN MOUNTAINS CREDIT UNION

1102 South Cascade
Montrose, CO 81401
970-249-5319 Phone

SHAMBHALA CREDIT UNION

100 Arapahoe
Suite 8
Boulder, CO 80302
303-444-9003 Phone

SOOPER CREDIT UNION

5005 West 60th Avenue
Arvada, CO 80012
303-427-5005 Phone

ST. MARY CREDIT UNION

P.O. Box 266
809 South Main, #1
Walsenburg, CO 81089-0266
719-738-1760 Phone

SUNWEST EDUCATIONAL CREDIT UNION

4141 Sovereign Circle
Pueblo, CO 81005
719-561-0804 Phone

THE FOURTH CORNER CREDIT UNION

1275 Tremont Place
Denver, CO 80204

VALLEY EDUCATORS CREDIT UNION

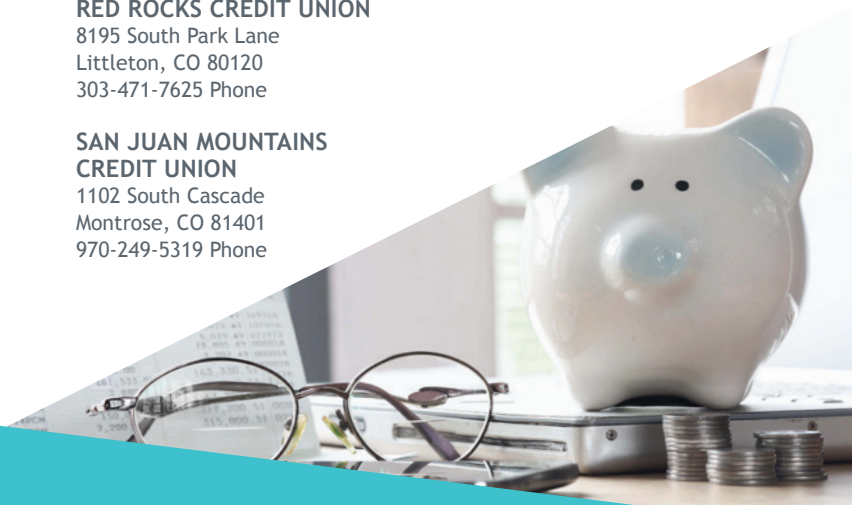
910 Main Street
Alamosa, CO 81101
719-589-6535 Phone

WELD SCHOOLS CREDIT UNION

2555 47th Avenue
Greeley, CO 80634
970-330-9728 Phone

WESTERRA CREDIT UNION

3700 East Alameda Avenue
Denver, CO 80209
303-321-4209 Phone





Public Depositories

**** Institutions with an asterisk are state Chartered Savings and Loans in the State of Colorado.**

**** CENTURY SAVINGS AND LOAN ASSOCIATION**
P.O. Box 91
233 E. Main Street
Trinidad, CO 81802
719-846-2257 Phone

**** DEL NORTE BANK**
P.O. Box 450
705 Grand Avenue
Del Norte, CO 81132
719-657-3376 Phone

**** EQUITABLE SAVINGS AND LOAN**
P.O. Box 1726
221 N. Third Street
Sterling, CO 80751
970-522-6522 Phone

GRAND MOUNTAIN BANK, FSB
P.O. Box 964
337 E. Agate Ave.
Granby, CO 80446
970-887-1221 Phone**

**** GUNNISON SAVINGS AND LOAN ASSOCIATION**
303 N. Main Street
Gunnison, CO 81230
970-641-2171 Phone

LIBERTY SAVINGS BANK
P.O. Box 6224
234 Columbine Street
Denver, CO 80206
303-295-7200 Phone

MIDFIRST BANK
101 Cook Street
Denver, CO 80206
303-376-3800 Phone

TBK BANK
12700 Park Central Drive
Suite 1700
Dallas, TX 75251

MORGAN FEDERAL BANK
P.O. Box 10
321 Ensign St.
Fort Morgan, CO 80701
970-867-2443 Phone

MUTUAL OF OMAHA BANK
710 Golden Ridge Road
Suite 120
Golden, CO 80401
303-279-5951

**** RIO GRANDE SAVINGS AND LOAN**
P.O. Box 29
901 First Avenue
Monte Vista, CO 81144
719-852-5934 Phone
719-852-2535 FAX

SAN LUIS VALLEY FEDERAL BANK
P.O. Box 780
401 Edison Avenue
Alamosa, CO 81101
719-589-6653 Phone

Lifecare Institutions



CHRISTIAN LIVING COMMUNITIES
5500 E. Peakview Avenue
Centennial, CO 80121
720-974-3555 Phone

CASEY'S POND SENIOR LIVING COMMUNITY
2855 Owl Hoot Trail
Steamboat Springs, CO 80487

COVENANT VILLAGE OF COLORADO
9153 Yarrow Street
Westminster, CO 80021
303-403-2932 Phone

FRASIER MEADOWS MANOR, INC.
350 Ponca Place
Boulder, CO 80303
303-499-4888 Phone

SUNNY ACRES VILLA, INC.
2425 S. Colorado Blvd.
Suite 250
Denver, CO 80222
303-255-4106

VI AT HIGHLANDS RANCH
2850 Classic Drive
Highlands Ranch, CO 80126
720-348-7854

WINDCREST INC./ ERICKSON RETIREMENT COMMUNITIES, LLC
3235 Mill Vista Road
Highlands Ranch, CO 80129
303-876-8300





COLORADO

Department of
Regulatory Agencies

Contact Information:

Colorado Department of Regulatory Agencies
Colorado Division of Financial Services
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