



February 17, 2026

ENGROSSED SENATE BILL No. 169

DIGEST OF SB 169 (Updated February 17, 2026 10:42 am - DI 154)

Citations Affected: Numerous provisions throughout the Indiana Code.

Synopsis: Reorganization of consumer lending laws. Repeals the statutes governing first lien mortgage lending, small loans, mortgage rescue protection fraud, and home loan practices and the Uniform Consumer Credit Code. Recodifies the repealed statutes in a new title of the Indiana Code concerning consumer lending (Title 37). Conforms the structure and organization of the recodified statutes to the requirements of the general assembly's drafting manual. Makes conforming changes to cross-references.

Effective: July 1, 2026.

Baldwin, Randolph Lonnie M

(HOUSE SPONSOR — TESHKA)

January 5, 2026, read first time and referred to Committee on Insurance and Financial Institutions.

January 15, 2026, amended, reported favorably — Do Pass.

January 20, 2026, read second time, ordered engrossed. Engrossed.

January 22, 2026, read third time, passed. Yeas 43, nays 1.

HOUSE ACTION

January 28, 2026, read first time and referred to Committee on Financial Institutions.

February 17, 2026, amended, reported — Do Pass.

ES 169—LS 6567/DI 92



February 17, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 169

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-6-3-3, AS AMENDED BY P.L.100-2025,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 3. (a) If the attorney general has reasonable cause
4 to believe that a person may be in possession, custody, or control of
5 documentary material, or may have knowledge of a fact that is relevant
6 to an investigation conducted to determine if a person is or has been
7 engaged in a violation of IC 4-6-9, IC 4-6-10, IC 13-14-10,
8 IC 13-14-12, IC 13-24-2, IC 13-30-4, IC 13-30-5, IC 13-30-8,
9 IC 16-21-15, IC 23-7-8, IC 24-1-2, IC 24-5-0.5, IC 24-5-7, IC 24-5-8,
10 ~~IC 24-9~~, IC 25-1-7, IC 27-1-37-8, IC 32-34-1.5, **IC 37-5**, or any other
11 statute enforced by the attorney general or is or has been engaged in a
12 criminal violation of IC 13, only the attorney general may issue in
13 writing, and cause to be served upon the person or the person's
14 representative or agent, an investigative demand that requires that the
15 person served do any combination of the following:
16 (1) Produce the documentary material for inspection and copying
17 or reproduction.

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1 (2) Answer under oath and in writing written interrogatories.

2 (3) Appear and testify under oath before the attorney general or
3 the attorney general's duly authorized representative.

4 (b) The office of the attorney general may consult with the Indiana
5 department of health in the review of an application for a certificate of
6 public advantage under IC 16-21-15.

7 SECTION 2. IC 4-6-12-2, AS AMENDED BY P.L.52-2017,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2026]: Sec. 2. The attorney general shall establish a
10 homeowner protection unit to enforce ~~IC 24-9~~ **IC 37-5** and to carry out
11 this chapter.

12 SECTION 3. IC 4-6-12-3, AS AMENDED BY P.L.52-2017,
13 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2026]: Sec. 3. (a) The unit shall do the following:

15 (1) Investigate deceptive acts in connection with mortgage
16 lending.

17 (2) Investigate violations of ~~IC 24-9~~ **IC 37-5**.

18 (3) Institute appropriate administrative and civil actions to
19 redress:

20 (A) deceptive acts in connection with mortgage lending; and

21 (B) violations of IC 24-5-0.5 and ~~IC 24-9~~ **IC 37-5**.

22 (4) Cooperate with federal, state, and local law enforcement
23 agencies in the investigation of the following:

24 (A) Deceptive acts in connection with mortgage lending.

25 (B) Criminal violations involving deceptive acts in connection
26 with mortgage lending.

27 (C) Violations of IC 24-5-0.5 and ~~IC 24-9~~ **IC 37-5**.

28 (D) Violations of:

29 (i) the federal Truth in Lending Act (15 U.S.C. 1601 et
30 seq.);

31 (ii) the Real Estate Settlement Procedures Act (12 U.S.C.
32 2601 et seq.); and

33 (iii) any other federal laws or regulations concerning
34 mortgage lending.

35 To the extent authorized by federal law, the unit may enforce
36 compliance with the federal statutes or regulations described
37 in this clause or refer suspected violations of the statutes or
38 regulations to the appropriate federal regulatory agencies.

39 (5) Enforce violations of IC 32-25.5-3 by homeowners
40 associations.

41 (b) The attorney general shall adopt rules under IC 4-22-2 to the
42 extent necessary to organize the unit.



1 SECTION 4. IC 4-6-12-5 IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: Sec. 5. The attorney general may file
 3 complaints with any of the entities listed in section 4 of this chapter to
 4 carry out this chapter and ~~IC 24-9-9~~ **IC 37-5**.

5 SECTION 5. IC 4-6-12-9, AS AMENDED BY P.L.52-2017,
 6 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2026]: Sec. 9. (a) The homeowner protection unit account
 8 within the general fund is established to support the operations of the
 9 unit. The account is administered by the attorney general.

10 (b) The homeowner protection unit account consists of the
 11 following:

12 (1) Fees collected under ~~IC 24-9-9~~ **IC 37-5-9**.

13 (2) Fees distributed to the account under IC 33-34-8-3,
 14 IC 33-37-7-2(a), and IC 33-37-7-8(a).

15 (c) The expenses of administering the homeowner protection unit
 16 account shall be paid from money in the account.

17 (d) The treasurer of state shall invest the money in the homeowner
 18 protection unit account not currently needed to meet the obligations of
 19 the account in the same manner as other public money may be invested.

20 (e) Money in the homeowner protection unit account at the end of
 21 a state fiscal year does not revert to the state general fund.

22 SECTION 6. IC 4-21.5-3-6, AS AMENDED BY P.L.222-2025,
 23 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]: Sec. 6. (a) Notice shall be given under this section
 25 concerning the following:

26 (1) A safety order under IC 22-8-1.1.

27 (2) Any order that:

28 (A) imposes a sanction on a person or terminates a legal right,
 29 duty, privilege, immunity, or other legal interest of a person;

30 (B) is not described in section 4 or 5 of this chapter or
 31 IC 4-21.5-4; and

32 (C) by statute becomes effective without a proceeding under
 33 this chapter if there is no request for a review of the order
 34 within a specified period after the order is issued or served.

35 (3) A notice of program reimbursement or equivalent
 36 determination or other notice regarding a hospital's
 37 reimbursement issued by the office of Medicaid policy and
 38 planning or by a contractor of the office of Medicaid policy and
 39 planning regarding a hospital's year end cost settlement.

40 (4) A determination of audit findings or an equivalent
 41 determination by the office of Medicaid policy and planning or by
 42 a contractor of the office of Medicaid policy and planning arising



- 1 from a Medicaid postpayment or concurrent audit of a hospital's
 2 Medicaid claims.
- 3 (5) A license suspension or revocation under:
- 4 (A) ~~IC 24-4.4-2~~; **IC 37-1-3**;
 5 (B) ~~IC 24-4.5-3~~; **IC 37-2-4**;
 6 (C) IC 28-1-29;
 7 (D) IC 28-7-5;
 8 (E) IC 28-8-4.1;
 9 (F) IC 28-8-5; or
 10 (G) IC 28-8-6.
- 11 (6) An order issued by the secretary or the secretary's designee
 12 against providers regulated by the office of the secretary, the
 13 division of aging or the bureau of disabilities services and not
 14 licensed by the Indiana department of health under IC 16-27 or
 15 IC 16-28.
- 16 (b) When an agency issues an order described by subsection (a), the
 17 agency shall give notice to the following persons:
- 18 (1) Each person to whom the order is specifically directed.
 19 (2) Each person to whom a law requires notice to be given.
- 20 A person who is entitled to notice under this subsection is not a party
 21 to any proceeding resulting from the grant of a petition for review
 22 under section 7 of this chapter unless the person is designated as a
 23 party in the record of the proceeding.
- 24 (c) The notice must include the following:
- 25 (1) A brief description of the order.
 26 (2) A brief explanation of the available procedures and the time
 27 limit for seeking administrative review of the order under section
 28 7 of this chapter.
 29 (3) Any other information required by law.
- 30 (d) An order described in subsection (a) is effective fifteen (15) days
 31 after the order is served, unless a statute other than this article specifies
 32 a different date or the agency specifies a later date in its order. This
 33 subsection does not preclude an agency from issuing, under
 34 IC 4-21.5-4, an emergency or other temporary order concerning the
 35 subject of an order described in subsection (a).
- 36 (e) If a petition for review of an order described in subsection (a) is
 37 filed within the period set by section 7 of this chapter and a petition for
 38 stay of effectiveness of the order is filed by a party or another person
 39 who has a pending petition for intervention in the proceeding, an
 40 administrative law judge shall, as soon as practicable, conduct a
 41 preliminary hearing to determine whether the order should be stayed in
 42 whole or in part. The burden of proof in the preliminary hearing is on



1 the person seeking the stay. The administrative law judge may stay the
 2 order in whole or in part. The order concerning the stay may be issued
 3 after an order described in subsection (a) becomes effective. The
 4 resulting order concerning the stay shall be served on the parties and
 5 any person who has a pending petition for intervention in the
 6 proceeding. It must include a statement of the facts and law on which
 7 it is based.

8 SECTION 7. IC 4-22-2.3-6, AS AMENDED BY P.L.93-2024,
 9 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2026]: Sec. 6. The following apply to the department of
 11 financial institutions:

12 (1) The department of financial institutions shall adopt rules
 13 under the interim rule procedures in IC 4-22-2-37.2 announcing:

14 (A) sixty (60) days before January 1 of each odd-numbered
 15 year in which dollar amounts under ~~IC 24-4.5~~ **IC 37-2**
 16 (Uniform Consumer Credit Code) are to change, the changes
 17 in dollar amounts required by ~~IC 24-4.5-1-106(2)~~;
 18 **IC 37-2-1-5(b)**;

19 (B) promptly after the changes occur, changes in the Index
 20 required by ~~IC 24-4.5-1-106(3)~~; **IC 37-2-1-5(c)**, including,
 21 when applicable, the numerical equivalent of the Reference
 22 Base Index under a revised Reference Base Index and the
 23 designation or title of any index superseding the Index;

24 (C) the adjustments required under ~~IC 24-9-2-8~~ **IC 37-5-2-8**
 25 concerning high cost home loans; and

26 (D) the adjustments required under IC 34-55-10-2 (bankruptcy
 27 exemptions; limitations) or IC 34-55-10-2.5.

28 A rule described in this subdivision expires not later than January
 29 of the next odd-numbered year after the department of financial
 30 institutions is required to issue the rule.

31 (2) The department of financial institutions may adopt a rule
 32 under the interim rule procedures in IC 4-22-2-37.2 for a rule
 33 permitted under ~~IC 24-4.4-1-101~~ **IC 37-1-1-1** (licensing system
 34 for creditors and mortgage loan originators) or ~~IC 24-4.5~~ **IC 37-2**
 35 (Uniform Consumer Credit Code) if the department of financial
 36 institutions declares an emergency. A rule described in this
 37 subdivision expires not later than two (2) years after the rule is
 38 effective.

39 (3) The department of financial institutions may adopt a rule
 40 described in IC 34-55-10-2 (bankruptcy exemptions; limitations)
 41 or IC 34-55-10-2.5 in conformity with the procedures in
 42 IC 4-22-2-23 through IC 4-22-2-36 or the interim rule procedures



1 in IC 4-22-2-37.2. A rule described in this subdivision adopted
 2 under IC 4-22-2-37.2 expires not later than two (2) years after the
 3 rule is accepted for filing by the publisher of the Indiana Register.
 4 A rule described in this section may be continued in another interim
 5 rule only if the governor determines under IC 4-22-2-37.2(c) that the
 6 policy options available to the agency are so limited that use of the
 7 additional notice, comment, and review procedures in IC 4-22-2-23
 8 through IC 4-22-2-36 would provide no benefit to persons regulated or
 9 otherwise affected by the rule.

10 SECTION 8. IC 5-27-3-3 IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) A governmental body may:

12 (1) if the governmental body obtains the consent of each
 13 governmental body that is directly affected by the transaction,
 14 recognize the net amount remitted by the provider company as
 15 payment in full of an amount due the governmental entity for a
 16 service, a tax, a license, a permit, a fee, information, or any other
 17 amount due the governmental body that was paid by an electronic
 18 payment; or

19 (2) collect a sum for the vendor transaction charge, discount fee,
 20 or any other charge from the person who makes an electronic
 21 payment.

22 A fee under subdivision (2) may be collected as an enhanced service
 23 fee by a governmental body. The fee is a permitted additional charge
 24 under ~~IC 24-4.5-3-202~~: **IC 37-2-4-5**.

25 (b) A governmental body may pay a service charge or fee in
 26 connection with its agreement with the provider company.

27 SECTION 9. IC 6-1.1-23-10 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 10. (a) If a judgment
 29 entered under section 9 of this chapter is not paid, the county treasurer
 30 may notify the delinquent taxpayer by certified mail that a judgment
 31 has been entered against ~~him~~ **the taxpayer** and that the treasurer is
 32 going to file a praecipe for execution. If the judgment is not paid within
 33 ten (10) days after the date the notice is given, the county treasurer
 34 shall file the praecipe for execution. If this notice is not given, an
 35 execution upon the judgment is invalid.

36 (b) If a judgment has been entered against a taxpayer under section
 37 9 of this chapter, the county treasurer may obtain a court order
 38 restraining the taxpayer from transacting business in the county.
 39 However, the restraining order may be dissolved if the court believes
 40 that dissolution of the restraining order will make collection of the
 41 judgment more likely.

42 (c) If a judgment against a taxpayer under section 9 of this chapter



1 has not been satisfied within sixty (60) days after the judgment is
 2 entered, the county treasurer may do the following without judicial
 3 proceedings:

4 (1) Levy upon property of the taxpayer that is held by a financial
 5 institution. The county treasurer shall make a levy in the same
 6 manner as the department of state revenue under IC 6-8.1-8-8. A
 7 financial institution that receives a claim under this subdivision
 8 shall transfer to the county treasurer property of the taxpayer that
 9 is held by the financial institution. However, if the value of the
 10 taxpayer's property held by the financial institution is greater than
 11 the amount of the judgment, the financial institution shall transfer
 12 property of the taxpayer in an amount equal to the amount of the
 13 judgment.

14 (2) Garnish the accrued earnings and wages of the taxpayer by
 15 giving notice to the taxpayer's employer. An employer who
 16 receives a notice under this subdivision shall garnish the accrued
 17 earnings and wages of the taxpayer in an amount equal to the full
 18 amount subject to garnishment under ~~IC 24-4.5-5-105.~~
 19 **IC 37-2-6-4.** The employer:

20 (A) shall remit the amount garnished under this subdivision to
 21 the county treasurer; and

22 (B) is entitled to a fee equal to the amount of the fee that may
 23 be collected under ~~IC 24-4.5-5-105(5)~~ **IC 37-2-6-4** in a
 24 garnishment action. However, the taxpayer shall pay the entire
 25 fee collected under this clause.

26 (3) Withhold the amount of the judgment in full or in part from
 27 any payment that:

28 (A) is due to the taxpayer from the county; and

29 (B) requires the signature of the county treasurer.

30 (d) The treasurer of a county may use any combination of remedies
 31 provided under this section to collect the following:

32 (1) Delinquent taxes.

33 (2) Expenses incurred under IC 6-1.1-23-7(a)(1) through
 34 IC 6-1.1-23-7(a)(6).

35 (e) A county treasurer that incurs attorney's fee expenses for legal
 36 services not related to formal judicial proceedings shall petition a
 37 circuit or superior court in the county for approval to pay the expenses.
 38 The court may conduct a hearing on the petition and may authorize the
 39 auditor of the county to issue a warrant for the amount of the
 40 reasonable expenses. The county treasurer shall pay the warrant
 41 without an appropriation for the disbursement.

42 SECTION 10. IC 6-6-5.1-21, AS AMENDED BY P.L.9-2024,

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1 SECTION 203, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: Sec. 21. (a) The bureau, in the
 3 administration and collection of the tax imposed by this chapter, may
 4 use the services and facilities of:

- 5 (1) license branches operated under IC 9-14.1;
- 6 (2) full service providers (as defined in IC 9-14.1-1-2); and
- 7 (3) partial services providers (as defined in IC 9-14.1-1-3);

8 in the bureau's administration of the state motor vehicle registration
 9 laws in the manner and to the extent the bureau considers necessary
 10 and proper to implement and effectuate the administration and
 11 collection of the excise tax imposed by this chapter.

12 (b) The bureau may impose a service charge of one dollar and
 13 seventy cents (\$1.70) for each excise tax collection made under this
 14 chapter. The service charge shall be deposited in the bureau of motor
 15 vehicles commission fund.

16 (c) The bureau shall report the excise taxes collected on at least a
 17 weekly basis to the county auditor of the county to which the
 18 collections are due.

19 (d) If the excise tax imposed by this chapter is collected by the
 20 department of state revenue, the money collected shall be deposited in
 21 the state general fund to the credit of the appropriate county and
 22 reported to the bureau on the first working day following the week of
 23 collection. Except as provided in subsection (e), money collected by the
 24 department that represents interest or a penalty shall be retained by the
 25 department and used to pay the department's costs of enforcing this
 26 chapter.

27 (e) This subsection applies only to interest or a penalty collected by
 28 the department of state revenue from a person that:

- 29 (1) fails to properly register a recreational vehicle as required by
 30 IC 9-18 (before its expiration) or IC 9-18.1 and pay the tax due
 31 under this chapter; and
- 32 (2) during any time after the date by which the recreational
 33 vehicle was required to be registered under IC 9-18 (before its
 34 expiration) or IC 9-18.1 displays on the recreational vehicle a
 35 license plate issued by another state.

36 The total amount collected by the department of state revenue that
 37 represents interest or a penalty, minus a reasonable amount determined
 38 by the department to represent its administrative expenses, shall be
 39 deposited in the state general fund to the credit of the county in which
 40 the person resides. The amount shall be reported to the bureau on the
 41 first working day following the week of collection.

42 (f) The bureau may contract with a bank card or credit card vendor



1 for acceptance of bank cards or credit cards. However, if a bank card
 2 or credit card vendor charges a vendor transaction charge or discount
 3 fee, whether billed to the bureau or charged directly to the bureau's
 4 account, the bureau shall collect from a person using the card an
 5 official fee that may not exceed the highest transaction charge or
 6 discount fee charged to the bureau by bank card or credit card vendors
 7 during the most recent collection period. The fee may be collected
 8 regardless of retail merchant agreements between the bank card and
 9 credit card vendors that may prohibit such a fee. The fee is a permitted
 10 additional charge under ~~IC 24-4.5-3-202~~. **IC 37-2-4-5**.

11 (g) On or before April 1 of each year, the bureau shall provide to the
 12 state comptroller the amount of taxes collected under this chapter for
 13 each county for the preceding year.

14 (h) On or before May 10 and November 10 of each year, the state
 15 comptroller shall distribute to each county one-half (1/2) of:

- 16 (1) the amount of delinquent taxes; and
- 17 (2) any interest or penalty described in subsection (e);

18 that have been credited to the county under subsection (c). There is
 19 appropriated from the state general fund the amount necessary to make
 20 the distributions required by this subsection. The county auditor shall
 21 apportion and distribute the delinquent tax distributions to the taxing
 22 units in the county at the same time and in the same manner as excise
 23 taxes are apportioned and distributed under section 22 of this chapter.

24 (i) The insurance commissioner shall prescribe the form of the
 25 bonds or crime insurance policies required by this section.

26 SECTION 11. IC 6-8.1-8-1 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) A person may
 28 make a tax payment:

- 29 (1) in cash;
- 30 (2) by bank draft;
- 31 (3) by check;
- 32 (4) by cashier's check;
- 33 (5) by money order;
- 34 (6) by credit card, debit card, charge card, or similar method; or
- 35 (7) if approved by the department, by an electronic fund transfer
 36 (as defined in IC 4-8.1-2-7).

37 However, if a tax liability payment is made by bank draft, check,
 38 cashier's check, or money order, the liability is not finally discharged
 39 and the person has not paid the tax until the draft, check, or money
 40 order has been honored by the institution on which it is drawn. If the
 41 payment is made by credit card, debit card, charge card, or similar
 42 method, the liability is not finally discharged and the person has not



1 paid the tax until the department receives payment or credit from the
 2 institution responsible for making the payment or credit. The
 3 department may contract with a bank or credit card vendor for
 4 acceptance of bank or credit cards. However, if there is a vendor
 5 transaction charge or discount fee, whether billed to the department or
 6 charged directly to the department's account, the department or credit
 7 card vendor may collect from the person using the bank or credit card
 8 a fee that may not exceed the highest transaction charge or discount fee
 9 charged to the department by the bank or credit card vendor during the
 10 most recent collection period. This fee may be collected regardless of
 11 any agreement between the bank and a credit card vendor or regardless
 12 of any internal policy of the credit card vendor that may prohibit this
 13 type of fee. The fee is a permitted additional charge under
 14 ~~IC 24-4.5-3-202~~. **IC 37-2-4-5.**

15 (b) The department shall issue a receipt for a tax payment that is
 16 made with currency.

17 SECTION 12. IC 6-8.1-8-8, AS AMENDED BY P.L.99-2011,
 18 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 8. After a tax warrant becomes a judgment under
 20 section 2 of this chapter, a tax warrant is returned uncollected to the
 21 department under section 3 of this chapter, or the taxpayer does not pay
 22 the amount demanded under section 2(b) of this chapter and the
 23 taxpayer has taken an action under section 2(n) of this chapter to
 24 foreclose the lien, the department may take any of the following actions
 25 without judicial proceedings.

26 (1) The department may levy upon the property of the taxpayer
 27 that is held by a financial institution by sending a claim to the
 28 financial institution. Upon receipt of a claim under this
 29 subdivision, the financial institution shall surrender to the
 30 department the taxpayer's property. If the taxpayer's property
 31 exceeds the amount owed to the state by the taxpayer, the
 32 financial institution shall surrender the taxpayer's property in an
 33 amount equal to the amount owed. After receiving the
 34 department's notice of levy, the financial institution is required to
 35 place a sixty (60) day hold on or restriction on the withdrawal of
 36 funds the taxpayer has on deposit or subsequently deposits, in an
 37 amount not to exceed the amount owed.

38 (2) The department may garnish the accrued earnings and wages
 39 of a taxpayer by sending a notice to the taxpayer's employer. Upon
 40 receipt of a notice under this subdivision, an employer shall
 41 garnish the accrued earnings and wages of the taxpayer in an
 42 amount equal to the full amount that is subject to garnishment



1 under ~~IC 24-4.5-5~~. **IC 37-2-6**. The amount garnished shall be
2 remitted to the department. The employer is entitled to a fee in an
3 amount equal to the fee allowed under ~~IC 24-4.5-5-105(5)~~.
4 **IC 37-2-6-4(e)**. However, the fee shall be borne entirely by the
5 taxpayer.

6 (3) The department may levy upon and sell property and may:
7 (A) take immediate possession of the property and store it in
8 a secure place; or
9 (B) leave the property in the custody of the taxpayer;
10 until the day of the sale. The department shall provide notice of
11 the sale in one (1) newspaper, as provided in IC 5-3-1-2. If the
12 property is left in the custody of the taxpayer, the department may
13 require the taxpayer to provide a joint and several delivery bond,
14 in an amount and with a surety acceptable to the department. At
15 any time before the sale, any owner or part owner of the property
16 may redeem the property from the judgment by paying the
17 department the amount of the judgment. The proceeds of the sale
18 shall be applied first to the collection expenses and second to the
19 payment of the delinquent taxes and penalties. Any balance
20 remaining shall be paid to the taxpayer.

21 SECTION 13. IC 7.1-3-1-13.5, AS ADDED BY P.L.153-2015,
22 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 13.5. (a) As used in this section, "credit card"
24 means a:

- 25 (1) credit card;
 - 26 (2) debit card;
 - 27 (3) charge card; or
 - 28 (4) stored value card.
- 29 (b) The commission shall accept a payment to the commission for
30 any purpose by any of the following financial instruments:
- 31 (1) Cash.
 - 32 (2) Certified check.
 - 33 (3) Cashier's check.
 - 34 (4) Check drawn on the bank deposit of a business.
 - 35 (5) Valid postal money order of the United States.
 - 36 (6) Bank draft.
 - 37 (7) Money order.
 - 38 (8) Bank card or credit card.
 - 39 (9) Electronic funds transfer.
 - 40 (10) Any other financial instrument authorized by the
41 commission.
 - 42 (c) If there is a charge to the commission for the use of a financial



1 instrument, the commission may collect a sum equal to the amount of
2 the charge from the person who uses the financial instrument.

3 (d) A procedure authorized for a particular type of payment must be
4 uniformly applied to all payments of the same type.

5 (e) The commission may contract with a bank card or credit card
6 vendor for acceptance of bank cards or credit cards. However, if there
7 is a vendor transaction charge or discount fee, whether billed to the
8 commission or charged directly to the commission's account, the
9 commission may collect from the person using the card:

10 (1) an official fee that may not exceed the transaction charge or
11 discount fee charged to the commission by bank or credit card
12 vendors; or

13 (2) a reasonable convenience fee:

14 (A) that may not exceed three dollars (\$3); and

15 (B) that must be uniform regardless of the bank card or credit
16 card used.

17 The fees described in subdivisions (1) and (2) may be collected
18 regardless of retail merchant agreements between the bank and credit
19 card vendors that may prohibit such fees. These fees are permitted
20 additional charges under ~~IC 24-4.5-3-202~~. **IC 37-2-4-5**.

21 (f) The commission may pay any applicable bank card or credit card
22 service charge associated with the use of a bank card or credit card
23 under this section.

24 SECTION 14. IC 22-2-6-2, AS AMENDED BY P.L.147-2019,
25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2026]: Sec. 2. (a) Any assignment of the wages of an
27 employee is valid only if all of the following conditions are satisfied:

28 (1) The assignment is:

29 (A) in writing;

30 (B) signed by the employee personally;

31 (C) by its terms revocable at any time by the employee upon
32 written notice to the employer; and

33 (D) agreed to in writing by the employer.

34 (2) An executed copy of the assignment is delivered to the
35 employer within ten (10) days after its execution.

36 (3) The assignment is made for a purpose described in subsection
37 (b).

38 (b) A wage assignment under this section may be made for the
39 purpose of paying any of the following:

40 (1) Premium on a policy of insurance obtained for the employee
41 by the employer.

42 (2) Pledge or contribution of the employee to a charitable or



- 1 nonprofit organization.
- 2 (3) Purchase price of bonds or securities, issued or guaranteed by
- 3 the United States.
- 4 (4) Purchase price of shares of stock, or fractional interests in
- 5 shares of stock, of the employing company, or of a company
- 6 owning the majority of the issued and outstanding stock of the
- 7 employing company, whether purchased from such company, in
- 8 the open market or otherwise. However, if such shares are to be
- 9 purchased on installments pursuant to a written purchase
- 10 agreement, the employee has the right under the purchase
- 11 agreement at any time before completing purchase of such shares
- 12 to cancel said agreement and to have repaid promptly the amount
- 13 of all installment payments which theretofore have been made.
- 14 (5) Dues to become owing by the employee to a labor
- 15 organization of which the employee is a member.
- 16 (6) Purchase price of merchandise, goods, or food offered by the
- 17 employer and sold to the employee, for the employee's benefit,
- 18 use, or consumption, at the written request of the employee.
- 19 (7) Amount of a loan made to the employee by the employer and
- 20 evidenced by a written instrument executed by the employee
- 21 subject to the amount limits set forth in section 4(c) of this
- 22 chapter.
- 23 (8) Contributions, assessments, or dues of the employee to a
- 24 hospital service or a surgical or medical expense plan or to an
- 25 employees' association, trust, or plan existing for the purpose of
- 26 paying pensions or other benefits to said employee or to others
- 27 designated by the employee.
- 28 (9) Payment to any credit union, nonprofit organizations, or
- 29 associations of employees of such employer organized under any
- 30 law of this state or of the United States.
- 31 (10) Payment to any person or organization regulated under the
- 32 Uniform Consumer Credit Code (~~IC 24-4.5~~) **(IC 37-2) or IC 37-3**
- 33 **(small loans)** for deposit or credit to the employee's account by
- 34 electronic transfer or as otherwise designated by the employee.
- 35 (11) Premiums on policies of insurance and annuities purchased
- 36 by the employee on the employee's life.
- 37 (12) The purchase price of shares or fractional interest in shares
- 38 in one (1) or more mutual funds.
- 39 (13) A judgment owed by the employee if the payment:
- 40 (A) is made in accordance with an agreement between the
- 41 employee and the creditor; and
- 42 (B) is not a garnishment under IC 34-25-3.



- 1 (14) The purchase, rental, or use of uniforms, shirts, pants, or
- 2 other ~~job-related~~ **job related** clothing at an amount not to exceed
- 3 the direct cost paid by an employer to an external vendor for those
- 4 items.
- 5 (15) The purchase of equipment or tools necessary to fulfill the
- 6 duties of employment at an amount not to exceed the direct cost
- 7 paid by an employer to an external vendor for those items.
- 8 (16) Reimbursement for education or employee skills training.
- 9 However, a wage assignment may not be made if the education or
- 10 employee skills training benefits were provided, in whole or in
- 11 part, through an economic development incentive from any
- 12 federal, state, or local program.
- 13 (17) An advance for:
- 14 (A) payroll; or
- 15 (B) vacation;
- 16 pay.
- 17 (18) The employee's drug education and addiction treatment
- 18 services under IC 12-23-23.
- 19 (c) The interest rate charged on amounts loaned or advanced to an
- 20 employee and repaid under subsection (b) may not exceed the bank
- 21 prime loan interest rate as reported by the Board of Governors of the
- 22 Federal Reserve System or any successor rate, plus four percent (4%).
- 23 (d) The total amount of wages subject to assignment under
- 24 subsection (b)(14) and (b)(15) may not exceed the lesser of:
- 25 (1) two thousand five hundred dollars (\$2,500) per year; or
- 26 (2) five percent (5%) of the employee's weekly disposable
- 27 earnings (as defined in ~~IC 24-4.5-5-105(1)(a)~~; **IC 37-2-6-4(a)(1)**).
- 28 (e) Except as provided under 29 CFR Parts 1910, 1915, 1917, 1918,
- 29 and 1926, an employee shall not be charged or subject to a wage
- 30 assignment under subsection (b)(14) or (b)(15) for protective
- 31 equipment including personal protective equipment identified under 29
- 32 CFR Parts 1910, 1915, 1917, 1918, and 1926.
- 33 SECTION 15. IC 22-4-13.3-4, AS AMENDED BY P.L.66-2018,
- 34 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 35 JULY 1, 2026]: Sec. 4. (a) An employer that receives a notice to
- 36 withhold income under section 3 of this chapter shall do the following:
- 37 (1) Verify the individual's employment to the department.
- 38 (2) Withhold from the income due to the individual each pay
- 39 period an amount:
- 40 (A) determined in accordance with; and
- 41 (B) subject to the limitations of and priority established by;
- 42 ~~IC 24-4.5-5-105~~ **IC 37-2-6-4** in the same manner as a



1 garnishment. An income withholding under this chapter is not an
2 assignment of wages under IC 22-2-6.

3 (3) Begin withholding the amount determined under subdivision
4 (2) from the individual's income beginning with the first pay
5 period that occurs not later than fourteen (14) days after the date
6 the employer receives the notice sent under section 3 of this
7 chapter.

8 (4) Remit the amount withheld under subdivision (2) to the
9 department by check or electronic payment (as defined by
10 IC 5-27-2-3) not later than seven (7) days after the date of each
11 regularly scheduled pay day.

12 (5) Continue withholding under this section until:

13 (A) the department notifies the employer to discontinue the
14 withholding; or

15 (B) the full amount required to be paid to the department has
16 been paid, as indicated by a written statement to the employer
17 from the department.

18 (6) Notify the department, if the individual subject to withholding
19 terminates employment, including the individual's last known
20 address and the name of any new employer, if known.

21 (b) An employer that is required to withhold income under
22 subsection (a)(2) may collect a fee equal to twelve dollars (\$12). If the
23 employer chooses to impose a fee, the fee shall be allocated as follows:

24 (1) Fifty percent (50%) of the fee shall be paid by the individual
25 subject to withholding, and that amount is deductible by the
26 employer from the individual's disposable earnings (as defined in
27 ~~IC 24-4.5-5-105(1)(a))~~. **IC 37-2-6-4(a)(1)**).

28 (2) Fifty percent (50%) of the fee shall be paid by the department.

29 The fee may be collected only once by an employer for each notice
30 provided by the department under section 3 of this chapter. The
31 employer may collect the entire fee from one (1) or more of the initial
32 withholdings from the individual's disposable earnings, or alternatively,
33 the employer may collect the fee ratably over the number of pay
34 periods for which the withholdings from the individual's disposable
35 earnings are required. If an employer chooses to collect a fee under this
36 subsection, the employer shall notify the department in the manner and
37 form prescribed by the department, and the amount to be withheld must
38 be reduced, if necessary, to avoid exceeding the maximum amount
39 permitted to be deducted under ~~IC 24-4.5-5-105(3)~~. **IC 37-2-6-4(c)**. A
40 fee collected under this subsection is not an assignment of wages under
41 IC 22-2-6.

42 SECTION 16. IC 22-4-13.3-7, AS AMENDED BY P.L.93-2024,

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1 SECTION 156, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) An employer that complies
 3 with a notice described in section 3 of this chapter that is regular on its
 4 face is not liable in any civil action for any conduct taken in
 5 compliance with the notice.

6 (b) An employer that complies with a notice described in section 3
 7 of this chapter is discharged from liability to an employee for the part
 8 of the employee's income that was withheld in compliance with the
 9 notice.

10 (c) If a court issues an order to stay a withholding of income, the
 11 department is not liable in any civil action to an individual who is the
 12 subject of the income withholding for amounts withheld from the
 13 individual's income before the stay becomes effective.

14 (d) Administrative income withholdings issued under this chapter
 15 are subject to the limitations set forth in ~~IC 24-4.5-5-105~~. **IC 37-2-6-4**.
 16 A withholding under this chapter is not an assignment of wages under
 17 IC 22-2-6.

18 (e) The department may adopt rules under IC 4-22-2 to carry out the
 19 department's responsibilities under this chapter.

20 SECTION 17. IC 22-9-1-3, AS AMENDED BY P.L.213-2016,
 21 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2026]: Sec. 3. As used in this chapter:

23 (a) "Person" means one (1) or more individuals, partnerships,
 24 associations, organizations, limited liability companies, corporations,
 25 labor organizations, cooperatives, legal representatives, trustees,
 26 trustees in bankruptcy, receivers, and other organized groups of
 27 persons.

28 (b) "Commission" means the civil rights commission created under
 29 section 4 of this chapter.

30 (c) "Director" means the director of the civil rights commission.

31 (d) "Deputy director" means the deputy director of the civil rights
 32 commission.

33 (e) "Commission attorney" means the deputy attorney general, such
 34 assistants of the attorney general as may be assigned to the
 35 commission, or such other attorney as may be engaged by the
 36 commission.

37 (f) "Consent agreement" means a formal agreement entered into in
 38 lieu of adjudication.

39 (g) "Affirmative action" means those acts that the commission
 40 determines necessary to assure compliance with the Indiana civil rights
 41 law.

42 (h) "Employer" means the state or any political or civil subdivision



1 thereof and any person employing six (6) or more persons within the
2 state, except that the term "employer" does not include:

3 (1) any nonprofit corporation or association organized exclusively
4 for fraternal or religious purposes;

5 (2) any school, educational, or charitable religious institution
6 owned or conducted by or affiliated with a church or religious
7 institution; or

8 (3) any exclusively social club, corporation, or association that is
9 not organized for profit.

10 (i) "Employee" means any person employed by another for wages or
11 salary. However, the term does not include any individual employed:

12 (1) by the individual's parents, spouse, or child; or

13 (2) in the domestic service of any person.

14 (j) "Labor organization" means any organization that exists for the
15 purpose in whole or in part of collective bargaining or of dealing with
16 employers concerning grievances, terms, or conditions of employment
17 or for other mutual aid or protection in relation to employment.

18 (k) "Employment agency" means any person undertaking with or
19 without compensation to procure, recruit, refer, or place employees.

20 (l) "Discriminatory practice" means:

21 (1) the exclusion of a person from equal opportunities because of
22 race, religion, color, sex, disability, national origin, ancestry, or
23 status as a veteran;

24 (2) a system that excludes persons from equal opportunities
25 because of race, religion, color, sex, disability, national origin,
26 ancestry, or status as a veteran;

27 (3) the promotion of racial segregation or separation in any
28 manner, including but not limited to the inducing of or the
29 attempting to induce for profit any person to sell or rent any
30 dwelling by representations regarding the entry or prospective
31 entry in the neighborhood of a person or persons of a particular
32 race, religion, color, sex, disability, national origin, or ancestry;

33 (4) a violation of IC 22-9-5 that occurs after July 25, 1992, and is
34 committed by a covered entity (as defined in IC 22-9-5-4);

35 (5) the performance of an abortion solely because of the race,
36 color, sex, disability, national origin, or ancestry of the fetus; or

37 (6) a violation of any of the following statutes protecting the right
38 of conscience regarding abortion:

39 (A) IC 16-34-1-4.

40 (B) IC 16-34-1-5.

41 (C) IC 16-34-1-6.

42 Every discriminatory practice relating to the acquisition or sale of real



1 estate, education, public accommodations, employment, or the
 2 extending of credit (as defined in ~~IC 24-4.5-1-301.5~~ **IC 37-2-2-14**)
 3 shall be considered unlawful unless it is specifically exempted by this
 4 chapter.

5 (m) "Public accommodation" means any establishment that caters
 6 or offers its services or facilities or goods to the general public.

7 (n) "Complainant" means:

8 (1) any individual charging on the individual's own behalf to have
 9 been personally aggrieved by a discriminatory practice; or

10 (2) the director or deputy director of the commission charging that
 11 a discriminatory practice was committed against a person (other
 12 than the director or deputy director) or a class of people, in order
 13 to vindicate the public policy of the state (as defined in section 2
 14 of this chapter).

15 (o) "Complaint" means any written grievance that is:

16 (1) sufficiently complete and filed by a complainant with the
 17 commission; or

18 (2) filed by a complainant as a civil action in the circuit or
 19 superior court having jurisdiction in the county in which the
 20 alleged discriminatory practice occurred.

21 The original of any complaint filed under subdivision (1) shall be
 22 signed and verified by the complainant.

23 (p) "Sufficiently complete" refers to a complaint that includes:

24 (1) the full name and address of the complainant;

25 (2) the name and address of the respondent against whom the
 26 complaint is made;

27 (3) the alleged discriminatory practice and a statement of
 28 particulars thereof;

29 (4) the date or dates and places of the alleged discriminatory
 30 practice and if the alleged discriminatory practice is of a
 31 continuing nature the dates between which continuing acts of
 32 discrimination are alleged to have occurred; and

33 (5) a statement as to any other action, civil or criminal, instituted
 34 in any other form based upon the same grievance alleged in the
 35 complaint, together with a statement as to the status or disposition
 36 of the other action.

37 No complaint shall be valid unless filed within one hundred eighty
 38 (180) days from the date of the occurrence of the alleged
 39 discriminatory practice.

40 (q) "Sex" as it applies to segregation or separation in this chapter
 41 applies to all types of employment, education, public accommodations,
 42 and housing. However:



- 1 (1) it shall not be a discriminatory practice to maintain separate
- 2 restrooms;
- 3 (2) it shall not be an unlawful employment practice for an
- 4 employer to hire and employ employees, for an employment
- 5 agency to classify or refer for employment any individual, for a
- 6 labor organization to classify its membership or to classify or refer
- 7 for employment any individual, or for an employer, labor
- 8 organization, or joint labor management committee controlling
- 9 apprenticeship or other training or retraining programs to admit
- 10 or employ any other individual in any program on the basis of sex
- 11 in those certain instances where sex is a bona fide occupational
- 12 qualification reasonably necessary to the normal operation of that
- 13 particular business or enterprise; and
- 14 (3) it shall not be a discriminatory practice for a private or
- 15 religious educational institution to continue to maintain and
- 16 enforce a policy of admitting students of one (1) sex only.

17 (r) "Disabled" or "disability" means the physical or mental condition
 18 of a person that constitutes a substantial disability. In reference to
 19 employment under this chapter, "disabled or disability" also means the
 20 physical or mental condition of a person that constitutes a substantial
 21 disability unrelated to the person's ability to engage in a particular
 22 occupation.

- 23 (s) "Veteran" means:
- 24 (1) a veteran of the armed forces of the United States;
- 25 (2) a member of the Indiana National Guard; or
- 26 (3) a member of a reserve component.

27 SECTION 18. IC 23-0.5-9-58, AS ADDED BY P.L.118-2017,
 28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2026]: Sec. 58. The secretary of state may accept payment of
 30 the correct filing fee by credit card, debit card, charge card, or similar
 31 method. However, if the filing fee is paid by credit card, debit card,
 32 charge card, or similar method, the liability is not finally discharged
 33 until the secretary of state receives payment or credit from the
 34 institution responsible for making the payment or credit. The secretary
 35 of state may contract with a bank or credit card vendor for acceptance
 36 of bank or credit cards. However, if there is a vendor transaction charge
 37 or discount fee, whether billed to the secretary of state or charged
 38 directly to the secretary of state's account, the secretary of state or the
 39 credit card vendor may collect from the person using the bank or credit
 40 card a fee that may not exceed the highest transaction charge or
 41 discount fee charged to the secretary of state by the bank or credit card
 42 vendor during the most recent collection period. This fee may be



1 collected regardless of any agreement between the bank and a credit
 2 card vendor or regardless of any internal policy of the credit card
 3 vendor that may prohibit this type of fee. The fee is a permitted
 4 additional charge under ~~IC 24-4.5-3-202~~. **IC 37-2-4-5.**

5 SECTION 19. IC 23-2.5-1-14, AS ADDED BY P.L.175-2019,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2026]: Sec. 14. (a) "Loan broker" means a person who, in
 8 return for consideration from any source:

- 9 (1) procures;
- 10 (2) attempts to procure; or
- 11 (3) assists in procuring;

12 a residential mortgage loan from a third party, regardless of whether the
 13 person seeking the loan obtains the loan.

14 (b) The term "loan broker" does not include:

- 15 (1) a supervised financial organization (as defined in
 16 IC 26-1-4-102.5), including a bank, savings bank, trust company,
 17 savings association, or credit union;
- 18 (2) another financial institution that is:
 - 19 (A) regulated by an agency of the United States or a state; and
 - 20 (B) regularly actively engaged in the business of:
 - 21 (i) making consumer loans that are not secured by real
 22 estate; or
 - 23 (ii) taking assignment of consumer sales contracts that are
 24 not secured by real estate;
- 25 (3) an insurance company;
- 26 (4) a person arranging financing for the sale of the person's
 27 product; or
- 28 (5) a creditor that is licensed under ~~IC 24-4.4-2-402~~. **IC 37-1-3-5.**

29 SECTION 20. IC 23-2.5-8-3, AS ADDED BY P.L.175-2019,
 30 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2026]: Sec. 3. (a) If a transaction for which a loan broker has
 32 charged a fee is rescinded by a person under the federal Truth in
 33 Lending Act (15 U.S.C. 1601-1667e) within twenty (20) calendar days
 34 after the date on which a notice of the rescission is delivered to the
 35 creditor, the loan broker shall return to the person any consideration
 36 received by the loan broker other than bona fide third party fees.

37 (b) For purposes of calculating the period during which a person
 38 may avoid a contract under IC 24-5-10-8 or ~~IC 24-4.5-2-502~~,
 39 **IC 37-2-3-28**, a contract with a loan broker is considered to be a sale
 40 of services that occurs on the date on which the person signs the
 41 written contract required by section 1 of this chapter.

42 SECTION 21. IC 23-2.5-11-16, AS ADDED BY P.L.175-2019,



1 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2026]: Sec. 16. In the securities division's investigative,
3 examination, and regulatory activities related to licensees under this
4 article, the securities division may cooperate with the Indiana
5 department of financial institutions in the regulation of a licensee that
6 conducts:

7 (1) business under this article; and

8 (2) business that requires licensure under ~~IC 24-4.4~~ **IC 37-1**.

9 SECTION 22. IC 24-4.4 IS REPEALED [EFFECTIVE JULY 1,
10 2026]. (First Lien Mortgage Lending).

11 SECTION 23. IC 24-4.5 IS REPEALED [EFFECTIVE JULY 1,
12 2026]. (Uniform Consumer Credit Code).

13 SECTION 24. IC 24-4.6-1-103, AS AMENDED BY P.L.86-2018,
14 SECTION 196, IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2026]: Sec. 103. Interest at the rate of eight
16 percent (8%) per annum shall be allowed:

17 (a) From the date of settlement on money due on any instrument in
18 writing which does not specify a rate of interest and which is not
19 covered by ~~IC 24-4.5~~ **IC 37-2** or this article;

20 (b) And from the date an itemized bill shall have been rendered and
21 payment demanded on an account stated, account closed or for money
22 had and received for the use of another and retained without the other
23 person's consent.

24 SECTION 25. IC 24-4.7-1-1, AS AMENDED BY P.L.242-2019,
25 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2026]: Sec. 1. This article does not apply to any of the
27 following:

28 (1) A telephone call made in response to an express request of the
29 person called.

30 (2) A telephone call made primarily in connection with an
31 existing debt or contract for which payment or performance has
32 not been completed at the time of the call.

33 (3) A telephone call made on behalf of a charitable organization
34 that is exempt from federal income taxation under Section 501 of
35 the Internal Revenue Code, but only if all of the following apply:

36 (A) The telephone call is made by a volunteer or an employee
37 of the charitable organization.

38 (B) The telephone solicitor who makes the telephone call
39 immediately discloses all of the following information upon
40 making contact with the consumer:

41 (i) The solicitor's true first and last name.

42 (ii) The name, address, and telephone number of the



- 1 charitable organization.
- 2 (4) A telephone call made by an individual licensed under
3 IC 25-34.1 if:
- 4 (A) the sale of goods or services is not completed; and
5 (B) the payment or authorization of payment is not required;
6 until after a face to face sales presentation by the seller.
- 7 (5) A telephone call made by an individual licensed under
8 IC 27-1-15.6 or IC 27-1-15.8 when the individual is soliciting an
9 application for insurance or negotiating a policy of insurance on
10 behalf of an insurer (as defined in IC 27-1-2-3).
- 11 (6) A telephone call soliciting the sale of a newspaper of general
12 circulation, but only if the telephone call is made by a volunteer
13 or an employee of the newspaper.
- 14 (7) Any telephone call made to a consumer by a communications
15 service provider (as defined in IC 8-1-32.5-4) that:
- 16 (A) offers broadband Internet service; and
17 (B) has an established business relationship (as defined in 47
18 CFR 64.1200) with the consumer.
- 19 (8) Any telephone call made to a consumer by:
- 20 (A) a financial institution organized or reorganized under the
21 laws of any state or the United States; or
22 (B) a person licensed by the department of financial
23 institutions under ~~IC 24-4.4, IC 24-4.5~~, **IC 37-1, IC 37-2**, or
24 750 IAC 9;
25 that has an established business relationship (as defined in 47
26 CFR 64.1200) with the consumer.
- 27 SECTION 26. IC 24-4.9-2-6, AS ADDED BY P.L.125-2006,
28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2026]: Sec. 6. "Financial institution" means a financial
30 institution as defined in:
- 31 (1) IC 28-1-1-3, other than a consumer finance institution licensed
32 to make supervised or regulated loans under ~~IC 24-4.5~~; **IC 37-2**;
33 or
34 (2) 15 U.S.C. 6809(3).
- 35 SECTION 27. IC 24-5-0.5-3, AS AMENDED BY P.L.104-2024,
36 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2026]: Sec. 3. (a) A supplier may not commit an unfair,
38 abusive, or deceptive act, omission, or practice in connection with a
39 consumer transaction. Such an act, omission, or practice by a supplier
40 is a violation of this chapter whether it occurs before, during, or after
41 the transaction. An act, omission, or practice prohibited by this section
42 includes both implicit and explicit misrepresentations.



1 (b) Without limiting the scope of subsection (a), the following acts,
2 and the following representations as to the subject matter of a
3 consumer transaction, made orally, in writing, or by electronic
4 communication, by a supplier, are deceptive acts:

5 (1) That such subject of a consumer transaction has sponsorship,
6 approval, performance, characteristics, accessories, uses, or
7 benefits it does not have which the supplier knows or should
8 reasonably know it does not have.

9 (2) That such subject of a consumer transaction is of a particular
10 standard, quality, grade, style, or model, if it is not and if the
11 supplier knows or should reasonably know that it is not.

12 (3) That such subject of a consumer transaction is new or unused,
13 if it is not and if the supplier knows or should reasonably know
14 that it is not.

15 (4) That such subject of a consumer transaction will be supplied
16 to the public in greater quantity than the supplier intends or
17 reasonably expects.

18 (5) That replacement or repair constituting the subject of a
19 consumer transaction is needed, if it is not and if the supplier
20 knows or should reasonably know that it is not.

21 (6) That a specific price advantage exists as to such subject of a
22 consumer transaction, if it does not and if the supplier knows or
23 should reasonably know that it does not.

24 (7) That the supplier has a sponsorship, approval, or affiliation in
25 such consumer transaction the supplier does not have, and which
26 the supplier knows or should reasonably know that the supplier
27 does not have.

28 (8) That such consumer transaction involves or does not involve
29 a warranty, a disclaimer of warranties, or other rights, remedies,
30 or obligations, if the representation is false and if the supplier
31 knows or should reasonably know that the representation is false.

32 (9) That the consumer will receive a rebate, discount, or other
33 benefit as an inducement for entering into a sale or lease in return
34 for giving the supplier the names of prospective consumers or
35 otherwise helping the supplier to enter into other consumer
36 transactions, if earning the benefit, rebate, or discount is
37 contingent upon the occurrence of an event subsequent to the time
38 the consumer agrees to the purchase or lease.

39 (10) That the supplier is able to deliver or complete the subject of
40 the consumer transaction within a stated period of time, when the
41 supplier knows or should reasonably know the supplier could not.
42 If no time period has been stated by the supplier, there is a



- 1 presumption that the supplier has represented that the supplier
 2 will deliver or complete the subject of the consumer transaction
 3 within a reasonable time, according to the course of dealing or the
 4 usage of the trade.
- 5 (11) That the consumer will be able to purchase the subject of the
 6 consumer transaction as advertised by the supplier, if the supplier
 7 does not intend to sell it.
- 8 (12) That the replacement or repair constituting the subject of a
 9 consumer transaction can be made by the supplier for the estimate
 10 the supplier gives a customer for the replacement or repair, if the
 11 specified work is completed and:
- 12 (A) the cost exceeds the estimate by an amount equal to or
 13 greater than ten percent (10%) of the estimate;
- 14 (B) the supplier did not obtain written permission from the
 15 customer to authorize the supplier to complete the work even
 16 if the cost would exceed the amounts specified in clause (A);
- 17 (C) the total cost for services and parts for a single transaction
 18 is more than seven hundred fifty dollars (\$750); and
- 19 (D) the supplier knew or reasonably should have known that
 20 the cost would exceed the estimate in the amounts specified in
 21 clause (A).
- 22 (13) That the replacement or repair constituting the subject of a
 23 consumer transaction is needed, and that the supplier disposes of
 24 the part repaired or replaced earlier than seventy-two (72) hours
 25 after both:
- 26 (A) the customer has been notified that the work has been
 27 completed; and
- 28 (B) the part repaired or replaced has been made available for
 29 examination upon the request of the customer.
- 30 (14) Engaging in the replacement or repair of the subject of a
 31 consumer transaction if the consumer has not authorized the
 32 replacement or repair, and if the supplier knows or should
 33 reasonably know that it is not authorized.
- 34 (15) The act of misrepresenting the geographic location of the
 35 supplier by listing an alternate business name or an assumed
 36 business name (as described in IC 23-0.5-3-4) in a local telephone
 37 directory if:
- 38 (A) the name misrepresents the supplier's geographic location;
- 39 (B) the listing fails to identify the locality and state of the
 40 supplier's business;
- 41 (C) calls to the local telephone number are routinely forwarded
 42 or otherwise transferred to a supplier's business location that



- 1 is outside the calling area covered by the local telephone
 2 directory; and
 3 (D) the supplier's business location is located in a county that
 4 is not contiguous to a county in the calling area covered by the
 5 local telephone directory.
- 6 (16) The act of listing an alternate business name or assumed
 7 business name (as described in IC 23-0.5-3-4) in a directory
 8 assistance data base if:
 9 (A) the name misrepresents the supplier's geographic location;
 10 (B) calls to the local telephone number are routinely forwarded
 11 or otherwise transferred to a supplier's business location that
 12 is outside the local calling area; and
 13 (C) the supplier's business location is located in a county that
 14 is not contiguous to a county in the local calling area.
- 15 (17) The violation by a supplier of IC 24-3-4 concerning
 16 cigarettes for import or export.
- 17 (18) The act of a supplier in knowingly selling or reselling a
 18 product to a consumer if the product has been recalled, whether
 19 by the order of a court or a regulatory body, or voluntarily by the
 20 manufacturer, distributor, or retailer, unless the product has been
 21 repaired or modified to correct the defect that was the subject of
 22 the recall.
- 23 (19) The violation by a supplier of 47 U.S.C. 227, including any
 24 rules or regulations issued under 47 U.S.C. 227.
- 25 (20) The violation by a supplier of the federal Fair Debt
 26 Collection Practices Act (15 U.S.C. 1692 et seq.), including any
 27 rules or regulations issued under the federal Fair Debt Collection
 28 Practices Act (15 U.S.C. 1692 et seq.).
- 29 (21) A violation of IC 24-5-7 (concerning health spa services), as
 30 set forth in IC 24-5-7-17.
- 31 (22) A violation of IC 24-5-8 (concerning business opportunity
 32 transactions), as set forth in IC 24-5-8-20.
- 33 (23) A violation of IC 24-5-10 (concerning home consumer
 34 transactions), as set forth in IC 24-5-10-18.
- 35 (24) A violation of IC 24-5-11 (concerning real property
 36 improvement contracts), as set forth in IC 24-5-11-14.
- 37 (25) A violation of IC 24-5-12 (concerning telephone
 38 solicitations), as set forth in IC 24-5-12-23.
- 39 (26) A violation of IC 24-5-13.5 (concerning buyback motor
 40 vehicles), as set forth in IC 24-5-13.5-14.
- 41 (27) A violation of IC 24-5-14 (concerning automatic
 42 dialing-announcing devices), as set forth in IC 24-5-14-13.



- 1 (28) A violation of IC 24-5-15 (concerning credit services
2 organizations), as set forth in IC 24-5-15-11.
- 3 (29) A violation of IC 24-5-16 (concerning unlawful motor
4 vehicle subleasing), as set forth in IC 24-5-16-18.
- 5 (30) A violation of IC 24-5-17 (concerning environmental
6 marketing claims), as set forth in IC 24-5-17-14.
- 7 (31) A violation of IC 24-5-19 (concerning deceptive commercial
8 solicitation), as set forth in IC 24-5-19-11.
- 9 (32) A violation of IC 24-5-21 (concerning prescription drug
10 discount cards), as set forth in IC 24-5-21-7.
- 11 (33) A violation of IC 24-5-23.5-7 (concerning real estate
12 appraisals), as set forth in IC 24-5-23.5-9.
- 13 (34) A violation of IC 24-5-26 (concerning identity theft), as set
14 forth in IC 24-5-26-3.
- 15 (35) A violation of ~~IC 24-5-5~~ **IC 37-4** (concerning mortgage
16 rescue fraud), as set forth in ~~IC 24-5-5-6-1~~ **IC 37-4-5-1**.
- 17 (36) A violation of IC 24-8 (concerning promotional gifts and
18 contests), as set forth in IC 24-8-6-3.
- 19 (37) A violation of IC 21-18.5-6 (concerning representations
20 made by a postsecondary credit bearing proprietary educational
21 institution), as set forth in IC 21-18.5-6-22.5.
- 22 (38) A violation of IC 24-5-15.5 (concerning collection actions of
23 a plaintiff debt buyer), as set forth in IC 24-5-15.5-6.
- 24 (39) A violation of IC 24-14 (concerning towing services), as set
25 forth in IC 24-14-10-1.
- 26 (40) A violation of IC 24-5-14.5 (concerning misleading or
27 inaccurate caller identification information), as set forth in
28 IC 24-5-14.5-12.
- 29 (41) A violation of IC 24-5-27 (concerning intrastate inmate
30 calling services), as set forth in IC 24-5-27-27.
- 31 (42) A violation of IC 15-21 (concerning sales of dogs by retail
32 pet stores), as set forth in IC 15-21-7-4.
- 33 (43) A violation of IC 24-4-23 (concerning the security of
34 information collected and transmitted by an adult oriented website
35 operator), as set forth in IC 24-4-23-14.
- 36 (c) Any representations on or within a product or its packaging or
37 in advertising or promotional materials which would constitute a
38 deceptive act shall be the deceptive act both of the supplier who places
39 such representation thereon or therein, or who authored such materials,
40 and such other suppliers who shall state orally or in writing that such
41 representation is true if such other supplier shall know or have reason
42 to know that such representation was false.



1 (d) If a supplier shows by a preponderance of the evidence that an
 2 act resulted from a bona fide error notwithstanding the maintenance of
 3 procedures reasonably adopted to avoid the error, such act shall not be
 4 deceptive within the meaning of this chapter.

5 (e) It shall be a defense to any action brought under this chapter that
 6 the representation constituting an alleged deceptive act was one made
 7 in good faith by the supplier without knowledge of its falsity and in
 8 reliance upon the oral or written representations of the manufacturer,
 9 the person from whom the supplier acquired the product, any testing
 10 organization, or any other person provided that the source thereof is
 11 disclosed to the consumer.

12 (f) For purposes of subsection (b)(12), a supplier that provides
 13 estimates before performing repair or replacement work for a customer
 14 shall give the customer a written estimate itemizing as closely as
 15 possible the price for labor and parts necessary for the specific job
 16 before commencing the work.

17 (g) For purposes of subsection (b)(15) and (b)(16), a telephone
 18 company or other provider of a telephone directory or directory
 19 assistance service or its officer or agent is immune from liability for
 20 publishing the listing of an alternate business name or assumed
 21 business name of a supplier in its directory or directory assistance data
 22 base unless the telephone company or other provider of a telephone
 23 directory or directory assistance service is the same person as the
 24 supplier who has committed the deceptive act.

25 (h) For purposes of subsection (b)(18), it is an affirmative defense
 26 to any action brought under this chapter that the product has been
 27 altered by a person other than the defendant to render the product
 28 completely incapable of serving its original purpose.

29 SECTION 28. IC 24-5-15-7, AS AMENDED BY P.L.209-2007,
 30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2026]: Sec. 7. (a) Except as provided in subsection (d), a
 32 contract between a consumer and a credit services organization
 33 concerning the purchase of the services of the credit services
 34 organization must be in writing, be dated and signed by both the
 35 consumer and the credit services organization, and include all of the
 36 following:

37 (1) A statement in at least 10 point boldface type in immediate
 38 proximity to the space reserved for the signature of the buyer that
 39 reads:

40 "You, the buyer, may cancel this contract at any time before
 41 midnight of the third business day after the date of the transaction. See
 42 the attached notice of cancellation form for an explanation of this



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right."

(2) The terms and conditions of payment, including the total amount of all payments to be made by the buyer to the credit services organization or to another person.

(3) A complete and detailed description of the services to be performed and the results to be achieved by the credit services organization for or on behalf of the buyer, including all guarantees and all promises of full or partial refunds and a list of the adverse information appearing on the consumer's credit report that the credit services organization expects to have modified and the estimated date by which each modification will occur.

(4) The principal business address of the credit services organization and the name and address of the credit services organization's agent in Indiana authorized to receive service of process.

(b) A contract shall be accompanied by two (2) copies of a form captioned "NOTICE OF CANCELLATION" attached to the contract and that contains the following statement in at least 10 point boldface type:

NOTICE OF CANCELLATION

You may cancel this contract, without any penalty or obligation, at any time before midnight of the third business day after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within ten days following receipt by the seller of your cancellation notice, or any other written notice, to

(name of seller)

(address of seller)

(place of business)

not later than midnight _____

(date)

"I hereby cancel this transaction". _____

(date)

(buyer's signature)

(c) A credit services organization shall give a copy of the completed contract and all other documents required by the credit services organization to the buyer at the time the contract and the documents are signed.

(d) If a contract is subject to this chapter and to ~~IC 24-5.5;~~ ~~IC 24-5.5-4;~~ **IC 37-4, IC 37-4-3** applies to the contract.



1 SECTION 29. IC 24-5-23.5-3, AS ADDED BY P.L.52-2009,
 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 3. (a) As used in this chapter, "creditor" means a
 4 person:

- 5 (1) that regularly engages in Indiana in the extension of mortgage
 6 loans that are subject to a credit service charge or loan finance
 7 charge, as applicable, or are payable by written agreement in more
 8 than four (4) installments (not including a down payment); and
 9 (2) to whom the obligation arising from a mortgage loan is
 10 initially payable, either on the face of the note or contract, or by
 11 agreement if there is not a note or contract.

12 (b) The term does not include a person described in:

- 13 (1) ~~IC 24-9-2-6(a)(2)~~ **IC 37-5-2-6(a)(2)** if the person described in
 14 ~~IC 24-9-2-6(a)(2)~~ **IC 37-5-2-6(a)(2)** is not the person extending
 15 the credit in the transaction; or
 16 (2) ~~IC 24-9-2-6(b)~~ **IC 37-5-2-6(b)**.

17 SECTION 30. IC 24-5-23.5-4, AS AMENDED BY P.L.13-2013,
 18 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 4. (a) As used in this chapter, "mortgage loan"
 20 means a loan in which a mortgage (or another equivalent consensual
 21 security interest) that constitutes a lien is created or retained against an
 22 interest in real property in Indiana.

23 (b) The term includes the following:

- 24 (1) A home loan subject to ~~IC 24-9~~ **IC 37-5**.
 25 (2) A loan described in ~~IC 24-9-1-1~~, **IC 37-5-1-1**, to the extent
 26 allowed under federal law.
 27 (3) A first lien mortgage transaction (as defined in
 28 ~~IC 24-4-4-1-301~~) **IC 37-1-2** subject to ~~IC 24-4-4~~ **IC 37-1**.
 29 (4) A consumer credit sale subject to ~~IC 24-4-5-2~~ **IC 37-2-3** in
 30 which a mortgage (or another equivalent consensual security
 31 interest) that constitutes a lien is created or retained against an
 32 interest in real property in Indiana.
 33 (5) A consumer loan subject to ~~IC 24-4-5-3~~ **IC 37-2-4** in which a
 34 mortgage (or another equivalent consensual security interest) that
 35 constitutes a lien is created or retained against an interest in real
 36 property in Indiana.
 37 (6) A loan in which a mortgage (or another equivalent consensual
 38 security interest) that constitutes a lien is created or retained
 39 against land:
 40 (A) that is located in Indiana;
 41 (B) upon which there is a dwelling that is not or will not be
 42 used by the borrower primarily for personal, family, or



1 household purposes; and
2 (C) that is classified as residential for property tax purposes.
3 The term includes a loan that is secured by land in Indiana upon
4 which there is a dwelling that is purchased by or through the
5 borrower for investment or other business purposes.

6 (c) The term does not include a land contract.
7 SECTION 31. IC 24-5-23.6-1, AS ADDED BY P.L.115-2010,
8 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2026]: Sec. 1. (a) As used in this chapter, "creditor" means:

- 10 (1) a person:
11 (A) that engages in Indiana in the extension of mortgages that
12 are subject to a credit service charge or loan finance charge, as
13 applicable, or are payable by written agreement in more than
14 four (4) installments (not including a down payment); and
15 (B) to whom the obligation arising from a mortgage is initially
16 payable, either on the face of the note or contract, or by
17 agreement if there is not a note or contract; or
18 (2) a person who brokers a mortgage, including a person who:
19 (A) directly or indirectly solicits, processes, places, or
20 negotiates mortgages for others;
21 (B) offers to solicit, process, place, or negotiate mortgages for
22 others; or
23 (C) closes mortgages that may be in the person's own name
24 with funds provided by others and that are thereafter assigned
25 to the person providing funding for the mortgages.

26 (b) The term does not include a person described in ~~IC 24-9-2-6(b)~~.
27 **IC 37-5-2-6(b).**

28 SECTION 32. IC 24-5-23.6-7, AS AMENDED BY P.L.89-2011,
29 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 2026]: Sec. 7. (a) As used in this chapter, "mortgage" means
31 a sale or loan, or the refinancing or consolidation of a sale or loan, in
32 which a first mortgage deed of (or another equivalent consensual
33 security interest) that constitutes a first lien, is created or retained
34 against land that is located in Indiana and upon which there is a
35 dwelling that is or will be used by the debtor primarily for personal,
36 family, or household purposes.

37 (b) The term includes any of the following that meets the conditions
38 set forth in subsection (a):

- 39 (1) A home loan subject to ~~IC 24-9-~~ **IC 37-5**.
40 (2) A loan described in ~~IC 24-9-1-1,~~ **IC 37-5-1-1**, to the extent
41 allowed under federal law.
42 (3) A first lien mortgage transaction (as defined in



- 1 ~~IC 24-4.4-1-301~~ **IC 37-1-2**) subject to ~~IC 24-4.4.~~ **IC 37-1.**
2 (c) The term does not include a land contract (as defined in
3 ~~IC 24-4.4-1-301(36)~~). **IC 37-1-2-21**).
4 SECTION 33. IC 24-5-24-3, AS ADDED BY P.L.104-2007,
5 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 3. (a) As used in this chapter, "consumer reporting
7 agency" means any person that, for monetary fees or dues, or on a
8 cooperative nonprofit basis, regularly engages in whole or in part in the
9 practice of assembling or evaluating information concerning a
10 consumer's credit or other information for the purpose of furnishing a
11 consumer report to another person.
12 (b) The term does not include an entity designated as a
13 commercially reasonable private consumer credit reporting entity under
14 ~~IC 24-4.5-7-404(5)~~. **IC 37-3-3-8(e)**.
15 SECTION 34. IC 24-5.5 IS REPEALED [EFFECTIVE JULY 1,
16 2026]. (Mortgage Rescue Protection Fraud).
17 SECTION 35. IC 24-7-1-2, AS AMENDED BY P.L.159-2017,
18 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2026]: Sec. 2. Except as provided in this article, the
20 provisions of:
21 (1) the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.)
22 and regulations adopted under that act;
23 (2) ~~IC 24-4.5~~; **IC 37-2**;
24 (3) IC 26-1-1-201(37);
25 (4) IC 26-1-2 concerning the creation of a security interest in
26 property;
27 (5) IC 26-1-9.1; and
28 (6) rules adopted under the statutes described in subdivisions (2)
29 through (5);
30 do not apply to a rental purchase agreement.
31 SECTION 36. IC 24-7-1-5, AS AMENDED BY P.L.176-2019,
32 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2026]: Sec. 5. (a) Rental purchase agreements involving:
34 (1) motor vehicles (as defined in IC 9-13-2-105(a)), including:
35 (A) component parts (as defined in IC 9-13-2-34);
36 (B) major component parts (as defined in IC 9-13-2-95); and
37 (C) any other parts (as defined in IC 9-13-2-122) other than:
38 (i) wheels;
39 (ii) rims; and
40 (iii) tires;
41 necessary to operate a motor vehicle;
42 (2) other titled property; or



1 (3) live domestic animals (as defined in IC 34-30-30-1);
2 are prohibited under this article.

3 (b) If the director determines that a transaction described in
4 IC 24-7-2-9(a) involves the application of subterfuge for the purpose
5 of avoiding the application of the Uniform Consumer Credit Code
6 (~~IC 24-4.5~~), (**IC 37-2**), the director may treat the transaction as a
7 disguised consumer credit sale that is subject to ~~IC 24-4.5~~. **IC 37-2**. A
8 determination by the director under this subsection:

9 (1) must be in writing;

10 (2) shall be delivered to all parties in the transaction; and

11 (3) is subject to IC 4-21.5-3.

12 SECTION 37. IC 24-7-1-7, AS ADDED BY P.L.89-2011,
13 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2026]: Sec. 7. This article does not apply to the rental
15 purchase of a dwelling (as defined in ~~IC 24-4.4-1-301(11)~~);
16 **IC 37-1-2-15**), regardless of whether the dwelling is assessed as real
17 or personal property for property tax purposes.

18 SECTION 38. IC 24-7-2-2 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. "Department" has the
20 meaning set forth in ~~IC 24-4.5-6-103~~. **IC 37-2-2-15.7**.

21 SECTION 39. IC 24-7-2-2.5, AS ADDED BY P.L.159-2017,
22 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2026]: Sec. 2.5. "Consumer Credit Protection Act" has the
24 meaning set forth in ~~IC 24-4.5-1-302~~. **IC 37-2-2-11**.

25 SECTION 40. IC 24-7-6-4 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) ~~IC 24-4.5-5-105~~
27 **and IC 24-4.5-5-106 IC 37-2-6-4 and IC 37-2-6-5** apply to
28 garnishments related to a rental purchase agreement.

29 (b) With respect to a debt arising from a rental purchase agreement,
30 regardless of where made, the lessor may not attach unpaid earnings of
31 the debtor by garnishment proceedings or other similar proceedings
32 before the entry of a judgment in an action against the lessee arising
33 from a rental purchase agreement.

34 SECTION 41. IC 24-7-7-1, AS AMENDED BY P.L.93-2024,
35 SECTION 175, IS AMENDED TO READ AS FOLLOWS
36 [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The department shall enforce
37 this article. To carry out this responsibility, the department may do the
38 following:

39 (1) Receive and act on complaints, take action designed to obtain
40 voluntary compliance with this article, or commence proceedings
41 on the department's own initiative.

42 (2) Issue and enforce administrative orders under IC 4-21.5.



- 1 (3) Counsel persons and groups on their rights and duties under
 2 this article.
 3 (4) Establish programs for the education of consumers with
 4 respect to rental purchase agreement practices and problems.
 5 (5) Make studies appropriate to effectuate the purposes and
 6 policies of this article and make the results available to the public.
 7 (6) Adopt rules under IC 4-22-2 to carry out this article.
 8 (7) Maintain more than one (1) office within Indiana.
 9 (8) Bring a civil action to restrain a person from violating this
 10 article and for other appropriate relief, and exercise the same
 11 enforcement powers provided under ~~IC 24-4.5-6-108.~~
 12 **IC 37-2-7-9.**
 13 (9) Require a lessor to refund to the lessee any overcharges
 14 resulting from the lessor's noncompliance with:
 15 (A) the terms of a rental purchase agreement; or
 16 (B) this article, or any order or rule issued or adopted by the
 17 department under this article.
 18 (b) If the department determines, after notice and an opportunity to
 19 be heard, that a person has violated this article, or any order or rule
 20 issued or adopted by the department under this article, the department
 21 may, in addition to or instead of all other remedies available under this
 22 section, impose upon the person a civil penalty not greater than ten
 23 thousand dollars (\$10,000) per violation.
 24 SECTION 42. IC 24-9 IS REPEALED [EFFECTIVE JULY 1,
 25 2026]. (Home Loan Practices).
 26 SECTION 43. IC 24-10-2-1, AS ADDED BY P.L.121-2011,
 27 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2026]: Sec. 1. (a) The consumer protection assistance fund is
 29 established for the purpose of compensating qualifying individuals who
 30 submit qualifying claims to the office. The fund shall be administered
 31 by the office.
 32 (b) The fund consists of:
 33 (1) appropriations made to the fund by the general assembly;
 34 (2) grants, gifts, and donations intended for deposit in the fund;
 35 and
 36 (3) at the discretion of the office, money recovered or received by
 37 the office for consumer protection purposes if use of the money
 38 is not otherwise restricted.
 39 (c) Money in the fund may be used to make payments to qualifying
 40 individuals who file qualifying claims with the office in connection
 41 with a case involving a violation by one (1) or more other persons of
 42 any of the following statutes, including rules adopted under the



- 1 authority of the following statutes:
- 2 (1) IC 24-4.7 (concerning telephone solicitation of consumers) if
- 3 the case concerns a violation involving telephone solicitations
- 4 made in connection with any practice or transaction governed by
- 5 a statute described in subdivisions (2) through (4).
- 6 (2) IC 24-5-15 (concerning credit services organizations).
- 7 (3) ~~IC 24-5-5~~ **IC 37-4** (concerning mortgage rescue fraud).
- 8 (4) ~~IC 24-9~~ **IC 37-5** (concerning home loan practices).
- 9 (d) The expenses of administering the fund shall be paid from
- 10 money in the fund.
- 11 (e) The treasurer of state shall invest the money in the fund not
- 12 currently needed to meet the obligations of the fund in the same
- 13 manner as other public money may be invested. Interest that accrues
- 14 from these investments shall be deposited in the fund.
- 15 (f) Money in the fund at the end of a state fiscal year does not revert
- 16 to the state general fund.
- 17 SECTION 44. IC 24-12-5-1, AS AMENDED BY P.L.176-2019,
- 18 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2026]: Sec. 1. (a) The department of financial institutions may
- 20 enforce this article.
- 21 (b) With respect to CPAP transactions and CPAP providers, the
- 22 department has all powers of administration, investigation, and
- 23 enforcement set forth in:
- 24 (1) ~~IC 24-4.5-6~~; **IC 37-2-7**; and
- 25 (2) IC 28-11-4;
- 26 including the authority to levy a civil penalty.
- 27 SECTION 45. IC 25-11-1-2, AS AMENDED BY P.L.159-2017,
- 28 SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 29 JULY 1, 2026]: Sec. 2. The term "collection agency" does not include
- 30 the following:
- 31 (a) Attorney at law.
- 32 (b) Persons regularly employed on a regular wage or salary in the
- 33 capacity of credit men or in a similar capacity except as an
- 34 independent contractor.
- 35 (c) Banks, trust departments, fiduciaries, ~~and~~ financial
- 36 institutions, licensees under ~~IC 24-4.4 and IC 24-4.5~~; **IC 37-1 and**
- 37 **IC 37-2**, and licensees under IC 28-5-1.
- 38 (d) Licensed real estate brokers.
- 39 (e) Employees of licensees under this chapter.
- 40 (f) Any person, firm, partnership, limited liability company, or
- 41 corporation engaged in any business enterprise in the state whose
- 42 primary object, business, or pursuit is not the collection of claims,



- 1 as the term is defined by this chapter.
- 2 (g) Any electric, gas, water, or telephone public utility and its
3 respective employees, agents, representative agents,
4 representatives, and individual contractors.
- 5 (h) Any express company regulated under IC 8-2.1 or IC 8-3.
- 6 SECTION 46. IC 25-34.1-6-2.5, AS AMENDED BY P.L.114-2010,
7 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 2.5. (a) A violation of:
9 (1) IC 24-5-15; or
10 (2) ~~IC 24-5-5~~; **IC 37-4**;
11 by a person licensed or required to be licensed under this article is a
12 violation of this article.
- 13 (b) A person who commits a violation described in subsection (a)
14 commits a Class A infraction and is subject to:
15 (1) the enforcement procedures described in section 2 of this
16 chapter; and
17 (2) any sanction that may be imposed by the commission under
18 IC 25-1-11-12.
- 19 SECTION 47. IC 26-1-1-108.1, AS AMENDED BY P.L.177-2019,
20 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2026]: Sec. 108.1. (a) The secretary of state may provide that
22 a document required to be filed under this article with the secretary of
23 state may be filed by electronic transmission meeting the requirements
24 established by the secretary of state.
- 25 (b) The secretary of state may accept payment of a filing fee for a
26 document filed by electronic transmission by credit card, debit card,
27 charge card, or similar method. However, if the filing fee is paid by
28 credit card, debit card, charge card, or similar method, the liability is
29 not finally discharged until the secretary of state receives payment or
30 credit from the institution responsible for making the payment or credit.
- 31 (c) The secretary of state may contract with a bank or credit card
32 vendor for acceptance of bank or credit cards. However, if there is a
33 vendor transaction charge or discount fee, whether billed to the
34 secretary of state or charged directly to the secretary of state's account,
35 the secretary of state or the credit card vendor may collect from the
36 person using the bank or credit card a fee that may not exceed the
37 highest transaction charge or discount fee charged to the secretary of
38 state by the bank or credit card vendor during the most recent
39 collection period. The fee may be collected regardless of any
40 agreement between the bank and a credit card vendor or regardless of
41 any internal policy of the credit card vendor that may prohibit this type
42 of fee. The fee is a permitted additional charge under ~~IC 24-4.5-3-202~~.



- 1 **IC 37-2-4-5.**
2 SECTION 48. IC 26-1-12-103, AS ADDED BY P.L.199-2023,
3 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2026]: Sec. 103. (a) If there is a conflict between this chapter
5 and IC 26-1-9.1, IC 26-1-9.1 governs.
6 (b) A transaction subject to this chapter is subject to:
7 (1) any applicable rule of law that establishes a different rule for
8 consumers; and
9 (2) any:
10 (A) other statute or regulation that regulates the rates, charges,
11 agreements, and practices for loans, credit sales, or other
12 extensions of credit, including ~~IC 24-4.5~~; **IC 37-2 and**
13 **IC 37-3**; and
14 (B) consumer protection statute or regulation.
15 SECTION 49. IC 26-2-7-2, AS AMENDED BY P.L.217-2007,
16 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17 JULY 1, 2026]: Sec. 2. (a) As used in this chapter, "financial
18 institution" refers to a financial institution (as defined in IC 28-1-1-3).
19 (b) The term does not include a person licensed under ~~IC 24-4.5~~.
20 **IC 37-2 or IC 37-3.**
21 SECTION 50. IC 26-2-9-2 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. As used in this
23 chapter, "creditor" means:
24 (1) a bank, a savings bank, a trust company, a savings association,
25 a credit union, an industrial loan and investment company, or any
26 other financial institution regulated by any agency of the United
27 States or any state, including a consumer finance institution
28 licensed to make supervised or regulated loans under ~~IC 24-4.5~~;
29 **IC 37-2 or IC 37-3**;
30 (2) a person authorized to sell and service loans for the Federal
31 National Mortgage Association or the Federal Home Loan
32 Mortgage Corporation, issue securities backed by the Government
33 National Mortgage Association, make loans insured by the United
34 States Department of Housing and Urban Development, make
35 loans guaranteed by the United States Department of Veterans
36 Affairs, or act as a correspondent of loans insured by the United
37 States Department of Housing and Urban Development or
38 guaranteed by the United States Department of Veterans Affairs;
39 or
40 (3) an insurance company or its affiliates that extend credit under
41 a credit agreement with a debtor.
42 SECTION 51. IC 27-1-31-1 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) Except as
 2 provided in subsection (b), this chapter applies to all lines of
 3 commercial property and casualty insurance.

4 (b) This chapter:

5 (1) does not apply to the cancellation or nonrenewal of
 6 automobile insurance policies, as restricted under IC 27-7-6; and

7 (2) does not affect requirements applying to:

8 (A) the cancellation of medical malpractice insurance policies
 9 under IC 34-18-13-4 (or IC 27-12-13-4 before its repeal); or

10 (B) the cancellation of property or liability insurance by a
 11 creditor under ~~IC 24-4.5-4-304~~. **IC 37-2-5-17.**

12 SECTION 52. IC 27-7-3-22, AS AMENDED BY P.L.236-2025,
 13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2026]: Sec. 22. (a) In a residential real estate transaction
 15 described in subsection (f) in which:

16 (1) a title policy is issued by a company or title insurance
 17 producer on behalf of a company; and

18 (2) the company or title insurance producer will also act as a
 19 settlement or closing agent;

20 the company or title insurance producer shall issue a closing protection
 21 letter to the lender, borrower, buyer, and seller of the property. A
 22 company authorized to do business under section 3 of this chapter shall
 23 charge a fee approved under subsection (e) to each party receiving the
 24 benefit of a closing protection letter.

25 (b) In a nonresidential real estate transaction in which:

26 (1) a title policy is issued by a company or title insurance
 27 producer on behalf of a company; and

28 (2) the company or title insurance producer will also act as a
 29 settlement or closing agent;

30 the company or title insurance producer may issue a closing protection
 31 letter to the lender, borrower, buyer, and seller of the property on
 32 request.

33 (c) A closing protection letter issued under this section must
 34 indemnify the party to which the closing protection letter is issued
 35 against any loss of settlement funds (under the terms and conditions of
 36 the closing protection letter) that results from the following acts of the
 37 company or title insurance producer that issues the closing protection
 38 letter:

39 (1) Theft or misappropriation of settlement funds in connection
 40 with a transaction in which the title policy is issued, only to the
 41 extent that the theft or misappropriation relates to the:

42 (A) status of title to; or



- 1 (B) validity, enforceability, and priority of the lien of the
 2 mortgage on;
 3 the party's interest in land.
 4 (2) Failure to comply with the written closing instructions agreed
 5 to by the company or title insurance producer acting as the
 6 settlement agent, only to the extent that the failure relates to the:
 7 (A) status of title to; or
 8 (B) validity, enforceability, and priority of the lien of the
 9 mortgage on;
 10 the party's interest in land.
 11 (d) The issuance of a closing protection letter under this section in
 12 contemplation of or in conjunction with the issuance of a title insurance
 13 policy is part of the business of title insurance for purposes of section
 14 3 of this chapter.
 15 (e) The amount of the fee that a company authorized to do business
 16 under section 3 of this chapter charges to each party receiving the
 17 benefits of a closing protection letter:
 18 (1) must be submitted to and approved by the commissioner under
 19 IC 27-1-22-28; and
 20 (2) is not subject to an agreement requiring a division of fees or
 21 premiums collected on behalf of the company.
 22 (f) Subsection (a) applies to the following transactions:
 23 (1) A mortgage transaction (as defined in ~~IC 24-9-3-7(a)~~
 24 **IC 37-5-3-7(a)**) that:
 25 (A) is:
 26 (i) a first lien purchase money mortgage transaction; or
 27 (ii) a refinancing transaction; and
 28 (B) is closed by a closing agent after December 31, 2009.
 29 (2) A real estate transaction (as defined in ~~IC 24-9-3-7(b)~~
 30 **IC 37-5-3-7(b)**) that:
 31 (A) does not involve a mortgage transaction described in
 32 subdivision (1); and
 33 (B) is closed by a closing agent (as defined in
 34 IC 6-1.1-12-43(a)(2)) after December 31, 2011.
 35 SECTION 53. IC 28-1-1-3, AS AMENDED BY P.L.137-2014,
 36 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2026]: Sec. 3. Unless a different meaning is required by the
 38 context, the following definitions apply throughout this article:
 39 (1) "Financial institution" means any bank, trust company,
 40 corporate fiduciary, savings association, credit union, savings
 41 bank, bank of discount and deposit, or industrial loan and
 42 investment company organized or reorganized under the laws of



- 1 this state, and includes licensees under ~~IC 24-4.4, IC 24-4.5,~~
2 **IC 37-1, IC 37-2**, and 750 IAC 9.
- 3 (2) "Bank" or "bank or trust company" means a financial
4 institution organized or reorganized as a bank, bank of discount
5 and deposit, or trust company under the laws of this state with the
6 express power to receive and accept deposits of money subject to
7 withdrawal by check, and possessing such other rights and powers
8 granted by the provisions of this article in express terms or by
9 implication. The term "bank" or "bank or trust company" does not
10 include a savings association, credit union, or industrial loan and
11 investment company.
- 12 (3) "Domestic corporation" means a corporation formed under the
13 laws of this state, and "foreign corporation" means every other
14 corporation.
- 15 (4) "Articles of incorporation" includes both the original articles
16 of incorporation and any and all amendments thereto, except
17 where the original articles of incorporation only are expressly
18 referred to, and includes articles of merger and consolidation, and,
19 in the case of corporations organized before July 1, 1933, articles
20 of reorganization, and all amendments thereto.
- 21 (5) "Incorporator" means one (1) of the signers of the original
22 articles of incorporation.
- 23 (6) "Subscriber" means one who subscribes for shares of stock in
24 a financial institution.
- 25 (7) "Shareholder" means one who is a holder of record of shares
26 of stock in a financial institution.
- 27 (8) "Capital stock" means the aggregate amount of the par value
28 of all shares of capital stock.
- 29 (9) "Capital" means the aggregate amount paid in on the shares of
30 capital stock of a financial institution issued and outstanding.
- 31 (10) "Capital and surplus" or "unimpaired capital and unimpaired
32 surplus" has the meaning set forth in 12 CFR 32.2.
- 33 (11) "Assets" includes all of the property and rights of every kind
34 of a financial institution, and the term "fixed assets" means such
35 assets as are not intended to be sold or disposed of in the ordinary
36 course of business.
- 37 (12) "Principal office" means that office maintained by the
38 financial institution in this state, the address of which is required
39 by the provisions of this article to be kept on file in the office of
40 the secretary of state.
- 41 (13) "Subscription" means any written agreement or undertaking,
42 accepted by a financial institution, for the purchase of shares of



- 1 capital stock in the financial institution.
 2 (14) "Department" means the department of financial institutions.
 3 (15) "Member" means a member of the department of financial
 4 institutions.
 5 (16) "Branch" means any office, agency, mobile unit, messenger
 6 service, or other place of business at which deposits are received,
 7 checks paid, or money lent. The term does not include:
 8 (A) the principal office of a bank;
 9 (B) the principal office of an affiliate;
 10 (C) a branch of an affiliate;
 11 (D) an automated teller machine;
 12 (E) a night depository;
 13 (F) a temporary facility authorized in IC 28-2-13-22.5;
 14 (G) a loan production office;
 15 (H) a deposit production office; or
 16 (I) other service delivery mechanisms not considered by the
 17 director to be a branch.
 18 (17) "Subsidiary" means any foreign or domestic corporation or
 19 limited liability company in which the parent bank, savings bank,
 20 savings association, or industrial loan and investment company
 21 had at least eighty percent (80%) ownership before July 1, 1999,
 22 or is formed or acquired in accordance with IC 28-13-16 after
 23 June 30, 1999.
 24 (18) "Savings bank" means a financial institution that:
 25 (A) was organized, reorganized, or operating under IC 28-6
 26 (before its repeal) before January 1, 1993;
 27 (B) is formed as the result of a conversion under:
 28 (i) IC 28-1-21.7;
 29 (ii) IC 28-1-21.8;
 30 (iii) IC 28-1-21.9; or
 31 (iv) IC 28-1-30; or
 32 (C) is incorporated under IC 28-12.
 33 (19) "Corporate fiduciary" means a financial institution whose
 34 primary business purpose is to engage in the trust business (as
 35 defined in IC 28-14-1-8) and the execution and administration of
 36 fiduciary accounts as a nondepository trust company incorporated
 37 under Indiana law.
 38 SECTION 54. IC 28-1-2-6.5, AS AMENDED BY P.L.176-2019,
 39 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2026]: Sec. 6.5. (a) A financial institution (as defined in
 41 IC 28-1-1-3(1)), except for a licensee under ~~IC 24-4-4~~, ~~IC 24-4-5~~;
 42 **IC 37-1, IC 37-2**, or 750 IAC 9, shall comply with the following:



- 1 (1) The Bank Secrecy Act (31 U.S.C. 5311 et seq.).
- 2 (2) The USA Patriot Act of 2001 (P.L. 107-56).
- 3 (3) Any regulations, policies, or reporting requirements
- 4 established by the Financial Crimes Enforcement Network of the
- 5 United States Department of the Treasury.
- 6 (4) Subchapter II of Chapter 53 of Title 31 of the United States
- 7 Code, including 31 U.S.C. 5318(l), and 31 CFR Chapter X,
- 8 including 31 CFR 1020.220.
- 9 (5) Any other state or federal money laundering statutes or
- 10 regulations that apply to a financial institution (as defined in
- 11 IC 28-1-1-3(1)) other than a licensee under ~~IC 24-4-4, IC 24-4.5,~~
- 12 **IC 37-1, IC 37-2**, or 750 IAC 9.
- 13 (b) The department shall do the following:
- 14 (1) To the extent authorized or required by state law, investigate
- 15 potential violations of, and enforce compliance with, state money
- 16 laundering statutes or regulations.
- 17 (2) Investigate potential violations of federal money laundering
- 18 statutes or regulations and, to the extent authorized or required by
- 19 federal law:
- 20 (A) enforce compliance with the federal statutes or
- 21 regulations; or
- 22 (B) refer suspected violations of the federal statutes or
- 23 regulations to the appropriate federal regulatory agencies.
- 24 SECTION 55. IC 28-1-2-30, AS AMENDED BY P.L.222-2025,
- 25 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 26 JULY 1, 2026]: Sec. 30. (a) As used in this section, "financial
- 27 institution" means any bank, trust company, corporate fiduciary,
- 28 savings association, credit union, savings bank, bank of discount and
- 29 deposit, or industrial loan and investment company organized or
- 30 reorganized under the laws of this state, and includes licensees and
- 31 registrants under ~~IC 24-4-4, IC 24-4.5,~~ IC 24-7, IC 24-12, IC 28-1-29,
- 32 IC 28-7-5, IC 28-8-4.1, IC 28-8-5, IC 28-8-6, **IC 37-1, IC 37-2**, and
- 33 750 IAC 9.
- 34 (b) Except as otherwise provided, a member of the department or
- 35 the director or deputy, assistant, or any other person having access to
- 36 any such information may not disclose to any person, other than
- 37 officially to the department, by the report made to it, or to the board of
- 38 directors, partners, or owners, or in compliance with the order of a
- 39 court, the names of the depositors or shareholders in any financial
- 40 institution, or the amount of money on deposit in any financial
- 41 institution at any time in favor of any depositor, or any other
- 42 information concerning the affairs of any such financial institution.



1 SECTION 56. IC 28-1-2-30.5, AS AMENDED BY P.L.35-2010,
 2 SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2026]: Sec. 30.5. (a) This section applies to the following:

4 (1) Any:

5 (A) financial institution;

6 (B) person required to file notification with the department
 7 under ~~IC 24-4.5-6-202~~; **IC 37-2-7-25**;

8 (C) person subject to IC 24-7; or

9 (D) other person subject to regulation by the department.

10 (2) Any person licensed or required to be licensed under

11 ~~IC 24-4.4 or IC 24-4.5~~. **IC 37-1 or IC 37-2.**

12 (b) As used in this section, "customer", with respect to a person
 13 described in subsection (a), means an individual consumer, or the
 14 individual's legal representative, who obtains or has obtained from the
 15 person a financial:

16 (1) product; or

17 (2) service;

18 that is to be used primarily for personal, family, or household purposes.

19 The term does not include an affiliate of the person.

20 (c) As used in this section, "personal information" includes any of
 21 the following:

22 (1) An individual's first and last names or first initial and last
 23 name.

24 (2) Any of the following data elements:

25 (A) A Social Security number.

26 (B) A driver's license number.

27 (C) A state identification card number.

28 (D) A credit card number.

29 (E) A financial account number or debit card number.

30 (3) With respect to an individual, any of the following:

31 (A) Address.

32 (B) Telephone number.

33 (C) Information concerning the individual's:

34 (i) income or other compensation;

35 (ii) credit history;

36 (iii) credit score;

37 (iv) assets;

38 (v) liabilities; or

39 (vi) employment history.

40 (d) As used in this section, personal information is "encrypted" if
 41 the personal information:

42 (1) has been transformed through the use of an algorithmic



- 1 process into a form in which there is a low probability of
 2 assigning meaning without use of a confidential process or key;
 3 or
 4 (2) is secured by another method that renders the personal
 5 information unreadable or unusable.
- 6 (e) As used in this section, personal information is "redacted" if the
 7 personal information has been altered or truncated so that not more
 8 than the last four (4) digits of:
 9 (1) a Social Security number;
 10 (2) a driver's license number;
 11 (3) a state identification number; or
 12 (4) an account number;
 13 are accessible as part of the personal information.
- 14 (f) As used in this section, "personal records" means any records
 15 that:
 16 (1) are maintained, whether as a paper record or in an electronic
 17 or a computerized form, by a person to whom this section applies;
 18 and
 19 (2) contain the unencrypted, unredacted personal information of
 20 one (1) or more customers or potential customers.
- 21 (g) A person to whom this section applies shall keep and handle
 22 personal records in a manner that:
 23 (1) reasonably safeguards the personal records from destruction,
 24 theft, or other loss; and
 25 (2) protects the personal records from misuse.
- 26 (h) If a breach of the security of any personal records occurs, the
 27 person maintaining the records is subject to the disclosure requirements
 28 under IC 24-4.9-3, unless the person is exempt from the disclosure
 29 requirements under IC 24-4.9-3-4.
- 30 (i) A person to whom this section applies may not dispose of
 31 personal records without first:
 32 (1) shredding, incinerating, or mutilating the personal records; or
 33 (2) erasing or otherwise rendering illegible or unusable the
 34 personal information contained in the records.
- 35 (j) If a person to whom this section applies ceases doing business,
 36 the person shall, as part of the winding up of the business, safeguard
 37 any personal records maintained by the person in accordance with this
 38 section until such time as the person is entitled or required to destroy
 39 the records under:
 40 (1) applicable law; or
 41 (2) the person's own records maintenance policies.
- 42 (k) A person to whom this section applies shall provide at the



1 person's cost any records that the director considers relevant or material
 2 to an examination, investigation, or other matter under consideration
 3 by the department.

4 SECTION 57. IC 28-1-3.1-2, AS AMENDED BY P.L.176-2019,
 5 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2026]: Sec. 2. (a) The department may take possession of the
 7 business and property of any financial institution except a creditor
 8 licensed to make supervised or regulated loans under ~~IC 24-4.5,~~
 9 **IC 37-2**, whenever it appears to the department that the financial
 10 institution:

- 11 (1) is insolvent or in imminent danger of insolvency;
- 12 (2) is in an unsafe or unsound condition;
- 13 (3) has refused to pay its deposits or obligations in accordance
 14 with the terms under which those deposits or obligations were
 15 incurred;
- 16 (4) has refused to submit its records and affairs for inspection or
 17 examination by the department or federal authorities;
- 18 (5) has violated any court order, statute, rule, or regulation of the
 19 department or its articles of incorporation and that continued
 20 control of its own affairs threatens injury to the public, the
 21 financial community, its depositors, or other creditors;
- 22 (6) requests through its board of directors that the department take
 23 possession for the benefit of depositors, other creditors,
 24 shareholders, or other persons;
- 25 (7) has an impairment of its capital (the capital of a bank or trust
 26 company shall, for the purpose of this subdivision, be considered
 27 to be unimpaired so long as the sound value of its assets over and
 28 above its liabilities, exclusive of liabilities for capital notes,
 29 debentures, and capital stock, as determined by the department,
 30 equals or exceeds the minimum capital or capital stock required
 31 by the department for a bank or trust company);
- 32 (8) has neglected or refused, for a period of thirty (30) days, to
 33 comply with the terms of a duly issued order of the department,
 34 essential to preserve the solvency of the financial institution;
- 35 (9) has failed to pay the fees charged by the department under
 36 IC 28-11-3-5 after due notice of the amount of the fee has been
 37 given;
- 38 (10) has breached a fiduciary duty under IC 30-4-3-6; or
- 39 (11) has violated IC 30-4-3-7 in a way that has caused or may
 40 cause harm to fiduciary accounts.

41 (b) When the department makes a determination to take possession
 42 of the business and property of a financial institution under subsection



- 1 (a), the department shall:
- 2 (1) make a finding to that effect and enter that finding on the
- 3 records of the proceedings of the department; and
- 4 (2) cause a certified copy of the finding to be served on the
- 5 president or other executive officer actively in charge of the
- 6 financial institution and demand possession of the business,
- 7 property, and records of the financial institution from the officer.
- 8 The financial institution shall immediately surrender the
- 9 possession to the department.
- 10 (c) The department or its receiver is not required to become the
- 11 owner of any property to fulfill the liquidation requirements of this
- 12 chapter.
- 13 SECTION 58. IC 28-2-17-23 IS AMENDED TO READ AS
- 14 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 23. (a) An out-of-state
- 15 state bank that establishes and maintains one (1) or more branches in
- 16 Indiana under this chapter may conduct at the branch or branches only
- 17 those activities that are expressly authorized under the laws of Indiana
- 18 for Indiana state banks.
- 19 (b) An Indiana state bank may conduct any activities at any branch
- 20 located outside Indiana that are permissible for a bank organized or
- 21 reorganized by the host state in which the branch is located. However,
- 22 if Indiana law specifically prohibits an activity that is permitted by the
- 23 host state, the department may by order waive the prohibition if the
- 24 department determines that the involvement of out-of-state branches of
- 25 Indiana state banks in the particular activities conducted in the host
- 26 state would not threaten the safety or soundness of banks. This section
- 27 does not authorize a bank located in Indiana to engage in an activity in
- 28 Indiana that has been waived under this provision.
- 29 (c) An out-of-state bank that has acquired a branch in Indiana under
- 30 this chapter may establish or acquire additional branches in Indiana to
- 31 the same extent that any Indiana bank may establish or acquire a
- 32 branch in Indiana under applicable federal and Indiana law.
- 33 (d) With the prior approval of the department, an Indiana state bank
- 34 that has acquired a branch or branches in a state other than Indiana
- 35 through an interstate merger transaction may establish or acquire
- 36 additional branches in the host state to the same extent that a host state
- 37 state bank may establish or acquire a branch in the host state under the
- 38 applicable host state law and federal law. An Indiana state bank
- 39 desiring to establish one (1) or more branches under this section must
- 40 file a written application with the director. The application must be in
- 41 the form and must contain the information prescribed by the director.
- 42 The department may approve or disapprove the application. Before the



1 department approves the application, the bank must demonstrate to the
2 satisfaction of the department that:

- 3 (1) the applicant state bank will have adequate capital, sound
4 management, and adequate future earnings prospects after the
5 establishment of the branch; and
6 (2) the establishment of the proposed branch will not violate the
7 laws of the host state.

8 (e) The investigation of the department relative to any application
9 as required by this section shall be conducted without a public hearing.

10 (f) The branch or branches of an out-of-state bank that are
11 established and maintained in Indiana under this chapter shall be
12 subject to the provisions and fees of ~~IC 24-4.5~~ **IC 37-2** to the same
13 extent as a bank located in Indiana.

14 SECTION 59. IC 28-2-18-24 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 24. (a) An out-of-state
16 state bank that establishes and maintains one (1) or more branches in
17 Indiana under this chapter may conduct at the branch or branches only
18 those activities that are expressly authorized under the laws of Indiana
19 for Indiana state banks.

20 (b) An Indiana state bank may conduct any activities at any branch
21 located outside Indiana that are permissible for a bank organized or
22 reorganized by the host state in which the branch is located. However,
23 if Indiana law specifically prohibits an activity that is permitted by the
24 host state, the department may by order waive the prohibition if the
25 department determines that the involvement of out-of-state branches of
26 Indiana state banks in the particular activities conducted in the host
27 state would not threaten the safety or soundness of banks. This section
28 does not authorize a bank located in Indiana to engage in an activity in
29 Indiana that has been waived under this provision.

30 (c) An out-of-state bank that has established or acquired a branch or
31 branches in Indiana under this chapter may establish or acquire
32 additional branches in Indiana to the same extent that any Indiana bank
33 may establish or acquire a branch in Indiana under applicable federal
34 and state law.

35 (d) The branch or branches of an out-of-state bank that are
36 established and maintained in Indiana under this chapter shall be
37 subject to the provisions and fees of ~~IC 24-4.5~~ **IC 37-2** to the same
38 extent as a bank located in Indiana.

39 SECTION 60. IC 28-5-1-6, AS AMENDED BY P.L.217-2007,
40 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2026]: Sec. 6. (a) Every company may exercise all the powers
42 conferred upon domestic corporations by IC 23-1 but only to the extent



1 that those powers may be necessary, convenient, or expedient to
 2 accomplish the purposes for which it is organized. Subject to the
 3 restrictions and limitations contained in this chapter, every company
 4 may exercise the following powers:

5 (1) To issue, negotiate, and sell its secured or unsecured
 6 certificates of investment or indebtedness, subject to subdivision
 7 (16), upon terms and conditions, in any form, and payable at times
 8 that are not inconsistent with this chapter and, subject to
 9 subsection (c), bearing a rate of interest approved by the
 10 department.

11 (2) To make, purchase, discount, or otherwise acquire extensions
 12 of credit under ~~IC 24-4.5~~; **IC 37-2**.

13 (3) To lend money without security or upon the security of
 14 comakers, personal endorsement, or the mortgage of real or
 15 personal property or the mortgage or pledge of bailment leases or
 16 rentals due and to become due thereunder and other choses in
 17 action, and to contract for interest, discount, fees, charges, or
 18 other consideration fixed or permitted by any laws of Indiana
 19 concerning interest, discount, or usury.

20 (4) To discount, purchase, or otherwise acquire notes, bills of
 21 exchange, acceptances, bailment leases, and the property covered
 22 thereby or the rentals due or to become due thereunder or other
 23 choses in action and, subject to such restrictions the department
 24 imposes, to become owner or lessor of personal or real property
 25 acquired upon the request and for the use of a customer, and to
 26 incur additional obligations incident to becoming an owner or
 27 lessor of the property. The liability of a lessee under the lease
 28 does not constitute an obligation (as defined in section 8 of this
 29 chapter).

30 (5) To purchase or construct buildings and hold legal title to them,
 31 to be leased for public purposes to municipal corporations or
 32 other public authorities having resources sufficient to make
 33 payment of all rentals as they become due. Each lease agreement
 34 shall provide that upon expiration, the lessee shall become owner
 35 of the building.

36 (6) To invest in bonds, notes, or certificates which are:

37 (A) the direct or indirect obligations of the United States or of
 38 the state;

39 (B) obligations of mutual funds or financial institutions if the
 40 obligations represent a participation in a fund invested in, or
 41 are secured by, direct or indirect obligations of the United
 42 States owned by the mutual fund or financial institution;



1 (C) the direct obligations of a civil or school county, township,
2 city, town, other taxing district, or municipality of Indiana;
3 (D) a special taxing district in Indiana;
4 (E) issued by or in the name of:
5 (i) the trustees of Indiana University;
6 (ii) the trustees of Purdue University;
7 (iii) the trustees of Ball State University;
8 (iv) the trustees of Indiana State University; or
9 (v) the Indiana finance authority;
10 (F) issued by or in the name of any municipality of Indiana and
11 payable from the revenues to be derived from the operation of
12 facilities for the production or distribution of water, electricity,
13 gas, or from the operation of sewage works; or
14 (G) the obligations of any Indiana toll road commission, public
15 library, or schoolhouse holding corporation first mortgage
16 bonds;
17 which district, municipality, taxing unit, or corporation is not then
18 in default in the payment of either principal or interest on any of
19 its funded obligations and has not so defaulted for a period of
20 more than six (6) months within the five (5) year period
21 immediately preceding the purchase of the securities.
22 (7) To invest in bonds, notes, or debentures rated in one (1) of the
23 first four (4) classifications established by one (1) or more
24 standard rating services specified by the department that satisfy
25 requirements of marketability prescribed periodically by the
26 department that are the obligations of a person, a firm, a limited
27 liability company, a corporation, a state, a territory, an insular
28 possession of the United States, or a county, township, town, city,
29 taxing district, or municipality thereof which is not then in default
30 in the payment of either principal or interest on any of its funded
31 obligations and has not so defaulted within the five (5) year
32 period immediately preceding the purchase of the securities and
33 other investment securities prescribed by the department by rule.
34 As used in this section, the term "investment securities" means
35 marketable obligations evidencing indebtedness of a person, firm,
36 limited liability company, or corporation in the form of bonds,
37 notes, or debentures commonly known as "investment securities"
38 and the definition of the term "investment securities" prescribed
39 by the department by rule. Except as is otherwise provided in this
40 chapter or otherwise permitted by law, nothing contained in this
41 subdivision authorizes the purchase by an industrial loan and
42 investment company of shares of stock or other securities, unless



- 1 the purchase is necessary to prevent loss under a debt previously
 2 contracted in good faith and stocks or other securities so
 3 purchased or acquired shall, within six (6) months from the time
 4 of its purchase, be sold or disposed of at public or private sale,
 5 unless otherwise ordered by the department.
- 6 (8) To invest in bonds or debentures issued under and by the
 7 authority of the Federal Home Loan Bank Act (12 U.S.C. 1421
 8 through 1429), or of the Home Owners' Loan Act (12 U.S.C. 1461
 9 through 1468), or obligations issued by or for farm credit banks,
 10 and banks for cooperatives under the Farm Credit Act of 1971 (12
 11 U.S.C. 2001 through 2279aa-14).
- 12 (9) To invest in insured shares of an insured savings association
 13 organized under the laws of Indiana, and in insured shares of an
 14 insured federal savings association whose principal place of
 15 business is located in Indiana; and in certificates of indebtedness
 16 or investment of an industrial loan and investment company
 17 organized under the laws of Indiana. However, not more than
 18 twenty percent (20%) of the resources of the company may be
 19 invested in the insured shares of any such association nor more
 20 than ten percent (10%) of the company's capital and surplus in
 21 such certificates of industrial loan and investment companies.
- 22 (10) To make loans and advances of credit and purchases of
 23 obligations representing loans and advances of credit as are
 24 eligible for insurance by the federal housing administrator, and to
 25 obtain insurance from the administrator.
- 26 (11) To make loans secured by mortgage on real property or
 27 leasehold if:
- 28 (A) the mortgage is insured by the federal housing
 29 administrator; or
- 30 (B) the company makes a commitment to insure and to obtain
 31 insurance from the administrator, if the mortgage is not
 32 insured by the federal housing administrator.
- 33 (12) To purchase, invest in, and dispose of notes or bonds secured
 34 by mortgage or trust deed insured by the federal housing
 35 administrator or debentures issued by the federal housing
 36 administrator, or bonds or other securities insured by national
 37 mortgage associations.
- 38 (13) To discount, purchase, or otherwise acquire charge accounts,
 39 and drafts and bills of exchange evidencing charge accounts and
 40 to impose and collect monthly service charges and maintenance
 41 charges on charge accounts, drafts, or bills of exchange which are
 42 owned or acquired in amounts agreed upon between the company



- 1 and the obligor, or obligors, on charge accounts, drafts, and bills
2 of exchange.
- 3 (14) To purchase or otherwise acquire property, real or personal,
4 tangible or intangible, in which the company has a security
5 interest to secure a debt owing to the company contracted in good
6 faith or the purchase or acquisition of which property is
7 considered expedient to prevent loss from a debt owing to the
8 company contracted in good faith, and for such purpose to engage
9 in any lawful business considered necessary or expedient by the
10 company to preserve, protect, or make saleable the property.
11 Property thus purchased or acquired shall be sold and disposed of
12 within two (2) years, or a longer period permitted by the
13 department, after the purchase or acquisition.
- 14 (15) To act as trustee of a trust created in the United States and
15 forming part of a stock bonus, pension, or profit sharing plan that
16 is qualified for tax treatment under Section 401(d) of the Internal
17 Revenue Code, and to act as trustee or custodian of an individual
18 retirement account within the meaning of Section 408 of the
19 Internal Revenue Code, if the funds of that trust or account are
20 only invested in certificates of investment or indebtedness of the
21 company or in obligations or securities issued by that company.
22 All funds held under this subdivision in a fiduciary capacity may
23 be commingled by the company for appropriate investment
24 purposes. However, individual records shall be kept by the
25 fiduciary for each participant and shall show in proper detail all
26 transactions engaged in under the authority of this subdivision.
- 27 (16) To do anything necessary and appropriate to obtain or
28 maintain federal deposit insurance under the Federal Deposit
29 Insurance Corporation Act (12 U.S.C. 1811 through 1833e) or
30 insurance under any other federal or Indiana law providing
31 insurance for certificates of investment or indebtedness issued by
32 a company. A company that obtains and maintains federal deposit
33 insurance is not required to obtain approval from the department
34 concerning the rate of interest payable on, or the form, the terms,
35 or the conditions of the certificates of investment or indebtedness,
36 and the company may exercise all of the powers that are conferred
37 upon institutions maintaining federal deposit insurance that are
38 not in conflict with Indiana law.
- 39 (17) To become a member of a federal home loan bank and
40 acquire, own, pledge, sell, assign, or otherwise dispose of shares
41 of the capital stock of a federal home loan bank.
- 42 (18) To borrow money and procure advances from a federal home



1 loan bank and to transfer, assign to, and pledge with the federal
 2 home loan bank any of the bonds, notes, contracts, mortgages,
 3 securities, or other property of the company held or acquired as
 4 security for the payment of the loans and advances.

5 (19) To possess and exercise all rights, powers, and privileges
 6 conferred upon and do and perform all acts and things required of
 7 members or shareholders of a federal home loan bank, or by the
 8 provisions of 12 U.S.C. 1421 through 1449.

9 (20) Subject to section 6.3 of this chapter, to exercise the rights
 10 and privileges (as defined in section 6.3(a) of this chapter) that
 11 are or may be granted to national banks domiciled in Indiana.

12 (b) No law of this state prescribing the nature, amount, or form of
 13 security or requiring security upon which loans or advances of credit
 14 may be made, or prescribing or limiting interest rates upon loans or
 15 advances of credit, or prescribing or limiting the period for which loans
 16 or advances of credit may be made, applies to loans, advances of credit,
 17 or purchases made pursuant to subsection (a)(10), (a)(11), or (a)(12).

18 (c) If any national or state chartered bank or savings association is
 19 not limited by law with regard to the rate of interest payable on any
 20 type or category of checking account, savings account, or deposit,
 21 certificate of deposit, membership share, or other account, then
 22 industrial loan and investment companies are similarly not limited with
 23 regard to the interest payable on certificates of investment or
 24 indebtedness.

25 SECTION 61. IC 28-7-1-17, AS AMENDED BY P.L.54-2021,
 26 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2026]: Sec. 17. (a) Every loan application shall be submitted
 28 on a form approved by the credit union. Loans may be disbursed upon
 29 written approval by a majority of the credit committee or a loan officer.
 30 If the credit committee or loan officer fails to approve an application
 31 for a loan, the applicant may appeal to the board of directors, if such
 32 appeal is authorized by the bylaws.

33 (b) Loans to members may be made only under the following terms
 34 and conditions:

35 (1) All loans shall be evidenced by notes signed by the borrowing
 36 member.

37 (2) Except as otherwise provided in this section, the terms of any
 38 loan to a member with a maturity of more than six (6) months
 39 shall provide for principal and interest payments that will
 40 amortize the obligation in full within the terms of the loan
 41 contract. If the income of the borrowing member is seasonal, the
 42 terms of the loan contract may provide for seasonal amortization.



- 1 (3) Loans may be made upon the security of improved or
 2 unimproved real estate. Except as otherwise specified in this
 3 section, such loans must be secured by a first lien upon real estate
 4 prior to all other liens, except for taxes and assessments not
 5 delinquent, and may be made with repayment terms other than as
 6 provided in subdivision (2). The credit union loan folder for all
 7 real estate mortgage loans shall include the following:
- 8 (A) The loan application.
 - 9 (B) The mortgage instrument.
 - 10 (C) The note.
 - 11 (D) The disclosure statement.
 - 12 (E) The documentation of property insurance.
 - 13 (F) For the real estate for which the loan is made:
 - 14 (i) a written appraisal; or
 - 15 (ii) a written estimate of market value;
- 16 consistent with the appraisal standards and transaction value
 17 limitations set forth in the appraisal regulations of the National
 18 Credit Union Administration (12 CFR 722).
- 19 (4) Subject to the limitations of subdivision (3), variable rate
 20 mortgage loans and rollover mortgage loans may be made under
 21 the same limitations and rights provided state chartered savings
 22 associations under IC 28-1-21.5 (before its repeal) or IC 28-15 or
 23 federal credit unions.
- 24 (5) As used in this subdivision, "originating lender" means the
 25 participating lender with which the member contracts. A credit
 26 union may participate with other state and federal depository
 27 financial institutions (as defined in IC 28-1-1-6) or credit union
 28 service organizations in making loans to credit union members
 29 and may sell a participating interest in any of its loans under
 30 written participation loan policies established by the board of
 31 directors. However, the credit union may not sell more than ninety
 32 percent (90%) of the principal of participating loans outstanding
 33 at the time of sale. A participating credit union that is not the
 34 originating lender may participate only in loans made to the credit
 35 union's own members or to members of another participating state
 36 or federal credit union. A master participation agreement must be
 37 properly executed. The agreement must include provisions for
 38 identifying, either through documents incorporated by reference
 39 or directly in the agreement, the participation loan or loans before
 40 the sale of the loans.
- 41 (6) As an alternative to making any loan authorized by and under
 42 the conditions set forth in subdivisions (1) through (5), a credit



1 union may make any of the following:

2 (A) Any loan that may be made by a federal credit union.

3 However, ~~IC 24-4.5~~ **IC 37-2** applies to any loan that is:

4 (i) made under this clause; and

5 (ii) within the scope of ~~IC 24-4.5~~ **IC 37-2**.

6 Any provision of federal law that is in conflict with ~~IC 24-4.5~~
7 **IC 37-2** does not apply to a loan made under this clause.

8 (B) Subject to subdivision (3), any alternative mortgage loan
9 (as defined in IC 28-15-11-2) that may be made by a savings
10 association (as defined in IC 28-15-1-11) under IC 28-15-11.

11 A loan made under this clause by a credit union is subject to
12 the same terms, conditions, exceptions, and limitations that
13 apply to an alternative mortgage loan made by a savings
14 association under IC 28-15-11.

15 (7) A credit union may make a loan under either:

16 (A) subdivisions (2) through (5); or

17 (B) subdivision (6);

18 but not both. A credit union shall make an initial determination as
19 to whether to make a loan under subdivisions (2) through (5) or
20 under subdivision (6). If the credit union determines that a loan or
21 category of loans is to be made under subdivision (6), the written
22 loan policies of the credit union must include that determination.
23 A credit union may not combine the terms and conditions that
24 apply to a loan made under subdivisions (2) through (5) with the
25 terms and conditions that apply to a loan made under subdivision
26 (6) to make a loan not expressly described and authorized either
27 under subdivisions (2) through (5) or under subdivision (6).

28 (c) Nothing in this section prevents any credit union from taking an
29 indemnifying or second mortgage on real estate as additional security.

30 SECTION 62. IC 28-7-5-21, AS AMENDED BY P.L.159-2017,
31 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2026]: Sec. 21. (a) The pawnbroker shall, at the time of
33 making a loan, deliver to the pledger or the pledger's agent a
34 memorandum or ticket on which shall be legibly written or printed the
35 following information:

36 (1) The name of the pledger.

37 (2) The name of the pawnbroker and the place where the pledge
38 is made.

39 (3) The article or articles pledged, and a description of the
40 articles. However, if multiple articles of a similar nature that do
41 not contain an identification or serial number (such as precious
42 metals, gemstones, musical recordings, video recordings, books,



- 1 or hand tools) are delivered together in one (1) transaction, the
 2 description of the articles is adequate if the description contains
 3 the quantity of the articles delivered and a physical description of
 4 the type of articles delivered, including any other unique
 5 identifying marks, numbers, names, letters, or special features.
- 6 (4) The amount of the loan.
- 7 (5) The date of the transaction.
- 8 (6) The serial number of the loan.
- 9 (7) The sum of the interest as provided in section 28 of this
 10 chapter and the charge as provided in section 28.5 of this chapter
 11 stated as an annual percentage rate computed in accordance with
 12 the Consumer Credit Protection Act (as defined in
 13 ~~IC 24-4.5-1-302~~ **IC 37-2-2-11**) and with regulations adopted
 14 under that act.
- 15 (8) The amount of interest.
- 16 (9) The amount of charge and principal due at maturity.
- 17 (10) A copy of sections 28, 28.5, and 30 of this chapter.
- 18 (11) The date of birth of the pledger.
- 19 (12) The type of government issued identification used to verify
 20 the identity of the pledger, together with the name of the
 21 governmental agency that issued the identification, and the
 22 identification number present on the government issued
 23 identification.
- 24 (13) The last date on which the pledged article or articles may be
 25 redeemed before the article or articles may be sold if the loan is
 26 not redeemed, renewed, or extended. The language setting forth
 27 the information described in this subdivision must be in 14 point
 28 boldface type.
- 29 (14) A statement that:
- 30 (A) notifies the pledger that the pawnbroking transaction is
 31 regulated by the department; and
- 32 (B) includes a toll free telephone number for the department.
- 33 (b) A pawnbroker may insert in such ticket any other terms and
 34 conditions not inconsistent with this chapter. However, nothing
 35 appearing on a pawn ticket shall relieve the pawnbroker of the
 36 obligations to exercise reasonable care in the safekeeping of articles
 37 pledged with the pawnbroker.
- 38 SECTION 63. IC 28-7-5-28 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 28. (a) The maximum
 40 rate of interest charged by pawnbrokers shall be the same as the
 41 maximum loan finance charge for supervised lenders under
 42 ~~IC 24-4.5-3-508(2)~~; **IC 37-2-4-35(b)**. For purposes of this subsection:



- 1 (1) the term of a loan commences on the date on which the loan
 2 is made;
 3 (2) differences in lengths of months are disregarded; and
 4 (3) each day is counted as one-thirtieth (1/30) of a month.
- 5 The minimum term of a loan made by a pawnbroker is one (1) month.
 6 However, on loans paid in full within the first month, the pawnbroker
 7 may charge one (1) month's interest.
- 8 (b) Interest shall not be deducted in advance, neither shall the
 9 pawnbroker induce or permit any borrower to split up or divide any
 10 loan or loans for the purpose of evading any provisions of this chapter.
- 11 (c) If a pawnbroker charges or receives interest in excess of that
 12 provided in this section, or makes any charges not authorized by this
 13 chapter, the pawnbroker shall forfeit principal and interest and return
 14 the pledge upon demand of the pledger and surrender of the pawn
 15 ticket without the principal or interest. If such excessive or
 16 unauthorized charges have been paid by the pledger, the pledger may
 17 recover the same, including the principal if paid, in a civil action
 18 against the pawnbroker.
- 19 SECTION 64. IC 28-8-6-201, AS ADDED BY P.L.222-2025,
 20 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2026]: Sec. 201. The following definitions apply throughout
 22 this chapter:
- 23 (1) "Consumer" means an individual who:
 24 (A) resides in Indiana, as may be determined by a provider on
 25 the basis of the:
 26 (i) mailing address; or
 27 (ii) state of residence;
 28 provided by the individual; or
 29 (B) requests proceeds in Indiana, as may be determined by a
 30 provider by using any legal, readily available commercial
 31 means to determine the location from which the individual
 32 requests proceeds.
- 33 (2) "Consumer directed wage access services" means the business
 34 by a provider of delivering to a consumer access to earned but
 35 unpaid income based on:
 36 (A) the consumer's representations of; and
 37 (B) the provider's reasonable determination of;
 38 the consumer's earned but unpaid income.
- 39 (3) "Control" means any of the following:
 40 (A) The power to vote, directly or indirectly, at least
 41 twenty-five percent (25%) of the outstanding voting shares or
 42 voting interests of a licensee or of a person in control of a



- 1 licensee.
- 2 (B) The power to elect or appoint a majority of key individuals
- 3 or executive officers, managers, directors, trustees, or other
- 4 persons exercising managerial authority of a person in control
- 5 of a licensee.
- 6 (C) The power to exercise, directly or indirectly, a controlling
- 7 influence over the management or policies of a licensee or of
- 8 a person in control of a licensee. For purposes of this clause,
- 9 a person is presumed to exercise a controlling influence if the
- 10 person holds the power to vote, directly or indirectly, at least
- 11 ten percent (10%) of the outstanding voting shares or voting
- 12 interests of a licensee or of a person in control of a licensee,
- 13 subject to the person's right to rebut the presumption if the
- 14 person is a passive investor.
- 15 For purposes of this subdivision, the percentage of a person
- 16 controlled by any other person is determined by aggregating the
- 17 other person's interest with the interest of any other immediate
- 18 family member of that person, including the person's spouse,
- 19 parents, children, siblings, mothers-in-law and fathers-in-law,
- 20 sons-in-law and daughters-in-law, and any other person who
- 21 shares the person's home.
- 22 (4) "Department" refers to the members of the department of
- 23 financial institutions.
- 24 (5) "Director" refers to the director of the department appointed
- 25 under IC 28-11-2-1.
- 26 (6) "Earned but unpaid income", with respect to a consumer,
- 27 means salary, wages, compensation, or other income that:
- 28 (A) the consumer represents, and a provider reasonably
- 29 determines, has been earned by, or has accrued to the benefit
- 30 of, the consumer in exchange for the consumer's provision of
- 31 services to an employer or on behalf of an employer, including
- 32 the provision of services by the consumer:
- 33 (i) on an hourly, project based, piecework, or other basis;
- 34 and
- 35 (ii) regardless of whether the consumer is an employee of
- 36 the employer or acts as an independent contractor with
- 37 respect to the employer; but
- 38 (B) has not, at the time of payment of proceeds to the
- 39 consumer by the provider, been paid to the consumer by the
- 40 employer.
- 41 (7) "Earned wage access services" includes the following:
- 42 (A) Consumer directed wage access services.



- 1 (B) Employer integrated wage access services.
 2 The term does not include a small loan.
 3 (8) "Employer" means a person that employs a consumer or that
 4 is contractually obligated to pay a consumer earned but unpaid
 5 income. The term does not include:
 6 (A) a customer of the person; or
 7 (B) any other person whose obligation to make a payment of
 8 salary, wages, compensation, or other income to a consumer is
 9 not based on the provision of services by the consumer for or
 10 on behalf of that person.
 11 (9) "Employer integrated wage access services" means the
 12 business by a provider of delivering to a consumer access to
 13 earned but unpaid income on the basis of:
 14 (A) employment;
 15 (B) income; or
 16 (C) attendance;
 17 data obtained directly or indirectly from an employer.
 18 (10) "Federally insured depository financial institution" means:
 19 (A) a bank;
 20 (B) a credit union;
 21 (C) a savings and loan association;
 22 (D) a trust company;
 23 (E) a corporate fiduciary;
 24 (F) a savings association;
 25 (G) a savings bank;
 26 (H) an industrial bank; or
 27 (I) an industrial loan company;
 28 that is organized under the law of the United States or any state of
 29 the United States and that has federally or privately insured
 30 deposits as permitted by state or federal law.
 31 (11) "Fee" includes the following, however denominated:
 32 (A) An amount charged by a provider for:
 33 (i) expedited delivery; or
 34 (ii) other delivery;
 35 of proceeds to a consumer.
 36 (B) A subscription or membership fee imposed by a provider
 37 for a bona fide group of services that include earned wage
 38 access services.
 39 (C) An amount that:
 40 (i) is paid by an employer to a provider on a consumer's
 41 behalf; and
 42 (ii) entitles the consumer to receive proceeds at reduced or



- 1 no cost to the consumer.
- 2 The term does not include a voluntary tip, gratuity, or donation
- 3 paid to a provider.
- 4 (12) "Individual" means a natural person.
- 5 (13) "Key individual" means an individual ultimately responsible
- 6 for establishing or directing policies and procedures of a licensee,
- 7 such as an executive officer, manager, director, or trustee.
- 8 (14) "Licensee" means a person licensed under this chapter.
- 9 (15) "NMLSR" means the Nationwide Multistate Licensing
- 10 System and Registry:
- 11 (A) developed by the Conference of State Bank Supervisors
- 12 and the American Association of Residential Mortgage
- 13 Regulators; and
- 14 (B) owned and operated by the State Regulatory Registry,
- 15 LLC, or by any successor or affiliated entity;
- 16 for the licensing and registry of persons in financial services
- 17 industries.
- 18 (16) "Outstanding proceeds" means proceeds that:
- 19 (A) have been paid to a consumer by a provider; and
- 20 (B) have not yet been repaid to the provider.
- 21 (17) "Passive investor" means a person that:
- 22 (A) does not have the power to elect a majority of key
- 23 individuals or executive officers, managers, directors, trustees,
- 24 or other persons exercising managerial authority over a person
- 25 in control of a licensee;
- 26 (B) is not employed by and does not have any managerial
- 27 duties with respect to the licensee or a person in control of the
- 28 licensee;
- 29 (C) does not have the power to exercise, directly or indirectly,
- 30 a controlling influence over the management or policies of the
- 31 licensee or a person in control of the licensee; and
- 32 (D) either:
- 33 (i) attests to as facts the characteristics of passivity set forth
- 34 in clauses (A) through (C), in a form and by a medium
- 35 prescribed by the director; or
- 36 (ii) commits to the characteristics of passivity set forth in
- 37 clauses (A) through (C) in a written document.
- 38 (18) "Person" means any individual, general partnership, limited
- 39 partnership, limited liability company, corporation, trust,
- 40 association, joint stock corporation, or other corporate entity, as
- 41 so identified by the director.
- 42 (19) "Proceeds" means a payment that:



- 1 (A) is made to a consumer by a provider; and
- 2 (B) is based on earned but unpaid income.
- 3 (20) "Provider" means a person in the business of offering and
- 4 providing earned wage access services to consumers. The term
- 5 does not include the following:
- 6 (A) A service provider that is not contractually obligated to
- 7 fund proceeds delivered as part of the earned wage access
- 8 services, such as a payroll service provider that verifies a
- 9 consumer's available earnings.
- 10 (B) An employer that offers a portion of salary, wages,
- 11 compensation, or other income directly to its employees or
- 12 independent contractors before the normally scheduled pay
- 13 date.
- 14 (C) An entity that offers or provides earned wage access
- 15 services and reports a consumer's payment or nonpayment of
- 16 either outstanding proceeds of the earned wage access services
- 17 or fees, voluntary tips, gratuities, or other donations in
- 18 connection with the earned wage access services to a
- 19 consumer reporting agency (as defined in the Federal Fair
- 20 Credit Reporting Act (15 U.S.C. 1681 et seq.)).
- 21 (21) "Small loan" has the meaning set forth in ~~IC 24-4.5-7-104.~~
- 22 **IC 37-3-2-10.**
- 23 SECTION 65. IC 28-8-6-503, AS ADDED BY P.L.222-2025,
- 24 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 25 JULY 1, 2026]: Sec. 503. (a) The department shall receive and act on
- 26 all applications for licenses to offer or provide earned wage access
- 27 services. Applications must be made as prescribed by the director. If,
- 28 at any time, the information or record contained in:
- 29 (1) an application filed under this section; or
- 30 (2) a renewal application filed under section 506 of this chapter;
- 31 is or becomes inaccurate or incomplete in a material respect, the
- 32 applicant shall promptly file a correcting amendment with the
- 33 department.
- 34 (b) A license may not be issued unless the department finds that the
- 35 professional training and experience, financial responsibility, character,
- 36 and fitness of:
- 37 (1) the applicant;
- 38 (2) each executive officer, director, or manager of the applicant,
- 39 or any other individual having a similar status or performing a
- 40 similar function for the applicant; and
- 41 (3) if known, each person directly or indirectly owning of record
- 42 or owning beneficially at least ten percent (10%) of the



1 outstanding shares of any class of equity security of the applicant;
2 are such as to warrant belief that the business will be operated honestly
3 and fairly.

4 (c) The director is entitled to request evidence of compliance with
5 this section at:

- 6 (1) the time of application;
- 7 (2) the time of renewal of a license; or
- 8 (3) any other time considered necessary by the director.

9 (d) Evidence of compliance with this section must include:

- 10 (1) criminal background checks, as described in section 504 of
11 this chapter, including a national criminal history background
12 check (as defined in IC 10-13-3-12) by the Federal Bureau of
13 Investigation, for any individual described in subsection (b);
- 14 (2) credit histories as described in section 504 of this chapter;
- 15 (3) surety bond requirements as described in section 505 of this
16 chapter;
- 17 (4) a review of licensure actions in Indiana and in other states;
18 and
- 19 (5) other background checks considered necessary by the director.

20 (e) For purposes of this section and in order to reduce the points of
21 contact that the director has to maintain under this section, the director
22 may use the NMLSR as a channeling agent for requesting and
23 distributing information to and from any source as directed by the
24 director.

25 (f) The department may deny an application under this section if the
26 director of the department determines that the application was
27 submitted for the benefit of, or on behalf of, a person who does not
28 qualify for a license.

29 (g) Upon written request, an applicant is entitled to a hearing, in the
30 manner provided in IC 4-21.5, on the question of the qualifications of
31 the applicant for a license.

32 (h) An applicant shall pay the following fees at the time designated
33 by the department:

- 34 (1) An initial license fee as established by the department under
35 IC 28-11-3-5, which shall not exceed two thousand five hundred
36 dollars (\$2,500). Until the department establishes an initial
37 license fee under IC 28-11-3-5, the initial license fee shall be one
38 thousand five hundred dollars (\$1,500).
- 39 (2) Examination fees as established by the department under
40 IC 28-11-3-5, which shall not exceed one hundred dollars (\$100)
41 per hour. Until the department establishes an examination fee
42 schedule under IC 28-11-3-5 that is applicable to an applicant



1 under this chapter, the examination fee schedule shall be the fee
 2 schedule applicable to persons licensed under ~~IC 24-4.5-7~~.
 3 **IC 37-3.**

4 (3) An annual renewal fee as established by the department under
 5 IC 28-11-3-5, which shall not exceed two thousand five hundred
 6 dollars (\$2,500). Until the department establishes an annual
 7 renewal fee under IC 28-11-3-5, the annual renewal fee shall be
 8 one thousand five hundred dollars (\$1,500).

9 (i) A fee as established by the department under IC 28-11-3-5 may
 10 be charged for each day a fee under subsection (h)(2) or (h)(3) is
 11 delinquent. The fee described in this subsection shall not exceed fifty
 12 dollars (\$50) per day.

13 (j) Except in a transaction approved under section 601 of this
 14 chapter, a license issued under this section is not assignable or
 15 transferable.

16 (k) If the department of state revenue notifies the department that a
 17 person is on the most recent tax warrant list, the department shall not
 18 issue or renew the person's license until:

- 19 (1) the person provides to the department a statement from the
 20 department of state revenue that the person's tax warrant has been
 21 satisfied; or
 22 (2) the department receives a notice from the commissioner of the
 23 department of state revenue under IC 6-8.1-8-2(k).

24 SECTION 66. IC 28-8-6-801, AS ADDED BY P.L.222-2025,
 25 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2026]: Sec. 801. A provider required to be licensed under this
 27 chapter shall do the following:

- 28 (1) Develop and implement policies and procedures to:
 29 (A) respond to questions raised by consumers; and
 30 (B) address complaints from consumers;
 31 in an expedient manner.
 32 (2) Whenever the provider offers a consumer the option to receive
 33 proceeds for a fee or solicits a tip, gratuity, or other donation:
 34 (A) offer that consumer at least one (1) reasonable option to
 35 obtain proceeds at no cost;
 36 (B) clearly explain to the consumer how to elect each no cost
 37 option offered;
 38 (C) ensure that any no cost option offered is clearly displayed
 39 and is in the same:
 40 (i) color;
 41 (ii) font;
 42 (iii) font size; and



- 1 (iv) general location;
 2 as any option to obtain proceeds that has a fee associated with
 3 it;
 4 (D) ensure that any option to obtain proceeds that has a fee
 5 associated with the delivery of the proceeds is not the default
 6 option;
 7 (E) ensure that if a consumer elects to not pay a tip, gratuity,
 8 or other donation, any fee amount charged to the consumer as
 9 part of an earned wage access services transaction is not
 10 increased because of the consumer's decision to not pay a tip,
 11 gratuity, or other donation; and
 12 (F) ensure that, if a consumer elects a no cost option, initiate
 13 the delivery of the proceeds to the consumer not later than one
 14 (1) business day after the consumer initiates an earned wage
 15 access services transaction with the provider.
 16 (3) Before entering into an agreement with a consumer to provide
 17 earned wage access services, do both of the following:
 18 (A) Inform the consumer of the consumer's rights under the
 19 agreement.
 20 (B) Fully and clearly disclose all fees associated with the
 21 earned wage access services to be provided.
 22 (4) Inform the consumer of the fact of or obtain the consent of the
 23 consumer to any material changes to the terms and conditions of
 24 the earned wage access services before implementing those
 25 changes for that consumer.
 26 (5) Allow the consumer to cancel use of the provider's earned
 27 wage access services:
 28 (A) at any time; and
 29 (B) without incurring a cancellation fee imposed by the
 30 provider.
 31 (6) Comply with all applicable local, state, and federal privacy
 32 and information security laws.
 33 (7) If the provider solicits, charges, or receives a tip, gratuity, or
 34 other donation from a consumer:
 35 (A) clearly and conspicuously disclose to the consumer
 36 immediately before each transaction that a tip, gratuity, or
 37 other donation:
 38 (i) is voluntary; and
 39 (ii) may be in the amount of zero dollars (\$0); and
 40 (B) clearly and conspicuously disclose in the provider's service
 41 contract with the consumer that tips, gratuities, or other
 42 donations are voluntary and that the offering of earned wage



- 1 access services, including:
- 2 (i) the amount of proceeds that a consumer is eligible to
- 3 request;
- 4 (ii) the frequency with which proceeds are provided to a
- 5 consumer; and
- 6 (iii) the level or cost of any service provided to the consumer
- 7 in connection with an earned wage access services
- 8 transaction;
- 9 is not contingent on whether the consumer pays any tip,
- 10 gratuity, or other donation, or on the amount of the tip,
- 11 gratuity, or other donation.
- 12 (8) Provide proceeds to a consumer by any means mutually
- 13 agreed upon by the provider and the consumer.
- 14 (9) If the provider seeks repayment of outstanding proceeds or the
- 15 payment of fees or other amounts owed (including voluntary tips,
- 16 gratuities, or other donations) in connection with earned wage
- 17 access services provided under this chapter from a consumer's
- 18 deposit account, including by means of electronic funds transfer,
- 19 the provider must do the following:
- 20 (A) Comply with applicable provisions of the federal
- 21 Electronic Funds Transfer Act (15 U.S.C. 1693 et seq.).
- 22 (B) Reimburse the consumer for the full amount of any
- 23 overdraft or nonsufficient funds fees that are imposed on the
- 24 consumer by the consumer's depository financial institution if
- 25 the overdraft or nonsufficient funds fees resulted from the
- 26 provider's attempt to seek payment of any outstanding
- 27 proceeds, fees, or other amounts (including voluntary tips,
- 28 gratuities, or other donations) under this chapter:
- 29 (i) on a date before; or
- 30 (ii) in an incorrect amount from;
- 31 the date or amount disclosed to the consumer. However, a
- 32 provider is not subject to the requirements of this clause with
- 33 respect to the payment of any outstanding proceeds, fees, or
- 34 other amounts incurred by a consumer through fraudulent or
- 35 other unlawful means.
- 36 (10) Ensure that the provider's software application does not do
- 37 any of the following:
- 38 (A) Subject a user of the software application to unsolicited
- 39 electronic mail advertisements or surveys, if the user has
- 40 elected to not receive electronic mail advertisements or
- 41 surveys, as required by 15 U.S.C. 7701-7713.
- 42 (B) Subject a user of the software application to unsolicited



- 1 electronic advertisements or surveys, based on the individual
 2 user's:
- 3 (i) use of the provider's software application;
 - 4 (ii) location; or
 - 5 (iii) behavior;
- 6 if the user has elected to not receive the electronic
 7 advertisements or surveys.
- 8 (C) Display an unsolicited electronic notification to a user of
 9 the software application unless the user has elected to receive
 10 electronic notifications.
- 11 (D) Access a user's location, except for purposes of verifying
 12 that a user is located in Indiana at the time the user creates an
 13 account with the provider, unless the user has authorized the
 14 provider's software application to access the user's location.
- 15 (11) Ensure that any data that the provider receives under
 16 subdivision (10) is not sold or shared, except as follows:
- 17 (A) In connection with a law enforcement investigation or
 18 legal proceeding.
 - 19 (B) As necessary to provide earned wage access services to the
 20 user.
 - 21 (C) The user authorizes the provider to sell or share the data.
- 22 (12) Sell consumer data to a lender (as defined in
 23 ~~IC 24-4.5-7-111~~ **IC 37-3-2-5**) licensed under ~~IC 24-4.5-7-~~
 24 **IC 37-3.**
- 25 (13) Share consumer data with a lender (as defined in
 26 ~~IC 24-4.5-7-111~~ **IC 37-3-2-5**) licensed under ~~IC 24-4.5-7-~~
 27 **IC 37-3.**
- 28 SECTION 67. IC 28-8-6-802, AS ADDED BY P.L.222-2025,
 29 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2026]: Sec. 802. A provider required to be licensed under this
 31 chapter shall not do any of the following:
- 32 (1) Share with an employer a portion of any:
 - 33 (A) fees; or
 - 34 (B) voluntary tips, gratuities, or other donations;
- 35 received from or charged to a consumer for earned wage access
 36 services.
- 37 (2) Use a consumer's credit score from a consumer report (as
 38 defined in IC 24-5-24-2) to determine:
 - 39 (A) a consumer's eligibility for earned wage access services;
 - 40 (B) the amount of proceeds that a consumer is eligible to
 41 request or receive in an earned wage access services
 42 transaction; or



- 1 (C) the frequency with which proceeds may be provided to a
 2 consumer through earned wage access services transactions.
- 3 (3) Accept payment of outstanding proceeds, fees, or voluntary
 4 tips, gratuities, or other donations by means of a credit card (as
 5 defined in IC 24-5-27.5-3).
- 6 (4) Charge or collect a late fee, a deferral fee, interest, or any
 7 other charge or penalty for a consumer's failure to pay outstanding
 8 proceeds, fees, or voluntary tips, gratuities, or other donations.
- 9 (5) Compel or attempt to compel a consumer to pay to the
 10 provider any outstanding proceeds, fees, or voluntary tips,
 11 gratuities, or other donations through any of the following means:
- 12 (A) The use of unsolicited outbound telephone calls to the
 13 consumer.
- 14 (B) A suit against the consumer in a court of competent
 15 jurisdiction.
- 16 (C) The use of a third party to pursue collection from the
 17 consumer on the provider's behalf.
- 18 (D) The sale of outstanding amounts to a third party collector
 19 or debt buyer for collection from the consumer.
- 20 However, this subdivision does not preclude a provider from
 21 using any of the means set forth in clauses (A) through (D) to
 22 pursue payment of outstanding amounts incurred by a consumer
 23 through fraudulent or other unlawful means, or from pursuing any
 24 available remedies against an employer for breach of the
 25 employer's contractual obligations to the provider.
- 26 (6) If the provider solicits, charges, or receives a tip, gratuity, or
 27 other donation from a consumer:
- 28 (A) mislead or deceive consumers about the voluntary nature
 29 of the tips, gratuities, or donations;
- 30 (B) represent that tips, gratuities, or donations will benefit any
 31 specific individuals; or
- 32 (C) suggest a default tip, gratuity, or other donation amount
 33 greater than zero dollars (\$0).
- 34 (7) If the provider also offers small loans to consumers under
 35 ~~IC 24-4.5-7~~ **IC 37-3**:
- 36 (A) provide proceeds to a consumer who has a small loan
 37 outstanding from that provider, as verified by the provider in
 38 accordance with ~~IC 24-4.5-7-404(4)~~; **IC 37-3-3-8(d)**; or
- 39 (B) make a small loan to a consumer who has outstanding
 40 proceeds from that provider.
- 41 SECTION 68. IC 28-11-1-3, AS AMENDED BY P.L.222-2025,
 42 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2026]: Sec. 3. (a) The ultimate authority for and the powers,
 2 duties, management, and control of the department are vested in the
 3 following seven (7) members:

4 (1) The director of the department, who serves as an ex officio,
 5 voting member.

6 (2) The following six (6) members appointed by the governor as
 7 follows:

8 (A) Three (3) members must have practical experience at the
 9 executive level of a:

- 10 (i) state chartered bank;
 11 (ii) state chartered savings association; or
 12 (iii) state chartered savings bank.

13 (B) One (1) member must have practical experience at the
 14 executive level as a:

- 15 (i) lender licensed under ~~IC 24-4.5~~; **IC 37-2**;
 16 (ii) mortgage lender licensed under ~~IC 24-4.4~~; **IC 37-1**;
 17 (iii) registrant under IC 24-7;
 18 (iv) licensee under IC 28-1-29;
 19 (v) licensee under IC 28-7-5;
 20 (vi) licensee under IC 28-8-4.1;
 21 (vii) licensee under IC 28-8-5; or
 22 (viii) licensee under IC 28-8-6.

23 (C) One (1) member must have practical experience at the
 24 executive level of a state chartered credit union.

25 (D) One (1) member must be appointed with due regard for the
 26 consumer, agricultural, industrial, and commercial interests of
 27 Indiana.

28 (b) Not more than three (3) members appointed by the governor
 29 under subsection (a)(2) after June 30, 2006, may be affiliated with the
 30 same political party.

31 SECTION 69. IC 28-11-1-13.5, AS ADDED BY P.L.90-2008,
 32 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2026]: Sec. 13.5. (a) The department may accept payment of
 34 any of the following by credit card, debit card, charge card, or similar
 35 method:

36 (1) A fee established by the department under IC 28-11-3-5.

37 (2) A penalty assessed by the department under this title or
 38 ~~IC 24-4.5~~; **IC 37-2**.

39 (3) A fee assessed:

- 40 (A) in connection with the director's designation of an
 41 automated central licensing system and repository under
 42 ~~IC 24-4.5-3-503(10)~~; **IC 37-2-4-26(j)**; and



- 1 (B) for:
- 2 (i) processing applications and renewals for licenses under
- 3 ~~IC 24-4.5-3~~; **IC 37-2-4**; or
- 4 (ii) performing other services that the director determines
- 5 are necessary for the orderly administration of the
- 6 department's licensing system under ~~IC 24-4.5-3~~. **IC 37-2-4**.
- 7 (b) If a fee or penalty described in subsection (a) is paid by credit
- 8 card, debit card, charge card, or similar method, the liability is not
- 9 finally discharged until the department receives payment or credit from
- 10 the institution responsible for making the payment or credit.
- 11 (c) The department may contract with a bank or credit card vendor
- 12 for acceptance of bank or credit cards. If there is a vendor transaction
- 13 charge or discount fee, whether billed to the department or charged
- 14 directly to the department's account, the department or the bank or
- 15 credit card vendor may collect from the person using the bank or credit
- 16 card a uniform fee that is determined by the department.
- 17 SECTION 70. IC 28-15-11-18, AS AMENDED BY P.L.27-2012,
- 18 SECTION 116, IS AMENDED TO READ AS FOLLOWS
- 19 [EFFECTIVE JULY 1, 2026]: Sec. 18. (a) Subsections (b) and (c)
- 20 apply to alternative mortgage loans and to similar loans authorized
- 21 under federal law or regulations for a federal savings association.
- 22 (b) Any Indiana laws prohibiting:
- 23 (1) the compounding of interest;
- 24 (2) capitalizing interest because contracted loan repayments
- 25 create negative amortization; or
- 26 (3) paying interest on interest;
- 27 do not apply. For purposes of the application of ~~IC 24-4.5-3~~ **IC 37-2-4**
- 28 to a loan described in subsection (a), "principal" (as defined in
- 29 ~~IC 24-4.5-3-107(3)~~ **IC 37-2-2-40.5**) includes interest unpaid and
- 30 added to principal because the contracted repayments under the loan
- 31 do not cover the entire interest due at any time.
- 32 (c) The lien of the loan provided by the mortgage and the loan
- 33 documents:
- 34 (1) includes all advances or additions to principal of either
- 35 principal or interest that are made in accordance with the terms of
- 36 the loan documents; and
- 37 (2) is superior to any lien on the property created after the date the
- 38 mortgage securing the loan is recorded, other than taxes and
- 39 special property or taxing district assessments.
- 40 SECTION 71. IC 30-4-8-2, AS ADDED BY P.L.221-2019,
- 41 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 42 JULY 1, 2026]: Sec. 2. Unless the context requires otherwise, the



- 1 following definitions apply throughout this chapter:
 2 (1) "Claim" means a right to payment, regardless of whether the
 3 right is reduced to judgment, liquidated, unliquidated, fixed,
 4 contingent, matured, immature, disputed, undisputed, legal,
 5 equitable, secured, or unsecured.
 6 (2) "Creditor" means a person who has a claim against the
 7 transferor.
 8 (3) "Debt" means liability on a claim.
 9 (4) "Disposition" means a transfer, conveyance, or assignment of
 10 property, including a change in the legal ownership of property
 11 that occurs when a trustee is substituted for another trustee or
 12 when at least one (1) trustee is added. The term also includes the
 13 exercise of a power that causes a transfer of property to a trustee.
 14 However, the term does not include the release or relinquishment
 15 of an interest in property that, until the release or relinquishment,
 16 was the subject of a qualified disposition.
 17 (5) "Investment decision" means the retention, purchase, sale,
 18 exchange, tender, or other transaction affecting the ownership of
 19 or rights in an investment.
 20 (6) "Legacy trust" means an irrevocable trust established under
 21 section 3 of this chapter.
 22 (7) "Lender" means a company or entity that extends credit,
 23 including but not limited to a financial institution (as defined by
 24 IC 28-1-1-3(1)), a company or entity that extends credit under
 25 ~~IC 24-4-4 or IC 24-4-5~~, **IC 37-1 or IC 37-2**, or the successors and
 26 assigns of the company or entity.
 27 (8) "Person" means an individual at least eighteen (18) years of
 28 age, a corporation, a trust, a limited liability company, a limited
 29 liability partnership, a partnership, a governmental entity, the
 30 state, or a political subdivision of the state.
 31 (9) "Property" means real property, personal property, or an
 32 interest in real or personal property.
 33 (10) "Qualified affidavit" means a sworn affidavit executed under
 34 section 5 of this chapter.
 35 (11) "Qualified disposition" means a disposition by a transferor to
 36 a legacy trust.
 37 (12) "Qualified trustee" means a person qualified to serve as the
 38 trustee of a legacy trust under section 6 of this chapter.
 39 (13) "Transferor" means a person who as:
 40 (A) an owner of property;
 41 (B) a holder of a power of appointment that authorizes the
 42 holder to appoint in favor of the holder, the holder's creditors,



1 the holder's estate, or the creditors of the holder's estate; or
2 (C) a trustee;
3 directly or indirectly makes a disposition or causes a disposition
4 to be made.
5 (14) "Trust director" means a person given authority by the terms
6 of a legacy trust to direct, consent to, or disapprove actual or
7 proposed investment decisions, distribution decisions, or other
8 decisions related to property in a legacy trust.
9 SECTION 72. IC 31-16-15-25, AS AMENDED BY P.L.103-2007,
10 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2026]: Sec. 25. (a) An income payor that:
12 (1) discharges from employment an obligor;
13 (2) refuses to employ an obligor;
14 (3) takes disciplinary action against an obligor employed by the
15 income payor; or
16 (4) otherwise discriminates against an obligor;
17 because of the existence of an income withholding order or the
18 obligations imposed upon the income payor by the income withholding
19 order, is subject to a penalty not to exceed five thousand dollars
20 (\$5,000) payable to the state and recoverable in a civil action. An
21 obligor or the Title IV-D agency may bring an action to enforce a
22 penalty under this subsection.
23 (b) The collection of money under this section does not affect:
24 (1) the obligor's right to damages under ~~IC 24-4.5-5-202;~~
25 **IC 37-2-6-9**; or
26 (2) any other legal remedy available to the obligor;
27 because of discharge from employment, refusal of employment, or
28 disciplinary action.
29 SECTION 73. IC 32-28-15-1, AS ADDED BY P.L.62-2024,
30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 2026]: Sec. 1. (a) Except as otherwise provided in this
32 chapter, this chapter does not apply to a residential real estate service
33 agreement entered into before March 15, 2024.
34 (b) This chapter does not apply to any of the following:
35 (1) A home warranty or similar product that covers the cost of
36 maintenance of a major home system, such as:
37 (A) a plumbing system;
38 (B) a heating, cooling, and ventilation system; or
39 (C) electrical wiring;
40 for a fixed period.
41 (2) An insurance contract.
42 (3) An option to purchase residential real estate or a right of



- 1 refusal to purchase residential real estate.
 2 (4) A declaration that is created in the formation of:
 3 (A) an association of co-owners (as defined in IC 32-25-2-2)
 4 for a condominium (as defined in IC 32-25-2-7); or
 5 (B) a homeowners association (as defined in IC 32-25.5-2-4);
 6 including any amendment to the declaration.
 7 (5) A maintenance or repair agreement entered into by:
 8 (A) an association of co-owners (as defined in IC 32-25-2-2)
 9 for a condominium (as defined in IC 32-25-2-7); or
 10 (B) a homeowners association (as defined in IC 32-25.5-2-4).
 11 (6) A mortgage loan or a commitment to make or receive a
 12 mortgage loan.
 13 (7) A security agreement under IC 26-1 concerning the sale or
 14 rental of personal property or fixtures.
 15 (8) Providers of:
 16 (A) utility services, including water, sewer, gas, or electric
 17 service; or
 18 (B) communications service (as defined in IC 8-1-32.5-3).
 19 (9) A land contract (as defined in ~~IC 24-9-2-9.5~~; **IC 37-5-2-9.5**).
 20 (10) An attorney's lien authorized by IC 33-43-4.
 21 (11) A statutory lien authorized by this article, including:
 22 (A) the lien of a broker company (as defined in
 23 IC 32-28-12.5-0.5) upon commercial real estate under
 24 IC 32-28-12.5-5; or
 25 (B) a mechanic's or materialman's lien under IC 32-28-3.

26 SECTION 74. IC 32-30-10.5-5, AS AMENDED BY P.L.6-2012,
 27 SECTION 211, IS AMENDED TO READ AS FOLLOWS
 28 [EFFECTIVE JULY 1, 2026]: Sec. 5. (a) As used in this chapter,
 29 "mortgage" means:

- 30 (1) a loan; or
 31 (2) a consumer credit sale;
 32 that is or will be used by the debtor primarily for personal, family, or
 33 household purposes and that is secured by a mortgage (or another
 34 equivalent consensual security interest) that constitutes a first lien on
 35 a dwelling or on residential real estate upon which a dwelling is
 36 constructed or intended to be constructed.

37 (b) The term does not include a land contract (as defined in
 38 ~~IC 24-4-4-1-301(36)~~ **IC 37-1-2-21** or similar agreement in which the
 39 debtor does not possess a deed.

40 SECTION 75. IC 34-7-4-2, AS AMENDED BY THE TECHNICAL
 41 CORRECTIONS BILL OF THE 2026 GENERAL ASSEMBLY, IS
 42 AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

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- 1 Sec. 2. Statutes outside IC 34 providing causes of action or procedures
2 include the following:
- 3 (1) IC 4-21.5-5 (Judicial review of administrative agency actions).
4 (2) IC 22-3-4 (Worker's compensation administration and
5 procedures).
6 (3) IC 22-4-17 (Unemployment compensation system, employee's
7 claims for benefits).
8 (4) IC 22-4-32 (Unemployment compensation system, employer's
9 appeal process).
10 (5) IC 22-9 (Civil rights actions).
11 **(6) IC 22-9.5 (Fair housing).**
12 ~~(6) IC 24-9~~ **(7) IC 37-5** (Home loans).
13 ~~(7) (8) IC 31-14~~ (Paternity).
14 ~~(8) (9) IC 31-15~~ (Dissolution of marriage and legal separation).
15 ~~(9) (10) IC 31-16~~ (Support of children and other dependents).
16 ~~(10) (11) IC 31-17~~ (Custody and parenting time).
17 ~~(11) (12) IC 31-19~~ (Adoption).
18 ~~(12) (13) IC 32-27-2, IC 32-30-1, IC 32-30-2, IC 32-30-4,~~
19 ~~IC 32-30-9, IC 32-30-10, IC 32-30-12, IC 32-30-13, and~~
20 ~~IC 32-30-14~~ (Real property).
21 ~~(13) (14) IC 33-43-4~~ (Attorney liens).
- 22 SECTION 76. IC 34-30-2.1-354 IS REPEALED [EFFECTIVE
23 JULY 1, 2026]. ~~Sec. 354. IC 24-4.4-3-103~~ (Concerning actions in
24 conformity with a rule, written notice, written opinion, written
25 interpretation, or written directive of the department of financial
26 institutions under first lien mortgage lending law).
- 27 SECTION 77. IC 34-30-2.1-355 IS REPEALED [EFFECTIVE
28 JULY 1, 2026]. ~~Sec. 355. IC 24-4.5-6-104~~ (Concerning actions in
29 conformity with a rule, written notice, written opinion, written
30 interpretation, or written directive of the department of financial
31 institutions under the Uniform Consumer Credit Code).
- 32 SECTION 78. IC 34-30-2.1-604 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 2026]: **Sec. 604. IC 37-1-4-2 (Concerning**
35 **actions in conformity with a rule, written notice, written opinion,**
36 **written interpretation, or written directive of the department of**
37 **financial institutions under first lien mortgage lending law).**
- 38 SECTION 79. IC 34-30-2.1-605 IS ADDED TO THE INDIANA
39 CODE AS A NEW SECTION TO READ AS FOLLOWS
40 [EFFECTIVE JULY 1, 2026]: **Sec. 605. IC 37-2-7-3 (Concerning**
41 **actions in conformity with a rule, written notice, written opinion,**
42 **written interpretation, or written directive of the department of**



1 **financial institutions under the Uniform Consumer Credit Code).**

2 SECTION 80. IC 34-31-2-6 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. ~~IC 24-4.5-5-203~~
4 **IC 37-2-6-10** (Concerning creditors for errors made under the Uniform
5 Consumer Credit code).

6 SECTION 81. IC 34-55-8-7, AS AMENDED BY P.L.78-2014,
7 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2026]: Sec. 7. (a) Except as provided in subsection (b), after
9 a hearing of which the judgment debtor has been notified, the court
10 may order:

11 (1) any property, income, or profits of the judgment debtor not
12 exempt from execution or process, in the hands either of the
13 judgment debtor or of any other person; or

14 (2) any debt due to the judgment debtor;

15 to be applied to the satisfaction of the judgment and forbid transfers of
16 property and choses in action.

17 (b) If the judgment debtor has failed to comply with an agreed order
18 in the action, after a hearing of which the judgment debtor has been
19 notified, the court shall order:

20 (1) any property, income, or profits of the judgment debtor not
21 exempt from execution or process, in the hands either of the
22 judgment debtor or of any other person; or

23 (2) any debt due to the judgment debtor;

24 to be applied to the satisfaction of the judgment and forbid transfers of
25 property and choses in action.

26 (c) The judge shall order that:

27 (1) the judgment or execution is a continuing lien upon the
28 income or profits of the judgment debtor in the hands either of the
29 judgment debtor or any other person, governmental officer, or
30 corporation from the date the order is served upon the person,
31 governmental officer, or corporation indebted to the judgment
32 debtor to the extent that the lien, together with all similar liens, is
33 permitted under ~~IC 24-4.5-5-105~~; **IC 37-2-6-4**; and

34 (2) the court may enforce all orders and decrees in the premises,
35 by attachment or otherwise.

36 (d) A court in an action for proceedings supplementary to execution
37 shall issue an order directing a depository financial institution (as
38 defined in IC 28-9-2) to place a hold on a deposit account in which the
39 judgment debtor has an interest, either individually or jointly with
40 another person, whenever the conditions prescribed under
41 IC 28-9-3-4(d)(1) through IC 28-9-3-4(d)(3) are met. An order issued
42 under this subsection:

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- 1 (1) is subject to the limitations as to duration of the restriction and
 2 the amount to be restricted as specified under IC 28-9-4-2; and
 3 (2) may be terminated or modified to reflect valid exemptions of
 4 a depositor that the court has considered.
- 5 (e) If an order for the placing of a hold on a deposit account is
 6 issued under subsection (d), a person whose deposit account is affected
 7 may request a hearing from the court on the matter of:
 8 (1) the person's right to claim certain funds in the person's deposit
 9 account as exempt from garnishment; and
 10 (2) whether the hold should be removed by the court.
- 11 (f) If a court receives a request for a hearing under subsection (e),
 12 the court shall hold a hearing on the matter within five (5) days
 13 (excluding Saturdays, Sundays, and legal holidays) after the court
 14 receives the request.
- 15 (g) If a person whose deposit account is affected by the order issued
 16 under subsection (d) files an affidavit with the court stating that the
 17 funds in the account are exempt from garnishment, the court may issue
 18 an order releasing the hold on the account without first conducting a
 19 hearing.
- 20 (h) If a court has issued a garnishment order to a third party and the
 21 garnishment order no longer applies to the third party due to a change
 22 in circumstances, the court may cancel the garnishment order and issue
 23 a new garnishment order to an appropriate third party, if all of the
 24 following conditions are met:
 25 (1) The court has issued a garnishment order under subsection (a)
 26 or (b) with respect to a judgment debtor's income or profits in the
 27 hands of a third party.
 28 (2) The judgment constitutes a continuing lien under subsection
 29 (c).
 30 (3) Due to a change in circumstances, including a change of
 31 employment, the judgment debtor's income or profits are in the
 32 hands of a new third party not named in the garnishment order.
 33 (4) The judgment creditor files a petition:
 34 (A) notifying the court of the matters described in subdivisions
 35 (1) through (3); and
 36 (B) informing the court of the name, address, and other
 37 relevant information concerning the new third party holding
 38 the judgment debtor's income and profits.
- 39 A court may issue a new garnishment order under this subsection
 40 without holding a hearing.
- 41 SECTION 82. IC 34-57-2-1 IS AMENDED TO READ AS
 42 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) A written



1 agreement to submit to arbitration is valid, and enforceable, an existing
 2 controversy or a controversy thereafter arising is valid and enforceable,
 3 except upon such grounds as exist at law or in equity for the revocation
 4 of any contract. If the parties to such an agreement stipulate in writing,
 5 the agreement may be enforced by designated third persons, who shall
 6 in such instances have the same rights as a party under this chapter.
 7 This chapter also applies to arbitration agreement between employers
 8 and employees or between their respective representatives (unless
 9 otherwise provided in the agreement).

10 (b) This chapter specifically exempts from its coverage all consumer
 11 leases, sales, and loan contracts, as these terms are defined in the
 12 Uniform Consumer Credit Code (~~IC 24-4-5~~): **(IC 37-2)**.

13 SECTION 83. IC 35-38-1-18, AS AMENDED BY P.L.156-2007,
 14 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2026]: Sec. 18. (a) Except as provided in subsection (b),
 16 whenever the court imposes a fine, it shall conduct a hearing to
 17 determine whether the convicted person is indigent. If the person is not
 18 indigent, the court shall order:

- 19 (1) that the person pay the entire amount at the time sentence is
 20 pronounced;
 21 (2) that the person pay the entire amount at some later date;
 22 (3) that the person pay specified parts at designated intervals; or
 23 (4) at the request of the person, commitment of the person to the
 24 county jail for a period of time set by the court in lieu of a fine. If
 25 the court orders a person committed to jail under this subdivision,
 26 the person's total confinement for the crime that resulted in the
 27 conviction must not exceed the maximum term of imprisonment
 28 prescribed for the crime under IC 35-50-2 or IC 35-50-3.

29 (b) A court may impose a fine and suspend payment of all or part of
 30 the fine until the convicted person has completed all or part of the
 31 sentence. If the court suspends payment of the fine, the court shall
 32 conduct a hearing at the time the fine is due to determine whether the
 33 convicted person is indigent. If the convicted person is not indigent, the
 34 court shall order the convicted person to pay the fine:

- 35 (1) at the time the fine is due; or
 36 (2) in a manner set forth in subsection (a)(2) through (a)(4).

37 (c) If a court suspends payment of a fine under subsection (b), the
 38 court retains jurisdiction over the convicted person until the convicted
 39 person has paid the entire amount of the fine.

40 (d) Upon any default in the payment of the fine:

- 41 (1) an attorney representing the county may bring an action on a
 42 debt for the unpaid amount;



1 (2) the court may direct that the person, if the person is not
 2 indigent, be committed to the county jail and credited toward
 3 payment at the rate of twenty dollars (\$20) for each twenty-four
 4 (24) hour period the person is confined, until the amount paid
 5 plus the amount credited equals the entire amount due; or

6 (3) the court may institute contempt proceedings or order the
 7 convicted person's wages, salary, and other income garnished in
 8 accordance with ~~IC 24-4.5-5-105~~ **IC 37-2-6-4** to enforce the
 9 court's order for payment of the fine.

10 SECTION 84. IC 35-45-7-1 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. As used in this
 12 chapter:

13 "Loan" means any transaction described in section 3 of this chapter,
 14 whether or not the transaction is in the form of a loan as defined in
 15 ~~IC 24-4.5-3-106~~, **IC 37-2-2-27.5**, and without regard to whether the
 16 person making the loan is regularly engaged in making consumer loans,
 17 consumer credit sales, or consumer leases.

18 "Principal" includes the monetary value of property which has been
 19 loaned from one (1) person to another person.

20 "Rate" means the monetary value of the consideration received per
 21 annum or due per annum, calculated according to the actuarial method
 22 on the unpaid balance of the principal.

23 SECTION 85. IC 35-45-7-2, AS AMENDED BY P.L.158-2013,
 24 SECTION 536, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2026]: Sec. 2. A person who, in exchange for
 26 the loan of any property, knowingly or intentionally receives or
 27 contracts to receive from another person any consideration, at a rate
 28 greater than two (2) times the rate specified in ~~IC 24-4.5-3-508(2)(a)(i)~~;
 29 **IC 37-2-4-35(b)(1)(A)**, commits loansharking, a Level 6 felony.
 30 However, loansharking is a Level 5 felony if force or the threat of force
 31 is used to collect or to attempt to collect any of the property loaned or
 32 any of the consideration for the loan.

33 SECTION 86. IC 35-45-7-3, AS AMENDED BY P.L.35-2010,
 34 SECTION 208, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2026]: Sec. 3. (a) This chapter applies only:

36 (1) to consumer loans, consumer related loans, consumer credit
 37 sales, consumer related sales, and consumer leases, as those terms
 38 are defined in ~~IC 24-4.5~~, **IC 37-2**, subject to adjustment, where
 39 applicable, of the dollar amounts set forth in those definitions
 40 under ~~IC 24-4.5-1-106~~; **IC 37-2-1-5**;

41 (2) to any loan primarily secured by an interest in land or sale of
 42 an interest in land that is a mortgage transaction (as defined in



1 ~~IC 24-4.5-1-301.5~~ **IC 37-2-2-32**) if the transaction is otherwise
2 a consumer loan or consumer credit sale; and

3 (3) to any other loan transaction or extension of credit, regardless
4 of the amount of the principal of the loan or extension of credit,
5 if unlawful force or the threat of force is used to collect or to
6 attempt to collect any of the property loaned or any of the
7 consideration for the loan or extension of credit in question.

8 (b) This chapter applies regardless of whether the contract is made
9 directly or indirectly, and whether the receipt of the consideration is
10 received or is due to be received before or after the maturity date of the
11 loan.

12 SECTION 87. IC 35-52-24-21 IS REPEALED [EFFECTIVE JULY
13 1, 2026]. ~~Sec. 21. IC 24-4.5-5-301~~ defines a crime concerning the
14 Uniform Consumer Credit Code.

15 SECTION 88. IC 35-52-24-22 IS REPEALED [EFFECTIVE JULY
16 1, 2026]. ~~Sec. 22. IC 24-4.5-5-302~~ defines a crime concerning the
17 Uniform Consumer Credit Code.

18 SECTION 89. IC 35-52-24-31 IS REPEALED [EFFECTIVE JULY
19 1, 2026]. ~~Sec. 31. IC 24-5.5-6-1~~ defines a crime concerning mortgage
20 rescue protection fraud.

21 SECTION 90. IC 35-52-24-39 IS REPEALED [EFFECTIVE JULY
22 1, 2026]. ~~Sec. 39. IC 24-9-8-1~~ defines a crime concerning home loan
23 practices.

24 SECTION 91. IC 35-52-37 IS ADDED TO THE INDIANA CODE
25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2026]:

27 **Chapter 37. IC 37 Criminal Statutes**

28 **Sec. 1. IC 37-2-6-13 defines a crime concerning the Uniform**
29 **Consumer Credit Code.**

30 **Sec. 2. IC 37-2-6-14 defines a crime concerning the Uniform**
31 **Consumer Credit Code.**

32 **Sec. 3. IC 37-4-5-1 defines a crime concerning mortgage rescue**
33 **protection fraud.**

34 **Sec. 4. IC 37-5-8-1 defines a crime concerning home loan**
35 **practices.**

36 SECTION 92. IC 36-1-8-11, AS AMENDED BY P.L.105-2013,
37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 11. (a) This section does not apply to a county
39 treasurer governed by IC 36-2-10-23.

40 (b) As used in this section, "credit card" means a:

41 (1) credit card;

42 (2) debit card;



- 1 (3) charge card; or
 2 (4) stored value card.
- 3 (c) A payment to a political subdivision or a municipally owned
 4 utility for any purpose may be made by any of the following financial
 5 instruments that the fiscal body of the political subdivision or the board
 6 of the municipally owned utility authorizes for use:
- 7 (1) Cash.
 8 (2) Check.
 9 (3) Bank draft.
 10 (4) Money order.
 11 (5) Bank card or credit card.
 12 (6) Electronic funds transfer.
 13 (7) Any other financial instrument authorized by the fiscal body.
- 14 (d) If there is a charge to the political subdivision or municipally
 15 owned utility for the use of a financial instrument, the political
 16 subdivision or municipally owned utility may collect a sum equal to the
 17 amount of the charge from the person who uses the financial
 18 instrument.
- 19 (e) If authorized by the fiscal body of the political subdivision or the
 20 board of the municipally owned utility, the political subdivision or
 21 municipally owned utility may accept payments under this section with
 22 a bank card or credit card under the procedures set forth in this section.
 23 However, the procedure authorized for a particular type of payment
 24 must be uniformly applied to all payments of the same type.
- 25 (f) The political subdivision or municipally owned utility may
 26 contract with a bank card or credit card vendor for acceptance of bank
 27 cards or credit cards. However, if there is a vendor transaction charge
 28 or discount fee, whether billed to the political subdivision or
 29 municipally owned utility or charged directly to the political
 30 subdivision's or municipally owned utility's account, the political
 31 subdivision or municipally owned utility may collect from the person
 32 using the card either or both of the following:
- 33 (1) An official fee that may not exceed the transaction charge or
 34 discount fee charged to the political subdivision or municipally
 35 owned utility by bank or credit card vendors.
 36 (2) A reasonable convenience fee:
 37 (A) that may not exceed three dollars (\$3); and
 38 (B) that must be uniform regardless of the bank card or credit
 39 card used.
- 40 The fees described in subdivisions (1) and (2) may be collected
 41 regardless of retail merchant agreements between the bank and credit
 42 card vendors that may prohibit such fees. These fees are permitted



1 additional charges under ~~IC 24-4.5-3-202~~. **IC 37-2-4-5.**

2 (g) The political subdivision or municipally owned utility may pay
3 any applicable bank card or credit card service charge associated with
4 the use of a bank card or credit card under this subsection.

5 (h) The authorization of the fiscal body of the political subdivision
6 is not required by the bureau of motor vehicles or the bureau of motor
7 vehicles commission to use electronic funds transfer or other financial
8 instruments to transfer funds to the political subdivision.

9 SECTION 93. IC 36-2-7-10, AS AMENDED BY P.L.181-2025,
10 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2026]: Sec. 10. (a) The following definitions apply to this
12 section:

13 (1) "Copy" means:

14 (A) transcribing or duplicating a document by handwriting,
15 photocopy, xerography, or duplicating machine;

16 (B) duplicating electronically stored data onto a disk, tape,
17 drum, or any other means of electronic data storage; or

18 (C) reproducing a document by any other means.

19 (2) "Mortgage" means a transfer of rights to real property, in a
20 form substantially similar to that set forth in IC 32-29-1-5, with or
21 without warranty from the grantor. The term does not include:

22 (A) a mortgage modification;

23 (B) a mortgage assignment;

24 (C) a mortgage release; or

25 (D) a mortgage assumption.

26 (3) "Multiple transaction document" means a document
27 containing two (2) or more transactions of the same type.

28 (4) "Record" or "recording" means the act of placing a document
29 into the official records of the county recorder and includes the
30 functions of filing and filing for record.

31 (b) The county recorder shall charge and collect the fees prescribed
32 by this section for recording, filing, copying, and other services the
33 recorder renders, and shall pay them into the county treasury at the end
34 of each calendar month. The fees prescribed and collected under this
35 section supersede all other recording fees required by law to be charged
36 for services rendered by the county recorder.

37 (c) The county recorder shall charge the following:

38 (1) Twenty-five dollars (\$25) for recording any deed or other
39 instrument, other than a mortgage.

40 (2) Fifty-five dollars (\$55) for recording any mortgage.

41 (3) For pages larger than eight and one-half (8 1/2) inches by
42 fourteen (14) inches twenty-five dollars (\$25) for the first page



- 1 and five dollars (\$5) for each additional page of any document the
 2 recorder records, if the pages are larger than eight and one-half (8
 3 1/2) inches by fourteen (14) inches.
- 4 (4) If the county recorder has elected to attest to the release,
 5 partial release, or assignment of any mortgage, judgment, lien, or
 6 oil and gas lease contained on a multiple transaction document,
 7 the fee for each transaction after the first is seven dollars (\$7) plus
 8 the amount provided in subdivision (1).
- 9 (5) For furnishing copies of records, the fee for each copy is:
 10 (A) one dollar (\$1) per page that is not larger than eleven (11)
 11 inches by seventeen (17) inches; and
 12 (B) five dollars (\$5) per page that is larger than eleven (11)
 13 inches by seventeen (17) inches.
- 14 (6) Five dollars (\$5) for acknowledging or certifying to a
 15 document.
- 16 (7) A fee in an amount authorized by an ordinance adopted by the
 17 county legislative body for duplicating a computer tape, a
 18 computer disk, an optical disk, microfilm, or similar media. This
 19 fee may not cover making a handwritten copy or a photocopy or
 20 using xerography or a duplicating machine.
- 21 (8) Twenty-five dollars (\$25) per parcel for recording the release
 22 of a lien or liens of a political subdivision for a property sold or
 23 transferred under IC 6-1.1-24-6.1 or IC 36-1-11, regardless of the
 24 number of liens held by the political subdivision. This fee applies
 25 to each political subdivision with a lien or liens on a parcel. In
 26 addition to the fee under this subdivision, if a county fiscal body
 27 adopts a fee under section 10.7 of this chapter, the county
 28 recorder may charge the fee under section 10.7 of this chapter for
 29 each document recorded by a political subdivision under this
 30 subdivision.
- 31 (9) This subdivision applies in a county only if at least one (1)
 32 unit in the county has established an affordable housing fund
 33 under IC 5-20-5-15.5 and the county fiscal body adopts an
 34 ordinance authorizing the fee described in this subdivision. An
 35 ordinance adopted under this subdivision may authorize the
 36 county recorder to charge a fee of ten dollars (\$10) for each
 37 document the recorder records.
- 38 (10) This subdivision applies in a county containing a
 39 consolidated city that has established a housing trust fund under
 40 IC 36-7-15.1-35.5(e). This subdivision does not apply if the
 41 county fiscal body adopts a fee under section 10.7 of this chapter.
 42 The county fiscal body may adopt an ordinance authorizing the



- 1 fee described in this subdivision. An ordinance adopted under this
 2 subdivision may authorize the county recorder to charge a fee of:
 3 (A) two dollars and fifty cents (\$2.50) for the first page; and
 4 (B) one dollar (\$1) for each additional page;
 5 of each document the recorder records.
- 6 (d) This subsection does not apply in a county containing a
 7 consolidated city. Section 10.5 of this chapter applies to the deposit of
 8 fees collected under subsection (c)(1) and (c)(8) in a county containing
 9 a consolidated city. The county recorder shall deposit the fees collected
 10 under subsection (c)(1) and (c)(8) as follows:
 11 (1) Eight dollars (\$8) in the county general fund.
 12 (2) Five dollars (\$5) in the county surveyor's corner perpetuation
 13 fund for use as provided under IC 21-47-3-3 or IC 36-2-12-11(e).
 14 (3) Ten dollars (\$10) in the county recorder's records perpetuation
 15 fund established under subsection (g).
 16 (4) One dollar (\$1) in the county identification security protection
 17 fund established under IC 36-2-7.5-11.
 18 (5) One dollar (\$1) in the county elected officials training fund
 19 under IC 36-2-7-19.
- 20 (e) This subsection does not apply in a county containing a
 21 consolidated city. Section 10.5 of this chapter applies to the deposit of
 22 fees collected under subsection (c)(2) in a county containing a
 23 consolidated city. The county recorder shall deposit the fees collected
 24 under subsection (c)(2) as follows:
 25 (1) Thirty-four dollars (\$34) in the county general fund.
 26 (2) Five dollars (\$5) in the county surveyor's corner perpetuation
 27 fund for use as provided under IC 21-47-3-3 or IC 36-2-12-11(e).
 28 (3) Eleven dollars and fifty cents (\$11.50) in the county recorder's
 29 records perpetuation fund established under subsection (g).
 30 (4) Two dollars and fifty cents (\$2.50) with the county treasurer
 31 to be distributed in accordance with ~~IC 24-9-9-3~~ **IC 37-5-9-2** and
 32 ~~IC 24-9-9-4~~ **IC 37-5-9-3**.
 33 (5) One dollar (\$1) in the county identification security protection
 34 fund established under IC 36-2-7.5-11.
 35 (6) One dollar (\$1) in the county elected officials training fund
 36 under IC 36-2-7-19.
- 37 (f) This subsection applies to all counties. A county recorder shall
 38 deposit fees collected under subsection (c)(3), (c)(4), (c)(5), (c)(6), and
 39 (c)(7) in the county recorder's records perpetuation fund established
 40 under subsection (g).
 41 (g) The county treasurer shall establish a county recorder's records
 42 perpetuation fund. The fund consists of all fees collected under this



1 section for deposit in the fund and amounts transferred to the fund from
 2 the county identification security protection fund under IC 36-2-7.5-11.
 3 Except as provided in section 10.2 of this chapter, the county recorder
 4 may use any money in this fund without appropriation for:

5 (1) the preservation of records; and

6 (2) the improvement of record keeping systems and equipment;
 7 within the control of the county recorder. Money from the fund may not
 8 be deposited or transferred into the county general fund and does not
 9 revert to the county general fund at the end of a fiscal year.

10 (h) The county recorder shall post the fees set forth in subsection (c)
 11 in a prominent place within the county recorder's office where the fee
 12 schedule will be readily accessible to the public.

13 (i) The county recorder may not charge or collect any fee for:

14 (1) recording an official bond of a public officer, a deputy, a
 15 appointee, or an employee; or

16 (2) performing any service under any of the following:

17 (A) IC 6-1.1-22-2(c).

18 (B) IC 8-23-7.

19 (C) IC 8-23-23.

20 (D) IC 10-17-2-3.

21 (E) IC 10-17-3-2.

22 (F) IC 12-14-13.

23 (G) IC 12-14-16.

24 (j) The state and its agencies and instrumentalities are required to
 25 pay the recording fees and charges that this section prescribes.

26 (k) This subsection applies to a county other than a county
 27 containing a consolidated city. The county treasurer shall distribute
 28 money collected by the county recorder under subsection (c)(9) as
 29 follows:

30 (1) Sixty percent (60%) of the money collected by the county
 31 recorder under subsection (c)(9) shall be distributed to the units
 32 in the county that have established an affordable housing fund
 33 under IC 5-20-5-15.5 for deposit in the fund. The amount to be
 34 distributed to a unit is the amount available for distribution
 35 multiplied by a fraction. The numerator of the fraction is the
 36 population of the unit. The denominator of the fraction is the
 37 population of all units in the county that have established an
 38 affordable housing fund. The population to be used for a county
 39 that establishes an affordable housing fund is the population of
 40 the county outside any city or town that has established an
 41 affordable housing fund.

42 (2) Forty percent (40%) of the money collected by the county



1 recorder under subsection (c)(9) shall be distributed to the
 2 treasurer of state for deposit in the affordable housing and
 3 community development fund established under IC 5-20-4-7 for
 4 the purposes of the fund.

5 Money shall be distributed under this subsection before the sixteenth
 6 day of the month following the month in which the money is collected
 7 from the county recorder.

8 (l) This subsection applies to a county described in subsection
 9 (c)(10). The county treasurer shall distribute money collected by the
 10 county recorder under subsection (c)(10) as follows:

11 (1) Sixty percent (60%) of the money collected by the county
 12 recorder under subsection (c)(10) shall be deposited in the
 13 housing trust fund established under IC 36-7-15.1-35.5(e) for the
 14 purposes of the fund.

15 (2) Forty percent (40%) of the money collected by the county
 16 recorder under subsection (c)(10) shall be distributed to the
 17 treasurer of state for deposit in the affordable housing and
 18 community development fund established under IC 5-20-4-7 for
 19 the purposes of the fund.

20 Money shall be distributed under this subsection before the sixteenth
 21 day of the month following the month in which the money is collected
 22 from the county recorder.

23 (m) The county recorder may also include a cross-reference or
 24 multiple cross-references identified in a document for recording under
 25 this section. For cross-references not otherwise required by statute or
 26 county ordinance, the person submitting the document for recording
 27 shall clearly identify on the front page of the instrument the specific
 28 cross-reference or cross-references to be included with the recorded
 29 documents.

30 SECTION 94. IC 36-2-7-10.5, AS AMENDED BY P.L.181-2025,
 31 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2026]: Sec. 10.5. (a) This section applies only in a county
 33 containing a consolidated city.

34 (b) The county recorder shall deposit the fees collected under
 35 section 10(c)(1) and 10(c)(8) of this chapter as follows:

36 (1) Nine dollars (\$9) in the county general fund.
 37 (2) Five dollars (\$5) in the county surveyor's corner perpetuation
 38 fund for use as provided under IC 21-47-3-3 or IC 36-2-12-11(e).
 39 (3) Ten dollars (\$10) in the county recorder's records perpetuation
 40 fund established under section 10(g) of this chapter.
 41 (4) Fifty cents (\$0.50) in the county identification security
 42 protection fund established under IC 36-2-7.5-11.



- 1 (5) Fifty cents (\$0.50) in the county elected officials training fund
 2 under IC 36-2-7-19.
- 3 (c) The county recorder shall deposit the fees collected under
 4 section 10(c)(2) of this chapter as follows:
- 5 (1) Thirty-five dollars (\$35) in the county general fund.
 6 (2) Five dollars (\$5) in the county surveyor's corner perpetuation
 7 fund for use as provided under IC 21-47-3-3 or IC 36-2-12-11(e).
 8 (3) Eleven dollars and fifty cents (\$11.50) in the county recorder's
 9 records perpetuation fund established under section 10(g) of this
 10 chapter.
 11 (4) Two dollars and fifty cents (\$2.50) with the county treasurer
 12 to be distributed in accordance with ~~IC 24-9-9-3~~ **IC 37-5-9-2** and
 13 ~~IC 24-9-9-4~~ **IC 37-5-9-3**.
 14 (5) Fifty cents (\$0.50) in the county identification security
 15 protection fund established under IC 36-2-7.5-11.
 16 (6) Fifty cents (\$0.50) in the county elected officials training fund
 17 under IC 36-2-7-19.

18 SECTION 95. IC 36-2-10-23 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 23. (a) Notwithstanding
 20 any other law, payments to the treasurer for any purpose, including
 21 property tax payments, may be made by any of the following financial
 22 instruments that the treasurer authorizes for use:

- 23 (1) Cash.
 24 (2) Check.
 25 (3) Bank draft.
 26 (4) Money order.
 27 (5) Bank card or credit card.
 28 (6) Electronic funds transfer.
 29 (7) Any other financial instrument authorized by the treasurer.
- 30 (b) If there is a charge to the treasurer for the use of a financial
 31 instrument other than a bank card or credit card, the treasurer shall
 32 collect a sum equal to the amount of the charge from the person who
 33 uses the financial instrument.
- 34 (c) A treasurer may contract with a bank card or credit card vendor
 35 for acceptance of bank or credit cards. However, if there is a vendor
 36 transaction charge or discount fee, whether billed to the treasurer or
 37 charged directly to the treasurer's account, the treasurer shall collect
 38 from the person using the card an official fee that may not exceed the
 39 highest transaction charge or discount fee charged to the treasurer by
 40 bank or credit card vendors during the most recent collection period.
 41 This fee may be collected regardless of retail merchant agreements
 42 between the bank and credit card vendors that may prohibit such a fee.



1 The fee is a permitted additional charge under ~~IC 24-4.5-3-202-~~
 2 **IC 37-2-4-5.**

3 (d) Notwithstanding subsection (a), the authorization of the treasurer
 4 is not required for the bureau of motor vehicles or the bureau of motor
 5 vehicles commission to use electronic funds transfer or other financial
 6 instruments to transfer funds to the county treasurer.

7 SECTION 96. IC 36-2-11-27, AS ADDED BY P.L.171-2006,
 8 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 2026]: Sec. 27. (a) A payment to the county recorder for any
 10 purpose may be made by any of the following financial instruments that
 11 the county recorder authorizes to use:

- 12 (1) Cash.
- 13 (2) Check.
- 14 (3) Bank draft.
- 15 (4) Money order.
- 16 (5) Bank card or credit card.
- 17 (6) Electronic funds transfer.
- 18 (7) Any other financial instrument authorized by the county
 19 recorder.

20 (b) If there is a charge to the county recorder for the use of a
 21 financial instrument other than a bank card or credit card, the county
 22 recorder shall collect a sum equal to the amount of the charge from the
 23 person who uses the financial instrument.

24 (c) The county recorder may contract with a bank card or credit card
 25 vendor for acceptance of bank cards or credit cards. A payment made
 26 under this chapter does not finally discharge the person's liability, and
 27 the person has not paid the liability until the county recorder receives
 28 payment or credit from the institution responsible for making the
 29 payment or credit. Subject to subsection (e), if there is a vendor
 30 transaction card or discount fee, whether billed to the county recorder
 31 or charged directly to the county recorder's account, the county
 32 recorder shall collect a fee from the person using the bank card or
 33 credit card. The fee is a permitted charge under ~~IC 24-4.5-3-202-~~
 34 **IC 37-2-4-5.**

35 (d) Subject to subsection (e), the county recorder may contract with
 36 a payment processing company, which may collect a transaction fee
 37 from the person using the bank card or credit card.

38 (e) The county recorder shall collect and deposit in the appropriate
 39 fund an amount not less than the amount the county recorder would
 40 collect and deposit if the county recorder received payment by a means
 41 other than a bank card or credit card.

42 (f) Funds described in subsection (c) may be used without



1 appropriation to pay the transaction charge or discount fee charged by
2 the bank or credit card vendor.

3 SECTION 97. IC 37 IS ADDED TO THE INDIANA CODE AS A
4 NEW TITLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

5 **TITLE 37. CONSUMER LENDING**

6 **ARTICLE 1. FIRST LIEN MORTGAGE LENDING**

7 **Chapter 1. General Provisions**

8 **Sec. 0.1.** This article must be construed as a recodification of
9 prior law. The enactment of this article by SEA 169-2026 does not
10 affect the substantive operation and effect of the prior law.

11 **Sec. 0.3.** A contract entered into in accordance with IC 24-4.4
12 (before its repeal) is considered a contract entered into in
13 accordance with this article.

14 **Sec. 0.5.** Any document, website, or business communication
15 created in accordance with IC 24-4.4 (before its repeal) is
16 considered a document, website, or business communication
17 created in accordance with this article.

18 **Sec. 0.7. (a)** A reference in a statute or rule to a statute that is
19 repealed and replaced in the same or a different form in the
20 recodification act of the 2026 regular session of the general
21 assembly is treated after the effective date of the new provision as
22 a reference to the new provision.

23 **(b)** A citation reference in the recodification act of the 2026
24 regular session of the general assembly to another provision of the
25 recodification act of the 2026 regular session of the general
26 assembly is treated as including a reference to the provision of the
27 first lien mortgage lending law that is substantively equivalent to
28 the provision of the recodification act of the 2026 regular session
29 of the general assembly that is referred to by the citation reference.

30 **Sec. 1.** Notwithstanding any other provision of this article or
31 IC 37-2, the department may adopt rules under IC 4-22-2, to
32 remain effective until codified in the Indiana Code, in order to
33 provide for a system of licensing creditors and mortgage loan
34 originators that meets the requirements of:

35 (1) the Secure and Fair Enforcement for Mortgage Licensing
36 Act of 2008 (H.R. 3221 Title V) and the interpretations of that
37 Act issued by the Secretary of Housing and Urban
38 Development and the Consumer Financial Protection Bureau;
39 and

40 (2) the subsequent amendment of the Secure and Fair
41 Enforcement for Mortgage Licensing Act of 2008 by the
42 Economic Growth, Regulatory Relief, and Consumer



1 **Protection Act (P.L. 115-174, 132 Stat. 1296).**

2 **Sec. 2. (a) This article shall be liberally construed and applied**
3 **to promote the following purposes and policies:**

4 **(1) To permit and encourage the development of fair and**
5 **economically sound first lien mortgage lending practices.**

6 **(2) To conform the regulation of first lien mortgage lending**
7 **practices to applicable state and federal laws, rules,**
8 **regulations, policies, and guidance.**

9 **(b) A reference to a requirement imposed by this article includes**
10 **reference to a related rule of the department adopted under this**
11 **article.**

12 **(c) A reference to a federal law in this article is a reference to**
13 **the law as in effect December 31, 2024.**

14 **Sec. 3. This article is a general statute intended as a unified**
15 **coverage of its subject matter. No part of this article may be**
16 **considered to be impliedly repealed by subsequent legislation if**
17 **such construction can reasonably be avoided.**

18 **Sec. 4. The provisions of this article are severable, so that if:**

19 **(1) any provisions of this article; or**

20 **(2) the application of this article to any person or**
21 **circumstances;**

22 **is held invalid, the invalidity does not affect other provisions or**
23 **applications of this article that can be given effect without the**
24 **invalid provision or application.**

25 **Sec. 5. (a) Except as provided in subsection (b), this article**
26 **applies to a first lien mortgage transaction:**

27 **(1) that is secured by an interest in:**

28 **(A) a dwelling; or**

29 **(B) residential real estate upon which a dwelling is**
30 **constructed or intended to be constructed;**

31 **in Indiana; and**

32 **(2) the closing for which takes place after June 30, 2026.**

33 **(b) This article does not apply to a first lien mortgage**
34 **transaction if:**

35 **(1) the debtor is not a resident of Indiana at the time the**
36 **transaction is entered into; and**

37 **(2) the laws of the debtor's state of residence require that the**
38 **transaction be made under the laws of the state of the debtor's**
39 **residence.**

40 **Sec. 6. This article does not apply to the following:**

41 **(1) Extensions of credit to government or governmental**
42 **agencies or instrumentalities.**



- 1 (2) A first lien mortgage transaction in which the debt is
 2 incurred primarily for a purpose other than a personal,
 3 family, or household purpose.
- 4 (3) An extension of credit primarily for a business, a
 5 commercial, or an agricultural purpose.
- 6 (4) Except for IC 37-1-3-4(b), IC 37-1-3-8, IC 37-1-3-19(d),
 7 and IC 37-1-3-19(e), a first lien mortgage transaction made:
 8 (A) in compliance with the requirements of; and
 9 (B) by a community development corporation (as defined
 10 in IC 4-4-28-2) acting as a subrecipient of funds from;
 11 the Indiana housing and community development authority
 12 established by IC 5-20-1-3.
- 13 (5) Except for IC 37-1-3-4(b), IC 37-1-3-8, IC 37-1-3-19(d),
 14 and IC 37-1-3-19(e), a first lien mortgage transaction made by
 15 an entity that exclusively uses funds provided by the United
 16 States Department of Housing and Urban Development under
 17 Title 1 of the federal Housing and Community Development
 18 Act of 1974, Public Law 93-383, as amended (42 U.S.C. 5301
 19 et seq.).
- 20 (6) An extension of credit originated by the following:
 21 (A) A depository institution.
 22 (B) Subsidiaries that are not licensed under this article and
 23 that are:
 24 (i) owned and controlled by a depository institution; and
 25 (ii) regulated by a federal banking agency.
 26 (C) An institution regulated by the Farm Credit
 27 Administration.
- 28 (7) Except for IC 37-1-3-4(b), IC 37-1-3-8, IC 37-1-3-19(d),
 29 and IC 37-1-3-19(e), a credit union service organization that
 30 is majority owned, directly or indirectly, by one (1) or more
 31 credit unions.
- 32 (8) A person that does not engage as a creditor in first lien
 33 mortgage transactions in Indiana. However, a person may
 34 voluntarily register with the department for the purpose of
 35 sponsoring employees who are licensed as mortgage loan
 36 originators under this article and 750 IAC 9-3, and who are
 37 engaged solely as third party loan processors or underwriters,
 38 if the person does the following:
 39 (A) Assumes responsibility for and reasonably supervises
 40 the activities of all licensed mortgage loan originators
 41 sponsored by the person.
 42 (B) Registers with and maintains a valid unique identifier



- 1 issued by the NMLSR as required by IC 37-1-3-4(b),
 2 maintains a surety bond in accordance with IC 37-1-3-8,
 3 submits to the NMLSR reports of condition in accordance
 4 with IC 37-1-3-19(d) (subject to IC 37-1-3-9), and files
 5 financial statements with the department in accordance
 6 with IC 37-1-3-19(e).
- 7 (C) Cooperates with the department, and provides access
 8 to records and documents, as required by the department
 9 in carrying out examinations of the activities of the
 10 licensed mortgage loan originators sponsored by the
 11 person, as described in IC 37-1-3-19(a).
- 12 (D) Agrees to comply with all law, rules, directives, and
 13 orders in connection with the activities of the licensed
 14 mortgage loan originators sponsored by the person, as the
 15 director determines necessary to ensure compliance with
 16 the federal Secure and Fair Enforcement for Mortgage
 17 Licensing Act of 2008 (12 U.S.C. 5101 et seq.) and with
 18 Indiana law.
- 19 (9) A first lien mortgage transaction originated by a
 20 registered mortgage loan originator, when acting for an entity
 21 described in subdivision (6). However, a privately insured
 22 state chartered credit union shall comply with the system of
 23 mortgage loan originator registration developed by the
 24 Federal Financial Institutions Examinations Council under
 25 Section 1507 of the federal Secure and Fair Enforcement for
 26 Mortgage Licensing Act of 2008 (SAFE).
- 27 (10) An individual who offers or negotiates terms of a
 28 mortgage transaction with or on behalf of an immediate
 29 family member of the individual.
- 30 (11) An individual who offers or negotiates terms of a
 31 mortgage transaction secured by a dwelling that served as the
 32 individual's residence.
- 33 (12) Unless the attorney is compensated by:
 34 (A) a lender;
 35 (B) a mortgage broker;
 36 (C) another mortgage loan originator; or
 37 (D) any agent of the lender, mortgage broker, or other
 38 mortgage loan originator described in clauses (A) through
 39 (C);
 40 a licensed attorney who negotiates the terms of a mortgage
 41 transaction on behalf of a client as an ancillary matter to the
 42 attorney's representation of the client.



- 1 **(13) The United States, any state or local government, or any**
 2 **agency or instrumentality of any governmental entity,**
 3 **including United States government sponsored enterprises.**
 4 **(14) A person in whose name a tablefunded transaction is**
 5 **closed. However, the exemption provided by this subdivision**
 6 **does not apply if:**
 7 **(A) the transaction:**
 8 **(i) is secured by a dwelling that is a mobile home, a**
 9 **manufactured home, or a trailer; and**
 10 **(ii) is not also secured by an interest in land; and**
 11 **(B) the person in whose name the transaction is closed sells**
 12 **the dwelling to the debtor through a retail installment**
 13 **contract or other similar transaction.**
 14 **(15) A bona fide nonprofit organization not operating in a**
 15 **commercial context, as determined by the director, if the**
 16 **following criteria are satisfied:**
 17 **(A) Subject to clause (B), the organization originates only**
 18 **one (1) or both of the following types of mortgage**
 19 **transactions:**
 20 **(i) Zero (0) interest first lien mortgage transactions.**
 21 **(ii) Zero (0) interest subordinate lien mortgage**
 22 **transactions.**
 23 **(B) The organization does not require, under the terms of**
 24 **the mortgage or otherwise, balloon payments with respect**
 25 **to the mortgage transactions described in clause (A).**
 26 **(C) The organization is exempt from federal income**
 27 **taxation under Section 501(c)(3) of the Internal Revenue**
 28 **Code.**
 29 **(D) The organization's primary purpose is to serve the**
 30 **public by helping low income individuals and families**
 31 **build, repair, and purchase housing.**
 32 **(E) The organization uses only:**
 33 **(i) unpaid volunteers; or**
 34 **(ii) employees whose compensation is not based on the**
 35 **number or size of any mortgage transactions that the**
 36 **employees originate;**
 37 **to originate the mortgage transactions described in clause**
 38 **(A).**
 39 **(F) The organization does not charge loan origination fees**
 40 **in connection with the mortgage transactions described in**
 41 **clause (A).**
 42 **(16) A bona fide nonprofit organization if the following**



- 1 criteria are satisfied:
- 2 (A) For each calendar year that the organization seeks the
- 3 exemption provided by this subdivision, the organization
- 4 certifies, not later than December 31 of the preceding
- 5 calendar year and on a form prescribed by the director
- 6 and accompanied by such documentation as required by
- 7 the director, that the organization is a bona fide nonprofit
- 8 organization.
- 9 (B) The director determines that the organization
- 10 originates only mortgage transactions that are favorable to
- 11 the debtor. For purposes of this clause, a mortgage
- 12 transaction is favorable to the debtor if the director
- 13 determines that the terms of the mortgage transaction are
- 14 consistent with terms of mortgage transactions made in a
- 15 public or charitable context, rather than in a commercial
- 16 context.
- 17 Sec. 7. (a) If a person licensed or required to be licensed by the
- 18 department to engage in mortgage transactions also engages in
- 19 activities of a loan broker described in IC 23-2.5, the activities of
- 20 a loan broker are subject to the following sections of the Indiana
- 21 Code and any rules adopted to implement these sections:
- 22 (1) IC 23-2.5-8-1, except for IC 23-2.5-8-1(b)(2).
- 23 (2) IC 23-2.5-8-2.
- 24 (3) IC 23-2.5-11-15(b) and IC 23-2.5-11-15(c).
- 25 (4) IC 23-2.5-11-17.
- 26 (5) IC 23-2.5-8-3.
- 27 (6) IC 23-2.5-8-4 through IC 23-2.5-8-9.
- 28 (7) IC 23-2.5-8-10.
- 29 (8) IC 23-2.5-10-1.
- 30 (9) IC 23-2.5-9-1.
- 31 (10) IC 23-2.5-11-16.
- 32 (b) Loan broker business transactions engaged in by persons
- 33 licensed or required to be licensed by the department to engage in
- 34 mortgage transactions are subject to examination by the
- 35 department and to the examination fees described in
- 36 IC 37-1-3-5(h)(3). The department may cooperate with the
- 37 securities division of the office of the secretary of state in the
- 38 department's examination of loan broker business transactions and
- 39 may use the securities division's examiners to conduct
- 40 examinations.
- 41 Sec. 8. In the department's examination and regulatory
- 42 activities related to licensees under this article, the department



1 may cooperate with the Indiana securities commissioner in the
 2 regulation of entities that, in addition to conducting business
 3 regulated under this article, also conduct activities of a loan broker
 4 subject to IC 23-2.5.

5 Sec. 9. A licensee may carry on other business at a location
 6 where the licensee engages in first lien mortgage transactions
 7 unless the licensee carries on other business for the purpose of
 8 evasion or violation of this article.

9 Chapter 2. Definitions

10 Sec. 1. The definitions set forth in this chapter apply throughout
 11 this article.

12 Sec. 2. "Affiliate", with respect to any person subject to this
 13 article, means a person that, directly or indirectly, through one (1)
 14 or more intermediaries:

15 (1) controls;

16 (2) is controlled by; or

17 (3) is under common control with;

18 the person subject to this article.

19 Sec. 3. "Agreement" means the bargain of the parties in fact as
 20 found in the parties' language or by implication from other
 21 circumstances, including course of dealing or usage of trade or
 22 course of performance.

23 Sec. 4. "Agricultural products" includes agricultural products,
 24 horticultural products, viticultural products, dairy products,
 25 livestock, wildlife, poultry, bees, forest products, fish and shellfish,
 26 any products raised or produced on farms, and any products
 27 processed or manufactured from products raised or produced on
 28 farms.

29 Sec. 5. "Agricultural purpose" means a purpose related to the
 30 production, harvest, exhibition, marketing, transportation,
 31 processing, or manufacture of agricultural products by a natural
 32 person who cultivates, plants, propagates, or nurtures the
 33 agricultural products.

34 Sec. 6. "Balloon payment", with respect to a mortgage
 35 transaction, means any payment:

36 (1) that the creditor requires the debtor to make at any time
 37 during the term of the mortgage;

38 (2) that represents the entire amount of the outstanding
 39 balance with respect to the mortgage; and

40 (3) the entire amount of which is due as of a specified date or
 41 at the end of a specified period;

42 if the aggregate amount of the minimum periodic payments



1 required under the mortgage would not fully amortize the
 2 outstanding balance by the specified date or at the end of the
 3 specified period. The term does not include a payment required by
 4 a creditor under a due-on-sale clause (as defined in 12 U.S.C.
 5 1701j-3(a)) or a payment required by a creditor under a provision
 6 in the mortgage that permits the creditor to accelerate the debt
 7 upon the debtor's default or failure to abide by the material terms
 8 of the mortgage.

9 Sec. 7. "Bona fide nonprofit organization" means an
 10 organization that does the following, as determined by the director,
 11 under criteria established by the director:

12 (1) Maintains tax exempt status under Section 501(c)(3) of the
 13 Internal Revenue Code.

14 (2) Promotes affordable housing or provides home ownership
 15 education or similar services.

16 (3) Conducts the organization's activities in a manner that
 17 serves public or charitable purposes.

18 (4) Receives funding and revenue and charges fees in a
 19 manner that does not encourage the organization or the
 20 organization's employees to act other than in the best interests
 21 of the organization's clients.

22 (5) Compensates the organization's employees in a manner
 23 that does not encourage employees to act other than in the
 24 best interests of the organization's clients.

25 (6) Provides to, or identifies for, debtors mortgage
 26 transactions with terms that are favorable to the debtor (as
 27 described in IC 37-1-1-6(16)) and comparable to mortgage
 28 transactions and housing assistance provided under
 29 government housing assistance programs.

30 (7) Maintains certification by the United States Department
 31 of Housing and Urban Development or employs counselors
 32 who are certified by the Indiana housing and community
 33 development authority.

34 Sec. 8. "Civil court" means any court in Indiana having
 35 jurisdiction of civil cases.

36 Sec. 9. "Consumer credit sale" is a sale of goods, services, or an
 37 interest in land in which:

38 (1) credit is granted by a person who engages as a seller in
 39 credit transactions of the same kind;

40 (2) the buyer is a person other than an organization;

41 (3) the goods, services, or interest in land are purchased
 42 primarily for a personal, family, or household purpose;



1 (4) either the debt is payable in installments or a credit service
2 charge is made; and

3 (5) with respect to a sale of goods or services, either:

4 (A) the amount of credit extended, the written credit limit,
5 or the initial advance does not exceed the exempt threshold
6 amount, as adjusted in accordance with the annual
7 adjustment of the exempt threshold amount, specified in
8 Regulation Z (12 CFR 226.3 or 12 CFR 1026.3(b), as
9 applicable); or

10 (B) the debt is secured by personal property used or
11 expected to be used as the principal dwelling of the buyer.

12 Sec. 10. "Credit" means the right granted by a creditor to a
13 debtor to defer payment of debt or to incur debt and defer its
14 payment.

15 Sec. 11. "Creditor" means a person:

16 (1) that regularly engages in the extension of first lien
17 mortgage transactions that are subject to a credit service
18 charge or loan finance charge, as applicable, or are payable
19 by written agreement in more than four (4) installments (not
20 including a down payment); and

21 (2) to which the obligation is initially payable, either on the
22 face of the note or contract, or by agreement if there is not a
23 note or contract.

24 The term does not include a person described in section 39 of this
25 chapter in a tablefunded transaction. A creditor may be an
26 individual, a limited liability company, a sole proprietorship, a
27 partnership, a trust, a joint venture, a corporation, an
28 unincorporated organization, or other form of entity, however
29 organized.

30 Sec. 12. "Department" refers to the department of financial
31 institutions.

32 Sec. 13. "Depository institution" has the meaning set forth in
33 the Federal Deposit Insurance Act (12 U.S.C. 1813(c)) and includes
34 any credit union.

35 Sec. 14. "Director" refers to the director of the department of
36 financial institutions or the director's designee.

37 Sec. 15. "Dwelling" means a residential structure that contains
38 one (1) to four (4) units, regardless of whether the structure is
39 attached to real property. The term includes an individual:

- 40 (1) condominium unit;
41 (2) cooperative unit;
42 (3) mobile home; or



- 1 **(4) trailer;**
 2 **that is used as a residence.**
- 3 **Sec. 16. "Employee" means an individual who is paid wages or**
 4 **other compensation by an employer required under federal income**
 5 **tax law to file Form W-2 on behalf of the individual.**
- 6 **Sec. 17. "Federal banking agencies" means the Board of**
 7 **Governors of the Federal Reserve System, the Office of the**
 8 **Comptroller of the Currency, the Office of Thrift Supervision, the**
 9 **National Credit Union Administration, and the Federal Deposit**
 10 **Insurance Corporation.**
- 11 **Sec. 18. "First lien mortgage transaction" means:**
 12 **(1) a consumer loan; or**
 13 **(2) a consumer credit sale;**
 14 **that is or will be used by the debtor primarily for personal, family,**
 15 **or household purposes and that is secured by a mortgage or a land**
 16 **contract (or another consensual security interest equivalent to a**
 17 **mortgage or a land contract) that constitutes a first lien on a**
 18 **dwelling or on residential real estate upon which a dwelling is**
 19 **constructed or intended to be constructed.**
- 20 **Sec. 19. "Immediate family member" means a spouse, child,**
 21 **sibling, parent, grandparent, or grandchild. The term includes**
 22 **stepparents, stepchildren, stepsiblings, and adoptive relationships.**
- 23 **Sec. 20. "Individual" means a natural person.**
- 24 **Sec. 21. "Land contract" means a contract for the sale of real**
 25 **estate in which the seller of the real estate retains legal title to the**
 26 **real estate until the total contract price is paid by the buyer.**
- 27 **Sec. 22. "Licensee" means a person licensed to engage in**
 28 **mortgage transactions as a creditor.**
- 29 **Sec. 23. "Loan" includes:**
 30 **(1) the creation of debt by:**
 31 **(A) the creditor's payment of or agreement to pay money**
 32 **to the debtor or to a third party for the account of the**
 33 **debtor; or**
 34 **(B) the extension of credit by a person who engages as a**
 35 **seller in credit transactions primarily secured by an**
 36 **interest in land;**
 37 **(2) the creation of debt by a credit to an account with the**
 38 **creditor upon which the debtor is entitled to draw**
 39 **immediately; and**
 40 **(3) the forbearance of debt arising from a loan.**
- 41 **Sec. 24. "Loan brokerage business" means any activity in which**
 42 **a person, in return for any consideration from any source,**



1 procures, attempts to procure, or assists in procuring, a mortgage
 2 transaction from a third party or any other person, whether or not
 3 the person seeking the mortgage transaction actually obtains the
 4 mortgage transaction.

5 **Sec. 25. "Loan processor or underwriter"** means an individual
 6 who performs clerical or support duties as an employee at the
 7 direction of, and subject to the supervision and instruction of, a
 8 person licensed to engage in mortgage transactions or a person
 9 exempt from licensing. For purposes of this section, the term
 10 "clerical or support duties" may include, after the receipt of an
 11 application, the following:

12 (1) The receipt, collection, distribution, and analysis of
 13 information common for the processing or underwriting of a
 14 mortgage transaction.

15 (2) The communication with a consumer to obtain the
 16 information necessary for the processing or underwriting of
 17 a loan, to the extent that the communication does not include:

18 (A) offering or negotiating loan rates or terms; or

19 (B) counseling consumers about mortgage transaction
 20 rates or terms.

21 The term does not include an individual who is an employee of a
 22 person that is not engaged in mortgage transactions as a creditor
 23 if that person is permitted to voluntarily register with the
 24 department to sponsor the individual under IC 37-1-1-6(8) to
 25 engage solely in the activities described in this subdivision.

26 **Sec. 26. "Mortgage loan originator"** means an individual who,
 27 for compensation or gain, or in the expectation of compensation or
 28 gain, regularly engages in taking a mortgage transaction
 29 application or in offering or negotiating the terms of a mortgage
 30 transaction that either is made under this article or under IC 37-2
 31 is made by an employee of a person licensed to engage in mortgage
 32 transactions or by an employee of a person that is exempt from
 33 licensing, while the employee is engaging in the loan brokerage
 34 business. The term does not include the following:

35 (1) An individual engaged solely as a loan processor or
 36 underwriter as long as the individual works exclusively as an
 37 employee of a person licensed to engage in mortgage
 38 transactions or as an employee of a person exempt from
 39 licensing. However, the term includes an individual who is
 40 licensed as a mortgage loan originator under this article and
 41 750 IAC 9-3 and who is an employee of a person that is not
 42 engaged in mortgage transactions as a creditor if that person



1 voluntarily registers with the department to sponsor the
 2 individual under IC 37-1-1-6(8) to engage solely as a third
 3 party processor or underwriter.

4 (2) Unless the person or entity is compensated by:

5 (A) a creditor;

6 (B) a loan broker;

7 (C) another mortgage loan originator; or

8 (D) any agent of a creditor, a loan broker, or another
 9 mortgage loan originator described in clauses (A) through
 10 (C);

11 a person or entity that performs only real estate brokerage
 12 activities and is licensed or registered in accordance with
 13 applicable state law.

14 (3) A person solely involved in extensions of credit relating to
 15 timeshare plans (as defined in 11 U.S.C. 101(53D)).

16 Sec. 27. "Mortgage servicer" means the last person to whom a
 17 mortgagor or the mortgagor's successor in interest has been
 18 instructed by a mortgagee to send payments on a loan secured by
 19 a mortgage.

20 Sec. 28. "Mortgage transaction" means:

21 (1) a consumer loan; or

22 (2) a consumer credit sale;

23 that is or will be used by the debtor primarily for personal, family,
 24 or household purposes and that is secured by a mortgage or a land
 25 contract (or another consensual security interest equivalent to a
 26 mortgage or a land contract) on a dwelling or on residential real
 27 estate upon which a dwelling is constructed or intended to be
 28 constructed.

29 Sec. 29. "Nationwide Multistate Licensing System and Registry"
 30 (or "Nationwide Mortgage Licensing System and Registry" or
 31 "NMLSR") means a multistate licensing system owned and
 32 operated by the State Regulatory Registry, LLC, or by any
 33 successor or affiliated entity, for the licensing and registration of
 34 creditors, mortgage loan originators, and other persons in the
 35 mortgage or financial services industries. The term includes any
 36 other name or acronym that may be assigned to the system by the
 37 State Regulatory Registry, LLC, or by any successor or affiliated
 38 entity.

39 Sec. 30. "Organization" means a corporation, a government or
 40 government subdivision, an agency, a trust, an estate, a
 41 partnership, a limited liability company, a cooperative, an
 42 association, a joint venture, an unincorporated organization, or



1 any other entity, however organized.

2 Sec. 31. "Payable in installments", with respect to a debt or an
3 obligation, means that payment is required or permitted by written
4 agreement to be made in more than four (4) installments not
5 including a down payment.

6 Sec. 32. "Person" includes an individual or an organization.

7 Sec. 33. "Principal" of a mortgage transaction means the total
8 of:

9 (1) the net amount paid to, receivable by, or paid or payable
10 for the account of the debtor; and

11 (2) to the extent that payment is deferred, amounts actually
12 paid or to be paid by the creditor for registration, certificate
13 of title, or license fees if not included in subdivision (1).

14 Sec. 34. "Real estate brokerage activity" means any activity that
15 involves offering or providing real estate brokerage services to the
16 public, including the following:

17 (1) Acting as a real estate agent or real estate broker for a
18 buyer, seller, lessor, or lessee of real property.

19 (2) Bringing together parties interested in the sale, purchase,
20 lease, rental, or exchange of real property.

21 (3) Negotiating, on behalf of any party, any part of a contract
22 relating to the sale, purchase, lease, rental, or exchange of real
23 property (other than in connection with providing financing
24 with respect to the sale, purchase, lease, rental, or exchange
25 of real property).

26 (4) Engaging in any activity for which a person engaged in the
27 activity is required to be registered or licensed as a real estate
28 agent or real estate broker under any applicable law.

29 (5) Offering to engage in any activity, or act in any capacity,
30 described in this subsection.

31 Sec. 35. "Registered mortgage loan originator" means any
32 individual who:

33 (1) meets the definition of mortgage loan originator and is an
34 employee of:

35 (A) a depository institution;

36 (B) a subsidiary that is owned and controlled by a
37 depository institution and regulated by a federal banking
38 agency; or

39 (C) an institution regulated by the Farm Credit
40 Administration; and

41 (2) is registered with, and maintains a unique identifier
42 through, the NMLSR.



1 **Sec. 36. "Regularly engaged"**, with respect to a person who
 2 extends or originates first lien mortgage transactions, refers to a
 3 person who:

4 (1) extended or originated more than five (5) first lien
 5 mortgage transactions in the preceding calendar year; or

6 (2) extends or originates, or will extend or originate, more
 7 than five (5) first lien mortgage transactions in the current
 8 calendar year if the person did not extend or originate more
 9 than five (5) first lien mortgage transactions in the preceding
 10 calendar year.

11 **Sec. 37. "Residential real estate"** means any real property that
 12 is located in Indiana and on which there is located or intended to
 13 be constructed a dwelling.

14 **Sec. 38. "Revolving first lien mortgage transaction"** means a
 15 first lien mortgage transaction in which:

16 (1) the creditor permits the debtor to obtain advances from
 17 time to time;

18 (2) the unpaid balances of principal, finance charges, and
 19 other appropriate charges are debited to an account; and

20 (3) the debtor has the privilege of paying the balances in
 21 installments.

22 **Sec. 39. "Tablefunded"** means a transaction in which:

23 (1) a person closes a first lien mortgage transaction in the
 24 person's own name as a mortgagee with funds provided by
 25 one (1) or more other persons; and

26 (2) the transaction is assigned, not later than one (1) business
 27 day after the funding of the transaction, to the mortgage
 28 creditor providing the funding.

29 **Sec. 40. "Unique identifier"** means a number or other identifier
 30 assigned by protocols established by the NMLSR.

31 **Chapter 3. Miscellaneous Provisions**

32 **Sec. 1. (a)** A creditor or mortgage servicer shall provide, in
 33 writing, an accurate payoff amount for a first lien mortgage
 34 transaction to the debtor not later than seven (7) business days
 35 (excluding legal public holidays, Saturdays, and Sundays) after the
 36 creditor or mortgage servicer receives the debtor's written request
 37 for the accurate payoff amount. A payoff statement provided by a
 38 creditor or mortgage servicer under this subsection must show the
 39 date the statement was prepared and itemize the unpaid principal
 40 balance and each fee, charge, or other sum included within the
 41 payoff amount. A creditor or mortgage servicer who fails to
 42 provide an accurate payoff amount is liable for:



1 (1) one hundred dollars (\$100) if an accurate payoff amount
 2 is not provided by the creditor or mortgage servicer not later
 3 than seven (7) business days (excluding legal public holidays,
 4 Saturdays, and Sundays) after the creditor or mortgage
 5 servicer receives the debtor's first written request; and

6 (2) the greater of:

7 (A) one hundred dollars (\$100); or

8 (B) the loan finance charge that accrues on the first lien
 9 mortgage transaction from the date the creditor or
 10 mortgage servicer receives the first written request until
 11 the date on which the accurate payoff amount is provided;
 12 if an accurate payoff amount is not provided by the creditor
 13 or mortgage servicer not later than seven (7) business days
 14 (excluding legal public holidays, Saturdays, and Sundays)
 15 after the creditor or mortgage servicer receives the debtor's
 16 second written request, and the creditor or mortgage servicer
 17 fails to comply with subdivision (1).

18 (b) This subsection applies to a first lien mortgage transaction,
 19 or the refinancing or consolidation of a first lien mortgage
 20 transaction, that:

21 (1) is closed after June 30, 2009; and

22 (2) has an interest rate that is subject to change at one (1) or
 23 more times during the term of the first lien mortgage
 24 transaction.

25 A creditor in a transaction to which this subsection applies may not
 26 contract for and may not charge the debtor a prepayment fee or
 27 penalty.

28 (c) This subsection applies to a first lien mortgage transaction
 29 with respect to which any installment or minimum payment due is
 30 delinquent for at least sixty (60) days. The creditor, servicer, or the
 31 creditor's agent shall acknowledge a written offer made in
 32 connection with a proposed short sale not later than five (5)
 33 business days (excluding legal public holidays, Saturdays, and
 34 Sundays) after the date of the offer if the offer complies with the
 35 requirements for a qualified written request set forth in 12 U.S.C.
 36 2605(e)(1)(B). The creditor, servicer, or creditor's agent is required
 37 to acknowledge a written offer made in connection with a proposed
 38 short sale from a third party acting on behalf of the debtor only if
 39 the debtor has provided written authorization for the creditor,
 40 servicer, or creditor's agent to do so. Not later than thirty (30)
 41 business days (excluding legal public holidays, Saturdays, and
 42 Sundays) after receipt of an offer under this subsection, the



1 creditor, servicer, or creditor's agent shall respond to the offer
 2 with an acceptance or a rejection of the offer. The thirty (30) day
 3 period described in this subsection may be extended for not more
 4 than fifteen (15) business days (excluding legal public holidays,
 5 Saturdays, and Sundays) if, before the end of the thirty (30) day
 6 period, the creditor, the servicer, or the creditor's agent notifies the
 7 debtor of the extension and the reason the extension is needed.
 8 Payment accepted by a creditor, servicer, or creditor's agent in
 9 connection with a short sale constitutes payment in full satisfaction
 10 of the first lien mortgage transaction unless the creditor, servicer,
 11 or creditor's agent obtains:

12 (1) the following statement: "The debtor remains liable for
 13 any amount still owed under the first lien mortgage
 14 transaction."; or

15 (2) a statement substantially similar to the statement set forth
 16 in subdivision (1);

17 acknowledged by the initials or signature of the debtor, on or
 18 before the date on which the short sale payment is accepted. As
 19 used in this subsection, "short sale" means a transaction in which
 20 the property that is the subject of a first lien mortgage transaction
 21 is sold for an amount that is less than the amount of the debtor's
 22 outstanding obligation under the first lien mortgage transaction.
 23 A creditor or mortgage servicer that fails to respond to an offer
 24 within the time prescribed by this subsection is liable in accordance
 25 with 12 U.S.C. 2605(f) in any action brought under that section.

26 (d) This section is not intended to provide the owner of real
 27 estate subject to the issuance of process under a judgment or
 28 decree of foreclosure any protection or defense against a deficiency
 29 judgment for purposes of the borrower protections from liability
 30 that must be disclosed under 12 CFR 1026.38(p)(3) on the form
 31 required by 12 CFR 1026.38 ("Closing Disclosures" form under
 32 the Amendments to the 2013 Integrated Mortgage Disclosures Rule
 33 Under the Real Estate Settlement Procedures Act (Regulation X)
 34 and the Truth In Lending Act (Regulation Z) and the 2013 Loan
 35 Originator Rule Under the Truth in Lending Act (Regulation Z)).

36 Sec. 2. (a) Except as provided in subsection (b), the creditor
 37 shall comply with disclosure requirements applicable to first lien
 38 mortgage transactions in the Consumer Credit Protection Act (15
 39 U.S.C. 1601 et seq.).

40 (b) Disclosures are not required if the transaction is exempt
 41 from the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.).

42 Sec. 3. (a) A violation of a state or federal law, regulation, or



1 rule applicable to first lien mortgage transactions is a violation of
2 this article.

3 (b) The department may enforce penalty provisions set forth in
4 15 U.S.C. 1640 for violations of disclosure requirements applicable
5 to first lien mortgage transactions.

6 Sec. 4. (a) Unless a person subject to this article has first
7 obtained a mortgage license from the department and annually
8 maintains the license, the person shall not engage in Indiana as a
9 creditor in first lien mortgage transactions. A separate mortgage
10 license is required for each legal entity that engages in Indiana as
11 a creditor in first lien mortgage transactions. However, a separate
12 mortgage license is not required for each branch of a legal entity
13 licensed by the department.

14 (b) Each:

15 (1) creditor licensed by the department to engage in mortgage
16 transactions; and

17 (2) person exempt from licensing that:

18 (A) employs a licensed mortgage loan originator; or

19 (B) sponsors a licensed mortgage loan originator as
20 permitted by IC 37-1-1-6(8) or by 750 IAC 9;

21 shall register with and maintain a valid unique identifier issued by
22 the NMLSR. Each licensed mortgage loan originator must be
23 employed by, or sponsored as permitted by IC 37-1-1-6(8) or by
24 750 IAC 9, and associated with, a licensed creditor (or a person
25 exempt from licensing) that is registered with the NMLSR.

26 (c) An individual engaging solely in loan processor or
27 underwriter activities shall not represent to the public, through
28 advertising or other means of communicating or providing
29 information, including the use of business cards, stationery,
30 brochures, signs, rate lists, or other promotional items, that the
31 individual can or will perform any of the activities of a mortgage
32 loan originator. An individual who:

33 (1) is licensed as a mortgage loan originator under this article
34 and 750 IAC 9-3; and

35 (2) is sponsored by a person, as permitted by IC 37-1-1-6(8),
36 to engage solely as a third party loan processor or
37 underwriter;

38 is subject to the prohibition set forth in this subsection with respect
39 to the individual's engagement under the sponsorship.

40 (d) An applicant for a mortgage license must apply for the
41 license in the form prescribed by the director. Each form:

42 (1) must contain content as set forth by rule, instruction, or



- 1 **procedure of the director; and**
- 2 **(2) may be changed or updated as necessary by the director to**
- 3 **carry out the purposes of this article.**
- 4 **(e) To fulfill the purposes of this article, the director may**
- 5 **establish relationships or contracts with the NMLSR or other**
- 6 **entities designated by the NMLSR to:**
- 7 **(1) collect and maintain records; and**
- 8 **(2) process transaction fees or other fees related to licensees**
- 9 **or other persons subject to this article.**
- 10 **(f) For the purpose of participating in the NMLSR, the director**
- 11 **or the department may:**
- 12 **(1) waive or modify, in whole or in part, by rule or order, any**
- 13 **of the requirements of this article; and**
- 14 **(2) establish new requirements as reasonably necessary to**
- 15 **participate in the NMLSR.**
- 16 **Sec. 5. (a) The department shall receive and act on all**
- 17 **applications for licenses to engage in first lien mortgage**
- 18 **transactions. Applications must be made as prescribed by the**
- 19 **director. If, at any time, the information or record contained in:**
- 20 **(1) an application filed under this section; or**
- 21 **(2) a renewal application filed under section 10 of this**
- 22 **chapter;**
- 23 **is or becomes inaccurate or incomplete in a material respect, the**
- 24 **applicant shall promptly file a correcting amendment with the**
- 25 **department.**
- 26 **(b) A license may not be issued unless the department finds that**
- 27 **the professional training and experience, financial responsibility,**
- 28 **character, and fitness of:**
- 29 **(1) the applicant and any significant affiliate of the applicant;**
- 30 **(2) each executive officer, director, or manager of the**
- 31 **applicant, or any other individual having a similar status or**
- 32 **performing a similar function for the applicant; and**
- 33 **(3) if known, each person directly or indirectly owning or**
- 34 **record or owning beneficially at least ten percent (10%) of the**
- 35 **outstanding shares of any class of equity security of the**
- 36 **applicant;**
- 37 **are such as to warrant belief that the business will be operated**
- 38 **honestly and fairly within the purposes of this article.**
- 39 **(c) The director is entitled to request evidence of compliance**
- 40 **with this section at:**
- 41 **(1) the time of application;**
- 42 **(2) the time of renewal of a license; or**



- 1 (3) any other time considered necessary by the director.
- 2 (d) Evidence of compliance with this section must include:
- 3 (1) criminal background checks, as described in section 6 of
- 4 this chapter, including a national criminal history background
- 5 check (as defined in IC 10-13-3-12) by the Federal Bureau of
- 6 Investigation, for any individual described in subsection (b);
- 7 (2) credit histories as described in section 7 of this chapter;
- 8 (3) surety bond requirements as described in section 8 of this
- 9 chapter;
- 10 (4) a review of licensure actions in Indiana and in other states;
- 11 and
- 12 (5) other background checks considered necessary by the
- 13 director.
- 14 (e) For purposes of this section and in order to reduce the points
- 15 of contact that the director has to maintain for purposes of this
- 16 section, the director may use the NMLSR as a channeling agent for
- 17 requesting and distributing information to and from any source as
- 18 directed by the director.
- 19 (f) The department may deny an application under this section
- 20 if the director of the department determines that the application
- 21 was submitted for the benefit of, or on behalf of, a person who does
- 22 not qualify for a license.
- 23 (g) Upon written request, the applicant is entitled to a hearing
- 24 on the question of the qualifications of the applicant for a license
- 25 in the manner provided in IC 4-21.5.
- 26 (h) The applicant shall pay the following fees at the time
- 27 designated by the department:
- 28 (1) An initial license fee as established by the department
- 29 under IC 28-11-3-5.
- 30 (2) An annual renewal fee as established by the department
- 31 under IC 28-11-3-5.
- 32 (3) Examination fees as established by the department under
- 33 IC 28-11-3-5.
- 34 (i) A fee as established by the department under IC 28-11-3-5
- 35 may be charged for each day a fee under subsection (h)(2) or (h)(3)
- 36 is delinquent.
- 37 (j) Except in a transaction approved under section 20 of this
- 38 chapter, a license issued under this section is not assignable or
- 39 transferable.
- 40 (k) If the department of state revenue notifies the department
- 41 that a person is on the most recent tax warrant list, the department
- 42 shall not issue or renew the person's license until:



1 (1) the person provides to the department a statement from
 2 the department of state revenue that the person's tax warrant
 3 has been satisfied; or

4 (2) the department receives a notice from the commissioner of
 5 the department of state revenue under IC 6-8.1-8-2(k).

6 **Sec. 6. (a)** When the director requests a national criminal
 7 history background check under section 5(d)(1) of this chapter for
 8 an individual described in section 5(b) of this chapter, the director
 9 shall require the individual to submit fingerprints to the
 10 department, state police department, or NMLSR, as directed, at
 11 the time evidence of compliance is requested under section 5(c) of
 12 this chapter. The individual to whom the request is made shall pay
 13 any fees or costs associated with processing and evaluating the
 14 fingerprints and the national criminal history background check.
 15 The national criminal history background check may be used by
 16 the director to determine the individual's compliance with this
 17 section. The director or the department may not release the results
 18 of the national criminal history background check to any private
 19 entity.

20 (b) For purposes of this section and in order to reduce the points
 21 of contact that the Federal Bureau of Investigation may have to
 22 maintain for purposes of this section, the director may use the
 23 NMLSR as a channeling agent for requesting information from
 24 and distributing information to the United States Department of
 25 Justice or any governmental agency.

26 **Sec. 7. (a)** If the director requests a credit report for an
 27 individual described in section 5(b) of this chapter, the individual
 28 to whom the request is made shall pay any fees or costs associated
 29 with procuring the report.

30 (b) The individual must submit personal history and experience
 31 information in a form prescribed by the NMLSR, including the
 32 submission of authorization for the NMLSR or the director to
 33 obtain an independent credit report obtained from a consumer
 34 reporting agency described in Section 603(p) of the Fair Credit
 35 Reporting Act (15 U.S.C. 1681a(p)).

36 (c) The director may consider one (1) or more of the following
 37 when determining if an individual has demonstrated financial
 38 responsibility:

39 (1) Bankruptcies filed within the last ten (10) years.

40 (2) Current outstanding judgments, except judgments solely
 41 as a result of medical expenses.

42 (3) Current outstanding tax liens or other government liens or



- 1 **filings.**
 2 **(4) Foreclosures within the past three (3) years.**
 3 **(5) A pattern of serious delinquent accounts within the past**
 4 **three (3) years.**
 5 **Sec. 8. (a) Each:**
 6 **(1) creditor; and**
 7 **(2) person that is exempt (either under this article or under**
 8 **IC 37-2) from licensing and that:**
 9 **(A) employs a licensed mortgage loan originator; or**
 10 **(B) sponsors a licensed mortgage loan originator as**
 11 **permitted by IC 37-1-1-6(8) or by 750 IAC 9;**
 12 **must be covered by a surety bond in accordance with this section.**
 13 **(b) A surety bond must:**
 14 **(1) provide coverage for:**
 15 **(A) a creditor; or**
 16 **(B) a person that is exempt from licensing and that**
 17 **employs a licensed mortgage loan originator, or that**
 18 **sponsors a licensed mortgage loan originator as permitted**
 19 **by IC 37-1-1-6(8) or by 750 IAC 9;**
 20 **in an amount as prescribed in subsection (d);**
 21 **(2) be in a form prescribed by the director;**
 22 **(3) be in effect:**
 23 **(A) during the term of the creditor's license; or**
 24 **(B) at any time during which the person exempt from**
 25 **licensing employs a licensed mortgage loan originator or**
 26 **sponsors a licensed mortgage loan originator as permitted**
 27 **by IC 37-1-1-6(8) or by 750 IAC 9;**
 28 **as applicable;**
 29 **(4) subject to subsection (c), remain in effect during the two**
 30 **(2) years after:**
 31 **(A) the license of the creditor is surrendered or**
 32 **terminated; or**
 33 **(B) the person exempt from licensing ceases to employ a**
 34 **licensed mortgage loan originator, or ceases to sponsor a**
 35 **licensed mortgage loan originator as permitted by**
 36 **IC 37-1-1-6(8) or by 750 IAC 9, or to offer financial**
 37 **services to individuals in Indiana, whichever is later;**
 38 **as applicable;**
 39 **(5) be payable to the department for the benefit of:**
 40 **(A) the state; and**
 41 **(B) individuals who reside in Indiana when they agree to**
 42 **receive financial services from the creditor or the person**



- 1 exempt from licensing, as applicable;
- 2 (6) be issued by a bonding, surety, or insurance company
- 3 authorized to do business in Indiana and rated at least "A-"
- 4 by at least one (1) nationally recognized investment rating
- 5 service; and
- 6 (7) have payment conditioned upon:
- 7 (A) the creditor's or any of the creditor's licensed
- 8 mortgage loan originators'; or
- 9 (B) the exempt person's or any of the exempt person's
- 10 licensed mortgage loan originators';
- 11 noncompliance with or violation of this chapter, 750 IAC 9, or
- 12 other federal or state laws or regulations applicable to
- 13 mortgage lending.
- 14 (c) The director may adopt rules or guidance documents with
- 15 respect to the requirements for a surety bond as necessary to
- 16 accomplish the purposes of this article. Upon written request from:
- 17 (1) a creditor described in subsection (a)(1); or
- 18 (2) an exempt person described in subsection (a)(2);
- 19 the director may, at the discretion of the director, waive or shorten
- 20 the two (2) year period set forth in subsection (b)(4) during which
- 21 a surety bond required by this section must remain in effect after
- 22 the occurrence of an event described in subsection (b)(4)(A) or
- 23 (b)(4)(B), as applicable.
- 24 (d) The penal sum of the surety bond shall be maintained in an
- 25 amount that reflects the dollar amount of mortgage transactions
- 26 originated as determined by the director. If the principal amount
- 27 of a surety bond required under this section is reduced by payment
- 28 of a claim or judgment, the creditor or exempt person for whom
- 29 the bond is issued shall immediately notify the director of the
- 30 reduction and, not later than thirty (30) days after notice by the
- 31 director, file a new or an additional surety bond in an amount set
- 32 by the director. The amount of the new or additional bond set by
- 33 the director must be at least the amount of the bond before
- 34 payment of the claim or judgment.
- 35 (e) If for any reason a surety terminates a bond issued under
- 36 this section, the creditor or the exempt person shall immediately
- 37 notify the department and file a new surety bond in an amount
- 38 determined by the director.
- 39 (f) Cancellation of a surety bond issued under this section does
- 40 not affect any liability incurred or accrued during the period when
- 41 the surety bond was in effect.
- 42 (g) The director may obtain satisfaction from a surety bond



1 issued under this section if the director incurs expenses, issues a
2 final order, or recovers a final judgment under this chapter.

3 (h) Notices required under this section must be made in writing
4 and submitted through the NMLSR or any other electronic
5 registration system that may be approved by the director.

6 **Sec. 9. (a) Subject to subsection (f), the director shall designate**
7 **the NMLSR to serve as the sole entity responsible for:**

8 (1) processing applications and renewals for mortgage
9 licenses;

10 (2) issuing unique identifiers for licensees and persons exempt
11 from licensing that employ or sponsor a licensed mortgage
12 loan originator under this article; and

13 (3) performing other services that the director determines are
14 necessary for the orderly administration of the department's
15 mortgage licensing system.

16 (b) Subject to the confidentiality provisions contained in
17 IC 5-14-3, this section, and IC 28-1-2-30, the director may
18 regularly report significant or recurring violations of this article
19 to the NMLSR.

20 (c) Subject to the confidentiality provisions contained in
21 IC 5-14-3, this section, and IC 28-1-2-30, the director may report
22 complaints received regarding mortgage licensees to the NMLSR.

23 (d) The director may report publicly adjudicated licensure
24 actions against a licensee to the NMLSR.

25 (e) The director shall establish a process in which licensees may
26 challenge information reported to the NMLSR by the department.

27 (f) The director's authority to designate the NMLSR under
28 subsection (a) is subject to the following:

29 (1) Information stored in the NMLSR is subject to the
30 confidentiality provisions of IC 5-14-3 and IC 28-1-2-30. A
31 person may not:

32 (A) obtain information from the NMLSR, unless the
33 person is authorized to do so by statute;

34 (B) initiate any civil action based on information obtained
35 from the NMLSR if the information is not otherwise
36 available to the person under any other state law; or

37 (C) initiate any civil action based on information obtained
38 from the NMLSR if the person could not have initiated the
39 action based on information otherwise available to the
40 person under any other state law.

41 (2) Documents, materials, and other forms of information in
42 the control or possession of the NMLSR that are confidential



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under IC 28-1-2-30 and that are:
(A) furnished by the director, the director's designee, or a licensee; or
(B) otherwise obtained by the NMLSR;
are confidential and privileged by law and are not subject to inspection under IC 5-14-3, subject to subpoena, subject to discovery, or admissible in evidence in any civil action. However, the director may use the documents, materials, or other information available to the director in furtherance of any action brought in connection with the director's duties under this article.
(3) Disclosure of documents, materials, and information:
(A) to the director; or
(B) by the director;
under this subsection does not result in a waiver of any applicable privilege or claim of confidentiality with respect to the documents, materials, or information.
(4) Information provided to the NMLSR is subject to IC 4-1-11.
(5) This subsection does not limit or impair a person's right to:
(A) obtain information;
(B) use information as evidence in a civil action or proceeding; or
(C) use information to initiate a civil action or proceeding; if the information may be obtained from the director or the director's designee under any law.
(6) Except as otherwise provided in the federal Housing and Economic Recovery Act of 2008 (Public Law 110-289, Section 1512), the requirements under any federal law or IC 5-14-3 regarding the privacy or confidentiality of any information or material provided to the NMLSR, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to the information or material, continue to apply to the information or material after the information or material has been disclosed to the NMLSR. The information and material may be shared with all state and federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by federal law or IC 5-14-3.
(7) For purposes of this section, the director may enter



1 agreements or sharing arrangements with other governmental
 2 agencies, the Conference of State Bank Supervisors, the
 3 American Association of Residential Mortgage Regulators, or
 4 other associations representing governmental agencies, as
 5 established by rule or order of the director.

6 (8) Information or material that is subject to a privilege or
 7 confidentiality under subdivision (6) is not subject to:

8 (A) disclosure under any federal or state law governing the
 9 disclosure to the public of information held by an officer or
 10 an agency of the federal government or the respective
 11 state; or

12 (B) subpoena, discovery, or admission into evidence in any
 13 private civil action or administrative process, unless with
 14 respect to any privilege held by the NMLSR with respect
 15 to the information or material, the person to whom the
 16 information or material pertains waives, in whole or in
 17 part, in the discretion of the person, that privilege.

18 (9) Any provision of IC 5-14-3 that concerns the disclosure of:

19 (A) confidential supervisory information; or

20 (B) any information or material described in subdivision
 21 (6);

22 and that is inconsistent with subdivision (6) is superseded by
 23 this section.

24 (10) This section does not apply with respect to information or
 25 material that concerns the employment history of, and
 26 publicly adjudicated disciplinary and enforcement actions
 27 against, a person described in section 5(b) of this chapter and
 28 that is included in the NMLSR for access by the public.

29 (11) The director may require a licensee required to submit
 30 information to the NMLSR to pay a processing fee considered
 31 reasonable by the director. In determining whether an
 32 NMLSR processing fee is reasonable, the director shall:

33 (A) require review of; and

34 (B) make available;

35 the audited financial statements of the NMLSR.

36 (g) Notwithstanding any other provision of law, any:

37 (1) application, renewal, or other form or document that:

38 (A) relates to mortgage licenses issued by the department;
 39 and

40 (B) is made or produced in an electronic format;

41 (2) document filed as an electronic record in a multistate
 42 automated repository established and operated for the



1 licensing or registration of mortgage lenders, brokers, or loan
 2 originators; or
 3 (3) electronic record filed through the NMLSR;
 4 is considered a valid original document when reproduced in paper
 5 form by the department.

6 **Sec. 10. (a)** A mortgage license issued by the department must
 7 be renewed through the NMLSR not later than December 31 of
 8 each calendar year. The minimum standards for license renewal
 9 for a creditor include the following:

10 (1) The creditor has continued to meet the surety bond
 11 requirement under section 8 of this chapter.

12 (2) The creditor has filed the creditor's call report in a
 13 manner that satisfies section 19(d) of this chapter.

14 (3) The creditor has paid all required fees for renewal of the
 15 license.

16 (4) The creditor and individuals described in section 5(b) of
 17 this chapter have certified to the department that they
 18 continue to meet all the standards for licensing contained in
 19 section 5 of this chapter.

20 (5) The creditor has provided in the creditor's renewal
 21 application:

22 (A) any information describing material changes in the
 23 information contained in the creditor's original application
 24 for licensure, or in any previous application, including any
 25 previous renewal application; and

26 (B) any other information the director requires in order to
 27 evaluate the renewal of the license.

28 **(b)** A license issued by the department authorizing a person to
 29 engage in first lien mortgage transactions as a creditor under this
 30 article may be revoked or suspended by the department if the
 31 person fails to:

32 (1) file any renewal form required by the department; or

33 (2) pay any license renewal fee described under section 5 of
 34 this chapter;

35 not later than sixty (60) days after the due date.

36 **(c)** A person whose license is revoked or suspended under this
 37 section may do either of the following:

38 (1) Pay all delinquent fees and apply for reinstatement of the
 39 license.

40 (2) Appeal the revocation or suspension to the department for
 41 an administrative review under IC 4-21.5-3. Pending the
 42 decision resulting from the hearing under IC 4-21.5-3



- 1 concerning the license revocation or suspension, the license
 2 remains in force.
- 3 (d) If, at any time, the information or record contained in:
- 4 (1) an original application for licensure filed under section 5
 5 of this chapter; or
 6 (2) a renewal application filed under this section;
 7 is or becomes inaccurate or incomplete in a material respect, the
 8 applicant shall promptly file a correcting amendment with the
 9 department.
- 10 Sec. 11. (a) The department may issue to a person licensed as a
 11 creditor to engage in first lien mortgage transactions an order to
 12 show cause why the person's license should not be revoked or
 13 suspended for a period determined by the department.
- 14 (b) An order issued under subsection (a) must:
- 15 (1) include:
- 16 (A) a statement of the place, date, and time for a meeting
 17 with the department, which date may not be less than ten
 18 (10) days from the date of the order;
 19 (B) a description of the action contemplated by the
 20 department; and
 21 (C) a statement of the facts or conduct supporting the
 22 issuance of the order; and
- 23 (2) be accompanied by a notice stating that the licensee is
 24 entitled to:
- 25 (A) a reasonable opportunity to be heard; and
 26 (B) show the licensee's compliance with all lawful
 27 requirements for retention of the license;
 28 at the meeting described in subdivision (1)(A).
- 29 (c) After the meeting described in subsection (b)(1)(A), the
 30 department may revoke or suspend the license if the department
 31 finds that:
- 32 (1) the licensee has repeatedly and willfully violated:
- 33 (A) this article or any applicable rule, order, or guidance
 34 document adopted or issued by the department; or
 35 (B) any other state or federal law, regulation, or rule
 36 applicable to first lien mortgage transactions;
- 37 (2) the licensee does not meet the licensing qualifications
 38 contained in section 5 of this chapter;
- 39 (3) the licensee obtained the license for the benefit of, or on
 40 behalf of, another person;
- 41 (4) the licensee knowingly or intentionally made material
 42 misrepresentations to, or concealed material information



- 1 from, the department; or
- 2 (5) facts or conditions exist that, had they existed at the time
- 3 the licensee applied for the license, would have been grounds
- 4 for the department to deny the issuance of the license.
- 5 (d) Whenever the department revokes or suspends a license, the
- 6 department shall enter an order to that effect and notify the
- 7 licensee of:
- 8 (1) the revocation or suspension;
- 9 (2) if a suspension has been ordered, the duration of the
- 10 suspension;
- 11 (3) the procedure for appealing the revocation or suspension
- 12 under IC 4-21.5-3-6; and
- 13 (4) any other terms and conditions that apply to the
- 14 revocation or suspension.
- 15 Not later than five (5) days after the entry of the order, the
- 16 department shall deliver to the licensee a copy of the order and the
- 17 findings supporting the order.
- 18 (e) Any person holding a license as a creditor to engage in first
- 19 lien mortgage transactions may relinquish the license by notifying
- 20 the department in writing of the relinquishment. However, a
- 21 relinquishment under this subsection does not affect the person's
- 22 liability for acts previously committed and coming within the scope
- 23 of this article.
- 24 (f) If the director determines it to be in the public interest, the
- 25 director may pursue revocation of a license of a licensee that has
- 26 relinquished the license under subsection (e).
- 27 (g) If a person's license is revoked, suspended, or relinquished,
- 28 the revocation, suspension, or relinquishment does not impair or
- 29 affect any obligation owed by any person under any preexisting
- 30 lawful contract.
- 31 (h) If the director has just cause to believe an emergency exists
- 32 from which it is necessary to protect the interests of the public, the
- 33 director may proceed with the revocation of a license through an
- 34 emergency or another temporary order under IC 4-21.5-4.
- 35 Sec. 12. (a) If the director determines that a current or former
- 36 director, an officer, or a manager of a creditor:
- 37 (1) has committed a violation of a statute, a rule, a final cease
- 38 and desist order, any condition imposed in writing by the
- 39 director in connection with the granting of any application or
- 40 other request by the creditor, or any written agreement
- 41 between the creditor and the director or the department;
- 42 (2) has committed fraudulent or unconscionable conduct; or



1 (3) has been convicted of a felony under the laws of Indiana or
2 any other jurisdiction;
3 the director, subject to subsection (b), may issue and serve upon
4 the officer, director, or manager a notice of the director's intent to
5 issue an order removing the person from the person's office or
6 employment, an order prohibiting any participation by the person
7 in the conduct of the affairs of any creditor, or an order both
8 removing the person and prohibiting the person's participation.
9 (b) A violation, practice, or breach specified in subsection (a) is
10 subject to the authority of the director under subsections (a) and
11 (c) if the director finds any of the following:
12 (1) The interests of the creditor's customers could be seriously
13 prejudiced by reason of the violation or practice.
14 (2) The violation, practice, or breach involves an act of fraud,
15 dishonesty, theft, breach of trust, money laundering, or the
16 wrongful taking of property on the part of the officer,
17 director, or manager involved.
18 (3) The violation, practice, or breach demonstrates a willful
19 or continuing disregard by the officer, director, or manager
20 for state and federal laws and regulations, and for the
21 consumer protections contained in this article.
22 (c) A person who has been convicted of a felony under the laws
23 of Indiana or any other jurisdiction may not serve as an officer, a
24 director, or a manager of a creditor, or serve in any similar
25 capacity, unless the person obtains the written consent of the
26 director.
27 (d) A creditor that willfully permits a person to serve the
28 creditor in violation of subsection (c) is subject to a civil penalty of
29 five hundred dollars (\$500) for each day the violation continues.
30 (e) A creditor shall give the department written notice of the
31 resignation, discharge, or termination of an employee, independent
32 contractor, or agent against whom allegations were made that
33 accused the employee, independent contractor, or agent of:
34 (1) violating this article or other laws, regulations, rules, or
35 industry standards of conduct applicable to first lien
36 mortgage transactions; or
37 (2) fraud, dishonesty, theft, breach of trust, money
38 laundering, or the wrongful taking of property.
39 The creditor shall provide the department the notice required
40 under this subsection not later than thirty (30) days after the
41 effective date of the resignation, discharge, or termination.
42 Sec. 13. (a) A notice issued under this chapter must:



- 1 (1) be in writing;
- 2 (2) contain a statement of the facts constituting the alleged
- 3 practice, violation, or breach;
- 4 (3) state the facts alleged in support of the violation, practice,
- 5 or breach;
- 6 (4) state the director's intention to enter an order under
- 7 section 15(a) of this chapter;
- 8 (5) be delivered to the board of directors of the creditor;
- 9 (6) be delivered to the officer, director, or manager
- 10 concerned;
- 11 (7) specify the procedures that must be followed to initiate a
- 12 hearing to contest the facts alleged; and
- 13 (8) if the director suspends or prohibits an officer, a director,
- 14 or a manager of the creditor from participating in the affairs
- 15 of the creditor, as described in subsection (e), include a
- 16 statement of the suspension or prohibition.
- 17 (b) If a hearing is requested not later than ten (10) days after
- 18 service of the written notice, the department shall hold a hearing
- 19 concerning the alleged practice, violation, or breach. The hearing
- 20 shall be held not later than forty-five (45) days after receipt of the
- 21 request. The department, based on the evidence presented at the
- 22 hearing, shall enter a final order under section 15 of this chapter.
- 23 (c) If no hearing is requested within the time specified in
- 24 subsection (b), the director may proceed to issue a final order
- 25 under section 15 of this chapter on the basis of the facts set forth in
- 26 the written notice.
- 27 (d) An officer, a director, or a manager who is removed from a
- 28 position under a removal order that has become final may not
- 29 participate in the conduct of the affairs of any mortgage licensee
- 30 without the approval of the director.
- 31 (e) The director may, for the protection of the creditor or the
- 32 interests of its customers, suspend from office or prohibit from
- 33 participation in the affairs of the creditor an officer, a director, or
- 34 a manager of a creditor who is the subject of a written notice
- 35 served by the director under section 12(a) of this chapter. A
- 36 suspension or prohibition under this subsection becomes effective
- 37 upon service of the notice under section 12(a) of this chapter.
- 38 Unless stayed by a court in a proceeding authorized by subsection
- 39 (f), the suspension or prohibition remains in effect pending
- 40 completion of the proceedings related to the notice served under
- 41 section 12(a) of this chapter and until the effective date of an order
- 42 entered by the department under subsection (b) or the director



1 under subsection (c). Copies of the notice shall also be served upon
2 the creditor or affiliate of which the person is an officer, a director,
3 or a manager.

4 (f) Not more than fifteen (15) days after an officer, a director, or
5 a manager has been suspended from office or prohibited from
6 participation in the conduct of the affairs of the creditor or affiliate
7 under subsection (e), the officer, director, or manager may apply
8 to a court having jurisdiction for a stay of the suspension or
9 prohibition pending completion of the proceedings related to the
10 written notice served under section 12(a) of this chapter, and the
11 court may stay the suspension or prohibition.

12 (g) The department shall maintain an official record of a
13 proceeding under this chapter.

14 Sec. 14. If the director enters into a consent to a final order
15 under section 15 of this chapter with a creditor, a director, an
16 officer, or a manager, the director is not required to issue and
17 serve a notice of charges upon the creditor, director, officer, or
18 manager under section 12 of this chapter. A consent agreement
19 may be negotiated and entered into before or after the issuance of
20 a notice of charges. The director shall provide a copy of the consent
21 order to the board of directors of the creditor.

22 Sec. 15. (a) If, after a hearing described in section 13(b) of this
23 chapter, the department finds that the conditions specified in
24 section 12 of this chapter have been established, the department
25 may issue a final order. If a hearing is not requested within the
26 time specified in section 13(b) of this chapter, the director may
27 issue a final order on the basis of the facts set forth in the written
28 notice served under section 12(a) of this chapter.

29 (b) Unless the director has entered into a consent agreement
30 described in section 14 of this chapter, a final order must include
31 separately stated findings of fact and conclusions of law for all
32 aspects of the order.

33 (c) In a final order under this section, the department or the
34 director, as appropriate, may order one (1) or more of the
35 following with respect to an officer, a director, or a manager of a
36 creditor:

37 (1) The removal of the officer, director, or manager from the
38 person's office, position, or employment.

39 (2) A prohibition against any participation by the officer,
40 director, or manager in the conduct of the affairs of any
41 creditor.

42 (3) If the subject of the order is an officer or a director of a



1 creditor, and subject to section 17 of this chapter, the
 2 imposition of a civil penalty not to exceed fifteen thousand
 3 dollars (\$15,000) for each practice, violation, or act that:

4 (A) is described in section 12 of this chapter; and

5 (B) is found to exist by the department or the director.

6 (d) A final order shall be issued in writing not later than ninety
 7 (90) days after conclusion of a hearing held under section 13(b) of
 8 this chapter, unless this period is waived or extended with the
 9 written consent of all parties or for good cause shown.

10 (e) If the officer, director, or manager does not appear
 11 individually or by an authorized representative at a hearing held
 12 under section 13(b) of this chapter, the officer, director, or
 13 manager is considered to have consented to the issuance of a final
 14 order.

15 (f) The remedies provided in this chapter are in addition to
 16 other remedies contained in this article.

17 Sec. 16. (a) A final order issued under this chapter is effective on
 18 the eleventh day after service of the order. However, a final order
 19 issued upon consent under section 14 of this chapter is effective at
 20 the time specified in the order.

21 (b) A final order remains effective and enforceable as provided
 22 in the order.

23 (c) The department or a reviewing court may stay, modify, or
 24 vacate a final order.

25 Sec. 17. (a) The director or the department, as appropriate, shall
 26 consider the following factors in determining the amount of a civil
 27 penalty that should be assessed against a director or an officer in
 28 a final order issued under section 15(c)(3) of this chapter:

29 (1) The appropriateness of the civil penalty with respect to the
 30 financial resources and good faith of the individual charged.

31 (2) The gravity of the practice, violation, or act.

32 (3) The history of previous practices, violations, or acts.

33 (4) The economic benefit derived by the individual from the
 34 practice, violation, or act.

35 (5) Other factors that justice requires.

36 (b) A creditor may not indemnify a director or an officer for a
 37 civil penalty imposed in a final order under section 15(c)(3) of this
 38 chapter.

39 (c) Civil penalties shall be deposited in the financial institutions
 40 fund established by IC 28-11-2-9.

41 Sec. 18. The director may enforce any of the following by
 42 applying for appropriate relief to a court having jurisdiction:



- 1 (1) An order issued under this chapter.
 2 (2) A written agreement entered into by the department or the
 3 director and any director, officer, or employee of a creditor.
 4 (3) Any condition imposed in writing by the department or the
 5 director on any director, officer, or employee of a creditor.

6 **Sec. 19. (a)** Every licensee shall maintain records in a manner
 7 that will enable the department to determine whether the licensee
 8 is complying with this article. The record keeping system of a
 9 licensee is sufficient if the licensee makes the required information
 10 reasonably available. The department shall determine the
 11 sufficiency of the records and whether the licensee has made the
 12 required information reasonably available. The department shall
 13 be given free access to the records wherever the records are
 14 located. Records concerning any first lien mortgage transaction
 15 shall be retained for two (2) years after the making of the final
 16 entry relating to the transaction, but in the case of a revolving first
 17 lien mortgage transaction, the two (2) years required under this
 18 subsection is measured from the date of each entry relating to the
 19 transaction. A person that voluntarily registers with the
 20 department under IC 37-1-1-6(8) for the purpose of sponsoring
 21 licensed mortgage loan originators shall:

- 22 (1) cooperate with the department; and
 23 (2) provide access to records and documents;

24 as required by the department in carrying out examinations of the
 25 activities of the licensed mortgage loan originators sponsored by
 26 the person.

27 **(b)** The unique identifier of any person originating a mortgage
 28 transaction must be clearly shown on all mortgage transaction
 29 application forms and any other documents as required by the
 30 director.

31 **(c)** Every licensee shall use automated examination and
 32 regulatory software designated by the director, including third
 33 party software. Use of the software consistent with guidance and
 34 policies issued by the director is not a violation of IC 28-1-2-30.

35 **(d)** Each:

- 36 (1) creditor licensed to engage in mortgage transactions by the
 37 department; and
 38 (2) person that is exempt from licensing and that:
 39 (A) employs one (1) or more licensed mortgage loan
 40 originators; or
 41 (B) sponsors one (1) or more licensed mortgage loan
 42 originators as permitted by IC 37-1-1-6(8) or by 750



- 1 **IAC 9;**
 2 **shall submit to the NMLSR reports of condition, which must be in**
 3 **a form and must contain information as required by the NMLSR.**
 4 **(e) Each:**
 5 **(1) creditor licensed by the department to engage in mortgage**
 6 **transactions; and**
 7 **(2) person that is exempt from licensing and that:**
 8 **(A) employs one (1) or more licensed mortgage loan**
 9 **originators; or**
 10 **(B) sponsors one (1) or more licensed mortgage loan**
 11 **originators as permitted by IC 37-1-1-6(8) or by 750**
 12 **IAC 9;**
 13 **shall file with the department additional financial statements**
 14 **relating to all first lien mortgage transactions originated by the**
 15 **licensed creditor or the exempt person as required by the**
 16 **department, but not more frequently than annually, in the form**
 17 **prescribed by the department.**
 18 **(f) A licensed creditor shall file notification with the department**
 19 **if the licensee:**
 20 **(1) has a change in name, address, or any of its principals;**
 21 **(2) opens a new branch, closes an existing branch, or relocates**
 22 **an existing branch;**
 23 **(3) files for bankruptcy or reorganization; or**
 24 **(4) is subject to revocation or suspension proceedings by a**
 25 **state or governmental authority with regard to the licensed**
 26 **creditor's activities;**
 27 **not later than thirty (30) days after the date of the event described**
 28 **in this subsection.**
 29 **(g) A licensee shall file notification with the department if the**
 30 **licensee or any director, executive officer, or manager of the**
 31 **licensee has been convicted of a felony under the laws of Indiana or**
 32 **any other jurisdiction. The licensee shall file the notification**
 33 **required by this subsection not later than thirty (30) days after the**
 34 **date of the event described in this subsection.**
 35 **(h) A licensee shall file notification with the department if the**
 36 **licensee or any director, executive officer, or manager of the**
 37 **licensee has had the person's authority to do business in the**
 38 **securities, commodities, banking, financial services, insurance, real**
 39 **estate, or real estate appraisal industry revoked or suspended by**
 40 **Indiana or by any other state, federal, or foreign governmental**
 41 **agency or self-regulatory organization. The licensee shall file the**
 42 **notification required by this subsection not later than thirty (30)**



1 days after the date of the event described in this subsection.

2 **Sec. 20. (a)** As used in this section, "control" means possession
3 of the power directly or indirectly to:

4 (1) direct or cause the direction of the management or policies
5 of a creditor, whether through the beneficial ownership of
6 voting securities, by contract, or otherwise; or

7 (2) vote at least twenty-five percent (25%) of the voting
8 securities of a creditor, whether the voting rights are derived
9 through the beneficial ownership of voting securities, by
10 contract, or otherwise.

11 (b) An organization or an individual acting directly, indirectly,
12 or through or in concert with one (1) or more other organizations
13 or individuals may not acquire control of any creditor unless the
14 department has received and approved an application for change
15 in control. The department has not more than one hundred twenty
16 (120) days after receipt of an application to issue a notice
17 approving the proposed change in control. The application must
18 contain the name and address of the organization, individual, or
19 individuals who propose to acquire control and any other
20 information required by the director.

21 (c) The period for approval under subsection (b) may be
22 extended:

23 (1) in the discretion of the director for an additional thirty
24 (30) days; and

25 (2) not more than two (2) additional times for not more than
26 forty-five (45) days each time if:

27 (A) the director determines that the organization,
28 individual, or individuals who propose to acquire control
29 have not submitted substantial evidence of the
30 qualifications described in subsection (d);

31 (B) the director determines that any material information
32 submitted is substantially inaccurate; or

33 (C) the director has been unable to complete the
34 investigation of the organization, individual, or individuals
35 who propose to acquire control because of any delay
36 caused by or the inadequate cooperation of the
37 organization, individual, or individuals.

38 (d) The department shall issue a notice approving the
39 application only after it is satisfied that both of the following apply:

40 (1) The organization, individual, or individuals who propose
41 to acquire control are qualified by competence, experience,
42 character, and financial responsibility to control and operate



1 the creditor in a legal and proper manner.

2 (2) The interests of the owners and creditors of the creditor
3 and the interests of the public generally will not be
4 jeopardized by the proposed change in control.

5 (e) The director may determine, in the director's discretion, that
6 subsection (b) does not apply to a transaction if the director
7 determines that the direct or beneficial ownership of the creditor
8 will not change as a result of the transaction.

9 (f) The president or other chief executive officer of a creditor
10 shall report to the director any transfer or sale of securities of the
11 creditor that results in direct or indirect ownership by a holder or
12 an affiliated group of holders of at least ten percent (10%) of the
13 outstanding securities of the creditor. The report required by this
14 subsection must be made not later than ten (10) days after the
15 transfer of the securities on the books of the creditor.

16 (g) Depending on the circumstances of the transaction, the
17 director may reserve the right to require the organization,
18 individual, or individuals who propose to acquire control of a
19 creditor licensed by the department to engage in mortgage
20 transactions, to apply for a new license under section 4 of this
21 chapter, instead of acquiring control of the licensee under this
22 section.

23 Sec. 21. A creditor in a first lien mortgage transaction shall
24 comply with IC 6-1.1-12-43, to the extent applicable.

25 Sec. 22. (a) A violation by a creditor in a first lien mortgage
26 transaction of Section 125 of the Consumer Credit Protection Act
27 (15 U.S.C. 1635) (concerning a debtor's right to rescind a
28 transaction) constitutes a violation of this article. A creditor may
29 not accrue interest during the period when a first lien mortgage
30 transaction may be rescinded under Section 125 of the Consumer
31 Credit Protection Act (15 U.S.C. 1635).

32 (b) A creditor must make available for disbursement the
33 proceeds of a transaction subject to subsection (a) on the later of:

- 34 (1) the date the creditor is reasonably satisfied that the debtor
35 has not rescinded the transaction; or
36 (2) the first business day after the expiration of the rescission
37 period under subsection (a).

38 Sec. 23. A creditor in a first lien mortgage transaction that:

- 39 (1) qualifies as a home equity conversion mortgage under the
40 Federal Housing Administration's program; or
41 (2) otherwise constitutes a reverse mortgage;

42 shall provide the debtor with a pamphlet that is approved by the



1 department and that describes the availability of reverse mortgage
 2 counseling services provided by housing counselors approved by
 3 the Secretary of the United States Department of Housing and
 4 Urban Development, as provided in 24 CFR 206.41(a). The debtor
 5 must receive the counseling described in this section and present
 6 the creditor with the certificate described in 24 CFR 206.41(c)
 7 before the creditor may make a first lien mortgage transaction
 8 described in this section to the debtor.

9 **Chapter 4. Administration**

10 **Sec. 1.** This chapter applies to a person that engages as a
 11 creditor in first lien mortgage transactions in Indiana. The
 12 authority of this chapter remains in effect, whether a licensee,
 13 individual, or person subject to this article acts or claims to act
 14 under any licensing or registration law of Indiana or claims to act
 15 without such authority.

16 **Sec. 2. (a)** In addition to other powers granted by this article,
 17 the department within the limitations provided by law may:

- 18 (1) receive and act on complaints, take action designed to
 19 obtain voluntary compliance with this article, or commence
 20 proceedings on the department's own initiative;
- 21 (2) counsel persons and groups on their rights and duties
 22 under this article;
- 23 (3) establish programs for the education of consumers with
 24 respect to credit practices and problems;
- 25 (4) make studies appropriate to effectuate the purposes and
 26 policies of this article and make the results available to the
 27 public;
- 28 (5) adopt, amend, and repeal rules, orders, policies, and forms
 29 to carry out the provisions of this article;
- 30 (6) maintain more than one (1) office within Indiana; and
- 31 (7) appoint any necessary attorneys, hearing examiners,
 32 clerks, and other employees and agents and fix their
 33 compensation, and authorize attorneys appointed under this
 34 section to appear for and represent the department in court.

35 **(b)** Liability may not be imposed under this article for an act
 36 done or omitted in conformity with a rule, written notice, written
 37 opinion, written interpretation, or written directive of the
 38 department notwithstanding the fact that after the act is done or
 39 omitted the rule, written notice, written opinion, written
 40 interpretation, or written directive may be:

- 41 (1) amended or repealed; or
- 42 (2) determined by judicial or other authority to be invalid;



- 1 for any reason.
- 2 **Sec. 3. (a) In administering this article and in order to determine**
- 3 **whether the provisions of this article are being complied with by**
- 4 **persons engaging in acts subject to this article, the department may**
- 5 **examine the records of persons and may make investigations of**
- 6 **persons as may be necessary to determine compliance. Records**
- 7 **subject to examination under this section include the following:**
- 8 (1) Training, operating, and policy manuals.
- 9 (2) Minutes of:
- 10 (A) management meetings; and
- 11 (B) other meetings.
- 12 (3) Financial records, credit files, and data bases.
- 13 (4) Other records that the department determines are
- 14 necessary to perform its investigation or examination.
- 15 The department may also administer oaths or affirmations,
- 16 subpoena witnesses, and compel the attendance of witnesses,
- 17 including officers, principals, mortgage loan originators,
- 18 employees, independent contractors, agents, and customers of
- 19 licensees, and other individuals or persons subject to this article.
- 20 The department may also adduce evidence and require the
- 21 production of any matter that is relevant to an investigation. The
- 22 department shall determine the sufficiency of the records
- 23 maintained and whether the person has made the required
- 24 information reasonably available. The records concerning any
- 25 transaction subject to this article shall be retained for two (2) years
- 26 after the making of the final entry relating to the first lien
- 27 mortgage transaction, but in the case of a revolving first lien
- 28 mortgage transaction the two (2) year period is measured from the
- 29 date of each entry.
- 30 (b) The department's examination and investigatory authority
- 31 under this article includes the following:
- 32 (1) The authority to require a creditor to refund overcharges
- 33 resulting from the creditor's noncompliance with the terms of
- 34 a first lien mortgage transaction.
- 35 (2) The authority to require a creditor to comply with the
- 36 penalty provisions set forth in IC 37-1-3-1.
- 37 (3) The authority to investigate complaints filed with the
- 38 department by debtors.
- 39 (c) The department shall be given free access to the records
- 40 wherever the records are located. In making any examination or
- 41 investigation authorized by this article, the director may control
- 42 access to any documents and records of the licensee or person



1 under examination or investigation. The director may take
 2 possession of the documents and records or place a person in
 3 exclusive charge of the documents and records in the place where
 4 the documents are usually kept. During the period of control, a
 5 licensee or person may not remove or attempt to remove any of the
 6 documents and records except under a court order or with the
 7 consent of the director. Unless the director has reasonable grounds
 8 to believe the documents or records of the licensee or person have
 9 been, or are, at risk of being altered or destroyed for purposes of
 10 concealing a violation of this article, the licensee or person shall
 11 have access to the documents or records as necessary to conduct
 12 the licensee's or person's ordinary business affairs. If the person's
 13 records are located outside Indiana, the records shall be made
 14 available to the department at a convenient location within
 15 Indiana, or the person shall pay the reasonable and necessary
 16 expenses for the department or the department's representative to
 17 examine the records where they are maintained. The department
 18 may designate comparable officials of the state in which the
 19 records are located to inspect the records on behalf of the
 20 department.

21 (d) Upon a person's failure without lawful excuse to obey a
 22 subpoena or to give testimony and upon reasonable notice by the
 23 department to all affected persons, the department may apply to
 24 any civil court with jurisdiction for an order compelling
 25 compliance.

26 (e) The department shall not make public:

- 27 (1) the name or identity of a person whose acts or conduct the
- 28 department investigates under this section; or
- 29 (2) the facts discovered in the investigation.

30 However, this subsection does not apply to civil actions or
 31 enforcement proceedings under this article.

32 (f) To discover violations of this article or to secure information
 33 necessary for the enforcement of this article, the department may
 34 investigate any:

- 35 (1) licensee; or
- 36 (2) person that the department suspects to be operating:
 - 37 (A) without a license, when a license is required under this
 - 38 article; or
 - 39 (B) otherwise in violation of this article.

40 The department has all investigatory and enforcement authority
 41 under this article that the department has under IC 28-11 with
 42 respect to financial institutions. If the department conducts an



1 investigation under this section, the licensee or other person
 2 investigated shall pay all reasonably incurred costs of the
 3 investigation in accordance with the fee schedule adopted under
 4 IC 28-11-3-5. Any costs required to be paid under this section shall
 5 be paid not later than sixty (60) days after the person being
 6 assessed the costs receives a notice from the department of the
 7 costs assessed. The department may impose a fee, in an amount
 8 fixed by the department under IC 28-11-3-5, for each day the
 9 assessed costs are not paid, beginning on the first day after the
 10 sixty (60) day period described in this subsection.

11 (g) If a creditor contracts with an outside vendor to provide a
 12 service that would otherwise be undertaken internally by the
 13 creditor and be subject to the department's routine examination
 14 procedures, the person that provides the service to the creditor
 15 shall, at the request of the director, submit to an examination by
 16 the department. If the director determines that an examination
 17 under this subsection is necessary or desirable, the examination
 18 may be made at the expense of the person to be examined. If the
 19 person to be examined under this subsection refuses to permit the
 20 examination to be made, the director may order any creditor that
 21 is licensed by the department to engage in mortgage transactions
 22 and that receives services from the person refusing the
 23 examination to:

- 24 (1) discontinue receiving one (1) or more services from the
 25 person; or
- 26 (2) otherwise cease conducting business with the person.

27 Sec. 4. To carry out the purposes of this article, the director
 28 may:

- 29 (1) retain attorneys, accountants, or other professionals and
 30 specialists as examiners, auditors, or investigators to conduct
 31 or assist in the conduct of examinations or investigations;
- 32 (2) enter into agreements or relationships with other
 33 government officials or regulatory associations in order to
 34 improve efficiencies and reduce regulatory burden by
 35 sharing:
 - 36 (A) resources;
 - 37 (B) standardized or uniform methods or procedures; and
 - 38 (C) documents, records, information, or evidence obtained
 39 under this section;
- 40 (3) use, hire, contract, or employ public or privately available
 41 analytical systems, methods, or software to examine or
 42 investigate a licensee, an individual, or a person subject to this



- 1 article;
- 2 (4) accept and rely on examination or investigation reports
- 3 made by other government officials within or outside Indiana;
- 4 and
- 5 (5) accept audit reports made by an independent certified
- 6 public accountant for the licensee, individual, or person
- 7 subject to this article in the course of that part of the
- 8 examination covering the same general subject matter as the
- 9 audit and may incorporate the audit report in the report of
- 10 the examination, report of investigation, or other writing of
- 11 the director.
- 12 **Sec. 5. It is a violation of this article for a person or individual**
- 13 **subject to this article to:**
- 14 (1) directly or indirectly employ any scheme, device, or
- 15 artifice to defraud or mislead borrowers or lenders or to
- 16 defraud any person;
- 17 (2) engage in any unfair or deceptive practice toward any
- 18 person;
- 19 (3) obtain property by fraud or misrepresentation;
- 20 (4) solicit or enter into a contract with a borrower that
- 21 provides in substance that the person or individual subject to
- 22 this article may earn a fee or commission through "best
- 23 efforts" to obtain a loan even though no loan is actually
- 24 obtained for the borrower;
- 25 (5) solicit, advertise, or enter into a contract for specific
- 26 interest rates, points, or other financing terms unless the
- 27 terms are actually available at the time of soliciting,
- 28 advertising, or contracting;
- 29 (6) conduct any business covered by this article without
- 30 holding a valid license as required under this article, or assist
- 31 or aid and abet any person in the conduct of business under
- 32 this article without a valid license as required under this
- 33 article;
- 34 (7) fail to make disclosures as required by this article or
- 35 regulation adopted under this article and any other applicable
- 36 state or federal law regulation;
- 37 (8) fail to comply with this article or rules adopted under this
- 38 article, or fail to comply with any other state or federal law,
- 39 rule, or regulation, applicable to any business authorized or
- 40 conducted under this article;
- 41 (9) make, in any manner, any false or deceptive statement or
- 42 representation, with regard to the rates, points, or other



- 1 financing terms or conditions for a mortgage transaction, or
- 2 engage in bait and switch advertising;
- 3 (10) negligently make any false statement or knowingly and
- 4 willfully make any omission of material fact in connection
- 5 with any information or reports filed with a governmental
- 6 agency or the NMLSR or in connection with any investigation
- 7 conducted by the director or another governmental agency;
- 8 (11) make any payment, threat, or promise, directly or
- 9 indirectly, to any person for the purposes of influencing the
- 10 independent judgment of the person in connection with a
- 11 mortgage transaction, or make any payment, threat, or
- 12 promise, directly or indirectly, to any appraiser of a property,
- 13 for the purposes of influencing the independent judgment of
- 14 the appraiser with respect to the value of the property;
- 15 (12) collect, charge, attempt to collect or charge, or use or
- 16 propose any agreement purporting to collect or charge any
- 17 fee prohibited by this article;
- 18 (13) cause or require a borrower to obtain property insurance
- 19 coverage in an amount that exceeds the replacement cost of
- 20 the improvements as established by the property insurer;
- 21 (14) fail to account truthfully for money belonging to a party
- 22 to a mortgage transaction; or
- 23 (15) knowingly withhold, abstract, remove, mutilate, destroy,
- 24 or secrete any books, records, computer records, or other
- 25 information subject to examination under this article.

26 Sec. 6. Except as otherwise provided, IC 4-21.5-3 governs any
 27 action taken by the department under this chapter or IC 37-1-3-4
 28 through IC 37-1-3-19. IC 4-22-2 applies to the adoption of rules by
 29 the department under this article. All proceedings for
 30 administrative review under IC 4-21.5-3 or judicial review under
 31 IC 4-21.5-5 shall be held in Marion County.

32 Sec. 7. (a) After notice and hearing, the department may order
 33 a creditor or a person acting on behalf of the creditor to cease and
 34 desist from engaging in violations of this article. In any civil court
 35 with jurisdiction:

- 36 (1) a respondent aggrieved by an order of the department
- 37 may obtain judicial review of the order; and
- 38 (2) the department may obtain an order of the court for the
- 39 enforcement of the department's order.

40 A proceeding for review or enforcement under this subsection shall
 41 be initiated by the filing of a petition in the court. Copies of the
 42 petition shall be served upon all parties of record.



1 (b) Not later than thirty (30) days after service of a petition for
 2 review upon the department under subsection (a), or within such
 3 further time as the court may allow, the department shall transmit
 4 to the court the original or a certified copy of the entire record
 5 upon which the order that is the subject of the review is based,
 6 including any transcript of testimony, which need not be printed.
 7 By stipulation of all parties to the review proceeding, the record
 8 may be shortened. After conducting a hearing on the matter, the
 9 court may:

10 (1) reverse or modify the order if the findings of fact of the
 11 department are clearly erroneous in view of the reliable,
 12 probative, and substantial evidence in the whole record;

13 (2) grant any temporary relief or restraining order the court
 14 considers just; and

15 (3) enter an order:

16 (A) enforcing;

17 (B) modifying;

18 (C) enforcing as modified; or

19 (D) setting aside;

20 in whole or in part, the order of the department; or

21 (4) enter an order remanding the case to the department for
 22 further proceedings.

23 (c) An objection not urged at the hearing shall not be considered
 24 by the court unless the failure to urge the objection is excused for
 25 good cause shown. A party may move the court to remand the case
 26 to the department in the interest of justice for the purpose of:

27 (1) adducing additional specified and material evidence; and

28 (2) seeking a finding upon such evidence;

29 upon good cause shown for the failure to previously adduce this
 30 evidence before the department.

31 (d) The jurisdiction of the court is exclusive and the court's final
 32 judgment or decree is subject to review on appeal in the same
 33 manner and form and with the same effect as in appeals from a
 34 final judgment or decree. The department's copy of the testimony
 35 shall be available at reasonable times to all parties for examination
 36 without cost.

37 (e) A proceeding for review under this section must be initiated
 38 not later than thirty (30) days after a copy of the order of the
 39 department is received. If a proceeding is not initiated within the
 40 time set forth in this subsection, the department may obtain a
 41 decree of a civil court with jurisdiction for enforcement of the
 42 department's order upon a showing that:



1 (1) the order was issued in compliance with this section;
 2 (2) a proceeding for review was not initiated within the thirty
 3 (30) day period prescribed by this subsection; and
 4 (3) the respondent is subject to the jurisdiction of the court.
 5 (f) With respect to unconscionable agreements or fraudulent or
 6 unconscionable conduct by a respondent, the department may not
 7 issue an order under this section but may bring a civil action for an
 8 injunction under section 12 of this chapter.
 9 Sec. 8. If it is claimed that a person has engaged in conduct
 10 subject to an order by:
 11 (1) the department under section 7(a) of this chapter; or
 12 (2) a court under sections 9 through 11 of this chapter;
 13 the department may accept an assurance in writing that the person
 14 will not engage in the conduct in the future. If a person giving an
 15 assurance of discontinuance fails to comply with the terms of the
 16 assurance, the assurance is evidence that before the assurance was
 17 issued the person engaged in the conduct described in the
 18 assurance.
 19 Sec. 9. The department may bring a civil action to restrain a
 20 person from violating this article or other state or federal law, rule,
 21 or regulation and for other appropriate relief.
 22 Sec. 10. (a) As used in this section, "deceptive act" means an act
 23 or a practice in which a person knowingly or intentionally:
 24 (1) makes a material misrepresentation concerning; or
 25 (2) conceals material information regarding the terms or
 26 conditions of;
 27 a first lien mortgage transaction.
 28 (b) For purposes of this section, "knowingly" means having
 29 actual knowledge at the time of the transaction.
 30 (c) The department may bring a civil action to enjoin a
 31 deceptive act performed in connection with a first lien mortgage
 32 transaction.
 33 Sec. 11. With respect to an action brought under:
 34 (1) section 9 of this chapter to enjoin violations of this article;
 35 or
 36 (2) section 10 of this chapter to enjoin deceptive acts;
 37 the department may apply to the court for appropriate temporary
 38 relief against a respondent, pending final determination of the
 39 proceedings. If the court finds after a hearing held upon notice to
 40 the respondent that there is reasonable cause to believe that the
 41 respondent is engaging in or is likely to engage in the conduct
 42 sought to be restrained, the court may grant any temporary relief



1 or restraining order the court considers appropriate.

2 Sec. 12. (a) The department may bring a civil action against a
3 creditor or a person acting on behalf of the creditor to recover a
4 civil penalty for willfully violating this article. If the court finds
5 that the defendant has engaged in a course of repeated and willful
6 violations of this article, the court may assess a civil penalty of not
7 more than five thousand dollars (\$5,000). A civil penalty may not
8 be imposed under this subsection:

9 (1) for violations of this article occurring more than two (2)
10 years before the action is brought; or

11 (2) for making unconscionable agreements or engaging in a
12 course of fraudulent or unconscionable conduct.

13 (b) If the department determines, after notice and an
14 opportunity to be heard, that a person has violated this article, the
15 department may, in addition to or instead of all other remedies
16 available under this section, impose upon the person a civil penalty
17 not greater than ten thousand dollars (\$10,000) per violation.

18 (c) If the department determines, after notice and opportunity
19 to be heard, that a person has willfully violated this article, the
20 department may, in addition to or instead of all other remedies
21 available under this section, order restitution against the person
22 subject to this article for a violation of this article.

23 Sec. 13. The grant of powers to the department under this
24 article does not affect remedies available to debtors under this
25 article or under other principles of law or equity.

26 Sec. 14. The department may bring an action or a proceeding in
27 a court in a county:

28 (1) in which an act on which the action or proceeding is based
29 occurred;

30 (2) in which the respondent resides or transacts business; or

31 (3) in which the action or proceeding is otherwise authorized
32 by rule or venue laws.

33 **ARTICLE 2. UNIFORM CONSUMER CREDIT CODE**

34 **Chapter 1. General Provisions**

35 Sec. 0.1. This article must be construed as a recodification of
36 prior law. The enactment of this article by SEA 169-2026 does not
37 affect the substantive operation and effect of the prior law.

38 Sec. 0.3. A contract entered into in accordance with IC 24-4.5
39 (before its repeal) is considered a contract entered into in
40 accordance with this article.

41 Sec. 0.5. Any document, website, or business communication
42 created in accordance with IC 24-4.5 (before its repeal) is



1 considered a document, website, or business communication
2 created in accordance with this article.

3 Sec. 0.7. (a) A reference in a statute or rule to a statute that is
4 repealed and replaced in the same or a different form in the
5 recodification act of the 2026 regular session of the general
6 assembly is treated after the effective date of the new provision as
7 a reference to the new provision.

8 (b) A citation reference in the recodification act of the 2026
9 regular session of the general assembly to another provision of the
10 recodification act of the 2026 regular session of the general
11 assembly is treated as including a reference to the provision of the
12 uniform consumer credit code that is substantively equivalent to
13 the provision of the recodification act of the 2026 regular session
14 of the general assembly that is referred to by the citation reference.

15 Sec. 1. (a) This article shall be liberally construed and applied
16 to promote the following underlying purposes and policies of this
17 article:

18 (1) To simplify, clarify, and modernize the law governing
19 retail installment sales, consumer credit, small loans, and
20 usury.

21 (2) To provide rate ceilings to assure an adequate supply of
22 credit to consumers.

23 (3) To further consumer understanding of the terms of credit
24 transactions and to foster competition among suppliers of
25 consumer credit so that consumers may obtain credit at
26 reasonable cost.

27 (4) To protect consumer buyers, lessees, and borrowers
28 against unfair practices by some suppliers of consumer credit,
29 having due regard for the interests of legitimate and
30 scrupulous creditors.

31 (5) To permit and encourage the development of fair and
32 economically sound consumer credit practices.

33 (6) To conform the regulation of consumer credit transactions
34 to the policies of the Consumer Credit Protection Act (15
35 U.S.C. 1601 et seq.) and to applicable state and federal laws,
36 rules, regulations, policies, and guidance.

37 (7) To make uniform the law, including administrative rules,
38 among the various jurisdictions.

39 (b) A reference to a requirement imposed by this article includes
40 reference to a related rule or guidance of the department adopted
41 pursuant to this article.

42 (c) A reference to a federal law in this article is a reference to



1 the law as in effect December 31, 2024.

2 (d) This article applies to a transaction if the director
3 determines that the transaction:

- 4 (1) is in substance a disguised consumer credit transaction; or
5 (2) involves the application of subterfuge for the purpose of
6 avoiding this article.

7 A determination by the director under this subsection must be in
8 writing and shall be delivered to all parties to the transaction.
9 IC 4-21.5-3 applies to a determination made under this subsection.

10 (e) The authority of this article remains in effect, whether a
11 licensee, an individual, or a person subject to this article acts or
12 claims to act under any licensing or registration law of this state,
13 or claims to act without such authority.

14 (f) A violation of a state or federal law, regulation, or rule
15 applicable to consumer credit transactions is a violation of this
16 article.

17 (g) The department may enforce penalty provisions set forth in
18 15 U.S.C. 1640 for violations of disclosure requirements applicable
19 to mortgage transactions.

20 Sec. 2. Unless displaced by the particular provisions of this
21 article, the Uniform Commercial Code (IC 26-1) and the principles
22 of law and equity (including the law relative to capacity to
23 contract, principal and agent, estoppel, fraud, misrepresentation,
24 duress, coercion, mistake, bankruptcy, or other validating or
25 invalidating cause) shall supplement the provisions of this article.

26 Sec. 3. This article is a general statute intended to provide
27 unified coverage of its subject matter. Subsequent legislation may
28 not be construed to repeal any part of the article by implication if
29 the construction can reasonably be avoided.

30 Sec. 4. The provisions of this article are severable, so that if:

- 31 (1) any provisions of this article; or
32 (2) the application of this article to any person or
33 circumstances;

34 is held invalid, the invalidity does not affect other provisions or
35 applications of this article that can be given effect without the
36 invalid provision or application.

37 Sec. 5. (a) The dollar amounts in this article designated as
38 subject to change shall change, as provided in this section,
39 according to the Consumer Price Index for Urban Wage Earners
40 and Clerical Workers: U.S. City Average, All Items, 1957-59 equals
41 100, compiled by Bureau of Labor Statistics, United States
42 Department of Labor, and referred to in this section as the Index.



- 1 **The Index for October 1971, is the Reference Base Index.**
- 2 **(b) The dollar amounts shall change on January 1 of each**
- 3 **odd-numbered year if the percentage of change, calculated to the**
- 4 **nearest whole percentage point, between the Index at the end of the**
- 5 **preceding odd-numbered year and the Reference Base Index is ten**
- 6 **percent (10%) or more, except that:**
- 7 **(1) the portion of the percentage change in the Index in excess**
- 8 **of a multiple of ten percent (10%) shall be disregarded and**
- 9 **the dollar amounts shall change only in multiples of ten**
- 10 **percent (10%) of the amounts on March 5, 1971;**
- 11 **(2) the dollar amounts shall not change if the amounts**
- 12 **required by this section are those currently in effect pursuant**
- 13 **to this article as a result of earlier application of the section;**
- 14 **and**
- 15 **(3) in no event shall the dollar amounts be reduced below the**
- 16 **amounts appearing in this article on March 5, 1971.**
- 17 **(c) If the Index is revised after December 1967, the percentage**
- 18 **of change shall be calculated on the basis of the revised Index. If**
- 19 **the revision of the Index changes the Reference Base Index, a**
- 20 **revised Reference Base Index shall be determined by multiplying**
- 21 **the Reference Base Index by the ratio of the revised Index to the**
- 22 **current Index, as each was for the first month in which the revised**
- 23 **Index is available. If the Index is superseded, the Index is the one**
- 24 **represented by the Bureau of Labor Statistics as reflecting most**
- 25 **accurately changes in the purchasing power of the dollar for**
- 26 **consumers.**
- 27 **(d) The department shall issue a rule under IC 4-22-2**
- 28 **announcing:**
- 29 **(1) sixty (60) days before January 1 of each odd-numbered**
- 30 **year in which dollar amounts are to change, the changes in**
- 31 **dollar amounts required by subsection (b); and**
- 32 **(2) promptly after the changes occur, changes in the Index**
- 33 **required by subsection (c), including, when applicable, the**
- 34 **numerical equivalent of the Reference Base Index under a**
- 35 **revised Reference Base Index and the designation or title of**
- 36 **any index superseding the Index.**
- 37 **(e) A person does not violate this article through a transaction**
- 38 **otherwise complying with this article if the person relies on dollar**
- 39 **amounts either determined according to subsection (b) or**
- 40 **appearing in the last rule of the department announcing the then**
- 41 **current dollar amounts.**
- 42 **Sec. 6. (a) Except as otherwise provided in this article, a buyer,**



1 lessee, or debtor may not waive or agree to forego rights or
2 benefits under this article.

3 (b) A claim by a buyer, lessee, or debtor against a creditor for
4 an excess charge, other violation of this article, or civil penalty, or
5 a claim against a buyer, lessee, or debtor for default or breach of
6 a duty imposed by this article, if disputed in good faith, may be
7 settled by agreement.

8 (c) A claim, whether or not disputed against a buyer, lessee, or
9 debtor may be settled for less value than the amount claimed.

10 (d) A settlement in which the buyer, lessee, or debtor waives or
11 agrees to forego rights or benefits under this article is invalid if the
12 court as a matter of law finds the settlement to have been
13 unconscionable at the time it was made. The competence of the
14 buyer, lessee, or debtor, any deception or coercion practiced upon
15 the buyer, lessee, or debtor, the nature and extent of the legal
16 advice received by the buyer, lessee, or debtor, and the value of the
17 consideration are relevant to the issue of unconscionability.

18 Sec. 7. (a) This article prescribes maximum charges for all
19 creditors, except lessors and those excluded under section 10 of this
20 chapter, extending consumer credit, including consumer credit
21 sales, consumer loans, and consumer related sales and loans, and
22 displaces existing limitations on the powers of those creditors based
23 on maximum charges.

24 (b) With respect to sellers of goods or services, small loan
25 companies, licensed lenders, consumer and sales finance
26 companies, industrial loan and investment companies, and
27 commercial banks and trust companies, this article displaces
28 existing limitations on their powers based solely on amount or
29 duration of credit.

30 (c) Except as provided in subsection (a) and IC 24-4.6-1, this
31 article does not displace limitations on powers of credit unions,
32 savings banks, savings or building and loan associations, or other
33 thrift institutions whether organized for the profit of shareholders
34 or as mutual organizations.

35 (d) Except as provided in subsections (a) and (b), this article
36 does not displace:

37 (1) limitations on powers of depository institutions with
38 respect to the amount of a loan to a single borrower, the ratio
39 of a loan to the value of collateral, the duration of a loan that
40 is a mortgage transaction, or other similar restrictions
41 designed to protect deposits; or

42 (2) limitations on powers an organization is authorized to



1 exercise under the laws of this state or the United States.

2 **Sec. 8. All persons licensed on October 1, 1971, under:**

3 (1) IC 24-5-4 (before its repeal on October 1, 1971);

4 (2) IC 28-7-4 (before its repeal on October 1, 1971);

5 (3) IC 28-7-2 (before its repeal on October 1, 1971); or

6 (4) IC 28-5-1-4;

7 are licensed to make supervised loans under this article, subject to
8 the renewal provisions contained in this article. All provisions of
9 this article apply to the persons previously licensed or authorized.
10 The department may deliver evidence of licensing to the persons
11 previously licensed or authorized.

12 **Sec. 9. (a) Except as otherwise provided in this section, this**
13 **article applies to sales, leases, and loans made in this state and to**
14 **modifications, including refinancings, consolidations, and**
15 **deferrals, made in this state, of sales, leases, and loans, wherever**
16 **made. For purposes of this article, the following apply:**

17 (1) A sale or modification of a sale agreement is made in this
18 state if the buyer's agreement or offer to purchase or to
19 modify is received by the seller or a person acting on behalf of
20 the seller in this state.

21 (2) A lease or modification of a lease agreement is made in this
22 state if the lessee's agreement or offer to lease or to modify is
23 received by the lessor or a person acting on behalf of the
24 lessor in this state.

25 (3) A loan or modification of a loan agreement is made in this
26 state if a writing signed by the debtor and evidencing the debt
27 is received by the lender or a person acting on behalf of the
28 lender in this state.

29 (4) Except as provided in subdivisions (5) and (6), a sale, lease,
30 or loan transaction occurs in Indiana if a consumer who is a
31 resident of Indiana enters into a consumer sale, lease, or loan
32 transaction with a creditor or a person acting on behalf of the
33 creditor in another state and the creditor or the person acting
34 on behalf of the creditor has advertised or solicited sales,
35 leases, or loans in Indiana by any means, including by mail,
36 brochure, telephone, print, radio, television, the Internet, or
37 electronic means.

38 (5) A sale, lease, or loan transaction does not occur in Indiana
39 if a consumer who is a resident of Indiana enters into a
40 consumer sale, lease, or loan transaction secured by an
41 interest in land located outside Indiana.

42 (6) A sale, lease, or loan transaction does not occur in Indiana



1 if a consumer who is a resident of Indiana enters into a
2 consumer sale, lease, or loan transaction at a creditor's place
3 of business in another state.

4 For purposes of subdivisions (1) through (4), an offer is received by
5 a creditor or a person acting on behalf of the creditor in Indiana if
6 the offer is physically delivered, or otherwise transmitted or
7 communicated, to a person who has actual or apparent authority
8 to act for the creditor or the person acting on behalf of the creditor
9 in Indiana, regardless of whether approval, acceptance, or
10 ratification by any other agent or representative of the creditor or
11 the person acting on behalf of the creditor in another state is
12 necessary to give legal consequence to the consumer credit
13 transaction.

14 (b) IC 37-2-6-1 through IC 37-2-6-7 apply to actions or other
15 proceedings brought in this state to enforce rights arising from
16 consumer credit sales, consumer leases, or consumer loans, or
17 extortionate extensions of credit, wherever made.

18 (c) Except as provided in subsection (b), a sale, lease, loan, or
19 modification thereof, made in another state to a person who was
20 not a resident of this state when the sale, lease, loan, or
21 modification was made is valid and enforceable in this state
22 according to its terms to the extent that it is valid and enforceable
23 under the laws of the state applicable to the transaction.

24 (d) For the purposes of this article, the residence of a buyer,
25 lessee, or debtor is the address given by the buyer, lessee, or debtor
26 as the buyer's, lessee's, or debtor's residence in any writing or
27 electronic communication made by the buyer, lessee, or debtor in
28 connection with a credit transaction. Until the buyer, lessee, or
29 debtor notifies the creditor or the person acting on behalf of the
30 creditor of a new or different address, the given address is
31 presumed to be unchanged.

32 (e) Notwithstanding other provisions of this section:

33 (1) except as provided in subsection (b), this article does not
34 apply if the buyer, lessee, or debtor is not a resident of this
35 state at the time of a credit transaction and the parties then
36 agree that the law of the buyer's, lessee's, or debtor's
37 residence applies; and

38 (2) this article applies if the buyer, lessee, or debtor is a
39 resident of this state at the time of a credit transaction and the
40 parties then agree that the law of this state applies.

41 (f) Except as provided in subsection (e), the following
42 agreements by a buyer, lessee, or debtor are invalid with respect to



- 1 consumer credit sales, consumer leases, consumer loans, or
- 2 modifications thereof, to which this article applies:
- 3 (1) An agreement that the law of another state shall apply.
- 4 (2) An agreement that the buyer, lessee, or debtor consents to
- 5 the jurisdiction of another state.
- 6 (3) An agreement that fixes venue.
- 7 (g) The following provisions of this article specify the applicable
- 8 law governing certain cases:
- 9 (1) IC 37-2-7-1 (applicability of the provisions on powers and
- 10 functions of the department).
- 11 (2) IC 37-2-7-24 (applicability of the provisions on notification
- 12 and fees).
- 13 (h) If a creditor or a person acting on behalf of the creditor has
- 14 violated the provisions of this article that apply to the authority to
- 15 make consumer loans (IC 37-2-4-23), the loan is void and the
- 16 debtor is not obligated to pay either the principal or loan finance
- 17 charge, as set forth in IC 37-2-6-9.
- 18 **Sec. 10. This article does not apply to the following:**
- 19 (1) Extensions of credit to or by a government or
- 20 governmental agencies or instrumentalities.
- 21 (2) The sale of insurance by an insurer, except as otherwise
- 22 provided in the chapter on insurance (IC 37-2-5).
- 23 (3) Transactions under public utility, municipal utility, or
- 24 common carrier tariffs if a subdivision or agency of this state
- 25 or of the United States regulates the charges for the services
- 26 involved, the charges for delayed payment, and any discount
- 27 allowed for early payment.
- 28 (4) The rates and charges and the disclosure of rates and
- 29 charges of a licensed pawnbroker established in accordance
- 30 with a statute or ordinance concerning these matters.
- 31 (5) A sale of goods, services, or an interest in land in which the
- 32 goods, services, or interest in land are purchased primarily
- 33 for a purpose other than a personal, family, or household
- 34 purpose.
- 35 (6) A loan in which the debt is incurred primarily for a
- 36 purpose other than a personal, family, or household purpose.
- 37 (7) An extension of credit primarily for a business, a
- 38 commercial, or an agricultural purpose.
- 39 (8) An installment agreement for the purchase of home fuels
- 40 in which a finance charge is not imposed.
- 41 (9) Loans made, insured, or guaranteed under a program
- 42 authorized by Title IV of the Higher Education Act of 1965



- 1 (20 U.S.C. 1070 et seq.).
- 2 (10) Transactions in securities or commodities accounts in
- 3 which credit is extended by a broker-dealer registered with
- 4 the Securities and Exchange Commission or the Commodity
- 5 Futures Trading Commission.
- 6 (11) Except for IC 37-2-4-24(d), IC 37-2-4-29, IC 37-2-4-33(d),
- 7 and IC 37-2-4-33(e), a loan made:
- 8 (A) in compliance with the requirements of; and
- 9 (B) by a community development corporation (as defined
- 10 in IC 4-4-28-2) acting as a subrecipient of funds from;
- 11 the Indiana housing and community development authority
- 12 established by IC 5-20-1-3.
- 13 (12) Except for IC 37-2-4-24(d), IC 37-2-4-29, IC 37-2-4-33(d),
- 14 and IC 37-2-4-33(e), a subordinate lien mortgage transaction
- 15 made by an entity that exclusively uses funds provided by the
- 16 United States Department of Housing and Urban
- 17 Development under Title 1 of the Housing and Community
- 18 Development Act of 1974, Public Law 93-383, as amended (42
- 19 U.S.C. 5301 et seq.).
- 20 (13) The United States, any state or local government, or any
- 21 agency or instrumentality of any governmental entity,
- 22 including United States government sponsored enterprises
- 23 and state educational institutions (as defined in
- 24 IC 21-7-13-32). For purposes of this subdivision, an
- 25 "instrumentality" of a governmental entity includes a
- 26 foundation, a corporate or nonprofit subsidiary, or an affiliate
- 27 of the governmental entity.
- 28 (14) A bona fide nonprofit organization not operating in a
- 29 commercial context, as determined by the director, if the
- 30 following criteria are satisfied:
- 31 (A) Subject to clause (B), the organization originates only
- 32 one (1) or both of the following types of mortgage
- 33 transactions:
- 34 (i) Zero (0) interest first lien mortgage transactions.
- 35 (ii) Zero (0) interest subordinate lien mortgage
- 36 transactions.
- 37 (B) The organization does not require, under the terms of
- 38 the mortgage or otherwise, balloon payments with respect
- 39 to the mortgage transactions described in clause (A).
- 40 (C) The organization is exempt from federal income
- 41 taxation under Section 501(c)(3) of the Internal Revenue
- 42 Code.



- 1 **(D) The organization's primary purpose is to serve the**
- 2 **public by helping low income individuals and families**
- 3 **build, repair, and purchase housing.**
- 4 **(E) The organization uses only:**
- 5 **(i) unpaid volunteers; or**
- 6 **(ii) employees whose compensation is not based on the**
- 7 **number or size of any mortgage transactions that the**
- 8 **employees originate;**
- 9 **to originate the mortgage transactions described in clause**
- 10 **(A).**
- 11 **(F) The organization does not charge loan origination fees**
- 12 **in connection with the mortgage transactions described in**
- 13 **clause (A).**
- 14 **(15) A bona fide nonprofit organization if the following**
- 15 **criteria are satisfied:**
- 16 **(A) For each calendar year that the organization seeks the**
- 17 **exemption provided by this subdivision, the organization**
- 18 **certifies, not later than December 31 of the preceding**
- 19 **calendar year and on a form prescribed by the director**
- 20 **and accompanied by such documentation as required by**
- 21 **the director, that the organization is a bona fide nonprofit**
- 22 **organization.**
- 23 **(B) The director determines that the organization**
- 24 **originates only mortgage transactions that are favorable to**
- 25 **the debtor. For purposes of this clause, a mortgage**
- 26 **transaction is favorable to the debtor if the director**
- 27 **determines that the terms of the mortgage transaction are**
- 28 **consistent with terms of mortgage transactions made in a**
- 29 **public or charitable context, rather than in a commercial**
- 30 **context.**
- 31 **Sec. 11. In examinations or other regulatory activities conducted**
- 32 **by the department and related to licensees under this article, the**
- 33 **department may cooperate with the Indiana securities**
- 34 **commissioner in the regulation of individuals who, in addition to**
- 35 **conducting business regulated under this article, also conduct a**
- 36 **loan broker business subject to IC 23-2.5.**
- 37 **Chapter 2. Definitions**
- 38 **Sec. 1. The definitions set forth in this chapter apply throughout**
- 39 **this article:**
- 40 **Sec. 2. "Affiliate", with respect to any person subject to this**
- 41 **article, means a person that, directly or indirectly, through one (1)**
- 42 **or more intermediaries:**



1 (1) controls;
 2 (2) is controlled by; or
 3 (3) is under common control with;
 4 the person subject to this article.

5 Sec. 2.5. "Amount financed" means the total of the following to
 6 the extent that payment is deferred:

7 (1) The cash price of the goods, services, or interest in land
 8 less the amount of down payment whether made in cash or
 9 property.

10 (2) The amount actually paid or to be paid by the seller
 11 pursuant to an agreement with the buyer to discharge a
 12 security interest or lien on property traded in.

13 (3) If not included in the cash price:

14 (A) any applicable sales, use, excise or documentary fees;

15 (B) amounts actually paid or to be paid by the seller for
 16 registration, certificate of title, or license fees; and

17 (C) additional charges permitted by IC 37-2-3-5.

18 Sec. 3. "Agreement" means the bargain of the parties in fact as
 19 found in their language or by implication from other
 20 circumstances, including course of dealing or usage of trade or
 21 course of performance.

22 Sec. 4. "Agricultural purpose" means a purpose related to the
 23 production, harvest, exhibition, marketing, transportation,
 24 processing, or manufacture of agricultural products by a natural
 25 person who cultivates, plants, propagates, or nurtures the
 26 agricultural products. "Agricultural products" includes
 27 agricultural, horticultural, viticultural, and dairy products,
 28 livestock, wildlife, poultry, bees, forest products, fish and shellfish,
 29 and any and all products raised or produced on farms and any
 30 processed or manufactured products thereof.

31 Sec. 5. "Average daily balance" means the sum of each of the
 32 daily balances in a billing cycle divided by the number of days in
 33 the billing cycle, and if the billing cycle is a month, the creditor
 34 may elect to treat the number of days in each billing cycle as thirty
 35 (30).

36 Sec. 6. "Balloon payment", with respect to a mortgage
 37 transaction, means any payment that:

38 (1) the creditor requires the debtor to make at any time
 39 during the term of the mortgage;

40 (2) represents the entire amount of the outstanding balance
 41 with respect to the mortgage; and

42 (3) the entire amount of which is due as of a specified date or



1 at the end of a specified period;
 2 if the aggregate amount of the minimum periodic payments
 3 required under the mortgage would not fully amortize the
 4 outstanding balance by the specified date or at the end of the
 5 specified period. The term does not include a payment required by
 6 a creditor under a due-on-sale clause (as defined in 12 U.S.C.
 7 1701j-3(a)) or a payment required by a creditor under a provision
 8 in the mortgage that permits the creditor to accelerate the debt
 9 upon the debtor's default or failure to abide by the material terms
 10 of the mortgage.

11 Sec. 7. "Bona fide nonprofit organization" means an
 12 organization that does the following, as determined by the director
 13 under criteria established by the director:

14 (1) Maintains tax exempt status under Section 501(c)(3) of the
 15 Internal Revenue Code.

16 (2) Promotes affordable housing or provides home ownership
 17 education or similar services.

18 (3) Conducts the organization's activities in a manner that
 19 serves public or charitable purposes.

20 (4) Receives funding and revenue and charges fees in a
 21 manner that does not encourage the organization or the
 22 organization's employees to act other than in the best interests
 23 of the organization's clients.

24 (5) Compensates the organization's employees in a manner
 25 that does not encourage employees to act other than in the
 26 best interests of the organization's clients.

27 (6) Provides to, or identifies for, debtors mortgage
 28 transactions with terms that are favorable to the debtor (as
 29 described in IC 37-2-1-10(15)) and comparable to mortgage
 30 transactions and housing assistance provided under
 31 government housing assistance programs.

32 (7) Maintains certification by the United States Department
 33 of Housing and Urban Development or employs counselors
 34 who are certified by the Indiana housing and community
 35 development authority.

36 Sec. 7.5. "Cash price" means the price at which the goods,
 37 services, or interest in land are offered for sale by the seller to cash
 38 buyers in the ordinary course of business, and may include:

39 (1) applicable sales, use, and excise and documentary fees;

40 (2) the cash price of accessories or related services such as
 41 delivery, installation, servicing, repairs, alterations, service
 42 contracts, and improvements; and



- 1 (3) amounts actually paid or to be paid by the seller for
2 registration, certificate of title, or license fees.
- 3 Sec. 7.7. "Civil court" means any court of Indiana having civil
4 jurisdiction.
- 5 Sec. 8. "Closing costs" with respect to a subordinate lien
6 mortgage transaction includes:
- 7 (1) fees or premiums for title examination, title insurance, or
8 similar purposes, including surveys;
- 9 (2) fees for preparation of a deed, settlement statement, or
10 other documents;
- 11 (3) escrows for future payments of taxes and insurance;
- 12 (4) fees for notarizing deeds and other documents;
- 13 (5) appraisal fees; and
- 14 (6) fees for credit reports.
- 15 Sec. 9. "Conspicuous" refers to a term or clause when it is so
16 written that a reasonable person against whom it is to operate
17 ought to have noticed it.
- 18 Sec. 10. "Consumer credit" means credit offered or extended to
19 a consumer primarily for a personal, family, or household purpose.
- 20 Sec. 10.5. "Consumer credit insurance" means insurance, other
21 than insurance on property, by which the satisfaction of debt in
22 whole or in part is a benefit provided, but does not include:
- 23 (1) insurance issued as an isolated transaction on the part of
24 the insurer not related to an agreement or plan for insuring
25 debtors of the creditor; or
- 26 (2) insurance indemnifying the creditor against loss due to the
27 debtor's default.
- 28 Sec. 11. "Consumer Credit Protection Act" refers to the
29 Consumer Credit Protection Act (15 U.S.C. 1601 et seq.), as
30 amended, and includes both the Truth in Lending Simplification
31 and Reform Act amendments (Public Law 96-221, Title VI, 94 Stat.
32 168) and any regulations issued under those laws. However, the
33 department may otherwise define this term by rule issued in
34 accordance with IC 37-2-7-7.
- 35 Sec. 12. "Consumer credit sale" is a sale of goods, services, or
36 an interest in land in which:
- 37 (1) credit is granted by a person who regularly engages as a
38 seller in credit transactions of the same kind;
- 39 (2) the buyer is a person other than an organization;
- 40 (3) the goods, services, or interest in land are purchased
41 primarily for a personal, family, or household purpose;
- 42 (4) either the debt is payable in installments or a credit service



1 charge is made; and

2 (5) with respect to a sale of goods or services, either:

3 (A) the amount of credit extended, the written credit limit,
4 or the initial advance does not exceed the exempt threshold
5 amount, as adjusted in accordance with the annual
6 adjustment of the exempt threshold amount, specified in
7 Regulation Z (12 CFR 226.3 or 12 CFR 1026.3(b), as
8 applicable); or

9 (B) the debt is secured by personal property used or
10 expected to be used as the principal dwelling of the buyer.

11 Unless the sale is made subject to this article by agreement
12 under IC 37-2-3-29, "consumer credit sale" does not include
13 a sale in which the seller allows the buyer to purchase goods
14 or services pursuant to a lender credit card or similar
15 arrangement or, except as provided with respect to disclosure
16 (IC 37-2-3-13), debtors' remedies (IC 37-2-6-8), providing
17 payoff amounts (IC 37-2-3-11), and powers and functions of
18 the department (IC 37-2-7), a sale of an interest in land which
19 is a first lien mortgage transaction.

20 Sec. 12.5. "Consumer lease" means a lease of goods:

21 (1) which a lessor regularly engaged in the business of leasing
22 makes to a person, other than an organization, who takes
23 under the lease primarily for a personal, family, or household
24 purpose;

25 (2) in which the amount payable under the lease does not
26 exceed the exempt threshold amount, as adjusted in
27 accordance with the annual adjustment of the exempt
28 threshold amount, specified in Regulation Z (12 CFR 226.3 or
29 12 CFR 1026.3(b), as applicable); and

30 (3) which is for a term exceeding four (4) months.

31 The term does not include a lease made pursuant to a lender credit
32 card or similar arrangement.

33 Sec. 13. "Consumer loan" means a loan made by a person
34 regularly engaged in the business of making loans in which:

35 (1) the debtor is a person other than an organization;

36 (2) the debt is primarily for a personal, family, or household
37 purpose;

38 (3) either the debt is payable in installments or a loan finance
39 charge is made; and

40 (4) either:

41 (A) the amount of credit extended, the written credit limit,
42 or the initial advance does not exceed the exempt threshold



1 amount, as adjusted in accordance with the annual
 2 adjustment of the exempt threshold amount, specified in
 3 Regulation Z (12 CFR 226.3 or 12 CFR 1026.3(b), as
 4 applicable); or
 5 (B) the debt is secured by an interest in land or by personal
 6 property used or expected to be used as the principal
 7 dwelling of the debtor.

8 Except as described in IC 37-2-4-2, the term does not include a first
 9 lien mortgage transaction.

10 Sec. 13.3. "Consumer related loan" refers to a loan in which the
 11 following apply:

- 12 (1) The loan is made by a person who is not regularly engaged
 13 as a lender in credit transactions of the same kind.
- 14 (2) The debtor is a person other than an organization.
- 15 (3) The debt is primarily for a personal, family, or household
 16 purpose.
- 17 (4) Either the debt is payable in installments or a loan finance
 18 charge is made.
- 19 (5) Either:
 - 20 (A) the amount of credit extended, the written credit limit,
 21 or the initial advance does not exceed the exempt threshold
 22 amount, as adjusted in accordance with the annual
 23 adjustment of the exempt threshold amount, specified in
 24 Regulation Z (12 CFR 226.3 or 12 CFR 1026.3(b), as
 25 applicable); or
 - 26 (B) the debt is secured by an interest in land or by personal
 27 property used or expected to be used as the principal
 28 dwelling of the debtor.

29 Sec. 13.5. "Consumer related sale" means a sale of goods,
 30 services, or an interest in land in which:

- 31 (1) credit is granted by a person that is not regularly engaged
 32 as a seller in credit transactions of the same kind;
- 33 (2) the buyer is a person other than an organization;
- 34 (3) the goods, services, or interest in land are purchased
 35 primarily for a personal, family, or household purpose;
- 36 (4) either the debt is payable in installments or a credit service
 37 charge is made; and
- 38 (5) with respect to a sale of goods or services:
 - 39 (A) either the amount of credit extended, the written credit
 40 limit, or the initial advance does not exceed the exempt
 41 threshold amount, as adjusted in accordance with the
 42 annual adjustment of the exempt threshold amount,



- 1 specified in Regulation Z (12 CFR 226.3 or 12 CFR
- 2 1026.3(b), as applicable); or
- 3 (B) the debt is secured by personal property used or
- 4 expected to be used as the principal dwelling of the buyer.

5 **Sec. 14. "Credit" means the right granted by a creditor to a**
 6 **debtor to defer payment of debt or to incur debt and defer its**
 7 **payment.**

- 8 **Sec. 14.5. "Credit service charge" means the sum of:**
- 9 (1) all charges payable directly or indirectly by the buyer and
 - 10 imposed directly or indirectly by the seller as an incident to
 - 11 the extension of credit, including any of the following types of
 - 12 charges which are applicable: time price differential, service,
 - 13 carrying or other charge, however denominated, premium or
 - 14 other charge for any guarantee or insurance protecting the
 - 15 seller against the buyer's default or other credit loss; and
 - 16 (2) charges incurred for investigating the collateral or
 - 17 credit-worthiness of the buyer.

18 **The term does not include charges as a result of default, additional**
 19 **charges (IC 37-2-3-5), delinquency charges (IC 37-2-3-6), or**
 20 **deferral charges (IC 37-2-3-7). The term does not include charges**
 21 **paid or payable to a third party that are not required by the seller**
 22 **as a condition or incident to the extension of credit except for**
 23 **borrower paid mortgage broker fees, including fees paid directly**
 24 **to the broker or the seller (for delivery to the broker), whether the**
 25 **fees are paid in cash or financed. However, borrower paid**
 26 **mortgage broker fees do not include fees paid to a mortgage broker**
 27 **by a creditor, including yield spread premiums and service release**
 28 **fees.**

- 29 **Sec. 15. "Creditor" means a person:**
- 30 (1) who regularly engages in the extension of consumer credit
 - 31 that is subject to a credit service charge or loan finance
 - 32 charge, as applicable, or is payable by written agreement in
 - 33 more than four (4) installments (not including a down
 - 34 payment); and
 - 35 (2) to whom the obligation is initially payable, either on the
 - 36 face of the note or contract, or by agreement when there is not
 - 37 a note or contract.

38 **Sec. 15.5. "Debt cancellation agreement" means an agreement**
 39 **that provides coverage for payment or satisfaction of all or part of**
 40 **a debt in the event of the loss of life, health, or income. The term**
 41 **does not include a GAP agreement.**

42 **Sec. 15.7. "Department" refers to the department of financial**



- 1 institutions.
- 2 **Sec. 16. "Depository institution" has the meaning set forth in**
 3 **the Federal Deposit Insurance Act (12 U.S.C. 1813(c)) and includes**
 4 **any credit union.**
- 5 **Sec. 17. "Director" means the director of the department of**
 6 **financial institutions or the director's designee.**
- 7 **Sec. 18. "Dwelling" means a residential structure that contains**
 8 **one (1) to four (4) units, regardless of whether the structure is**
 9 **attached to real property. The term includes an individual:**
- 10 (1) condominium unit;
 11 (2) cooperative unit;
 12 (3) mobile home; or
 13 (4) trailer;
 14 **that is used as a residence.**
- 15 **Sec. 19. "Earnings" means compensation paid or payable for**
 16 **personal services, whether denominated as wages, salary,**
 17 **commission, bonus, or otherwise, and includes periodic payments**
 18 **under a pension or retirement program.**
- 19 **Sec. 20. "Employee" means an individual who is paid wages or**
 20 **other compensation by an employer required under federal income**
 21 **tax law to file Form W-2 on behalf of the individual.**
- 22 **Sec. 20.5. "Expedited payment service" means a service offered**
 23 **to a consumer to ensure that a payment made by the consumer**
 24 **with respect to a consumer credit sale or a consumer loan will be**
 25 **reflected as paid and posted on an expedited basis.**
- 26 **Sec. 21. "Federal banking agencies" means the Board of**
 27 **Governors of the Federal Reserve System, the Office of the**
 28 **Comptroller of the Currency, the National Credit Union**
 29 **Administration, and the Federal Deposit Insurance Corporation.**
- 30 **Sec. 21.5. "First lien mortgage transaction" means:**
- 31 (1) a consumer loan; or
 32 (2) a consumer credit sale;
 33 **that is or will be used by the debtor primarily for personal, family,**
 34 **or household purposes and that is secured by a mortgage or a land**
 35 **contract (or another consensual security interest equivalent to a**
 36 **mortgage or a land contract) that constitutes a first lien on a**
 37 **dwelling or on residential real estate upon which a dwelling is**
 38 **constructed or intended to be constructed.**
- 39 **Sec. 22. "Guaranteed asset protection agreement", "guaranteed**
 40 **auto protection agreement", or "GAP agreement" means, with**
 41 **respect to a consumer credit sale or a consumer loan involving a**
 42 **motor vehicle or another titled asset, an agreement in which the**



1 seller or lender agrees to cancel or waive all or part of the
 2 outstanding debt after all property insurance benefits have been
 3 exhausted after the occurrence of a specified event.

4 Sec. 22.5. "Goods" includes goods not in existence at the time
 5 the transaction is entered into and merchandise certificates, but
 6 excludes money, chattel paper, documents of title, and instruments.

7 Sec. 22.7. "Home solicitation sale" means a consumer credit sale
 8 of goods, other than farm equipment, or services in which:

9 (1) the seller or a person acting for the seller engages in a
 10 personal solicitation of the sale, including a solicitation over
 11 the telephone, at a residence of the buyer and the buyer's
 12 agreement or offer to purchase is there given to the seller or
 13 a person acting for the seller; or

14 (2) the seller or the seller's agent, solicits a sale in a city or
 15 town in which the seller does not have a permanent business
 16 establishment, through mailings, advertisements, or telephone
 17 calls, which require the buyer to meet the seller or the seller's
 18 agent at a place other than the seller's permanent business
 19 establishment.

20 The term does not include a sale made pursuant to a preexisting
 21 revolving charge account, or a sale made pursuant to prior
 22 negotiations between the parties at a business establishment at a
 23 fixed location where goods or services are offered or exhibited for
 24 sale.

25 Sec. 23. "Immediate family member" means a spouse, child,
 26 sibling, parent, grandparent, or grandchild. The term includes
 27 stepparents, stepchildren, stepsiblings, and adoptive relationships.

28 Sec. 24. "Individual" means a natural person.

29 Sec. 25. "Land contract" means a contract for the sale of real
 30 estate in which the seller of the real estate retains legal title to the
 31 real estate until the total contract price is paid by the buyer.

32 Sec. 25.5. Except as otherwise provided, "lender" means a
 33 person regularly engaged in making consumer loans. The term
 34 includes an assignee of the lender's right to payment but use of the
 35 term does not in itself impose on an assignee any obligation of the
 36 lender with respect to events occurring before the assignment.

37 Sec. 26. "Lender credit card or similar arrangement" means an
 38 arrangement or loan agreement, other than a seller credit card,
 39 pursuant to which a lender gives a debtor the privilege of using a
 40 credit card, letter of credit, or other credit confirmation or
 41 identification in transactions out of which debt arises:

42 (1) by the lender's honoring a draft or similar order for the



- 1 payment of money drawn or accepted by the debtor;
- 2 (2) by the lender's payment or agreement to pay the debtor's
- 3 obligations; or
- 4 (3) by the lender's purchase from the obligee of the debtor's
- 5 obligations.

6 **Sec. 27. "Licensee" means a person licensed as a creditor under**
 7 **this article.**

8 **Sec. 27.5. "Loan" includes:**

- 9 (1) the creation of debt by the lender's payment of or
- 10 agreement to pay money to the debtor or to a third party for
- 11 the account of the debtor;
- 12 (2) the creation of debt by a credit to an account with the
- 13 lender upon which the debtor is entitled to draw immediately;
- 14 (3) the creation of debt pursuant to a lender credit card or
- 15 similar arrangement; and
- 16 (4) the forbearance of debt arising from a loan.

17 **Sec. 28. "Loan brokerage business" means any activity in which**
 18 **a person, in return for any consideration from any source,**
 19 **procures, attempts to procure, or assists in procuring, a mortgage**
 20 **transaction from a third party or any other person, whether or not**
 21 **the person seeking the mortgage transaction actually obtains the**
 22 **mortgage transaction.**

23 **Sec. 28.5. (a) "Loan finance charge" means the sum of:**

- 24 (1) all charges payable directly or indirectly by the debtor and
- 25 imposed directly or indirectly by the lender as an incident to
- 26 the extension of credit, including any of the following types of
- 27 charges which are applicable: interest or any amount payable
- 28 under a point, discount, or other system of charges, however
- 29 denominated, premium or other charge for any guarantee or
- 30 insurance protecting the lender against the debtor's default or
- 31 other credit loss; and
- 32 (2) charges incurred for investigating the collateral or
- 33 credit-worthiness of the debtor.

34 **The term does not include charges as a result of default, additional**
 35 **charges (IC 37-2-4-5), delinquency charges (IC 37-2-4-6), or**
 36 **deferral charges (IC 37-3-4-7). The term does not include charges**
 37 **paid or payable to a third party that are not required by the lender**
 38 **as a condition or incident to the extension of credit except for**
 39 **borrower paid mortgage broker fees, including fees paid directly**
 40 **to the broker or the lender (for delivery to the broker), whether the**
 41 **fees are paid in cash or financed. However, borrower paid**
 42 **mortgage broker fees do not include fees paid to a mortgage broker**



1 by a creditor, including yield spread premiums and service release
2 fees.

3 (b) If a lender makes a loan to a debtor by purchasing or
4 satisfying obligations of the debtor pursuant to a lender credit card
5 or similar arrangement, and the purchase or satisfaction is made
6 at less than the face amount of the obligation, the discount is not
7 part of the loan finance charge.

8 **Sec. 29. "Loan processor or underwriter"** means an individual
9 who performs clerical or support duties as an employee at the
10 direction of, and subject to the supervision and instruction of, a
11 person licensed to engage in mortgage transactions or a person
12 exempt from licensing. For purposes of this subdivision, the term
13 "clerical or support duties" may include, after the receipt of an
14 application, the following:

15 (1) The receipt, collection, distribution, and analysis of
16 information common for the processing or underwriting of a
17 mortgage transaction.

18 (2) The communication with a consumer to obtain the
19 information necessary for the processing or underwriting of
20 a loan, to the extent that the communication does not include:

21 (A) offering or negotiating loan rates or terms; or

22 (B) counseling consumers about mortgage transaction
23 rates or terms.

24 The term "loan processor or underwriter" does not include an
25 individual who is an employee of a person that is not engaged in
26 mortgage transactions as a creditor if that person is permitted to
27 voluntarily register with the department to sponsor the individual
28 under IC 37-1-1-6(8) to engage solely in the activities described in
29 this subdivision. An individual engaging solely in loan processor or
30 underwriter activities shall not represent to the public through
31 advertising or other means of communicating or providing
32 information, including the use of business cards, stationery,
33 brochures, signs, rate lists, or other promotional items, that the
34 individual can or will perform any of the activities of a mortgage
35 loan originator. However, an individual who is licensed as a
36 mortgage loan originator under IC 37-1 and 750 IAC 9-3, and who
37 is sponsored by a person, as permitted by IC 37-1-1-6(8), to engage
38 solely as a third party loan processor or underwriter, is subject to
39 the prohibition set forth in this subdivision with respect to the
40 individual's engagement under the sponsorship.

41 **Sec. 29.5. "Merchandise certificate"** means a writing issued by
42 a seller not redeemable in cash and usable in its face amount in lieu



1 of cash in exchange for goods or services.

2 **Sec. 30. "Mortgage loan originator"** means an individual who,
 3 for compensation or gain, or in the expectation of compensation or
 4 gain, regularly engages in taking a mortgage transaction
 5 application or in offering or negotiating the terms of a mortgage
 6 transaction that either is made under this article or under IC 37-1
 7 or is made by an employee of a person licensed to engage in
 8 mortgage transactions or by an employee of a person that is
 9 exempt from licensing, while the employee is engaging in the loan
 10 brokerage business. The term does not include the following:

11 (1) An individual engaged solely as a loan processor or
 12 underwriter as long as the individual works exclusively as an
 13 employee of a person licensed to engage in mortgage
 14 transactions or as an employee of a person exempt from
 15 licensing. However, the term includes an individual who is
 16 licensed as a mortgage loan originator under IC 37-1-1 and
 17 750 IAC 9-3 and who is an employee of a person that is not
 18 engaged in mortgage transactions as a creditor if that person
 19 voluntarily registers with the department to sponsor the
 20 individual under IC 37-1-1-6(8), to engage solely as a third
 21 party processor or underwriter.

22 (2) Unless the person or entity is compensated by:

23 (A) a creditor;

24 (B) a loan broker;

25 (C) another mortgage loan originator; or

26 (D) any agent of the creditor, loan broker, or other
 27 mortgage loan originator described in clauses (A) through
 28 (C);

29 a person or entity that only performs real estate brokerage
 30 activities and is licensed or registered in accordance with
 31 applicable state law.

32 (3) A person solely involved in extensions of credit relating to
 33 timeshare plans (as defined in 11 U.S.C. 101(53D)).

34 **Sec. 31. "Mortgage servicer"** means the last person to whom a
 35 mortgagor or the mortgagor's successor in interest has been
 36 instructed by a mortgagee to send payments on a loan secured by
 37 a mortgage.

38 **Sec. 32. "Mortgage transaction"** means:

39 (1) a consumer loan; or

40 (2) a consumer credit sale;

41 that is or will be used by the debtor primarily for personal, family,
 42 or household purposes and that is secured by a mortgage or a land



1 contract (or another consensual security interest equivalent to a
2 mortgage or a land contract) on a dwelling or on residential real
3 estate upon which a dwelling is constructed or intended to be
4 constructed.

5 Sec. 33. "Nationwide Multistate Licensing System and Registry"
6 (or "Nationwide Mortgage Licensing System and Registry" or
7 "NMLSR") means a multistate licensing system owned and
8 operated by the State Regulatory Registry, LLC, or by any
9 successor or affiliated entity, for the licensing and registration of
10 creditors, mortgage loan originators, and other persons in the
11 mortgage or financial services industries. The term includes any
12 other name or acronym that may be assigned to the system by the
13 State Regulatory Registry, LLC, or by any successor or affiliated
14 entity.

15 Sec. 34. "Nontraditional mortgage product" means any
16 mortgage product other than a thirty (30) year fixed rate
17 mortgage.

18 Sec. 35. "Official fees" means:

19 (1) fees and charges prescribed by law which actually are or
20 will be paid to public officials for determining the existence of
21 or for perfecting, releasing, or satisfying a security interest
22 related to a consumer credit sale, consumer lease, or
23 consumer loan; or

24 (2) premiums payable for insurance in lieu of perfecting a
25 security interest otherwise required by the creditor in
26 connection with the sale, lease, or loan, if the premium does
27 not exceed the fees and charges described in subdivision (1)
28 that would otherwise be payable.

29 Sec. 36. "Organization" means a corporation, a government or
30 governmental subdivision, an agency, a trust, an estate, a
31 partnership, a limited liability company, a cooperative, an
32 association, a joint venture, an unincorporated organization, or
33 any other entity, however organized.

34 Sec. 37. "Payable in installments" means that payment is
35 required or permitted by written agreement to be made in more
36 than four (4) installments not including a down payment.

37 Sec. 38. "Person" includes an individual or an organization.

38 Sec. 39. "Person related to" with respect to an individual
39 means:

40 (1) the spouse of the individual;

41 (2) a brother, brother-in-law, sister, or sister-in-law of the
42 individual;



- 1 (3) an ancestor or lineal descendants of the individual or the
- 2 individual's spouse; and
- 3 (4) any other relative, by blood or marriage, of the individual
- 4 or the individual's spouse who shares the same home with the
- 5 individual.

6 **Sec. 40. "Person related to" with respect to an organization**
 7 **means:**

- 8 (1) a person directly or indirectly controlling, controlled by,
- 9 or under common control with the organization;
- 10 (2) a director, an executive officer, or a manager of the
- 11 organization or a person performing similar functions with
- 12 respect to the organization or to a person related to the
- 13 organization;
- 14 (3) the spouse of a person related to the organization; and
- 15 (4) a relative by blood or marriage of a person related to the
- 16 organization who shares the same home with the person.

17 **Sec. 40.5. "Principal" of a loan means the total of:**

- 18 (1) the net amount paid to, receivable by, or paid or payable
- 19 for the account of the debtor;
- 20 (2) the amount of any discount excluded from the loan finance
- 21 charge (section 28.5(b) of this chapter); and
- 22 (3) to the extent that payment is deferred:
 - 23 (A) amounts actually paid or to be paid by the lender for
 - 24 registration, certificate of title, or license fees if not
 - 25 included in subdivision (1); and
 - 26 (B) additional charges permitted by IC 37-2-4-5.

27 The term does not include any loan proceeds held as security for
 28 the loan.

29 **Sec. 41. "Presumed" or "presumption" means that the trier of**
 30 **fact must find the existence of the fact presumed, unless and until**
 31 **evidence is introduced that would support a finding of its**
 32 **nonexistence.**

33 **Sec. 42. "Real estate brokerage activity" means any activity that**
 34 **involves offering or providing real estate brokerage services to the**
 35 **public, including the following:**

- 36 (1) Acting as a real estate agent or real estate broker for a
- 37 buyer, seller, lessor, or lessee of real property.
- 38 (2) Bringing together parties interested in the sale, purchase,
- 39 lease, rental, or exchange of real property.
- 40 (3) Negotiating, on behalf of any party, any part of a contract
- 41 relating to the sale, purchase, lease, rental, or exchange of real
- 42 property (other than in connection with providing financing



- 1 with respect to the sale, purchase, lease, rental, or exchange
- 2 of real property).
- 3 (4) Engaging in any activity for which a person is required to
- 4 be registered or licensed as a real estate agent or real estate
- 5 broker under any applicable law.
- 6 (5) Offering to engage in any activity, or act in any capacity,
- 7 described in this subsection.
- 8 **Sec. 43. "Registered mortgage loan originator" means any**
- 9 **individual who:**
- 10 (1) meets the definition of mortgage loan originator and is an
- 11 employee of:
- 12 (A) a depository institution;
- 13 (B) a subsidiary that is owned and controlled by a
- 14 depository institution and regulated by a federal banking
- 15 agency; or
- 16 (C) an institution regulated by the Farm Credit
- 17 Administration; and
- 18 (2) is registered with, and maintains a unique identifier
- 19 through, the NMLSR.
- 20 **Sec. 44. "Regularly engaged", with respect to a person who**
- 21 **extends consumer credit, refers to a person who:**
- 22 (1) extended consumer credit:
- 23 (A) more than twenty-five (25) times; or
- 24 (B) more than five (5) times for a mortgage transaction
- 25 secured by a dwelling;
- 26 in the preceding calendar year; or
- 27 (2) extends or will extend consumer credit:
- 28 (A) more than twenty-five (25) times; or
- 29 (B) more than five (5) times for a mortgage transaction
- 30 secured by a dwelling;
- 31 in the current calendar year, if the person did not meet the
- 32 numerical standards described in subdivision (1) in the
- 33 preceding calendar year.
- 34 **Sec. 44.5. "Residential real estate" means any real property that**
- 35 **is located in Indiana and on which there is located or intended to**
- 36 **be constructed a dwelling.**
- 37 **Sec. 44.7. "Revolving charge account" means an arrangement**
- 38 **between a seller and a buyer pursuant to which:**
- 39 (1) the seller may permit the buyer to purchase goods or
- 40 services on credit either from the seller or pursuant to a seller
- 41 credit card;
- 42 (2) the unpaid balances of amounts financed arising from



- 1 purchases and the credit service and other appropriate
- 2 charges are debited to an account;
- 3 (3) a credit service charge if made is not precomputed but is
- 4 computed on the outstanding unpaid balances of the buyer's
- 5 account from time to time; and
- 6 (4) the buyer has the privilege of paying the balances in
- 7 installments.

8 **Sec. 45. "Revolving loan account" means an arrangement**
 9 **between a lender and a debtor pursuant to which:**

- 10 (1) the lender may permit the debtor to obtain loans from
- 11 time to time;
- 12 (2) the unpaid balances of principal and the loan finance and
- 13 other appropriate charges are debited to an account;
- 14 (3) a loan finance charge if made is not precomputed but is
- 15 computed on the outstanding unpaid balances of the debtor's
- 16 account from time to time; and
- 17 (4) the debtor has the privilege of paying the balances in
- 18 installments.

19 **Sec. 45.1. "Sale of an interest in land" includes a lease in which**
 20 **the lessee has an option to purchase the interest and all or a**
 21 **substantial part of the rental or other payments previously made**
 22 **by the lessee are applied to the purchase price.**

23 **Sec. 45.3. "Sale of goods" includes any agreement in the form of**
 24 **a bailment or lease of goods if the bailee or lessee agrees to pay as**
 25 **compensation for use a sum substantially equivalent to or in excess**
 26 **of the aggregate value of the goods involved and it is agreed that**
 27 **the bailee or lessee will become, or for no other or a nominal**
 28 **consideration has the option to become, the owner of the goods**
 29 **upon full compliance with the bailee's or the lessee's obligations**
 30 **under the agreement.**

31 **Sec. 45.5. "Sale of services" means furnishing or agreeing to**
 32 **furnish services and includes making arrangements to have**
 33 **services furnished by another.**

34 **Sec. 45.7. Except as otherwise provided, "seller" means a person**
 35 **regularly engaged as a creditor in making consumer credit sales.**
 36 **The term includes an assignee of the seller's right to payment but**
 37 **use of the term does not in itself impose on an assignee any**
 38 **obligation of the seller with respect to events occurring before the**
 39 **assignment.**

40 **Sec. 46. "Seller credit card" means an arrangement that gives**
 41 **to a buyer or lessee the privilege of using a credit card, letter of**
 42 **credit, or other credit confirmation or identification for the**



1 purpose of purchasing or leasing goods or services from that
 2 person, a person related to that person, or from that person and
 3 any other person. The term includes a card that is issued by a
 4 person that is in the name of the seller, and that can be used by the
 5 buyer or lessee only for purchases or leases at locations of the
 6 named seller.

7 **Sec. 46.5. "Services" includes:**

- 8 (1) work, labor, and other personal services;
 9 (2) privileges with respect to transportation, hotel and
 10 restaurant accommodations, education, entertainment,
 11 recreation, physical culture, hospital accommodations,
 12 funerals, cemetery accommodations, and the like; and
 13 (3) insurance provided by a person other than the insurer.

14 **Sec. 46.7. "Skip-a-payment service" means a service that:**

- 15 (1) in the case of a consumer credit sale:
 16 (A) is offered by a creditor to a consumer; and
 17 (B) permits the consumer to miss or skip a payment due
 18 under a consumer credit sale without resulting in default;
 19 and
 20 (2) in the case of a consumer loan:
 21 (A) is offered by a lender to a consumer; and
 22 (B) permits the consumer to miss or skip a payment due
 23 under a consumer loan without resulting in default.

24 **Sec. 47. "Subordinate lien mortgage transaction" means:**

- 25 (1) a consumer loan; or
 26 (2) a consumer credit sale;

27 that is or will be used by the debtor primarily for personal, family,
 28 or household purposes and that is secured by a mortgage or a land
 29 contract (or another consensual security interest equivalent to a
 30 mortgage or a land contract) that constitutes a subordinate lien on
 31 a dwelling or on residential real estate upon which a dwelling is
 32 constructed or intended to be constructed.

33 **Sec. 47.3. "Supervised lender" means a person authorized to**
 34 **make or take assignments of supervised loans.**

35 **Sec. 47.5. "Supervised loan" means a consumer loan in which**
 36 **the rate of the loan finance charge exceeds twenty-five percent**
 37 **(25%) per year as determined according to the provisions on loan**
 38 **finance charge for consumer loans in IC 37-2-4-4.**

39 **Sec. 48. "Unique identifier" means a number or other identifier**
 40 **assigned by protocols established by the NMLSR.**

41 **Chapter 3. Credit Sales**

42 **Sec. 1. (a) This chapter applies to consumer credit sales,**



- 1 including home solicitation sales, and consumer leases.
- 2 (b) Sections 14 through 27 of this chapter apply to consumer
- 3 credit sales and consumer leases.
- 4 (c) Sections 29 through 33 of this chapter apply to consumer
- 5 related sales.
- 6 (d) Licensing under IC 37-2-4-24 applies to consumer credit
- 7 sales that are subordinate lien mortgage transactions.
- 8 Sec. 2. A sale, refinancing, or consolidation is considered
- 9 precomputed if the debt is expressed as a sum comprising the
- 10 amount financed and the amount of the credit service charge
- 11 computed in advance.
- 12 Sec. 3. The cash price stated by the seller to the buyer pursuant
- 13 to section 13 of this chapter is presumed to be the cash price.
- 14 Sec. 4. (a) Except as provided in subsections (h) and (k), with
- 15 respect to a consumer credit sale, a seller may contract for and
- 16 receive a credit service charge not exceeding that permitted by this
- 17 section.
- 18 (b) The credit service charge, calculated according to the
- 19 actuarial method, may not exceed the equivalent of the greater of:
- 20 (1) the total of:
- 21 (A) thirty-six percent (36%) per year on that part of the
- 22 unpaid balances of the amount financed which is two
- 23 thousand dollars (\$2,000) or less;
- 24 (B) twenty-one percent (21%) per year on that part of the
- 25 unpaid balances of the amount financed which is more
- 26 than two thousand dollars (\$2,000) but does not exceed
- 27 four thousand dollars (\$4,000); and
- 28 (C) fifteen percent (15%) per year on that part of the
- 29 unpaid balances of the amount financed which is more
- 30 than four thousand dollars (\$4,000); or
- 31 (2) twenty-five percent (25%) per year on the unpaid balances
- 32 of the amount financed.
- 33 (c) In the case of a sale agreement entered into before July 1,
- 34 2020, this section does not limit or restrict the manner of
- 35 contracting for the credit service charge, whether by way of
- 36 add-on, discount, or otherwise, so long as the rate of the credit
- 37 service charge does not exceed that permitted by this section. If the
- 38 sale is precomputed:
- 39 (1) the credit service charge may be calculated on the
- 40 assumption that all scheduled payments will be made when
- 41 due; and
- 42 (2) the effect of prepayment is governed by the provisions on



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rebate upon prepayment in section 12 of this chapter.

(d) The following apply to a sale agreement for a consumer credit sale (or for the refinancing or consolidation of a consumer credit sale) that is entered into after June 30, 2020:

(1) The credit service charge authorized by this section must be:

(A) contracted for between the seller and the debtor; and

(B) calculated by applying a rate not exceeding the rate set forth in subsection (b) to unpaid balances of the amount financed.

(2) A sale agreement for a precomputed consumer credit sale is prohibited.

(3) Subject to subsection (m), in addition to the credit service charge authorized by subsection (b) and to any other fees permitted by this chapter, and not subject to the rate set forth in subsection (b), the seller may contract for and receive as a condition for, or an incident to, the extension of credit a nonrefundable prepaid finance charge under subsection (k), whether the charge is:

(A) paid separately in cash or by check before or at consummation; or

(B) withheld from the proceeds of the consumer credit sale.

(e) For the purposes of this section, the term of a sale agreement commences with the date the credit is granted or, if goods are delivered or services performed more than thirty (30) days after that date, with the date of commencement of delivery or performance except as follows:

(1) This subdivision applies to a delay attributable to the customer. Where the customer requests delivery after the thirty (30) day period or where delivery occurs after the thirty (30) day period for a reason attributable to the customer (including but not limited to failure to close on a residence or failure to obtain lease approval), the term of the sale agreement shall commence with the date credit is granted.

(2) This subdivision applies to a partial delivery. Where any portion of the order has been delivered within the thirty (30) day period, the term of the sale agreement shall commence with the date credit is granted.

Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth (1/30) of a month. Subject to classifications and differentiations the seller may reasonably



1 establish, a part of a month in excess of fifteen (15) days may be
 2 treated as a full month if periods of fifteen (15) days or less are
 3 disregarded and that procedure is not consistently used to obtain
 4 a greater yield than would otherwise be permitted.

5 (f) With respect to a consumer credit sale made pursuant to a
 6 revolving charge account, the parties to the sale may contract for
 7 the payment by the buyer of a credit service charge not exceeding
 8 that permitted in this section, subject to the following:

9 (1) The credit service charge contracted for and received may
 10 not exceed a charge in each monthly billing cycle which is two
 11 and eighty-three thousandths percent (2.083%) of an amount
 12 not greater than:

13 (A) the average daily balance of the account;

14 (B) the unpaid balance of the account on the same day of
 15 the billing cycle; or

16 (C) subject to subsection (g), the median amount within a
 17 specified range within which the average daily balance of
 18 the account or the unpaid balance of the account, on the
 19 same day of the billing cycle, is included.

20 For purposes of clauses (B) and (C), a variation of not more
 21 than four (4) days from month to month is "the same day of
 22 the billing cycle".

23 (2) If the billing cycle is not monthly, the maximum charge is
 24 that percentage which bears the same relation to the
 25 applicable monthly maximum percentage as the number of
 26 days in the billing cycle bears to thirty (30).

27 (3) Notwithstanding subdivision (1), if there is an unpaid
 28 balance on the date as of which the credit service charge is
 29 applied, the seller may contract for and receive a charge not
 30 exceeding fifty cents (\$0.50) if the billing cycle is monthly or
 31 longer, or the pro rata part of fifty cents (\$0.50) which bears
 32 the same relation to fifty cents (\$0.50) as the number of days
 33 in the billing cycle bears to thirty (30) if the billing cycle is
 34 shorter than monthly. However, a seller may not contract for
 35 or receive a charge under this subdivision if the seller has
 36 made an annual charge for the same period as permitted by
 37 the provisions on additional charges in section 5(a)(5) of this
 38 chapter.

39 (g) Subject to classifications and differentiations the seller may
 40 reasonably establish, the seller may make the same credit service
 41 charge on all amounts financed within a specified range. A credit
 42 service charge so made does not violate subsection (b) if:



1 (1) when applied to the median amount within each range, it
 2 does not exceed the maximum permitted by subsection (b);
 3 and

4 (2) when applied to the lowest amount within each range, it
 5 does not produce a rate of credit service charge exceeding the
 6 rate calculated according to subdivision (1) by more than
 7 eight percent (8%) of the rate calculated according to
 8 subdivision (1).

9 (h) Notwithstanding subsection (b), with respect to a consumer
 10 sale other than a sale under a revolving charge account, the seller
 11 may contract for and receive a minimum credit service charge of
 12 not more than thirty dollars (\$30). The minimum credit service
 13 charge allowed under this subsection may be imposed only if the
 14 seller does not contract for or receive a nonrefundable prepaid
 15 finance charge under subsection (k) and:

16 (1) the debtor prepays in full a consumer credit sale,
 17 refinancing, or consolidation, regardless of whether the sale,
 18 refinancing, or consolidation is precomputed;

19 (2) the sale, refinancing, or consolidation prepaid by the
 20 debtor is subject to a credit service charge that:

21 (A) is contracted for by the parties; and

22 (B) does not exceed the rate prescribed in subsection (b);
 23 and

24 (3) the credit service charge earned at the time of prepayment
 25 is less than the minimum credit service charge contracted for
 26 under this subsection.

27 (i) The amounts of two thousand dollars (\$2,000) and four
 28 thousand dollars (\$4,000) in subsection (b) are subject to change
 29 pursuant to the provisions on adjustment of dollar amounts
 30 (IC 37-2-1-5). However, notwithstanding IC 37-2-1-5(a), the
 31 Reference Base Index to be used under this subsection is the Index
 32 for October 2012.

33 (j) The amount of thirty dollars (\$30) in subsection (h) is subject
 34 to change under the provisions on adjustment of dollar amounts
 35 (IC 37-2-1-5). However, notwithstanding IC 37-2-1-5(a), the
 36 Reference Base Index to be used under this subsection is the Index
 37 for October 1992.

38 (k) This subsection applies to a sale agreement entered into after
 39 June 30, 2020. Except as provided in subsection (h), and subject to
 40 subsection (m), in addition to the credit service charge authorized
 41 by subsection (b), and to any other fees permitted by this chapter,
 42 a seller may contract for and receive a nonrefundable prepaid



- 1 **finance charge in an amount which is not more than:**
- 2 **(1) seventy-five dollars (\$75) for an amount financed which is**
- 3 **two thousand dollars (\$2,000) or less;**
- 4 **(2) one hundred fifty dollars (\$150) for an amount financed**
- 5 **which is more than two thousand dollars (\$2,000) but does not**
- 6 **exceed four thousand dollars (\$4,000); and**
- 7 **(3) two hundred dollars (\$200) for an amount financed which**
- 8 **is more than four thousand dollars (\$4,000).**

9 **The nonrefundable prepaid finance charge is not subject to refund**
 10 **or rebate. However, any amount charged by the seller, other than**
 11 **by a seller that is a depository institution, under this subsection**
 12 **that exceeds the applicable amount permitted by this subsection**
 13 **constitutes a violation of this article under IC 37-2-7-8(12) and is**
 14 **subject to refund. Any amount charged by a depository institution**
 15 **under this subsection that exceeds the applicable amount set forth**
 16 **in this subsection is subject to refund. The amounts in this**
 17 **subsection are not subject to change under IC 37-2-1-5.**

18 **(l) If the director determines that a seller's accrual method of**
 19 **accounting as applied to a consumer credit sale under this section**
 20 **involves the application of subterfuge for the purpose of**
 21 **circumventing this chapter, the director may conform the credit**
 22 **service charge and fees for the transaction to the limitations set**
 23 **forth in this section and may require a refund of overcharges**
 24 **under IC 37-2-7-5(b)(1). A determination by the director under this**
 25 **subsection:**

- 26 **(1) must be in writing;**
- 27 **(2) shall be delivered to all parties in the transaction; and**
- 28 **(3) is subject to IC 4-21.5-3.**

29 **(m) At the time of consummation of a consumer credit sale:**
 30 **(1) the credit service charge authorized by subsection (b); and**
 31 **(2) the nonrefundable prepaid finance charge authorized by**
 32 **subsection (k) (including any amount charged by a depository**
 33 **institution that exceeds the applicable amount set forth in**
 34 **subsection (k)) in the case of a sale agreement entered into**
 35 **after June 30, 2020;**

36 **are subject to IC 35-45-7 and, when combined, may not exceed the**
 37 **rate set forth in IC 35-45-7-2.**

38 **Sec. 5. (a) In addition to the credit service charge permitted by**
 39 **this chapter, a seller may contract for and receive any of the**
 40 **following additional charges in connection with a consumer credit**
 41 **sale:**

- 42 **(1) Official fees and taxes.**



- 1 **(2) Charges for insurance as described in subsection (b).**
- 2 **(3) Notwithstanding provisions of the Consumer Credit**
- 3 **Protection Act (15 U.S.C. 1601 et seq.) concerning disclosure,**
- 4 **charges for other benefits, including insurance, conferred on**
- 5 **the consumer, if the benefits are of value to the consumer and**
- 6 **if the charges are reasonable in relation to the benefits, and**
- 7 **are excluded as permissible additional charges from the credit**
- 8 **service charge. With respect to any additional charge not**
- 9 **specifically provided for in this section, to be a permitted**
- 10 **charge under this subsection the seller must submit a written**
- 11 **explanation of the charge to the department indicating how**
- 12 **the charge would be assessed and the value or benefit to the**
- 13 **consumer. Supporting documents may be required by the**
- 14 **department. The department shall determine whether the**
- 15 **charge would be of benefit to the consumer and is reasonable**
- 16 **in relation to the benefits.**
- 17 **(4) A charge not to exceed twenty-five dollars (\$25) for each**
- 18 **returned payment by a bank or other depository institution of**
- 19 **a dishonored check, electronic funds transfer, negotiable**
- 20 **order of withdrawal, or share draft issued by the consumer.**
- 21 **(5) Annual participation fees assessed in connection with a**
- 22 **revolving charge account. Annual participation fees must:**
- 23 **(A) be reasonable in amount;**
- 24 **(B) bear a reasonable relationship to the seller's costs to**
- 25 **maintain and monitor the charge account; and**
- 26 **(C) not be assessed for the purpose of circumvention or**
- 27 **evasion of this article, as determined by the department.**
- 28 **(6) A charge not to exceed twenty-five dollars (\$25) for a**
- 29 **skip-a-payment service, subject to the following:**
- 30 **(A) At the time of use of the service, the consumer must be**
- 31 **given written notice of the amount of the charge and must**
- 32 **acknowledge the amount in writing, including by electronic**
- 33 **signature.**
- 34 **(B) A charge for a skip-a-payment service may not be**
- 35 **assessed with respect to a consumer credit sale subject to**
- 36 **the provisions on rebate upon prepayment that are set**
- 37 **forth in section 12 of this chapter.**
- 38 **(C) A charge for a skip-a-payment service may not be**
- 39 **assessed with respect to any payment for which a**
- 40 **delinquency charge has been assessed under section 6 of**
- 41 **this chapter.**
- 42 **(7) A charge not to exceed ten dollars (\$10) for an optional**



- 1 expedited payment service, subject to the following:
- 2 (A) The charge may be assessed only upon request by the
- 3 consumer to use the expedited payment service.
- 4 (B) The amount of the charge must be disclosed to the
- 5 consumer at the time of the consumer's request to use the
- 6 expedited payment service.
- 7 (C) The consumer must be informed that the consumer
- 8 retains the option to make a payment by traditional means.
- 9 (D) The charge may not be established in advance, through
- 10 any agreement with the consumer, as the expected method
- 11 of payment.
- 12 (E) The charge may not be assessed with respect to any
- 13 payment for which a delinquency charge has been assessed
- 14 under section 6 of this chapter.
- 15 (8) A charge for a GAP agreement, subject to subsection (d).
- 16 (b) An additional charge may be made for insurance written in
- 17 connection with the sale, other than insurance protecting the seller
- 18 against the consumer's default or other credit loss:
- 19 (1) with respect to insurance against loss of or damage to
- 20 property, or against liability, if the seller furnishes a clear and
- 21 specific statement in writing to the consumer, setting forth the
- 22 cost of the insurance if obtained from or through the seller
- 23 and stating that the consumer may choose the person, subject
- 24 to the seller's reasonable approval, through whom the
- 25 insurance is to be obtained; and
- 26 (2) with respect to consumer credit insurance providing life,
- 27 accident, unemployment or other loss of income, or health
- 28 coverage, if the insurance coverage is not a factor in the
- 29 approval by the seller of the extension of credit and is clearly
- 30 disclosed in writing to the consumer, and if, in order to obtain
- 31 the insurance in connection with the extension of credit, the
- 32 consumer gives specific, affirmative, written indication of the
- 33 desire to do so after written disclosure of the cost.
- 34 (c) With respect to a subordinate lien mortgage transaction, the
- 35 following closing costs, if the costs are bona fide, reasonable in
- 36 amount, and not for the purpose of circumvention or evasion of
- 37 this article:
- 38 (1) fees for title examination, abstract of title, title insurance,
- 39 property surveys, or similar purposes;
- 40 (2) fees for preparing deeds, mortgages, and reconveyance,
- 41 settlement, and similar documents;
- 42 (3) notary and credit report fees;



- 1 **(4) amounts required to be paid into escrow or trustee**
- 2 **accounts if the amounts would not otherwise be included in**
- 3 **the credit service charge; and**
- 4 **(5) appraisal fees.**
- 5 **(d) An additional charge may be made for a GAP agreement,**
- 6 **subject to the following:**
- 7 **(1) A GAP agreement or GAP coverage may not be required**
- 8 **by the seller, and that fact must be disclosed in writing to the**
- 9 **consumer.**
- 10 **(2) The charge for the initial term of coverage under the GAP**
- 11 **agreement must be disclosed in writing to the consumer. The**
- 12 **charge may be disclosed on a unit-cost basis only in the case**
- 13 **of the following transactions:**
- 14 **(A) Revolving charge accounts.**
- 15 **(B) Closed-end credit transactions, if the request for**
- 16 **coverage is made by mail or telephone.**
- 17 **(C) Closed-end credit transactions, if the GAP agreement**
- 18 **limits the total amount of indebtedness eligible for**
- 19 **coverage.**
- 20 **(3) If the term of coverage under the GAP agreement is less**
- 21 **than the term of the consumer credit sale, the term of**
- 22 **coverage under the GAP agreement must be disclosed in**
- 23 **writing to the consumer.**
- 24 **(4) The consumer must sign or initial an affirmative written**
- 25 **request for coverage after receiving all required disclosures.**
- 26 **(5) The GAP agreement must include the following:**
- 27 **(A) In the case of GAP coverage for a new motor vehicle,**
- 28 **the manufacturer's suggested retail price (MSRP) for the**
- 29 **motor vehicle.**
- 30 **(B) In the case of GAP coverage for a used motor vehicle,**
- 31 **the average retail value for the motor vehicle, as**
- 32 **determined by use of a third party valuation service**
- 33 **provider that is customarily relied upon in the used motor**
- 34 **vehicle commercial marketplace.**
- 35 **(C) The name of the financing entity taking assignment of**
- 36 **the agreement.**
- 37 **(D) The name and address of the consumer.**
- 38 **(E) The name of the creditor selling the agreement.**
- 39 **(F) Information advising the consumer that the consumer**
- 40 **may be able to obtain similar coverage from the**
- 41 **consumer's primary insurance carrier.**
- 42 **(G) A coverage provision that includes a minimum**



- 1 deductible of five hundred dollars (\$500).
 2 (H) A provision providing for a minimum thirty (30) day
 3 free-look period.
 4 (I) In the case of a consumer credit sale involving a motor
 5 vehicle, a provision excluding the sale of GAP coverage if
 6 the amount financed under the consumer credit sale (not
 7 including the cost of the GAP agreement, the cost of any
 8 credit insurance, and the cost of any warranties or service
 9 agreements) is less than eighty percent (80%) of the
 10 manufacturer's suggested retail price (MSRP), in the case
 11 of a new motor vehicle, or the average retail value (as
 12 determined by use of a third party valuation service
 13 provider that is customarily relied upon in the used motor
 14 vehicle commercial marketplace), in the case of a used
 15 motor vehicle.
 16 (J) In the case of a GAP agreement in which the charge for
 17 the agreement exceeds four hundred dollars (\$400),
 18 specific instructions that may be used by the consumer to
 19 cancel the agreement and obtain a refund of the unearned
 20 GAP charge before prepayment in full, in accordance with
 21 the procedures, and subject to the conditions, set forth in
 22 subdivision (6).
 23 (6) If the charge for the GAP agreement exceeds four hundred
 24 dollars (\$400), the consumer is entitled to cancel the
 25 agreement and obtain a refund of the unearned GAP charge
 26 before prepayment in full. Refunds of unearned GAP charges
 27 shall be made subject to the following conditions:
 28 (A) A refund of the charge for a GAP agreement must be
 29 calculated using a method that is no less favorable to the
 30 consumer than a refund calculated on a pro rata basis.
 31 (B) The consumer is entitled to a refund of the unearned
 32 GAP agreement charge as outlined in the GAP agreement.
 33 (C) The seller of the GAP agreement is responsible for
 34 making a timely refund to the consumer of unearned GAP
 35 agreement charges under the terms and conditions of the
 36 GAP agreement.
 37 (7) Upon prepayment in full of the consumer credit sale:
 38 (A) the GAP coverage is automatically terminated; and
 39 (B) the seller of the GAP agreement must issue a refund in
 40 accordance with subdivision (6).
 41 (8) A creditor that sells GAP agreements must:
 42 (A) insure its GAP agreement obligations under a



1 contractual liability insurance policy issued by an insurer
 2 authorized to engage in the insurance business in Indiana;
 3 and
 4 (B) retain appropriate records, as required under this
 5 article, regarding GAP agreements sold, refunded, and
 6 expired.

7 Sec. 6. (a) With respect to a consumer credit sale, refinancing,
 8 or consolidation, the parties may contract for a delinquency charge
 9 of not more than the following:

10 (1) Five dollars (\$5) on any installment or minimum payment
 11 due that is not paid in full not later than ten (10) days after its
 12 scheduled due date, in the case of a consumer credit sale,
 13 refinancing, or consolidation that is made before July 1, 2019.
 14 The amount of five dollars (\$5) in this subdivision is subject
 15 to change under IC 37-2-1-5. In addition, the parties may
 16 provide by contract for a delinquency charge that is subject
 17 to change. If the parties provide by contract for a delinquency
 18 charge that is subject to change, the seller shall disclose in the
 19 contract that the amount of the delinquency charge is subject
 20 to change under IC 37-2-1-5 or this section.

21 (2) In the case of a consumer credit sale, refinancing, or
 22 consolidation that is made after June 30, 2019, the following:

23 (A) Five dollars (\$5) on any installment or minimum
 24 payment due that is not paid in full not later than ten (10)
 25 days after its scheduled due date, if installments under the
 26 consumer credit sale, refinancing, or consolidation are due
 27 every fourteen (14) days or less. The amount of five dollars
 28 (\$5) in this clause is not subject to change under
 29 IC 37-2-1-5.

30 (B) Twenty-five dollars (\$25) on any installment or
 31 minimum payment due that is not paid in full not later
 32 than ten (10) days after its scheduled due date, if
 33 installments under the consumer credit sale, refinancing,
 34 or consolidation are due every fifteen (15) days or more.
 35 The amount of twenty-five dollars (\$25) in this clause is not
 36 subject to change under IC 37-2-1-5.

37 (C) Twenty-five dollars (\$25) on any installment or
 38 minimum payment due that is not paid in full not later
 39 than ten (10) days after its scheduled due date, in the case
 40 of a consumer credit sale, refinancing, or consolidation
 41 that is payable in a single installment that is due at least
 42 thirty (30) days after the consumer credit sale, refinancing,



- 1 or consolidation is made. The amount of twenty-five
2 dollars (\$25) in this clause is not subject to change under
3 IC 37-2-1-5.
- 4 **(b) A delinquency charge under this section may be collected**
5 **only once on an installment however long it remains in default. A**
6 **delinquency charge on consumer credit sales made under a**
7 **revolving charge account may be applied each month that the**
8 **payment is less than the minimum required payment. A**
9 **delinquency charge may be collected any time after it accrues. No**
10 **delinquency charge may be collected if:**
- 11 **(1) the installment has been deferred and a deferral charge**
12 **under section 7 of this chapter has been paid or incurred;**
13 **(2) a charge for a skip-a-payment service has been paid or**
14 **incurred, as provided in section 5 of this chapter; or**
15 **(3) a charge for an optional expedited payment service has**
16 **been paid or incurred, as provided in section 5 of this chapter.**
- 17 **(c) A creditor may not, directly or indirectly, charge or collect**
18 **a delinquency charge on a payment that:**
- 19 **(1) is paid not later than ten (10) days after its scheduled due**
20 **date; and**
21 **(2) is otherwise a full payment of the payment due for the**
22 **applicable installment period;**
- 23 **if the only delinquency with respect to the consumer credit sale,**
24 **refinancing, or consolidation is attributable to a delinquency**
25 **charge assessed on an earlier installment.**
- 26 **(d) If two (2) or more installments, or parts of two (2) or more**
27 **installments, of a precomputed consumer credit sale are in default**
28 **for ten (10) days or more, the creditor may elect to convert the**
29 **consumer credit sale from a precomputed consumer credit sale to**
30 **a consumer credit sale in which the credit service charge is based**
31 **on unpaid balances. A creditor that makes this election shall make**
32 **a rebate under the provisions on rebates upon prepayment under**
33 **section 12 of this chapter as of the maturity date of the first**
34 **delinquent installment, and thereafter may make a credit service**
35 **charge as authorized by the provisions on credit service charges for**
36 **consumer credit sales under section 4 of this chapter. The amount**
37 **of the rebate shall not be reduced by the amount of any permitted**
38 **minimum charge under section 12 of this chapter. Any deferral**
39 **charges made on installments due at or after the maturity date of**
40 **the first delinquent installment shall be rebated, and no further**
41 **deferral charges shall be made.**
- 42 **Sec. 7. (a) This section applies only to a consumer credit sale,**



1 refinancing, or consolidation, that is entered into before July 1,
 2 2020. With respect to a precomputed consumer credit sale,
 3 refinancing, or consolidation, the parties before or after default
 4 may agree in writing to a deferral of all or part of one (1) or more
 5 unpaid installments, and the seller may make and collect a charge
 6 not exceeding the lesser of thirty-six percent (36%) per year or the
 7 rate previously stated to the buyer pursuant to section 13 of this
 8 chapter applied to the amount or amounts deferred for the period
 9 of deferral calculated without regard to differences in lengths of
 10 months, but proportionately for a part of a month, counting each
 11 day as one-thirtieth (1/30) of a month. A deferral charge may be
 12 collected at the time it is assessed or at any time thereafter.

13 (b) The seller, in addition to the deferral charge, may make
 14 appropriate additional charges under section 5 of this chapter, and
 15 the amount of these charges which is not paid in cash may be added
 16 to the amount deferred for the purpose of calculating the deferral
 17 charge.

18 (c) The parties may agree in writing at the time of a
 19 precomputed consumer credit sale, refinancing, or consolidation
 20 that if an installment is not paid within ten (10) days after its due
 21 date, the seller may unilaterally grant a deferral and make charges
 22 as provided in this section. No deferral charge may be made for a
 23 period after the date that the seller elects to accelerate the maturity
 24 of the agreement.

25 (d) A delinquency charge made by the seller on an installment
 26 may not be retained if a deferral charge is made pursuant to this
 27 section with respect to the period of delinquency.

28 **Sec. 8.** With respect to a consumer credit sale, refinancing, or
 29 consolidation, the seller may by agreement with the buyer
 30 refinance the unpaid balance and may contract for and receive a
 31 credit service charge based on the amount financed resulting from
 32 the refinancing at a rate not exceeding that permitted by the
 33 provisions on credit service charge for consumer credit sales under
 34 section 4 of this chapter. For the purpose of determining the credit
 35 service charge permitted, the amount financed resulting from the
 36 refinancing comprises the following:

37 (1) If:

38 (A) the transaction was not precomputed, the total of the
 39 unpaid balance and accrued charges on the date of
 40 refinancing; or

41 (B) the transaction was precomputed, in the case of a
 42 transaction entered into before July 1, 2020, the amount



1 which the buyer would have been required to pay upon
2 prepayment pursuant to the provisions on rebate upon
3 prepayment (section 12 of this chapter) on the date of
4 refinancing.

5 (2) Appropriate additional charges under section 5 of this
6 chapter, payment of which is deferred.

7 **Sec. 9.** If a buyer owes an unpaid balance to a seller with respect
8 to a consumer credit sale, refinancing, or consolidation, and
9 becomes obligated on another consumer credit sale, refinancing, or
10 consolidation with the same seller, the parties may agree to a
11 consolidation resulting in a single schedule of payments pursuant
12 to either of the following:

13 (1) The parties may agree to refinance the unpaid balance
14 with respect to the previous sale pursuant to the provisions on
15 refinancing (section 8 of this chapter) and to consolidate the
16 amount financed resulting from the refinancing by adding it
17 to the amount financed with respect to the subsequent sale.
18 The seller may contract for and receive a credit service
19 charge based on the aggregate amount financed resulting
20 from the consolidation at a rate not exceeding that permitted
21 by the provisions on credit service charge for consumer credit
22 sales (section 4 of this chapter).

23 (2) The parties may agree to consolidate by adding together
24 the unpaid balances with respect to the two sales.

25 **Sec. 10. (a)** If the agreement with respect to a consumer credit
26 sale, refinancing, or consolidation contains covenants by the buyer
27 to perform certain duties pertaining to insuring or preserving
28 collateral and the seller pursuant to the agreement pays for
29 performance of the duties on behalf of the buyer, the seller may
30 add the amounts paid to the debt. Within a reasonable time after
31 advancing any sums, the seller shall state to the buyer in writing
32 the amount of the sums advanced, any charges with respect to this
33 amount, and any revised payment schedule and, if the duties of the
34 buyer performed by the seller pertain to insurance, a brief
35 description of the insurance paid for by the seller including the
36 type and amount of coverages. No further information need be
37 given.

38 (b) A credit service charge may be made for sums advanced
39 pursuant to subsection (a) at a rate not exceeding the rate stated to
40 the buyer pursuant to section 13 of this chapter with respect to the
41 sale, refinancing or consolidation, except that with respect to a
42 revolving charge account the amount of the advance may be added



1 to the unpaid balance of the account and the seller may make a
 2 credit service charge not exceeding that permitted by the
 3 provisions on credit service charge for revolving charge accounts
 4 set forth in section 4(f) of this chapter.

5 **Sec. 11. (a)** Subject to the provisions on rebate upon prepayment
 6 set forth in section 12 of this chapter, the buyer may prepay in full
 7 the unpaid balance of a consumer credit sale, refinancing, or
 8 consolidation at any time without penalty.

9 **(b)** At the time of prepayment of a credit sale not subject to the
 10 provisions of rebate upon prepayment set forth in section 12 of this
 11 chapter, the total credit service charge:

12 **(1)** including the prepaid credit service charge; but

13 **(2)** subject to section 4(m) of this chapter, excluding the
 14 nonrefundable prepaid finance charge allowed under section
 15 4(k) of this chapter, in the case of a sale agreement entered
 16 into after June 30, 2020;

17 may not exceed the maximum charge allowed under this chapter
 18 for the period the credit sale was in effect.

19 **(c)** The creditor or mortgage servicer shall provide, in writing,
 20 an accurate payoff amount for the consumer credit sale to the
 21 debtor within seven (7) business days (excluding legal public
 22 holidays, Saturdays, and Sundays) after the creditor or mortgage
 23 servicer receives the debtor's written request for the accurate
 24 consumer credit sale payoff amount. A payoff statement provided
 25 by a creditor or mortgage servicer under this subsection must show
 26 the date the statement was prepared and itemize the unpaid
 27 principal balance and each fee, charge, or other sum included
 28 within the payoff amount. A creditor or mortgage servicer who
 29 fails to provide the accurate consumer credit sale payoff amount
 30 is liable for:

31 **(1)** one hundred dollars (\$100) if an accurate consumer credit
 32 sale payoff amount is not provided by the creditor or
 33 mortgage servicer within seven (7) business days (excluding
 34 legal public holidays, Saturdays, and Sundays) after the
 35 creditor or mortgage servicer receives the debtor's first
 36 written request; and

37 **(2)** the greater of:

38 **(A)** one hundred dollars (\$100); or

39 **(B)** the credit service charge that accrues on the sale from
 40 the date the creditor or mortgage servicer receives the first
 41 written request until the date on which the accurate
 42 consumer credit sale payoff amount is provided;



1 if an accurate consumer credit sale payoff amount is not
 2 provided by the creditor or mortgage servicer within seven (7)
 3 business days (excluding legal public holidays, Saturdays, and
 4 Sundays) after the creditor or mortgage servicer receives the
 5 debtor's second written request, and the creditor or mortgage
 6 servicer failed to comply with subdivision (1).

7 A liability under this subsection is an excess charge under
 8 IC 37-2-6-9.

9 (d) As used in this subsection, "mortgage transaction" means a
 10 consumer credit sale in which a mortgage or a land contract (or
 11 another consensual security interest equivalent to a mortgage or a
 12 land contract) that constitutes a lien is created or retained against
 13 land upon which there is constructed or intended to be constructed
 14 a dwelling that is or will be used by the debtor primarily for
 15 personal, family, or household purposes. This subsection applies to
 16 a mortgage transaction with respect to which any installment or
 17 minimum payment due is delinquent for at least sixty (60) days.
 18 The creditor, servicer, or the creditor's agent shall acknowledge a
 19 written offer made in connection with a proposed short sale not
 20 later than five (5) business days (excluding legal public holidays,
 21 Saturdays, and Sundays) after the date of the offer if the offer
 22 complies with the requirements for a qualified written request set
 23 forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer, or
 24 creditor's agent is required to acknowledge a written offer made
 25 in connection with a proposed short sale from a third party acting
 26 on behalf of the debtor only if the debtor has provided written
 27 authorization for the creditor, servicer, or creditor's agent to do so.
 28 Not later than thirty (30) business days (excluding legal public
 29 holidays, Saturdays, and Sundays) after receipt of an offer under
 30 this subsection, the creditor, servicer, or creditor's agent shall
 31 respond to the offer with an acceptance or a rejection of the offer.
 32 The thirty (30) day period described in this subsection may be
 33 extended for not more than fifteen (15) business days (excluding
 34 legal public holidays, Saturdays, and Sundays) if, before the end of
 35 the thirty (30) day period, the creditor, the servicer, or the
 36 creditor's agent notifies the debtor of the extension and the reason
 37 the extension is needed. Payment accepted by a creditor, servicer,
 38 or creditor's agent in connection with a short sale constitutes
 39 payment in full satisfaction of the mortgage transaction unless the
 40 creditor, servicer, or creditor's agent obtains either:

41 (1) a statement that: "The debtor remains liable for any
 42 amount still owed under the mortgage transaction."; or



1 (2) a statement substantially similar to the statement set forth
 2 in subdivision (1);
 3 acknowledged by the initials or signature of the debtor, on or
 4 before the date on which the short sale payment is accepted. As
 5 used in this subsection, "short sale" means a transaction in which
 6 the property that is the subject of a mortgage transaction is sold
 7 for an amount that is less than the amount of the debtor's
 8 outstanding obligation under the mortgage transaction. A creditor
 9 or mortgage servicer that fails to respond to an offer within the
 10 time prescribed by this subsection is liable in accordance with 12
 11 U.S.C. 2605(f) in any action brought under that section.

12 (e) This section is not intended to provide the owner of real
 13 estate subject to the issuance of process under a judgment or
 14 decree of foreclosure any protection or defense against a deficiency
 15 judgment for purposes of the borrower protections from liability
 16 that must be disclosed under 12 CFR 1026.38(p)(3) on the form
 17 required by 12 CFR 1026.38 ("Closing Disclosures" form under
 18 the Amendments to the 2013 Integrated Mortgage Disclosures Rule
 19 Under the Real Estate Settlement Procedures Act (Regulation X)
 20 and the Truth In Lending Act (Regulation Z) and the 2013 Loan
 21 Originator Rule Under the Truth in Lending Act (Regulation Z)).

22 Sec. 12. (a) Except for subsections (b) and (i), this section applies
 23 only to a sale agreement entered into before July 1, 2020. Except as
 24 provided in subsection (b), upon prepayment in full of the unpaid
 25 balance of a precomputed consumer credit sale, refinancing, or
 26 consolidation, an amount not less than the unearned portion of the
 27 credit service charge calculated according to this section shall be
 28 rebated to the buyer. If the rebate required is less than one dollar
 29 (\$1), no rebate need be made.

30 (b) Upon prepayment in full of a consumer credit sale,
 31 refinancing, or consolidation, other than one pursuant to a
 32 revolving charge account, if the credit service charge then earned
 33 is less than any permitted minimum credit service charge under
 34 section 4(h) of this chapter contracted for, whether or not the sale,
 35 refinancing, or consolidation is precomputed, the seller may collect
 36 or retain the minimum charge, as if earned, not exceeding the
 37 credit service charge contracted for.

38 (c) The unearned portion of the credit service charge is a
 39 fraction of the credit service charge of which the numerator is the
 40 sum of the periodic balances scheduled to follow the computational
 41 period in which prepayment occurs, and the denominator is the
 42 sum of all periodic balances under either the sale agreement or, if



1 the balance owing resulted from a refinancing (section 8 of this
2 chapter) or a consolidation (section 9 of this chapter), under the
3 refinancing agreement or consolidation agreement.

4 (d) In this section:

5 (1) "periodic balance" means the amount scheduled to be
6 outstanding on the last day of a computational period before
7 deducting the payment, if any, scheduled to be made on that
8 day;

9 (2) "computational period" means one (1) month if one-half
10 (1/2) or more of the intervals between scheduled payments
11 under the agreement is one (1) month or more, and otherwise
12 means one (1) week;

13 (3) the "interval" to the due date of the first scheduled
14 installment or the final scheduled payment date is measured
15 from the date of a sale, refinancing, or consolidation, or any
16 later date prescribed for calculating maximum credit service
17 charges under section 4(e) of this chapter and includes either
18 the first or last day of the interval; and

19 (4) if the interval to the due date of the first scheduled
20 installment does not exceed one (1) month by more than
21 fifteen (15) days when the computational period is one (1)
22 month, or eleven (11) days when the computational period is
23 one (1) week, the interval shall be considered as one (1)
24 computational period.

25 (e) This subsection applies only if the schedule of payments is
26 not regular.

27 (1) If the computational period is one (1) month and:

28 (A) if the number of days in the interval to the due date of
29 the first scheduled installment is less than one (1) month by
30 more than five (5) days, or more than one (1) month by
31 more than five (5) but not more than fifteen (15) days, the
32 unearned credit service charge shall be increased by an
33 adjustment for each day by which the interval is less than
34 one (1) month and, at the option of the seller, may be
35 reduced by an adjustment for each day by which the
36 interval is more than one (1) month; the adjustment for
37 each day shall be one-thirtieth (1/30) of that part of the
38 credit service charge earned in the computational period
39 prior to the due date of the first scheduled installment
40 assuming that period to be one (1) month; and

41 (B) if the interval to the final scheduled payment date is a
42 number of computational periods plus an additional



- 1 number of days less than a full month, the additional
2 number of days shall be considered a computational period
3 only if sixteen (16) days or more. This clause applies
4 whether or not clause (A) applies.
- 5 (2) Notwithstanding subdivision (1), if the computational
6 period is one (1) month, the number of days in the interval to
7 the due date of the first installment exceeds one (1) month by
8 not more than fifteen (15) days, and the schedule of payments
9 is otherwise regular, the seller, at the seller's option, may
10 exclude the extra days and the charge for the extra days in
11 computing the unearned credit service charge; but if the seller
12 does so and a rebate is required before the due date of the
13 first scheduled installment, the seller shall compute the earned
14 charge for each elapsed day as one-thirtieth (1/30) of the
15 amount the earned charge would have been if the first
16 interval had been one (1) month.
- 17 (3) If the computational period is one (1) week and:
18 (A) if the number of days in the interval to the due date of
19 this first scheduled installment is less than five (5) days or
20 more than nine (9) days but not more than eleven (11)
21 days, the unearned credit service charge shall be increased
22 by an adjustment for each day by which the interval is less
23 than seven (7) days and, at the option of the seller, may be
24 reduced by an adjustment for each day by which the
25 interval is more than seven (7) days; the adjustment for
26 each day shall be one-seventh (1/7) of that part of the
27 credit service charge earned in the computational period
28 prior to the due date of the first scheduled installment
29 assuming that period to be one (1) week; and
30 (B) if the interval to the final scheduled payment date is a
31 number of computational periods plus an additional
32 number of days less than a full week, the additional
33 number of days shall be considered a computational period
34 only if five (5) days or more. This clause applies whether or
35 not clause (A) applies.
- 36 (f) If a deferral under section 7 of this chapter has been agreed
37 to, the unearned portion of the credit service charge shall be
38 computed without regard to the deferral. The amount of deferral
39 charge earned at the date of prepayment shall also be calculated.
40 If the deferral charge earned is less than the deferral charge paid,
41 the difference shall be added to the unearned portion of the credit
42 service charge. If any part of a deferral charge has been earned but



1 has not been paid, that part shall be subtracted from the unearned
2 portion of the credit service charge or shall be added to the unpaid
3 balance.

4 (g) This section does not preclude the collection or retention by
5 the seller of delinquency charges under section 6 of this chapter.

6 (h) If the maturity is accelerated for any reason and judgment
7 is obtained, the buyer is entitled to the same rebate as if payment
8 had been made on the date judgment is entered.

9 (i) Upon prepayment in full of a consumer credit sale by the
10 proceeds of consumer credit insurance, the buyer or the buyer's
11 estate shall pay the same credit service charge or receive the same
12 rebate as though the buyer had prepaid the agreement on the date
13 the proceeds of the insurance are paid to the seller, but no later
14 than ten (10) business days after satisfactory proof of loss is
15 furnished to the seller. This subsection applies whether or not the
16 credit sale is precomputed.

17 (j) Upon prepayment in full of a transaction with a term of more
18 than sixty-one (61) months, the unearned part of the credit service
19 charge shall be computed by applying the disclosed annual
20 percentage rate that would yield the credit service charge
21 originally contracted for to the unpaid balances of the amount
22 financed for the full computational periods following the
23 prepayment, as originally scheduled or as deferred.

24 Sec. 13. (a) For purposes of this section, "consumer credit sale"
25 includes a sale that is a sale of an interest in land and that is a first
26 lien mortgage transaction if the sale is otherwise a consumer credit
27 sale.

28 (b) The seller shall disclose to the buyer to whom credit is
29 extended with respect to a consumer credit sale, and the lessor
30 shall disclose to the lessee with respect to a consumer lease, the
31 information required by the Consumer Credit Protection Act (15
32 U.S.C. 1601 et seq.).

33 (c) For purposes of subsection (b), disclosures shall not be
34 required on a consumer credit sale if the transaction is exempt
35 from the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.).

36 Sec. 14. A seller may not use multiple agreements with intent to
37 obtain a higher credit service charge than would otherwise be
38 permitted by this article or to avoid disclosure of an annual
39 percentage rate pursuant to section 13 of this chapter. The excess
40 amount of credit service charge provided for in agreements in
41 violation of this section is an excess charge for the purposes of the
42 provisions on the effect of violations on rights of parties



1 (IC 37-2-6-9) and the provisions on civil actions by the department
 2 (IC 37-2-7-14).

3 Sec. 15. (a) For the purposes of this section, "terms of the
 4 refinancing" means:

5 (1) in the case of a fixed-rate consumer credit sale, the
 6 individual payment amounts, the charges as a result of default
 7 by the buyer, and the rate of the credit service charge; and

8 (2) in the case of a variable rate consumer credit sale, the
 9 method used to determine the individual payment amounts,
 10 the charges as a result of default by the buyer, the method
 11 used to determine the rate of the credit service charge, the
 12 circumstances under which the rate of the credit service
 13 charge may increase, and any limitations on the increase in
 14 the rate of the credit service charge.

15 (b) With respect to a consumer credit sale, other than one
 16 pursuant to a revolving charge account or one on which only credit
 17 service charges are payable before the time that the final scheduled
 18 payment is due, if any scheduled payment is more than twice as
 19 large as the average of earlier scheduled payments, the buyer has
 20 the right to refinance the amount of that payment at the time it is
 21 due without penalty. The terms of the refinancing shall be no less
 22 favorable to the buyer than the terms of the original sale. This
 23 section does not apply to the extent that the payment schedule is
 24 adjusted to the seasonal or irregular income of the buyer.

25 Sec. 16. The obligation of a lessee upon expiration of a consumer
 26 lease may not exceed three (3) times the average payment allocable
 27 to a monthly period under the lease. This limitation does not apply
 28 to charges for damages to the leased property or for other default.

29 Sec. 17. (a) With respect to a consumer credit sale, a seller may
 30 take a security interest in the property sold. In addition, a seller
 31 may take a security interest in goods upon which services are
 32 performed or in which goods sold are installed or to which they are
 33 annexed, or in land to which the goods are affixed or which is
 34 maintained, repaired, or improved as a result of the sale of the
 35 goods or services, if, in the case of a subordinate lien mortgage
 36 transaction, the debt secured is four thousand dollars (\$4,000) or
 37 more, or, in the case of a security interest in goods the debt secured
 38 is three hundred dollars (\$300) or more. Except as provided with
 39 respect to cross-collateral in section 19 of this chapter, a seller may
 40 not otherwise take a security interest in property of the buyer to
 41 secure the debt arising from a consumer credit sale.

42 (b) With respect to a consumer lease, a lessor may not take a



1 security interest in property of the lessee to secure the debt arising
2 from the lease.

3 (c) A security interest taken in violation of this section is void.

4 (d) The amounts of four thousand dollars (\$4,000) and three
5 hundred dollars (\$300) in subsection (a) are subject to change
6 pursuant to the provisions on adjustment of dollar amounts in
7 IC 37-2-1-5. However, notwithstanding IC 37-2-1-5(a), the
8 Reference Base Index to be used with respect to the amount of:

9 (1) three hundred dollars (\$300) is the Index for October
10 1992; and

11 (2) four thousand dollars (\$4,000) is the Index for October
12 2012.

13 Sec. 18. The leasing of live domestic animals (as defined in
14 IC 34-30-30-1) under this chapter is prohibited.

15 Sec. 19. (a) As used in this section, "seller" does not include an
16 assignee not related to the original seller.

17 (b) In addition to contracting for a security interest pursuant to
18 the provisions on security in sales or leases in section 17 of this
19 chapter, a seller in a consumer credit sale may secure the debt
20 arising from the sale by contracting for a security interest in other
21 property if as a result of a prior sale the seller has an existing
22 security interest in the other property. The seller may also contract
23 for a security interest in the property sold in the subsequent sale as
24 security for the previous debt.

25 (c) If the seller contracts for a security interest in other property
26 pursuant to this section, the rate of credit service charge thereafter
27 on the aggregate unpaid balances so secured may not exceed that
28 permitted if the balances so secured were consolidated pursuant to
29 the provisions on consolidation involving a refinancing in section
30 9(a) of this chapter. The seller has a reasonable time after so
31 contracting to make any adjustments required by this section.

32 Sec. 20. (a) If debts arising from two (2) or more consumer
33 credit sales, other than sales pursuant to a revolving charge
34 account, are secured by cross-collateral under section 19 of this
35 chapter or consolidated into one (1) debt payable on a single
36 schedule of payments, and the debt is secured by security interests
37 taken with respect to one (1) or more of the sales, payments
38 received by the seller after the taking of the cross-collateral or the
39 consolidation are deemed, for the purpose of determining the
40 amount of the debt secured by the various security interests, to
41 have been first applied to the payment of the debts arising from the
42 sales first made. To the extent debts are paid according to this



1 section, security interests in items of property terminate as the debt
2 originally incurred with respect to each item is paid.

3 (b) Payments received by the seller upon a revolving charge
4 account are deemed, for the purpose of determining the amount of
5 the debt secured by the various security interests, to have been
6 applied first to the payment of credit service charges in the order
7 of their entry to the account and then to the payment of debts in
8 the order in which the entries to the account showing the debts
9 were made.

10 (c) If the debts consolidated arose from two (2) or more sales
11 made on the same day, payments received by the seller are deemed,
12 for the purpose of determining the amount of the debts secured by
13 the various security interests, to have been applied first to the
14 payment of the smallest debt.

15 **Sec. 21.** A seller or lessor may not take an assignment of
16 earnings of the buyer or lessee for payment or as security for
17 payment of a claim, whether arising out of a consumer credit sale,
18 consumer lease, or otherwise. An assignment of earnings in
19 violation of this section is unenforceable by the assignees of the
20 earnings and revocable by the buyer or lessee. This section does not
21 prohibit an employee from authorizing deductions from the
22 employee's earnings if the authorization is revocable and is
23 otherwise permitted by law.

24 **Sec. 22.** With respect to a consumer credit sale or consumer
25 lease the seller or lessor may not give or offer to give a rebate or
26 discount or otherwise pay or offer to pay value to the buyer or
27 lessee as an inducement for a sale or lease in consideration of the
28 buyer or lessee giving to the seller or lessor the names of
29 prospective purchasers or lessees, or otherwise aiding the seller or
30 lessor in making a sale or lease to another person, if the earning of
31 the rebate, discount or other value is contingent upon the
32 occurrence of an event subsequent to the time the buyer or lessee
33 agrees to buy or lease. If a buyer or lessee is induced by a violation
34 of this section to enter into a consumer credit sale or consumer
35 lease, the agreement is unenforceable by the seller or lessor and the
36 buyer or lessee, at the buyer's or lessee's option, may rescind the
37 agreement or retain the goods delivered and the benefit of any
38 services performed, without any obligation to pay for them.

39 **Sec. 23.** The buyer or lessee is authorized to pay the original
40 seller or lessor until the buyer or lessee receives notification of
41 assignment of the rights to payment pursuant to a consumer credit
42 sale or consumer lease and that payment is to be made to the



1 assignee. A notification which does not reasonably identify the
2 rights assigned is ineffective. If requested by the buyer or lessee,
3 the assignee must seasonably furnish reasonable proof that the
4 assignment has been made and unless the assignee does so the
5 buyer or lessee may pay the seller or lessor.

6 **Sec. 24.** With respect to a consumer credit sale or consumer
7 lease the agreement may provide for the payment by the buyer or
8 lessee of reasonable attorney's fees and after default and referral
9 to an attorney not a salaried employee of the seller, or of the lessor
10 or the lessor's assignee. A provision in violation of this section is
11 unenforceable.

12 **Sec. 25.** Except for reasonable expenses incurred in realizing on
13 a security interest, the agreement with respect to a consumer credit
14 sale may not provide for any charges as a result of default by the
15 buyer other than those authorized by this article. A provision in
16 violation of this section is unenforceable.

17 **Sec. 26.** A buyer or lessee may not authorize any person to
18 confess judgment on a claim arising out of a consumer credit sale
19 or consumer lease. An authorization in violation of this section is
20 void.

21 **Sec. 27. (a)** This section applies to consumer credit sales,
22 including revolving charge accounts.

23 **(b)** Except as provided in subsection (c), a creditor shall credit
24 a payment to a consumer's account as of the date of receipt, except
25 when a delay in crediting does not result in a finance charge or
26 other charge, including a delinquency charge under section 6 of
27 this chapter. A delay in posting does not violate this section so long
28 as the payment is credited as of the date of receipt.

29 **(c)** If a creditor specifies in writing requirements for the
30 consumer to follow in making payments, but accepts a payment
31 that does not conform to the requirements, the creditor shall credit
32 the payment within five (5) days of receipt of the payment.

33 **(d)** If a creditor fails to credit a payment as required by this
34 section in time to avoid the imposition of a finance or other charge,
35 including a delinquency charge, the creditor shall adjust the
36 consumer's account so that the charges imposed are credited to the
37 consumer's account during the next payment period.

38 **Sec. 28.** The requirements of 16 CFR 429 must be met in regard
39 to the following provisions concerning a home solicitation sale:

- 40 (1) Period within which cancellation may be made by the
41 buyer.
42 (2) Notice of cancellation.



- 1 **(3) Form of cancellation.**
- 2 **(4) Form of agreement or offer to purchase.**
- 3 **(5) Statement of buyer's rights.**
- 4 **(6) Restoration of down payment.**
- 5 **(7) Retention of cancellation fee.**
- 6 **(8) Duty of buyer.**
- 7 **(9) Any other relevant requirements in 16 CFR 429.**
- 8 **Sec. 29. The parties to a sale other than a consumer credit sale**
- 9 **may agree in a writing signed by the parties that the sale is subject**
- 10 **to the provisions of this article applying to consumer credit sales.**
- 11 **If the parties so agree, the sale is a consumer credit sale for the**
- 12 **purposes of this article.**
- 13 **Sec. 30. (a) With respect to a consumer related sale not made**
- 14 **pursuant to a revolving charge account, the parties may contract**
- 15 **for an amount comprising the amount financed and a credit service**
- 16 **charge not in excess of twenty-five percent (25%) per year**
- 17 **calculated according to the actuarial method on the unpaid**
- 18 **balances of the amount financed.**
- 19 **(b) With respect to a consumer related sale made pursuant to a**
- 20 **revolving charge account, the parties may contract for a credit**
- 21 **service charge not in excess of that permitted by the provisions on**
- 22 **credit service charge for revolving charge accounts set forth in**
- 23 **section 4(f) of this chapter.**
- 24 **(c) A person engaged in consumer related sales is not required**
- 25 **to comply with IC 37-2-7-24 through IC 37-2-7-26.**
- 26 **Sec. 31. Except for the rate of the credit service charge set forth**
- 27 **in section 4 of this chapter and the rights to prepay and to rebate**
- 28 **upon prepayment, sections 4 through 12 of this chapter apply to a**
- 29 **consumer related sale.**
- 30 **Sec. 32. (a) An agreement with respect to a consumer related**
- 31 **sale may provide for only the following charges as a result of the**
- 32 **buyer's default:**
- 33 **(1) Reasonable attorney's fees and reasonable expenses**
- 34 **incurred in realizing on a security interest.**
- 35 **(2) Deferral charges not in excess of twenty-five percent**
- 36 **(25%) per year of the amount deferred for the period of**
- 37 **deferral.**
- 38 **(3) Other charges that could have been made had the sale**
- 39 **been a consumer credit sale.**
- 40 **(b) A provision in violation of this section is unenforceable.**
- 41 **Sec. 33. With respect to a sale other than a consumer credit sale**
- 42 **or a consumer related sale, the parties may contract for the**



1 payment by the buyer of any credit service charge.

2 Chapter 4. Loans

3 Sec. 0.1. The following amendments to IC 24-4.5-3 (before its
4 repeal) applied as follows:

5 (1) The amendments made to IC 24-4.5-3-201 (before its
6 repeal) by P.L.163-1999 did not apply to consumer loans in
7 existence before July 1, 1999.

8 (2) The amendments made to IC 24-4.5-3-209(1) (before its
9 repeal) by P.L.159-2001 applied to a contract between a
10 lender and a debtor that is entered into or renewed after June
11 30, 2001.

12 Sec. 1. (a) This chapter applies to consumer loans, including
13 supervised loans.

14 (b) Sections 15 through 21 of this chapter apply to consumer
15 loans. Except as otherwise provided, all provisions of this article
16 applying to consumer loans apply to supervised loans.

17 (c) Sections 41 through 44 of this chapter apply to consumer
18 related loans.

19 (d) Except for the rate of the loan finance charge and the rights
20 to prepay and to rebate upon prepayment, sections 4 through 13 of
21 this chapter apply to a consumer related loan.

22 (e) The licensing provisions of this chapter apply to consumer
23 credit sales under IC 37-2-3 that are subordinate lien mortgage
24 transactions.

25 Sec. 2. Unless a loan is made subject to this chapter by
26 agreement under section 41 of this chapter, and except with respect
27 to:

- 28 (1) disclosure (section 14 of this chapter);
- 29 (2) debtors' remedies (IC 37-2-6-8);
- 30 (3) providing payoff amounts (section 12 of this chapter);
- 31 (4) providing property tax information (section 46 of this
32 chapter);
- 33 (5) powers and functions of the department (IC 37-2-7-3);
- 34 (6) the department's examination and investigatory authority
35 (IC 37-2-7-5); and
- 36 (7) the department's administrative enforcement authority
37 (IC 37-2-7-9);

38 the term "consumer loan" does not include a first lien mortgage
39 transaction.

40 Sec. 3. A loan, refinancing, or consolidation is considered
41 precomputed if the debt is expressed as a sum comprising the
42 principal and the amount of the loan finance charge computed in



1 advance.

2 **Sec. 4. (a) This section does not apply to a supervised loan.**
 3 **Except as provided in subsections (f) and (i), with respect to a**
 4 **consumer loan, a lender may contract for a loan finance charge,**
 5 **calculated according to the actuarial method, not exceeding**
 6 **twenty-five percent (25%) per year on the unpaid balances of the**
 7 **principal.**

8 **(b) In the case of a loan agreement entered into before July 1,**
 9 **2020, this section does not limit or restrict the manner of**
 10 **contracting for the loan finance charge, whether by way of add-on,**
 11 **discount, or otherwise, so long as the rate of the loan finance**
 12 **charge does not exceed that permitted by this section. If the loan is**
 13 **precomputed:**

14 **(1) the loan finance charge may be calculated on the**
 15 **assumption that all scheduled payments will be made when**
 16 **due; and**

17 **(2) the effect of prepayment is governed by the provisions on**
 18 **rebate upon prepayment in section 13 of this chapter.**

19 **(c) The following apply to a loan agreement for a consumer loan**
 20 **(or for the refinancing or consolidation of a consumer loan) that is**
 21 **entered into after June 30, 2020:**

22 **(1) The consumer loan is subject to this section, including the**
 23 **limitations set forth in:**

24 **(A) subsection (a) with respect to the loan finance charge;**
 25 **and**

26 **(B) subsection (i)(2) with respect to the amount of the**
 27 **authorized nonrefundable prepaid finance charge, in the**
 28 **case of a consumer loan that is not secured by an interest**
 29 **in land.**

30 **(2) The loan finance charge authorized by this section must**
 31 **be:**

32 **(A) contracted for between the lender and the debtor; and**

33 **(B) calculated by applying a rate not exceeding the rate set**
 34 **forth in subsection (a) to unpaid balances of the principal.**

35 **(3) A loan agreement for a precomputed consumer loan is**
 36 **prohibited.**

37 **(4) Subject to subsection (1), in addition to the loan finance**
 38 **charge authorized by subsection (a) and to any other fees**
 39 **permitted by this chapter, and not subject to the twenty-five**
 40 **percent (25%) rate set forth in subsection (a), the lender may**
 41 **contract for and receive as a condition for, or an incident to,**
 42 **the extension of credit a nonrefundable prepaid finance**



1 charge under subsection (i), whether the charge is:

2 (A) paid separately in cash or by check before or at
3 consummation; or

4 (B) withheld from the proceeds of the consumer loan.

5 (d) For the purposes of this section, the term of a loan
6 commences with the date the loan is made. Differences in the
7 lengths of months are disregarded, and a day may be counted as
8 one-thirtieth ($1/30$) of a month. Subject to classifications and
9 differentiations the lender may reasonably establish, a part of a
10 month in excess of fifteen (15) days may be treated as a full month
11 if periods of fifteen (15) days or less are disregarded and if that
12 procedure is not consistently used to obtain a greater yield than
13 would otherwise be permitted. For purposes of computing average
14 daily balances, the creditor may elect to treat all months as
15 consisting of thirty (30) days.

16 (e) With respect to a consumer loan made pursuant to a
17 revolving loan account:

18 (1) the loan finance charge shall be deemed not to exceed the
19 maximum annual percentage rate if the loan finance charge
20 contracted for and received does not exceed a charge in each
21 monthly billing cycle which is two and eighty-three
22 thousandths percent (2.083%) of an amount not greater than:

23 (A) the average daily balance of the debt;

24 (B) the unpaid balance of the debt on the same day of the
25 billing cycle; or

26 (C) subject to subsection (f), the median amount within a
27 specified range within which the average daily balance or
28 the unpaid balance of the debt, on the same day of the
29 billing cycle, is included; for the purposes of this clause and
30 clause (B), a variation of not more than four (4) days from
31 month to month is "the same day of the billing cycle";

32 (2) if the billing cycle is not monthly, the loan finance charge
33 shall be deemed not to exceed the maximum annual
34 percentage rate if the loan finance charge contracted for and
35 received does not exceed a percentage which bears the same
36 relation to one-twelfth ($1/12$) the maximum annual percentage
37 rate as the number of days in the billing cycle bears to thirty
38 (30); and

39 (3) notwithstanding subsection (a), if there is an unpaid
40 balance on the date as of which the loan finance charge is
41 applied, the lender may contract for and receive a charge not
42 exceeding fifty cents (\$0.50) if the billing cycle is monthly or



1 longer, or the pro rata part of fifty cents (\$0.50) which bears
 2 the same relation to fifty cents (\$0.50) as the number of days
 3 in the billing cycle bears to thirty (30) if the billing cycle is
 4 shorter than monthly, but no charge may be made pursuant
 5 to this subdivision if the lender has made an annual charge for
 6 the same period as permitted by the provisions on additional
 7 charges in section 5(a)(3) of this chapter.

8 (f) Subject to classifications and differentiations the lender may
 9 reasonably establish, the lender may make the same loan finance
 10 charge on all amounts financed within a specified range. A loan
 11 finance charge does not violate subsection (a) if:

12 (1) when applied to the median amount within each range, it
 13 does not exceed the maximum permitted by subsection (a);
 14 and

15 (2) when applied to the lowest amount within each range, it
 16 does not produce a rate of loan finance charge exceeding the
 17 rate calculated according to subdivision (1) by more than
 18 eight percent (8%) of the rate calculated according to
 19 subdivision (1).

20 (g) With respect to a consumer loan not made pursuant to a
 21 revolving loan account, the lender may contract for and receive a
 22 minimum loan finance charge of not more than thirty dollars (\$30).
 23 The minimum loan finance charge allowed under this subsection
 24 may be imposed only if the lender does not contract for or receive
 25 a nonrefundable prepaid finance charge under subsection (i) and:

26 (1) the debtor prepays in full a consumer loan, refinancing, or
 27 consolidation, regardless of whether the loan, refinancing, or
 28 consolidation is precomputed;

29 (2) the loan, refinancing, or consolidation prepaid by the
 30 debtor is subject to a loan finance charge that:

31 (A) is contracted for by the parties; and

32 (B) does not exceed the rate prescribed in subsection (a);
 33 and

34 (3) the loan finance charge earned at the time of prepayment
 35 is less than the minimum loan finance charge contracted for
 36 under this subsection.

37 (h) The amount of thirty dollars (\$30) in subsection (g) is subject
 38 to change under the provisions on adjustment of dollar amounts set
 39 forth in IC 37-2-1-5. However, notwithstanding IC 37-2-1-5(a), the
 40 Reference Base Index to be used under this subsection is the Index
 41 for October 1992.

42 (i) Except as provided in subsection (g), and subject to



1 subsection (l), in addition to the loan finance charge authorized by
2 subsection (a) and to any other charges and fees permitted by this
3 chapter, a lender may contract for and receive a nonrefundable
4 prepaid finance charge of not more than the following:

5 (1) In the case of a consumer loan that is secured by an
6 interest in land and that:

7 (A) is not made under a revolving loan account, three
8 percent (3%) of the loan amount; or

9 (B) is made under a revolving loan account, three percent
10 (3%) of the line of credit.

11 (2) In the case of consumer loan that is not secured by an
12 interest in land, fifty dollars (\$50) if the loan agreement is
13 entered into before July 1, 2020. If the loan agreement is
14 entered into after June 30, 2020, not more than the following:

15 (A) Seventy-five dollars (\$75), in the case of a loan
16 agreement for a principal amount which is two thousand
17 dollars (\$2,000) or less.

18 (B) One hundred fifty dollars (\$150) in the case of a loan
19 agreement for a principal amount which is more than two
20 thousand dollars (\$2,000) but does not exceed four
21 thousand dollars (\$4,000).

22 (C) Two hundred dollars (\$200) in the case of a loan
23 agreement for a principal amount which is more than four
24 thousand dollars (\$4,000).

25 The amounts in this subsection are not subject to change under
26 IC 37-2-1-5.

27 (j) The nonrefundable prepaid finance charge provided for in
28 subsection (i) is not subject to refund or rebate. However, for any
29 loan entered into after June 30, 2020, any amount charged by the
30 lender, other than by a lender that is a depository institution,
31 under subsection (i) that exceeds the applicable amount permitted
32 by subsection (i)(2) constitutes a violation of this article under
33 IC 37-2-7-8(12) and is subject to refund. Any amount charged by
34 a depository institution under subsection (i) that exceeds the
35 applicable amount set forth in subsection (i)(2) is subject to refund.

36 (k) If the director determines that a lender's accrual method of
37 accounting as applied to a consumer loan under this section
38 involves the application of subterfuge for the purpose of
39 circumventing this chapter, the director may conform the loan
40 finance charge and fees for the transaction to the limitations set
41 forth in this section and may require a refund of overcharges
42 under IC 37-2-7-5(b)(1). A determination by the director under this



- 1 subsection:
 2 (1) must be in writing;
 3 (2) shall be delivered to all parties in the transaction; and
 4 (3) is subject to IC 4-21.5-3.
 5 (l) At the time of consummation of a consumer loan:
 6 (1) the loan finance charge authorized by subsection (a); and
 7 (2) the nonrefundable prepaid finance charge authorized by
 8 subsection (i) (including any amount charged by a depository
 9 institution that exceeds the applicable amount set forth in
 10 subsection (i)(2));
 11 are subject to IC 35-45-7 and, when combined, may not exceed the
 12 rate set forth in IC 35-45-7-2.
 13 (m) Notwithstanding subsections (i) and (j), in the case of a
 14 consumer loan that is not secured by an interest in land, if a lender
 15 retains any part of a nonrefundable prepaid finance charge
 16 charged on a loan that is paid in full by a new loan from the same
 17 lender, the following apply:
 18 (1) If the loan is paid in full by the new loan within three (3)
 19 months after the date of the prior loan, the lender may not
 20 charge a nonrefundable prepaid finance charge on the new
 21 loan, or, in the case of a revolving loan, on the increased credit
 22 line.
 23 (2) The lender may not assess more than two (2)
 24 nonrefundable prepaid finance charges in any twelve (12)
 25 month period.
 26 (3) Subject to subdivisions (1) and (2), if a loan that is entered
 27 into by a lender and a debtor before July 1, 2020, is paid in
 28 full by a new loan from the same lender after June 30, 2020,
 29 the lender may contract for and receive a nonrefundable
 30 prepaid finance charge in the amount set forth in subsection
 31 (i)(2) for loan agreements entered into after June 30, 2020.
 32 (n) In the case of a consumer loan that is secured by an interest
 33 in land, this section does not prohibit a lender from contracting for
 34 and receiving a fee for preparing deeds, mortgages, reconveyances,
 35 and similar documents under section 5(a)(4)(B) of this chapter, in
 36 addition to the nonrefundable prepaid finance charge provided for
 37 in subsection (i).
 38 Sec. 5. (a) In addition to the loan finance charge permitted by
 39 this chapter, a lender may contract for and receive the following
 40 additional charges in connection with a consumer loan:
 41 (1) Official fees and taxes.
 42 (2) Charges for insurance as described in subsection (b).



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- (3) Annual participation fees assessed in connection with a revolving loan account. Annual participation fees must:**
 - (A) be reasonable in amount;**
 - (B) bear a reasonable relationship to the lender's costs to maintain and monitor the loan account; and**
 - (C) not be assessed for the purpose of circumvention or evasion of this article, as determined by the department.**
- (4) With respect to a debt secured by an interest in land, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this article:**
 - (A) Fees for title examination, abstract of title, title insurance, property surveys, or similar purposes.**
 - (B) Fees for preparing deeds, mortgages, and reconveyance, settlement, and similar documents.**
 - (C) Notary and credit report fees.**
 - (D) Amounts required to be paid into escrow or trustee accounts if the amounts would not otherwise be included in the loan finance charge.**
 - (E) Appraisal fees.**
- (5) Notwithstanding provisions of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) concerning disclosure, charges for other benefits, including insurance, conferred on the debtor, if the benefits are of value to the debtor and if the charges are reasonable in relation to the benefits, and are excluded as permissible additional charges from the loan finance charge. With respect to any other additional charge not specifically provided for in this section to be a permitted charge under this subsection, the creditor must submit a written explanation of the charge to the department indicating how the charge would be assessed and the value or benefit to the debtor. Supporting documents may be required by the department. The department shall determine whether the charge would be of benefit to the debtor and is reasonable in relation to the benefits.**
- (6) A charge not to exceed twenty-five dollars (\$25) for each returned payment by a bank or other depository institution of a dishonored check, electronic funds transfer, negotiable order of withdrawal, or share draft issued by the debtor.**
- (7) With respect to a revolving loan account, a fee not to exceed twenty-five dollars (\$25) in each billing cycle during which the balance due under the revolving loan account**



1 exceeds by more than one hundred dollars (\$100) the
 2 maximum credit limit for the account established by the
 3 lender.

4 **(8) With respect to a revolving loan account, a transaction fee**
 5 **that may not exceed the greater of the following:**

6 **(A) Two percent (2%) of the amount of the transaction.**

7 **(B) Ten dollars (\$10).**

8 **(9) A charge not to exceed twenty-five dollars (\$25) for a**
 9 **skip-a-payment service, subject to the following:**

10 **(A) At the time of use of the service, the consumer must be**
 11 **given written notice of the amount of the charge and must**
 12 **acknowledge the amount in writing, including by electronic**
 13 **signature.**

14 **(B) A charge for a skip-a-payment service may not be**
 15 **assessed with respect to a consumer loan subject to the**
 16 **provisions on rebate upon prepayment that are set forth in**
 17 **section 13 of this chapter.**

18 **(C) A charge for a skip-a-payment service may not be**
 19 **assessed with respect to any payment for which a**
 20 **delinquency charge has been assessed under section 6 of**
 21 **this chapter.**

22 **(10) A charge not to exceed ten dollars (\$10) for an optional**
 23 **expedited payment service, subject to the following:**

24 **(A) The charge may be assessed only upon request by the**
 25 **consumer to use the expedited payment service.**

26 **(B) The amount of the charge must be disclosed to the**
 27 **consumer at the time of the consumer's request to use the**
 28 **expedited payment service.**

29 **(C) The consumer must be informed that the consumer**
 30 **retains the option to make a payment by traditional means.**

31 **(D) The charge may not be established in advance, through**
 32 **any agreement with the consumer, as the expected method**
 33 **of payment.**

34 **(E) The charge may not be assessed with respect to any**
 35 **payment for which a delinquency charge has been assessed**
 36 **under section 6 of this chapter.**

37 **(11) A charge for a GAP agreement, subject to subsection (c).**

38 **(12) With respect to consumer loans made by a person exempt**
 39 **from licensing under section 24(a) of this chapter, a charge**
 40 **for a debt cancellation agreement, subject to the following:**

41 **(A) A debt cancellation agreement or debt cancellation**
 42 **coverage may not be required by the lender, and that fact**



- 1 must be disclosed in writing to the consumer.
- 2 (B) The charge for the initial term of coverage under the
- 3 debt cancellation agreement must be disclosed in writing
- 4 to the consumer. The charge may be disclosed on a
- 5 unit-cost basis only in the case of revolving loan accounts,
- 6 closed-end credit transactions if the request for coverage
- 7 is made by mail or telephone, and closed-end credit
- 8 transactions if the debt cancellation agreement limits the
- 9 total amount of indebtedness eligible for coverage.
- 10 (C) If the term of coverage under the debt cancellation
- 11 agreement is less than the term of the consumer loan, the
- 12 term of coverage under the debt cancellation agreement
- 13 must be disclosed in writing to the consumer.
- 14 (D) The consumer must sign or initial an affirmative
- 15 written request for coverage after receiving all required
- 16 disclosures.
- 17 (E) If debt cancellation coverage for two (2) or more events
- 18 is provided for in a single charge under a debt cancellation
- 19 agreement, the entire charge may be excluded from the
- 20 loan finance charge and imposed as an additional charge
- 21 under this section if at least one (1) of the events is the loss
- 22 of life, health, or income.
- 23 The additional charges provided for in subdivisions (7) through
- 24 (10) are not subject to refund or rebate.
- 25 (b) An additional charge may be made for insurance in
- 26 connection with the loan, other than insurance protecting the
- 27 lender against the debtor's default or other credit loss:
- 28 (1) with respect to insurance against loss of or damage to
- 29 property or against liability, if the lender furnishes a clear
- 30 and specific statement in writing to the debtor, setting forth
- 31 the cost of the insurance if obtained from or through the
- 32 lender and stating that the debtor may choose the person,
- 33 subject to the lender's reasonable approval, through whom
- 34 the insurance is to be obtained; and
- 35 (2) with respect to consumer credit insurance providing life,
- 36 accident, unemployment or other loss of income, or health
- 37 coverage, if the insurance coverage is not a factor in the
- 38 approval by the lender of the extension of credit and this fact
- 39 is clearly disclosed in writing to the debtor, and if, in order to
- 40 obtain the insurance in connection with the extension of
- 41 credit, the debtor gives specific affirmative written indication
- 42 of the desire to do so after written disclosure of the cost of the



- 1 insurance.
- 2 (c) An additional charge may be made for a GAP agreement,
- 3 subject to the following:
- 4 (1) A GAP agreement or GAP coverage may not be required
- 5 by the lender, and that fact must be disclosed in writing to the
- 6 consumer.
- 7 (2) The charge for the initial term of coverage under the GAP
- 8 agreement must be disclosed in writing to the consumer. The
- 9 charge may be disclosed on a unit-cost basis only in the case
- 10 of the following transactions:
- 11 (A) Revolving loan accounts.
- 12 (B) Closed-end credit transactions, if the request for
- 13 coverage is made by mail or telephone.
- 14 (C) Closed-end credit transactions, if the GAP agreement
- 15 limits the total amount of indebtedness eligible for
- 16 coverage.
- 17 (3) If the term of coverage under the GAP agreement is less
- 18 than the term of the consumer loan, the term of coverage
- 19 under the GAP agreement must be disclosed in writing to the
- 20 consumer.
- 21 (4) The consumer must sign or initial an affirmative written
- 22 request for coverage after receiving all required disclosures.
- 23 (5) The GAP agreement must include the following:
- 24 (A) In the case of GAP coverage for a new motor vehicle,
- 25 the manufacturer's suggested retail price (MSRP) for the
- 26 motor vehicle.
- 27 (B) In the case of GAP coverage for a used motor vehicle,
- 28 the average retail value for the motor vehicle, as
- 29 determined by use of a third party valuation service
- 30 provider that is customarily relied upon in the used motor
- 31 vehicle commercial marketplace.
- 32 (C) The name of the financing entity taking assignment of
- 33 the agreement, as applicable.
- 34 (D) The name and address of the consumer.
- 35 (E) The name of the lender selling the agreement.
- 36 (F) Information advising the consumer that the consumer
- 37 may be able to obtain similar coverage from the
- 38 consumer's primary insurance carrier.
- 39 (G) A coverage provision that includes a minimum
- 40 deductible of five hundred dollars (\$500).
- 41 (H) A provision providing for a minimum thirty (30) day
- 42 trial period.



- 1 (I) In the case of a consumer loan made with respect to a
 2 motor vehicle, a provision excluding the sale of GAP
 3 coverage if the amount financed under the consumer loan
 4 (not including the cost of the GAP agreement, the cost of
 5 any credit insurance, and the cost of any warranties or
 6 service agreements) is less than eighty percent (80%) of the
 7 manufacturer's suggested retail price (MSRP), in the case
 8 of a new motor vehicle, or of the average retail value (as
 9 determined by use of a third party valuation service
 10 provider that is customarily relied upon in the used motor
 11 vehicle commercial marketplace), in the case of a used
 12 motor vehicle.
- 13 (J) In the case of a GAP agreement in which the charge for
 14 the agreement exceeds four hundred dollars (\$400),
 15 specific instructions that may be used by the consumer to
 16 cancel the agreement and obtain a refund of the unearned
 17 GAP charge before prepayment in full, in accordance with
 18 the procedures, and subject to the conditions, set forth in
 19 subdivision (6).
- 20 (6) If the charge for the GAP agreement exceeds four hundred
 21 dollars (\$400), the consumer is entitled to cancel the
 22 agreement and obtain a refund of the unearned GAP charge
 23 before prepayment in full. Refunds of unearned GAP charges
 24 shall be made subject to the following conditions:
- 25 (A) A refund of the charge for a GAP agreement must be
 26 calculated using a method that is no less favorable to the
 27 consumer than a refund calculated on a pro rata basis.
- 28 (B) The consumer is entitled to a refund of the unearned
 29 GAP agreement charge as outlined in the GAP agreement.
- 30 (C) The seller of the GAP agreement, or the seller's
 31 assignee, is responsible for making a timely refund to the
 32 consumer of unearned GAP agreement charges under the
 33 terms and conditions of the GAP agreement.
- 34 (7) Upon prepayment in full of the consumer loan:
- 35 (A) the GAP coverage is automatically terminated; and
 36 (B) the seller of the GAP agreement must issue a refund in
 37 accordance with subdivision (6).
- 38 (8) A lender that sells GAP agreements must:
- 39 (A) insure its GAP agreement obligations under a
 40 contractual liability insurance policy issued by an insurer
 41 authorized to engage in the insurance business in Indiana;
 42 and



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(B) retain appropriate records, as required under this article, regarding GAP agreements sold, refunded, and expired.

Sec. 6. (a) With respect to a consumer loan, refinancing, or consolidation, the parties may contract for a delinquency charge of not more than the following:

(1) Five dollars (\$5) on any installment or minimum payment due that is not paid in full not later than ten (10) days after its scheduled due date, in the case of a consumer loan, refinancing, or consolidation that is made before July 1, 2019. The amount of five dollars (\$5) in this subdivision is subject to change under IC 37-2-1-5. In addition, the parties may provide by contract for a delinquency charge that is subject to change. If the parties provide by contract for a delinquency charge that is subject to change, the lender shall disclose in the contract that the amount of the delinquency charge is subject to change under IC 37-2-1-5 or this section.

(2) In the case of a consumer loan, refinancing, or consolidation that is made after June 30, 2019, the following:

(A) Five dollars (\$5) on any installment or minimum payment due that is not paid in full not later than ten (10) days after its scheduled due date, if installments under the consumer loan, refinancing, or consolidation are due every fourteen (14) days or less. The amount of five dollars (\$5) in this clause is not subject to change under IC 37-2-1-5.

(B) Twenty-five dollars (\$25) on any installment or minimum payment due that is not paid in full not later than ten (10) days after its scheduled due date, if installments under the consumer loan, refinancing, or consolidation are due every fifteen (15) days or more. The amount of twenty-five dollars (\$25) in this clause is not subject to change under IC 37-2-1-5.

(C) Twenty-five dollars (\$25) on any installment or minimum payment due that is not paid in full not later than ten (10) days after its scheduled due date, in the case of a consumer loan, refinancing, or consolidation that is payable in a single installment that is due at least thirty (30) days after the consumer loan, refinancing, or consolidation is made. The amount of twenty-five dollars (\$25) in this clause is not subject to change under IC 37-2-1-5.

(b) A delinquency charge under this section may be collected



1 only once on an installment however long it remains in default.
 2 With regard to a delinquency charge on consumer loans made
 3 under a revolving loan account, the delinquency charge may be
 4 applied each month that the payment is less than the minimum
 5 required payment on the account. A delinquency charge may be
 6 collected any time after it accrues. A delinquency charge may not
 7 be collected if:

- 8 (1) the installment has been deferred and a deferral charge
 9 under section 7 of this chapter has been paid or incurred;
 10 (2) a charge for a skip-a-payment service under section 5(a)(9)
 11 of this chapter has been paid or incurred, as provided in
 12 section 5(a)(9)(C) of this chapter; or
 13 (3) a charge for an optional expedited payment service under
 14 section 5(a)(10) of this chapter has been paid or incurred, as
 15 provided in section 5(a)(10)(E) of this chapter.

16 (c) A creditor may not, directly or indirectly, charge or collect
 17 a delinquency charge on a payment that:

- 18 (1) is paid not later than ten (10) days after its scheduled due
 19 date; and
 20 (2) is otherwise a full payment of the payment due for the
 21 applicable installment period;

22 if the only delinquency with respect to the consumer loan,
 23 refinancing, or consolidation is attributable to a delinquency
 24 charge assessed on an earlier installment.

25 (d) If two (2) or more installments, or parts of two (2) or more
 26 installments, of a precomputed loan are in default for ten (10) days
 27 or more, the lender may elect to convert the loan from a
 28 precomputed loan to a loan in which the finance charge is based on
 29 unpaid balances. A lender that makes this election shall make a
 30 rebate under the provisions on rebates upon prepayment set forth
 31 in section 13 of this chapter as of the maturity date of the first
 32 delinquent installment, and thereafter may make a loan finance
 33 charge as authorized by the provisions on loan finance charges for
 34 consumer loans (section 4 of this chapter) or supervised loans
 35 (section 35 of this chapter). The amount of the rebate shall not be
 36 reduced by the amount of any permitted minimum charge under
 37 section 13 of this chapter. Any deferral charges made on
 38 installments due at or after the maturity date of the first delinquent
 39 installment shall be rebated, and no further deferral charges shall
 40 be made.

41 Sec. 7. (a) This section applies only to a consumer loan,
 42 refinancing, or consolidation, that is entered into before July 1,



1 **2020. With respect to a precomputed consumer loan, refinancing,**
2 **or consolidation, the parties before or after default may agree in**
3 **writing to a deferral of all or part of one (1) or more unpaid**
4 **installments, and the lender may make and collect a charge not**
5 **exceeding the lesser of thirty-six percent (36%) per year or the rate**
6 **previously stated to the debtor pursuant to section 14 of this**
7 **chapter applied to the amount or amounts deferred for the period**
8 **of deferral calculated without regard to difference in the lengths of**
9 **months, but proportionally for a part of a month, counting each**
10 **day as one-thirtieth (1/30) of a month. A deferral charge may be**
11 **collected at the time it is assessed or at any time thereafter.**

12 **(b) The lender, in addition to the deferral charge, may make**
13 **appropriate additional charges under section 5 of this chapter, and**
14 **the amount of these charges which is not paid in cash may be added**
15 **to the amount deferred for the purpose of calculating the deferral**
16 **charge.**

17 **(c) The parties may agree in writing at the time of a**
18 **precomputed consumer loan, refinancing, or consolidation that if**
19 **an installment is not paid within ten (10) days after its due date, the**
20 **lender may unilaterally grant a deferral and make charges as**
21 **provided in this section. No deferral charge may be made for a**
22 **period after the date that the lender elects to accelerate the**
23 **maturity of the agreement.**

24 **(d) A delinquency charge made by the lender on an installment**
25 **may not be retained if a deferral charge is made pursuant to this**
26 **section with respect to the period of delinquency.**

27 **Sec. 8. With respect to a consumer loan, refinancing, or**
28 **consolidation, the lender may by agreement with the debtor**
29 **refinance the unpaid balance and may contract for and receive a**
30 **loan finance charge based on the principal resulting from the**
31 **refinancing at a rate not exceeding that permitted by the provisions**
32 **on a loan finance charge for consumer loans (section 4 of this**
33 **chapter) or the provisions on a loan finance charge for supervised**
34 **loans (section 35 of this chapter), whichever is appropriate. For the**
35 **purpose of determining the loan finance charge permitted, the**
36 **principal resulting from the refinancing comprises the following:**

37 **(1) If:**

38 **(A) the transaction was not precomputed, the total of the**
39 **unpaid balance and the accrued charges on the date of the**
40 **refinancing; or**

41 **(B) the transaction was precomputed, in the case of a**
42 **transaction entered into before July 1, 2020, the amount**



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which the debtor would have been required to pay upon prepayment pursuant to the provisions on rebate upon prepayment under section 13 of this chapter on the date of refinancing.

(2) Appropriate additional charges under section 5 of this chapter, payment of which is deferred.

Sec. 9. (a) If a debtor owes an unpaid balance to a lender with respect to a consumer loan, refinancing, or consolidation, and becomes obligated on another consumer loan, refinancing, or consolidation with the same lender, the parties may agree to a consolidation resulting in a single schedule of payments. If the previous consumer loan, refinancing, or consolidation was not precomputed, the parties may agree to add the unpaid amount of principal and accrued charges on the date of consolidation to the principal with respect to the subsequent loan. If the previous consumer loan, refinancing, or consolidation was precomputed, in the case of a transaction entered into before July 1, 2020, the parties may agree to refinance the unpaid balance pursuant to the provisions on refinancing set forth in section 8 of this chapter and to consolidate the principal resulting from the refinancing by adding it to the principal with respect to the subsequent loan. In either case the lender may contract for and receive a loan finance charge based on the aggregate principal resulting from the consolidation at a rate not in excess of that permitted by the provisions on loan finance charge for consumer loans (section 4 of this chapter) or the provisions on loan finance charge for supervised loans (section 35 of this chapter), whichever is appropriate.

(b) The parties may agree to consolidate the unpaid balance of a consumer loan with the unpaid balance of a consumer credit sale. The parties may agree to refinance the previous unpaid balance pursuant to the provisions on refinancing sales set forth in IC 37-2-3-8 or the provisions on refinancing loans set forth in section 8 of this chapter, whichever is appropriate, and to consolidate the amount financed resulting from the refinancing or the principal resulting from the refinancing by adding it to the amount financed or principal with respect to the subsequent sale or loan. The aggregate amount resulting from the consolidation shall be deemed principal, and the creditor may contract for and receive a loan finance charge based on the principal at a rate not in excess of that permitted by the provisions on loan finance charge for consumer loans set forth in section 4 of this chapter or the



1 provisions on loan finance charge for supervised loans set forth in
2 section 35 of this chapter, whichever is appropriate.

3 Sec. 10. The parties may agree to add to a revolving loan
4 account the unpaid balance of a consumer loan, not made pursuant
5 to a revolving loan account, or a refinancing, or consolidation
6 thereof, or the unpaid balance of a consumer credit sale,
7 refinancing or consolidation. For the purpose of this section:

8 (1) the unpaid balance of a consumer loan, refinancing, or
9 consolidation is an amount equal to the principal determined
10 according to the provisions on refinancing set forth in section
11 8 of this chapter; and

12 (2) the unpaid balance of a consumer credit sale, refinancing,
13 or consolidation is an amount equal to the amount financed
14 determined according to the provisions on refinancing set
15 forth in IC 37-2-3-8.

16 Sec. 11. (a) If the agreement with respect to a consumer loan,
17 refinancing, or consolidation contains covenants by the debtor to
18 perform certain duties pertaining to insuring or preserving
19 collateral and if the lender pursuant to the agreement pays for
20 performance of the duties on behalf of the debtor, the lender may
21 add the amounts paid to the debt. Within a reasonable time after
22 advancing any sums, the lender shall state to the debtor in writing
23 the amount of the sums advanced, any charges with respect to this
24 amount, and any revised payment schedule and, if the duties of the
25 debtor performed by the lender pertain to insurance, a brief
26 description of the insurance paid for by the lender including the
27 type and amount of coverages. No further information need be
28 given.

29 (b) A loan finance charge may be made for sums advanced
30 pursuant to subsection (a) at a rate not exceeding the rate stated to
31 the debtor pursuant to section 14 of this chapter with respect to the
32 loan, refinancing, or consolidation, except that with respect to a
33 revolving loan account the amount of the advance may be added to
34 the unpaid balance of the debt and the lender may make a loan
35 finance charge not exceeding that permitted by the provisions on
36 loan finance charge for consumer loans set forth in section 4 of this
37 chapter or for supervised loans set forth in section 35 of this
38 chapter, whichever is appropriate.

39 Sec. 12. (a) Subject to the provisions on rebate upon prepayment
40 set forth in section 13 of this chapter, the debtor may prepay in full
41 the unpaid balance of a consumer loan, refinancing, or
42 consolidation at any time without penalty. With respect to a



1 consumer loan that is primarily secured by an interest in land, a
 2 lender may contract for a penalty for prepayment of the loan in
 3 full, not to exceed two percent (2%) of any amount prepaid within
 4 sixty (60) days of the date of the prepayment in full, after deducting
 5 all refunds and rebates as of the date of the prepayment. However,
 6 the penalty may not be imposed:

- 7 (1) if the loan is refinanced or consolidated with the same
 8 creditor;
 9 (2) for prepayment by proceeds of any insurance or
 10 acceleration after default; or
 11 (3) after three (3) years from the contract date.

12 For purposes of this section, the collection of the amount of any
 13 conditionally waived closing costs (as allowed under section 5 of
 14 this chapter) by a creditor, as stipulated in the loan agreement, at
 15 the time of prepayment in full does not constitute a prepayment
 16 penalty and is not subject to the limitations set forth in this
 17 subsection.

18 (b) At the time of prepayment of a consumer loan not subject to
 19 the provisions of rebate upon prepayment set forth in section 13 of
 20 this chapter, the total finance charge, including the prepaid finance
 21 charge but excluding the nonrefundable prepaid finance charge
 22 allowed under section 4(i) or section 35(h) of this chapter, as
 23 applicable, may not exceed the maximum charge allowed under
 24 this chapter for the period the loan was in effect. For the purposes
 25 of determining compliance with this subsection, the total finance
 26 charge does not include the following:

- 27 (1) The nonrefundable prepaid finance charge allowed under
 28 section 4(i) or section 35(h) of this chapter, as applicable.
 29 (2) The debtor paid mortgage broker fee, if any, paid to a
 30 person who does not control, is not controlled by, or is not
 31 under common control with, the creditor holding the loan at
 32 the time a consumer loan is prepaid.

33 (c) The creditor or mortgage servicer shall provide, in writing,
 34 an accurate payoff amount for the consumer loan to the debtor
 35 within seven (7) business days (excluding legal public holidays,
 36 Saturdays, and Sundays) after the creditor or mortgage servicer
 37 receives the debtor's written request for the accurate consumer
 38 loan payoff amount. A payoff statement provided by a creditor or
 39 mortgage servicer under this subsection must show the date the
 40 statement was prepared and itemize the unpaid principal balance
 41 and each fee, charge, or other sum included within the payoff
 42 amount. A creditor or mortgage servicer who fails to provide the



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accurate consumer loan payoff amount is liable for:
(1) one hundred dollars (\$100) if an accurate consumer loan payoff amount is not provided by the creditor or mortgage servicer within seven (7) business days (excluding legal public holidays, Saturdays, and Sundays) after the creditor or mortgage servicer receives the debtor's first written request; and
(2) the greater of:
(A) one hundred dollars (\$100); or
(B) the loan finance charge that accrues on the loan from the date the creditor or mortgage servicer receives the first written request until the date on which the accurate consumer loan payoff amount is provided;
if an accurate consumer loan payoff amount is not provided by the creditor or mortgage servicer within seven (7) business days (excluding legal public holidays, Saturdays, and Sundays) after the creditor or mortgage servicer receives the debtor's second written request, and the creditor or mortgage servicer failed to comply with subdivision (1).

A liability under this subsection is an excess charge under IC 37-2-6-9.

(d) As used in this subsection, "mortgage transaction" means a consumer loan in which a mortgage or a land contract (or another consensual security interest equivalent to a mortgage or a land contract) that constitutes a lien is created or retained against land upon which there is constructed or intended to be constructed a dwelling that is or will be used by the debtor primarily for personal, family, or household purposes. This subsection applies to a mortgage transaction with respect to which any installment or minimum payment due is delinquent for at least sixty (60) days. The creditor, servicer, or the creditor's agent shall acknowledge a written offer made in connection with a proposed short sale not later than five (5) business days (excluding legal public holidays, Saturdays, and Sundays) after the date of the offer if the offer complies with the requirements for a qualified written request set forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer, or creditor's agent is required to acknowledge a written offer made in connection with a proposed short sale from a third party acting on behalf of the debtor only if the debtor has provided written authorization for the creditor, servicer, or creditor's agent to do so. Not later than thirty (30) business days (excluding legal public holidays, Saturdays, and Sundays) after receipt of an offer under



1 this subsection, the creditor, servicer, or creditor's agent shall
 2 respond to the offer with an acceptance or a rejection of the offer.
 3 The thirty (30) day period described in this subsection may be
 4 extended for not more than fifteen (15) business days (excluding
 5 legal public holidays, Saturdays, and Sundays) if, before the end of
 6 the thirty (30) day period, the creditor, the servicer, or the
 7 creditor's agent notifies the debtor of the extension and the reason
 8 the extension is needed. Payment accepted by a creditor, servicer,
 9 or creditor's agent in connection with a short sale constitutes
 10 payment in full satisfaction of the mortgage transaction unless the
 11 creditor, servicer, or creditor's agent obtains either:

12 (1) a statement that: "The debtor remains liable for any
 13 amount still owed under the mortgage transaction."; or

14 (2) a statement substantially similar to the statement set forth
 15 in subdivision (1);

16 acknowledged by the initials or signature of the debtor, on or
 17 before the date on which the short sale payment is accepted. As
 18 used in this subsection, "short sale" means a transaction in which
 19 the property that is the subject of a mortgage transaction is sold
 20 for an amount that is less than the amount of the debtor's
 21 outstanding obligation under the mortgage transaction. A creditor
 22 or mortgage servicer that fails to respond to an offer within the
 23 time prescribed by this subsection is liable in accordance with 12
 24 U.S.C. 2605(f) in any action brought under that section.

25 (e) This section is not intended to provide the owner of real
 26 estate subject to the issuance of process under a judgment or
 27 decree of foreclosure any protection or defense against a deficiency
 28 judgment for purposes of the borrower protections from liability
 29 that must be disclosed under 12 CFR 1026.38(p)(3) on the form
 30 required by 12 CFR 1026.38 ("Closing Disclosures" form under
 31 the Amendments to the 2013 Integrated Mortgage Disclosures Rule
 32 Under the Real Estate Settlement Procedures Act (Regulation X)
 33 and the Truth In Lending Act (Regulation Z) and the 2013 Loan
 34 Originator Rule Under the Truth in Lending Act (Regulation Z)).

35 Sec. 13. (a) Except for subsections (b) and (i), this section applies
 36 only to a loan agreement entered into before July 1, 2020. Except
 37 as provided in subsection (b), upon prepayment in full of the
 38 unpaid balance of a precomputed consumer loan, refinancing, or
 39 consolidation, an amount not less than the unearned portion of the
 40 loan finance charge calculated according to this section shall be
 41 rebated to the debtor. If the rebate otherwise required is less than
 42 one dollar (\$1), no rebate need be made.



1 (b) Upon prepayment in full of a consumer loan, refinancing, or
2 consolidation, other than one under a revolving loan account, if the
3 loan finance charge earned is less than any permitted minimum
4 loan finance charge under section 4(g) or 35(g) of this chapter
5 contracted for, whether or not the consumer loan, refinancing, or
6 consolidation is precomputed, the lender may collect or retain the
7 minimum loan finance charge, as if earned, not exceeding the loan
8 finance charge contracted for.

9 (c) The unearned portion of the loan finance charge is a fraction
10 of the loan finance charge of which the numerator is the sum of the
11 periodic balances scheduled to follow the computational period in
12 which prepayment occurs, and the denominator is the sum of all
13 periodic balances under either the loan agreement or, if the
14 balance owing resulted from a refinancing under section 8 of this
15 chapter or a consolidation under section 9 of this chapter, under
16 the refinancing agreement or consolidation agreement.

17 (d) In this section:

18 (1) "periodic balance" means the amount scheduled to be
19 outstanding on the last day of a computational period before
20 deducting the payment, if any, scheduled to be made on that
21 day;

22 (2) "computation period" means one (1) month if one-half
23 (1/2) or more of the intervals between scheduled payments
24 under the agreement is one (1) month or more, and otherwise
25 means one (1) week;

26 (3) the "interval" to the due date of the first scheduled
27 installment or the final scheduled payment date is measured
28 from the date of a loan, refinancing, or consolidation, and
29 includes either the first or last day of the interval; and

30 (4) if the interval to the due date of the first scheduled
31 installment does not exceed one (1) month by more than
32 fifteen (15) days when the computational period is one (1)
33 month, or eleven (11) days when the computational period is
34 one (1) week, the interval shall be considered as one (1)
35 computational period.

36 (e) This subsection applies only if the schedule of payments is
37 not regular.

38 (1) If the computational period is one (1) month and:

39 (A) if the number of days in the interval to the due date of
40 the first scheduled installment is less than one (1) month by
41 more than five (5) days, or more than one (1) month by
42 more than five (5) but not more than fifteen (15) days, the



- 1 unearned loan finance charge shall be increased by an
2 adjustment for each day by which the interval is less than
3 one (1) month and, at the option of the lender, may be
4 reduced by an adjustment for each day by which the
5 interval is more than one (1) month; the adjustment for
6 each day shall be one-thirtieth (1/30) of that part of the
7 loan finance charge earned in the computational period
8 prior to the due date of the first scheduled installment
9 assuming that period to be one (1) month; and
10 (B) if the interval to the final scheduled payment date is a
11 number of computational periods plus an additional
12 number of days less than a full month, the additional
13 number of days shall be considered a computational period
14 only if sixteen (16) days or more. This clause applies
15 whether or not clause (A) applies.
- 16 (2) Notwithstanding subdivision (1), if the computational
17 period is one (1) month, the number of days in the interval to
18 the due date of the first installment exceeds one (1) month by
19 not more than fifteen (15) days, and the schedule of payments
20 is otherwise regular, the lender, at the lender's option, may
21 exclude the extra days and the charge for the extra days in
22 computing the unearned loan finance charge; but if the lender
23 does so and a rebate is required before the due date of the
24 first scheduled installment, the lender shall compute the
25 earned charge for each elapsed day as one-thirtieth (1/30) of
26 the amount the earned charge would have been if the first
27 interval had been one (1) month.
- 28 (3) If the computational period is one (1) week and:
29 (A) if the number of days in the interval to the due date of
30 the first scheduled installment is less than five (5) days, or
31 more than nine (9) days, but not more than eleven (11)
32 days, the unearned loan finance charge shall be increased
33 by an adjustment for each day by which the interval is less
34 than seven (7) days and, at the option of the lender, may be
35 reduced by an adjustment for each day by which the
36 interval is more than seven (7) days; the adjustment for
37 each day shall be one-seventh (1/7) of that part of the loan
38 finance charge earned in the computational period prior to
39 the due date of the first scheduled installment, assuming
40 that period to be one (1) week; and
41 (B) if the interval to the final scheduled payment date is a
42 number of computational periods plus an additional



1 number of days less than a full week, the additional
2 number of days shall be considered a computational period
3 only if five (5) days or more. This clause applies whether or
4 not clause (A) applies.

5 (f) If a deferral has been agreed to under section 7 of this
6 chapter, the unearned portion of the loan finance charge shall be
7 computed without regard to the deferral. The amount of deferral
8 charge earned at the date of prepayment shall also be calculated.
9 If the deferral charge earned is less than the deferral charge paid,
10 the difference shall be added to the unearned portion of the loan
11 finance charge. If any part of a deferral charge has been earned
12 but has not been paid, that part shall be subtracted from the
13 unearned portion of the loan finance charge or shall be added to
14 the unpaid balance.

15 (g) This section does not preclude the collection or retention by
16 the lender of delinquency charges under section 6 of this chapter.

17 (h) If the maturity is accelerated for any reason and judgment
18 is obtained, the debtor is entitled to the same rebate as if payment
19 had been made on the date judgment is entered.

20 (i) Upon prepayment in full of a consumer loan by the proceeds
21 of consumer credit insurance, the debtor or the debtor's estate
22 shall pay the same loan finance charge or receive the same rebate
23 as though the debtor had prepaid the agreement on the date the
24 proceeds of the insurance are paid to the lender, but no later than
25 ten (10) business days after satisfactory proof of loss is furnished
26 to the lender. This subsection applies whether or not the loan is
27 precomputed.

28 (j) Upon prepayment in full of a transaction with a term of more
29 than sixty-one (61) months, the unearned loan finance charge shall
30 be computed by applying the disclosed annual percentage rate that
31 would yield the loan finance charge originally contracted for to the
32 unpaid balances of the amount financed for the full computational
33 periods following the prepayment, as originally scheduled or as
34 deferred.

35 Sec. 14. (a) For the purposes of this section, "consumer loan"
36 includes a loan that is a first lien mortgage transaction if the loan
37 is otherwise a consumer loan.

38 (b) The lender shall disclose to the debtor to whom credit is
39 extended with respect to a consumer loan the information required
40 by the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.).

41 (c) For purposes of subsection (b), disclosures shall not be
42 required on a consumer loan if the transaction is exempt from the



1 **Consumer Credit Protection Act (15 U.S.C. 1601 et seq.).**

2 **Sec. 15. (a) This section does not apply to a first lien mortgage**
3 **transaction.**

4 **(b) Except as provided in IC 37-5-4-3 with respect to a high cost**
5 **home loan (as defined in IC 37-5-2-8), with respect to a consumer**
6 **loan, other than one pursuant to a revolving loan account or one on**
7 **which only loan finance charges are payable prior to the time that**
8 **the final scheduled payment is due, if any scheduled payment is**
9 **more than twice as large as the average of earlier scheduled**
10 **payments, the debtor has the right to refinance the amount of that**
11 **payment at the time it is due without penalty. The terms of the**
12 **refinancing shall be no less favorable to the debtor than the terms**
13 **of the original loan. This section does not apply to the extent that**
14 **the payment schedule is adjusted to the seasonal or irregular**
15 **income of the debtor.**

16 **(c) For the purposes of this section, "terms of the refinancing"**
17 **means:**

18 **(1) in the case of a fixed-rate consumer loan, the individual**
19 **payment amounts, the charges as a result of default by the**
20 **debtor, and the rate of the loan finance charge; and**

21 **(2) in the case of a variable rate consumer loan, the method**
22 **used to determine the individual payment amounts, the**
23 **charges as a result of default by the debtor, the method used**
24 **to determine the rate of the loan finance charge, the**
25 **circumstances under which the rate of the loan finance charge**
26 **may increase, and any limitations on the increase in the rate**
27 **of the loan finance charge.**

28 **(d) If a consumer loan is made under the authority of the**
29 **Alternative Mortgage Transaction Parity Act (12 U.S.C. 3802 et**
30 **seq.), the note evidencing the mortgage must contain a reference to**
31 **the applicable federal law.**

32 **Sec. 16. (a) A lender may not take an assignment of earnings of**
33 **the debtor for payment or as security for payment of a debt arising**
34 **out of a consumer loan or otherwise. An assignment of earnings in**
35 **violation of this section is unenforceable by the assignee of the**
36 **earnings and revocable by the debtor. This section does not**
37 **prohibit an employee from authorizing deductions from his**
38 **earnings if the authorization is revocable and is otherwise**
39 **permitted by law.**

40 **(b) A sale of unpaid earnings made in consideration of the**
41 **payment of money to or for the account of the seller of the earnings**
42 **is deemed to be a loan to the seller secured by an assignment of**



1 earnings.

2 **Sec. 17.** With respect to a consumer loan the agreement may
3 provide for the payment by the debtor of reasonable attorney's fees
4 after default and referral to an attorney not a salaried employee of
5 the lender. A provision in violation of this section is unenforceable.

6 **Sec. 18.** Except for reasonable expenses incurred in realizing on
7 a security interest, the agreement with respect to a consumer loan
8 may not provide for charges as a result of default by the debtor
9 other than those authorized by this article. A provision in violation
10 of this section is unenforceable.

11 **Sec. 19.** The debtor is authorized to pay the original lender until
12 the debtor receives notification of assignment of rights to payment
13 pursuant to a consumer loan and that payment is to be made to the
14 assignee. A notification which does not reasonably identify the
15 rights assigned is ineffective. If requested by the debtor, the
16 assignee must seasonably furnish reasonable proof that the
17 assignment has been made and unless the assignee does so the
18 debtor may pay the original lender.

19 **Sec. 20.** A debtor may not authorize any person to confess
20 judgment on a claim arising out of a consumer loan. An
21 authorization in violation of this section is void.

22 **Sec. 21. (a)** This section applies to consumer loans, including
23 revolving loan accounts.

24 **(b)** Except as provided in subsection (c), a creditor shall credit
25 a payment to a consumer's account as of the date of receipt, except
26 when a delay in crediting does not result in a finance charge or
27 other charge, including a delinquency charge under section 6 of
28 this chapter. A delay in posting does not violate this section so long
29 as the payment is credited as of the date of receipt.

30 **(c)** If a creditor specifies in writing requirements for the
31 consumer to follow in making payments, but accepts a payment
32 that does not conform to the requirements, the creditor shall credit
33 the payment within five (5) days of receipt of the payment.

34 **(d)** If a creditor fails to credit a payment as required by this
35 section in time to avoid the imposition of a finance or other charge,
36 including a delinquency charge, the creditor shall adjust the
37 consumer's account so that the charges imposed are credited to the
38 consumer's account during the next payment period.

39 **Sec. 22. (a)** If a person licensed or required to be licensed under
40 section 24 of this chapter also engages in activities of a loan broker
41 described in IC 23-2.5, the activities of a loan broker are subject to
42 the following sections of the Indiana Code and any rules adopted



- 1 to implement these sections:
- 2 (1) IC 23-2.5-8-1, except for IC 23-2.5-8-1(b)(2).
- 3 (2) IC 23-2.5-8-2.
- 4 (3) IC 23-2.5-11-15(b) and IC 23-2.5-11-15(c).
- 5 (4) IC 23-2.5-11-17.
- 6 (5) IC 23-2.5-8-3.
- 7 (6) IC 23-2.5-8-4 through IC 23-2.5-8-9.
- 8 (7) IC 23-2.5-8-10.
- 9 (8) IC 23-2.5-10-1.
- 10 (9) IC 23-2.5-9-1.
- 11 (10) IC 23-2.5-11-16.
- 12 (b) Loan broker business transactions engaged in by persons
- 13 licensed or required to be licensed under section 24 of this chapter
- 14 are subject to examination by the department and to the
- 15 examination fees described in section 26(h)(2) of this chapter. The
- 16 department may cooperate with the securities division of the office
- 17 of the secretary of state in the department's examination of loan
- 18 broker business transactions and may use the securities division's
- 19 examiners to conduct examinations.
- 20 Sec. 23. (a) A person that is a:
- 21 (1) depository institution;
- 22 (2) subsidiary that is owned and controlled by a depository
- 23 institution and regulated by a federal banking agency; or
- 24 (3) credit union service organization;
- 25 may engage in Indiana in the making of consumer loans (including
- 26 small loans that are subject to IC 37-3) that are not mortgage
- 27 transactions without obtaining a license under this article.
- 28 (b) A collection agency licensed under IC 25-11-1 may engage
- 29 in:
- 30 (1) taking assignments of consumer loans (including small
- 31 loans that are subject to IC 37-3) that are not mortgage
- 32 transactions; and
- 33 (2) undertaking the direct collection of payments from or the
- 34 enforcement of rights against debtors arising from consumer
- 35 loans (including small loans that are subject to IC 37-3) that
- 36 are not mortgage transactions;
- 37 in Indiana without obtaining a license under this article.
- 38 (c) A person that does not qualify under subsection (a) or (b)
- 39 shall acquire and retain a license under this chapter in order to
- 40 regularly engage in Indiana in the following actions with respect to
- 41 consumer loans that are not small loans (as defined in IC 37-3-2)
- 42 or mortgage transactions:



- 1 (1) The making of consumer loans.
 2 (2) Taking assignments of consumer loans.
 3 (3) Undertaking the direct collection of payments from or the
 4 enforcement of rights against debtors arising from consumer
 5 loans.
 6 (d) A separate license under this chapter is required for each
 7 legal entity that engages in Indiana in any activity described in
 8 subsection (c). However, a separate license under this chapter is
 9 not required for each branch of a legal entity licensed under this
 10 chapter to perform an activity described in subsection (c).
 11 (e) Except as otherwise provided in subsections (a) and (b), a
 12 separate license under IC 37-3 is required in order to regularly
 13 engage in Indiana in the following actions with respect to small
 14 loans (as defined in IC 37-3-2):
 15 (1) The making of small loans (as defined in IC 37-3-2).
 16 (2) Taking assignments of small loans (as defined in
 17 IC 37-3-2).
 18 (3) Undertaking the direct collection of payments from or the
 19 enforcement of rights against debtors arising from small loans
 20 (as defined in IC 37-3-2).
 21 A person that seeks licensure under IC 37-3 in order to regularly
 22 engage in Indiana in the actions set forth in this subsection shall
 23 apply to the department for that license in the form and manner
 24 prescribed by the department, and is subject to the same licensure
 25 requirements and procedures as an applicant for a license to make
 26 consumer loans (other than small loans or mortgage transactions)
 27 under this section.
 28 Sec. 24. (a) A person that is a:
 29 (1) depository institution;
 30 (2) subsidiary that is owned and controlled by a depository
 31 institution and regulated by a federal banking agency; or
 32 (3) credit union service organization;
 33 may engage in Indiana in the making of subordinate lien mortgage
 34 transactions without obtaining a mortgage license issued by the
 35 department.
 36 (b) A collection agency licensed under IC 25-11-1 or an
 37 institution regulated by the Farm Credit Administration may
 38 engage in:
 39 (1) taking assignments of subordinate lien mortgage
 40 transactions; and
 41 (2) undertaking the direct collection of payments from or the
 42 enforcement of rights against debtors arising from



1 subordinate lien mortgage transactions;
 2 in Indiana without obtaining a mortgage license issued by the
 3 department.

4 (c) A person that is not otherwise exempt under subsection (a)
 5 or (b) shall acquire and retain a mortgage license issued by the
 6 department in order to regularly engage in Indiana in the following
 7 actions with respect to subordinate lien mortgage transactions:

8 (1) The making of subordinate lien mortgage loans.

9 (2) Taking assignments of subordinate lien mortgage loans.

10 (3) Undertaking the direct collection of payments from or the
 11 enforcement of rights against debtors arising from
 12 subordinate lien mortgage loans.

13 (d) Each:

14 (1) creditor licensed by the department to engage in
 15 subordinate lien mortgage transactions; and

16 (2) person that is exempt (either under this article or under
 17 IC 37-1-1-6(8)) from licensing and that:

18 (A) employs a licensed mortgage loan originator; or

19 (B) sponsors a licensed mortgage loan originator as
 20 permitted by IC 37-1-1-6(8) or by 750 IAC 9;

21 shall register with and maintain a valid unique identifier issued by
 22 the NMLSR. Each licensed mortgage loan originator must be
 23 employed by, or sponsored as permitted by IC 37-1-1-6(8) or by
 24 750 IAC 9, and associated with, a licensed creditor (or an exempt
 25 person described under subdivision (2)) that is registered with the
 26 NMLSR.

27 (e) Applicants for a mortgage license must apply to the
 28 department for the license in a form prescribed by the director.
 29 Each form:

30 (1) must contain content as set forth by rule, instruction, or
 31 procedure of the director; and

32 (2) may be changed or updated as necessary by the director to
 33 carry out the purposes of this article.

34 (f) To fulfill the purposes of this article, the director may
 35 establish relationships or contracts with the NMLSR or other
 36 entities designated by the NMLSR to:

37 (1) collect and maintain records; and

38 (2) process transaction fees or other fees;

39 related to licensees or other persons subject to this article.

40 (g) For the purpose of participating in the NMLSR, the director
 41 or the department may:

42 (1) waive or modify, in whole or in part, by rule, regulation,



1 or order, any or all of the requirements of this article; and
 2 (2) establish new requirements as reasonably necessary to
 3 participate in the NMLSR.

4 **Sec. 25. (a) Subject to subsection (f), the director may designate**
 5 **the NMLSR to serve as the sole entity responsible for:**

6 (1) processing applications and renewals for licenses required
 7 under section 23 of this chapter;

8 (2) issuing unique identifiers for licensees and entities exempt
 9 from licensing under section 23 of this chapter; and

10 (3) performing other services that the director determines are
 11 necessary for the orderly administration of the department's
 12 licensing system under section 23 of this chapter.

13 (b) Subject to the confidentiality provisions contained in
 14 IC 5-14-3, this section, and IC 28-1-2-30, the director may
 15 regularly report to the NMLSR significant or recurring violations
 16 of this article related to consumer loans that are not mortgage
 17 transactions, including small loans under IC 37-3.

18 (c) Subject to the confidentiality provisions contained in
 19 IC 5-14-3, this section, and IC 28-1-2-30, the director may report
 20 to the NMLSR complaints received regarding licensees under
 21 section 23 of this chapter in connection with consumer loans that
 22 are not mortgage transactions, including small loans under
 23 IC 37-3.

24 (d) The director may report to the NMLSR publicly adjudicated
 25 licensure actions against licensees under section 23 of this chapter.

26 (e) The director shall establish a process in which persons
 27 licensed in accordance with section 23 of this chapter may
 28 challenge information reported to the NMLSR by the department.

29 (f) The director's authority to designate the NMLSR under
 30 subsection (a) is subject to the following:

31 (1) Information stored in the NMLSR is subject to the
 32 confidentiality provisions of IC 28-1-2-30 and IC 5-14-3. A
 33 person may not:

34 (A) obtain information from the NMLSR unless the person
 35 is authorized to do so by statute;

36 (B) initiate any civil action based on information obtained
 37 from the NMLSR if the information is not otherwise
 38 available to the person under any other state law; or

39 (C) initiate any civil action based on information obtained
 40 from the NMLSR if the person could not have initiated the
 41 action based on information otherwise available to the
 42 person under any other state law.



- 1 **(2) Documents, materials, and other forms of information in**
 2 **the control or possession of the NMLSR that are confidential**
 3 **under IC 28-1-2-30 and that are:**
- 4 **(A) furnished by the director, the director's designee, or a**
 5 **licensee; or**
- 6 **(B) otherwise obtained by the NMLSR;**
 7 **are confidential and privileged by law and are not subject to**
 8 **inspection under IC 5-14-3, subject to subpoena, subject to**
 9 **discovery, or admissible in evidence in any civil action.**
 10 **However, the director may use the documents, materials, or**
 11 **other information available to the director in furtherance of**
 12 **any action brought in connection with the director's duties**
 13 **under this article.**
- 14 **(3) Disclosure of documents, materials, and information:**
- 15 **(A) to the director; or**
 16 **(B) by the director;**
- 17 **under this subsection does not result in a waiver of any**
 18 **applicable privilege or claim of confidentiality with respect to**
 19 **the documents, materials, or information.**
- 20 **(4) Information provided to the NMLSR is subject to**
 21 **IC 4-1-11.**
- 22 **(5) This subsection does not limit or impair a person's right**
 23 **to:**
- 24 **(A) obtain information;**
 25 **(B) use information as evidence in a civil action or**
 26 **proceeding; or**
 27 **(C) use information to initiate a civil action or proceeding;**
 28 **if the information may be obtained from the director or the**
 29 **director's designee under any law.**
- 30 **(6) The requirements under any federal law or IC 5-14-3**
 31 **regarding the privacy or confidentiality of any information or**
 32 **material provided to the NMLSR, and any privilege arising**
 33 **under federal or state law, including the rules of any federal**
 34 **or state court, with respect to the information or material,**
 35 **continue to apply to the information or material after the**
 36 **information or material has been disclosed to the NMLSR.**
 37 **The information and material may be shared with all state**
 38 **and federal regulatory officials with financial services**
 39 **industry oversight authority without the loss of privilege or**
 40 **the loss of confidentiality protections provided by federal law**
 41 **or IC 5-14-3.**
- 42 **(7) For purposes of this section, the director may enter**



1 agreements or sharing arrangements with other governmental
 2 agencies, the Conference of State Bank Supervisors, or other
 3 associations representing governmental agencies as
 4 established by rule or order of the director.

5 (8) Information or material that is subject to a privilege or
 6 confidentiality under subdivision (6) is not subject to:

7 (A) disclosure under any federal or state law governing the
 8 disclosure to the public of information held by an officer or
 9 an agency of the federal government or the respective
 10 state; or

11 (B) subpoena, discovery, or admission into evidence, in any
 12 private civil action or administrative process, unless with
 13 respect to any privileged information or material held by
 14 the NMLSR, the person to whom the information or
 15 material pertains waives, in whole or in part, in the
 16 discretion of the person, that privilege.

17 (9) Any provision of IC 5-14-3 that concerns the disclosure of:

18 (A) confidential supervisory information; or

19 (B) any information or material described in subdivision
 20 (6);

21 and that is inconsistent with subdivision (6) is superseded by
 22 this section.

23 (10) This section does not apply with respect to information or
 24 material that concerns the employment history of, and
 25 publicly adjudicated disciplinary and enforcement actions
 26 against, a person licensed in accordance with section 23 of this
 27 chapter and described in section 26(b) of this chapter and that
 28 is included in the NMLSR for access by the public.

29 (11) The director may require a licensee required to submit
 30 information to the NMLSR to pay a processing fee considered
 31 reasonable by the director. In determining whether an
 32 NMLSR processing fee is reasonable, the director shall:

33 (A) require review of; and

34 (B) make available;

35 the audited financial statements of the NMLSR.

36 (g) Notwithstanding any other provision of law, any:

37 (1) application, renewal, or other form or document that:

38 (A) relates to licenses issued under section 23 of this
 39 chapter; and

40 (B) is made or produced in an electronic format;

41 (2) document filed as an electronic record in a multistate
 42 automated repository established and operated for the



1 licensing or registration of financial services entities and their
2 employees; or

3 (3) electronic record filed through the NMLSR;

4 is considered a valid original document when reproduced in paper
5 form by the department.

6 Sec. 26. (a) The department shall receive and act on all
7 applications for licenses to make consumer loans. Applications
8 must be as prescribed by the director of the department of
9 financial institutions. If, at any time, the information or record
10 contained in:

11 (1) an application filed under section 23 of this chapter or
12 section 24 of this chapter; or

13 (2) a renewal application filed under section 31 of this
14 chapter;

15 is or becomes inaccurate or incomplete in a material respect, the
16 applicant shall promptly file a correcting amendment with the
17 department.

18 (b) A license shall not be issued unless the department finds that
19 the professional training and experience, financial responsibility,
20 character, and fitness of:

21 (1) the applicant and any significant affiliate of the applicant;

22 (2) each executive officer, director, or manager of the
23 applicant, or any other individual having a similar status or
24 performing a similar function for the applicant; and

25 (3) if known, each person directly or indirectly owning of
26 record or owning beneficially at least ten percent (10%) of the
27 outstanding shares of any class of equity security of the
28 applicant;

29 are such as to warrant belief that the business will be operated
30 honestly and fairly within the purposes of this article.

31 (c) The director is entitled to request evidence of compliance
32 with this section at:

33 (1) the time of application;

34 (2) the time of renewal of a license; or

35 (3) any other time considered necessary by the director.

36 (d) Evidence of compliance with this section concerning a
37 person licensed under section 23 of this chapter may include and
38 for a person licensed under section 24 of this chapter must include:

39 (1) criminal background checks as described in section 27 of
40 this chapter, including a national criminal history background
41 check (as defined in IC 10-13-3-12) by the Federal Bureau of
42 Investigation, for any individual described in subsection (b);



- 1 (2) credit histories as described in section 28 of this chapter;
 2 (3) surety bond requirements as described in section 29 of this
 3 chapter;
 4 (4) a review of licensure actions in Indiana and other states;
 5 and
 6 (5) other background checks considered necessary by the
 7 director.
- 8 (e) For purposes of this section and in order to reduce the points
 9 of contact that the director may have to maintain under this
 10 section, the director may use the NMLSR as a channeling agent for
 11 requesting and distributing information to and from any source as
 12 directed by the director.
- 13 (f) The department may deny an application under this section
 14 if the director of the department determines that the application
 15 was submitted for the benefit of, or on behalf of, a person who does
 16 not qualify for a license.
- 17 (g) Upon written request, the applicant is entitled to a hearing
 18 on the question of the qualifications of the applicant for a license
 19 as provided in IC 4-21.5.
- 20 (h) The applicant shall pay the following fees at the time
 21 designated by the department:
- 22 (1) An initial license fee as established by the department
 23 under IC 28-11-3-5.
- 24 (2) Examination fees as established by the department under
 25 IC 28-11-3-5.
- 26 (3) An annual renewal fee as established by the department
 27 under IC 28-11-3-5.
- 28 (i) A fee as established by the department under IC 28-11-3-5
 29 may be charged for each day a fee under subsection (h)(2) or (h)(3)
 30 is delinquent.
- 31 (j) The licensee may deduct the fees required under subsection
 32 (h)(1) and (h)(3) from the filing fees paid under IC 37-2-7-26.
- 33 (k) Except in a transaction approved under section 41 of this
 34 chapter, a license issued under this section is not assignable or
 35 transferable.
- 36 (l) If the department of state revenue notifies the department
 37 that a person is on the most recent tax warrant list, the department
 38 shall not issue or renew the person's license until:
- 39 (1) the person provides to the department a statement from
 40 the department of state revenue that the person's tax warrant
 41 has been satisfied; or
 42 (2) the department receives a notice from the commissioner of



1 the department of state revenue under IC 6-8.1-8-2(k).

2 **Sec. 27. (a) When the director requests a national criminal**
 3 **history background check under section 26(d)(1) of this chapter for**
 4 **an individual described in section 26(b) of this chapter, the director**
 5 **shall require the individual to submit fingerprints to the**
 6 **department, state police department, or NMLSR, as directed, at**
 7 **the time evidence of compliance is requested under section 26(d) of**
 8 **this chapter. The individual to whom the request is made shall pay**
 9 **any fees or costs associated with processing and evaluating the**
 10 **fingerprints and the national criminal history background check.**
 11 **The national criminal history background check may be used by**
 12 **the director to determine the individual's compliance with this**
 13 **section. The director or the department may not release the results**
 14 **of the national criminal history background check to any private**
 15 **entity.**

16 **(b) For purposes of this section and in order to reduce the points**
 17 **of contact that the Federal Bureau of Investigation may have to**
 18 **maintain for purposes of this section, the director may use the**
 19 **NMLSR as a channeling agent for requesting information from**
 20 **and distributing information to the United States Department of**
 21 **Justice or any governmental agency.**

22 **Sec. 28. (a) If the director requests a credit report for an**
 23 **individual described in section 26(b) of this chapter, the individual**
 24 **to whom the request is made shall pay any fees or costs associated**
 25 **with procuring the report.**

26 **(b) The individual must submit personal history and experience**
 27 **information in a form prescribed by the NMLSR, including the**
 28 **submission of authorization for the NMLSR or the director to**
 29 **obtain an independent credit report obtained from a consumer**
 30 **reporting agency described in Section 603(p) of the Fair Credit**
 31 **Reporting Act (15 U.S.C. 1681a(p)).**

32 **(c) The director may consider one (1) or more of the following**
 33 **when determining if an individual has demonstrated financial**
 34 **responsibility:**

- 35 **(1) Bankruptcies filed within the last ten (10) years.**
- 36 **(2) Current outstanding judgments, except judgments solely**
 37 **as a result of medical expenses.**
- 38 **(3) Current outstanding tax liens or other government liens or**
 39 **filings.**
- 40 **(4) Foreclosures within the past three (3) years.**
- 41 **(5) A pattern of serious delinquent accounts within the past**
 42 **three (3) years.**



- 1 **Sec. 29. (a) Each:**
2 **(1) creditor licensed by the department to engage in mortgage**
3 **transactions; and**
4 **(2) person that is exempt (either under this article or under**
5 **IC 37-1-1-6(8)) from licensing and that:**
6 **(A) employs a licensed mortgage loan originator; or**
7 **(B) sponsors a licensed mortgage loan originator as**
8 **permitted by IC 37-1-1-6(8) or by 750 IAC 9;**
9 **must be covered by a surety bond in accordance with this section.**
10 **(b) A surety bond must:**
11 **(1) provide coverage for:**
12 **(A) a creditor described in subsection (a)(1); and**
13 **(B) an exempt person described in subsection (a)(2);**
14 **in an amount as prescribed in subsection (d);**
15 **(2) be in a form as prescribed by the director;**
16 **(3) be in effect:**
17 **(A) during the term of the creditor's license; or**
18 **(B) at any time during which the person exempt from**
19 **licensing employs a licensed mortgage loan originator, or**
20 **sponsors a licensed mortgage loan originator as permitted**
21 **by IC 37-1-1-6(8) or by 750 IAC 9;**
22 **as applicable;**
23 **(4) subject to subsection (c), remain in effect during the two**
24 **(2) years after:**
25 **(A) the license of the creditor is surrendered or**
26 **terminated; or**
27 **(B) the person exempt from licensing ceases to employ a**
28 **licensed mortgage loan originator, or ceases to sponsor a**
29 **licensed mortgage loan originator as permitted by**
30 **IC 37-1-1-6(8) or by 750 IAC 9, or to offer financial**
31 **services to individuals in Indiana, whichever is later;**
32 **as applicable;**
33 **(5) be payable to the department for the benefit of:**
34 **(A) the state; and**
35 **(B) individuals who reside in Indiana when they agree to**
36 **receive financial services from the creditor or the person**
37 **exempt from licensing, as applicable;**
38 **(6) be issued by a bonding, surety, or insurance company**
39 **authorized to do business in Indiana and rated at least "A-"**
40 **by at least one (1) nationally recognized investment rating**
41 **service; and**
42 **(7) have payment conditioned upon:**



- 1 (A) the creditor's or any of the creditor's licensed
2 mortgage loan originators'; or
3 (B) the exempt person's or any of the exempt person's
4 licensed mortgage loan originators';
5 noncompliance with or violation of this chapter, 750 IAC 9, or
6 other federal or state laws or regulations applicable to
7 mortgage lending.
- 8 (c) The director may adopt rules or guidance documents with
9 respect to the requirements for surety bonds as necessary to
10 accomplish the purposes of this article. Upon written request from:
11 (1) a creditor described in subsection (a)(1); or
12 (2) an exempt person described in subsection (a)(2);
13 the director may, at the discretion of the director, waive or shorten
14 the two (2) year period set forth in subsection (b)(4) during which
15 a surety bond required by this section must remain in effect after
16 the occurrence of an event described in subsection (b)(4)(A) or
17 (b)(4)(B), as applicable.
- 18 (d) The penal sum of the surety bond shall be maintained in an
19 amount that reflects the dollar amount of mortgage transactions
20 originated as determined by the director. If the principal amount
21 of a surety bond required under this section is reduced by payment
22 of a claim or judgment, the creditor or exempt person for whom
23 the bond is issued shall immediately notify the director of the
24 reduction and, not later than thirty (30) days after notice by the
25 director, file a new or an additional surety bond in an amount set
26 by the director. The amount of the new or additional bond set by
27 the director must be at least the amount of the bond before
28 payment of the claim or judgment.
- 29 (e) If for any reason a surety terminates a bond issued under
30 this section, the creditor or the exempt person shall immediately
31 notify the department and file a new surety bond in an amount
32 determined by the director.
- 33 (f) Cancellation of a surety bond issued under this section does
34 not affect any liability incurred or accrued during the period when
35 the surety bond was in effect.
- 36 (g) The director may obtain satisfaction from a surety bond
37 issued under this section if the director incurs expenses, issues a
38 final order, or recovers a final judgment under this chapter.
- 39 (h) Notices required under this section must be made in writing
40 and submitted through the NMLSR or any other electronic
41 registration system that may be approved by the director.
- 42 Sec. 30. (a) Subject to subsection (g), the director shall designate



1 the NMLSR to serve as the sole entity responsible for:

2 (1) processing applications and renewals for licenses under
3 section 24 of this chapter;

4 (2) issuing unique identifiers for licensees under section 24 of
5 this chapter and for persons exempt from licensing (either
6 under this article or under IC 37-1-1-6(8)) that employ
7 licensed mortgage loan originators or that sponsor licensed
8 mortgage loan originators as permitted by IC 37-1-1-6(8) or
9 by 750 IAC 9; and

10 (3) performing other services that the director determines
11 necessary for the orderly administration of the department's
12 licensing system under section 24 of this chapter.

13 (b) Subject to the confidentiality provisions contained in
14 IC 5-14-3, this section, and IC 28-1-2-30, the director may
15 regularly report significant or recurring violations of this article
16 related to subordinate lien mortgage transactions to the NMLSR.

17 (c) Subject to the confidentiality provisions contained in
18 IC 5-14-3, this section, and IC 28-1-2-30, the director may report
19 complaints received regarding licensees and relating to
20 subordinate lien mortgage transactions to the NMLSR.

21 (d) The director may report publicly adjudicated licensure
22 actions against licensees under section 24 of this chapter to the
23 NMLSR.

24 (e) The director shall establish a process in which persons
25 licensed in accordance with section 24 of this chapter may
26 challenge information reported to the NMLSR by the department.

27 (f) The director's authority to designate the NMLSR under
28 subsection (a) is subject to the following:

29 (1) Information stored in the NMLSR is subject to the
30 confidentiality provisions of IC 28-1-2-30 and IC 5-14-3. A
31 person may not:

32 (A) obtain information from the NMLSR unless the person
33 is authorized to do so by statute;

34 (B) initiate any civil action based on information obtained
35 from the NMLSR if the information is not otherwise
36 available to the person under any other state law; or

37 (C) initiate any civil action based on information obtained
38 from the NMLSR if the person could not have initiated the
39 action based on information otherwise available to the
40 person under any other state law.

41 (2) Documents, materials, and other forms of information in
42 the control or possession of the NMLSR that are confidential



- 1 under IC 28-1-2-30 and that are:
- 2 (A) furnished by the director, the director's designee, or a
- 3 licensee; or
- 4 (B) otherwise obtained by the NMLSR;
- 5 are confidential and privileged by law and are not subject to
- 6 inspection under IC 5-14-3, subject to subpoena, subject to
- 7 discovery, or admissible in evidence in any civil action.
- 8 However, the director may use the documents, materials, or
- 9 other information available to the director in furtherance of
- 10 any action brought in connection with the director's duties
- 11 under this article.
- 12 (3) Disclosure of documents, materials, and information:
- 13 (A) to the director; or
- 14 (B) by the director;
- 15 under this subsection does not result in a waiver of any
- 16 applicable privilege or claim of confidentiality with respect to
- 17 the documents, materials, or information.
- 18 (4) Information provided to the NMLSR is subject to
- 19 IC 4-1-11.
- 20 (5) This subsection does not limit or impair a person's right
- 21 to:
- 22 (A) obtain information;
- 23 (B) use information as evidence in a civil action or
- 24 proceeding; or
- 25 (C) use information to initiate a civil action or proceeding;
- 26 if the information may be obtained from the director or the
- 27 director's designee under any law.
- 28 (6) Except as otherwise provided in the federal Housing and
- 29 Economic Recovery Act of 2008, Public Law 110-289, Section
- 30 1512, the requirements under any federal law or IC 5-14-3
- 31 regarding the privacy or confidentiality of any information or
- 32 material provided to the NMLSR, and any privilege arising
- 33 under federal or state law, including the rules of any federal
- 34 or state court, with respect to the information or material,
- 35 continue to apply to the information or material after the
- 36 information or material has been disclosed to the NMLSR.
- 37 The information and material may be shared with all state
- 38 and federal regulatory officials with mortgage industry
- 39 oversight authority without the loss of privilege or the loss of
- 40 confidentiality protections provided by federal law or
- 41 IC 5-14-3.
- 42 (7) For purposes of this section, the director may enter



1 agreements or sharing arrangements with other governmental
 2 agencies, the Conference of State Bank Supervisors, the
 3 American Association of Residential Mortgage Regulators, or
 4 other associations representing governmental agencies as
 5 established by rule or order of the director.

6 (8) Information or material that is subject to a privilege or
 7 confidentiality under subdivision (6) is not subject to:

8 (A) disclosure under any federal or state law governing the
 9 disclosure to the public of information held by an officer or
 10 an agency of the federal government or the respective
 11 state; or

12 (B) subpoena, discovery, or admission into evidence, in any
 13 private civil action or administrative process, unless with
 14 respect to any privilege held by the NMLSR with respect
 15 to the information or material, the person to whom the
 16 information or material pertains waives, in whole or in
 17 part, in the discretion of the person, that privilege.

18 (9) Any provision of IC 5-14-3 that concerns the disclosure of:

19 (A) confidential supervisory information; or

20 (B) any information or material described in subdivision
 21 (6);

22 and that is inconsistent with subdivision (6) is superseded by
 23 this section.

24 (10) This section does not apply with respect to information or
 25 material that concerns the employment history of, and
 26 publicly adjudicated disciplinary and enforcement actions
 27 against, a person licensed in accordance with section 24 of this
 28 chapter and described in section 26(b) of this chapter and that
 29 is included in the NMLSR for access by the public.

30 (11) The director may require a licensee required to submit
 31 information to the NMLSR to pay a processing fee considered
 32 reasonable by the director. In determining whether an
 33 NMLSR processing fee is reasonable, the director shall:

34 (A) require review of; and

35 (B) make available;

36 the audited financial statements of the NMLSR.

37 (g) Notwithstanding any other provision of law, any:

38 (1) application, renewal, or other form or document that:

39 (A) relates to mortgage licenses issued by the department;
 40 and

41 (B) is made or produced in an electronic format;

42 (2) document filed as an electronic record in a multistate



1 automated repository established and operated for the
 2 licensing or registration of mortgage lenders, brokers, or loan
 3 originators; or

4 (3) electronic record filed through the NMLSR;
 5 is considered a valid original document when reproduced in paper
 6 form by the department.

7 Sec. 31. (a) A license issued under this article must be renewed
 8 not later than December 31 of each calendar year. A license issued
 9 under section 24 of this chapter must be renewed through the
 10 NMLSR. The minimum standards for license renewal for a
 11 creditor include the following:

12 (1) If the creditor is licensed in accordance with section 23 of
 13 this chapter, the creditor has:

- 14 (A) paid all required fees for renewal of the license; and
- 15 (B) filed all reports and information required by the
 16 director.

17 (2) If the creditor is licensed under section 24 of this chapter,
 18 the following:

- 19 (A) The creditor has continued to meet the surety bond
 20 requirement under section 29 of this chapter.
- 21 (B) The creditor has filed the creditor's call report in a
 22 manner that satisfies section 33(d) of this chapter.
- 23 (C) The creditor has paid all required fees for renewal of
 24 the license.
- 25 (D) The creditor and individuals described in section 26(b)
 26 of this chapter have certified to the department that they
 27 continue to meet all the standards for licensing established
 28 under section 26 of this chapter.
- 29 (E) The creditor has filed all reports and information
 30 required by the director.
- 31 (F) The creditor has provided in the creditor's renewal
 32 application any information describing material changes
 33 in the information contained in the creditor's original
 34 application for licensure, or in any previous application,
 35 including any previous renewal application, along with any
 36 other information the director requires in order to
 37 evaluate the renewal of the license issued under this article.

38 (b) A license issued by the department authorizing a person to
 39 engage as a creditor in consumer loans or consumer credit sales
 40 under this article may be revoked or suspended by the department
 41 if the person fails to:

- 42 (1) file any renewal form required by the department; or



- 1 (2) pay any license renewal fee described under section
 2 26(h)(3) of this chapter;
 3 not later than sixty (60) days after the due date.
- 4 (c) A person whose license is revoked or suspended under this
 5 section may do either of the following:
- 6 (1) Pay all delinquent fees and apply for reinstatement of the
 7 license.
 8 (2) Appeal the revocation or suspension to the department for
 9 an administrative review under IC 4-21.5-3.
- 10 Pending the decision from a hearing under IC 4-21.5-3 concerning
 11 license revocation or suspension, a license remains in force.
- 12 (d) If, at any time, the information or record contained in:
- 13 (1) an original application for licensure filed under section 23
 14 or 24 of this chapter; or
 15 (2) a renewal application filed under this section;
 16 is or becomes inaccurate or incomplete in a material respect, the
 17 applicant shall promptly file a correcting amendment with the
 18 department.
- 19 Sec. 32. (a) The department may issue to a person licensed to:
- 20 (1) make consumer loans; or
 21 (2) engage in consumer credit sales that are mortgage
 22 transactions;
- 23 an order to show cause why the license should not be revoked or
 24 suspended for a period determined by the department.
- 25 (b) An order issued under subsection (a) must:
- 26 (1) include:
- 27 (A) a statement of the place, date, and time for a meeting
 28 with the department, which date may not be less than ten
 29 (10) days from the date of the order;
 30 (B) a description of the action contemplated by the
 31 department; and
 32 (C) a statement of the facts or conduct supporting the
 33 issuance of the order; and
 34 (2) be accompanied by a notice stating that the licensee is
 35 entitled to:
- 36 (A) a reasonable opportunity to be heard; and
 37 (B) show the licensee's compliance with all lawful
 38 requirements for retention of the license;
 39 at the meeting described in subdivision (1)(A).
- 40 (c) After the meeting described in subsection (b)(1)(A), the
 41 department may revoke or suspend the license if the department
 42 finds that:



- 1 **(1) the licensee has repeatedly and willfully violated:**
- 2 **(A) this article or any applicable rule, order, or guidance**
- 3 **document adopted or issued by the department; or**
- 4 **(B) any other state or federal laws, rules, or regulations**
- 5 **applicable to consumer credit transactions;**
- 6 **(2) the licensee does not meet the licensing qualifications**
- 7 **under section 26 of this chapter;**
- 8 **(3) the licensee obtained the license for the benefit of, or on**
- 9 **behalf of, a person who does not qualify for the license;**
- 10 **(4) the licensee knowingly or intentionally made material**
- 11 **misrepresentations to, or concealed material information**
- 12 **from, the department; or**
- 13 **(5) facts or conditions exist that, had they existed at the time**
- 14 **the licensee applied for the license, would have been grounds**
- 15 **for the department to deny the issuance of the license.**

16 **(d) Whenever the department revokes or suspends a license, the**
 17 **department shall enter an order to that effect and forthwith notify**
 18 **the licensee of:**

- 19 **(1) the revocation or suspension;**
- 20 **(2) if a suspension has been ordered, the duration of the**
- 21 **suspension;**
- 22 **(3) the procedure for appealing the revocation or suspension**
- 23 **under IC 4-21.5-3-6; and**
- 24 **(4) any other terms and conditions that apply to the**
- 25 **revocation or suspension.**

26 **Not later than five (5) days after the entry of the order the**
 27 **department shall deliver to the licensee a copy of the order and the**
 28 **findings supporting the order.**

29 **(e) Any person holding a license to make consumer loans may**
 30 **relinquish the license by notifying the department in writing of its**
 31 **relinquishment, but this relinquishment does not affect the person's**
 32 **liability for acts previously committed and coming within the scope**
 33 **of this article.**

34 **(f) If the director determines it is in the public interest, the**
 35 **director may pursue revocation of a license of a licensee that has**
 36 **relinquished the license under subsection (e).**

37 **(g) If a person's license is revoked, suspended, or relinquished,**
 38 **the revocation, suspension, or relinquishment does not impair or**
 39 **affect any obligation owed by any person under any preexisting**
 40 **lawful contract.**

41 **(h) If the director has just cause to believe an emergency exists**
 42 **from which it is necessary to protect the interests of the public, the**



1 director may proceed with the revocation of a license through an
2 emergency or another temporary order under IC 4-21.5-4.

3 **Sec. 33. (a) Every creditor required to be licensed under this**
4 **article shall maintain records in conformity with United States**
5 **generally accepted accounting principles and practices, or in any**
6 **other form that may be preapproved at the discretion of the**
7 **director, in a manner that will enable the department to determine**
8 **whether the licensee is complying with the provisions of this article.**
9 **The record keeping system of a licensee shall be sufficient if the**
10 **licensee makes the required information reasonably available. The**
11 **department shall determine the sufficiency of the records and**
12 **whether the licensee has made the required information reasonably**
13 **available. The department shall be given free access to the records**
14 **wherever located. The records pertaining to any loan shall be**
15 **retained for two (2) years after making the final entry relating to**
16 **the loan, but in the case of a revolving loan account the two (2)**
17 **years is measured from the date of each entry. A person licensed**
18 **or required to be licensed under this chapter is subject to**
19 **IC 28-1-2-30.5 with respect to any records maintained by the**
20 **person. A person that is exempt (either under this article or under**
21 **IC 37-1-1-6(8)) from licensing and that sponsors one (1) or more**
22 **licensed mortgage loan originators as permitted by IC 37-1-1-6(8)**
23 **or by 750 IAC 9, shall:**

24 (1) cooperate with the department; and

25 (2) provide access to records and documents;

26 as required by the department in carrying out examinations of the
27 activities of the licensed mortgage loan originators sponsored by
28 the person.

29 (b) The unique identifier of any person originating a mortgage
30 transaction must be clearly shown on all mortgage transaction
31 application forms and any other documents as required by the
32 director.

33 (c) Every licensee that engages in mortgage transactions shall
34 use automated examination and regulatory software designated by
35 the director, including third party software. Use of the software
36 consistent with guidance documents and policies issued by the
37 director is not a violation of IC 28-1-2-30.

38 (d) Each:

39 (1) creditor that is licensed by the department to engage in
40 mortgage transactions; and

41 (2) person that is exempt (either under this article or under
42 IC 37-1-1-6(8)) from licensing and that:



- 1 (A) employs one (1) or more licensed mortgage loan
2 originators; or
3 (B) sponsors one (1) or more licensed mortgage loan
4 originators as permitted by IC 37-1-1-6(8) or by 750
5 IAC 9;
6 shall submit to the NMLSR a call report, which must be in the
7 form and contain information the NMLSR requires.
8 (e) Every creditor required to be licensed under this article shall
9 file with the department a composite report as required by the
10 department, but not more frequently than annually, in the form
11 prescribed by the department relating to all consumer loans made
12 by the licensee. The department shall consult with comparable
13 officials in other states for the purpose of making the kinds of
14 information required in the reports uniform among the states.
15 Information contained in the reports shall be confidential and may
16 be published only in composite form. The department may impose
17 a fee in an amount fixed by the department under IC 28-11-3-5 for
18 each day that a creditor fails to file the report required by this
19 subsection.
20 (f) A creditor required to be licensed under this article shall file
21 notification with the department if the licensee:
22 (1) has a change in name, address, or principals;
23 (2) opens a new branch, closes an existing branch, or relocates
24 an existing branch;
25 (3) files for bankruptcy or reorganization; or
26 (4) is subject to revocation or suspension proceedings by a
27 state or governmental authority with regard to the licensee's
28 activities;
29 not later than thirty (30) days after the date of the event described
30 in this subsection.
31 (g) Every licensee shall file notification with the department if
32 the licensee or any director, executive officer, or manager of the
33 licensee has been convicted of a felony under the laws of Indiana or
34 any other jurisdiction. The licensee shall file the notification
35 required by this subsection not later than thirty (30) days after the
36 date of the event described in this subsection.
37 Sec. 34. (a) As used in this section, "automated loan machine"
38 means an unmanned machine that performs routine lending
39 functions.
40 (b) A licensee may make loans through an automated loan
41 machine at an offsite location if the licensee:
42 (1) notifies the department in writing of the existence and



1 location of the automated loan machine;

2 (2) maintains at a location licensed or approved by the
3 department the books, accounts, records, and files concerning
4 transactions performed through the automated loan machine;
5 and

6 (3) posts at the offsite location where the automated loan
7 machine is located the:

8 (A) address where the books, accounts, records and files
9 are located; and

10 (B) telephone number at which the licensee may be
11 contacted.

12 **Sec. 35. (a)** With respect to a supervised loan, including a loan
13 pursuant to a revolving loan account, a supervised lender may
14 contract for and receive a loan finance charge not exceeding that
15 permitted by this section.

16 (b) The loan finance charge, calculated according to the
17 actuarial method, may not exceed the equivalent of the greater of:

18 (1) the total of:

19 (A) thirty-six percent (36%) per year on that part of the
20 unpaid balances of the principal which is two thousand
21 dollars (\$2,000) or less;

22 (B) twenty-one percent (21%) per year on that part of the
23 unpaid balances of the principal which is more than two
24 thousand dollars (\$2,000) but does not exceed four
25 thousand dollars (\$4,000); and

26 (C) fifteen percent (15%) per year on that part of the
27 unpaid balances of the principal which is more than four
28 thousand dollars (\$4,000); or

29 (2) twenty-five percent (25%) per year on the unpaid balances
30 of the principal.

31 (c) In the case of a loan agreement entered into before July 1,
32 2020, this section does not limit or restrict the manner of
33 contracting for the loan finance charge, whether by way of add-on,
34 discount, or otherwise, so long as the rate of the loan finance
35 charge does not exceed that permitted by this section. If the loan is
36 precomputed:

37 (1) the loan finance charge may be calculated on the
38 assumption that all scheduled payments will be made when
39 due; and

40 (2) the effect of prepayment is governed by the provisions on
41 rebate upon prepayment in section 13 of this chapter.

42 After June 30, 2020, a loan agreement may not be entered into for



1 a precomputed supervised loan. The loan finance charge
2 authorized by this section must be contracted for between the
3 lender and the debtor, and must be calculated by applying a rate
4 not exceeding the rate set forth in subsection (b) to unpaid balances
5 of the principal.

6 (d) The term of a loan for the purposes of this section
7 commences on the date the loan is made. Differences in the lengths
8 of months are disregarded, and a day may be counted as
9 one-thirtieth (1/30) of a month. Subject to classifications and
10 differentiations the lender may reasonably establish, a part of a
11 month in excess of fifteen (15) days may be treated as a full month
12 if periods of fifteen (15) days or less are disregarded and that
13 procedure is not consistently used to obtain a greater yield than
14 would otherwise be permitted.

15 (e) Subject to classifications and differentiations the lender may
16 reasonably establish, the lender may make the same loan finance
17 charge on all principal amounts within a specified range. A loan
18 finance charge does not violate subsection (b) if:

19 (1) when applied to the median amount within each range, it
20 does not exceed the maximum permitted in subsection (b);
21 and

22 (2) when applied to the lowest amount within each range, it
23 does not produce a rate of loan finance charge exceeding the
24 rate calculated according to subdivision (1) by more than
25 eight percent (8%) of the rate calculated according to
26 subdivision (1).

27 (f) The amounts of two thousand dollars (\$2,000) and four
28 thousand dollars (\$4,000) in subsection (b) and thirty dollars (\$30)
29 in subsection (g) are subject to change pursuant to the provisions
30 on adjustment of dollar amounts set forth in IC 37-2-1-5. However,
31 notwithstanding IC 37-2-1-5(a), for the adjustment of the amount
32 of thirty dollars (\$30), the Reference Base Index to be used is the
33 Index for October 1992. Notwithstanding IC 37-2-1-5(a), for the
34 adjustment of the amounts of two thousand dollars (\$2,000) and
35 four thousand dollars (\$4,000), the Reference Base Index to be used
36 is the Index for October 2012.

37 (g) With respect to a supervised loan not made pursuant to a
38 revolving loan account, the lender may contract for and receive a
39 minimum loan finance charge of not more than thirty dollars (\$30).
40 The minimum loan finance charge allowed under this subsection
41 may be imposed only if the lender does not assess a nonrefundable
42 prepaid finance charge under subsection (h) and:



- 1 (1) the debtor prepays in full a consumer loan, refinancing, or
2 consolidation, regardless of whether the loan, refinancing, or
3 consolidation is precomputed;
- 4 (2) the loan, refinancing, or consolidation prepaid by the
5 debtor is subject to a loan finance charge that:
- 6 (A) is contracted for by the parties; and
7 (B) does not exceed the rate prescribed in subsection (b);
8 and
- 9 (3) the loan finance charge earned at the time of prepayment
10 is less than the minimum loan finance charge contracted for
11 under this subsection.
- 12 (h) Except as provided in subsections (g) and (j)(3), in addition
13 to the loan finance charge provided for in this section and to any
14 other charges and fees permitted by this chapter, the lender may
15 contract for and receive a nonrefundable prepaid finance charge
16 of not more than fifty dollars (\$50) if the loan agreement is entered
17 into before July 1, 2020. If the loan agreement is entered into after
18 June 30, 2020, not more than the following:
- 19 (1) Seventy-five dollars (\$75), in the case of a loan agreement
20 for a principal amount which is two thousand dollars (\$2,000)
21 or less.
- 22 (2) One hundred fifty dollars (\$150) in the case of a loan
23 agreement for a principal amount which is more than two
24 thousand dollars (\$2,000) but does not exceed four thousand
25 dollars (\$4,000).
- 26 (3) Two hundred dollars (\$200) in the case of a loan
27 agreement for a principal amount which is more than four
28 thousand dollars (\$4,000).
- 29 The amounts in this subsection are not subject to change under
30 IC 37-2-1-5.
- 31 (i) The nonrefundable prepaid finance charge provided for in
32 subsection (h) is not subject to refund or rebate. However, for any
33 supervised loan entered into after June 30, 2020, any amount
34 charged by the lender, other than by a lender that is a depository
35 institution, under subsection (h) that exceeds the applicable amount
36 permitted by subsection (h) constitutes a violation of this article
37 under IC 37-2-7-8(12) and is subject to refund. Any amount
38 charged by a depository institution under subsection (h) that
39 exceeds the applicable amount set forth in subsection (h) is subject
40 to refund.
- 41 (j) Notwithstanding subsections (h) and (i), in the case of a
42 supervised loan that is not secured by an interest in land, if a



1 lender retains any part of a nonrefundable prepaid finance charge
 2 charged on a loan that is paid in full by a new loan from the same
 3 lender, the following apply:

4 (1) If the loan is paid in full by the new loan within three (3)
 5 months after the date of the prior loan, the lender may not
 6 charge a nonrefundable prepaid finance charge on the new
 7 loan, or, in the case of a revolving loan, on the increased credit
 8 line.

9 (2) The lender may not assess more than two (2)
 10 nonrefundable prepaid finance charges in any twelve (12)
 11 month period.

12 (3) Subject to subdivisions (a) and (b), if a supervised loan
 13 that is entered into by a lender and a debtor before July 1,
 14 2020, is paid in full by a new loan from the same lender after
 15 June 30, 2020, the lender may contract for and receive a
 16 nonrefundable prepaid finance charge in the amount set forth
 17 in subsection (h) for loan agreements entered into after June
 18 30, 2020.

19 (k) In the case of a supervised loan that is secured by an interest
 20 in land, this section does not prohibit a lender from contracting for
 21 and receiving a fee for preparing deeds, mortgages, reconveyances,
 22 and similar documents under section 5(a)(4)(B) of this chapter, in
 23 addition to the nonrefundable prepaid finance charge provided for
 24 in subsection (h).

25 **Sec. 36.** With respect to a consumer loan, no lender may permit
 26 any person, or husband and wife, to become obligated in any way
 27 under more than one loan agreement with the lender or with a
 28 person related to the lender, with intent to obtain a higher rate of
 29 loan finance charge than would otherwise be permitted by the
 30 provisions on loan finance charge for supervised loans set forth in
 31 section 35 of this chapter or to avoid disclosure of an annual
 32 percentage rate pursuant to the provisions on disclosure set forth
 33 in section 14 of this chapter. The excess amount of loan finance
 34 charge provided for in agreements in violation of this section is an
 35 excess charge for the purposes of the provisions on effect of
 36 violations on rights of parties (IC 37-2-6-9) and the provisions on
 37 civil actions by the department (IC 37-2-7-14).

38 **Sec. 37.** (a) With respect to a supervised loan in which the
 39 principal is four thousand dollars (\$4,000) or less, a lender may not
 40 contract for an interest in land as security. A security interest
 41 taken in violation of this section is void.

42 (b) The amount of four thousand dollars (\$4,000) in subsection



1 (a) is subject to change pursuant to the provisions on adjustment
 2 of dollar amounts set forth in IC 37-2-1-5. However,
 3 notwithstanding IC 37-2-1-5(a), the Reference Base Index to be
 4 used under this subsection is the Index for October 2012.

5 Sec. 38. (a) Supervised loans not made pursuant to a revolving
 6 loan account and in which the principal is four thousand dollars
 7 (\$4,000) or less are payable in a single installment or shall be
 8 scheduled to be payable in substantially equal installments that are
 9 payable at equal periodic intervals, except to the extent that the
 10 schedule of payments is adjusted to the seasonal or irregular
 11 income of the debtor, and:

12 (1) over a period of not more than thirty-seven (37) months if
 13 the principal is more than three hundred dollars (\$300); or

14 (2) over a period of not more than twenty-five (25) months if
 15 the principal is three hundred dollars (\$300) or less.

16 (b) The amounts of three hundred dollars (\$300) and four
 17 thousand dollars (\$4,000) in subsection (a) are subject to change
 18 pursuant to the provisions on adjustment of dollar amounts set
 19 forth in IC 37-2-1-5. However, notwithstanding IC 37-2-1-5(a), the
 20 Reference Base Index to be used with respect to the amount of:

21 (1) three hundred dollars (\$300) is the Index for October
 22 1992; and

23 (2) four thousand dollars (\$4,000) is the Index for October
 24 2012.

25 Sec. 39. A licensee may carry on other business at a location
 26 where the licensee makes consumer loans unless the licensee
 27 carries on other business for the purpose of evasion or violation of
 28 this article.

29 Sec. 40. (a) As used in this section, "control" means possession
 30 of the power directly or indirectly to:

31 (1) direct or cause the direction of the management or policies
 32 of a creditor, whether through the beneficial ownership of
 33 voting securities, by contract, or otherwise; or

34 (2) vote at least twenty-five percent (25%) of the voting
 35 securities of a creditor, whether the voting rights are derived
 36 through the beneficial ownership of voting securities, by
 37 contract, or otherwise.

38 (b) An organization or an individual acting directly, indirectly,
 39 or through or in concert with one (1) or more other organizations
 40 or individuals may not acquire control of any creditor unless the
 41 department has received and approved an application for change
 42 in control. The department has not more than one hundred twenty



1 (120) days after receipt of an application to issue a notice
2 approving the proposed change in control. The application must
3 contain the name and address of the organization, individual, or
4 individuals who propose to acquire control and any other
5 information required by the director.

6 (c) The period for approval under subsection (b) may be
7 extended:

8 (1) in the discretion of the director for an additional thirty
9 (30) days; and

10 (2) not more than two (2) additional times for not more than
11 forty-five (45) days each time if:

12 (A) the director determines that the organization,
13 individual, or individuals who propose to acquire control
14 have not submitted substantial evidence of the
15 qualifications described in subsection (d);

16 (B) the director determines that any material information
17 submitted is substantially inaccurate; or

18 (C) the director has been unable to complete the
19 investigation of the organization, individual, or individuals
20 who propose to acquire control because of any delay
21 caused by or the inadequate cooperation of the
22 organization, individual, or individuals.

23 (d) The department shall issue a notice approving the
24 application only after the department is satisfied that both of the
25 following apply:

26 (1) The organization, individual, or individuals who propose
27 to acquire control are qualified by competence, experience,
28 character, and financial responsibility to control and operate
29 the creditor in a legal and proper manner.

30 (2) The interests of the owners and creditors of the creditor
31 and the interests of the public generally will not be
32 jeopardized by the proposed change in control.

33 (e) The director may determine, in the director's discretion, that
34 subsection (b) does not apply to a transaction if the director
35 determines that the direct or beneficial ownership of the creditor
36 will not change as a result of the transaction.

37 (f) The president or other chief executive officer of a creditor
38 shall report to the director any transfer or sale of securities of the
39 creditor that results in direct or indirect ownership by a holder or
40 an affiliated group of holders of at least ten percent (10%) of the
41 outstanding securities of the creditor. The report required by this
42 subsection must be made not later than ten (10) days after the



1 transfer of the securities on the books of the creditor.

2 (g) Depending on the circumstances of the transaction, the
3 director may reserve the right to require the organization,
4 individual, or individuals who propose to acquire control of a
5 creditor licensed under this article to apply for a new license under
6 section 26 of this chapter, instead of acquiring control of the
7 licensee under this section.

8 Sec. 41. The parties to a loan other than a consumer loan may
9 agree in writing signed by the parties that the loan is subject to the
10 provisions of this article applying to consumer loans. If the parties
11 so agree, the loan is a consumer loan for the purposes of this
12 article.

13 Sec. 42. (a) With respect to a consumer related loan, including
14 one made pursuant to a revolving loan account, the parties may
15 contract for the payment by the debtor of a loan finance charge,
16 calculated according to the actuarial method, not to exceed
17 twenty-five percent (25%) per year on the unpaid principal
18 balance.

19 (b) A person engaged in consumer related loans is not required
20 to comply with:

21 (1) the licensing requirements set forth in section 26 of this
22 chapter; or

23 (2) IC 37-2-7-24 through IC 37-2-7-26.

24 Sec. 43. (a) The agreement with respect to a consumer related
25 loan may provide for only the following charges as a result of the
26 debtor's default:

27 (1) reasonable attorney's fees and reasonable expenses
28 incurred in realizing on a security interest;

29 (2) deferral charges not in excess of twenty-five percent (25%)
30 per year of the amount deferred for the period of deferral;
31 and

32 (3) other charges that could have been made had the loan
33 been a consumer loan.

34 (b) A provision in violation of this section is unenforceable.

35 Sec. 44. With respect to a loan other than a consumer loan or a
36 consumer related loan, the parties may contract for the payment
37 by the debtor of any loan finance charge.

38 Sec. 45. (a) In addition to any disclosures otherwise provided by
39 law, a lender soliciting loans using a negotiable check, facsimile, or
40 other negotiable instrument that may be used by a consumer to
41 activate a new loan shall disclose the following:

42 "This is a solicitation for a loan. Read the enclosed disclosures



- 1 before signing this agreement.".
- 2 This notice shall be printed in at least ten point type and shall
- 3 appear conspicuously on the offer.
- 4 (b) If a negotiable check, a facsimile, or another instrument is
- 5 stolen or incorrectly received by someone other than the intended
- 6 payee and the instrument is fraudulently cashed, the consumer who
- 7 was the intended payee is not liable for the loan obligation.
- 8 Sec. 46. With respect to a consumer loan secured by an interest
- 9 in land used or expected to be used as the principal dwelling of the
- 10 debtor, a lender shall comply with IC 6-1.1-12-43.
- 11 Chapter 5. Insurance
- 12 Sec. 1. (a) Except as provided in subsection (b), this chapter
- 13 applies to insurance provided or to be provided in relation to a
- 14 consumer credit sale, a consumer lease, or a consumer loan.
- 15 (b) Section 17 of this chapter concerning cancellation by a
- 16 creditor applies to loans the primary purpose of which is the
- 17 financing of insurance. No other provision of this chapter applies
- 18 to insurance so financed.
- 19 (c) This chapter supplements and does not repeal IC 27-8-4 (the
- 20 credit insurance act). The provisions of this article concerning
- 21 administrative controls, liabilities, and penalties do not apply to
- 22 persons acting as insurers, and the similar provisions of IC 27-8-4
- 23 do not apply to creditors and debtors.
- 24 Sec. 2. (a) Except as otherwise provided in this chapter and
- 25 subject to the provisions on:
- 26 (1) additional charges set forth in IC 37-2-3-5 and
- 27 IC 37-2-4-5;
- 28 (2) maximum charges set forth in IC 37-2-3-4 through
- 29 IC 37-2-3-12; and
- 30 (3) maximum charges set forth in IC 37-2-4-4 through
- 31 IC 37-2-4-13;
- 32 a creditor may agree to provide insurance, and may contract for
- 33 and receive a charge for insurance separate from and in addition
- 34 to other charges. A creditor need not make a separate charge for
- 35 insurance provided or required by the creditor. This article does
- 36 not authorize the issuance of any insurance prohibited under any
- 37 statute, or rule thereunder, governing the business of insurance.
- 38 (b) The excess amount of a charge for insurance provided for in
- 39 agreements in violation of this chapter is an excess charge for the
- 40 purposes of the provisions of the chapter on remedies and penalties
- 41 (IC 37-2-6) as to effect of violations on rights of parties
- 42 (IC 37-2-6-9) and of the provisions of IC 37-2-7 as to civil actions



1 by the department (IC 37-2-7-14).

2 **Sec. 3. If a creditor agrees with a debtor to provide insurance:**

3 (1) the insurance shall be evidenced by an individual policy or
 4 certificate of insurance delivered to the debtor, or sent to the
 5 debtor at the debtor's address as stated by the debtor, within
 6 thirty (30) days after the term of the insurance commences
 7 under the agreement between the creditor and debtor; or

8 (2) the creditor shall promptly notify the debtor of any failure
 9 or delay in providing the insurance.

10 **Sec. 4. (a) In applying the provisions of this article on**
 11 **unconscionability (IC 37-2-6-7 and IC 37-2-7-12) to a separate**
 12 **charge for insurance, consideration shall be given, among other**
 13 **factors, to:**

14 (1) potential benefits to the debtor including the satisfaction
 15 of the debtor's obligations;

16 (2) the creditor's need for the protection provided by the
 17 insurance; and

18 (3) the relation between the amount and terms of credit
 19 granted and the insurance benefits provided.

20 (b) If consumer credit insurance otherwise complies with this
 21 chapter and other applicable law, neither the amount nor the term
 22 of the insurance nor the amount of a charge therefor is in itself
 23 unconscionable.

24 **Sec. 5. (a) Except as provided in subsection (b), if a creditor**
 25 **contracts for or receives a separate charge for insurance, the**
 26 **amount charged to the debtor for the insurance may not exceed the**
 27 **premium to be charged by the insurer, as computed at the time the**
 28 **charge to the debtor is determined, conforming to any rate filings**
 29 **required by law and made by the insurer with the insurance**
 30 **commissioner.**

31 (b) A creditor who provides consumer credit insurance in
 32 relation to a revolving charge account or revolving loan account
 33 may calculate the charge to the debtor in each billing cycle by
 34 applying the current premium rate to one (1) of the following:

35 (1) The average daily unpaid balance of the debt in the cycle.

36 (2) The unpaid balance of the debt or a median amount within
 37 a specified range of unpaid balances of debt on approximately
 38 the same day of the cycle. The day of the cycle need not be the
 39 day used in calculating the credit service charge under
 40 IC 37-2-3-4(f) or loan finance charge (IC 37-2-4-4 and
 41 IC 37-2-4-35), but the specified range shall be the range used
 42 for that purpose.



1 **(3) The unpaid balances of principal calculated according to**
 2 **the actuarial method.**

3 **(4) The amount of the insurance benefit for the cycle.**

4 **Sec. 6. (a) Upon prepayment in full of a consumer credit sale or**
 5 **consumer loan by the proceeds of consumer credit insurance, the**
 6 **debtor or the debtor's estate is entitled to a refund of:**

7 **(1) any portion of a separate charge for insurance which by**
 8 **reason of prepayment is retained by the creditor or returned**
 9 **to the creditor by the insurer unless the charge was computed**
 10 **from time to time on the basis of the balances of the debtor's**
 11 **account; and**

12 **(2) any portion of an additional charge that is:**

13 **(A) assessed in accordance with IC 37-2-3-5(a)(3),**
 14 **IC 37-2-3-5(a)(8), IC 37-2-3-5(a)(5), or IC 37-2-4-5(a)(11);**
 15 **and**

16 **(B) subject to rebate upon prepayment.**

17 **(b) This chapter does not require a creditor to grant a refund or**
 18 **credit to the debtor if all refunds and credits due to the debtor**
 19 **under this chapter amount to less than one dollar (\$1), and except**
 20 **as provided in subsection (a) does not require the creditor to**
 21 **account to the debtor for any portion of a separate charge for**
 22 **insurance because:**

23 **(1) the insurance is terminated by performance of the**
 24 **insurer's obligation;**

25 **(2) the creditor pays or accounts for premiums to the insurer**
 26 **in amounts and at times determined by the agreement**
 27 **between them; or**

28 **(3) the creditor receives directly or indirectly under any**
 29 **policy of insurance a gain or advantage not prohibited by law.**

30 **(c) Except as provided in subsection (b), the creditor or the**
 31 **creditor's assignee shall promptly make an appropriate refund or**
 32 **credit to the debtor for any separate charge made for insurance or**
 33 **for an additional charge described in subsection (a)(2) if:**

34 **(1) the insurance is not provided or is provided for a term**
 35 **shorter than the term for which the charge to the debtor for**
 36 **insurance was computed; or**

37 **(2) the insurance or the protection provided in exchange for**
 38 **the additional charge described in subsection (a)(2) terminates**
 39 **prior to the end of the scheduled term of the coverage because**
 40 **of prepayment in full or otherwise.**

41 **(d) An initial creditor, a subsequent creditor, or an assignee of**
 42 **an initial or a subsequent creditor, shall maintain documentation**



1 of any account that is subject to a refund or credit under this
 2 section. The information maintained under this subsection shall be
 3 made available to the department as necessary to determine
 4 compliance with this section.

5 (e) A refund or credit required by subsection (c)(1) is
 6 appropriate as to amount if it is computed according to a method
 7 prescribed or approved by the insurance commissioner or a
 8 formula filed by the insurer with the insurance commissioner at
 9 least thirty (30) days before the debtor's right to a refund or credit
 10 becomes determinable, unless the method or formula is used after
 11 the insurance commissioner notifies the insurer that it is
 12 disapproved.

13 (f) If a refund or credit required by subsection (a) or (c) is not
 14 made to the debtor within sixty (60) days after the date the debt is
 15 terminated, due to prepayment in full or otherwise, the creditor
 16 shall pay to the debtor for each day after the sixty (60) day period
 17 has expired an amount equal to the daily interest at the contracted
 18 annual percentage rate on the amount of the refund required by
 19 subsection (a) due at the time of prepayment or termination. The
 20 director may impose an additional civil penalty of not greater than
 21 one thousand dollars (\$1,000) per occurrence if a creditor engages
 22 in a pattern or practice of failing to comply with this subsection.

23 Sec. 7. If a creditor requires insurance, upon notice to the
 24 creditor the debtor shall have the option of providing the required
 25 insurance through an existing policy of insurance owned or
 26 controlled by the debtor, or through a policy to be obtained and
 27 paid for by the debtor, but the creditor may for reasonable cause
 28 decline the insurance provided by the debtor.

29 Sec. 8. (a) A creditor may not contract for or receive a separate
 30 charge for insurance in connection with a deferral (IC 37-2-3-7 or
 31 IC 37-2-4-7), a refinancing (IC 37-2-3-8 or IC 37-2-4-8), or a
 32 consolidation (IC 37-2-3-9 or IC 37-2-4-9), unless:

- 33 (1) the debtor agrees at or before the time of the deferral,
 34 refinancing, or consolidation that the charge may be made;
 35 (2) the debtor is or is to be provided with insurance for an
 36 amount or a term, or insurance of a kind, in addition to that
 37 to which the debtor would have been entitled had there been
 38 no deferral, refinancing, or consolidation;
 39 (3) the debtor receives a refund or credit on account of any
 40 unexpired term of existing insurance in the amount that
 41 would be required if the insurance were terminated under
 42 section 6 of this chapter; and



- 1 **(4) the charge does not exceed the amount permitted by**
2 **section 5 of this chapter.**
- 3 **(b) A creditor may not contract for or receive a separate charge**
4 **for insurance which duplicates insurance with respect to which the**
5 **creditor has previously contracted for or received a separate**
6 **charge.**
- 7 **Sec. 9. The department and the insurance commissioner are**
8 **authorized and directed to consult and assist one another in**
9 **maintaining compliance with this chapter. They may jointly pursue**
10 **investigations, prosecute suits, and take other official action, as**
11 **may seem to them appropriate, if either of them is otherwise**
12 **empowered to take the action. If the department is informed of a**
13 **violation or suspected violation by an insurer of this chapter, or of**
14 **the insurance laws, rules, and regulations of Indiana, the**
15 **department shall advise the insurance commissioner of the**
16 **circumstances.**
- 17 **Sec. 10. (a) To the extent that the commissioner's responsibility**
18 **under this chapter requires, the commissioner of insurance shall**
19 **issue rules with respect to insurers, and with respect to refunds**
20 **(section 6 of this chapter), forms, schedules of premium rates and**
21 **charges (section 13 of this chapter), and the commissioner's**
22 **approval or disapproval thereof and, in case of violation, may**
23 **make an order for compliance.**
- 24 **(b) IC 4-21.5-3 applies to and governs all agency action taken by**
25 **the commissioner of insurance pursuant to this section.**
- 26 **Sec. 11. (a) Consumer credit insurance provided by a creditor**
27 **may be subject to the furnishing of evidence of insurability**
28 **satisfactory to the insurer. Whether or not such evidence is**
29 **required, the term of the insurance shall commence no later than**
30 **when the debtor becomes obligated to the creditor or when the**
31 **debtor applies for the insurance, whichever is later, except as**
32 **follows:**
- 33 **(1) if any required evidence of insurability is not furnished**
34 **until more than thirty (30) days after the term would**
35 **otherwise commence, the term may commence on the date**
36 **when the insurer determines the evidence to be satisfactory;**
37 **or**
38 **(2) if the creditor provides insurance not previously provided**
39 **covering debts previously created, the term may commence on**
40 **the effective date of the policy.**
- 41 **(b) The originally scheduled term of the insurance shall extend**
42 **at least until the due date of the last scheduled payment of the debt**



- 1 **except as follows:**
- 2 **(1) if the insurance relates to a revolving charge account or**
- 3 **revolving loan account, the term need extend only until the**
- 4 **payment of the debt under the account and may be sooner**
- 5 **terminated after at least thirty (30) days notice to the debtor;**
- 6 **or**
- 7 **(2) if the debtor is advised in writing that the insurance will be**
- 8 **written for a specified shorter time, the term need extend only**
- 9 **until the end of the specified time.**
- 10 **(c) The term of the insurance shall not extend more than fifteen**
- 11 **(15) days after the originally scheduled due date of the last**
- 12 **scheduled payment of the debt unless it is extended without**
- 13 **additional cost to the debtor or as an incident to a deferral;**
- 14 **refinancing, or consolidation.**
- 15 **Sec. 12. (a) Except as provided in subsection (b):**
- 16 **(1) in the case of consumer credit insurance providing life**
- 17 **coverage, the amount of insurance may not initially exceed the**
- 18 **debt and, if the debt is payable in installments, may not at any**
- 19 **time exceed the greater of the scheduled or actual amount of**
- 20 **the debt; or**
- 21 **(2) in the case of any other consumer credit insurance, the**
- 22 **total amount of periodic benefits payable may not exceed the**
- 23 **total of scheduled unpaid installments of the debt, and the**
- 24 **amount of any periodic benefit may not exceed the original**
- 25 **amount of debt divided by the number of periodic**
- 26 **installments in which it is payable.**
- 27 **(b) If consumer credit insurance is provided in connection with**
- 28 **a revolving charge account or revolving loan account, the amounts**
- 29 **payable as insurance benefits may be reasonably commensurate**
- 30 **with the amount of debt as it exists from time to time. If consumer**
- 31 **credit insurance is provided in connection with a commitment to**
- 32 **grant credit in the future, the amounts payable as insurance**
- 33 **benefits may be reasonably commensurate with the total from time**
- 34 **to time of the amount of debt and the amount of the commitment.**
- 35 **Sec. 13. (a) A creditor may not use a form, or a schedule of**
- 36 **premium rates or charges, the filing of which is required by this**
- 37 **section, if the insurance commissioner has disapproved the form or**
- 38 **schedule and has notified the insurer of the insurance**
- 39 **commissioner's disapproval. A creditor may not use a form or**
- 40 **schedule unless:**
- 41 **(1) the form or schedule has been on file with the insurance**
- 42 **commissioner for thirty (30) days, or has earlier been**



1 approved by the commissioner; and

2 (2) the insurer has complied with this section with respect to
3 the insurance.

4 (b) Except as provided in subsection (c), all policies, certificates
5 of insurance, notices of proposed insurance, applications for
6 insurance, endorsements and riders relating to consumer credit
7 insurance delivered or issued for delivery in this state, and the
8 schedules of premium rates or charges pertaining thereto, shall be
9 filed by the insurer with the insurance commissioner. Within thirty
10 (30) days after the filing of any form or schedule, the commissioner
11 shall disapprove it if the premium rates or charges are
12 unreasonable in relation to the benefits provided under the form,
13 or if the form contains provisions which are unjust, unfair,
14 inequitable, or deceptive, or encourage misrepresentation of the
15 coverage, or are contrary to any provision of IC 27 or of any rule
16 promulgated under IC 27.

17 (c) If a group policy has been delivered in another state, the
18 forms to be filed by the insurer with the insurance commissioner
19 are the group certificates and notices of proposed insurance. The
20 commissioner shall approve them if:

21 (1) they provide the information that would be required if the
22 group policy were delivered in this state; and

23 (2) the applicable premium rates or charges do not exceed
24 those established by the commissioner's rules.

25 Sec. 14. (a) A creditor may not contract for or receive a separate
26 charge for insurance against loss of or damage to property unless:

27 (1) the insurance covers a substantial risk of loss of or damage
28 to property related to the credit transaction;

29 (2) the amount, terms, and conditions of the insurance are
30 reasonable in relation to the character and value of the
31 property insured or to be insured; and

32 (3) the term of the insurance is reasonable in relation to the
33 terms of credit.

34 (b) The term of the insurance is reasonable if it is customary
35 and does not extend substantially beyond a scheduled maturity.

36 (c) A creditor may not contract for or receive a separate charge
37 for insurance against loss of or damage to property unless the
38 amount financed or principal exclusive of charges for the insurance
39 is three hundred dollars (\$300) or more, and the value of the
40 property is three hundred dollars (\$300) or more.

41 (d) The amounts of three hundred dollars (\$300) in subsection
42 (c) are subject to change pursuant to the provisions on adjustment



1 of dollar amounts (IC 37-2-1-5). However, notwithstanding
 2 IC 37-2-1-5(a), the Reference Base Index to be used under this
 3 subsection is the Index for October 1992.

4 **Sec. 15.** If a creditor contracts for or receives a separate charge
 5 for insurance against loss of or damage to property, the risk of loss
 6 or damage not willfully caused by the debtor is on the debtor only
 7 to the extent of any deficiency in the effective coverage of the
 8 insurance, even though the insurance covers only the interest of the
 9 creditor.

10 **Sec. 16.** A creditor may not contract for or receive a separate
 11 charge for insurance against liability unless the insurance covers
 12 a substantial risk of liability arising out of the ownership or use of
 13 property related to the credit transaction.

14 **Sec. 17.** A creditor shall not request cancellation of a policy of
 15 property or liability insurance except after the debtor's default or
 16 in accordance with a written authorization by the debtor, and in
 17 either case the cancellation does not take effect until written notice
 18 is delivered to the debtor or mailed to the debtor at the debtor's
 19 address as stated by the debtor. The notice shall state that the
 20 policy may be canceled on a date not less than ten (10) days after
 21 the notice is delivered, or, if the notice is mailed, not less than
 22 thirteen (13) days after it is mailed.

23 **Sec. 18.** Upon the payment in full of a consumer credit sale or
 24 consumer loan, the creditor or creditor's assignee shall promptly
 25 make an appropriate refund of the unearned premium for any
 26 property insurance with respect to which the creditor or the credit
 27 account of the consumer is a beneficiary.

28 **Chapter 6. Remedies and Penalties**

29 **Sec. 0.1.** The amendments made to IC 24-4.5-5-203 (before its
 30 repeal) by P.L.181-1991 applied to causes of action accruing after
 31 June 30, 1991.

32 **Sec. 1.** Sections 0.1 through 7 of this chapter apply to:

- 33 (1) actions or other proceedings to enforce rights arising from
 34 consumer credit sales, consumer leases, and consumer loans;
 35 (2) garnishments of the earnings of an individual; and
 36 (3) extortionate extensions of credit.

37 **Sec. 2. (a)** This section applies to a consumer credit sale of goods
 38 or services.

39 (b) If the seller repossesses or voluntarily accepts surrender of
 40 goods which were the subject of the sale and in which the seller has
 41 a security interest, and the cash price of the goods repossessed or
 42 surrendered was four thousand dollars (\$4,000) or less, the buyer



1 is not personally liable to the seller for the unpaid balance of the
2 debt arising from the sale of the goods, and the seller is not
3 obligated to resell the collateral.

4 (c) If the seller repossesses or voluntarily accepts surrender of
5 goods which were not the subject of the sale but in which the seller
6 has a security interest to secure a debt arising from a sale of goods
7 or services or a combined sale of goods and services and the cash
8 price of the sale was four thousand dollars (\$4,000) or less, the
9 buyer is not personally liable to the seller for the unpaid balance of
10 the debt arising from the sale.

11 (d) For the purpose of determining the unpaid balance of
12 consolidated debts or debts pursuant to revolving charge accounts,
13 the allocation of payments to a debt shall be determined in the
14 same manner as provided for determining the amount of debt
15 secured by various security interests under IC 37-2-3-20.

16 (e) The buyer may be liable in damages to the seller if the buyer
17 has wrongfully damaged the collateral or if, after default and
18 demand, the buyer has wrongfully failed to make the collateral
19 available to the seller.

20 (f) If the seller elects to bring an action against the buyer for a
21 debt arising from a consumer credit sale of goods or services, and
22 under this section the seller would not be entitled to a deficiency
23 judgment if the seller repossessed the collateral, and the seller
24 obtains a judgment:

25 (1) the seller may not repossess the collateral; and

26 (2) the collateral is not subject to levy or sale on execution or
27 similar proceedings pursuant to the judgment.

28 (g) The amounts of four thousand dollars (\$4,000) in subsections
29 (b) and (c) are subject to change pursuant to the provisions on
30 adjustment of dollar amounts (IC 37-2-1-5). However,
31 notwithstanding IC 37-2-1-5(a), the Reference Base Index to be
32 used under this subsection is the Index for October 2012.

33 Sec. 3. Prior to entry of judgment in an action against the
34 debtor, no creditor may attach unpaid earnings of the debtor by
35 garnishment or like proceedings.

36 Sec. 4. (a) For the purposes of sections 1 through 7 of this
37 chapter:

38 (1) "disposable earnings" means that part of the earnings of
39 an individual, including wages, commissions, income, rents, or
40 profits remaining after the deduction from those earnings of
41 amounts required by law to be withheld;

42 (2) "garnishment" means any legal or equitable proceedings



1 through which the earnings of an individual are required to
 2 be withheld by a garnishee, by the individual debtor, or by
 3 any other person for the payment of a judgment; and

4 (3) "support withholding" means that part of the earnings
 5 that are withheld from an individual for child support in
 6 accordance with the laws of this state.

7 (b) Except as provided in subsection (h), the maximum part of
 8 the aggregate disposable earnings of an individual for any
 9 workweek which is subjected to garnishment to enforce the
 10 payment of one (1) or more judgments against the individual may
 11 not exceed the lesser of the following amounts:

12 (1) An amount equal to twenty-five percent (25%) of the
 13 individual's disposable earnings for that week or, upon a
 14 showing of good cause by the individual why the amount
 15 should be reduced, an amount equal to:

16 (A) less than twenty-five percent (25%); and

17 (B) at least ten percent (10%);

18 of the individual's disposable earnings for that week.

19 (2) The amount by which the individual's disposable earnings
 20 for that week exceed thirty (30) times the federal minimum
 21 hourly wage prescribed by 29 U.S.C. 206(a)(1) in effect at the
 22 time the earnings are payable.

23 In the case of earnings for a pay period other than a week, the
 24 earnings shall be computed upon a multiple of the federal
 25 minimum hourly wage equivalent to thirty (30) times the federal
 26 minimum hourly wage as prescribed in this section.

27 (c) The maximum part of the aggregate disposable earnings of
 28 an individual for any workweek which is subject to garnishment or
 29 support withholding to enforce any order for the support of any
 30 person shall not exceed:

31 (1) where such individual is supporting the individual's spouse
 32 or dependent child (other than a spouse or child with respect
 33 to whose support such order is used), fifty percent (50%) of
 34 such individual's disposable earnings for that week; and

35 (2) where such individual is not supporting such a spouse or
 36 dependent child described in subdivision (1), sixty percent
 37 (60%) of such individual's disposable earnings for that week;

38 except that, with respect to the disposable earnings of any
 39 individual for any workweek, the fifty percent (50%) specified in
 40 subdivision (1) shall be deemed to be fifty-five percent (55%) and
 41 the sixty percent (60%) specified in subdivision (2) shall be deemed
 42 to be sixty-five percent (65%), if and to the extent that such



1 earnings are subject to garnishment or support withholding to
2 enforce a support order with respect to a period which is prior to
3 the twelve (12) week period which ends with the beginning of such
4 workweek.

5 (d) No court may make, execute, or enforce an order or process
6 in violation of this section.

7 (e) An employer who is required to make deductions from an
8 individual's disposable earnings pursuant to a garnishment order
9 or series of orders arising out of the same judgment debt
10 (excluding a judgment for payment of child support) may collect,
11 as a fee to compensate the employer for making these deductions,
12 an amount equal to the greater of twelve dollars (\$12) or three
13 percent (3%) of the total amount required to be deducted by the
14 garnishment order or series of orders arising out of the same
15 judgment debt. If the employer chooses to impose a fee, the fee
16 shall be allocated as follows:

17 (1) One-half (1/2) of the fee shall be borne by the debtor, and
18 that amount may be deducted by the employer directly from
19 the employee's disposable earnings.

20 (2) One-half (1/2) of the fee shall be borne by the creditor, and
21 that amount may be retained by the employer from the
22 amount otherwise due the creditor.

23 The deductions made under this subsection for a collection fee do
24 not increase the amount of the judgment debt for which the fee is
25 collected for the purpose of calculating or collecting judgment
26 interest. This fee may be collected by an employer only once for
27 each garnishment order or series of orders arising out of the same
28 judgment debt. The employer may collect the entire fee from one
29 (1) or more of the initial deductions from the employee's disposable
30 earnings. Alternatively, the employer may collect the fee ratably
31 over the number of pay periods during which deductions from the
32 employee's disposable earnings are required.

33 (f) The deduction of the garnishment collection fee under
34 subsection (e)(1) or subsection (g) is not an assignment of wages
35 under IC 22-2-6.

36 (g) An employer who is required to make a deduction from an
37 individual's disposable earnings in accordance with a judgment for
38 payment of child support may collect a fee of two dollars (\$2) each
39 time the employer is required to make the deduction. The fee may
40 be deducted by the employer from the individual's disposable
41 earnings each time the employer makes the deduction for support.
42 If the employer elects to deduct such a fee, the amount to be



1 deducted for the payment of support must be reduced accordingly
2 if necessary to avoid exceeding the maximum amount permitted to
3 be deducted under subsection (c).

4 (h) A support withholding order takes priority over a
5 garnishment order irrespective of their dates of entry or activation.
6 If a person is subject to a support withholding order and a
7 garnishment order, the garnishment order shall be honored only
8 to the extent that disposable earnings withheld under the support
9 withholding order do not exceed the maximum amount subject to
10 garnishment as computed under subsection (b).

11 **Sec. 5. No employer shall discharge an employee for the reason**
12 **that a creditor or creditors of the employee has subjected or**
13 **attempted to subject unpaid earnings of the employee to**
14 **garnishment or like proceedings directed to the employer for the**
15 **purpose of paying a judgment or judgments.**

16 **Sec. 6. (a) If it is the understanding of the creditor and the**
17 **debtor at the time an extension of credit is made that delay in**
18 **making repayment or failure to make repayment could result in**
19 **the use of violence or other criminal means to cause harm to the**
20 **person, reputation, or property of any person, the repayment of the**
21 **extension of credit is unenforceable through civil judicial processes**
22 **against the debtor.**

23 **(b) If it is shown that an extension of credit was made at an**
24 **annual rate exceeding forty-five percent (45%) calculated**
25 **according to the actuarial method and that the creditor then had**
26 **a reputation for the use or threat of use of violence or other**
27 **criminal means to cause harm to the person, reputation, or**
28 **property of any person to collect extensions of credit or to punish**
29 **the nonrepayment thereof, there is prima facie evidence that the**
30 **extension of credit was unenforceable under subsection (a).**

31 **Sec. 7. (a) With respect to a consumer credit sale, consumer**
32 **lease, or consumer loan, if the court as a matter of law finds the**
33 **agreement or any clause of the agreement to have been**
34 **unconscionable at the time it was made the court may refuse to**
35 **enforce the agreement, or it may enforce the remainder of the**
36 **agreement without the unconscionable clause, or it may so limit the**
37 **application of any unconscionable clause as to avoid any**
38 **unconscionable result.**

39 **(b) If it is claimed or appears to the court that the agreement or**
40 **any clause thereof may be unconscionable the parties shall be**
41 **afforded a reasonable opportunity to present evidence as to its**
42 **setting, purpose, and effect to aid the court in making the**



1 determination.

2 (c) For the purpose of this section, a charge or practice
3 expressly permitted by this article is not in itself unconscionable.

4 **Sec. 8. For purposes of the provisions on civil liability for**
5 **violation of disclosure provisions set forth in section 10 of this**
6 **chapter and on a debtor's right to rescind certain transactions set**
7 **forth in section 11 of this chapter a:**

8 (1) consumer credit sale includes a sale that is a first lien
9 mortgage transaction if the sale is otherwise a consumer
10 credit sale; and

11 (2) consumer loan includes a loan that is a first lien mortgage
12 transaction if the loan is otherwise a consumer loan.

13 **Sec. 9. (a) If a creditor has violated the provision of this article**
14 **applying to limitations on the schedule of payments or loan term**
15 **for supervised loans (IC 37-2-4-38), the debtor is not obligated to**
16 **pay the loan finance charge, and has a right to recover from the**
17 **person violating this article or from an assignee of that person's**
18 **rights who undertakes direct collection of payments or**
19 **enforcement of rights arising from the debt a penalty in an amount**
20 **determined by the court not in excess of three times the amount of**
21 **the loan finance charge. No action pursuant to this subsection may**
22 **be brought more than one (1) year after the due date of the last**
23 **scheduled payment of the agreement with respect to which the**
24 **violation occurred.**

25 (b) If a creditor has violated the provisions of this article
26 applying to authority to make consumer loans (IC 37-2-4-23), the
27 loan is void and the debtor is not obligated to pay either the
28 principal or loan finance charge. If the debtor has paid any part of
29 the principal or of the loan finance charge, the debtor has a right
30 to recover the payment from the person violating this article or
31 from an assignee of that person's rights who undertakes direct
32 collection of payments or enforcement of rights arising from the
33 debt. With respect to violations arising from loans made pursuant
34 to revolving loan accounts, no action pursuant to this subsection
35 may be brought more than two (2) years after the violation
36 occurred. With respect to violations arising from other loans, no
37 action pursuant to this subsection may be brought more than one
38 (1) year after the due date of the last scheduled payment of the
39 agreement pursuant to which the charge was paid.

40 (c) A debtor is not obligated to pay a charge in excess of that
41 allowed by this article, and if the debtor has paid an excess charge
42 the debtor has a right to a refund. A refund may be made by



1 reducing the debtor's obligation by the amount of the excess
2 charge. If the debtor has paid an amount in excess of the lawful
3 obligation under the agreement, the debtor may recover the excess
4 amount from the person who made the excess charge or from an
5 assignee of that person's rights who undertakes direct collection of
6 payments from or enforcement of rights against debtors arising
7 from the debt.

8 (d) If a debtor is entitled to a refund and a person liable to the
9 debtor refuses to make a refund within a reasonable time after
10 demand, the debtor may recover from that person a penalty in an
11 amount determined by a court not exceeding the greater of either
12 the amount of the credit service or loan finance charge or ten (10)
13 times the amount of the excess charge. If the creditor has made an
14 excess charge in deliberate violation of or in reckless disregard for
15 this article, the penalty may be recovered even though the creditor
16 has refunded the excess charge. No penalty pursuant to this
17 subsection may be recovered if a court has ordered a similar
18 penalty assessed against the same person in a civil action by the
19 department (IC 37-2-7-14). With respect to excess charges arising
20 from sales made pursuant to revolving charge accounts or from
21 loans made pursuant to revolving loan accounts, no action
22 pursuant to this subsection may be brought more than two (2)
23 years after the time the excess charge was made. With respect to
24 excess charges arising from other consumer credit sales or
25 consumer loans, no action pursuant to this subsection may be
26 brought more than one (1) year after the due date of the last
27 scheduled payment of the agreement pursuant to which the charge
28 was made.

29 (e) Except as otherwise provided, no violation of this article
30 impairs rights on a debt.

31 (f) If an employer discharges an employee in violation of the
32 provisions prohibiting discharge (section 5 of this chapter), the
33 employee may within six (6) months bring a civil action for
34 recovery of wages lost as a result of the violation and for an order
35 requiring the reinstatement of the employee. Damages recoverable
36 shall not exceed lost wages for six (6) weeks.

37 (g) If the creditor establishes by a preponderance of evidence
38 that a violation is unintentional or the result of a bona fide error,
39 no liability is imposed under subsections (a), (b), and (d) and the
40 validity of the transaction is not affected.

41 (h) In any case in which it is found that a creditor has violated
42 this article, the court may award reasonable attorney's fees



1 incurred by the debtor.

2 (i) The department may act on behalf of a debtor to enforce the
3 debtor's rights under this section against a creditor who is licensed
4 or registered with the department or is required to be licensed or
5 registered with the department.

6 **Sec. 10. (a)** Except as otherwise provided in this section, a
7 creditor who, in violation of the provisions on disclosure in
8 IC 37-2-3-13 and IC 37-2-4-14, fails to disclose information to a
9 person entitled to the information under this article is liable to that
10 person in an amount equal to the sum of:

11 (1) the following:

12 (A) In the case of an individual action, twice the amount of
13 the credit service or loan finance charge in connection with
14 the transaction, but the liability pursuant to this
15 subdivision shall be not less than one hundred dollars
16 (\$100) nor more than one thousand dollars (\$1,000).

17 (B) In the case of a class action, an amount the court
18 allows, except that as to each member of the class no
19 minimum recovery is applicable, and the total recovery
20 under this subdivision in any class action or series of class
21 actions arising out of the same failure to comply by the
22 same creditor may not be more than the lesser of:

23 (i) five hundred thousand dollars (\$500,000); or

24 (ii) one percent (1%) of the net worth of the creditor.

25 (2) In the case of a successful action to enforce the liability
26 under subdivision (1), the costs of the action together with
27 reasonable attorney's fees as determined by the court. In
28 determining the amount of the award in a class action, the
29 court shall consider, among other relevant factors, the
30 amount of any award granted under the Consumer Credit
31 Protection Act (15 U.S.C. 1601 et seq.), the frequency and
32 persistence of failures of compliance by the creditor, the
33 resources of the creditor, the number of persons adversely
34 affected, and the extent to which the creditor's failure of
35 compliance was intentional.

36 (b) A creditor has no liability under this section if within sixty
37 (60) days after discovering an error, and prior to the institution of
38 an action under this section or the receipt of written notice of the
39 error, the creditor notifies the person concerned of the error and
40 makes whatever adjustments in the appropriate account are
41 necessary to assure that the person will not be required to pay a
42 credit service charge or loan finance charge in excess of the



1 amount or percentage rate actually disclosed.

2 (c) A creditor may not be held liable in any action brought
3 under this section for a violation of this article if the creditor shows
4 by a preponderance of evidence that the violation was not
5 intentional and resulted from a bona fide error notwithstanding
6 the maintenance of procedures reasonably adapted to avoid the
7 error.

8 (d) If there are multiple obligors in a consumer credit
9 transaction or consumer lease, there may not be more than one (1)
10 recovery of damages under subsection (a)(1) for one (1) violation
11 of this article with respect to that consumer credit transaction or
12 consumer lease.

13 (e) The multiple failure to disclose to any person any
14 information required under this article to be disclosed in
15 connection with a single account under an open end consumer
16 credit plan, a single consumer credit sale, a consumer loan, a
17 consumer lease, or another extension of consumer credit entitles
18 that person to a single recovery under this section. However,
19 continued failure to disclose after a recovery has been granted
20 gives rise to rights to additional recoveries.

21 (f) Any action which may be brought under this section against
22 the original creditor in any credit transaction involving a security
23 interest in land may be maintained against any subsequent assignee
24 of the original creditor where the assignee, its subsidiaries, or
25 affiliates were in a continuing business relationship with the
26 original creditor either at the time the credit was extended or at the
27 time of the assignment, unless the assignment was involuntary, or
28 the assignee shows by a preponderance of evidence that it did not
29 have reasonable grounds to believe that the original creditor was
30 engaged in violations of this article, and that it maintained
31 procedures reasonably adapted to apprise it of the existence of the
32 violations.

33 (g) No action pursuant to this section may be brought more than
34 one (1) year after the date of the occurrence of the violations.

35 (h) In this section, creditor includes a person who in the
36 ordinary course of business regularly extends or arranges for the
37 extension of credit, or offers to arrange for the extension of credit.

38 Sec. 11. (a) A violation by a creditor of Section 125 of the
39 Consumer Credit Protection Act concerning the debtor's right to
40 rescind a transaction that is a consumer credit sale or a consumer
41 loan constitutes a violation of this article. A creditor may not
42 accrue interest during the period when a consumer loan may be



1 rescinded under Section 125 of the Consumer Credit Protection
2 Act (15 U.S.C. 1635).

3 (b) A creditor must make available for disbursement the
4 proceeds of a transaction subject to subsection (a) on the later of:

5 (1) the date the creditor is reasonably satisfied that the
6 consumer has not rescinded the transaction; or

7 (2) the first business day after the expiration of the rescission
8 period under subsection (a).

9 Sec. 12. Refunds or penalties to which the debtor is entitled
10 pursuant to sections 8 through 11 of this chapter may be set off
11 against the debtor's obligation, and may be raised as a defense to
12 a suit on the obligation without regard to the time limitations
13 prescribed by sections 8 through 11 of this chapter.

14 Sec. 13. (a) A lender who knowingly makes charges in excess of
15 those permitted by the provisions of this article commits a Class A
16 misdemeanor.

17 (b) A person who knowingly engages in the business of making
18 consumer loans without a license in violation of the provisions of
19 this article applying to authority to make consumer loans
20 (IC 37-2-4-23 and IC 37-2-4-24) commits a Class A misdemeanor.

21 (c) A person who knowingly:

22 (1) engages in the business of making consumer credit sales,
23 consumer leases, or consumer loans, or of taking assignments
24 of rights against debtors; and

25 (2) undertakes direct collection of payments or enforcement
26 of these rights, without complying with the provisions of this
27 article concerning notification (IC 37-2-7-25) or payment of
28 fees (IC 37-2-7-26);

29 commits a Class A infraction.

30 Sec. 14. A person commits a Class A misdemeanor if the person
31 knowingly gives false or inaccurate information or fails to provide
32 information which the person is required to disclose under the
33 provisions of IC 37-2-3-13 or IC 37-2-4-14.

34 Chapter 7. Administration

35 Sec. 1. (a) Sections 1 through 16 of this chapter apply to persons
36 who:

37 (1) make or solicit consumer credit sales, consumer leases,
38 consumer loans, consumer related sales (as described in
39 IC 37-2-2-13.5), and consumer related loans (as described in
40 IC 37-2-2-13.3); or

41 (2) directly collect payments from or enforce rights against
42 debtors arising from sales, leases, or loans specified in



1 subsection (a), wherever they are made.

2 (b) For purposes of sections 1 through 16 of this chapter:

3 (1) "consumer credit sale" includes a sale that is a first lien
4 mortgage transaction if the sale is otherwise a consumer
5 credit sale; and

6 (2) "consumer loan" includes a loan that is a first lien
7 mortgage transaction if the loan is otherwise a consumer loan.

8 Sec. 2. The division of consumer credit shall have charge of the
9 administration of this article.

10 Sec. 3. (a) In addition to other powers granted by this article,
11 the department within the limitations provided by law may:

12 (1) receive and act on complaints, take action designed to
13 obtain voluntary compliance with this article, or commence
14 proceedings on the department's own initiative;

15 (2) counsel persons and groups on their rights and duties
16 under this article;

17 (3) establish programs for the education of consumers with
18 respect to credit practices and problems;

19 (4) make studies appropriate to effectuate the purposes and
20 policies of this article and make the results available to the
21 public;

22 (5) adopt, amend, and repeal rules, orders, policies, and forms
23 to carry out the provisions of this article;

24 (6) maintain more than one (1) office within Indiana; and

25 (7) appoint any necessary attorneys, hearing examiners,
26 clerks, and other employees and agents and fix their
27 compensation, and authorize attorneys appointed under this
28 section to appear for and represent the department in court.

29 (b) No liability is imposed under this article for an act done or
30 omitted in conformity with a rule, written notice, written opinion,
31 written interpretation, or written directive of the department
32 notwithstanding that after the act or omission the rule, written
33 notice, written opinion, written interpretation, or written directive
34 may be amended or repealed, or be determined by judicial or other
35 authority to be invalid for any reason.

36 Sec. 4. (a) With respect to depository institutions, the powers of
37 examination and investigation (section 5 of this chapter) and
38 administrative enforcement (section 9 of this chapter) shall be
39 exercised by the department. The department may, at its
40 discretion, accept any examination of any financial institution
41 made by a federal authority in lieu of the examination made under
42 the provisions of this article. All other powers of the department



1 under this article may be exercised by the director with respect to
2 a depository institution.

3 (b) If the department receives a complaint or other information
4 concerning noncompliance with this article by a depository
5 institution, the director shall inform the official or agency having
6 supervisory authority over the organization concerned. The
7 department may request information about depository institutions
8 from the officials or agencies supervising them.

9 (c) The department and any official or agency of this state
10 having supervisory authority over a depository institution are
11 authorized and directed to consult and assist one another in
12 maintaining compliance with this article. They may jointly pursue
13 investigations, prosecute suits, and take other official action, as
14 they deem appropriate, if either of them otherwise is empowered
15 to take the action.

16 **Sec. 5. (a) In administering this article and in order to determine**
17 **whether the provisions of this article are being complied with by**
18 **persons engaging in acts subject to this article, the department may**
19 **examine the records of persons and may make investigations of**
20 **persons as may be necessary to determine compliance. Records**
21 **subject to examination under this section include the following:**

22 (1) Training, operating, and policy manuals.

23 (2) Minutes of:

24 (A) management meetings; and

25 (B) other meetings.

26 (3) Other records that the department determines are
27 necessary to perform its investigation or examination.

28 The department may also administer oaths or affirmations,
29 subpoena witnesses, and compel the attendance of witnesses,
30 including directors, executive officers, managers, principals,
31 mortgage loan originators, employees, independent contractors,
32 agents, and customers of the licensee, individual, or person subject
33 to this article. The department may also adduce evidence, and
34 require the production of any matter which is relevant to the
35 investigation. The department shall determine the sufficiency of the
36 records maintained and whether the person has made the required
37 information reasonably available. The records pertaining to any
38 transaction subject to this article shall be retained for two (2) years
39 after making the final entry relating to the consumer credit
40 transaction, but in the case of a revolving loan account or revolving
41 charge account, the two (2) years is measured from the date of each
42 entry.



1 **(b) The department's examination and investigatory authority**
 2 **under this article includes the following:**

3 **(1) The authority to require a creditor to refund overcharges**
 4 **resulting from the creditor's noncompliance with the terms of**
 5 **consumer credit sales, consumer leases, or consumer loans.**

6 **(2) The authority to require a creditor to comply with the**
 7 **prepayment penalty provisions set forth in IC 37-2-4-12.**

8 **(3) The authority to investigate complaints filed with the**
 9 **department by debtors.**

10 **(c) If the department:**

11 **(1) investigates; or**

12 **(2) examines the books and records of;**

13 **a person that is subject to sections 24 through 26 of this chapter,**
 14 **the person shall pay all reasonably incurred costs of the**
 15 **investigation or examination in accordance with the fee schedule**
 16 **adopted by the department under IC 28-11-3-5. However, the**
 17 **person is liable for the costs of an investigation or examination**
 18 **under this subsection only to the extent that the costs exceed the**
 19 **amount of the filing fees paid most recently under section 26 of this**
 20 **chapter. Any costs required to be paid under this section shall be**
 21 **paid not later than sixty (60) days after the person receives a notice**
 22 **from the department of the costs being assessed. The department**
 23 **may impose a fee, in an amount fixed by the department under**
 24 **IC 28-11-3-5, for each day that the assessed costs are not paid,**
 25 **beginning on the first day after the sixty (60) day period described**
 26 **in this subsection.**

27 **(d) The department shall be given free access to the records**
 28 **wherever located. In making any examination or investigation**
 29 **authorized by this article, the director may control access to any**
 30 **documents and records of the licensee or person under**
 31 **examination or investigation. The director may take possession of**
 32 **the documents and records or place a person in exclusive charge of**
 33 **the documents and records in the place where the documents are**
 34 **usually kept. During the period of control, the licensee or person**
 35 **may not remove or attempt to remove any of the documents and**
 36 **records except under a court order or with the consent of the**
 37 **director. Unless the director has reasonable grounds to believe the**
 38 **documents or records of the licensee or person have been, or are,**
 39 **at risk of being altered or destroyed for purposes of concealing a**
 40 **violation of this article, the licensee or person being examined or**
 41 **investigated is entitled to access to the documents or records as**
 42 **necessary to conduct the licensee's or person's ordinary business**



1 affairs. If the person's records are located outside Indiana, the
 2 records shall be made available to the department at a convenient
 3 location within Indiana, or the person shall pay the reasonable and
 4 necessary expenses for the department or its representative to
 5 examine them where they are maintained. The department may
 6 designate comparable officials of the state in which the records are
 7 located to inspect them on behalf of the department.

8 (e) Upon a person's failure without lawful excuse to obey a
 9 subpoena or to give testimony and upon reasonable notice to all
 10 affected persons, the department may apply to any civil court with
 11 jurisdiction for an order compelling compliance.

12 (f) The department shall not make public the name or identity
 13 of a person whose acts or conduct the department investigates
 14 pursuant to this section or the facts disclosed in the investigation,
 15 but this subsection does not apply to disclosures in actions or
 16 enforcement proceedings pursuant to this article.

17 (g) To discover violations of this article or to secure information
 18 necessary for the enforcement of this article, the department may
 19 investigate any:

20 (1) licensee or registrant; or

21 (2) person that the department suspects to be operating:

22 (A) without a license or registration, when a license or
 23 registration is required under this article; or

24 (B) otherwise in violation of this article.

25 The department has all investigatory and enforcement authority
 26 under this article that the department has under IC 28-11 with
 27 respect to financial institutions. If the department conducts an
 28 investigation under this section, the licensee, registrant, or other
 29 person investigated shall pay all reasonably incurred costs of the
 30 investigation in accordance with the fee schedule adopted under
 31 IC 28-11-3-5. Any costs required to be paid under this section shall
 32 be paid not later than sixty (60) days after the person receives a
 33 notice from the department of the costs being assessed. The
 34 department may impose a fee, in an amount fixed by the
 35 department under IC 28-11-3-5, for each day that the assessed
 36 costs are not paid, beginning on the first day after the sixty (60)
 37 day period described in this subsection.

38 (h) If a creditor contracts with an outside vendor to provide a
 39 service that would otherwise be undertaken internally by the
 40 creditor and be subject to the department's routine examination
 41 procedures, the person that provides the service to the creditor
 42 shall, at the request of the director, submit to an examination by



1 the department. If the director determines that an examination
 2 under this subsection is necessary or desirable, the examination
 3 may be made at the expense of the person to be examined. If the
 4 person to be examined under this subsection refuses to permit the
 5 examination to be made, the director may order any creditor that
 6 is licensed by the department and that receives services from the
 7 person refusing the examination to:

8 (1) discontinue receiving one (1) or more services from the
 9 person; or

10 (2) otherwise cease conducting business with the person.

11 Sec. 6. To carry out the purposes of this chapter, the director
 12 may:

13 (1) retain attorneys, accountants, or other professionals and
 14 specialists as examiners, auditors, or investigators to conduct
 15 or assist in the conduct of examinations or investigations;

16 (2) enter into agreements or relationships with other
 17 government officials or regulatory associations to improve
 18 efficiencies and reduce regulatory burden by sharing:

19 (A) resources;

20 (B) standardized or uniform methods or procedures; and

21 (C) documents, records, information, or evidence obtained
 22 under this section;

23 (3) use, hire, contract, or employ public or privately available
 24 analytical systems, methods, or software to examine or
 25 investigate a licensee, an individual, or a person subject to this
 26 article;

27 (4) accept and rely on examination or investigation reports
 28 made by other government officials, in or outside Indiana;

29 (5) accept audit reports made by an independent certified
 30 public accountant for the licensee, individual, or person
 31 subject to this article in the course of that part of the
 32 examination covering the same general subject matter as the
 33 audit and may incorporate the audit report in the report of
 34 the examination, report of investigation, or other writing of
 35 the director; and

36 (6) use, hire, contract, or employ public or privately available
 37 analytical systems, methods, software, or technology solutions
 38 to enable the department to capture and examine transaction
 39 level activity to:

40 (A) verify and oversee compliance with; and

41 (B) enforce;

42 all state law concerning a small loan regulated under IC 37-3.



1 **Sec. 7. Except as otherwise provided, IC 4-21.5-3 governs all**
2 **agency action taken by the department under this chapter or**
3 **IC 37-2-4-22 through IC 37-2-4-39. All proceedings for**
4 **administrative review under IC 4-21.5-3 or judicial review under**
5 **IC 4-21.5-5 shall be held in Marion County. The provisions of**
6 **IC 4-22-2 prescribing procedures for the adoption of rules by**
7 **agencies apply to the adoption of rules by the department of**
8 **financial institutions under this article.**

9 **Sec. 8. It is a violation of this article for a person or individual**
10 **subject to this article to:**

11 **(1) directly or indirectly employ any scheme, device, or**
12 **artifice to defraud or mislead borrowers or lenders or to**
13 **defraud any person;**

14 **(2) engage in any unfair or deceptive practice toward any**
15 **person;**

16 **(3) obtain property by fraud or misrepresentation;**

17 **(4) solicit or enter into a contract with a borrower that**
18 **provides in substance that the person or individual subject to**
19 **this article may earn a fee or commission through "best**
20 **efforts" to obtain a loan even though no loan is actually**
21 **obtained for the borrower;**

22 **(5) solicit, advertise, or enter into a contract for specific**
23 **interest rates, points, or other financing terms unless the**
24 **terms are actually available at the time of soliciting,**
25 **advertising, or contracting;**

26 **(6) conduct any business covered by this article without**
27 **holding a valid license as required under this article, or assist**
28 **or aid and abet any person in the conduct of business under**
29 **this article without a valid license as required under this**
30 **article;**

31 **(7) fail to make disclosures as required by this article and any**
32 **other applicable state or federal law, including regulations**
33 **under that law;**

34 **(8) fail to comply with this article or rules adopted under this**
35 **article, or fail to comply with any other state or federal law,**
36 **rule, or regulation, applicable to any business authorized or**
37 **conducted under this article;**

38 **(9) make, in any manner, any false or deceptive statement or**
39 **representation, including, with regard to the rates, points, or**
40 **other financing terms or conditions for a mortgage**
41 **transaction, or engage in bait and switch advertising;**

42 **(10) negligently make any false statement or knowingly and**



1 willfully make any omission of material fact in connection
 2 with any information or reports filed with a governmental
 3 agency or the NMLSR or in connection with any investigation
 4 conducted by the director or another governmental agency;
 5 (11) make any payment, threat, or promise, directly or
 6 indirectly, to any person for the purposes of influencing the
 7 independent judgment of the person in connection with a
 8 mortgage transaction, or make any payment, threat, or
 9 promise, directly or indirectly, to any appraiser of a property,
 10 for the purposes of influencing the independent judgment of
 11 the appraiser with respect to the value of the property;
 12 (12) collect, charge, attempt to collect or charge, or use or
 13 propose any agreement purporting to collect or charge any
 14 fee prohibited by this article;
 15 (13) cause or require a borrower to obtain property insurance
 16 coverage in an amount that exceeds the replacement cost of
 17 the improvements as established by the property insurer;
 18 (14) fail to account truthfully for money belonging to a party
 19 to a mortgage transaction; or
 20 (15) knowingly withhold, abstract, remove, mutilate, destroy,
 21 or secrete any books, records, computer records, or other
 22 information subject to examination under this article.

23 **Sec. 9. (a)** After notice and an opportunity to be heard, the
 24 department may order a creditor, or a person acting on behalf of
 25 the creditor, to cease and desist from engaging in violations of this
 26 article. A respondent aggrieved by an order of the department may
 27 obtain judicial review of the order and the department may obtain
 28 an order of the court for enforcement of its order in any civil court.
 29 The proceeding for review or enforcement is initiated by filing a
 30 petition in the court. Copies of the petition shall be served upon all
 31 parties of record.

32 **(b)** Within thirty (30) days after service of the petition for
 33 review upon the department, or within any further time the court
 34 may allow, the department shall transmit to the court the original
 35 or a certified copy of the entire record upon which the order is
 36 based, including any transcript of testimony, which need not be
 37 printed. By stipulation of all parties to the review proceeding, the
 38 record may be shortened. After hearing the court may:

- 39 (1) reverse or modify the order if the findings of fact of the
 40 department are clearly erroneous in view of the reliable,
 41 probative, and substantial evidence on the whole record;
 42 (2) grant any temporary relief or restraining order it deems



1 **just; and**

2 **(3) enter an order enforcing, modifying, and enforcing as**
3 **modified, or setting aside in whole or in part the order of the**
4 **department, or remanding the case to the department for**
5 **further proceedings.**

6 **(c) An objection not urged at the hearing shall not be considered**
7 **by the court unless the failure to urge the objection is excused for**
8 **good cause shown. A party may move the court to remand the case**
9 **to the department in the interest of justice for the purpose of**
10 **adducing additional specified and material evidence and seeking**
11 **finding thereon upon good cause shown for the failure to adduce**
12 **this evidence before the department.**

13 **(d) The jurisdiction of the court shall be exclusive and its final**
14 **judgment or decree shall be subject to review by the court on**
15 **appeal in the same manner and form and with the same effect as in**
16 **appeals from a final judgment or decree. The department's copy of**
17 **the testimony shall be available at reasonable times to all parties**
18 **for examination without cost.**

19 **(e) A proceeding for review under this section must be initiated**
20 **within thirty (30) days after a copy of the order of the department**
21 **is received. If no proceeding is so initiated, the department may**
22 **obtain a decree of the civil court for enforcement of its order upon**
23 **a showing that an order was issued in compliance with this section,**
24 **that no proceeding for review was initiated within thirty (30) days**
25 **after copy of the order was received, and that the respondent is**
26 **subject to the jurisdiction of the court.**

27 **(f) With respect to unconscionable agreements or fraudulent or**
28 **unconscionable conduct by the respondent, the department may**
29 **not issue an order pursuant to this section but may bring a civil**
30 **action for an injunction under section 12 of this chapter.**

31 **Sec. 10. If it is claimed that a person has engaged in conduct**
32 **subject to an order by the department under section 9 of this**
33 **chapter or by a court under sections 11 through 13 of this chapter,**
34 **the department may accept an assurance in writing that the person**
35 **will not engage in the conduct in the future. If a person giving an**
36 **assurance of discontinuance fails to comply with its terms, the**
37 **assurance is evidence that prior to the assurance the person**
38 **engaged in the conduct described in the assurance.**

39 **Sec. 11. The department may bring a civil action to restrain a**
40 **person from violating this article or another state or federal law or**
41 **regulation, and for other appropriate relief.**

42 **Sec. 12. (a) The department may bring a civil action to restrain**



- 1 a creditor or a person acting in behalf of a creditor from engaging
- 2 in a course of:
- 3 (1) making or enforcing unconscionable terms or provisions
- 4 of consumer credit sales, consumer leases, or consumer loans;
- 5 (2) fraudulent or unconscionable conduct in inducing debtors
- 6 to enter into consumer credit sales, consumer leases, or
- 7 consumer loans; or
- 8 (3) fraudulent or unconscionable conduct in the collection of
- 9 debts arising from consumer credit sales, consumer leases, or
- 10 consumer loans.
- 11 (b) In an action brought pursuant to this section the court may
- 12 grant relief only if it finds:
- 13 (1) that the respondent has made unconscionable agreements
- 14 or has engaged or is likely to engage in a course of fraudulent
- 15 or unconscionable conduct;
- 16 (2) that the agreements or conduct of the respondent has
- 17 caused or is likely to cause injury to consumers; and
- 18 (3) that the respondent has been able to cause or will be able
- 19 to cause the injury primarily because the transactions
- 20 involved are credit transactions.
- 21 (c) In applying this section, consideration shall be given to each
- 22 of the following factors, among others:
- 23 (1) belief by the creditor at the time consumer credit sales,
- 24 consumer leases, or consumer loans are made that there was
- 25 no reasonable probability of payment in full of the obligation
- 26 by the debtor;
- 27 (2) in the case of consumer credit sales or consumer leases,
- 28 knowledge by the seller or lessor at the time of the sale or
- 29 lease of the inability of the buyer or lessee to receive
- 30 substantial benefits from the property or services sold or
- 31 leased;
- 32 (3) in the case of consumer credit sales or consumer leases,
- 33 gross disparity between the price of the property or services
- 34 sold or leased and the value of the property or services
- 35 measured by the price at which similar property or services
- 36 are readily obtainable in credit transactions by like buyers or
- 37 lessees;
- 38 (4) the fact that the creditor contracted for or received
- 39 separate charges for insurance with respect to consumer
- 40 credit sales or consumer loans with the effect of making the
- 41 sales or loans, considered as a whole, unconscionable; and
- 42 (5) the fact that the respondent has knowingly taken



1 advantage of the inability of the debtor reasonably to protect
2 the debtor's interests by reason of physical or mental
3 infirmities, ignorance, illiteracy or inability to understand the
4 language of the agreement, or similar factors.

5 (d) In an action brought pursuant to this section, a charge or
6 practice expressly permitted by this article is not in itself
7 unconscionable.

8 Sec. 13. With respect to an action brought to enjoin violations
9 of this article under section 11 of this chapter or unconscionable
10 agreements or fraudulent or unconscionable conduct under section
11 12 of this chapter, the department may apply to the court for
12 appropriate temporary relief against a respondent, pending final
13 determination of proceedings. If the court finds after a hearing
14 held upon notice to the respondent that there is reasonable cause
15 to believe that the respondent is engaging in or is likely to engage
16 in conduct sought to be restrained, it may grant any temporary
17 relief or restraining order it deems appropriate.

18 Sec. 14. (a) After demand, the department may bring a civil
19 action against a creditor for making or collecting charges in excess
20 of those permitted by this article. An action may relate to
21 transactions with more than one debtor. If it is found that an excess
22 charge has been made, the court shall order the respondent to
23 refund to the debtor or debtors the amount of the excess charge. If
24 a creditor has made an excess charge in deliberate violation of or
25 in reckless disregard for this article, or if a creditor has refused to
26 refund an excess charge within a reasonable time after demand by
27 the debtor or the department, the court may also order the
28 respondent to pay to the debtor or debtors a civil penalty in an
29 amount determined by the court not in excess of the greater of
30 either the amount of the credit service or loan finance charge or
31 ten (10) times the amount of the charge. Refunds and penalties to
32 which the debtor is entitled pursuant to this subsection may be set
33 off against the debtor's obligation. If a debtor brings an action
34 against a creditor to recover an excess charge or civil penalty, an
35 action by the department to recover for the same excess charge or
36 civil penalty shall be stayed while the debtor's action is pending
37 and shall be dismissed if the debtor's action is dismissed with
38 prejudice or results in a final judgment granting or denying the
39 debtor's claim. With respect to excess charges arising from sales
40 made pursuant to revolving charge accounts or from loans made
41 pursuant to revolving loan accounts, no action pursuant to this
42 subsection may be brought more than two (2) years after the time



1 the excess charge was made. With respect to excess charges arising
 2 from other consumer credit sales or consumer loans, no action
 3 pursuant to this subsection may be brought more than one (1) year
 4 after the due date of the last scheduled payment of the agreement
 5 pursuant to which the charge was made. If the creditor establishes
 6 by a preponderance of evidence that a violation is unintentional or
 7 the result of a bona fide error, no liability to pay a penalty shall be
 8 imposed under this subsection.

9 (b) The department may bring a civil action against a creditor
 10 or a person acting in the creditor's behalf to recover a civil penalty
 11 for willfully violating this article, and if the court finds that the
 12 defendant has engaged in a course of repeated and willful
 13 violations of this article, it may assess a civil penalty of no more
 14 than five thousand dollars (\$5,000). No civil penalty pursuant to
 15 this subsection may be imposed for violations of this article
 16 occurring more than two (2) years before the action is brought or
 17 for making unconscionable agreements or engaging in a course of
 18 fraudulent or unconscionable conduct.

19 (c) If the department determines, after notice and opportunity
 20 for the person to be heard, that a person has violated this article,
 21 the department may, in addition to or instead of all other remedies
 22 available under this section, impose upon the person a civil penalty
 23 not greater than ten thousand dollars (\$10,000) per violation.

24 Sec. 15. The grant of powers to the department in this article
 25 does not affect remedies available to debtors under this article or
 26 under other principles of law or equity.

27 Sec. 16. The department may bring actions or proceedings in a
 28 court in a county in which an act on which the action or proceeding
 29 is based occurred or in a county in which respondent resides or
 30 transacts business or in a county otherwise authorized by rule or
 31 venue laws.

32 Sec. 17. (a) Subject to subsection (b), if the director determines
 33 that a director, an officer, or a manager of a creditor:

- 34 (1) has committed a violation of a statute, a rule, a final cease
 35 and desist order, a condition imposed in writing by the
 36 director in connection with the grant of an application or
 37 other request by the creditor, or a written agreement between
 38 the creditor and the director or the department;
 39 (2) has committed fraudulent or unconscionable conduct; or
 40 (3) has been convicted of a felony under the laws of Indiana or
 41 any other jurisdiction;

42 the director may issue and serve upon the person a notice of



1 charges and of the director's intent to issue an order removing the
 2 person from the person's office or employment, an order
 3 prohibiting participation by the person in the conduct of the affairs
 4 of any creditor, or an order both removing the person and
 5 prohibiting the person's participation.

6 (b) A violation, practice, or breach described in subsection (a)
 7 is subject to the authority of the director under subsections (a) and
 8 (c) if the director finds any of the following:

9 (1) The interests of the creditor's customers could be seriously
 10 prejudiced by reason of the violation, practice, or breach.

11 (2) The violation, practice, or breach involves an act of fraud,
 12 dishonesty, theft, breach of trust, money laundering, or
 13 wrongful taking of property on the part of the officer,
 14 director, or manager involved.

15 (3) The violation, practice, or breach demonstrates a willful
 16 or continuing disregard by the officer, director, or manager
 17 for state or federal law and regulations, and for the consumer
 18 protections contained in this article.

19 (c) Subject to subsections (a) and (b), a person who has been
 20 convicted of a felony under the laws of Indiana or any other
 21 jurisdiction may not serve as an officer, a director, or a manager
 22 of a creditor, or serve in any similar capacity, unless the person
 23 obtains the written consent of the director.

24 (d) A creditor that willfully permits a person to serve the
 25 creditor in violation of subsection (c) is subject to a civil penalty of
 26 five hundred dollars (\$500) for each day the violation occurs.

27 (e) A creditor shall give the department written notice of the
 28 resignation, discharge, or termination of an employee, independent
 29 contractor, or agent against whom allegations were made that
 30 accused the employee, independent contractor, or agent of:

31 (1) violating this article or other laws, regulations, rules, or
 32 industry standards of conduct applicable to consumer credit
 33 transactions; or

34 (2) fraud, dishonesty, theft, breach of trust, money
 35 laundering, or the wrongful taking of property.

36 The creditor shall provide the department the notice required
 37 under this subsection not later than thirty (30) days after the
 38 effective date of the resignation, discharge, or termination.

39 Sec. 18. (a) A notice issued under section 17 of this chapter
 40 must:

41 (1) be in writing;

42 (2) contain a statement of:



- 1 **(A) the facts constituting the alleged violation, practice, or**
2 **breach;**
3 **(B) the facts alleged in support of the violation, practice, or**
4 **breach; and**
5 **(C) the director's intention to issue an order under section**
6 **20(a) of this chapter;**
7 **(3) be delivered to the board of directors of the creditor;**
8 **(4) be delivered to the officer, director, or manager to which**
9 **the notice applies;**
10 **(5) specify the procedures that must be followed to initiate a**
11 **hearing to contest the alleged violation, practice, or breach;**
12 **and**
13 **(6) if the director suspends or prohibits the officer, director,**
14 **or manager from participation in the affairs of the creditor as**
15 **described under subsection (e), contain a statement of the**
16 **suspension or prohibition.**
17 **(b) If a hearing is requested not later than ten (10) days after**
18 **service of the notice described under subsection (a), the**
19 **department shall hold a hearing concerning the alleged violation,**
20 **practice, or breach. The hearing shall be held not later than**
21 **forty-five (45) days after receipt of the request. The department,**
22 **based on the evidence presented at the hearing, shall enter a final**
23 **order in accordance with section 20 of this chapter.**
24 **(c) If no hearing is requested within the period of time specified**
25 **in subsection (b), the director may proceed to issue a final order**
26 **under section 20 of this chapter on the basis of the facts set forth in**
27 **the notice described under subsection (a).**
28 **(d) An officer, a director, or a manager of a creditor who is**
29 **removed from a position under a removal order under section 20**
30 **of this chapter that has become final may not, without the approval**
31 **of the director, participate in the conduct of the affairs of a licensee**
32 **described under IC 37-2-4.**
33 **(e) The director may, for the protection of the creditor or the**
34 **interests of the creditor's customers, suspend from office or**
35 **prohibit from participation in the affairs of the creditor an officer,**
36 **a director, or a manager of a creditor who is the subject of a**
37 **written notice served by the director under section 17(a) of this**
38 **chapter. A suspension or prohibition under this subsection becomes**
39 **effective upon service of the notice under section 17(a) of this**
40 **chapter. Unless stayed by a court in a proceeding authorized by**
41 **subsection (f), the suspension or prohibition remains in effect**
42 **pending completion of the proceedings related to the notice served**



1 under section 17(a) of this chapter and until the effective date of an
2 order entered by the department under subsection (b) or the
3 director under subsection (c). If the director suspends or prohibits
4 participation of an officer, a director, or a manager under this
5 subsection, copies of the notice shall also be served upon the
6 creditor or affiliate of which the person is an officer, a director, or
7 a manager.

8 (f) Not more than fifteen (15) days after an officer, a director, or
9 a manager has been suspended from office or prohibited from
10 participation in the conduct of the affairs of the creditor or affiliate
11 under subsection (e), the officer, director, or manager may apply
12 to a court having jurisdiction for a stay of the suspension or
13 prohibition pending completion of the proceedings related to the
14 notice served under section 17(a) of this chapter. The court may
15 stay a suspension or prohibition of the officer, director, or
16 manager.

17 (g) The department shall maintain an official record of a
18 proceeding under this chapter.

19 Sec. 19. If the director enters into a consent to a final order with
20 a director, an officer, or a manager, the director is not required to
21 issue and serve a notice of charges upon the director, officer, or
22 manager under section 17 of this chapter. A consent agreement
23 may be negotiated and entered into before or after the issuance of
24 a notice of charges. The director shall provide a copy of the consent
25 order to the board of directors of the creditor.

26 Sec. 20. (a) Subject to section 18 of this chapter, if, after a
27 hearing described in section 18(b) of this chapter, the department
28 determines that a director, an officer, or a manager of a creditor
29 has committed an act described in section 17 of this chapter, the
30 department may issue a final order. If a hearing is not requested
31 within the time specified in section 18(b) of this chapter, the
32 director may issue a final order on the basis of the facts set forth
33 in the written notice served under section 18(a) of this chapter.

34 (b) Unless the director has entered into a consent agreement
35 described in section 19 of this chapter, a final order must include
36 separately stated findings of fact and conclusions of law for all
37 aspects of the order.

38 (c) In a final order under this section, the department or the
39 director, as appropriate, may order one (1) or more of the
40 following with respect to an officer, a director, or a manager of a
41 creditor:

42 (1) The removal of the officer, director, or manager from the



1 person's office, position, or employment.

2 (2) A prohibition against any participation by the officer,
3 director, or manager in the conduct of the affairs of any
4 creditor.

5 (3) If the subject of the order is an officer or a director of a
6 creditor, and subject to section 22 of this chapter, the
7 imposition of a civil penalty not to exceed fifteen thousand
8 dollars (\$15,000) for each practice, violation, or act that:

9 (A) is described in section 17 of this chapter; and

10 (B) is found to exist by the department or the director.

11 (d) A final order shall be issued in writing not later than ninety
12 (90) days after conclusion of a hearing held under section 18(b) of
13 this chapter, unless this period is waived or extended with the
14 written consent of all parties or for good cause shown.

15 (e) If the officer, director, or manager does not appear
16 individually or by an authorized representative at a hearing held
17 under section 18(b) of this chapter, the officer, director, or
18 manager is considered to have consented to the issuance of a final
19 order.

20 (f) The director may keep a final order confidential if the
21 director determines that the immediate release of the order would
22 endanger the stability of the creditor. However, after two (2) years
23 following the date that an order is issued, a final order is no longer
24 confidential.

25 (g) The remedies provided in this chapter are in addition to
26 other remedies contained in this article.

27 **Sec. 21. (a)** A final order issued under section 20 of this chapter
28 is effective the eleventh day after the date the order is served.
29 However, a final order issued upon consent under section 19 of this
30 chapter is effective at the time specified in the order.

31 (b) A final order remains effective and enforceable as provided
32 in the order.

33 (c) The department or a reviewing court may stay, modify, or
34 vacate a final order.

35 **Sec. 22. (a)** The director or the department, as appropriate, shall
36 consider the following factors in determining the amount of a civil
37 penalty that should be assessed against a director or an officer
38 under section 20(c)(3) of this chapter:

39 (1) The appropriateness of the civil penalty with respect to the
40 financial resources and good faith of the individual charged.

41 (2) The gravity of the practice, violation, or breach.

42 (3) The history of previous practices, violations, or breaches.



- 1 **(4) The economic benefit derived by the individual from the**
- 2 **practice, violation, or breach.**
- 3 **(5) Other factors that justice requires.**
- 4 **(b) A creditor may not indemnify a director or an officer for a**
- 5 **civil penalty imposed against the director or officer under this**
- 6 **section.**
- 7 **(c) Civil penalties shall be deposited in the financial institutions**
- 8 **fund established by IC 28-11-2-9.**
- 9 **Sec. 23. The director may enforce any of the following by**
- 10 **applying for appropriate relief to a court having jurisdiction:**
- 11 **(1) An order issued under section 19 or 20 of this chapter.**
- 12 **(2) A written agreement entered into by the director or the**
- 13 **department and a director, an officer, or a manager of a**
- 14 **creditor.**
- 15 **(3) Any condition imposed in writing by the director or the**
- 16 **department on a director, an officer, or a manager of a**
- 17 **creditor.**
- 18 **Sec. 24. (a) This section and sections 25 and 26 of this chapter**
- 19 **apply to a person, including a depository institution, but not**
- 20 **including a collection agency licensed under IC 25-11-1, engaged**
- 21 **in Indiana in any of the following:**
- 22 **(1) Making consumer credit sales, consumer leases, or**
- 23 **consumer loans.**
- 24 **(2) Taking assignments of rights against debtors that arise**
- 25 **from sales, leases, or loans by a person having an office or a**
- 26 **place of business in Indiana.**
- 27 **(3) Undertaking direct collection of payments from the**
- 28 **debtors or enforcement of rights against the debtors.**
- 29 **(4) Placing consumer credit insurance, receiving commissions**
- 30 **for consumer credit insurance, or acting as a limited line**
- 31 **credit insurance producer in the sale of consumer credit**
- 32 **insurance.**
- 33 **(5) Selling insurance or other benefits, the charges for which**
- 34 **are approved by the department as additional charges under**
- 35 **IC 37-2-3-5 or IC 37-2-4-5.**
- 36 **(b) This section and sections 25 and 26 of this chapter are not**
- 37 **applicable to a seller whose credit sales consist entirely of sales**
- 38 **made pursuant to a seller credit card issued by a person other than**
- 39 **the seller if the issuer of the card has complied with the provisions**
- 40 **of this section and sections 25 and 26 of this chapter.**
- 41 **(c) This section and sections 25 and 26 of this chapter apply to**
- 42 **a seller whose credit sales are made using credit cards that:**



- 1 (1) are issued by a lender;
- 2 (2) are in the name of the seller; and
- 3 (3) can be used by the buyer or lessee only for purchases or
- 4 leases at locations of the named seller.

5 Sec. 25. (a) Persons that are subject to this section and sections
6 24 and 26 of this chapter shall file notification with the department
7 within thirty (30) days after commencing business in Indiana and
8 thereafter on an annual basis, on the date set forth in subsection
9 (b). The notification shall state the:

- 10 (1) name of the person;
- 11 (2) name in which business is transacted if different from
- 12 subdivision (1);
- 13 (3) address of principal office, which may be outside Indiana;
- 14 and
- 15 (4) address of all offices or retail stores, if any, in Indiana at
- 16 which consumer credit sales, consumer leases, or consumer
- 17 loans are made, or in the case of a person taking assignments
- 18 of obligations, the offices or places of business within Indiana
- 19 at which business is transacted.

20 (b) A person required to be licensed under this article shall file
21 the notification required by subsection (a) not later than December
22 31 of each year. All other persons subject to this section shall file
23 the notification required by subsection (a) not later than January
24 31 of each year.

25 (c) Persons subject to sections 24 and 26 of this chapter and this
26 section shall notify the department not later than thirty (30) days
27 after the person:

- 28 (1) has a change in name, address, or principals;
- 29 (2) opens a new branch, closes an existing branch, or relocates
- 30 an existing branch;
- 31 (3) files for bankruptcy or reorganization;
- 32 (4) is notified that the person is subject to revocation or
- 33 suspension proceedings by a state or governmental authority
- 34 with regard to the person's activities; or
- 35 (5) has been convicted of a felony involving fraud, deceit, or
- 36 misrepresentation under the laws of Indiana or any other
- 37 jurisdiction.

38 Sec. 26. (a) Persons required to file notification who are sellers,
39 lessors, or lenders shall pay a fee in an amount and at intervals to
40 be prescribed by the director under IC 28-11-3-5. The fee shall be
41 a set amount for each one hundred thousand dollars (\$100,000), or
42 part thereof, in excess of one hundred thousand dollars (\$100,000),



1 of the original unpaid balances arising from consumer credit sales,
 2 consumer leases, and consumer loans made in Indiana and held
 3 either by the seller, lessor, or lender for more than thirty (30) days
 4 after the inception of the sale, lease, or loan giving rise to the
 5 obligations, or by an assignee who has not filed notification. A
 6 refinancing of a sale, lease, or loan resulting in an increase in the
 7 amount of an obligation is a new sale, lease, or loan to the extent of
 8 the increase. In prescribing the fee, the department shall consider
 9 the costs and expense incurred or estimated to be incurred by the
 10 department in the administration of this article, including, but not
 11 limited to, the supervision, regulation, and examination of persons
 12 subject to the provisions of the article.

13 (b) Persons required to file notification who are assignees shall
 14 pay a fee as prescribed and fixed by the department under
 15 subsection (a) on the unpaid balances at the time of the assignment
 16 of obligations arising from consumer credit sales, consumer leases,
 17 and consumer loans made in Indiana taken by assignment during
 18 the preceding calendar year, but an assignee need not pay a fee
 19 with respect to an obligation on which the assignor or other person
 20 has already paid a fee.

21 (c) Persons required to file notification who are assignors shall
 22 pay a fee as prescribed by the department under subsection (a) on
 23 the unpaid balances at the time of the assignment of obligations
 24 arising from consumer credit sales, consumer leases, and consumer
 25 loans made in Indiana during the preceding calendar year unless
 26 the assignee has already paid the fees.

27 (d) Persons required to renew a license under IC 37-2-4-31 may
 28 deduct the fees paid under IC 37-2-4-26(h)(2) and
 29 IC 37-2-4-26(h)(3), as applicable, from fees paid under this section.

30 (e) A person that is required to file notification under section 25
 31 of this chapter shall pay a fee at the same rate as prescribed and
 32 fixed by the department under subsection (a) on the original
 33 unpaid balances of all closed end credit obligations originating
 34 from the person's place of business during the time preceding the
 35 notification as specified under subsection (a), unless the fees for the
 36 obligations have been paid by another person.

37 Sec. 27. IC 37-2-4-23 and sections 24 through 26 of this chapter
 38 are not applicable to services performed by attorneys.

39 ARTICLE 3. SMALL LOANS

40 Chapter 1. General Provisions

41 Sec. 0.1. This article must be construed as a recodification of
 42 prior law. The enactment of this article by SEA 169-2026 does not



1 affect the substantive operation and effect of the prior law.

2 **Sec. 0.3.** A contract entered into in accordance with IC 24-4.5-7
3 (before its repeal) is considered a contract entered into in
4 accordance with this article.

5 **Sec. 0.5.** Any document, website, or business communication
6 created in accordance with IC 24-4.5-7 (before its repeal) is
7 considered a document, website, or business communication
8 created in accordance with this article.

9 **Sec. 0.7. (a)** A reference in a statute or rule to a statute that is
10 repealed and replaced in the same or a different form in the
11 recodification act of the 2026 regular session of the general
12 assembly is treated after the effective date of the new provision as
13 a reference to the new provision.

14 **(b)** A citation reference in the recodification act of the 2026
15 regular session of the general assembly to another provision of the
16 recodification act of the 2026 regular session of the general
17 assembly is treated as including a reference to the provision of the
18 small loans law that is substantively equivalent to the provision of
19 the recodification act of the 2026 regular session of the general
20 assembly that is referred to by the citation reference.

21 **Sec. 1. (a)** Except as otherwise provided, all provisions of
22 IC 37-2 applying to consumer loans, including IC 37-2-4-25, apply
23 to small loans.

24 **(b)** Subject to section 4 of this chapter, a person may not
25 regularly engage in Indiana in any of the following actions unless
26 the department first issues to the person a license under this
27 article:

28 **(1)** The making of small loans.

29 **(2)** Taking assignments of small loans.

30 **(3)** Undertaking the direct collection of payments from or the
31 enforcement of rights against debtors arising from small
32 loans.

33 **(c)** Subject to section 4 of this chapter, a person that seeks
34 licensure under this article:

35 **(1)** shall apply to the department for a license in the form and
36 manner prescribed by the department; and

37 **(2)** is subject to the same licensure requirements and
38 procedures as an applicant for a license to make consumer
39 loans (other than mortgage transactions) under IC 37-2-4-23.

40 **(d)** A person that seeks to make, take assignments of, or
41 undertake the direct collection of payments from or the
42 enforcement of rights against debtors arising from both:



1 (1) small loans under this chapter; and
 2 (2) consumer loans (other than mortgage transactions) that
 3 are not small loans;
 4 **must obtain a separate license from the department for each type**
 5 **of loan, as described in IC 37-2-4-23(e).**

6 **Sec. 2. This article applies to:**
 7 (1) a lender;
 8 (2) a bank, savings association, credit union, or other state or
 9 federally regulated financial institution except those that are
 10 specifically exempt regarding limitations on interest rates and
 11 fees; or
 12 (3) a person, if the department determines that a transaction
 13 is:
 14 (A) in substance a disguised loan; or
 15 (B) the application of subterfuge for the purpose of
 16 avoiding this chapter.

17 **Sec. 3. A loan that:**
 18 (1) does not qualify as a small loan under IC 37-3-2-10;
 19 (2) is for a term shorter than that specified in IC 37-3-3-5(a);
 20 or
 21 (3) is made in violation of section IC 37-3-3-2, IC 37-3-3-5,
 22 IC 37-3-3-6, IC 37-3-3-8, or IC 37-3-3-12;
 23 **is subject to this article. The department may conform the loan**
 24 **finance charge for a loan described in this section to the limitations**
 25 **set forth in IC 37-2-4-35(b).**

26 **Sec. 4. Notwithstanding IC 37-2-2, for purposes of section 1(b)**
 27 **of this chapter, a person "regularly engages" in any of the**
 28 **activities described in section 1(b) of this chapter with respect to a**
 29 **small loan if the person:**
 30 (1) performed any of the activities described in section 1(b) of
 31 this chapter with respect to a small loan at least one (1) time
 32 in the preceding calendar year; or
 33 (2) performs or will perform any of the activities described in
 34 section 1(b) of this chapter with respect to a small loan at least
 35 one (1) time in the current calendar year if the person did not
 36 perform any of the activities described in section 1(b) of this
 37 chapter with respect to a small loan at least one (1) time in the
 38 preceding calendar year.

39 **Chapter 2. Definitions**
 40 **Sec. 1. Except as otherwise provided, the definitions set forth in**
 41 **IC 37-2-2 apply throughout this article.**
 42 **Sec. 2. The definitions set forth in this chapter apply throughout**



- 1 this article.
- 2 Sec. 3. "Check" has the meaning set forth in IC 26-1-3.1-104.
- 3 Sec. 4. "Consecutive small loan" means a new small loan
4 agreement that the lender enters with the same borrower not later
5 than seven (7) calendar days after a previous small loan made to
6 that borrower is paid in full.
- 7 Sec. 5. "Lender" means a person that acquires and retains a
8 license issued by the department of financial institutions under this
9 chapter to engage in small loans.
- 10 Sec. 6. "Monthly gross income" means the income received by
11 the borrower in the thirty (30) day period preceding the
12 borrower's application for a small loan under this chapter and
13 exclusive of any income other than regular gross pay received, or
14 as otherwise determined by the department.
- 15 Sec. 7. "Paid in full" means the termination of a small loan
16 through:
- 17 (1) the presentment of the borrower's check for payment by
18 the drawee bank or the exercise by the lender of an
19 authorization to debit an account of the borrower; or
20 (2) the return of a check to a borrower who redeems it for
21 consideration.
- 22 Sec. 8. "Principal" means the total of:
- 23 (1) the net amount paid to, receivable by, or paid or payable
24 from the account of the borrower; and
25 (2) to the extent that the payment is deferred, the additional
26 charges permitted by this chapter that are not included in
27 subdivision (1).
- 28 Sec. 9. "Renewal" refers to a small loan that takes the place of
29 an existing small loan by:
- 30 (1) renewing;
31 (2) repaying;
32 (3) refinancing; or
33 (4) consolidating;
- 34 a small loan with the proceeds of another small loan made to the
35 same borrower by a lender.
- 36 Sec. 10. (a) "Small loan" means a loan:
- 37 (1) with a principal loan amount that is at least fifty dollars
38 (\$50) and not more than five hundred fifty dollars (\$550); and
39 (2) in which the lender holds the borrower's check for a
40 specific period, or receives the borrower's written
41 authorization to debit the borrower's account (other than as
42 a result of default) under an agreement, either express or



1 implied, for a specific period, before the lender:

2 (A) offers the check for deposit or presentment; or

3 (B) exercises the authorization to debit the borrower's
4 account.

5 (b) The amount of five hundred fifty dollars (\$550) in subsection
6 (a)(1) is subject to change under the provisions on adjustment of
7 dollar amounts set forth in IC 37-2-1-5. However, notwithstanding
8 IC 37-2-1-5(a), the Reference Base Index to be used under this
9 subsection is the Index for October 2006.

10 Chapter 3. Regulation of Small Loans

11 Sec. 1. A lender is not considered a financial institution, except
12 for purposes of IC 28-1.

13 Sec. 2. (a) Finance charges on the first two hundred fifty dollars
14 (\$250) of a small loan are limited to fifteen percent (15%) of the
15 principal.

16 (b) Finance charges on the amount of a small loan greater than
17 two hundred fifty dollars (\$250) and less than or equal to four
18 hundred dollars (\$400) are limited to thirteen percent (13%) of the
19 amount over two hundred fifty dollars (\$250) and less than or
20 equal to four hundred dollars (\$400).

21 (c) Finance charges on the amount of the small loan greater
22 than four hundred dollars (\$400) and less than or equal to five
23 hundred fifty dollars (\$550) are limited to ten percent (10%) of the
24 amount over four hundred dollars (\$400) and less than or equal to
25 five hundred fifty dollars (\$550).

26 (d) The amount of five hundred fifty dollars (\$550) in subsection
27 (c) is subject to change under the provisions on adjustment of
28 dollar amounts set forth in IC 37-2-1-5. However, notwithstanding
29 IC 37-2-1-5(a), the Reference Base Index to be used under this
30 subsection is the Index for October 2006.

31 Sec. 3. (a) Notwithstanding any other law, the only fee that may
32 be contracted for and received by the lender or an assignee on a
33 small loan is a charge, not to exceed twenty-five dollars (\$25), for
34 each:

35 (1) return by a bank or other depository institution of a
36 dishonored:

37 (A) check;

38 (B) electronic funds transfer;

39 (C) negotiable order of withdrawal; or

40 (D) share draft;

41 issued by the borrower; or

42 (2) time an authorization to debit the borrower's account is



- 1 **dishonored.**
 2 **This additional charge may be assessed one (1) time regardless of**
 3 **how many times a check or an authorization to debit the**
 4 **borrower's account may be submitted by the lender and**
 5 **dishonored.**
 6 **(b) A lender may:**
 7 **(1) present a borrower's check for payment; or**
 8 **(2) exercise a borrower's authorization to debit the**
 9 **borrower's account;**
 10 **not more than three (3) times.**
 11 **Sec. 4. (a) For purposes of this section, the lender shall disclose**
 12 **to the borrower to whom credit is extended with respect to a small**
 13 **loan the information required by the Consumer Credit Protection**
 14 **Act (15 U.S.C. 1601 et seq.).**
 15 **(b) In addition to the requirements of subsection (a), the lender**
 16 **must conspicuously display in bold type a notice to the public both**
 17 **in the lending area of each business location and in the loan**
 18 **documents the following statement:**
 19 **"WARNING: A small loan is not intended to meet long term**
 20 **financial needs. A small loan should be used only to meet**
 21 **short term cash needs. The cost of your small loan may be**
 22 **higher than loans offered by other lending institutions. Small**
 23 **loans are regulated by the State of Indiana Department of**
 24 **Financial Institutions.**
 25 **A borrower may rescind a small loan without cost by paying**
 26 **the cash amount of the principal of the small loan to the**
 27 **lender not later than the end of the business day immediately**
 28 **following the day on which the borrower receives the loan**
 29 **proceeds."**
 30 **(c) The statement required in subsection (b) must be in:**
 31 **(1) 14 point bold face type in the loan documents; and**
 32 **(2) not less than one (1) inch bold print in the lending area of**
 33 **the business location.**
 34 **(d) When a borrower enters into a small loan, the lender shall**
 35 **provide the borrower with a pamphlet approved by the**
 36 **department that describes:**
 37 **(1) the availability of debt management and credit counseling**
 38 **services; and**
 39 **(2) the borrower's rights and responsibilities in the**
 40 **transaction.**
 41 **Sec. 5. (a) A small loan may not be made for a term of less than**
 42 **fourteen (14) days.**



1 (b) If five (5) consecutive small loans have been made to a
2 borrower after the borrower's initial small loan, another small
3 loan may not be made to that borrower within seven (7) days after
4 the fifth consecutive small loan is paid in full. After the borrower's
5 fifth consecutive small loan, the balance must be paid in full.

6 (c) Subject to subsection (d), whenever a borrower has entered
7 into an initial small loan followed by three (3) consecutive small
8 loans, the lender shall offer the borrower the option to repay:

9 (1) the third consecutive small loan; and

10 (2) subject to subsection (b), any small loan entered into after
11 the third consecutive small loan;

12 under an extended payment plan. At the time of execution of a
13 small loan described in subdivision (1) or (2), the lender shall
14 disclose to the borrower the extended payment plan option by
15 providing the borrower a written description of the extended
16 payment plan option in a separate disclosure document approved
17 by the director.

18 (d) A lender shall offer an extended payment plan under
19 subsection (c) under the following terms and conditions:

20 (1) A borrower shall be permitted to request an extended
21 payment plan at any time during the term of a third or
22 subsequent consecutive small loan if:

23 (A) the borrower has not defaulted on the outstanding
24 small loan; and

25 (B) the rescission period under section 6(f) of this chapter
26 has expired.

27 (2) An extended payment plan must allow the outstanding
28 small loan to be paid in at least four (4) equal installments
29 over a period of not less than sixty (60) days.

30 (3) An agreement for an extended payment plan may not
31 require a borrower to pay any amount before the original
32 maturity date of the outstanding small loan.

33 (4) The lender may not assess any fee or charge on a borrower
34 for entering into an extended payment plan.

35 (5) An agreement for an extended payment plan must be in
36 writing and acknowledged by both the borrower and the
37 lender.

38 (6) A borrower may not enter into another small loan
39 transaction while engaged in an extended payment plan.

40 (7) A lender shall not:

41 (A) compel, advise, solicit, or coerce a borrower to not
42 exercise the borrower's right to request an extended



- 1 payment plan;
2 (B) discourage a borrower from exercising the borrower's
3 right to request an extended payment plan; or
4 (C) take any other action to influence a borrower's right to
5 request an extended payment plan.
6 (e) An agreement for an extended payment plan under
7 subsection (c):
8 (1) shall be considered an extension of the outstanding small
9 loan; and
10 (2) may not be considered a new loan.
11 Sec. 6. (a) A lender is prohibited from making a small loan to a
12 borrower if the total of:
13 (1) the principal amount and finance charges of the small loan
14 to be issued; plus
15 (2) any other small loan balances that the borrower has
16 outstanding with any lender;
17 exceeds twenty percent (20%) of the borrower's monthly gross
18 income.
19 (b) A small loan may be secured by only one (1) check or
20 authorization to debit the borrower's account per small loan. The
21 check or electronic debit may not exceed the amount advanced to
22 or on behalf of the borrower plus loan finance charges contracted
23 for and permitted.
24 (c) A borrower may make partial payments in any amount on
25 the small loan without charge at any time before the due date of the
26 small loan.
27 (d) After any payment is made on a small loan, whether the
28 payment is made in part or in full before, on, or after the due date
29 of the small loan, the lender shall give a signed and dated receipt
30 to the borrower making a payment showing the amount paid and
31 the balance due on the small loan.
32 (e) The lender shall provide to each borrower a copy of the
33 required loan documents before the disbursement of the loan
34 proceeds.
35 (f) A borrower may rescind a small loan without cost by paying
36 the cash amount of the principal of the small loan to the lender not
37 later than the end of the business day immediately following the
38 day on which the borrower receives the proceeds.
39 (g) A lender shall not enter into a renewal with a borrower. If
40 a loan is paid in full, a subsequent loan is not a renewal.
41 Sec. 7. A small loan may not be secured by personal property
42 other than a check or electronic debit.



1 **Sec. 8. (a) As used in this section, "commercially reasonable**
2 **method of verification" means a private consumer credit reporting**
3 **service that the department determines to be capable of providing**
4 **a lender with adequate verification information necessary to**
5 **ensure compliance with subsection (d).**

6 **(b) With respect to a small loan, no lender may permit a person**
7 **to become obligated under more than one (1) loan agreement with**
8 **the lender at any time.**

9 **(c) A lender shall not make a small loan that, when combined**
10 **with the outstanding balance on another outstanding small loan**
11 **owed to another lender, exceeds a total of five hundred fifty dollars**
12 **(\$550), excluding finance charges. A lender shall not make a small**
13 **loan to a borrower who has two (2) or more small loans**
14 **outstanding, regardless of the total value of the small loans. The**
15 **amount of five hundred fifty dollars (\$550) in this subsection is**
16 **subject to change under the provisions on adjustment of dollar**
17 **amounts (IC 37-2-1-5). However, notwithstanding IC 37-2-1-5(a),**
18 **the Reference Base Index to be used under this subsection is the**
19 **Index for October 2006.**

20 **(d) A lender complies with subsection (c) if the lender**
21 **independently verifies the total number of outstanding small loans**
22 **and the total outstanding balance of those small loans for a**
23 **customer through a commercially reasonable method of**
24 **verification. A lender's method of verifying whether a borrower**
25 **has any outstanding small loans and the total outstanding balance**
26 **of any loans will be considered commercially reasonable if the**
27 **method includes a manual investigation or an electronic query of:**

28 **(1) the lender's own records, including both records**
29 **maintained at the location where the borrower is applying for**
30 **the transaction and records maintained at other locations**
31 **within the state that are owned and operated by the lender;**
32 **and**

33 **(2) an available third party data base provided by a private**
34 **consumer reporting service, subject to the identification**
35 **verification requirements set forth in subsection (l).**

36 **(e) The department shall monitor the effectiveness of private**
37 **consumer credit reporting services in providing the verification**
38 **information required under subsection (d). If the department**
39 **determines that a commercially reasonable method of verification**
40 **is available, the department shall:**

41 **(1) provide reasonable notice to all lenders identifying the**
42 **commercially reasonable method of verification that is**



- 1 available; and
 2 (2) require each lender to use, consistent with the policies of
 3 the department, the identified commercially reasonable
 4 method of verification as a means of complying with
 5 subsection (d).
 6 (f) If a borrower presents evidence to a lender that a loan has
 7 been discharged in bankruptcy, the lender shall cause the record
 8 of the borrower's loan to be updated in the data base described in
 9 subsection (d)(2) to reflect the bankruptcy discharge.
 10 (g) A lender shall cause the record of a borrower's loan to be
 11 updated in the data base described in subsection (d)(2) to reflect:
 12 (1) presentment of the borrower's check for payment; or
 13 (2) exercise of the borrower's authorization to debit the
 14 borrower's account.
 15 If a check is returned or an authorization is dishonored because of
 16 insufficient funds in the borrower's account, the lender shall
 17 reenter the record of the loan in the data base.
 18 (h) A lender shall update information in a data base described
 19 in subsection (d)(2) to reflect partial payments made on an
 20 outstanding loan, the record of which is maintained in the data
 21 base.
 22 (i) If a lender ceases doing business in Indiana, the director may
 23 require the operator of the data base described in subsection (d)(2)
 24 to remove records of the lender's loans from the operator's data
 25 base.
 26 (j) The director may impose a civil penalty not to exceed one
 27 hundred dollars (\$100) for each violation of:
 28 (1) this section; or
 29 (2) any rule or policy adopted by the director to implement
 30 this section.
 31 (k) The excess amount of loan finance charge provided for in
 32 agreements in violation of this section is an excess charge for
 33 purposes of the provisions concerning effect of violations on rights
 34 of parties (IC 37-2-6-9) and the provisions concerning civil actions
 35 by the department (IC 37-2-7-14).
 36 (l) If a borrower provides the borrower's Social Security
 37 number to a lender in connection with any transaction or proposed
 38 transaction under this chapter, the lender shall:
 39 (1) maintain procedures to verify that the Social Security
 40 number provided is legitimate and belongs to the borrower;
 41 and
 42 (2) retain copies of any documents used to verify the



- 1 **borrower's Social Security number. Documentation under**
 2 **this subdivision may be in electronic form and the numbers**
 3 **may be truncated.**
- 4 **If a borrower does not have a Social Security number, the lender**
 5 **may require and accept another valid form of government issued**
 6 **identification, subject to the requirements of subdivisions (1) and**
 7 **(2) with respect to the government issued identification accepted.**
- 8 **Sec. 9. (a) This section does not apply to a business that is**
 9 **licensed by the department for a purpose other than consumer**
 10 **loans.**
- 11 **(b) A licensee may carry on other business at a location where**
 12 **the licensee makes small loans unless the licensee carries on other**
 13 **business for the purpose of evasion or violation of this article.**
- 14 **Sec. 10. (a) An agreement with respect to a small loan may not**
 15 **provide for charges as a result of default by the borrower other**
 16 **than those specifically authorized by this chapter. A provision in a**
 17 **small loan agreement in violation of this section is unenforceable.**
- 18 **(b) A lender or an assignee of a small loan may seek only the**
 19 **following remedies upon default by a borrower:**
- 20 **(1) Recovery of:**
- 21 **(A) the contracted principal amount of the loan; and**
 22 **(B) the loan finance charge.**
- 23 **(2) If contracted for under section 3 of this chapter, collection**
 24 **of a fee for:**
- 25 **(A) a returned check, negotiable order of withdrawal, or**
 26 **share draft; or**
 27 **(B) a dishonored authorization to debit the borrower's**
 28 **account;**
 29 **because of insufficient funds in the borrower's account.**
- 30 **(3) Collection of postjudgment interest, if awarded by a court.**
 31 **(4) Collection of court costs, if awarded by a court.**
- 32 **(c) A lender or an assignee of a small loan may not seek any of**
 33 **the following damages or remedies upon default by a borrower:**
- 34 **(1) Payment of the lender's attorney's fees.**
 35 **(2) Treble damages.**
 36 **(3) Prejudgment interest.**
 37 **(4) Damages allowed for dishonored checks under any statute**
 38 **other than this chapter.**
 39 **(5) Any damages or remedies not set forth in subsection (b).**
- 40 **(d) A contractual agreement in a small loan transaction must**
 41 **include a notice of the following in 14 point bold type:**
 42 **(1) The remedies available to a lender or an assignee under**



1 subsection (b).

2 (2) The remedies and damages that a lender or an assignee is
3 prohibited from seeking in a small loan transaction under
4 subsection (c).

5 Sec. 11. (a) This section applies to licensees and unlicensed
6 persons.

7 (b) A person who violates this chapter:

8 (1) is subject to the remedies provided in IC 37-2-6-9;

9 (2) commits a deceptive act under IC 24-5-0.5 and is subject
10 to the penalties listed in IC 24-5-0.5;

11 (3) has no right to collect, receive, or retain any principal,
12 interest, or other charges from a small loan; however, this
13 subdivision does not apply if the violation is the result of an
14 accident or bona fide error of computation; and

15 (4) is liable to the borrower for actual damages, statutory
16 damages of two thousand dollars (\$2,000) per violation, costs,
17 and attorney's fees; however, this subdivision does not apply
18 if the violation is the result of an accident or bona fide error
19 of computation.

20 The remedies described in this subsection are in addition to all
21 other remedies set forth in IC 37-2 and this article.

22 (c) The department may sue:

23 (1) to enjoin any conduct that constitutes or will constitute a
24 violation of this chapter; and

25 (2) for other equitable relief.

26 (d) The remedies provided in this section are cumulative but are
27 not intended to be the exclusive remedies available to a borrower.
28 A borrower is not required to exhaust any administrative remedies
29 under this section or any other applicable law.

30 Sec. 12. A lender making small loans, or an assignee of a small
31 loan, shall not commit nor cause to be committed any of the
32 following acts:

33 (1) Threatening to use or using the criminal process in any
34 state to collect on a small loan.

35 (2) Threatening to take action against a borrower that is
36 prohibited by this chapter.

37 (3) Making a misleading or deceptive statement regarding a
38 small loan or a consequence of taking a small loan.

39 (4) Contracting for or collecting attorney's fees on small loans
40 made under this chapter.

41 (5) Altering the date or any other information on a check or
42 an authorization to debit the borrower's account held as



- 1 security.
- 2 (6) Using a device or agreement that the department
- 3 determines would have the effect of charging or collecting
- 4 more fees, charges, or interest than allowed by this chapter,
- 5 including, but not limited to:
- 6 (A) entering a different type of transaction with the
- 7 borrower;
- 8 (B) entering into a sales/leaseback arrangement;
- 9 (C) catalog sales;
- 10 (D) entering into transactions in which a customer receives
- 11 a purported cash rebate that is advanced by someone
- 12 offering Internet content services, or some other product
- 13 or service, when the cash rebate does not represent a
- 14 discount or an adjustment of the purchase price for the
- 15 product or service; or
- 16 (E) entering any other transaction with the borrower that
- 17 is designed to evade the applicability of this chapter.
- 18 (7) Engaging in unfair, deceptive, or fraudulent practices in
- 19 the making or collecting of a small loan.
- 20 (8) Charging to cash a check representing the proceeds of a
- 21 small loan.
- 22 (9) Except as otherwise provided in this chapter:
- 23 (A) accepting the proceeds of a new small loan as payment
- 24 of an existing small loan provided by the same lender; or
- 25 (B) renewing, refinancing, or consolidating a small loan
- 26 with the proceeds of another small loan made by the same
- 27 lender.
- 28 (10) Including any of the following provisions in a loan
- 29 document:
- 30 (A) A hold harmless clause.
- 31 (B) A confession of judgment clause.
- 32 (C) A mandatory arbitration clause, unless the terms and
- 33 conditions of the arbitration have been approved by the
- 34 director of the department.
- 35 (D) An assignment of or order for payment of wages or
- 36 other compensation for services.
- 37 (E) A provision in which the borrower agrees not to assert
- 38 a claim or defense arising out of contract.
- 39 (F) A waiver of any provision of this chapter.
- 40 (11) Selling insurance of any kind in connection with the
- 41 making or collecting of a small loan.
- 42 (12) Entering into a renewal with a borrower.



1 **Sec. 13. Finance charges made in compliance with this chapter**
 2 **are exempt from IC 37-2-4-35 and IC 35-45-7.**

3 **Sec. 14. Upon the receipt of a check from a borrower for a small**
 4 **loan, unless the check is marked as void at the time of acceptance**
 5 **by the lender, the lender shall immediately stamp the back of the**
 6 **check with an endorsement that states:**

7 **"This check is being negotiated as part of a small loan under**
 8 **IC 37-3, and any holder of this check takes it subject to the**
 9 **claims and defenses of the maker."**

10 **Sec. 15. (a) A person engaged in making small loans under this**
 11 **chapter shall post a bond to the department in the amount of fifty**
 12 **thousand dollars (\$50,000) for each location where small loans will**
 13 **be made, up to a maximum bond in an amount determined by the**
 14 **director.**

15 **(b) A surety bond issued under this section must:**

16 **(1) provide coverage for a lender engaged in making small**
 17 **loans under this chapter in an amount as prescribed in**
 18 **subsection (a);**

19 **(2) be in a form prescribed by the director;**

20 **(3) be in effect during the term of the lender's license under**
 21 **this chapter;**

22 **(4) subject to subsection (c), remain in effect during the two**
 23 **(2) years after the lender's license under this chapter is**
 24 **surrendered or terminated;**

25 **(5) be payable to the department for the benefit of:**

26 **(A) the state; and**

27 **(B) individuals who reside in Indiana when they agree to**
 28 **receive financial services from the lender;**

29 **(6) be issued by a bonding, surety, or insurance company**
 30 **authorized to do business in Indiana and rated at least "A-"**
 31 **by at least one (1) nationally recognized investment rating**
 32 **service; and**

33 **(7) have payment conditioned upon the lender's or any of the**
 34 **lender's employees' or agents' noncompliance with or**
 35 **violation of this article or other applicable federal or state**
 36 **laws or regulations.**

37 **(c) The director may adopt rules or guidance documents with**
 38 **respect to the requirements for a surety bond as necessary to**
 39 **accomplish the purposes of this chapter. Upon written request**
 40 **from a lender, the director may, at the discretion of the director,**
 41 **waive or shorten the two (2) year period set forth in subsection**
 42 **(b)(4) during which a surety bond required by this section must**



1 remain in effect after the lender's license under this chapter is
2 surrendered or terminated.

3 (d) If the principal amount of a surety bond required under this
4 section is reduced by payment of a claim or judgment, the lender
5 for whom the bond is issued shall immediately notify the director
6 of the reduction and, not later than thirty (30) days after notice by
7 the director, file a new or an additional surety bond in an amount
8 set by the director. The amount of the new or additional bond set
9 by the director must be at least the amount of the bond before
10 payment of the claim or judgment.

11 (e) If for any reason a surety terminates a bond issued under
12 this section, the lender shall immediately notify the department and
13 file a new surety bond in an amount as prescribed in subsection (a).

14 (f) Cancellation of a surety bond issued under this section does
15 not affect any liability incurred or accrued during the period when
16 the surety bond was in effect.

17 (g) The director may obtain satisfaction from a surety bond
18 issued under this section if the director incurs expenses, issues a
19 final order, or recovers a final judgment under this chapter.

20 (h) Notices required under this section must be in writing and
21 delivered by certified mail, return receipt requested and postage
22 prepaid, or by overnight delivery using a nationally recognized
23 carrier.

24 Sec. 16. The department may adopt rules under IC 4-22-2 to
25 implement this article.

26 ARTICLE 4. MORTGAGE RESCUE PROTECTION FRAUD

27 Chapter 1. Application

28 Sec. 0.1. This article must be construed as a recodification of
29 prior law. The enactment of this article by SEA 169-2026 does not
30 affect the substantive operation and effect of the prior law.

31 Sec. 0.3. A contract entered into in accordance with IC 24-5.5
32 (before its repeal) is considered a contract entered into in
33 accordance with this article.

34 Sec. 0.5. Any document, website, or business communication
35 created in accordance with IC 24-5.5 (before its repeal) is
36 considered a document, website, or business communication
37 created in accordance with this article.

38 Sec. 0.7. (a) A reference in a statute or rule to a statute that is
39 repealed and replaced in the same or a different form in the
40 recodification act of the 2026 regular session of the general
41 assembly is treated after the effective date of the new provision as
42 a reference to the new provision.



1 **(b) A citation reference in the recodification act of the 2026**
 2 **regular session of the general assembly to another provision of the**
 3 **recodification act of the 2026 regular session of the general**
 4 **assembly is treated as including a reference to the provision of the**
 5 **law concerning mortgage rescue protection fraud that is**
 6 **substantively equivalent to the provision of the recodification act**
 7 **of the 2026 regular session of the general assembly that is referred**
 8 **to by the citation reference.**

9 **Sec. 1. This article does not apply to the following:**

10 **(1) A person organized or chartered under the laws of this**
 11 **state, any other state, or the United States that relate to a**
 12 **bank, a trust company, a savings association, a savings bank,**
 13 **a credit union, or an industrial loan and investment company.**

14 **(2) The Federal National Mortgage Association, the Federal**
 15 **Home Loan Mortgage Corporation, or a Federal Home Loan**
 16 **Bank.**

17 **(3) A department or agency of the United States or of Indiana.**

18 **(4) A person that is servicing or enforcing a loan that it owns.**

19 **(5) A person that is servicing a loan:**

20 **(A) for a person described in subdivisions (1) through (4);**
 21 **or**

22 **(B) insured by the Department of Housing and Urban**
 23 **Development or guaranteed by the Veterans**
 24 **Administration.**

25 **(6) An attorney licensed to practice law in Indiana who is**
 26 **representing a mortgagor.**

27 **Chapter 2. Definitions**

28 **Sec. 1. The definitions in this chapter apply throughout this**
 29 **article.**

30 **Sec. 2. "Foreclosure consultant" means a person who, directly**
 31 **or indirectly, makes a solicitation, a representation, or an offer to**
 32 **a homeowner to perform, with or without compensation, any**
 33 **service that the person represents will:**

34 **(1) prevent or postpone the initiation of a foreclosure**
 35 **proceeding, or reverse the effect of a foreclosure proceeding;**

36 **(2) allow the homeowner to become a lessee or renter in the**
 37 **homeowner's residence during or after a foreclosure**
 38 **proceeding; or**

39 **(3) allow the homeowner to have an option to repurchase the**
 40 **homeowner's residence after a foreclosure proceeding.**

41 **Sec. 3. "Foreclosure purchaser" means a person who purchases**
 42 **real property in a foreclosure proceeding.**



1 **Sec. 4. "Foreclosure reconveyance" means a transaction**
 2 **involving:**

3 **(1) the transfer of interest in real property by a homeowner**
 4 **to a person during or incident to a proposed foreclosure**
 5 **proceeding, either by:**

6 **(A) transfer of interest from the homeowner to the person;**
 7 **or**

8 **(B) creation of a mortgage, trust, or other lien or**
 9 **encumbrance during the foreclosure process;**

10 **that allows the person to obtain legal or equitable title to all**
 11 **or part of the real property; and**

12 **(2) the subsequent conveyance, or promise of subsequent**
 13 **conveyance, of interest back to the homeowner by the person**
 14 **or the person's agent that allows the homeowner to possess**
 15 **the real property following the completion of the foreclosure**
 16 **proceeding.**

17 **Sec. 5. "Formal settlement" means a face-to-face meeting with**
 18 **a homeowner to complete final documents incident to the:**

19 **(1) sale or transfer of real property; or**

20 **(2) creation of a mortgage or equitable interest in real**
 21 **property;**

22 **conducted by a person who is not employed by or an affiliate of the**
 23 **foreclosure purchaser.**

24 **Sec. 6. "Homeowner" means a person who holds record title to**
 25 **residential real property as of the date on which:**

26 **(1) a contract with a foreclosure consultant; or**

27 **(2) a foreclosure reconveyance agreement;**

28 **with respect to the residential real property is entered into.**

29 **Chapter 3. Rescission of Contracts With Foreclosure**
 30 **Consultants and Foreclosure Reconveyance Agreements**

31 **Sec. 1. In addition to any other right under law to cancel or**
 32 **rescind a contract, a homeowner may rescind a:**

33 **(1) contract with a foreclosure consultant at any time before**
 34 **midnight of the seventh business day after the date the**
 35 **contract is signed; and**

36 **(2) foreclosure reconveyance agreement at any time before**
 37 **midnight of the seventh business day after the homeowner's**
 38 **transfer of the interest in the real property that is the subject**
 39 **of the agreement, as described in IC 37-4-2-4(1).**

40 **Sec. 2. A homeowner effectively rescinds a contract with a**
 41 **foreclosure consultant if the homeowner gives written notice of a**
 42 **rescission to the foreclosure consultant by one (1) of the following:**



1 (1) Mailing the rescission to the address specified in the
2 contract.

3 (2) Sending the rescission through any facsimile or electronic
4 mail address identified in the contract or other material
5 provided to the homeowner by the foreclosure consultant.

6 Sec. 3. (a) If a notice of rescission under this chapter is sent by
7 mail, the rescission is effective three (3) days after the notice is
8 deposited in the United States mail, properly addressed, with
9 postage prepaid.

10 (b) A homeowner is not required to give notice of rescission in
11 the form required under the contract if the form under the
12 contract is inconsistent with the requirements under this chapter.

13 Sec. 4. (a) If a homeowner rescinds a contract with a foreclosure
14 consultant or a foreclosure reconveyance agreement, the
15 homeowner shall, not later than thirty (30) days after the date of
16 rescission, repay any amounts paid or advanced by:

17 (1) the foreclosure consultant or the foreclosure consultant's
18 agent under the terms of the foreclosure consulting contract;

19 or

20 (2) a person under a foreclosure reconveyance agreement.

21 (b) A rescission by a homeowner under this chapter is void if the
22 payments required under this section are not made within the time
23 set forth in subsection (a).

24 Sec. 5. If a homeowner rescinds a contract with a foreclosure
25 consultant, not less than ten (10) days following the effective date
26 of the rescission, the consultant shall return to the homeowner any
27 payments made by the homeowner, less any amounts for actual
28 services rendered.

29 **Chapter 4. Limitations on Foreclosure Consultants and**
30 **Foreclosure Reconveyances**

31 Sec. 1. For purposes of this chapter, there is a rebuttable
32 presumption that:

33 (1) a homeowner has a reasonable ability to pay for a
34 subsequent reconveyance of real property if the homeowner's
35 payments for primary housing expenses and regular principal
36 and interest payments on other personal debt, on a monthly
37 basis, do not exceed sixty percent (60%) of the homeowner's
38 monthly gross income; and

39 (2) the foreclosure purchaser has not verified reasonable
40 payment ability if the foreclosure purchaser has not obtained
41 documents other than a statement by the homeowner of
42 assets, liability, and income.



1 **Sec. 2. In addition to any prohibitions that apply under**
 2 **IC 24-5-15-1 through IC 24-5-15-8, a foreclosure consultant may**
 3 **not:**

4 **(1) enter into or attempt to enter into a foreclosure consultant**
 5 **contract with a homeowner unless the foreclosure consultant**
 6 **first provides the homeowner written notice of the**
 7 **homeowner's rights under this article;**

8 **(2) demand or receive compensation until after the**
 9 **foreclosure consultant has fully performed all services the**
 10 **foreclosure consultant contracted to perform or represented**
 11 **that the foreclosure consultant would perform, unless the**
 12 **foreclosure consultant complies with the security**
 13 **requirements under IC 24-5-15-8;**

14 **(3) demand or receive a fee, interest, or any other**
 15 **compensation that exceeds eight percent (8%) per year of the**
 16 **amount of any loan that the foreclosure consultant makes to**
 17 **the homeowner;**

18 **(4) take a wage assignment, a lien of any type on real or**
 19 **personal property, or any other security to secure the**
 20 **payment of compensation;**

21 **(5) receive consideration from a third party in connection**
 22 **with foreclosure consulting services provided to a homeowner**
 23 **unless the consideration is first fully disclosed in writing to the**
 24 **homeowner;**

25 **(6) acquire any interest, directly or indirectly, in residential**
 26 **real property in foreclosure from a homeowner with whom**
 27 **the foreclosure consultant has contracted;**

28 **(7) except to inspect documents as provided by law, take any**
 29 **power of attorney from a homeowner for any purpose;**

30 **(8) execute any contract or agreement with a homeowner or**
 31 **receive money or other valuable consideration from a**
 32 **homeowner without providing the homeowner with the**
 33 **written statement required by IC 24-5-15-6; or**

34 **(9) fail to provide a homeowner with a written contract that**
 35 **includes the notice of cancellation required by IC 24-5-15-7.**

36 **Sec. 3. A foreclosure purchaser may not enter into or attempt to**
 37 **enter into a foreclosure reconveyance agreement with a**
 38 **homeowner unless the:**

39 **(1) foreclosure purchaser verifies and demonstrates that the**
 40 **homeowner has or will have a reasonable ability to:**

41 **(A) pay for the subsequent reconveyance of the property**
 42 **back to the homeowner on completion of the terms of the**



- 1 foreclosure conveyance; or
- 2 **(B) if the foreclosure conveyance provides for a lease with**
- 3 **an option to repurchase the real property, make the lease**
- 4 **payment and repurchase the real property within the**
- 5 **period of the option to repurchase;**
- 6 **(2) foreclosure purchaser provides the homeowner written**
- 7 **notice of the homeowner's rights under this article;**
- 8 **(3) foreclosure purchaser and the homeowner complete a**
- 9 **formal settlement before any transfer of interest in the**
- 10 **affected property; and**
- 11 **(4) foreclosure purchaser complies with the security**
- 12 **requirements under IC 24-5-15-8.**

13 **Sec. 4. A foreclosure purchaser shall:**

- 14 **(1) ensure that title to real property has been reconveyed to**
- 15 **the homeowner in a timely manner if the terms of a**
- 16 **foreclosure reconveyance agreement require a reconveyance;**
- 17 **or**
- 18 **(2) if the real property subject to a foreclosure reconveyance**
- 19 **agreement is sold within eighteen (18) months after entering**
- 20 **into the foreclosure reconveyance agreement, make payment**
- 21 **to the homeowner not later than ninety (90) days after the**
- 22 **resale of the real property in an amount equal to at least**
- 23 **sixty-six percent (66%) of the net proceeds from the resale of**
- 24 **the property.**

25 **Sec. 5. A foreclosure purchaser may not:**

- 26 **(1) enter into repurchase or lease terms as part of the**
- 27 **foreclosure reconveyance that are unfair or commercially**
- 28 **unreasonable or engage in any other unfair conduct;**
- 29 **(2) represent, directly or indirectly, that the:**
 - 30 **(A) foreclosure purchaser is acting:**
 - 31 **(i) as an adviser or a consultant; or**
 - 32 **(ii) in any other manner on behalf of the homeowner;**
 - 33 **(B) foreclosure purchaser is assisting the homeowner to**
 - 34 **save the residence; or**
 - 35 **(C) foreclosure purchaser is assisting the homeowner in**
 - 36 **preventing a foreclosure if the result of the transaction is**
 - 37 **that the homeowner will not complete a redemption of the**
 - 38 **property; or**
- 39 **(3) until the homeowner's right to rescind or cancel the**
- 40 **foreclosure reconveyance agreement has expired:**
 - 41 **(A) record any document, including an instrument or**
 - 42 **conveyance, signed by the homeowner; or**



- 1 **(B) transfer to a third party or encumber, or purport to**
 2 **transfer to a third party or encumber, any interest in the**
 3 **residential real property in foreclosure.**
- 4 **Sec. 6. A foreclosure purchaser shall make a detailed accounting**
 5 **of the basis for the amount of payment made to a homeowner of**
 6 **real property resold within eighteen (18) months after entering into**
 7 **a foreclosure reconveyance agreement on a form prescribed by the**
 8 **attorney general.**
- 9 **Sec. 7. A foreclosure consultant shall retain all records and**
 10 **documents, including the foreclosure consultant contract, related**
 11 **to services performed on behalf of a homeowner for at least three**
 12 **(3) years after the termination or conclusion of the foreclosure**
 13 **consultant contract entered into by the foreclosure consultant and**
 14 **the homeowner.**
- 15 **Sec. 8. A foreclosure consultant may not represent to a**
 16 **homeowner that the foreclosure consultant is endorsed, sponsored,**
 17 **or affiliated with any governmental or government sponsored**
 18 **agency or program.**
- 19 **Chapter 5. Enforcement**
- 20 **Sec. 1. A person who knowingly or intentionally violates this**
 21 **article commits:**
- 22 **(1) a Class A misdemeanor;**
 23 **(2) a deceptive act that is actionable by the attorney general**
 24 **under IC 24-5-0.5-4 and is subject to the penalties and**
 25 **remedies available to the attorney general under IC 24-5-0.5;**
 26 **and**
 27 **(3) a deceptive act that is actionable by the attorney general**
 28 **under IC 37-5-8-2 and is subject to the penalties and remedies**
 29 **available to the attorney general under IC 37-5.**
- 30 **Sec. 2. (a) A homeowner may bring an action against a person**
 31 **for damages incurred as a result of a violation of this article.**
- 32 **(b) A homeowner who:**
- 33 **(1) brings an action under this section; and**
 34 **(2) is awarded damages;**
 35 **may seek reasonable attorney's fees.**
- 36 **Sec. 3. (a) A court may award attorney's fees under section 2(b)**
 37 **of this chapter.**
- 38 **(b) If the court finds that a person willfully or knowingly**
 39 **violated this article, the court may award damages equal to three**
 40 **(3) times the amount of actual damages.**
- 41 **Sec. 4. (a) The Indiana housing and community development**
 42 **authority shall maintain a list of nonprofit organizations that:**



1 (1) offer counseling or advice to homeowners in foreclosure or
2 loan defaults; and

3 (2) do not contract for services with for-profit lenders or
4 foreclosure purchasers.

5 (b) The Indiana housing and community development authority
6 shall provide names and telephone numbers of the organizations
7 described in subsection (a) to a homeowner upon request.

8 Sec. 5. The attorney general may adopt rules under IC 4-22-2
9 necessary to implement this article.

10 Sec. 6. Except as provided in IC 24-5-15-7(d), this article may
11 not be construed to preempt the provisions of IC 24-5-15-1 through
12 IC 24-5-15-11.

13 ARTICLE 5. HOME LOAN PRACTICES

14 Chapter 1. Application

15 Sec. 0.1. This article must be construed as a recodification of
16 prior law. The enactment of this article by SEA 169-2026 does not
17 affect the substantive operation and effect of the prior law.

18 Sec. 0.3. A contract entered into in accordance with IC 24-9
19 (before its repeal) is considered a contract entered into in
20 accordance with this article.

21 Sec. 0.5. Any document, website, or business communication
22 created in accordance with IC 24-9 (before its repeal) is considered
23 a document, website, or business communication created in
24 accordance with this article.

25 Sec. 0.7. (a) A reference in a statute or rule to a statute that is
26 repealed and replaced in the same or a different form in the
27 recodification act of the 2026 regular session of the general
28 assembly is treated after the effective date of the new provision as
29 a reference to the new provision.

30 (b) A citation reference in the recodification act of the 2026
31 regular session of the general assembly to another provision of the
32 recodification act of the 2026 regular session of the general
33 assembly is treated as including a reference to the provision of the
34 law concerning home loan practices that is substantively equivalent
35 to the provision of the recodification act of the 2026 regular session
36 of the general assembly that is referred to by the citation reference.

37 Sec. 1. Except for IC 37-5-3-7(c)(3), IC 37-5-3-7(c)(4), and
38 IC 37-5-3-7(c)(5), this article does not apply to:

39 (1) a loan made or acquired by a person organized or
40 chartered under the laws of this state, any other state, or the
41 United States relating to banks, trust companies, savings
42 associations, savings banks, credit unions, or industrial loan



- 1 and investment companies; or
- 2 (2) a loan:
- 3 (A) that can be purchased by the Federal National
- 4 Mortgage Association, the Federal Home Loan Mortgage
- 5 Association, or the Federal Home Loan Bank;
- 6 (B) to be insured by the United States Department of
- 7 Housing and Urban Development;
- 8 (C) to be guaranteed by the United States Department of
- 9 Veterans Affairs;
- 10 (D) to be made or guaranteed by the United States
- 11 Department of Agriculture Rural Housing Service;
- 12 (E) to be funded by the Indiana housing and community
- 13 development authority; or
- 14 (F) with a principal amount that exceeds the conforming
- 15 loan size limit for a single family dwelling as established by
- 16 the Federal National Mortgage Association.

17 **Chapter 2. Definitions**

18 **Sec. 1. The definitions in this chapter apply throughout this**
19 **article.**

20 **Sec. 2. "Benchmark rate" means the interest rate established**
21 **under Section 152 of the Federal Home Ownership and Equity**
22 **Protection Act of 1994 (15 U.S.C. 1602 (aa)) and the regulations**
23 **adopted under that act by the Federal Reserve Board, including 12**
24 **CFR 226.32 and the Official Staff Commentary to the regulations**
25 **as amended.**

26 **Sec. 3. "Bona fide discount points" means loan discount points**
27 **that:**

- 28 (1) are knowingly paid by the borrower;
- 29 (2) are paid for the express purpose of reducing the interest
- 30 rate applicable to the loan;
- 31 (3) reduce the interest rate from an interest rate that does not
- 32 exceed the benchmark rate; and
- 33 (4) are recouped within the first four (4) years of the
- 34 scheduled loan payments;

35 **if the reduction in the interest rate that is achieved by the payment**
36 **of the loan discount points reduces the interest charged on the**
37 **scheduled payments so that the borrower's dollar amount of**
38 **savings in interest during the first four (4) years of the loan is equal**
39 **to or greater than the dollar amount of loan discount points paid**
40 **by the borrower.**

41 **Sec. 4. "Borrower" means a person obligated to repay a home**
42 **loan, including a coborrower, cosigner, or guarantor.**



1 **Sec. 5. "Bridge loan" means temporary or short term financing**
 2 **with a maturity of less than eighteen (18) months that requires**
 3 **payments of interest only until the entire unpaid balance is due and**
 4 **payable.**

5 **Sec. 6. (a) "Creditor" means:**

6 **(1) a person:**

7 **(A) who regularly extends consumer credit that is subject**
 8 **to a finance charge or that is payable by written agreement**
 9 **in more than four (4) installments; and**

10 **(B) to whom the debt arising from a home loan transaction**
 11 **is initially payable; or**

12 **(2) a person who brokers a home loan, including a person**
 13 **who:**

14 **(A) directly or indirectly solicits, processes, places, or**
 15 **negotiates home loans for others;**

16 **(B) offers to solicit, process, place, or negotiate home loans**
 17 **for others; or**

18 **(C) closes home loans that may be in the person's own**
 19 **name with funds provided by others and that are**
 20 **thereafter assigned to the person providing funding for the**
 21 **loans.**

22 **(b) The term does not include:**

23 **(1) a servicer;**

24 **(2) a state or local housing finance authority;**

25 **(3) any other state or local governmental or**
 26 **quasi-governmental entity; or**

27 **(4) an attorney providing legal services in association with the**
 28 **closing of a home loan.**

29 **Sec. 7. (a) "Deceptive act" means:**

30 **(1) an act or a practice as part of a mortgage transaction (as**
 31 **defined in IC 37-5-3-7(a)), or of a real estate transaction (as**
 32 **defined in IC 37-5-3-7(b)), in which a person at the time of the**
 33 **transaction knowingly or intentionally:**

34 **(A) makes a material misrepresentation; or**

35 **(B) conceals material information regarding the terms or**
 36 **conditions of the transaction; or**

37 **(2) a violation of IC 37-4 concerning mortgage rescue**
 38 **protection fraud as set forth in IC 37-4-5-1.**

39 **(b) For purposes of this section, "knowingly" means having**
 40 **actual knowledge at the time of the transaction.**

41 **Sec. 8. (a) "High cost home loan" means a home loan with:**

42 **(1) a trigger rate that exceeds the benchmark rate; or**



1 (2) total points and fees that exceed:

2 (A) five percent (5%) of the loan principal for a home loan
3 having a loan principal of at least forty thousand dollars
4 (\$40,000); or

5 (B) six percent (6%) of the loan principal for a home loan
6 having a loan principal of less than forty thousand dollars
7 (\$40,000).

8 (b) Beginning July 1, 2006, the dollar amounts set forth in this
9 section are subject to change at the times and according to the
10 procedure set forth in the provisions of IC 37-2-1-5 concerning the
11 adjustment of dollar amounts in IC 37-2.

12 Sec. 9. (a) "Home loan" means a loan, other than an open end
13 credit plan, a reverse mortgage transaction, or a loan described in
14 IC 37-5-1-1, that is secured by a mortgage or deed of trust on real
15 estate in Indiana on which there is located or will be located a
16 structure or structures:

17 (1) designed primarily for occupancy of one (1) to four (4)
18 families; and

19 (2) that is or will be occupied by a borrower as the borrower's
20 principal dwelling.

21 (b) The term does not include a land contract.

22 Sec. 9.5. "Land contract" means a contract for the sale of real
23 estate in which the seller of the real estate retains legal title to the
24 real estate until the total contract price is paid by the buyer.

25 Sec. 10. (a) Except as provided in subsection (b), "points and
26 fees" means the total of the following:

27 (1) Points and fees (as defined in 12 CFR 226.32(b)(1) on
28 January 1, 2004).

29 (2) All compensation paid directly or indirectly to a mortgage
30 broker, including a broker that originates a loan in the
31 broker's own name.

32 As used in subdivision (2), "compensation" does not include a
33 payment included in subdivision (1).

34 (b) The term does not include the following:

35 (1) Bona fide discount points.

36 (2) An amount not to exceed one and one-half (1 1/2) points in
37 indirect broker compensation, if the terms of the loan do not
38 include:

39 (A) a prepayment penalty, in the case of a home loan
40 described in IC 37-5-3-6(b); or

41 (B) a prepayment penalty that exceeds two percent (2%) of
42 the home loan principal, in the case of a home loan other



- 1 than a home loan described in IC 37-5-3-6(b).
 2 (3) Reasonable fees paid to an affiliate of the creditor.
 3 (4) Interest prepaid by the borrower for the month in which
 4 the home loan is closed.

5 Sec. 11. "Political subdivision" means a municipality, school
 6 district, public library, local housing authority, fire protection
 7 district, public transportation corporation, local building
 8 authority, local hospital authority or corporation, local airport
 9 authority, special service district, special taxing district, or any
 10 other type of local governmental corporate entity.

11 Sec. 12. "Rate" means the interest rate charged on a home loan,
 12 based on an annual simple interest yield.

13 Sec. 13. "Total loan amount" means the principal of the home
 14 loan minus the points and fees that are included in the principal
 15 amount of the loan.

16 Sec. 14. "Trigger rate" means:

- 17 (1) for fixed rate home loans in which the interest rate will not
 18 vary during the term of the loan, the rate as of the date of
 19 closing;
 20 (2) for home loans in which the interest varies according to an
 21 index, the sum of the index rate as of the date of closing plus
 22 the maximum margin permitted at any time under the loan
 23 agreement; or
 24 (3) for all other home loans in which the rate may vary at any
 25 time during the term of the loan, the maximum rate that may
 26 be charged during the term of the home loan.

27 Chapter 3. Prohibited Lending Practices Generally

28 Sec. 0.1. A person is not subject to a prohibition or requirement
 29 of:

- 30 (1) IC 24-9-3 (before its repeal) and IC 24-9-4 (before its
 31 repeal), both as added by P.L.73-2004; or
 32 (2) this chapter and IC 37-5-4;

33 with respect to a loan made before January 1, 2005.

34 Sec. 1. (a) A creditor making a home loan may not finance,
 35 directly or indirectly, any:

- 36 (1) credit life insurance;
 37 (2) credit disability insurance;
 38 (3) credit unemployment insurance;
 39 (4) credit property insurance; or
 40 (5) payments directly or indirectly for any cancellation
 41 suspension agreement or contract.

42 (b) Insurance premiums, debt cancellation fees, or suspension



1 fees calculated and paid on a monthly basis are not considered to
2 be financed by the creditor for purposes of this chapter.

3 **Sec. 2. (a)** A creditor may not knowingly or intentionally replace
4 or consolidate a zero (0) interest rate or other subsidized low rate
5 loan made by a governmental or nonprofit lender with a high cost
6 home loan within the first ten (10) years of the subsidized low rate
7 loan unless the current holder of the loan consents in writing to the
8 refinancing.

9 (b) For purposes of this section, a "subsidized low rate loan" is
10 a loan that carries a current interest rate of at least two (2)
11 percentage points below the current yield on treasury securities
12 with a comparable maturity. If the loan's current interest rate is
13 either a discounted introductory rate or a rate that automatically
14 steps up over time, the fully indexed rate or the fully stepped up
15 rate, as appropriate, should be used instead of the current rate to
16 determine whether a loan is a subsidized low rate loan.

17 (c) Each mortgage or deed of trust securing a zero (0) interest
18 rate or other subsidized low rate loan executed after January 1,
19 2005, must prominently display the following on the face of the
20 instrument:

21 "This instrument secures a zero (0) interest rate or other
22 subsidized low rate loan subject to IC 37-5-3-2."

23 (d) A creditor may reasonably rely on the presence or absence
24 of the statement described in subsection (c) on the face of an
25 instrument executed after January 1, 2005, as conclusive proof of
26 the existence or nonexistence of a zero (0) interest rate or other
27 subsidized low rate loan.

28 **Sec. 3.** A creditor may not recommend or encourage default on
29 an existing loan or other debt before and in connection with the
30 closing or planned closing of a home loan that refinances all or part
31 of the existing loan or debt.

32 **Sec. 4.** A creditor shall treat each payment made by a borrower
33 in regard to a home loan as posted on the same business day as the
34 payment was received by the creditor, servicer, or creditor's agent,
35 or at the address provided to the borrower by the creditor,
36 servicer, or creditor's agent for making payments.

37 **Sec. 5. (a)** A home loan agreement may not contain a provision
38 that permits the creditor, in the creditor's sole discretion, to
39 accelerate the indebtedness without material cause.

40 (b) This section does not prohibit acceleration of a home loan in
41 good faith due to the borrower's failure to abide by the material
42 terms of the loan.



1 **Sec. 6. (a) A creditor may not charge a fee for informing or**
2 **transmitting to a person the balance due to pay off a home loan or**
3 **to provide a written release upon prepayment. A creditor must**
4 **provide, in writing, a payoff balance not later than seven (7)**
5 **business days (excluding legal public holidays, Saturdays, and**
6 **Sundays) after the request is received by the creditor. A payoff**
7 **statement provided by a creditor under this subsection must show**
8 **the date the statement was prepared and itemize the unpaid**
9 **principal balance and each fee, charge, or other sum included**
10 **within the payoff amount. For purposes of this subsection, "fee"**
11 **does not include actual charges incurred by a creditor for express**
12 **or priority delivery of home loan documents to the borrower if**
13 **such delivery is requested by the borrower.**

14 **(b) This subsection applies to a home loan, or the refinancing or**
15 **consolidation of a home loan, that:**

16 **(1) is closed after June 30, 2009; and**

17 **(2) has an interest rate that is subject to change at one (1) or**
18 **more times during the term of the home loan.**

19 **A creditor in a transaction to which this subsection applies may not**
20 **contract for and may not charge the borrower a prepayment fee or**
21 **penalty.**

22 **(c) This subsection applies to a home loan with respect to which**
23 **any installment or minimum payment due is delinquent for at least**
24 **sixty (60) days. The creditor, servicer, or the creditor's agent shall**
25 **acknowledge a written offer made in connection with a proposed**
26 **short sale not later than five (5) business days (excluding legal**
27 **public holidays, Saturdays, and Sundays) after the date of the offer**
28 **if the offer complies with the requirements for a qualified written**
29 **request set forth in 12 U.S.C. 2605(e)(1)(B). The creditor, servicer,**
30 **or creditor's agent is required to acknowledge a written offer made**
31 **in connection with a proposed short sale from a third party acting**
32 **on behalf of the debtor only if the debtor has provided written**
33 **authorization for the creditor, servicer, or creditor's agent to do so.**
34 **Not later than thirty (30) business days (excluding legal public**
35 **holidays, Saturdays, and Sundays) after receipt of an offer under**
36 **this subsection, the creditor, servicer, or creditor's agent shall**
37 **respond to the offer with an acceptance or a rejection of the offer.**
38 **The thirty (30) day period described in this subsection may be**
39 **extended for not more than fifteen (15) business days (excluding**
40 **legal public holidays, Saturdays, and Sundays) if, before the end of**
41 **the thirty (30) day period, the creditor, the servicer, or the**
42 **creditor's agent notifies the debtor of the extension and the reason**



1 the extension is needed. As used in this subsection, "short sale"
 2 means a transaction in which the property that is the subject of a
 3 home loan is sold for an amount that is less than the amount of the
 4 borrower's outstanding obligation on the home loan. A creditor, a
 5 servicer, or a creditor's agent that fails to respond to an offer
 6 within the time prescribed by this subsection is liable in accordance
 7 with 12 U.S.C. 2605(f) in any action brought under that section.

8 Sec. 7. (a) As used in this section, "mortgage transaction"
 9 includes the following:

10 (1) A home loan subject to this article.

11 (2) To the extent allowed under federal law, a loan described
 12 in IC 37-5-1-1 that is secured by a mortgage or a land
 13 contract (or another consensual security interest equivalent
 14 to a mortgage or a land contract) on real estate in Indiana on
 15 which there is located or will be located a structure or
 16 structures:

17 (A) designed primarily for occupancy of one (1) to four (4)
 18 families; and

19 (B) that is or will be occupied by a borrower as the
 20 borrower's principal dwelling.

21 (3) A first lien mortgage transaction (as defined in
 22 IC 37-1-2-18) subject to IC 37-1.

23 (4) A consumer credit sale subject to IC 37-2-3 in which a
 24 mortgage or a land contract (or another consensual security
 25 interest equivalent to a mortgage or a land contract) that
 26 constitutes a lien is created or retained against land:

27 (A) that is located in Indiana; and

28 (B) upon which there is constructed or intended to be
 29 constructed a dwelling that is or will be used by the debtor
 30 primarily for personal, family, or household purposes.

31 (5) A consumer loan subject to IC 37-2-4 in which a mortgage
 32 or a land contract (or another consensual security interest
 33 equivalent to a mortgage or a land contract) that constitutes
 34 a lien is created or retained against land:

35 (A) that is located in Indiana; and

36 (B) upon which there is constructed or intended to be
 37 constructed a dwelling that is or will be used by the debtor
 38 primarily for personal, family, or household purposes.

39 (6) A loan in which a mortgage or a land contract (or another
 40 consensual security interest equivalent to a mortgage or a
 41 land contract) that constitutes a lien is created or retained
 42 against land:



- 1 (A) that is located in Indiana;
 2 (B) upon which there is constructed or intended to be
 3 constructed a dwelling that is not or will not be used by the
 4 borrower primarily for personal, family, or household
 5 purposes; and
 6 (C) that is classified as residential for property tax
 7 purposes.
 8 The term includes a loan that is secured by land in Indiana
 9 upon which there is constructed or intended to be constructed
 10 a dwelling that is purchased by or through the borrower for
 11 investment or other business purposes.
 12 (7) A reverse mortgage transaction that is secured by real
 13 estate in Indiana on which there is located a structure that is
 14 occupied by a borrower as the borrower's principal dwelling.
 15 (b) As used in this section, "real estate transaction" means the
 16 sale or lease of any legal or equitable interest in real estate:
 17 (1) that is located in Indiana;
 18 (2) upon which there is constructed or intended to be
 19 constructed a dwelling; and
 20 (3) that is classified as residential for property tax purposes.
 21 (c) A person may not do any of the following:
 22 (1) Divide a home loan transaction into separate parts with
 23 the intent of evading a provision of this article.
 24 (2) Structure a home loan transaction as an open-end loan
 25 with the intent of evading the provisions of this article if the
 26 home loan would be a high cost home loan if the home loan
 27 had been structured as a closed-end loan.
 28 (3) Engage in a deceptive act in connection with a mortgage
 29 transaction or a real estate transaction.
 30 (4) Engage in, or solicit to engage in, a real estate transaction
 31 or a mortgage transaction without a permit or license
 32 required by law.
 33 (5) With respect to a real estate transaction or a mortgage
 34 transaction, represent that:
 35 (A) the transaction has:
 36 (i) certain terms or conditions; or
 37 (ii) the sponsorship or approval of a particular person or
 38 entity;
 39 that it does not have and that the person knows or
 40 reasonably should know it does not have; or
 41 (B) the real estate or property that is the subject of the
 42 transaction has any improvements, appurtenances, uses,



- 1 characteristics, or associated benefits that it does not have
 2 and that the person knows or reasonably should know it
 3 does not have.
- 4 **(6) Maintain or offer to maintain an account for the receipt of**
 5 **funds for the payment of real estate taxes and insurance**
 6 **unless the person is any of the following:**
- 7 **(A) Any of the following that is chartered under the laws**
 8 **of a state or the United States:**
- 9 **(i) A bank.**
 10 **(ii) A savings and loan association.**
 11 **(iii) A credit union.**
 12 **(iv) A savings bank.**
- 13 **(B) The creditor in a mortgage transaction.**
 14 **(C) A mortgage servicer acting on behalf of the creditor in**
 15 **a mortgage transaction.**
 16 **(D) A closing agent (as defined in IC 27-7-3.7-1).**
- 17 **(7) Fail to provide the notice required under subsection (d),**
 18 **within the time specified in subsection (d), if the person is a**
 19 **seller in a real estate transaction described in subsection (d).**
- 20 **(d) This subsection applies to a real estate transaction that**
 21 **involves a land contract between the seller and the buyer in the**
 22 **transaction. If the real estate that is the subject of the transaction**
 23 **is subject to any encumbrance, including any tax lien, foreclosure**
 24 **action, legal judgment, or other encumbrance affecting the title to**
 25 **the real estate, the seller must provide written notice by certified**
 26 **mail, return receipt requested, of the encumbrance to the buyer:**
- 27 **(1) not later than the time the land contract is executed, if the**
 28 **encumbrance is created before or at the time the land**
 29 **contract is executed; or**
 30 **(2) not later than ten (10) business days after the**
 31 **encumbrance is created, if the encumbrance is created after**
 32 **the land contract is executed.**
- 33 **Sec. 8. A person seeking to enforce section 7(c)(3), 7(c)(4), or**
 34 **7(c)(5) of this chapter may not knowingly or intentionally**
 35 **intimidate, coerce, or harass another person.**
- 36 **Sec. 9. It is unlawful for a creditor to discriminate against any**
 37 **applicant with respect to any aspect of a credit transaction on the**
 38 **basis of race, color, religion, national origin, sex, marital status, or**
 39 **age, if the applicant has the ability to contract.**
- 40 **Chapter 4. Additional Prohibitions for High Cost Home Loans**
 41 **Sec. 0.1. A person is not subject to a prohibition or requirement**
 42 **of:**



- 1 (1) IC 24-9-3 (before its repeal) and IC 24-9-4 (before its
- 2 repeal), both as added by P.L.73-2004; or
- 3 (2) this chapter and IC 37-5-3;
- 4 with respect to a loan made before January 1, 2005.
- 5 Sec. 1. The following additional limitations and prohibited
- 6 practices apply to a high cost home loan:
- 7 (1) A creditor making a high cost home loan may not directly
- 8 or indirectly finance any points and fees.
- 9 (2) This subdivision does not apply to a high cost home loan
- 10 described in IC 37-5-3-6(b). Prepayment fees or penalties may
- 11 not be included in the loan documents for a high cost home
- 12 loan or charged to the borrower if the fees or penalties exceed
- 13 in total two percent (2%) of the high cost home loan amount
- 14 prepaid during the first twenty-four (24) months after the
- 15 high cost home loan closing.
- 16 (3) This subdivision does not apply to a high cost home loan
- 17 described in IC 37-5-3-6(b). A prepayment penalty may not be
- 18 contracted for after the second year following the high cost
- 19 home loan closing.
- 20 (4) This subdivision does not apply to a high cost home loan
- 21 described in IC 37-5-3-6(b). A creditor may not include a
- 22 prepayment penalty fee in a high cost home loan unless the
- 23 creditor offers the borrower the option of choosing a loan
- 24 product without a prepayment fee. The terms of the offer
- 25 must be made in writing and must be initialed by the
- 26 borrower. The document containing the offer must be clearly
- 27 labeled in large bold type and must include the following
- 28 disclosure:
- 29 "LOAN PRODUCT CHOICE
- 30 I was provided with an offer to accept a product both with
- 31 and without a prepayment penalty provision. I have chosen
- 32 to accept the product with a prepayment penalty."
- 33 (5) A creditor shall not sell or otherwise assign a high cost
- 34 home loan without furnishing the following statement to the
- 35 purchaser or assignee:
- 36 "NOTICE: This is a loan subject to special rules under
- 37 IC 37-5. Purchasers or assignees may be liable for all
- 38 claims and defenses with respect to the loan that the
- 39 borrower could assert against the lender."
- 40 (6) A mortgage or deed of trust that secures a high cost home
- 41 loan at the time the mortgage or deed of trust is recorded
- 42 must prominently display the following on the face of the



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instrument:

"This instrument secures a high cost home loan as defined in IC 37-5-2-8."

(7) A creditor making a high cost home loan may not finance, directly or indirectly, any life or health insurance.

Sec. 2. A creditor may not knowingly or intentionally:

(1) refinance a high cost home loan by charging points and fees on the part of the proceeds of the new high cost home loan that is used to refinance the existing high cost loan within four (4) years of the origination of the existing high cost home loan; or

(2) divide a home loan transaction into multiple transactions with the effect of evading this article. Where multiple transactions are involved, the total points and fees charged in all transactions shall be considered when determining whether the protections of this section apply.

Sec. 3. Notwithstanding IC 37-2-4-15, a high cost home loan agreement may not require a scheduled payment that is more than twice as large as the average of earlier scheduled monthly payments under the high cost home loan agreement unless the payment becomes due and payable at least one hundred twenty (120) months after the date of the high cost home loan. This prohibition does not apply if:

(1) the payment schedule is adjusted to account for the seasonal or irregular income of the borrower; or

(2) the loan is a bridge loan connected with or related to the acquisition or construction of a dwelling intended to become the borrower's principal dwelling.

Sec. 4. (a) Except as provided in subsection (b), a high cost home loan may not include payment terms under which the outstanding principal balance will increase at any time over the course of the high cost home loan because the regular periodic payments do not cover the full amount of interest due.

(b) This section does not apply to a temporary forbearance that is requested by a borrower regarding a high cost home loan.

Sec. 5. A high cost home loan may not contain a provision that increases the interest rate after default. However, this section does not apply to interest rate changes in a variable rate loan otherwise consistent with the provisions of the high cost home loan documents if the change in the interest rate is not triggered by the event of default or the acceleration of the indebtedness.

Sec. 6. A high cost home loan may not include terms under



1 which more than two (2) periodic payments required under the
 2 high cost home loan are consolidated and paid in advance from the
 3 high cost home loan proceeds provided to the borrower.

4 **Sec. 7. A creditor may not make a high cost home loan without**
 5 **first providing the borrower information to facilitate contact with**
 6 **a nonprofit counseling agency certified by:**

7 (1) the United States Department of Housing and Urban
 8 Development; or

9 (2) the Indiana housing and community development
 10 authority under IC 5-20-1-4(d);

11 at the same time as the good faith estimates are provided to the
 12 borrower in accordance with the requirements of the federal Real
 13 Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) as
 14 amended.

15 **Sec. 8. (a) A creditor may not make a high cost home loan**
 16 **without regard to repayment ability.**

17 (b) If a creditor presents evidence that the creditor followed
 18 commercially reasonable practices in determining the borrower's
 19 debt to income ratio, there is a rebuttable presumption that the
 20 creditor made the high cost home loan with due regard to
 21 repayment ability. For purposes of this section, there is a
 22 rebuttable presumption that the borrower's statement of income
 23 provided to the creditor is true and complete.

24 (c) Commercially reasonable practices include the use of:

25 (1) the debt to income ratio:

26 (A) listed in 38 CFR 36.4337(c)(1); and

27 (B) defined in 38 CFR 36.4337(d); and

28 (2) the residual income guidelines established under:

29 (A) 38 CFR 36.4337(e); and

30 (B) United States Department of Veterans Affairs form
 31 26-6393.

32 **Sec. 9. A creditor may not pay a contractor under a home**
 33 **improvement contract from the proceeds of a high cost home loan**
 34 **unless:**

35 (1) the creditor is presented with a signed and dated
 36 completion certificate showing that the home improvements
 37 have been completed; and

38 (2) the instrument is payable to the borrower or jointly to the
 39 borrower and the contractor or, at the election of the
 40 borrower, through a third party escrow agent under a written
 41 agreement signed by the borrower, the creditor, and the
 42 contractor before the disbursement.



1 **Sec. 10. A creditor may not charge a borrower any fees or other**
2 **charges to modify, renew, extend, or amend a high cost home loan**
3 **or to defer a payment due under the terms of a high cost home**
4 **loan.**

5 **Sec. 11. A creditor may not make a high cost home loan unless**
6 **the creditor has given the following notice, in writing, to the**
7 **borrower not later than the time that notice is required under 12**
8 **CFR 226.31(c):**

9 **"NOTICE TO BORROWER**

10 **YOU SHOULD BE AWARE THAT YOU MIGHT BE ABLE**
11 **TO OBTAIN A LOAN AT A LOWER COST. YOU SHOULD**
12 **COMPARE LOAN RATES, COSTS, AND FEES.**
13 **MORTGAGE LOAN RATES AND CLOSING COSTS AND**
14 **FEES VARY BASED ON MANY FACTORS, INCLUDING**
15 **YOUR PARTICULAR CREDIT AND FINANCIAL**
16 **CIRCUMSTANCES, YOUR EMPLOYMENT HISTORY,**
17 **THE LOAN-TO-VALUE REQUESTED, AND THE TYPE**
18 **OF PROPERTY THAT WILL SECURE YOUR LOAN. THE**
19 **LOAN RATE, COSTS, AND FEES COULD ALSO VARY**
20 **BASED ON WHICH CREDITOR OR BROKER YOU**
21 **SELECT.**

22 **IF YOU ACCEPT THE TERMS OF THIS LOAN, THE**
23 **CREDITOR WILL HAVE A MORTGAGE LIEN ON YOUR**
24 **HOME. YOU COULD LOSE YOUR HOME AND ANY**
25 **MONEY YOU HAVE PAID IF YOU DO NOT MEET YOUR**
26 **PAYMENT OBLIGATIONS UNDER THE LOAN.**

27 **YOU SHOULD CONSULT AN ATTORNEY AND A**
28 **QUALIFIED INDEPENDENT CREDIT COUNSELOR OR**
29 **OTHER EXPERIENCED FINANCIAL ADVISER**
30 **REGARDING THE RATE, FEES, AND PROVISIONS OF**
31 **THIS MORTGAGE LOAN BEFORE YOU PROCEED. A**
32 **LIST OF QUALIFIED COUNSELORS IS AVAILABLE**
33 **FROM THE INDIANA HOUSING AND COMMUNITY**
34 **DEVELOPMENT AUTHORITY.**

35 **YOU ARE NOT REQUIRED TO COMPLETE THIS LOAN**
36 **AGREEMENT MERELY BECAUSE YOU HAVE**
37 **RECEIVED THIS DISCLOSURE OR HAVE SIGNED A**
38 **LOAN APPLICATION. REMEMBER, PROPERTY TAXES**
39 **AND HOMEOWNER'S INSURANCE ARE YOUR**
40 **RESPONSIBILITY. NOT ALL CREDITORS PROVIDE**
41 **ESCROW SERVICES FOR THESE PAYMENTS. YOU**
42 **SHOULD ASK YOUR CREDITOR ABOUT THESE**



1 SERVICES.

2 ALSO, YOUR PAYMENTS ON EXISTING DEBTS
3 CONTRIBUTE TO YOUR CREDIT RATINGS. YOU
4 SHOULD NOT ACCEPT ANY ADVICE TO IGNORE
5 YOUR REGULAR PAYMENTS TO YOUR EXISTING
6 CREDITORS.".

7 Sec. 12. Without regard to whether a borrower is acting
8 individually or on behalf of others similarly situated, a provision
9 of a high cost home loan agreement that:

10 (1) requires arbitration of a claim or defense;

11 (2) allows a party to require a borrower to assert a claim or
12 defense in a forum that is:

13 (A) less convenient;

14 (B) more costly; or

15 (C) more dilatory;

16 for the resolution of the dispute than an Indiana court in
17 which the borrower may otherwise bring a claim or defense;
18 or

19 (3) limits in any way any claim or defense the borrower may
20 have;

21 is unconscionable and void.

22 Chapter 5. Claims, Defenses, Remedies

23 Sec. 1. (a) A person who purchases or is otherwise assigned a
24 high cost home loan is subject to all affirmative claims and any
25 defenses, except for an affirmative claim or defense pursuant to
26 IC 37-5-3-7, with respect to the high cost home loan that the
27 borrower could assert against a creditor or broker of the high cost
28 home loan. However, this section does not apply if the purchaser or
29 assignee demonstrates by a preponderance of the evidence that a
30 reasonable person exercising ordinary due diligence could not
31 determine that the loan was a high cost home loan. A purchaser or
32 an assignee is presumed to have exercised reasonable due diligence
33 if the purchaser or assignee:

34 (1) has in place at the time of the purchase or assignment of
35 the subject loans, policies that expressly prohibit the purchase
36 or acceptance of the assignment of any high cost home loans;

37 (2) requires by contract that a seller or an assignor of home
38 loans to the purchaser or assignee represents and warrants to
39 the purchaser or assignee that either:

40 (A) the seller or assignor will not sell or reassign any high
41 cost home loans to the purchaser or assignee; or

42 (B) the seller or assignor is a beneficiary of a



- 1 representation and warranty from a previous seller or
 2 assignor to that effect;
- 3 **(3) exercises reasonable due diligence:**
- 4 **(A) at the time of purchase or assignment of home loans;**
 5 **or**
- 6 **(B) within a reasonable period after the purchase or**
 7 **assignment of home loans;**
- 8 **intended by the purchaser or assignee to prevent the**
 9 **purchaser or assignee from purchasing or taking assignment**
 10 **of any high cost home loans; or**
- 11 **(4) satisfies the requirements of subdivisions (1) and (2) and**
 12 **establishes that a reasonable person exercising ordinary due**
 13 **diligence could not determine that the loan was a high cost**
 14 **home loan based on the:**
- 15 **(A) documentation required by the federal Truth in**
 16 **Lending Act (15 U.S.C. 1601 et seq.); and**
- 17 **(B) itemization of the amount financed and other**
 18 **disbursement disclosures.**
- 19 **(b) A borrower acting only in an individual capacity may assert**
 20 **against the creditor or any subsequent holder or assignee of a high**
 21 **cost home loan:**
- 22 **(1) a violation of IC 37-5-4-2 as a defense, claim, or**
 23 **counterclaim, after:**
- 24 **(A) an action to enjoin foreclosure or to preserve or obtain**
 25 **possession of the dwelling that secures the loan is initiated;**
 26 **(B) an action to collect on the loan or foreclose on the**
 27 **collateral securing the loan is initiated; or**
- 28 **(C) the loan is more than sixty (60) days in default;**
 29 **within three (3) years after the closing of a home loan;**
- 30 **(2) a violation of this article in connection to the high cost**
 31 **home loan as a defense, claim, or counterclaim in an original**
 32 **action within five (5) years after the closing of a high cost**
 33 **home loan; and**
- 34 **(3) any defense, claim, counterclaim, or action to enjoin**
 35 **foreclosure or preserve or obtain possession of the home that**
 36 **secures the loan, including a violation of this article after:**
- 37 **(A) an action to collect on the loan or foreclose on the**
 38 **collateral securing the loan is initiated;**
- 39 **(B) the debt arising from the loan is accelerated; or**
 40 **(C) the loan is more than sixty (60) days in default;**
 41 **at any time during the term of a high cost home loan.**
- 42 **(c) In an action, a claim, or a counterclaim brought under**



1 subsection (b), the borrower may recover only amounts required
 2 to reduce or extinguish the borrower's liability under a home loan
 3 plus amounts required to recover costs, including reasonable
 4 attorney's fees.

5 (d) The provisions of this section are effective notwithstanding
 6 any other provision of law. This section shall not be construed to
 7 limit the substantive rights, remedies, or procedural rights
 8 available to a borrower against any creditor, assignee, or holder
 9 under any other law. The rights conferred on borrowers by
 10 subsections (a) and (b) are independent of each other and do not
 11 limit each other.

12 Sec. 2. (a) If a creditor asserts that grounds for acceleration
 13 under the terms of a high cost home loan exist and requires the
 14 payment in full of all sums secured by the security instrument, the
 15 borrower or a person authorized to act on the borrower's behalf at
 16 any time before the title is transferred by means of foreclosure,
 17 judicial proceeding and sale, or otherwise may cure the default and
 18 reinstate the high cost home loan by tendering the amount or
 19 performance as specified in the security instrument.

20 (b) If the borrower cures the default on a high cost home loan,
 21 the original loan terms shall be reinstated, and any acceleration of
 22 any obligation under the security instrument or note arising from
 23 the default is nullified as of the date of the cure.

24 Sec. 3. (a) A creditor making a high cost home loan that has the
 25 right to foreclose must use the judicial foreclosure procedures of
 26 the state in which the property securing the high cost home loan is
 27 located. The borrower has the right to assert in the proceeding the
 28 nonexistence of a default and any other claim or defense to
 29 acceleration and foreclosure, including any claim or defense based
 30 on any violations of this article.

31 (b) This section is not intended and shall not be construed to
 32 allow any claim or defense otherwise barred by any statute of
 33 limitation or repose.

34 Sec. 4. (a) This section does not apply to a violation of
 35 IC 37-5-3-7(c)(4), IC 37-5-3-7(c)(5), or IC 37-5-3-7(c)(6). A person
 36 who violates this article is liable to a person who is a party to the
 37 home loan transaction, mortgage transaction (as defined in
 38 IC 37-5-3-7(a)), or real estate transaction (as defined in
 39 IC 37-5-3-7(b)), as appropriate, that gave rise to the violation for
 40 the following:

41 (1) Actual damages, including consequential damages. A
 42 person is not required to demonstrate reliance in order to



1 receive actual damages.

2 (2) Statutory damages equal to two (2) times the finance
3 charges agreed to in a home loan agreement.

4 (3) Costs and reasonable attorney's fees.

5 (b) A person may be granted injunctive, declaratory, and other
6 equitable relief as the court determines appropriate in an action to
7 enforce compliance with this chapter.

8 (c) The right of rescission granted under 15 U.S.C. 1601 et seq.
9 for a violation of the federal Truth in Lending Act (15 U.S.C. 1601
10 et seq.) is available to a person acting only in an individual capacity
11 by way of recoupment as a defense against a party foreclosing on
12 a home loan at any time during the term of the loan. Any
13 recoupment claim asserted under this provision is limited to the
14 amount required to reduce or extinguish the person's liability
15 under the home loan plus amounts required to recover costs,
16 including reasonable attorney's fees. This article shall not be
17 construed to limit the recoupment rights available to a person
18 under any other law.

19 (d) The remedies provided in this section are cumulative but are
20 not intended to be the exclusive remedies available to a person.
21 Except as provided in subsection (e), a person is not required to
22 exhaust any administrative remedies under this article or under
23 any other applicable law.

24 (e) Before bringing an action regarding an alleged deceptive act
25 under this chapter, a person must:

26 (1) notify the homeowner protection unit established by
27 IC 4-6-12-2 of the alleged violation giving rise to the action;
28 and

29 (2) allow the homeowner protection unit at least ninety (90)
30 days to institute appropriate administrative and civil action
31 to redress a violation.

32 (f) An action under this chapter must be brought within five (5)
33 years after the date that the person knew, or by the exercise of
34 reasonable diligence should have known, of the violation of this
35 article.

36 (g) An award of damages under subsection (a) has priority over
37 a civil penalty imposed under this article.

38 Sec. 5. (a) If the creditor or an assignee establishes by a
39 preponderance of evidence that a violation of this article is
40 unintentional or the result of a bona fide error of law or fact
41 notwithstanding the maintenance of procedures reasonably
42 adopted to avoid any such violation or error, the validity of the



1 transaction is not affected, and no liability is imposed under section
2 4 of this chapter except in the case of a refusal to make a refund.

3 (b) Except as provided in subsection (c), a creditor in a high cost
4 home loan who in good faith fails to comply with this article is not
5 considered to have violated this article if the creditor does the
6 following before receiving notice of the failure from the borrower:

7 (1) Not later than ninety (90) days after the date of the loan
8 closing:

9 (A) makes appropriate restitution to the borrower of any
10 amounts collected in error; and

11 (B) takes necessary action to make all appropriate
12 adjustments to the loan to correct the error.

13 (2) Not later than one hundred twenty (120) days after the
14 date of the loan closing, notifies the borrower of:

15 (A) the error; and

16 (B) the amount of the required restitution or adjustment.

17 (c) Subsection (b) does not apply unless the creditor establishes
18 that the compliance failure was not intentional and resulted from
19 a bona fide error of fact or law, notwithstanding the maintenance
20 of procedures reasonably adopted to avoid the errors.

21 Sec. 6. The rights conferred by this article are in addition to
22 rights granted under any other law.

23 Chapter 6. Reporting Requirements

24 Sec. 1. (a) A servicer of a high cost home loan shall report at
25 least once each calendar quarter to a nationally recognized
26 consumer credit reporting agency both the favorable and
27 unfavorable payment history information of the borrower on
28 payments due to the creditor on a high cost home loan.

29 (b) This section does not prohibit a servicer from agreeing with
30 the borrower not to report specified payment history information
31 in the event of a resolved or an unresolved dispute with a borrower
32 and does not apply to high cost home loans held or serviced by a
33 lender for less than ninety (90) days.

34 Chapter 7. State Power to Regulate Lending

35 Sec. 1. The state is the sole regulator of the business of
36 originating, granting, servicing, and collecting loans and other
37 forms of credit in Indiana and the manner in which the business is
38 conducted. This regulation preempts all other regulation of these
39 activities by any political subdivision.

40 Sec. 2. Political subdivisions may not:

41 (1) enact, issue, or enforce ordinances, resolutions,
42 regulations, orders, requests for proposals, or requests for



1 bids pertaining to financial or lending activities, including
 2 ordinances, resolutions, and rules that disqualify persons
 3 from doing business with a municipality and that are based
 4 upon lending terms or practices; or

5 (2) impose reporting requirements or any other obligations
 6 upon persons regarding financial services or lending practices
 7 or upon subsidiaries or affiliates that:

8 (A) are subject to the jurisdiction of the department of
 9 financial institutions;

10 (B) are subject to the jurisdiction or regulatory supervision
 11 of the Board of Governors of the Federal Reserve System,
 12 the Office of the Comptroller of the Currency, the National
 13 Credit Union Administration, the Federal Deposit
 14 Insurance Corporation, the Federal Trade Commission, or
 15 the United States Department of Housing and Urban
 16 Development;

17 (C) are chartered by the United States Congress to engage
 18 in secondary market mortgage transactions;

19 (D) are created by the Indiana housing and community
 20 development authority; or

21 (E) originate, purchase, sell, assign, securitize, or service
 22 property interests or obligations created by financial
 23 transactions or loans made, executed, originated, or
 24 purchased by persons referred to in clause (A), (B), (C), or
 25 (D).

26 **Chapter 8. Penalties and Enforcement**

27 **Sec. 1.** A person who knowingly or intentionally violates this
 28 article commits:

29 (1) a Class A misdemeanor; and

30 (2) except for a violation of IC 37-5-3-7(c)(4) by a person
 31 required to be licensed by the department of financial
 32 institutions, an act that is actionable by the attorney general
 33 under IC 24-5-0.5 and is subject to the penalties listed in
 34 IC 24-5-0.5.

35 **Sec. 2.** (a) The attorney general and the attorney general's
 36 homeowner protection unit established under IC 4-6-12 shall
 37 enforce this article. An action may not be brought under this
 38 article more than five (5) years after the occurrence of the
 39 violation.

40 (b) The attorney general may refer a matter under section 1 of
 41 this chapter to a prosecuting attorney for enforcement.

42 **Sec. 3.** (a) This section does not apply to a violation of



1 IC 37-5-3-7(c)(4) by a person required to be licensed by the
 2 department of financial institutions. The attorney general may
 3 bring an action to enjoin a violation of this article. A court in which
 4 the action is brought may:

- 5 (1) issue an injunction;
 6 (2) order a person to make restitution;
 7 (3) order a person to reimburse the state for reasonable costs
 8 of the attorney general's investigation and prosecution of the
 9 violation of this article; and
 10 (4) impose a civil penalty of not more than ten thousand
 11 dollars (\$10,000) per violation.

12 (b) A person who violates an injunction under this section is
 13 subject to a civil penalty of not more than ten thousand dollars
 14 (\$10,000) per violation.

15 (c) The court that issues an injunction retains jurisdiction over
 16 a proceeding seeking the imposition of a civil penalty under this
 17 section.

18 **Sec. 4.** The attorney general may file complaints with any of the
 19 agencies listed in IC 4-6-12-4 to implement this chapter.

20 **Chapter 9. Fees**

21 **Sec. 1.** The county recorder shall assess a fee for each mortgage
 22 recorded that shall be paid to the county treasurer at the end of
 23 each calendar month as set forth in IC 36-2-7-10(c)(2).

24 **Sec. 2.** On or before June 20 and December 20 of each year,
 25 after completing an audit of the county treasurer's monthly reports
 26 required by IC 36-2-10-16, the county auditor shall distribute to
 27 the state comptroller two dollars and fifty cents (\$2.50) of the
 28 mortgage recording fee collected under IC 36-2-7-10(c)(2) for each
 29 mortgage recorded by the county recorder. The state comptroller
 30 shall deposit the money in the state general fund to be distributed
 31 as described in section 3 of this chapter.

32 **Sec. 3.** On or before June 30 and December 31 of each year the
 33 state comptroller shall distribute one dollar and twenty-five cents
 34 (\$1.25) of the mortgage recording fee to the state general fund and
 35 one dollar and twenty-five cents (\$1.25) of the mortgage recording
 36 fee to the homeowner protection unit account established by
 37 IC 4-6-12-9.

38 **SECTION 98.** [EFFECTIVE JULY 1, 2026] (a) This SECTION
 39 applies to a person subject to:

- 40 (1) IC 24-4.4;
 41 (2) IC 24-4.5;
 42 (3) IC 24-5.5; or



- 1 **(4) IC 24-9;**
2 **before their repeal.**
3 **(b) A person described in subsection (a) has until July 1, 2027,**
4 **to amend any document, website, or business communication to**
5 **comply with the recodification of the statutes described in**
6 **subsection (a) in IC 37, as added by this act.**
7 **(c) This SECTION expires June 30, 2028.**
8 SECTION 99. [EFFECTIVE JULY 1, 2026] **(a) As used in the**
9 **recodification act of the 2026 regular session of the general**
10 **assembly, a reference to rules adopted under any provision of**
11 **IC 24-4.4, IC 24-4.5, IC 24-5.5, or IC 24-9 or under any other**
12 **provision of the recodification act of the 2026 regular session of the**
13 **general assembly refers to either:**
14 **(1) rules adopted under the recodification act of the 2026**
15 **regular session of the general assembly; or**
16 **(2) rules adopted under the prior law until those rules have**
17 **been amended, repealed, or superseded.**
18 **(b) Rules adopted under prior law continue in effect after June**
19 **30, 2026, until the rules are amended, repealed, or suspended.**
20 **(c) Before January 1, 2028, the department of financial**
21 **institutions and the secretary of state shall amend its rules to**
22 **comply with the changes made by this act.**
23 **(d) This SECTION expires June 30, 2028.**



COMMITTEE REPORT

Mr. President: The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 169, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 31, between lines 14 and 15, begin a new paragraph and insert:
"SECTION 34. IC 24-5.5 IS REPEALED [EFFECTIVE JULY 1, 2026]. (Mortgage Rescue Protection Fraud)."

Page 33, delete lines 22 through 42, begin a new paragraph and insert:

"SECTION 42. IC 24-9 IS REPEALED [EFFECTIVE JULY 1, 2026]. (Home Loan Practices)."

Delete pages 34 through 35.

Page 36, delete lines 1 through 31.

Page 88, between lines 13 and 14, begin a new paragraph and insert:

"Sec. 0.1. This article must be construed as a recodification of prior law. The enactment of this article by SEA 169-2026 does not affect the substantive operation and effect of the prior law.

Sec. 0.3. A contract entered into in accordance with IC 24-4.4 (before its repeal) is considered a contract entered into in accordance with this article.

Sec. 0.5. Any document, website, or business communication created in accordance with IC 24-4.4 (before its repeal) is considered a document, website, or business communication created in accordance with this article."

Page 132, between lines 18 and 19, begin a new paragraph and insert:

"Sec. 0.1. This article must be construed as a recodification of prior law. The enactment of this article by SEA 169-2026 does not affect the substantive operation and effect of the prior law.

Sec. 0.3. A contract entered into in accordance with IC 24-4.5 (before its repeal) is considered a contract entered into in accordance with this article.

Sec. 0.5. Any document, website, or business communication created in accordance with IC 24-4.5 (before its repeal) is considered a document, website, or business communication created in accordance with this article."

Page 266, between lines 2 and 3, begin a new paragraph and insert:

"Sec. 0.1. This article must be construed as a recodification of prior law. The enactment of this article by SEA 169-2026 does not affect the substantive operation and effect of the prior law.



Sec. 0.3. A contract entered into in accordance with IC 24-4.5-7 (before its repeal) is considered a contract entered into in accordance with this article.

Sec. 0.5. Any document, website, or business communication created in accordance with IC 24-4.5-7 (before its repeal) is considered a document, website, or business communication created in accordance with this article."

Page 279, between lines 9 and 10, begin a new paragraph and insert:

"Sec. 0.1. This article must be construed as a recodification of prior law. The enactment of this article by SEA 169-2026 does not affect the substantive operation and effect of the prior law.

Sec. 0.3. A contract entered into in accordance with IC 24-5.5 (before its repeal) is considered a contract entered into in accordance with this article.

Sec. 0.5. Any document, website, or business communication created in accordance with IC 24-5.5 (before its repeal) is considered a document, website, or business communication created in accordance with this article."

Page 285, between lines 15 and 16, begin a new paragraph and insert:

"Sec. 0.1. This article must be construed as a recodification of prior law. The enactment of this article by SEA 169-2026 does not affect the substantive operation and effect of the prior law.

Sec. 0.3. A contract entered into in accordance with IC 24-9 (before its repeal) is considered a contract entered into in accordance with this article.

Sec. 0.5. Any document, website, or business communication created in accordance with IC 24-9 (before its repeal) is considered a document, website, or business communication created in accordance with this article."

Page 305, after line 16, begin a new paragraph and insert:

"SECTION 99. [EFFECTIVE JULY 1, 2026] (a) This SECTION applies to a person subject to:

- (1) IC 24-4.4;**
- (2) IC 24-4.5;**
- (3) IC 24-5.5; or**
- (4) IC 24-9;**

before their repeal.

(b) A person described in subsection (a) has until July 1, 2027, to amend any document, website, or business communication to comply with the recodification of the statutes described in subsection (a) in IC 37, as added by this act.



(c) This SECTION expires June 30, 2028.

SECTION 100. [EFFECTIVE JULY 1, 2026] **(a) Rules adopted in accordance with:**

- (1) IC 24-4.4;**
- (2) IC 24-4.5;**
- (3) IC 24-5.5; or**
- (4) IC 24-9;**

before their repeal are considered rules adopted in accordance with IC 37, as added by this act, and remain in effect until the rules are amended, repealed, or suspended.

(b) Before January 1, 2028, the department of financial institutions and the secretary of state shall amend its rules to comply with the changes made by this act.

(c) This SECTION expires June 30, 2028."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 169 as introduced.)

BALDWIN, Chairperson

Committee Vote: Yeas 6, Nays 1.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred Senate Bill 169, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 85, between lines 17 and 18, begin a new paragraph and insert:

"Sec. 0.7. (a) A reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2026 regular session of the general assembly is treated after the effective date of the new provision as a reference to the new provision.

(b) A citation reference in the recodification act of the 2026 regular session of the general assembly to another provision of the recodification act of the 2026 regular session of the general assembly is treated as including a reference to the provision of the first lien mortgage lending law that is substantively equivalent to the provision of the recodification act of the 2026 regular session

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of the general assembly that is referred to by the citation reference."

Page 129, between lines 32 and 33, begin a new paragraph and insert:

"Sec. 0.7. (a) A reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2026 regular session of the general assembly is treated after the effective date of the new provision as a reference to the new provision.

(b) A citation reference in the recodification act of the 2026 regular session of the general assembly to another provision of the recodification act of the 2026 regular session of the general assembly is treated as including a reference to the provision of the uniform consumer credit code that is substantively equivalent to the provision of the recodification act of the 2026 regular session of the general assembly that is referred to by the citation reference."

Page 263, between lines 26 and 27, begin a new paragraph and insert:

"Sec. 0.7. (a) A reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2026 regular session of the general assembly is treated after the effective date of the new provision as a reference to the new provision.

(b) A citation reference in the recodification act of the 2026 regular session of the general assembly to another provision of the recodification act of the 2026 regular session of the general assembly is treated as including a reference to the provision of the small loans law that is substantively equivalent to the provision of the recodification act of the 2026 regular session of the general assembly that is referred to by the citation reference."

Page 277, between lines 1 and 2, begin a new paragraph and insert:

"Sec. 0.7. (a) A reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2026 regular session of the general assembly is treated after the effective date of the new provision as a reference to the new provision.

(b) A citation reference in the recodification act of the 2026 regular session of the general assembly to another provision of the recodification act of the 2026 regular session of the general assembly is treated as including a reference to the provision of the law concerning mortgage rescue protection fraud that is



substantively equivalent to the provision of the recodification act of the 2026 regular session of the general assembly that is referred to by the citation reference."

Page 283, between lines 17 and 18, begin a new paragraph and insert:

"Sec. 0.7. (a) A reference in a statute or rule to a statute that is repealed and replaced in the same or a different form in the recodification act of the 2026 regular session of the general assembly is treated after the effective date of the new provision as a reference to the new provision.

(b) A citation reference in the recodification act of the 2026 regular session of the general assembly to another provision of the recodification act of the 2026 regular session of the general assembly is treated as including a reference to the provision of the law concerning home loan practices that is substantively equivalent to the provision of the recodification act of the 2026 regular session of the general assembly that is referred to by the citation reference."

Page 303, delete lines 31 through 42, begin a new paragraph and insert:

"SECTION 99. [EFFECTIVE JULY 1, 2026] (a) As used in the recodification act of the 2026 regular session of the general assembly, a reference to rules adopted under any provision of IC 24-4.4, IC 24-4.5, IC 24-5.5, or IC 24-9 or under any other provision of the recodification act of the 2026 regular session of the general assembly refers to either:

- (1) rules adopted under the recodification act of the 2026 regular session of the general assembly; or**
- (2) rules adopted under the prior law until those rules have been amended, repealed, or superseded.**

(b) Rules adopted under prior law continue in effect after June 30, 2026, until the rules are amended, repealed, or suspended.

(c) Before January 1, 2028, the department of financial institutions and the secretary of state shall amend its rules to comply with the changes made by this act.

(d) This SECTION expires June 30, 2028."

Delete page 304.

and when so amended that said bill do pass.

(Reference is to SB 169 as printed January 16, 2026.)

TESHKA

Committee Vote: yeas 10, nays 0.

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