



February 13, 1998

ENGROSSED HOUSE BILL No. 1185

DIGEST OF HB 1185 (Updated February 12, 1998 9:56 am - DI 77)

Citations Affected: Numerous provisions throughout the Indiana code.

Synopsis: Financial institutions. Fulfills the statutory requirement of P.L.193-1997 that references throughout the Indiana Code be changed from (1) building and loan association; (2) savings and loan association; (3) rural loan and savings association; (4) guaranty loan and savings association; (5) mutual association; and (6) stock association, to savings association. Fulfills the statutory requirement of
(Continued next page)

Effective: July 1, 1998.

**Tabaczynski, Ruppel, Mahern,
Fesko**

(SENATE SPONSOR — PAUL, LANANE)

January 8, 1998, read first time and referred to Committee on Financial Institutions.
January 22, 1998, reported — Do Pass.
January 26, 1998, read second time, ordered engrossed. Engrossed.
January 27, 1998, read third time, passed. Yeas 99, nays 0.

SENATE ACTION

January 30, 1998, read first time and referred to Committee on Financial Institutions.
February 12, 1998, amended, reported favorably — Do Pass.

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EH 1185—LS 7044/DI 94+



Digest Continued

P.L.193-1997 that conforming changes be made regarding savings associations. Allows an optical image of a deposit document to be an original record. Defines association as a building and loan association, rural and loan association, or guaranty loan and savings association organized under Indiana law before June 30, 1997, for purposes of the savings and loan association tax. Eliminates obsolete references to nonexistent rural and loan associations and guaranty loan and savings associations. Replaces a reference to a chapter on adjustable rate mortgages repealed by P.L.193-1997 that allowed savings associations to make renegotiable rate mortgage loans, with a reference to the alternative mortgage loan authority for savings associations. Allows the articles of incorporation of a mutual savings association to provide for alternative voting methods. Changes the term of a notary public commission from ten years to four years. Allows the secretary of state to accept a notary public application by computer or other electronic device. Allows the oath of a notary public to be self administered and certified. Makes technical corrections. Repeals a nonconforming section.

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February 13, 1998

Second Regular Session 110th General Assembly (1998)

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 1997 General Assembly.

ENGROSSED HOUSE BILL No. 1185

A BILL FOR AN ACT to amend the Indiana Code concerning financial institutions.

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

- 1 SECTION 1. IC 3-9-3-4, AS AMENDED BY P.L.3-1995,
2 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 1998]: Sec. 4. (a) Money received by a candidate or
4 committee as a contribution may be used only:
5 (1) to defray any expense reasonably related to the person's or
6 committee's:
7 (A) campaign for federal, state, legislative, or local office;
8 (B) continuing political activity; or
9 (C) activity related to service in an elected office;
10 (2) to make an expenditure to any national, state, or local
11 committee of any political party or another candidate's committee;
12 or
13 (3) upon dissolution of a committee, in a manner permitted under
14 IC 3-9-1-12.
15 (b) Money received by a candidate or committee as a contribution

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1 may not be used for primarily personal purposes by the candidate or by
2 any other person except as described in subsection (a).

3 (c) Money received as a contribution may be invested by a
4 committee in an account with a financial institution, savings ~~and loan~~
5 association, or credit union, or in any equity account. Any loss resulting
6 from an investment under this subsection must be reported as a
7 committee expenditure. Any gain resulting from an investment under
8 this subsection must be reported as income.

9 SECTION 2. IC 4-4-10.9-13 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 13. "Lender" when
11 used in connection with the multiple project program means any
12 federal or state chartered bank, Federal Land Bank, production credit
13 association, bank for cooperatives, savings ~~and loan~~ association,
14 ~~building and loan association~~, small business investment company, or
15 any other institution qualified within the state to originate and service
16 loans, such as insurance companies, credit unions, and mortgage loan
17 companies.

18 SECTION 3. IC 4-10-10-1 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. All warrants drawn
20 by the auditor of the state of Indiana upon funds in custody of the
21 treasurer of said state and all checks authorized by law to be issued
22 from funds in custody of any other state agency, as hereinafter defined,
23 which such warrants or checks have been or may hereafter be
24 outstanding and unpaid for a period of two (2) or more years as of the
25 last day of December of each year shall be declared canceled. No
26 individual, bank, trust company, ~~building and loan savings~~ association
27 or any other financial institution shall honor, cash or accept for
28 payment or deposit any such state warrant or any check issued on any
29 account belonging to the state of Indiana which may be presented for
30 payment and which has been issued and outstanding for a period of two
31 (2) or more years as of the last day of December of any year.

32 SECTION 4. IC 4-22-2-37.1, AS AMENDED BY P.L.27-1997,
33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 1998]: Sec. 37.1. (a) This section applies to a rulemaking
35 action resulting in any of the following rules:

- 36 (1) An order adopted by the commissioner of the Indiana
37 department of transportation under IC 9-20-1-3(d) or
38 IC 9-21-4-7(a) and designated by the commissioner as an
39 emergency rule.
40 (2) An action taken by the director of the department of natural
41 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
42 (3) An emergency temporary standard adopted by the

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- 1 occupational safety standards commission under
2 IC 22-8-1.1-16.1.
- 3 (4) An emergency rule adopted by the solid waste management
4 board under IC 13-22-2-3 and classifying a waste as hazardous.
- 5 (5) A rule, other than a rule described in subdivision (6), adopted
6 by the department of financial institutions under IC 24-4.5-6-107
7 and declared necessary to meet an emergency.
- 8 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
9 department of financial institutions and declared necessary to
10 meet an emergency under IC 24-4.5-6-107.
- 11 (7) A rule adopted by the Indiana utility regulatory commission to
12 address an emergency under IC 8-1-2-113.
- 13 (8) An emergency rule jointly adopted by the water pollution
14 control board and the budget agency under IC 13-18-13-18.
- 15 (9) An emergency rule adopted by the state lottery commission
16 under IC 4-30-3-9.
- 17 (10) A rule adopted under IC 16-19-3-5 that the executive board
18 of the state department of health declares is necessary to meet an
19 emergency.
- 20 (11) An emergency rule adopted by the Indiana transportation
21 finance authority under IC 8-21-12.
- 22 (12) An emergency rule adopted by the insurance commissioner
23 under IC 27-1-23-7.
- 24 (13) An emergency rule adopted by the Indiana horse racing
25 commission under IC 4-31-3-9.
- 26 (14) An emergency rule adopted by the air pollution control
27 board, the solid waste management board, or the water pollution
28 control board under IC 13-15-4-10(4) or to comply with a
29 deadline required by federal law, provided:
- 30 (A) the variance procedures are included in the rules; and
31 (B) permits or licenses granted during the period the
32 emergency rule is in effect are reviewed after the emergency
33 rule expires.
- 34 (15) An emergency rule adopted by the Indiana election
35 commission under IC 3-6-4.1-14.
- 36 (16) An emergency rule adopted by the department of natural
37 resources under IC 14-10-2-5.
- 38 (17) An emergency rule adopted by the Indiana gaming
39 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 40 (18) An emergency rule adopted by the alcoholic beverage
41 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
42 IC 7.1-3-20-24.4.

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- 1 ~~(19) An emergency rule adopted by the department of financial~~
2 ~~institutions under IC 28-1-21.5-5.4.~~
3 ~~(20) (19) An emergency rule adopted by the office of the secretary~~
4 ~~of family and social services under IC 12-8-1-12.~~
5 (b) The following do not apply to rules described in subsection (a):
6 (1) Sections 24 through 36 of this chapter.
7 (2) IC 13-14-9.
8 (c) After a rule described in subsection (a) has been adopted by the
9 agency, the agency shall submit the rule to the publisher for the
10 assignment of a document control number. The agency shall submit the
11 rule in the form required by section 20 of this chapter and with the
12 documents required by section 21 of this chapter. The publisher shall
13 determine the number of copies of the rule and other documents to be
14 submitted under this subsection.
15 (d) After the document control number has been assigned, the
16 agency shall submit the rule to the secretary of state for filing. The
17 agency shall submit the rule in the form required by section 20 of this
18 chapter and with the documents required by section 21 of this chapter.
19 The secretary of state shall determine the number of copies of the rule
20 and other documents to be submitted under this subsection.
21 (e) Subject to section 39 of this chapter, the secretary of state shall:
22 (1) accept the rule for filing; and
23 (2) file stamp and indicate the date and time that the rule is
24 accepted on every duplicate original copy submitted.
25 (f) A rule described in subsection (a) takes effect on the latest of the
26 following dates:
27 (1) The effective date of the statute delegating authority to the
28 agency to adopt the rule.
29 (2) The date and time that the rule is accepted for filing under
30 subsection (e).
31 (3) The effective date stated by the adopting agency in the rule.
32 (4) The date of compliance with every requirement established by
33 law as a prerequisite to the adoption or effectiveness of the rule.
34 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and
35 IC 22-8-1.1-16.1, a rule adopted under this section expires not later
36 than ninety (90) days after the rule is accepted for filing under
37 subsection (e). Except for a rule adopted under subsection (a)(14), the
38 rule may be extended by adopting another rule under this section, but
39 only for one (1) extension period. A rule adopted under subsection
40 (a)(14) may be extended for two (2) extension periods. Except for a
41 rule adopted under subsection (a)(14), for a rule adopted under this
42 section to be effective after one (1) extension period, the rule must be

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adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.
- (2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.
- (i) This section may not be used to readopt a rule under IC 4-22-2.5.

SECTION 5. IC 5-1.4-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. The bank may not:

- (1) purchase securities other than from a qualified entity or other than for investment under section 3 of this chapter;
- (2) deal in securities within the meaning of or subject to any securities law, securities exchange law, or securities dealers law of the United States, of the state, or of any other state or jurisdiction, domestic or foreign, except as authorized in this article;
- (3) emit bills of credit, accept deposits of money for time or demand deposit, administer trusts, engage in any form or manner, or in the conduct of, any private or commercial banking business, or act as a savings bank, savings ~~and loan~~ association, or any other kind of financial institution;
- (4) engage in any form of private or commercial banking business; or
- (5) purchase securities from a qualified entity located in a county other than the county in which the bank is located.

SECTION 6. IC 5-1.5-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. The bank may not:

- (1) lend money other than to a qualified entity;
- (2) purchase securities other than:
 - (A) a security to which a qualified entity is a party as issuer, borrower, or lessee; or
 - (B) an investment under section 3 of this chapter;
- (3) deal in securities within the meaning of or subject to any securities law, securities exchange law, or securities dealers law of the United States of America or of the state or of any other state or jurisdiction, domestic or foreign, except as authorized in this article;
- (4) emit bills of credit, or accept deposits of money for time or

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1 demand deposit, or administer trusts, or engage in any form or
 2 manner, or in the conduct of, any private or commercial banking
 3 business, or act as a savings bank or savings ~~and loan~~ association,
 4 or any other kind of financial institution; or

5 (5) engage in any form of private or commercial banking
 6 business.

7 SECTION 7. IC 5-13-4-4 IS AMENDED TO READ AS FOLLOWS
 8 [EFFECTIVE JULY 1, 1998]: Sec. 4. "Closed depository" includes:

9 (1) a financial institution the business and property of which the
 10 department of financial institutions has taken possession of under
 11 IC 28-1-3.1 for the purpose of liquidation;

12 (2) a financial institution the business and property of which the
 13 department of financial institutions has authorized the institution
 14 to liquidate under IC 28-1-9 and IC 28-7-1-27.1; and

15 (3) any national banking association, federal savings ~~and loan~~
 16 association, or federally chartered savings bank for the business
 17 and property of which a receiver has been appointed.

18 SECTION 8. IC 5-13-4-10, AS AMENDED BY P.L.18-1996,
 19 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 1998]: Sec. 10. "Financial institution" means any of the
 21 following:

22 (1) A bank, trust company, or mutual savings bank that:

23 (A) was incorporated under the law of Indiana or any other
 24 state; and

25 (B) has its principal office or a branch in Indiana.

26 (2) A national banking association with its principal office or a
 27 branch in Indiana.

28 (3) A ~~building and loan~~ savings association operating as a deposit
 29 association incorporated under Indiana law.

30 (4) A federally chartered savings ~~and loan~~ association with its
 31 principal office or a branch in Indiana.

32 (5) A federally chartered savings bank with its principal office or
 33 a branch in Indiana.

34 (6) A state chartered credit union in Indiana that is federally
 35 insured or privately insured and that has assets of three million
 36 dollars (\$3,000,000) or more.

37 SECTION 9. IC 5-15-6-3, AS AMENDED BY P.L.10-1997,
 38 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 1998]: Sec. 3. (a) As used in this section, "original records"
 40 includes the optical image of a check **or deposit document** when:

41 (1) the check **or deposit document** is recorded, copied, or
 42 reproduced by an optical imaging process described in subsection



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1 (e); and

2 (2) the drawer of the check receives an optical image of the check
3 after the check is processed for payment **or the depositor**
4 **receives an optical image of the deposit document after the**
5 **document has been processed for the deposit.**

6 (b) All public records which, in the judgment of the commission,
7 have no official or historical value, and which occupy space to no
8 purpose in the offices and storerooms of the local government of a
9 county, shall be destroyed or otherwise disposed of. Except as provided
10 in this section, such records shall not be destroyed until a period of at
11 least three (3) years shall have elapsed from the time when the records
12 were originally filed, and no public records shall be destroyed within
13 a period of three (3) years if the law provides that they shall be kept for
14 a longer period of time, or if the law prohibits their destruction.

15 (c) Subject to this section, records may be destroyed before three (3)
16 years elapse after the date when the records were originally filed if the
17 destruction is according to an approved retention schedule.

18 (d) No financial records or records relating thereto shall be
19 destroyed until the earlier of the following actions:

20 (1) The audit of the records by the state board of accounts has
21 been completed, report filed, and any exceptions set out in the
22 report satisfied.

23 (2) The financial record or records have been copied or
24 reproduced as described in subsection (e).

25 (e) As used in this section, "public records" or "records" includes
26 records that have been recorded, copied, or reproduced by a
27 photographic, photostatic, miniature photographic, or optical imaging
28 process that correctly, accurately, and permanently copies, reproduces,
29 or forms a medium for copying or reproducing the original record on
30 a film or other durable material. Original records may be disposed of
31 in accordance with subsection (f), if the record has been copied or
32 reproduced as described in this subsection. The copy must be treated
33 as an original. Copies, recreations, or reproductions made from an
34 optical image of a public record described in this subsection shall be
35 received as evidence in any court in which the original record could
36 have been introduced, if the recreations, copies, or reproductions are
37 properly certified as to authenticity and accuracy by an official
38 custodian of the records.

39 (f) Original records may be disposed of only with the approval of
40 the commission according to guidelines established by the commission.
41 However, the guidelines established by the commission concerning the
42 disposal of financial records must be approved by the state board of

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accounts before the guidelines become effective.

SECTION 10. IC 5-20-1-2, AS AMENDED BY P.L.1-1997, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. As used in this chapter:

"Assisted" means, with respect to a loan:

- (1) the payment by the United States or any duly authorized agency thereof of assistance payments, interest payments, or mortgage reduction payments with respect to such loan; or
- (2) the provision of insurance, guaranty, security, collateral, subsidies, or other forms of assistance or aid acceptable to the authority for the making, holding, or selling of a loan from the United States, any duly authorized agency thereof, or any entity or corporation acceptable to the authority, other than the sponsor.

"Authority" means the Indiana housing finance authority created under this chapter.

"Bonds" or "notes" means the bonds or notes authorized to be issued by the authority under this chapter.

"Development costs" means the costs approved by the authority as appropriate expenditures and credits which may be incurred by sponsors, builders, and developers of residential housing prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage, including but not limited to:

- (1) payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the authority, payments for the purchase of such properties;
- (2) legal, organizational, and marketing expenses, including payments of attorney's fees, project manager, clerical, and other incidental expenses;
- (3) payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work;
- (4) expenses for surveys as to need and market analyses;
- (5) necessary application and other fees;
- (6) credits allowed by the authority to recognize the value of service provided at no cost by the sponsors, builders, or developers; and
- (7) such other expenses as the authority deems appropriate for the purposes of this chapter.

"Governmental agency" means any department, division, public agency, political subdivision, or other public instrumentality of the state of Indiana, the federal government, any other state or public agency, or any two (2) or more thereof.

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1 "Construction loan" means a loan to provide interim financing for
 2 the acquisition or construction of single family residential housing,
 3 including land development.

4 "Mortgage" or "mortgage loan" means a loan to provide permanent
 5 financing for:

6 (1) the rehabilitation, acquisition, or construction of single family
 7 residential housing, including land development; or

8 (2) the weatherization of single family residences.

9 "Mortgage lender" means a bank, trust company, savings bank,
 10 savings ~~and loan~~ association, credit union, national banking
 11 association, federal savings ~~and loan~~ association or federal credit union
 12 maintaining an office in this state, a public utility (as defined in
 13 IC 8-1-2-1), a gas utility system organized under IC 8-1-11.1, an
 14 insurance company authorized to do business in this state, or any
 15 mortgage banking firm or mortgagee authorized to do business in this
 16 state and approved by either the authority or the Department of
 17 Housing and Urban Development.

18 "Land development" means the process of acquiring land primarily
 19 for residential housing construction for persons and families of low and
 20 moderate income and making, installing, or constructing nonresidential
 21 housing improvements, including water, sewer, and other utilities,
 22 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and
 23 other installations or works, whether on or off the site, which the
 24 authority deems necessary or desirable to prepare such land primarily
 25 for residential housing construction.

26 "Obligations" means any bonds or notes authorized to be issued by
 27 the authority under this chapter.

28 "Persons and families of low and moderate income" means persons
 29 and families of insufficient personal or family income to afford
 30 adequate housing as determined by the standards established by the
 31 authority, and in determining such standards the authority shall take
 32 into account the following:

33 (1) The amount of total income of such persons and families
 34 available for housing needs.

35 (2) The size of the family.

36 (3) The cost and condition of housing facilities available in the
 37 different geographic areas of the state.

38 (4) The ability of such persons and families to compete
 39 successfully in the private housing market and to pay the amounts
 40 at which private enterprise is providing sanitary, decent, and safe
 41 housing.

42 The standards shall, however, comply with the applicable limitations

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- 1 of section 4(b) of this chapter.
- 2 "Residential facility for children" means a facility:
- 3 (1) that provides residential services to individuals who are:
- 4 (A) under twenty-one (21) years of age; and
- 5 (B) adjudicated to be children in need of services under
- 6 IC 31-34 (or IC 31-6-4 before its repeal) or delinquent children
- 7 under IC 31-37 (or IC 31-6-4 before its repeal); and
- 8 (2) that is:
- 9 (A) a child caring institution that is or will be licensed under
- 10 IC 12-17.4;
- 11 (B) a residential facility that is or will be licensed under
- 12 IC 12-28-5; or
- 13 (C) a facility that is or will be certified by the division of
- 14 mental health under IC 12-23.
- 15 "Residential facility for the developmentally disabled" means a
- 16 facility that is approved for use in a community residential program for
- 17 the developmentally disabled under IC 12-11-2-1(1), IC 12-11-2-1(2),
- 18 or IC 12-11-2-1(3).
- 19 "Residential facility for the mentally ill" means a facility that is
- 20 approved by the division of mental health for use in a community
- 21 residential program for the mentally ill under IC 12-22-2-3(1),
- 22 IC 12-22-2-3(2), IC 12-22-2-3(3), or IC 12-22-2-3(4).
- 23 "Residential housing" means a specific work or improvement
- 24 undertaken primarily to provide single or multiple family housing for
- 25 rental or sale to persons and families of low and moderate income,
- 26 including the acquisition, construction, or rehabilitation of lands,
- 27 buildings, and improvements thereto, and such other nonhousing
- 28 facilities as may be incidental or appurtenant thereto.
- 29 "Sponsors", "builders", or "developers" means corporations,
- 30 associations, partnerships, limited liability companies, or other entities
- 31 and consumer housing cooperatives organized pursuant to law for the
- 32 primary purpose of providing housing to low and moderate income
- 33 persons and families.
- 34 "State" means the state of Indiana.
- 35 "Tenant programs and services" means services and activities for
- 36 persons and families living in residential housing, including the
- 37 following:
- 38 (1) Counseling on household management, housekeeping,
- 39 budgeting, and money management.
- 40 (2) Child care and similar matters.
- 41 (3) Access to available community services related to job training
- 42 and placement, education, health, welfare, and other community

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- 1 services.
- 2 (4) Guard and other matters related to the physical security of the
- 3 housing residents.
- 4 (5) Effective management-tenant relations, including tenant
- 5 participation in all aspects of housing administration,
- 6 management, and maintenance.
- 7 (6) Physical improvements of the housing, including buildings,
- 8 recreational and community facilities, safety measures, and
- 9 removal of code violations.
- 10 (7) Advisory services for tenants in the creation of tenant
- 11 organizations which will assume a meaningful and responsible
- 12 role in the planning and carrying out of housing affairs.
- 13 (8) Procedures whereby tenants, either individually or in a group,
- 14 may be given a hearing on questions relating to management
- 15 policies and practices either in general or in relation to an
- 16 individual or family.

17 SECTION 11. IC 5-20-2-2 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. As used in this
 19 chapter, each of the following shall have the meaning indicated unless
 20 a different meaning clearly appears from the context:

- 21 (1) "Bonds" means the revenue bonds authorized to be issued
- 22 under this chapter and includes notes and any and all other
- 23 limited obligations of a county or municipality payable as
- 24 provided in this chapter.
- 25 (2) "Executive officer" of a county, city, or town has the meaning
- 26 set forth in IC 36-1-2-5.
- 27 (3) "Governing body" of a county, city, or town has the meaning
- 28 set forth in IC 36-1-2-9.
- 29 (4) "Home" means real property and improvements thereon
- 30 constructed for human habitation, located within the county or
- 31 municipality, consisting of not more than four (4) units, and
- 32 owned by one (1) mortgagor who occupies or intends to occupy
- 33 one (1) of such units.
- 34 (5) "Home mortgage" means an interest bearing loan for not to
- 35 exceed thirty (30) years to a mortgagor for the purpose of
- 36 purchasing or improving a home, evidenced by a promissory note
- 37 and secured by a mortgage on this home, but shall not include a
- 38 loan primarily for the purpose of refinancing an existing loan.
- 39 (6) "Lending institution" means any bank, trust company, savings
- 40 bank, national banking association, savings ~~and loan association;~~
- 41 ~~building and loan~~ association, mortgage banker, or other
- 42 financing institution or governmental agency which customarily

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1 provides service or otherwise aids in the financing of mortgages
 2 on single family residential housing or multifamily residential
 3 housing, which institution, for a county, is located in that county,
 4 and for a municipality is located in the county in which the
 5 municipality is located, or any holding company for any of the
 6 foregoing.

7 (7) "Mortgagor" means an individual, or two (2) or more
 8 individuals acting together, who have received a home mortgage
 9 under this chapter.

10 (8) "Recording officer" means the clerk or clerk-treasurer of a
 11 county or municipality.

12 (9) "Municipality" means a city or town.

13 SECTION 12. IC 6-5-10-1 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this
 15 chapter:

16 "Assessed value" means assessed value as defined in IC 6-1.1-1-3.

17 "Bank" means a:

18 (1) bank, trust company, savings bank, bank of discount and
 19 deposit, or loan and trust and safe deposit company organized
 20 under the law of this state; or

21 (2) national banking association organized under the law of the
 22 United States and engaged in business in this state.

23 The term "bank" does not include an international banking facility.

24 "Department" means the department of state revenue.

25 "Deposit" means money that is deposited in a bank, that is
 26 evidenced by any means, and that may be withdrawn, on demand or
 27 otherwise, by:

28 (1) the owner of the money;

29 (2) the trustee of the money; or

30 (3) a person who has a beneficial interest in the money.

31 "Deposits of another financial institution" means deposits that are
 32 owned by and may be withdrawn by another bank, a ~~building and loan~~
 33 **savings** association, or an international banking facility located in
 34 Indiana.

35 "International banking facility" means an international banking
 36 facility as defined in Regulation D of the Board of Governors of the
 37 Federal Reserve System (12 CFR 204).

38 "Liquidating agent" means a person, an official, or a department that
 39 is in charge of the assets of a bank that has ceased business.

40 "Nonresident deposit" means a deposit that:

41 (1) is owned by a person, firm, limited liability company, or
 42 corporation that resides or is domiciled outside Indiana; and

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1 (2) does not have a business situs in Indiana.
2 "Public deposit" means a deposit that is owned by and may be
3 withdrawn by:
4 (1) this state;
5 (2) a political subdivision of this state;
6 (3) an agency of this state;
7 (4) the United States; or
8 (5) a department, an agency, or an instrumentality of the United
9 States.
10 "Taxable deposits" means taxable deposits as defined in section 2
11 of this chapter.
12 "Taxable shares" means the capital, surplus, and undivided profits
13 of a bank minus the assessed value of all real estate that is owned by
14 the bank or leased by the bank and used for banking purposes.
15 "Taxable surplus and profits" means the total surplus and undivided
16 profits of a savings bank minus the assessed value of all real estate
17 owned by the savings bank or leased by the savings bank and used for
18 banking purposes.
19 "Taxpayer" means an entity that is liable for the tax imposed under
20 this chapter.
21 SECTION 13. IC 6-5-11-1 IS AMENDED TO READ AS
22 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this
23 chapter:
24 "Association" means an entity **organized under IC 28-4 (before its**
25 **repeal) that was** engaged in business in this state **on June 30, 1997,**
26 **that is as a:**
27 (1) building and loan association;
28 (2) rural loan and savings association; or
29 (3) guaranty loan and savings association.
30 "Nonresident shareholder" means an individual, firm, limited
31 liability company, or corporation that resides or is domiciled outside
32 Indiana and that owns investment shares that do not have a business
33 situs in Indiana.
34 "Surplus" means a sinking fund established to provide against
35 contingent losses, undivided profits, or any surplus fund, regardless of
36 name.
37 "Taxing district" means a geographical area within which property
38 is taxed by the same taxing units at the same total rate.
39 "Taxing unit" means an entity that has the power to impose ad
40 valorem property taxes.
41 SECTION 14. IC 6-8-11-12, AS ADDED BY P.L.93-1995,
42 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 1998]: Sec. 12. The following may be an account
2 administrator under this chapter:

3 (1) A federal or state chartered:

4 (A) bank;

5 (B) savings ~~and loan~~ association;

6 (C) savings bank; or

7 (D) credit union.

8 (2) A trust company authorized to act as a fiduciary.

9 (3) An insurance company or health maintenance organization
10 authorized to do business in Indiana under IC 27.

11 (4) A broker-dealer, agent, or investment advisor registered under
12 IC 23-2-1.

13 (5) A person:

14 (A) that holds a certificate of registration as an insurance
15 administrator; or

16 (B) for whom the insurance commissioner has waived the
17 requirement of a certificate of registration as an insurance
18 administrator;

19 under IC 27-1-25-11.

20 (6) An employee welfare benefit plan that is governed by the
21 federal Employee Retirement Income Security Act, 29 U.S.C.
22 1001 et seq.

23 (7) An employer that participates in the medical care savings
24 account program.

25 SECTION 15. IC 8-15-1-2 IS AMENDED TO READ AS
26 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. "Financial
27 institutions" as used herein means and includes any bank or trust
28 company, ~~building and loan association~~, credit union, bank of discount
29 and deposit, savings bank, loan and trust and safe deposit company,
30 trust company, ~~rural loan and~~ savings association, ~~guaranty loan and~~
31 ~~savings association~~, mortgage guaranty company, and small loan
32 company organized under any law of the state of Indiana.

33 "Insurance company" as used herein means and includes any stock,
34 mutual, reciprocal, assessment or fraternal benefit company or society
35 writing any life, fire, livestock, casualty, health, hospital, accident or
36 bonding insurance or reinsurance, which company or society is
37 organized under the laws of the state of Indiana.

38 "Trust fund" as used herein shall be limited to private trust funds.

39 SECTION 16. IC 15-7-4.9-10 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10. "Lender" means:

41 (1) a federal or state chartered bank;

42 (2) the Federal Land Bank;

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- 1 (3) a production credit association;
 2 (4) bank for cooperatives;
 3 (5) a savings ~~and loan~~ association;
 4 ~~(6) a building and loan association;~~
 5 ~~(7) (6)~~ a small business investment company; or
 6 ~~(8) (7)~~ an institution qualified within Indiana to originate and
 7 service loans, including an insurance company, credit union, or
 8 mortgage loan company.

9 SECTION 17. IC 20-12-21.1-1 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) "Approved
 11 lender" means:

- 12 (1) any qualified institution; or
 13 (2) any bank, trust company, ~~building and loan savings~~
 14 association, credit union, or other entity as described in 20 U.S.C.
 15 1085(d) whose primary consumer credit function is not the
 16 making of guaranteed student loans and which is examined and
 17 supervised by the appropriate state or federal regulatory agency.

18 (b) "Commission" means the student assistance commission
 19 established under IC 20-12-21-4.

20 (c) "Guaranteed student loans" means loans issued by approved
 21 lenders to students or either one (1) or both parents of students
 22 pursuant to state and federal law.

23 (d) "Half-time students" means certificate, diploma, associate,
 24 baccalaureate, graduate or professional students enrolled in courses
 25 sufficient for them to be considered half-time by the institution.

26 (e) "Qualified institution" means any post-secondary educational
 27 institution which is approved by the commission for the purposes of
 28 this chapter. However, an institution offering exclusively
 29 correspondence or home study courses is not a qualified institution.

30 (f) "Resident" means a United States citizen or alien who is admitted
 31 into the United States for lawful, permanent residence and who:

- 32 (1) attends a qualified institution in Indiana;
 33 (2) lives in Indiana and attends a qualified institution outside
 34 Indiana;
 35 (3) lives outside Indiana and attends a qualified institution outside
 36 Indiana, but who:
 37 (A) previously was a resident described in subdivision (1) or
 38 (2); and
 39 (B) as a resident had a loan guaranteed by the commission
 40 under this chapter;
 41 (4) resides in a county contiguous to the boundary of Indiana; or
 42 (5) resides in a county that the commission approves as being

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1 within the servicing area of a participating lender which lender is
 2 located in Indiana or in a county contiguous to the boundary of
 3 Indiana.

4 SECTION 18. IC 21-6.1-5-9.5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 9.5. (a) A benefit check
 6 issued by the fund is canceled if the check is outstanding and unpaid
 7 for more than six (6) months after the date the check is issued.

8 (b) A benefit check canceled under subsection (a) may not be
 9 honored, cashed, or accepted for payment or deposit by an individual,
 10 a bank, a trust company, a ~~building and loan~~ **savings** association, or
 11 any other financial institution or person.

12 (c) The cancellation of a benefit check under this section does not
 13 discharge the fund's obligation to pay the benefit for which the
 14 canceled benefit check was issued.

15 SECTION 19. IC 23-2-1-2, AS AMENDED BY P.L.169-1997,
 16 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 1998]: Sec. 2. (a) The following securities are exempted from
 18 the registration requirements of section 3 of this chapter:

19 (1) A security (including a revenue obligation) issued or
 20 guaranteed by the United States, a state, a political subdivision of
 21 a state, or an agency or corporate or other instrumentality of one
 22 (1) or more of the foregoing or a certificate of deposit for any of
 23 the foregoing.

24 (2) A security issued or guaranteed by Canada, a Canadian
 25 province, a political subdivision of a Canadian province, an
 26 agency, or corporate or other instrumentality of one (1) or more
 27 of the foregoing, or any other foreign government with which the
 28 United States currently maintains diplomatic relations, if the
 29 security is recognized as a valid obligation by the issuer or
 30 guarantor.

31 (3) A security issued by and representing an interest in or a debt
 32 of, or guaranteed by a bank organized under the laws of the
 33 United States, a bank, savings institution, or trust company
 34 organized and supervised under the laws of a state, a federal
 35 savings ~~and loan~~ association, a ~~building and loan~~ or similar
 36 **savings** association organized under the laws of a state and
 37 authorized to do business in Indiana, a federal credit union or a
 38 credit union, industrial loan association, or similar association
 39 organized and supervised under the laws of this state, or a
 40 corporation or organization whose issuance of securities is
 41 required by any other law to be passed upon and authorized by the
 42 department of financial institutions or by a federal agency or

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- 1 authority.
- 2 (4) A security issued or guaranteed by a railroad or other common
3 or contract carrier, a public utility, or a common or contract
4 carrier or public utility holding company. However, an issuer or
5 guarantor must be subject to regulation or supervision as to the
6 issuance of its own securities by a public commission, board, or
7 officer of the government of the United States, of a state, territory,
8 or insular possession of the United States, of a municipality
9 located in a state, territory, or insular possession, of the District
10 of Columbia, or of the Dominion of Canada or a province of
11 Canada.
- 12 (5) A security listed or approved for listing upon notice of
13 issuance on the New York Stock Exchange, the American Stock
14 Exchange, the Chicago Stock Exchange, or on any other exchange
15 approved and designated by the commissioner, any other security
16 of the same issuer that is of senior rank or substantially equal
17 rank, a security called for by subscription rights or warrants so
18 listed or approved, or a warrant or right to purchase or subscribe
19 to any of the foregoing.
- 20 (6) A promissory note, draft, bill of exchange, or banker's
21 acceptance that is evidence of:
- 22 (A) an obligation;
- 23 (B) a guarantee of an obligation;
- 24 (C) a renewal of an obligation; or
- 25 (D) a guarantee of a renewal of an obligation;
- 26 to pay cash within nine (9) months after the date of issuance,
27 excluding grace days, that is issued in denominations of at least
28 fifty thousand dollars (\$50,000) and receives a rating in one (1)
29 of the three (3) highest rating categories from a nationally
30 recognized statistical rating organization.
- 31 (7) A security issued in connection with an employee stock
32 purchase, savings, pension, profit-sharing, or similar benefit plan.
- 33 (8) A security issued by an association incorporated under
34 IC 15-7-1.
- 35 (9) A security that is an industrial development bond (as defined
36 in Section 103(b)(2) of the Internal Revenue Code of 1954) the
37 interest of which is excludable from gross income under Section
38 103(a)(1) of the Internal Revenue Code of 1954 if, by reason of
39 the application of paragraph (4) or (6) of Section 103(b) of the
40 Internal Revenue Code of 1954 (determined as if paragraphs
41 (4)(A), (5), and (7) were not included in Section 103(b)),
42 paragraph (1) of Section 103(b) does not apply to the security.

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- 1 (10) A security issued by a nonprofit corporation that meets the
- 2 requirements of Section 103(e) of the Internal Revenue Code of
- 3 1954 and is designated by the governor as the secondary market
- 4 for guaranteed student loans under IC 20-12-21.2.
- 5 (11) A security designated or approved for designation upon
- 6 notice of issuance on the National Association of Securities
- 7 Dealers Automatic Quotation National Market System or any
- 8 other national market system approved and designated by the
- 9 commissioner, any other security of the same issuer that is of
- 10 senior rank or substantially equal rank, a security called for by
- 11 subscription rights or warrants so listed or approved, or a warrant
- 12 or right to purchase or subscribe to any of the foregoing.
- 13 (12) A security that is a "qualified bond" (as defined in Section
- 14 141(e) of the Internal Revenue Code, as amended).
- 15 (b) The following transactions are exempted from the registration
- 16 requirements of section 3 of this chapter:
- 17 (1) An isolated nonissuer offer or sale, whether effected through
- 18 a broker-dealer or not.
- 19 (2) A nonissuer sale effected by or through a registered
- 20 broker-dealer pursuant to an unsolicited order or offer to buy.
- 21 (3) A nonissuer offer or sale by a registered broker-dealer, acting
- 22 either as principal or agent, of issued and outstanding securities
- 23 if the following conditions are satisfied:
- 24 (A) The securities are sold at prices reasonably related to the
- 25 current market price at the time of sale, and if the registered
- 26 broker-dealer is acting as agent, the commission collected by
- 27 the registered broker-dealer on account of the sale is not in
- 28 excess of usual and customary commissions collected with
- 29 respect to securities and transactions having comparable
- 30 characteristics.
- 31 (B) The securities do not constitute an unsold allotment to or
- 32 subscription by the broker-dealer as a participant in the
- 33 distribution of the securities by the issuer or by or through an
- 34 underwriter.
- 35 (C) Either:
- 36 (i) information consisting of the names of the issuer's
- 37 officers and directors, a balance sheet of the issuer as of a
- 38 date not more than eighteen (18) months prior to the date of
- 39 the sale, and a profit and loss statement for either the fiscal
- 40 year preceding that date or the most recent year of
- 41 operations is published in a securities manual approved by
- 42 the commissioner;

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(ii) the issuer is required to file reports with the Securities and Exchange Commission pursuant to sections 13 and 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78m and 78o) and is not delinquent in the filing of the reports on the date of the sale; or

(iii) information consisting of the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than sixteen (16) months prior to the date of the sale, and a profit and loss statement for either the fiscal year preceding that date or the most recent year of operations is on file with the commissioner. The information required by this item to be on file with the commissioner must be on a form and made in a manner as the commissioner prescribes. The fee for the initial filing of the form shall be twenty-five dollars (\$25). The fee for the annual renewal filing shall be fifteen dollars (\$15). When a filing is withdrawn or is not completed by the issuer, the commissioner must retain the filing fee.

(D) There has been compliance with section 6(1) of this chapter.

(E) Unless the issuer is registered under the Investment Company Act of 1940, all the following must be true at the time of the transaction:

(i) The security belongs to a class that has been in the hands of the public for at least ninety (90) days.

(ii) The issuer of the security is a going concern, is actually engaged in business, and is not in bankruptcy or receivership.

(iii) Except as permitted by order of the commissioner, the issuer and any predecessors have been in continuous operation for at least five (5) years. An issuer or predecessor is in continuous operation only if the issuer or predecessor has gross operating revenue in each of the five (5) years immediately preceding the issuer's or predecessor's claim of exemption and has had total gross operating revenue of at least two million five hundred thousand dollars (\$2,500,000) for those five (5) years or has had gross operating revenue of at least five hundred thousand dollars (\$500,000) in not less than three (3) of those five (5) years.

The commissioner may revoke the exemption afforded by this subdivision with respect to any securities by issuing an order:

(i) if the commissioner finds that the further sale of the

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- 1 securities in this state would work or tend to work a fraud on
2 purchasers of the securities;
- 3 (ii) if the commissioner finds that the financial condition of
4 the issuer is such that it is in the public interest and is
5 necessary for the protection of investors to revoke or restrict
6 the exemption afforded by this subsection; or
- 7 (iii) if the commissioner finds that, due to the limited
8 number of shares in the hands of the public or due to the
9 limited number of broker-dealers making a market in the
10 securities, there is not a sufficient market for the securities
11 so that there is not a current market price for the securities.
- 12 (4) A transaction between the issuer or other person on whose
13 behalf the offering is made by an underwriter, or among
14 underwriters.
- 15 (5) A transaction in a bond or other evidence of indebtedness
16 secured by a real or chattel mortgage or deed of trust, or by
17 agreement for the sale of real estate or chattels, if the entire
18 mortgage, deed of trust, or agreement, together with all the bonds
19 or other evidences of indebtedness, is offered and sold as a unit.
- 20 (6) A transaction by an executor, administrator, personal
21 representative, sheriff, marshal, receiver, trustee in bankruptcy,
22 guardian, conservator, or a person acting in a trust or fiduciary
23 capacity where the transaction is effected pursuant to the authority
24 of or subject to approval by a court of competent jurisdiction.
- 25 (7) A transaction executed by a bona fide pledgee without any
26 purpose of evading this chapter.
- 27 (8) An offer or sale to a bank, a savings institution, a trust
28 company, an insurance company, an investment company (as
29 defined in the Investment Company Act of 1940 (15 U.S.C. 80a-1
30 through 80a-52)), a pension or profit-sharing trust, or other
31 financial institution or institutional buyer, or to a broker-dealer,
32 whether the purchaser is acting for itself or in a fiduciary capacity.
- 33 (9) The offer or sale of securities of an issuer:
- 34 (i) to a person who is:
- 35 (A) a director, an executive officer, a general partner, an
36 administrator, or a person who performs similar functions
37 for or who is similarly situated with respect to the issuer;
- 38 (B) a director, an executive officer, or a general partner of a
39 general partner of the issuer; or
- 40 (C) any other natural person employed on a full-time basis
41 by the issuer as an attorney or accountant if the person has
42 been acting in this capacity for at least one (1) year

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- 1 immediately prior to the offer or sale;
 2 (ii) to an entity affiliated with the issuer;
 3 (iii) if the issuer is a corporation, to a person who is the owner
 4 of shares of the corporation or of an affiliated corporation
 5 representing and possessing ten percent (10%) or more of the
 6 total combined voting power of all classes of stock (of the
 7 corporation or affiliated corporation) issued and outstanding
 8 and who is entitled to vote; or
 9 (iv) if the issuer is a limited liability company, to a person who
 10 is the owner of an interest in the limited liability company
 11 representing and possessing at least ten percent (10%) of the
 12 total combined voting power of all classes of such interests (of
 13 the limited liability company or affiliated limited liability
 14 company) issued and outstanding.
- 15 (10) The offer or sale of a security by the issuer of the security if
 16 all of the following conditions are satisfied:
- 17 (A) The issuer reasonably believes that either:
- 18 (i) there are no more than thirty-five (35) purchasers of the
 19 securities from the issuer in an offering pursuant to this
 20 subsection, including purchasers outside Indiana; or
 21 (ii) there are no more than twenty (20) purchasers in
 22 Indiana.
- 23 In either case, there shall be excluded in determining the
 24 number of purchasers a purchaser whom the issuer reasonably
 25 believes to be an accredited investor or who purchases the
 26 securities after they are registered under this chapter.
- 27 (B) The issuer does not offer or sell the securities by means of
 28 a form of general advertisement or general solicitation.
- 29 (C) The issuer reasonably believes that each purchaser of the
 30 securities is acquiring the securities for the purchaser's own
 31 investment and is aware of any restrictions imposed on
 32 transferability and resale of the securities. The basis for
 33 reasonable belief may include:
- 34 (i) obtaining a written representation signed by the
 35 purchaser that the purchaser is acquiring the securities for
 36 the purchaser's own investment and is aware of any
 37 restrictions imposed on the transferability and resale of the
 38 securities; and
 39 (ii) placement of a legend on the certificate or other
 40 document that evidences the securities stating that the
 41 securities have not been registered under section 3 of this
 42 chapter, and setting forth or referring to the restrictions on

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- 1 transferability and sale of the securities.
- 2 (D) The issuer:
- 3 (i) files with the commissioner and provides to each
- 4 purchaser in this state an offering statement that sets forth
- 5 all material facts with respect to the securities; and
- 6 (ii) reasonably believes immediately before making a sale
- 7 that each purchaser who is not an accredited investor either
- 8 alone or with a purchaser representative has knowledge and
- 9 experience in financial and business matters to the extent
- 10 that the purchaser is capable of evaluating the merits and
- 11 risks of the prospective investment.
- 12 (E) If the aggregate offering price of the securities in an
- 13 offering pursuant to this subdivision (including securities sold
- 14 outside of Indiana) does not exceed five hundred thousand
- 15 dollars (\$500,000), the issuer is not required to comply with
- 16 clause (D) if the issuer files with the commissioner and
- 17 provides to each purchaser in Indiana the following
- 18 information and materials:
- 19 (i) copies of all written materials, if any, concerning the
- 20 securities that have been provided by the issuer to any
- 21 purchaser; and
- 22 (ii) unless clearly presented in all written materials, a written
- 23 notification setting forth the name, address, and form of
- 24 organization of the issuer and any affiliate, the nature of the
- 25 principal businesses of the issuer and any affiliate, and the
- 26 information required in section 5(b)(1)(B), 5(b)(1)(C),
- 27 5(b)(1)(D), 5(b)(1)(E), 5(b)(1)(H), and 5(b)(1)(I) of this
- 28 chapter.
- 29 (F) The commissioner does not disallow the exemption
- 30 provided by this subdivision within ten (10) full business days
- 31 after receipt of the filing required by clause (D) or (E). The
- 32 issuer may make offers (but not sales) before and during the
- 33 ten (10) day period, if:
- 34 (i) each prospective purchaser is advised in writing that the
- 35 offer is preliminary and subject to material change; and
- 36 (ii) no enforceable offer to purchase the securities may be
- 37 made by a prospective purchaser, and no consideration in
- 38 any form may be accepted or received (directly or indirectly)
- 39 from a prospective purchaser, before the expiration of the
- 40 ten (10) day period and the vacation of an order disallowing
- 41 the exemption.
- 42 (G) The issuer need not comply with clause (D), (E), or (F) if:

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- 1 (i) each purchaser has access to all the material facts with
- 2 respect to the securities by reason of the purchaser's active
- 3 involvement in the organization or management of the issuer
- 4 or the purchaser's family relationship with a person actively
- 5 involved in the organization or management of the issuer;
- 6 (ii) there are not more than fifteen (15) purchasers in Indiana
- 7 and each Indiana purchaser is an accredited investor or is a
- 8 purchaser described in item (i); or
- 9 (iii) the aggregate offering price of the securities, including
- 10 securities sold outside Indiana, does not exceed five hundred
- 11 thousand dollars (\$500,000), the total number of purchasers,
- 12 including purchasers outside of Indiana, does not exceed
- 13 twenty-five (25) and each purchaser either receives all of the
- 14 material facts with respect to the security or is an accredited
- 15 investor or a purchaser described in item (i).
- 16 (H) If the issuer makes or is required to make a filing with the
- 17 commissioner under clause (D) or (E), the issuer must also file
- 18 with the commissioner at the time of the filing the consent to
- 19 service of process required by section 16 of this chapter. The
- 20 issuer shall also file with the commissioner, at the times and
- 21 in the forms as the commissioner may prescribe, notices of
- 22 sales made in reliance upon this subdivision.
- 23 (I) The commissioner may by rule deny exemption provided in
- 24 this subdivision to a particular class of issuers, or may make
- 25 the exemption available to the issuers upon compliance with
- 26 additional conditions and requirements, if appropriate in
- 27 furtherance of the intent of this chapter.
- 28 (11) An offer or sale of securities to existing security holders of
- 29 the issuer, including persons who at the time of the transaction are
- 30 holders of convertible securities, nontransferable warrants, or
- 31 transferable warrants exercisable within not more than ninety (90)
- 32 days of their issuance if no commission or other remuneration
- 33 (other than a standby commission) is paid or given for soliciting
- 34 a security holder in this state.
- 35 (12) An offer (but not a sale) of a security for which registration
- 36 statements or applications have been filed under this chapter and
- 37 the Securities Act of 1933 (15 U.S.C. 77a-77aa), if no stop order
- 38 or refusal order is in effect and no public proceeding or
- 39 examination looking toward an order is pending under either law.
- 40 (13) The deposit of shares under a voting-trust agreement and the
- 41 issue of voting-trust certificates for the deposit.
- 42 (14) The offer or sale of a commodity futures contract.

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1 (15) The offer or sale of securities to or for the benefit of security
2 holders incident to a vote by the security holders pursuant to the
3 articles of incorporation or applicable instrument, on a merger or
4 share exchange under IC 23-1-40 or the laws of another state,
5 reclassification of securities, exchange of securities under
6 IC 28-1-7.5, or sale of assets of the issuer in consideration of the
7 issuance of securities of the same or another issuer.

8 (16) A limited offering transactional exemption, which may be
9 created by rule adopted by the commissioner. The exemption
10 must further the objectives of compatibility with federal
11 exemptions and uniformity among the states.

12 (c) The commissioner may consider and determine if a proposed
13 sale, transaction, issue, or security is entitled to an exemption accorded
14 by this section. The commissioner may decline to exercise the
15 commissioner's authority as to a proposed sale, transaction, issue, or
16 security. An interested party desiring the commissioner to exercise the
17 commissioner's authority must submit to the commissioner a verified
18 statement of all material facts relating to the proposed sale, transaction,
19 issue, or security, which must be accompanied by a request for a ruling
20 as to the particular exemption claimed, together with a filing fee of one
21 hundred dollars (\$100). After notice to the interested parties as the
22 commissioner determines is proper and after a hearing, if any, the
23 commissioner may enter an order finding the proposed sale,
24 transaction, issue, or security entitled or not entitled to the exemption
25 claimed. An order entered, unless an appeal is taken from it in the
26 manner prescribed in section 20 of this chapter, is binding upon the
27 commissioner and upon all interested parties, provided that the
28 proposed sale, transaction, issue, or security when consummated or
29 issued conforms in every relevant and material particular with the facts
30 as set forth in the verified statement submitted.

31 (d) The commissioner may by order deny or revoke an exemption
32 specified in subsection (a)(6), (a)(7), or (b) with respect to a specific
33 security or transaction, if the commissioner finds that the securities to
34 which the exemption applies would not qualify for registration under
35 sections 4 and 5 of this chapter. No order may be entered without
36 appropriate prior notice to all interested parties, opportunity for
37 hearing, and written findings of fact and conclusions of law, except that
38 the commissioner may by order summarily deny or revoke any of the
39 specific exemptions pending final determination of a proceeding under
40 this subsection. Upon the entry of a summary order, the commissioner
41 shall promptly notify all interested parties that it has been entered, of
42 the reasons for the order, and that within fifteen (15) days of the receipt

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1 of a written request the matter will be set down for hearing. If no
2 hearing is requested and none is ordered by the commissioner, the
3 order will remain in effect until it is modified or vacated by the
4 commissioner. If a hearing is requested or ordered, the commissioner,
5 after notice of and opportunity for hearing to all interested persons,
6 may modify or vacate the order or extend it until final determination.
7 No order under this subsection may operate retroactively. No person
8 may be considered to have violated section 3 of this chapter by reason
9 of an offer or sale effected after the entry of an order under this
10 subsection if the person sustains the burden of proof that the person did
11 not know, and in the exercise of reasonable care could not have known,
12 of the order.

13 (e) If, with respect to an offering of securities, any notices or written
14 statements are required to be filed with the commissioner under
15 subsection (b)(10), the first filing made with respect to the offering
16 must be accompanied by a filing fee of one hundred dollars (\$100).

17 SECTION 20. IC 23-2-3.1-1 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. As used in this
19 chapter:

20 "Affiliate" means any person controlling, controlled by, or under the
21 common control of another person.

22 "Beneficial owner of a security" means any person who, directly or
23 indirectly, has the power to vote or direct the voting of all or part of the
24 voting rights of the security, or has the power to dispose of or direct the
25 disposition of the security.

26 "Commissioner" means the securities commissioner as defined in
27 IC 23-2-1-1.

28 "Control" means possession, direct or indirect, of the power to direct
29 or to cause the direction of the management and policies of a person,
30 through the ownership of voting securities, by contract other than a
31 commercial contract for goods or nonmanagement services, or
32 otherwise, unless that power is the result of an official position or
33 corporate office. The term includes "controlling," "controlled by," and
34 "under common control with." Control is presumed to exist if any
35 person is the beneficial owner of ten percent (10%) or more of any
36 class of the voting securities of any other person. This presumption
37 may be rebutted only by a showing that control does not exist in fact,
38 at a hearing pursuant to section 9 of this chapter.

39 "Equity security" means:

- 40 (1) any share or similar security carrying, at the time of the
41 takeover offer, the right to vote on any matter by virtue of the
42 articles of incorporation, bylaws, or governing instrument of the

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1 target company or the right to vote for directors or persons
2 performing substantially similar functions by operation of law;
3 (2) any security convertible into a security described in clause (1)
4 or any warrant or right to purchase that security; or
5 (3) any other security which, for the protection of investors, is an
6 equity security pursuant to a regulation of the commissioner.

7 "Offeror" means a person who makes or in any way participates in
8 making a takeover offer. The term includes all affiliates of that person
9 and all persons who act jointly or in concert with that person for the
10 purpose of acquiring, holding or disposing of, or exercising any voting
11 rights attached to, the equity securities of a target company. It also
12 includes the target company with respect to acquisitions of its own
13 equity securities and with respect to periods of time when it is
14 controlled by or under common control with the offeror. It does not
15 include a financial institution or broker-dealer loaning funds or
16 extending credit to any offeror in the ordinary course of its business, or
17 any accountant, attorney, financial institution, broker-dealer,
18 newspaper or magazine of general circulation, consultant, or other
19 person furnishing information, services, or advice to or performing
20 ministerial or administrative duties for an offeror and not otherwise
21 participating in the takeover offer.

22 "Offeree" means a record or beneficial owner of equity securities of
23 the class which an offeror acquires or offers to acquire in connection
24 with a takeover offer.

25 "Person" means an individual, corporation, limited liability
26 company, association, partnership, trust, or other entity.

27 "Substantially equivalent terms" means terms under which the fair
28 market value of the consideration offered any offeree of a class of
29 equity securities of the target company (determined on a per share or
30 a per unit basis) are equal to the highest consideration offered in
31 connection with a takeover offer to any other offeree of that class
32 (determined on a per share or per unit basis).

33 "Takeover offer" means an offer to acquire or an acquisition of any
34 equity security of a target company, pursuant to a tender offer or
35 request or invitation for tenders, if, after the acquisition, the offeror is
36 directly or indirectly a record or beneficial owner of more than ten
37 percent (10%) of any class of the outstanding equity securities of the
38 target company.

39 "Target company" means an issuer of securities which is organized
40 under the laws of this state, has its principal place of business in this
41 state, and has substantial assets in this state. Target company does not
42 include:



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1 (1) a financial institution subject to regulation by the department
2 of financial institutions under IC 28, if the takeover offer is
3 subject to approval by the department of financial institutions;

4 (2) a corporation subject to regulation by the utility regulatory
5 commission under IC 8, if the takeover offer is subject to approval
6 of the commission; or

7 (3) a public utility, public utility holding company, bank holding
8 company, or savings ~~and loan~~ association subject to regulation by
9 a federal agency, if the takeover offer is subject to the approval by
10 that federal agency.

11 SECTION 21. IC 23-2-5-3 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) As used in this
13 chapter, "loan broker" means any person who, in return for any
14 consideration from any person, promises to procure a loan for any
15 person or assist any person in procuring a loan from any third party, or
16 who promises to consider whether or not to make a loan to any person.
17 "Loan broker" does not include:

18 (1) any bank, savings bank, trust company, savings ~~and loan~~
19 association, credit union, or any other financial institution
20 regulated by any agency of the United States or any state except
21 any person who is a financial institution solely because of a
22 license to make consumer loans under IC 24-4.5-3-503 or solely
23 because of a similar license from another state;

24 (2) any person authorized to sell and service loans for the Federal
25 National Mortgage Association or the Federal Home Loan
26 Mortgage Corporation, issue securities backed by the Government
27 National Mortgage Association, make loans insured by the United
28 States Department of Housing and Urban Development, make
29 loans guaranteed by the United States Department of Veterans
30 Affairs, or act as a correspondent of loans insured by the United
31 States Department of Housing and Urban Development or
32 guaranteed by the United States Department of Veterans Affairs;

33 (3) any insurance company; or

34 (4) any person arranging financing for the sale of the person's
35 product.

36 (b) As used in this chapter, "creditor" means any person to whom a
37 loan is initially payable on the face of the note or contract evidencing
38 the loan.

39 SECTION 22. IC 23-5-1-8 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 8. The power and
41 authority of any business trust authorized under this chapter to transact
42 business in this state shall be as specified in the instrument by which

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1 it was created as amended, including but not limited to general grants
 2 of power to act and limitations upon individual liability of
 3 stockholders, which instrument shall be construed and interpreted in
 4 accordance with the common and statutory law applicable to business
 5 trusts. Any such trust shall have the right to sue and be sued and if
 6 incidental to its purposes the right in its own name, or in the name of
 7 the person or persons or corporation or corporations who are from time
 8 to time its trustee or trustees, to acquire, hold title to, mortgage, sell,
 9 convey, lease, operate, invest in, lend on the security of, and otherwise
 10 deal in or with real and personal property; provided, that no business
 11 trust shall engage in the business of operating a ~~rural loan~~ and savings
 12 association or credit union or have the power or authority to conduct a
 13 banking, railroad, insurance, surety, safe deposit, mortgage guaranty,
 14 or building and loan business, or in the business of mining or
 15 manufacturing, or in any business regulated under the utility regulatory
 16 commission, or take any action which is in violation of this chapter.
 17 Subject to the limitations in this section on power and authority, any
 18 person dealing with a business trust authorized under this chapter to
 19 transact business in this state shall be bound by the terms and
 20 conditions of the instrument by which the trust was created and by any
 21 amendments thereto which have been filed and recorded in compliance
 22 with section 7 of this chapter.

23 SECTION 23. IC 23-6-4-3 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. As used in this
 25 chapter, "lending institution" means a bank or trust company, ~~building~~
 26 ~~and loan association~~, industrial loan and investment company, credit
 27 union, savings bank, bank of discount and deposit, small loan company,
 28 savings ~~and loan~~ association, insurance company or related
 29 corporation, partnership, limited liability company, foundation, pension
 30 fund, or other institution engaged primarily in lending or investing
 31 funds.

32 SECTION 24. IC 23-14-33-19, AS ADDED BY P.L.52-1997,
 33 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 1998]: Sec. 19. "Financial institution" means a state or
 35 national:

- 36 (1) bank;
- 37 (2) bank and trust company;
- 38 (3) trust company;
- 39 (4) savings bank; or
- 40 (5) ~~building and loan association~~; or
- 41 (6) (5) savings ~~and loan~~ association;

42 that maintains a principal place of business in Indiana and is qualified

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to serve as a trustee.

SECTION 25. IC 24-5-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. (a) As used in this chapter, "credit services organization" means a person that, with respect to the extension of credit by another person, sells, provides, performs, or represents that the person can or will sell, provide, or perform, in return for the payment of money or other valuable consideration, any of the following services:

- (1) Improving a buyer's credit record, credit history, or credit rating.
- (2) Obtaining an extension of credit for a buyer.
- (3) Providing advice or assistance to a buyer concerning the services described in subdivision (1) or (2), or both.

(b) The term "credit services organization" does not include any of the following:

- (1) A person authorized to make loans or extensions of credit under state or federal laws that is subject to regulation and supervision under state or federal laws, or a lender approved by the United States Secretary of Housing and Urban Development for participation in a mortgage insurance program under the federal National Housing Act (12 U.S.C. 1701 et seq.).
- (2) A bank or savings ~~and loan~~ association or a subsidiary of a bank or savings ~~and loan~~ association that has deposits or accounts that are eligible for insurance by the Federal Deposit Insurance Corporation.
- (3) A credit union doing business in Indiana.
- (4) A nonprofit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- (5) A person licensed as a real estate broker under IC 25-34.1 if the person is acting within the course and scope of the person's license.
- (6) A person admitted to the practice of law in Indiana if the person is acting within the course and scope of the person's practice as an attorney.
- (7) A broker-dealer registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission if the broker-dealer is acting within the course and scope of the broker-dealer's regulation.
- (8) A consumer reporting agency (as defined in the Federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)).

SECTION 26. IC 26-1-4-105 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 105. In IC 26-1-4:

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- 1 (1) "Bank" means a person engaged in the business of banking,
- 2 including a savings bank, savings ~~and loan~~ association, credit
- 3 union, or trust company.
- 4 (2) "Depository bank" means the first bank to take an item even
- 5 though it is also the payor bank, unless the item is presented for
- 6 immediate payment over the counter.
- 7 (3) "Payor bank" means a bank that is the drawee of a draft.
- 8 (4) "Intermediary bank" means a bank to which an item is
- 9 transferred in course of collection except the depository or payor
- 10 bank.
- 11 (5) "Collecting bank" means a bank handling an item for
- 12 collection except the payor bank.
- 13 (6) "Presenting bank" means a bank presenting an item except a
- 14 payor bank.

15 SECTION 27. IC 26-1-4.1-105 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 105. (a) In IC 26-1-4.1:

- 17 (1) "Authorized account" means a deposit account of a customer
- 18 in a bank designated by the customer as a source of payment of
- 19 payment orders issued by the customer to the bank. If a customer
- 20 does not so designate an account, any account of the customer is
- 21 an authorized account if payment of a payment order from that
- 22 account is not inconsistent with a restriction on the use of that
- 23 account.
- 24 (2) "Bank" means a person engaged in the business of banking
- 25 and includes a savings bank, savings ~~and loan~~ association, credit
- 26 union, and trust company. A branch or separate office of a bank
- 27 is a separate bank for purposes of IC 26-1-4.1.
- 28 (3) "Customer" means a person, including a bank, having an
- 29 account with a bank or from whom a bank has agreed to receive
- 30 payment orders.
- 31 (4) "Funds-transfer business day" of a receiving bank means the
- 32 part of a day during which the receiving bank is open for the
- 33 receipt, processing, and transmittal of payment orders and
- 34 cancellations and amendments of payment orders.
- 35 (5) "Funds-transfer system" means a wire transfer network,
- 36 automated clearing house, or other communication system of a
- 37 clearing house or other association of banks through which a
- 38 payment order by a bank may be transmitted to the bank to which
- 39 the order is addressed.
- 40 (6) "Good faith" means honesty in fact and the observance of
- 41 reasonable commercial standards of fair dealing.
- 42 (7) "Prove" with respect to a fact means to meet the burden of

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- 1 establishing the fact (IC 26-1-1-201(8)).
- 2 (b) Other definitions applying to IC 26-1-4.1 and the sections in
- 3 which they appear are:
- 4 "Acceptance". IC 26-1-4.1-209.
- 5 "Beneficiary". IC 26-1-4.1-103.
- 6 "Beneficiary's bank". IC 26-1-4.1-103.
- 7 "Executed". IC 26-1-4.1-301.
- 8 "Execution date". IC 26-1-4.1-301.
- 9 "Funds transfer". IC 26-1-4.1-104.
- 10 "Funds-transfer system rule". IC 26-1-4.1-501.
- 11 "Intermediary bank". IC 26-1-4.1-104.
- 12 "Originator". IC 26-1-4.1-104.
- 13 "Originator's bank". IC 26-1-4.1-104.
- 14 "Payment by beneficiary's bank to beneficiary". IC 26-1-4.1-405.
- 15 "Payment by originator to beneficiary". IC 26-1-4.1-406.
- 16 "Payment by sender to receiving bank". IC 26-1-4.1-403.
- 17 "Payment date". IC 26-1-4.1-401.
- 18 "Payment order". IC 26-1-4.1-103.
- 19 "Receiving bank". IC 26-1-4.1-103.
- 20 "Security procedure". IC 26-1-4.1-201.
- 21 "Sender". IC 26-1-4.1-103.
- 22 (c) The following definitions in IC 26-1-4 apply to this IC 26-1-4.1:
- 23 "Clearing house". IC 26-1-4-104.
- 24 "Item". IC 26-1-4-104.
- 25 "Suspends payments". IC 26-1-4-104.
- 26 (d) In addition IC 26-1-1 contains general definitions and principles
- 27 of construction and interpretation applicable throughout IC 26-1-4.1.
- 28 SECTION 28. IC 26-1-9-105, AS AMENDED BY P.L.183-1996,
- 29 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 30 JULY 1, 1998]: Sec. 105. (1) In IC 26-1-9 unless the context otherwise
- 31 requires:
- 32 (a) "Account debtor" means the person who is obligated on an
- 33 account, chattel paper, or general intangible.
- 34 (b) "Chattel paper" means a writing or writings which evidence both
- 35 a monetary obligation and a security interest in or a lease of specific
- 36 goods, but a charter or other contract involving the use or hire of a
- 37 vessel is not chattel paper. When a transaction is evidenced both by
- 38 such a security agreement or a lease and by an instrument or series of
- 39 instruments, the group of writings taken together constitutes chattel
- 40 paper.
- 41 (c) "Collateral" means the property subject to a security interest, and
- 42 includes accounts and chattel paper which have been sold.

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1 (d) "Debtor" means the person who owes payment or other
 2 performance of the obligation secured, whether or not he owns or has
 3 rights in the collateral, and includes the seller of accounts or chattel
 4 paper. Where the debtor and the owner of the collateral are not the
 5 same person, the term debtor means the owner of the collateral in any
 6 provision of IC 26-1 dealing with the collateral, the obligor in any
 7 provision dealing with the obligation, and may include both where the
 8 context so requires.

9 (e) "Deposit account" means a demand, time, savings, passbook, or
 10 like account maintained with a bank, savings ~~and loan~~ association,
 11 credit union, or like organization, other than an account evidenced by
 12 a certificate of deposit.

13 (f) "Document" means document of title as defined in the general
 14 definitions in IC 26-1-1-201, and a receipt of the kind described in
 15 IC 26-1-7-201(2).

16 (g) "Encumbrance" includes real estate mortgages and other liens on
 17 real estate and all other rights in real estate that are not ownership
 18 interests.

19 (h) "Goods" includes all things which are movable at the time the
 20 security interest attaches or which are fixtures (IC 26-1-9-313), but
 21 does not include money, documents, instruments, investment property,
 22 accounts, chattel paper, general intangibles, or minerals or the like
 23 (including oil and gas) before extraction. Goods also includes standing
 24 timber which is to be cut and removed under a conveyance or contract
 25 for sale, the unborn young of animals, and growing crops.

26 (i) "Instrument" means a negotiable instrument (defined in
 27 IC 26-1-3.1-104) or any other writing which evidences a right to the
 28 payment of money and is not itself a security agreement or lease and is
 29 of a type which is in ordinary course of business transferred by delivery
 30 with any necessary endorsement or assignment. The term does not
 31 include investment property.

32 (j) "Mortgage" means a consensual interest created by a real estate
 33 mortgage, a trust deed on real estate, or the like.

34 (k) An advance is made "pursuant to commitment" if the secured
 35 party has bound himself to make it, whether or not a subsequent event
 36 of default or other event not within his control has relieved or may
 37 relieve him from his obligation.

38 (l) "Security agreement" means an agreement which creates or
 39 provides for a security interest.

40 (m) "Secured party" means a lender, seller, or other person in whose
 41 favor there is a security interest, including a person to whom accounts
 42 or chattel paper have been sold. When the holders of obligations issued

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1 under an indenture of trust, equipment trust agreement, or the like are
 2 represented by a trustee or other person, the representative is the
 3 secured party.

4 (2) Other definitions applying to IC 26-1-9 and the sections in which
 5 they appear are:

- 6 "Account". IC 26-1-9-106.
- 7 "Attach". IC 26-1-9-203.
- 8 "Commodity contract". IC 26-1-9-115.
- 9 "Commodity customer". IC 26-1-9-115.
- 10 "Commodity intermediary". IC 26-1-9-115.
- 11 "Construction mortgage". IC 26-1-9-313(1).
- 12 "Consumer goods". IC 26-1-9-109(1).
- 13 "Control". IC 26-1-9-115.
- 14 "Equipment". IC 26-1-9-109(2).
- 15 "Farm products". IC 26-1-9-109(3).
- 16 "Fixture". IC 26-1-9-313.
- 17 "Fixture filing". IC 26-1-9-313.
- 18 "General intangibles". IC 26-1-9-106.
- 19 "Inventory". IC 26-1-9-109(4).
- 20 "Investment property". IC 26-1-9-115.
- 21 "Lien creditor". IC 26-1-9-301(3).
- 22 "Proceeds". IC 26-1-9-306(1).
- 23 "Purchase money security interest". IC 26-1-9-107.
- 24 "United States". IC 26-1-9-103.
- 25 (3) The following definitions apply to IC 26-1-9:
- 26 "Broker". IC 26-1-8.1-102.
- 27 "Certificated security". IC 26-1-8.1-102.
- 28 "Check". IC 26-1-3.1-104.
- 29 "Clearing corporation". IC 26-1-8.1-102.
- 30 "Contract for sale". IC 26-1-2-106.
- 31 "Control". IC 26-1-8.1-106.
- 32 "Delivery". IC 26-1-8.1-301.
- 33 "Entitlement holder". IC 26-1-8.1-102.
- 34 "Financial asset". IC 26-1-8.1-102.
- 35 "Holder in due course". IC 26-1-3.1-302.
- 36 "Letter of credit". IC 26-1-5.1-102.
- 37 "Note". IC 26-1-3.1-104.
- 38 "Proceeds of a letter of credit". IC 26-1-5.1-114(a).
- 39 "Sale". IC 26-1-2-106.
- 40 "Securities intermediary". IC 26-1-8.1-102.
- 41 "Security". IC 26-1-8.1-102.
- 42 "Security certificate". IC 26-1-8.1-102.

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1 "Security entitlement". IC 26-1-8.1-102.

2 "Uncertificated security". IC 26-1-8.1-102.

3 (4) In addition, IC 26-1-1 contains general definitions and principles
4 of construction and interpretation applicable throughout IC 26-1-9.

5 SECTION 29. IC 27-1-25-1, AS AMENDED BY P.L.185-1996,
6 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 1998]: Sec. 1. As used in this chapter:

8 (a) "Administrator" means a person who collects charges or
9 premiums from, or who adjusts or settles claims on, residents of
10 Indiana in connection with life or health coverage or annuities, whether
11 provided for by an insurer or a self-funded plan. The term
12 "administrator" does not include the following persons:

13 (1) An employer for its employees or for the employees of a
14 subsidiary or affiliated corporation of the employer.

15 (2) A union for its members.

16 (3) An insurer, including:

17 (A) an insurer operating a health maintenance organization or
18 a limited service health maintenance organization; and

19 (B) the sales representative of an insurer operating a health
20 maintenance organization or a limited service health
21 maintenance organization when that sales representative is
22 licensed in Indiana and when it is engaged in the performance
23 of its duties as the sales representative.

24 (4) A life or health insurance agent licensed under IC 27-1-15.5
25 whose activities are limited exclusively to the sale of insurance.

26 (5) A creditor for its debtors regarding insurance covering a debt
27 between them.

28 (6) A trust established under 29 U.S.C. 186 and the trustees,
29 agents, and employees acting pursuant to that trust.

30 (7) A trust that is exempt from taxation under Section 501(a) of
31 the Internal Revenue Code and:

32 (A) the trustees and employees acting pursuant to that trust; or

33 (B) a custodian and the agents and employees of the custodian
34 acting pursuant to a custodian account that meets the
35 requirements of Section 401(f) of the Internal Revenue Code.

36 (8) A financial institution that is subject to supervision or
37 examination by federal or state banking authorities.

38 (9) A credit card issuing company that advances for and collects
39 premiums or charges from its credit cardholders as long as that
40 company does not adjust or settle claims.

41 (10) An individual who adjusts or settles claims in the normal
42 course of his practice or employment as an attorney at law, and

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1 who does not collect charges or premiums in connection with life
 2 or health insurance coverage or annuities.
 3 (11) A health maintenance organization that has a certificate of
 4 authority issued under IC 27-13.
 5 (12) A limited service health maintenance organization that has
 6 a certificate of authority issued under IC 27-13.
 7 (b) "Certificate of registration" refers to the certificate required by
 8 section 11 of this chapter.
 9 (c) "Commissioner" refers to the commissioner of insurance.
 10 (d) "Financial institution" means a bank, savings ~~and loan~~
 11 association, credit union, or any other institution regulated under IC 28
 12 or federal law.
 13 (e) "Insurer" means a person who obtains a certificate of authority
 14 under IC 27-1-3-20.
 15 (f) "Person" means an individual, a corporation, a partnership, a
 16 limited liability company, or an unincorporated association.
 17 (g) "Self-funded plan" means a plan for providing benefits for life,
 18 health, or annuity coverage by a person who is not an insurer.
 19 SECTION 30. IC 27-8-19.8-5, AS ADDED BY P.L.116-1994,
 20 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 1998]: Sec. 5. (a) As used in this chapter, "living benefits
 22 provider" means a person that enters into a living benefits contract with
 23 a policyowner.
 24 (b) The term does not include any of the following:
 25 (1) A bank, savings bank, savings ~~and loan~~ association, credit
 26 union, or other licensed lending institution that takes an
 27 assignment of a life insurance policy as collateral for a loan.
 28 (2) The issuer of a life insurance policy that makes a policy loan,
 29 permits surrender of the policy, or pays other policy benefits,
 30 including accelerated benefits, in accordance with the terms of the
 31 policy.
 32 SECTION 31. IC 27-10-3-12 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 12. All insurers or
 34 general agents requiring bail bond agents to post deposits pursuant to
 35 their bail bond writing authority must maintain those deposits in a
 36 bank, savings ~~and loan~~ association, or credit union in this state. Each
 37 insurer or general agent shall report to the commissioner the location
 38 of each agent's account at the time of the agent's license issuance or
 39 renewal. Any change in the location of an agent's account shall be
 40 reported by the insurer or general agent to the commissioner within
 41 thirty (30) days of the change of location.
 42 SECTION 32. IC 28-1-1-3, AS AMENDED BY P.L.192-1997,

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1 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 1998]: Sec. 3. Unless a different meaning is required by the
3 context, the following definitions apply throughout this article:

4 (1) "Financial institution" means any bank, trust company,
5 corporate fiduciary, ~~building and loan~~ **savings** association, credit
6 union, savings bank, bank of discount and deposit, or industrial
7 loan and investment company organized or reorganized under the
8 laws of this state, and includes a consumer finance institution
9 licensed to make supervised or regulated loans under IC 24-4.5.

10 (2) "Bank" or "bank or trust company" means a financial
11 institution organized or reorganized as a bank, bank of discount
12 and deposit, or trust company under the laws of this state with the
13 express power to receive and accept deposits of money subject to
14 withdrawal by check, and possessing such other rights and powers
15 granted by the provisions of this article in express terms or by
16 implication. The term "bank" or "bank or trust company" does not
17 include a ~~building and loan~~ **savings** association, credit union, or
18 industrial loan and investment company.

19 (3) "Domestic corporation" means a corporation formed under the
20 laws of this state, and "foreign corporation" means every other
21 corporation.

22 (4) "Articles of incorporation" includes both the original articles
23 of incorporation and any and all amendments thereto, except
24 where the original articles of incorporation only are expressly
25 referred to, and includes articles of merger and consolidation, and,
26 in the case of corporations organized before July 1, 1933, articles
27 of reorganization, and all amendments thereto.

28 (5) "Incorporator" means one (1) of the signers of the original
29 articles of incorporation.

30 (6) "Subscriber" means one who subscribes for shares of stock in
31 a financial institution.

32 (7) "Shareholder" means one who is a holder of record of shares
33 of stock in a financial institution.

34 (8) "Capital stock" means the aggregate amount of the par value
35 of all shares of capital stock.

36 (9) "Capital" means the aggregate amount paid in on the shares of
37 capital stock of a financial institution issued and outstanding.

38 (10) "Sound capital" means and includes the paid-in and
39 unimpaired capital, the unimpaired surplus, and the unimpaired
40 proceeds of the notes and debentures of any bank which have
41 been issued under the authority and with the approval, in writing,
42 of the department.



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- 1 (11) "Assets" includes all of the property and rights of every kind
 2 of a financial institution and the term "fixed assets" means such
 3 assets as are not intended to be sold or disposed of in the ordinary
 4 course of business.
- 5 (12) "Principal office" means that office maintained by the
 6 financial institution in this state, the address of which is required
 7 by the provisions of this article to be kept on file in the office of
 8 the secretary of state.
- 9 (13) "Subscription" means any written agreement or undertaking,
 10 accepted by a financial institution, for the purchase of shares of
 11 capital stock in the financial institution.
- 12 (14) "Department" means the department of financial institutions.
- 13 (15) "Member" means a member of the department of financial
 14 institutions.
- 15 (16) "Branch" means any office, agency, or other place of
 16 business, other than the principal office of a financial institution,
 17 at which deposits are received, checks paid, or money lent.
- 18 (17) "Subsidiary" means any foreign or domestic corporation or
 19 limited liability company in which the parent bank has at least
 20 eighty percent (80%) ownership.
- 21 (18) "Savings bank" means a financial institution that:
 22 (A) was organized, reorganized, or operating under IC 28-6
 23 (before its repeal) before January 1, 1993;
 24 (B) is formed as the result of a conversion under:
 25 (i) IC 28-1-21.7;
 26 (ii) IC 28-1-21.8; or
 27 (iii) IC 28-1-21.9; or
 28 (C) is incorporated under IC 28-12.
- 29 (19) "Corporate fiduciary" means a financial institution whose
 30 primary business purpose is to engage in the trust business (as
 31 defined in IC 28-14-1-8) and the execution and administration of
 32 fiduciary accounts as a nondepository trust company incorporated
 33 under Indiana law.
- 34 SECTION 33. IC 28-1-5-1 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) As used in this
 36 chapter, "corporation" means a bank, trust company, or ~~building and~~
 37 ~~loan savings~~ association organized or reorganized under the provisions
 38 of this article and any bank of discount and deposit, loan and trust and
 39 safe deposit company, trust company, or ~~building and loan savings~~
 40 association.
- 41 (b) As used in this chapter, "shareholder" means a person who is a
 42 holder of record of shares of stock in a corporation, including a

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1 member of a share account association or a deposit association, as
 2 those terms are defined in ~~IC 28-4-1-1~~. **IC 28-15-1.**

3 SECTION 34. IC 28-1-7-1, AS AMENDED BY P.L.192-1997,
 4 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 1998]: Sec. 1. (a) As used in this chapter, "corporation"
 6 means:

- 7 (1) a bank;
 8 (2) a trust company;
 9 (3) a corporate fiduciary;
 10 (4) a savings bank organized, reorganized, or formed as a result
 11 of a conversion after December 31, 1992;
 12 (5) ~~a building and loan association;~~
 13 ~~(6) a savings and loan association;~~ or
 14 ~~(7)~~ **(6)** an industrial loan and investment company that maintains
 15 federal deposit insurance.

16 (b) Any two (2) or more corporations that are organized or
 17 reorganized under the laws of any state (as defined in IC 28-2-17-19)
 18 or of the United States may merge into one (1) of such corporations, or
 19 may consolidate into a new corporation, to be organized under
 20 IC 28-12, by complying with the provisions of this chapter.

21 (c) A savings bank organized before January 1, 1993, may under
 22 section 25 of this chapter merge, consolidate, or join together with a
 23 bank or trust company. Except as provided in section 25 of this chapter,
 24 all other provisions of this chapter apply to the merger, consolidation,
 25 or joining together.

26 SECTION 35. IC 28-1-7-5, AS AMENDED BY P.L.122-1994,
 27 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 1998]: Sec. 5. If the agreement of merger is approved by the
 29 department, it shall be submitted to a vote of the shareholders of each
 30 corporation, at the meeting directed by the resolution of the board of
 31 directors of each corporation, and the agreement shall be adopted by
 32 each corporation upon receiving the affirmative votes of the holders of
 33 a majority of the outstanding shares of the capital stock of the
 34 corporation. A ~~building and loan~~ **mutual savings** association or mutual
 35 savings bank shall adopt the agreement upon receiving the affirmative
 36 vote of fifty-one percent (51%) or more of the votes cast at the meeting
 37 called to consider such agreement of merger.

38 SECTION 36. IC 28-1-7-22, AS AMENDED BY P.L.262-1995,
 39 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 1998]: Sec. 22. If any bank, bank of discount and deposit, trust
 41 company, savings bank, corporate fiduciary, or ~~building and loan~~
 42 **savings** association:

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1 (1) is acting as the administrator, coadministrator, executor,
 2 coexecutor, trustee, or cotrustee of or in respect to any estate or
 3 trust, or as guardian of any person or estate which is being
 4 administered under the laws of this state; or
 5 (2) has been named or designated as such in any will or other
 6 executed writing;
 7 such relation, and all other similar fiduciary relations, and all rights,
 8 privileges, duties, and obligations shall remain unimpaired, and shall
 9 continue with the surviving or single corporation, from the effective
 10 date of the merger or consolidation.

11 SECTION 37. IC 28-1-7-25, AS AMENDED BY P.L.122-1994,
 12 SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 1998]: Sec. 25. (a) A savings bank organized before January
 14 1, 1993, may request that the department order the savings bank to
 15 merge, consolidate, or join with an acquiring institution that is a bank,
 16 bank of discount and deposit, savings bank formed after December 31,
 17 1992, ~~building and loan savings~~ association, or trust company.

18 (b) A savings bank may make a request under subsection (a) only if
 19 its board of trustees has, at a regular or special meeting called for that
 20 purpose, by a vote of at least two-thirds (2/3) of the then qualified and
 21 acting trustees, adopted a resolution stating that in the opinion of the
 22 board, the merger, consolidation, or other joining together is in the best
 23 interests of the depositors and other creditors of the savings bank.

24 (c) The department may order a merger, consolidation, or other
 25 joining requested under subsection (a) if it determines that:

- 26 (1) the depositors of the savings bank would not receive any
- 27 liquidating dividend upon the dissolution of the savings bank; and
- 28 (2) the acquiring institution is willing to be the surviving
- 29 corporation.

30 (d) The approval of the depositors of a savings bank organized
 31 before January 1, 1993, is not required for a merger, consolidation, or
 32 joining together under this section.

33 (e) To facilitate a merger, consolidation, or joining together under
 34 this section, the department may convert the charter, form of
 35 ownership, or operating powers of a savings bank into the charter, form
 36 of ownership, or operating powers of the acquiring institution.

37 SECTION 38. IC 28-1-8-0.5, AS AMENDED BY P.L.192-1997,
 38 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 1998]: Sec. 0.5. As used in this chapter, "corporation" means:

- 40 (1) a bank;
- 41 (2) a trust company;
- 42 (3) a corporate fiduciary;

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- 1 (4) a savings bank;
 2 (5) ~~a building and loan association~~;
 3 ~~(6)~~ a savings ~~and loan~~ association; or
 4 ~~(7)~~ (6) an industrial loan and investment company that maintains
 5 federal deposit insurance.

6 SECTION 39. IC 28-1-8-6, AS ADDED BY P.L.171-1996,
 7 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 1998]: Sec. 6. (a) Subject to the approval of the department,
 9 a:

- 10 (1) bank;
 11 (2) trust company;
 12 (3) corporate fiduciary;
 13 (4) savings bank;
 14 ~~(5) building and loan association~~; or
 15 ~~(6)~~ (5) savings ~~and loan~~ association;

16 may purchase all or substantially all of the assets of one (1) or more
 17 corporations that are organized or reorganized under the laws of any
 18 state (as defined in IC 28-2-17-19) or the United States.

19 (b) After the board of directors of a corporation agrees to purchase
 20 all or substantially all of the assets of one (1) or more corporations, the
 21 board resolution approving the purchase and an application in the form
 22 prescribed by the director of the department must be submitted for
 23 approval by the department.

24 (c) The department, in its discretion, may approve or disapprove an
 25 application and board resolution submitted under subsection (b). In
 26 deciding whether to approve or disapprove the board resolution and
 27 application, the department shall consider the following factors:

- 28 (1) Whether the institutions subject to the proposed transaction
 29 are operated in a safe, sound, and prudent manner.
 30 (2) Whether the financial condition of any institution subject to
 31 the proposed transaction will jeopardize the financial stability of
 32 any other institutions subject to the proposed transaction.
 33 (3) Whether the proposed transaction under this chapter will
 34 result in an institution that has inadequate capital, unsatisfactory
 35 management, or poor earnings prospects.
 36 (4) Whether the management or other principals of the institution
 37 that will result from the proposed transaction under this chapter
 38 are qualified by character and financial responsibility to control
 39 and operate in a legal and proper manner the resulting institution.
 40 (5) Whether the public convenience and advantage will be served
 41 by the resulting institution after the proposed transaction.
 42 (6) Whether the institutions subject to the proposed transaction

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1 under this chapter furnish all of the information the department
2 requires in reaching the department's decision.

3 (d) The approval of the department of the purchase of all or
4 substantially all of the assets of one (1) or more corporations is not
5 required under this section if the resulting corporation is a corporation
6 organized or reorganized under the laws of:

- 7 (1) a state (as defined in IC 28-2-17-19) other than Indiana; or
8 (2) the United States.

9 SECTION 40. IC 28-1-9-2, AS AMENDED BY P.L.262-1995,
10 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 1998]: Sec. 2. Any bank, trust company, corporate fiduciary,
12 savings bank organized after December 31, 1992, bank of discount and
13 deposit, or **building and loan savings** association may liquidate its
14 affairs and dissolve in the manner prescribed in this chapter. Whenever
15 the board of directors, by a resolution adopted by a majority vote of the
16 members of such board, shall deem it advisable to submit the question
17 of dissolution, or whenever the board of directors shall be requested in
18 writing by the holders of a majority of the outstanding shares of capital
19 stock to submit the question of dissolution, the board of directors shall
20 submit the question of dissolving the corporation to a vote of the
21 shareholders of the corporation entitled to vote at such meeting as may
22 be designated in such request, or, in the absence of such request or of
23 such designation, in such resolution. The designated meeting may be
24 an annual or a special meeting of the shareholders. If the designated
25 meeting is an annual meeting, notice of the question of dissolution shall
26 be included in the notice of the annual meeting. If the designated
27 meeting is a special meeting of the shareholders, such special meeting
28 shall be called by the board of directors, and notice of such meeting
29 shall be given at the time and in the manner provided in IC 28-13-14-6.
30 The dissolution shall be authorized, subject to the provisions of section
31 3 of this chapter, upon receiving the affirmative votes of the holders of
32 two-thirds (2/3) of the outstanding shares of stock of the corporation
33 unless the corporation is a **building and loan savings** association
34 authorized to dissolve by the provisions of this section, in which case
35 the affirmative votes of the holders of a majority of the outstanding
36 shares of stock shall be sufficient and dissolution shall thereby be
37 authorized.

38 SECTION 41. IC 28-1-11-2.6, AS AMENDED BY P.L.188-1997,
39 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 1998]: Sec. 2.6. (a) As used in this section, "financial
41 institution" means a bank, a trust company, a **building and loan savings**
42 association (as defined in ~~IC 28-1-21-1~~; **IC 28-15**), a savings bank (as

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1 defined in IC 28-6.1-2-6), a credit union (as defined in IC 28-7-1-0.5),
 2 an industrial loan and investment company organized under IC 28-5,
 3 or a corporate fiduciary.

4 (b) A financial institution that sells or offers for sale a life insurance
 5 policy or an annuity contract shall disclose to a person who seeks to
 6 purchase, or seeks an opinion or investment advice about, a life
 7 insurance policy or an annuity contract at least the following
 8 information:

9 (1) That the life insurance policy or annuity contract is not insured
 10 by the Federal Deposit Insurance Corporation or the National
 11 Credit Union Share Insurance Fund.

12 (2) That the life insurance policy or annuity contract is not a
 13 deposit to, obligation of, or being guaranteed by, the financial
 14 institution.

15 (3) That some life insurance policies or annuity contracts are
 16 subject to investment risks, including possible loss of the
 17 principal amount invested.

18 (c) The disclosures required by subsection (b) must:

19 (1) be made in writing before or at the time of purchase of the life
 20 insurance policy or annuity contract; and

21 (2) be made orally or in writing during any sales presentation or
 22 when investment advice concerning a life insurance policy or an
 23 annuity contract is provided.

24 (d) At the time of the sale of a life insurance policy or an annuity
 25 contract, the financial institution must obtain from the purchaser a
 26 signed and dated statement containing the following acknowledgments:

27 (1) That the purchaser has received the disclosures required by
 28 subsection (b).

29 (2) That the purchaser has read the disclosures and understands
 30 them.

31 (e) An advertisement, a solicitation (including a solicitation
 32 contained in a periodic statement), promotional or sales material, or a
 33 sale confirmation notice that relates to a life insurance policy or an
 34 annuity contract sold or offered for sale by a financial institution must
 35 conspicuously disclose the information required by subsection (b).

36 (f) A financial institution may not:

37 (1) use information from a purchaser's personal financial
 38 statement for the purpose of selling or soliciting the purchase of
 39 life insurance; or

40 (2) provide information from a purchaser's personal financial
 41 statement to a third party for the purpose of the third party's sale
 42 or solicitation of the purchase of life insurance;

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1 unless an insurance agent of the financial institution obtains the
2 information directly from the purchaser.

3 (g) If a financial institution sells or solicits the sale of insurance on
4 the premises of its principal office or a branch, the financial institution
5 may sell or solicit the sale of insurance only in a location of the
6 premises that is:

7 (1) physically separated and distinct from the banking activities
8 of the financial institution; and

9 (2) clearly and conspicuously posted in a manner that easily
10 indicates to the public that the location is separate and distinct
11 from the banking activities of the financial institution.

12 (h) If a financial institution requires a person to obtain an insurance
13 policy in connection with a non-insurance product or service, the
14 insurance transaction must be completed on a document separate from
15 the document or documents used to complete the transaction involving
16 the non-insurance product or service.

17 SECTION 42. IC 28-1-11-4, AS AMENDED BY P.L.192-1997,
18 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 1998]: Sec. 4. (a) Except as otherwise provided in this article,
20 the business of dealing in investment securities by any bank or trust
21 company is limited to purchasing and selling securities without
22 recourse, solely upon the order and for the account of customers and in
23 no event for its own account. A bank or trust company may not
24 underwrite or guarantee all or any part of any issue of securities other
25 than obligations issued or guaranteed by or on behalf of the state or any
26 political subdivision of the state or any agency or instrumentality of
27 either. A bank or trust company may purchase for its own account and
28 sell investment securities under such limitations and restrictions as the
29 department prescribes by rule, but in no event may the total amount of
30 the investment securities of any one (1) obligor or maker, purchased or
31 held by a bank or trust company for its own account, exceed at any time
32 ten percent (10%) of the amount of the total equity capital of the bank
33 or trust company. The limitations imposed by this section do not apply
34 to the direct or indirect obligations of the United States or the direct
35 obligations of a United States territory or insular possession or of the
36 state of Indiana or any municipal corporation or taxing district in
37 Indiana. A bank or trust company may purchase for its own account
38 and sell shares of stock in federal or state chartered small business
39 investment companies that have received a permit or license to operate
40 under the federal Small Business Investment Act (15 U.S.C. 681).
41 However, a bank or trust company may not acquire shares in any small
42 business investment company if, upon the making of that acquisition,

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1 the aggregate amount of shares in small business investment companies
2 then held by the bank would exceed five percent (5%) of its total equity
3 capital.

4 (b) A bank or trust company may purchase for its own account and
5 sell:

6 (1) shares of open-end investment companies the portfolios of
7 which consist solely of securities that are eligible for purchase
8 and sale by national banking associations; and

9 (2) obligations, commonly known as collateralized mortgage
10 obligations, that are eligible for purchase and sale by national
11 banking associations. However, a bank or trust company may
12 purchase for its own account and sell the obligations only to the
13 extent that a national banking association can purchase and sell
14 those obligations.

15 (c) A bank or trust company may deposit its funds in:

16 (1) a federally chartered savings ~~and loan~~ association; or

17 (2) a ~~building and loan association~~, savings ~~and loan~~ association
18 or other entity organized and operated according to federal law or
19 the laws of any state or the District of Columbia;

20 the accounts of which are insured by the Saving Association Insurance
21 Fund of the Federal Deposit Insurance Corporation.

22 (d) A bank or trust company may not purchase for its own account
23 any bond, note, or other evidence of indebtedness that is commonly
24 designated as a security that is speculative in character or that has
25 speculative characteristics. For the purposes of this subsection, a
26 security is speculative or has speculative characteristics if at the time
27 of purchase the security:

28 (1) is rated below the first four (4) rating classes by a generally
29 recognized security rating service; or

30 (2) is in default.

31 (e) A bank or trust company may purchase for its own account a
32 security that is not rated by a generally recognized security rating
33 service if the bank or trust company at the time of purchase obtains
34 financial information that is adequate to document the investment
35 quality of the security.

36 (f) Except as otherwise authorized by this title, a bank or trust
37 company may not purchase any share of stock of a corporation that is
38 not a subsidiary of that bank or trust company unless the purchase is
39 considered expedient to prevent loss from a debt previously contracted
40 in good faith. Any shares of stock thus acquired by a bank or trust
41 company that would not have been eligible for purchase shall be sold
42 and disposed of within six (6) months from the date of acquisition

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1 unless the director grants an extension of time for the sale and
2 disposition.

3 (g) Notwithstanding any other provision of this article, a bank or
4 trust company may purchase for its own account shares of stock of a
5 banker's bank insured by the Bank Insurance Fund of the Federal
6 Deposit Insurance Corporation or a holding company that owns or
7 controls a banker's bank insured by the Bank Insurance Fund of the
8 Federal Deposit Insurance Corporation. For the purposes of this
9 subsection, a "banker's bank" is a bank (as defined in IC 28-2-14-2):

10 (1) the stock of which is owned exclusively by other banks (as
11 defined in IC 28-2-14-2), or by a bank holding company the stock
12 of which is owned exclusively by other banks (as defined in
13 IC 28-2-14-2); and

14 (2) that is engaged exclusively in providing services to other
15 banks (as defined in IC 28-2-14-2), and to their officers, directors,
16 and employees.

17 A bank's or trust company's holdings of the stock of an insured banker's
18 bank or of a holding company that owns or controls an insured banker's
19 bank may not exceed ten percent (10%) of the capital and surplus of
20 the bank or trust company. A bank or trust company may not purchase
21 the stock of an insured banker's bank or of a holding company that
22 owns or controls an insured banker's bank if, after the purchase, the
23 bank or trust company would own more than five percent (5%) of any
24 class of voting securities of the banker's bank or holding company.

25 (h) Notwithstanding any other provision of this article, a bank or
26 trust company may invest in a casualty insurance company organized
27 solely for the purpose of insuring banks, trust companies, and bank
28 holding companies and their officers and directors from and against
29 liabilities, including those covered by bankers' blanket bonds and
30 director and officer liability insurance and other public liability
31 insurance. The investment must take the form of:

32 (1) the purchase for the bank's or trust company's own account of
33 shares of stock of the casualty insurance company or shares of
34 stock of an association of banks organized for the purpose of
35 funding the casualty insurance company; or

36 (2) loans to such an association of banks.

37 The total investment of any bank or trust company under this
38 subsection may not exceed five percent (5%) of the capital and surplus
39 of the bank or trust company.

40 (i) Any bank or trust company may establish or acquire a subsidiary
41 that engages in:

42 (1) the sale, distribution, or underwriting of securities issued by

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1 investment companies (as defined in Section 3 of the Investment
2 Company Act of 1940 (15 U.S.C. 80a-3); or

3 (2) the underwriting or distribution of securities backed by or
4 representing an interest in mortgages.

5 (j) As used in this section, "total equity capital" means unimpaired
6 capital stock, unimpaired surplus, unimpaired undivided profits,
7 subordinated debt that has been approved by the state or federal
8 regulatory agencies, and one hundred percent (100%) of loan reserves.

9 (k) The department may define an investment security by
10 department policy or by rule.

11 (l) A bank or trust company may establish a trading account for the
12 purchase and resale of securities that are otherwise eligible for
13 purchase or resale by the bank or trust company. The trading account
14 must comply with the requirements established by policy or rule of the
15 department.

16 (m) A bank or trust company that purchases a security for its own
17 account shall maintain sufficient records of the security to allow the
18 security to be properly identified by the department for examination
19 purposes.

20 SECTION 43. IC 28-1-20-4, AS AMENDED BY P.L.262-1995,
21 SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 1998]: Sec. 4. (a) Except as provided in subsections (b), (d),
23 and (g), it is unlawful for any person, firm, limited liability company,
24 or corporation (other than a bank or trust company or corporate
25 fiduciary organized or reorganized under IC 28 or statutes in effect at
26 the time of organization or reorganization or under the laws of the
27 United States):

28 (1) to use the word "trust" or the word "bank" as a part of the
29 name or title of the person, firm, or corporation; or

30 (2) to advertise or represent the person, firm, limited liability
31 company, or corporation to the public:

32 (A) as a bank or trust company or a corporate fiduciary; or

33 (B) as affording the services or performing the duties which by
34 law only a bank or trust company or a corporate fiduciary is
35 entitled to afford and perform.

36 (b) Notwithstanding subsection (a), a building and loan association
37 **organized under IC 28-4 (before its repeal)** may include in its name
38 or title:

39 (1) the words "savings bank"; or

40 (2) the word "bank" if the name or title also includes either the
41 words "savings bank" or letters "SB".

42 A building and loan association that includes "savings bank" in its title

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1 under this section does not by that action become a savings bank for
2 purposes of IC 28-6.1.

3 (c) The name or title of a savings bank governed by IC 28-6.1 must
4 include the words "savings bank" or the letters "SB".

5 (d) Notwithstanding subsection (a), a bank holding company (as
6 defined in 12 U.S.C. 1841) may use the word "bank" or "banks" as a
7 part of its name. However, this subsection does not permit a bank
8 holding company to advertise or represent itself to the public as
9 affording the services or performing the duties that by law a bank or
10 trust company only is entitled to afford and perform.

11 (e) The department is authorized to investigate the business affairs
12 of any person, firm, limited liability company, or corporation that uses
13 "bank" or "trust" in its title or holds itself out as a bank or trust for the
14 purpose of determining whether the person, firm, limited liability
15 company, or corporation is violating any of the provisions of this
16 article, and, for that purpose, the department and its agents shall have
17 access to any and all of the books, records, papers, and effects of the
18 person, firm, limited liability company, or corporation. In making its
19 examination, the department may examine any person and the partners,
20 officers, members, or agents of the firm, limited liability company, or
21 corporation under oath, subpoena witnesses, and require the production
22 of the books, records, papers, and effects considered necessary. On
23 application of the department, the circuit or superior court of the county
24 in which the person, firm, limited liability company, or corporation
25 maintains a place of business shall, by proper proceedings, enforce the
26 attendance and testimony of witnesses and the production and
27 examination of books, papers, records, and effects.

28 (f) A person, firm, limited liability company, or corporation who
29 violates this section is subject to a penalty of two hundred dollars
30 (\$200) per day for each and every day during which the violation
31 continues. The penalty imposed shall be recovered in the name of the
32 state on relation of the department and, when recovered, shall be paid
33 into the financial institutions fund established by IC 28-11-2-9.

34 (g) The word "bank" may not be included in the name of a corporate
35 fiduciary.

36 SECTION 44. IC 28-1-21.4-1, AS ADDED BY P.L.176-1996,
37 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 1998]: Sec. 1. As used in this chapter, "~~building and loan~~
39 **"mutual savings** association" means any ~~building and loan mutual~~
40 **savings** association organized or reorganized under this title, and any
41 ~~building and loan association, rural loan and savings association, or~~
42 ~~guaranty loan and savings association~~ organized under any Indiana

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1 statute before February 24, 1933, that is in a mutual form.

2 SECTION 45. IC 28-1-21.4-2, AS ADDED BY P.L.176-1996,
3 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 1998]: Sec. 2. As used in this chapter, "charter conversion"
5 means the conversion of a ~~building and loan~~ **mutual savings**
6 association to a stock ~~building and loan~~ **savings** association, including
7 any of the following:

8 (1) A conversion in connection with the formation of a holding
9 company.

10 (2) An acquisition involving an existing corporation.

11 (3) A merger with an existing financial institution.

12 SECTION 46. IC 28-1-21.4-3, AS ADDED BY P.L.176-1996,
13 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 1998]: Sec. 3. As used in this chapter, "conversion plan"
15 refers to the plan of charter conversion of a ~~building and loan~~ **mutual**
16 **savings** association to a stock ~~building and loan~~ **savings** association
17 required by this chapter.

18 SECTION 47. IC 28-1-21.4-6, AS ADDED BY P.L.176-1996,
19 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 1998]: Sec. 6. As used in this chapter, "stock ~~building and~~
21 ~~loan~~ **savings** association" means a ~~building and loan~~ **savings**
22 association that is:

23 (1) owned by holders of capital stock; and

24 (2) formed by conversion under this chapter.

25 SECTION 48. IC 28-1-21.4-7, AS ADDED BY P.L.176-1996,
26 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 1998]: Sec. 7. As used in this chapter, "voting parties" means
28 the:

29 (1) depositors; and

30 (2) borrowers;

31 of a ~~building and loan~~ **mutual savings** association as provided in
32 IC 28-13-6-2(e).

33 SECTION 49. IC 28-1-21.4-8, AS ADDED BY P.L.176-1996,
34 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
35 JULY 1, 1998]: Sec. 8. Notwithstanding any provision of this title, a
36 ~~building and loan~~ **mutual savings** association may convert its charter
37 under this chapter with the approval of the department.

38 SECTION 50. IC 28-1-21.4-9, AS ADDED BY P.L.176-1996,
39 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 1998]: Sec. 9. (a) The department shall prescribe procedures
41 for charter conversions under this chapter.

42 (b) The procedures prescribed by the department must include the

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1 following:

2 (1) The ~~building and loan savings~~ association must prepare and
 3 submit a conversion plan to the department that provides the
 4 terms and conditions of the charter conversion as required by the
 5 department. The conversion plan must stipulate the manner of
 6 distribution of stock.

7 (2) The conversion plan must be adopted by at least a majority of
 8 the board of directors of the ~~building and loan savings~~
 9 association.

10 (3) Upon approval of a plan of charter conversion by the board of
 11 directors of the ~~building and loan savings~~ association, the
 12 conversion plan and a certified copy of the resolution of the board
 13 of directors approving the conversion plan shall be submitted to
 14 the department for approval.

15 (4) The conversion plan must be conditioned upon the approval
 16 of at least a majority of the total number of votes eligible to be
 17 cast at a regular or special meeting of the voting parties. In
 18 obtaining the approval of the conversion plan by the voting
 19 parties, the converting ~~building and loan savings~~ association shall
 20 provide to the voting parties the information regarding the
 21 conversion plan that the department requires. In determining the
 22 information that must be provided, the department shall give due
 23 consideration to the requirements of the office of thrift
 24 supervision regulations relating to proxy statements governed by
 25 Section 14 of the Securities Exchange Act of 1934 (15 U.S.C.
 26 78n).

27 (5) The ~~building and loan savings~~ association shall provide to the
 28 department the additional relevant information requested by the
 29 department in connection with the conversion plan.

30 SECTION 51. IC 28-1-21.4-10, AS ADDED BY P.L.176-1996,
 31 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 1998]: Sec. 10. The voting parties of a ~~building and loan~~
 33 **mutual savings** association have the voting rights set forth in
 34 IC 28-13-6-2 with respect to a charter conversion of the ~~building and~~
 35 **loan mutual savings** association under this chapter.

36 SECTION 52. IC 28-1-21.4-11, AS ADDED BY P.L.176-1996,
 37 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 1998]: Sec. 11. (a) The department may approve or
 39 disapprove the conversion plan filed under section 9 of this chapter.

40 (b) The department is not required to hold a hearing on the
 41 conversion plan.

42 (c) Solicitation of the votes of voting parties may occur before the

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1 **building and loan savings** association receives approval of the
2 department if the director of the department has reviewed the proxy
3 solicitation material and has notified the **building and loan savings**
4 association in writing that the department does not object to the use of
5 the material.

6 SECTION 53. IC 28-1-21.4-12, AS ADDED BY P.L.176-1996,
7 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 1998]: Sec. 12. The department may not approve the
9 conversion plan unless the department finds, after appropriate
10 investigation or examination, all of the following:

- 11 (1) That the resulting stock **building and loan savings** association
12 will operate in a safe, sound, and prudent manner.
- 13 (2) That the proposed charter conversion will not result in a stock
14 **building and loan savings** association that has inadequate capital,
15 unsatisfactory management, or poor earnings prospects.
- 16 (3) That the management or other principals of the **building and**
17 **loan savings** association are qualified by character and financial
18 responsibility to control and operate in a legal and proper manner
19 the proposed stock **building and loan savings** association.
- 20 (4) That the interests of the depositors, the creditors, and the
21 public generally will not be jeopardized by the proposed charter
22 conversion.

23 SECTION 54. IC 28-1-21.4-13, AS ADDED BY P.L.176-1996,
24 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 1998]: Sec. 13. At the effective time of the charter conversion,
26 the resulting stock **building and loan savings** association:

- 27 (1) possesses all of the rights, privileges, immunities, and powers
28 of a stock **building and loan savings** association;
- 29 (2) unless otherwise provided in this chapter, is subject to all of
30 the statutes, regulations, duties, restrictions, obligations, and
31 liabilities of a stock **building and loan savings** association;
- 32 (3) succeeds by operation of law to all rights and property of the
33 converting **building and loan savings** association; and
- 34 (4) is subject to all debts, obligations, and liabilities of the
35 converting **building and loan savings** association as if the stock
36 **building and loan savings** association had incurred the debts and
37 liabilities.

38 SECTION 55. IC 28-1-21.4-14, AS ADDED BY P.L.176-1996,
39 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 1998]: Sec. 14. The department may authorize the resulting
41 stock **building and loan savings** association to do the following:

- 42 (1) Wind up any activities legally engaged in by the **building and**

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1 ~~loan savings~~ association at the effective time of the charter
2 conversion not permitted to stock ~~building and loan savings~~
3 associations.

4 (2) Retain for a transitional period any assets legally held by the
5 ~~building and loan savings~~ association at the effective time of the
6 charter conversion that otherwise may not be held by stock
7 ~~building and loan savings~~ associations.

8 The terms and conditions of the transitional period under subdivisions
9 (1) and (2) are subject to the discretion of the department. However, the
10 transitional period may not exceed ten (10) years after the effective
11 time of the charter conversion.

12 SECTION 56. IC 28-1-21.4-15, AS ADDED BY P.L.176-1996,
13 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 1998]: Sec. 15. A stock ~~building and loan savings~~ association
15 created by charter conversion may retain all branches lawfully
16 established.

17 SECTION 57. IC 28-1-21.4-16, AS ADDED BY P.L.176-1996,
18 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 1998]: Sec. 16. (a) To effect the charter conversion, the
20 converting ~~building and loan savings~~ association must file with the
21 secretary of state articles of charter conversion showing the approval
22 of the director of the department.

23 (b) The converting ~~building and loan savings~~ association shall
24 record copies of the articles of charter conversion with the county
25 recorder of the county where the principal office of the stock ~~building~~
26 ~~and loan savings~~ association is located.

27 (c) The articles of charter conversion constitute articles of
28 incorporation and must set forth the elements required in IC 28-12-2-1.

29 SECTION 58. IC 28-1-23-2 IS AMENDED TO READ AS
30 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. The fees payable to
31 the secretary of state by financial institutions which are organized or
32 reorganized under the laws of this state or under the laws of any other
33 state shall be the same as the fees prescribed in IC 23-1-18, except that
34 the fee imposed on the basis of the capital stock of any ~~building and~~
35 ~~loan association or savings and loan~~ association shall be the sum of one
36 dollar (\$1) for each original application and one dollar (\$1) for each
37 additional application for shares, irrespective of the number of shares
38 to be authorized by such application and issued thereunder.

39 SECTION 59. IC 28-1-23-6 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) Except as
41 provided in subsection (b), a mutual savings bank a ~~rural loan and~~
42 ~~savings association; a guaranty loan and savings association; or a~~

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1 mortgage guarantee company may not be incorporated or organized
2 under Indiana law.

3 (b) A mutual savings bank may be organized with all rights and
4 privileges under IC 28-6.1 only by a mutual bank conversion under
5 IC 28-1-21.7.

6 SECTION 60. IC 28-2-13-3, AS AMENDED BY P.L.171-1996,
7 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 1998]: Sec. 3. As used in this chapter, "affiliate" means, as to
9 a bank controlled by one (1) or more bank holding companies, another
10 bank, savings bank, ~~building and loan association, savings and loan~~
11 ~~association~~, or savings association controlled by the same bank holding
12 company or bank holding companies.

13 SECTION 61. IC 28-2-14-2, AS AMENDED BY P.L.122-1994,
14 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 1998]: Sec. 2. (a) As used in this chapter, "bank" means a
16 financial institution:

17 (1) that has been organized or reorganized under the laws of the
18 United States or the state of Indiana;

19 (2) that has its principal office in Indiana; and

20 (3) that:

21 (A) is an "insured bank" (as defined in Section 3(h) of the
22 Federal Deposit Insurance Act (12 U.S.C. 1813(h)) or is
23 eligible to make application to become an insured depository
24 institution under Section 5 of the Federal Deposit Insurance
25 Act (12 U.S.C. 1815); or

26 (B) is a stock savings bank that was formed as a result of a
27 conversion under IC 28-1-21.8 or IC 28-1-21.9 or incorporated
28 under IC 28-12.

29 (b) Except as provided in subsection (a)(3)(B), the term "bank" does
30 not include:

31 (1) any institution that has been or is chartered by the Federal
32 Home Loan Bank Board or the Office of Thrift Supervision;

33 (2) institutions of the "Farm Credit System" as described in 12
34 U.S.C. 2001 through 2260, which include the Farm Credit Banks,
35 the Federal Land Bank Associations, the Production Credit
36 Associations, the Banks for Cooperatives, and any other
37 institution that may become a part of the Farm Credit System, as
38 chartered by and subject to the supervision of the Farm Credit
39 Administration; or

40 (3) any other institution that has been organized or reorganized as
41 a ~~savings and loan association, building and loan association,~~
42 savings association, credit union, or industrial loan and

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1 investment company.

2 SECTION 62. IC 28-2-16-2, AS AMENDED BY P.L.122-1994,
3 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 1998]: Sec. 2. (a) As used in this chapter, "bank" means a
5 financial institution:

6 (1) that has been organized or reorganized under the laws of the
7 United States, any state of the United States, or the District of
8 Columbia; and

9 (2) that:

10 (A) is an "insured bank" (as defined in Section 3(h) of the
11 Federal Deposit Insurance Act (12 U.S.C. 1813(h)) or is
12 eligible to make application to become an insured depository
13 institution under Section 5 of the Federal Deposit Insurance
14 Act (12 U.S.C. 1815); or

15 (B) is a stock savings bank that was formed as a result of
16 conversion under IC 28, incorporated under IC 28-12, or
17 organized or reorganized under the laws of any other state of
18 the United States.

19 (b) Except as provided in subsection (a)(2)(B), the term "bank" does
20 not include:

21 (1) any institution that has been or is chartered by the Federal
22 Home Loan Bank Board or the Office of Thrift Supervision;

23 (2) institutions of the "Farm Credit System" as described in 12
24 U.S.C. 2001 through 2260, which include the Farm Credit Banks,
25 the Federal Land Bank Associations, the Production Credit
26 Associations, the Banks for Cooperatives, and any other
27 institution that may become a part of the Farm Credit System, as
28 chartered by and subject to the supervision of the Farm Credit
29 Administration; or

30 (3) any other institution that has been organized or reorganized as
31 ~~a savings and loan association; a building and loan association;~~ a
32 savings association, a credit union, or an industrial loan and
33 investment company.

34 SECTION 63. IC 28-2-17-20, AS ADDED BY P.L.171-1996,
35 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 1998]: Sec. 20. (a) With the prior written approval of the
37 department, an Indiana state bank may establish, maintain, and operate
38 one (1) or more branches in a state other than Indiana pursuant to an
39 interstate merger transaction in which the Indiana state bank is the
40 resulting bank.

41 (b) Not later than the date on which the required application for the
42 interstate merger transaction is filed with the appropriate federal bank

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1 supervisory agency, the applicant Indiana state bank shall file an
2 application with the department on a form prescribed by the director.

3 (c) An interstate merger transaction must be done in compliance
4 with:

- 5 (1) IC 28-1-7;
- 6 (2) IC 28-1-8; or
- 7 (3) IC 28-3-2.

8 (d) An interstate merger transaction may be consummated only after
9 the applicant has received the written approval of the department. The
10 department has the authority to establish terms, conditions, and time
11 frames by which the transaction may be consummated.

12 (e) A ~~building and loan~~ **savings** association or an industrial loan and
13 investment company organized or reorganized under the laws of
14 Indiana may engage in an interstate merger transaction to the same
15 extent and under the same restrictions, conditions, and requirements as
16 an Indiana state bank.

17 SECTION 64. IC 28-2-17-24, AS ADDED BY P.L.171-1996,
18 SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 1998]: Sec. 24. (a) To the extent consistent with subsection
20 (b), the department may make the examinations of any branch
21 established and maintained in Indiana pursuant to this chapter by an
22 out-of-state state bank as the department may consider necessary to
23 determine whether the branch is being operated in compliance with the
24 laws of Indiana and in accordance with safe and sound banking
25 practices. The provisions of IC 28-11-3 shall apply to such
26 examinations.

27 (b) The department may enter into cooperative, coordinating, and
28 information-sharing agreements with any organization enumerated in
29 IC 28-11-3-3 with respect to the periodic examination or other
30 supervision of:

- 31 (1) any branch in Indiana of an out-of-state state bank; or
- 32 (2) any branch of an Indiana state bank in any host state;

33 and the department may accept the organization's reports of
34 examination and reports of investigation instead of conducting its own
35 examinations or investigations.

36 (c) The department may enter into agreements with any financial
37 institution supervisory agency that has concurrent jurisdiction over an
38 Indiana state bank or an out-of-state state bank operating a branch in
39 Indiana pursuant to this chapter to:

- 40 (1) engage the services of such agency's examiners at a reasonable
41 rate of compensation; or
- 42 (2) provide the services of the department's examiners to such

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1 agency at a reasonable rate of compensation.

2 Any such agreement shall be entered into under IC 36-1-7.

3 (d) The department may enter into joint examinations or joint
4 enforcement actions with other bank supervisory agencies having
5 concurrent jurisdiction over any branch established and maintained in
6 Indiana of an out-of-state state bank or any branch established and
7 maintained by an Indiana state bank in any host state. The department
8 may at any time take such actions independently if the department
9 considers the actions to be necessary or appropriate to carry out its
10 responsibilities under this chapter or to ensure compliance with the
11 laws of Indiana. In the case of an out-of-state state bank, the
12 department shall recognize:

13 (1) the exclusive authority of the home state regulator over
14 corporate governance matters; and

15 (2) the primary responsibility of the home state regulator with
16 respect to safety and soundness matters.

17 (e) Each out-of-state state bank that maintains one (1) or more
18 branches in Indiana is subject to the provisions of IC 28-11-3-5. The
19 fees may be shared with other financial institution supervisory agencies
20 or any organization affiliated with or representing one (1) or more bank
21 supervisory agencies in accordance with agreements between those
22 agencies and the department.

23 (f) For the purposes of this chapter, the provisions of IC 28-1-2-30
24 apply to the following:

25 (1) An out-of-state bank.

26 (2) An out-of-state savings ~~and loan~~ association.

27 (3) An out-of-state industrial loan and investment company.

28 SECTION 65. IC 28-2-18-19, AS AMENDED BY P.L.192-1997,
29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
30 JULY 1, 1998]: Sec. 19. (a) With the prior written approval of the
31 department, any Indiana state bank may establish and maintain a de
32 novo branch or acquire a branch in a state other than Indiana.

33 (b) An Indiana state bank that desires to:

34 (1) establish one (1) or more de novo branches; or

35 (2) acquire one (1) or more branches under this section;

36 must file a written application with the department. The application
37 must be in the form and contain the information prescribed by the
38 director.

39 (c) The department may approve or disapprove an application filed
40 under this section. Before the department approves an application, the
41 bank must demonstrate to the satisfaction of the department that:

42 (1) the applicant state bank will have adequate capital, sound

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1 management, and adequate future earnings prospects after the
2 establishment of the branch; and

3 (2) the establishment of the proposed branch will not violate the
4 laws of the host state.

5 (d) The investigation of the department relative to any application
6 as required by this subsection shall be conducted without a public
7 hearing.

8 (e) The location of any branch in another state established or
9 acquired under this section may be changed at any time to a location
10 within the state where the branch is located if the change of location:

11 (1) is authorized by the board of directors of the Indiana state
12 bank; and

13 (2) approved by the department.

14 (f) A ~~building and loan~~ **savings** association or an industrial loan and
15 investment company organized or reorganized under the laws of
16 Indiana may establish and maintain a de novo branch or acquire a
17 branch in a state other than Indiana to the same extent and under the
18 same restrictions, conditions, and requirements as an Indiana state
19 bank.

20 SECTION 66. IC 28-2-18-25, AS ADDED BY P.L.171-1996,
21 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 1998]: Sec. 25. (a) To the extent consistent with subsection
23 (b), the department may make examinations of any branch established
24 and maintained in Indiana pursuant to this chapter by an out-of-state
25 state bank as the department may consider necessary to determine
26 whether the branch is being operated in compliance with the laws of
27 Indiana and in accordance with safe and sound banking practices. The
28 provisions of IC 28-11-3 shall apply to the examinations.

29 (b) The department may enter into cooperative, coordinating, and
30 information-sharing agreements with any organization enumerated in
31 IC 28-11-3-3 with respect to the periodic examination or other
32 supervision of:

33 (1) any branch in Indiana of an out-of-state state bank; or

34 (2) any branch of an Indiana state bank in any host state;

35 and the department may accept the organization's reports of
36 examination and reports of investigation instead of conducting its own
37 examinations or investigations.

38 (c) The department may enter into agreements with any financial
39 institution supervisory agency that has concurrent jurisdiction over an
40 Indiana state bank or an out-of-state state bank operating a branch in
41 Indiana pursuant to this chapter to:

42 (1) engage the services of the agency's examiners at a reasonable

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- 1 rate of compensation; or
 2 (2) provide the services of the department's examiners to the
 3 agency at a reasonable rate of compensation.
 4 Any such agreement shall be entered into under IC 36-1-7.
 5 (d) The department may enter into joint examinations or joint
 6 enforcement actions with other bank supervisory agencies having
 7 concurrent jurisdiction over any branch established and maintained in
 8 Indiana by an out-of-state state bank or any branch established and
 9 maintained by an Indiana state bank in any host state. The department
 10 may at any time take the actions independently if the department
 11 considers the actions to be necessary or appropriate to carry out its
 12 responsibilities under this chapter or to ensure compliance with the
 13 laws of Indiana. In the case of an out-of-state state bank, the
 14 department shall recognize:
 15 (1) the exclusive authority of the home state regulator over
 16 corporate governance matters; and
 17 (2) the primary responsibility of the home state regulator with
 18 respect to safety and soundness matters.
 19 (e) Each out-of-state bank that maintains one (1) or more branches
 20 in Indiana is subject to the provisions of IC 28-11-3-5. The fees may be
 21 shared with other financial institution supervisory agencies or any
 22 organization affiliated with or representing one (1) or more bank
 23 supervisory agencies in accordance with agreements between those
 24 parties and the department.
 25 (f) For the purposes of this chapter, the provisions of IC 28-1-2-30
 26 apply to the following:
 27 (1) An out-of-state bank.
 28 (2) An out-of-state savings ~~and loan~~ association.
 29 (3) An out-of-state industrial loan and investment company.
 30 SECTION 67. IC 28-3-3-1 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. Any bank, trust
 32 company, ~~building and loan~~ savings association or other financial
 33 institution incorporated or organized under any law of this state and
 34 which has heretofore undertaken voluntary liquidation proceedings but
 35 failed to comply with the then existing law as to the giving of notice of
 36 such voluntary liquidation, may correct such error of omission by
 37 giving notice of such voluntary liquidation in the manner originally
 38 provided for such financial institution. Any notice so given shall
 39 contain in brief form a chronological history of the liquidation
 40 proceedings. Any notice so given shall also state in effect that any
 41 creditor, shareholder or other interested party failing to object in
 42 writing to the acts of the liquidating agent within sixty (60) days after

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1 the first publication of such notice shall be forever barred from
 2 thereafter asserting any claim against the financial institution, the
 3 liquidating agent, or his surety.

4 SECTION 68. IC 28-5-1-6, AS AMENDED BY P.L.194-1997,
 5 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 1998]: Sec. 6. (a) Every company may exercise all the powers
 7 conferred upon domestic corporations by IC 23-1 but only to the extent
 8 that those powers may be necessary, convenient, or expedient to
 9 accomplish the purposes for which it is organized. Subject to the
 10 restrictions and limitations contained in this chapter, every company
 11 may exercise the following powers:

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

18 (2) To make, purchase, discount, or otherwise acquire extensions
 19 of credit under IC 24-4.5.

20 (3) To lend money without security or upon the security of
 21 comakers, personal endorsement, or the mortgage of real or
 22 personal property or the mortgage or pledge of bailment leases or
 23 rentals due and to become due thereunder and other choses in
 24 action, and to contract for interest, discount, fees, charges, or
 25 other consideration fixed or permitted by any laws of Indiana
 26 concerning interest, discount, or usury.

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

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



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

- (A) the direct or indirect obligations of the United States or of the state;
- (B) obligations of mutual funds or financial institutions if the obligations represent a participation in a fund invested in, or are secured by, direct or indirect obligations of the United States owned by the mutual fund or financial institution;
- (C) the direct obligations of a civil or school county, township, city, town, other taxing district, municipality of Indiana;
- (D) a special taxing district in Indiana;
- (E) issued by or in the name of the trustees of Indiana University, the trustees of Purdue University, the trustees of Ball State University, the trustees of Indiana State University, or the Indiana educational facilities authority;
- (F) issued by or in the name of any municipality of Indiana and payable from the revenues to be derived from the operation of facilities for the production or distribution of water, electricity, gas, or from the operation of sewage works; or
- (G) the obligations of any Indiana toll road commission, public library, or schoolhouse holding corporation first mortgage bonds;

which district, municipality, taxing unit, or corporation is not then in default in the payment of either principal or interest on any of its funded obligations and has not so defaulted for a period of more than six (6) months within the five (5) year period immediately preceding the purchase of the securities.

(7) To invest in bonds, notes, or debentures rated in one (1) of the first four (4) classifications established by one (1) or more standard rating services specified by the department that satisfy requirements of marketability prescribed periodically by the department that are the obligations of a person, a firm, a limited liability company, a corporation, a state, a territory, an insular possession of the United States, or a county, township, town, city, taxing district, or municipality thereof which is not then in default in the payment of either principal or interest on any of its funded obligations and has not so defaulted within the five (5) year period immediately preceding the purchase of the securities and other investment securities prescribed by the department by rule. As used in this section, the term "investment securities" means marketable obligations evidencing indebtedness of a person, firm, limited liability company, or corporation in the form of bonds, notes, or debentures commonly known as "investment securities"

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1 and the definition of the term "investment securities" prescribed
2 by the department by rule. Except as is otherwise provided in this
3 chapter or otherwise permitted by law, nothing contained in this
4 subdivision authorizes the purchase by an industrial loan and
5 investment company of shares of stock or other securities, unless
6 the purchase is necessary to prevent loss under a debt previously
7 contracted in good faith and stocks or other securities so
8 purchased or acquired shall, within six (6) months from the time
9 of its purchase, be sold or disposed of at public or private sale,
10 unless otherwise ordered by the department.

11 (8) To invest in bonds or debentures issued under and by the
12 authority of the Federal Home Loan Bank Act (12 U.S.C. 1421
13 through 1429), or of the Home Owners' Loan Act (12 U.S.C. 1461
14 through 1468), or obligations issued by or for farm credit banks,
15 and banks for cooperatives under the Farm Credit Act of 1971 (12
16 U.S.C. 2001 through 2279aa-14).

17 (9) To invest in insured shares of an insured savings ~~and loan or~~
18 ~~insured building and loan~~ association organized under the laws of
19 Indiana, and in insured shares of an insured federal savings ~~and~~
20 ~~loan~~ association whose principal place of business is located in
21 Indiana; and in certificates of indebtedness or investment of an
22 industrial loan and investment company organized under the laws
23 of Indiana. However, not more than twenty percent (20%) of the
24 resources of the company may be invested in the insured shares
25 of any such association, nor more than ten percent (10%) of sound
26 capital in such certificates of industrial loan and investment
27 companies.

28 (10) To make loans and advances of credit and purchases of
29 obligations representing loans and advances of credit as are
30 eligible for insurance by the federal housing administrator, and to
31 obtain insurance from the administrator.

32 (11) To make loans secured by mortgage on real property or
33 leasehold, insured by the federal housing administrator, or makes
34 a commitment to insure and to obtain insurance from the
35 administrator.

36 (12) To purchase, invest in, and dispose of notes or bonds secured
37 by mortgage or trust deed insured by the federal housing
38 administrator or debentures issued by the federal housing
39 administrator, or bonds or other securities insured by national
40 mortgage associations.

41 (13) To discount, purchase, or otherwise acquire charge accounts,
42 and drafts and bills of exchange evidencing charge accounts and

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1 to impose and collect monthly service charges and maintenance
2 charges on charge accounts, drafts, or bills of exchange which are
3 owned or acquired in amounts agreed upon between the company
4 and the obligor, or obligors, on charge accounts, drafts, and bills
5 of exchange.

6 (14) To purchase or otherwise acquire property, real or personal,
7 tangible or intangible, in which the company has a security
8 interest to secure a debt owing to the company contracted in good
9 faith or the purchase or acquisition of which property is
10 considered expedient to prevent loss from a debt owing to the
11 company contracted in good faith, and for such purpose to engage
12 in any lawful business considered necessary or expedient by the
13 company to preserve, protect, or make saleable the property.
14 Property thus purchased or acquired shall be sold and disposed of
15 within two (2) years, or a longer period permitted by the
16 department, after the purchase or acquisition.

17 (15) To exercise any right or power through a subsidiary approved
18 by the department, and to purchase, own, and hold shares of stock
19 of each subsidiary, but a subsidiary may not exercise a power or
20 engage in an activity which the company would not be permitted
21 to do. Each subsidiary shall be subject to examination by the
22 department to the same extent as though it were comprised within
23 the legal entity of the company, and unless otherwise provided by
24 statute or rule, pertinent book figures of the company and its
25 subsidiaries shall be consolidated for the purpose of applying
26 applicable provisions of this chapter. Any such subsidiary may be
27 organized under the laws of this state or any other state, territory,
28 or insular possession of the United States and may qualify as a
29 foreign corporation authorized to do business in any other state,
30 territory, or insular possession of the United States.

31 (16) To act as trustee of a trust created in the United States and
32 forming part of a stock bonus, pension, or profit sharing plan that
33 is qualified for tax treatment under Section 401(d) of the Internal
34 Revenue Code, and to act as trustee or custodian of an individual
35 retirement account within the meaning of Section 408 of the
36 Internal Revenue Code, if the funds of that trust or account are
37 only invested in certificates of investment or indebtedness of the
38 company or in obligations or securities issued by that company.
39 All funds held under this subdivision in a fiduciary capacity may
40 be commingled by the company for appropriate investment
41 purposes; however, individual records shall be kept by the
42 fiduciary for each participant and shall show in proper detail all

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transactions engaged in under the authority of this subdivision.

(17) To do anything necessary and appropriate to obtain or maintain federal deposit insurance under the Federal Deposit Insurance Corporation Act (12 U.S.C. 1811 through 1833e), or insurance under any other federal or Indiana law providing insurance for certificates of investment or indebtedness issued by a company. A company that obtains and maintains federal deposit insurance is not required to obtain approval from the department concerning the rate of interest payable on, or the form, the terms, or the conditions of the certificates of investment or indebtedness, and the company may exercise all of the powers that are conferred upon institutions maintaining federal deposit insurance that are not in conflict with Indiana law.

(18) To become a member of a federal home loan bank and acquire, own, pledge, sell, assign, or otherwise dispose of shares of the capital stock of a federal home loan bank.

(19) To borrow money and procure advances from a federal home loan bank and to transfer, assign to, and pledge with the federal home loan bank any of the bonds, notes, contracts, mortgages, securities, or other property of the company held or acquired as security for the payment of the loans and advances.

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

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

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

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

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SECTION 69. IC 28-5-1-25 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 25. (a) Any industrial
2 loan and investment company organized under this chapter may, upon
3 approval of the department, convert into a state bank or trust company
4 or a savings ~~and loan~~ association.

5 (b) The department shall prescribe the procedure for conversion
6 under this section. The department shall prescribe a procedure that
7 includes the following conditions:

8 (1) The conversion must be proposed by the board of directors of
9 the industrial loan and investment company in a resolution of
10 conversion.

11 (2) The resolution of conversion must be adopted by an
12 affirmative vote of at least two-thirds (2/3) of the shareholders of
13 the industrial loan and investment company.

14 (3) The industrial loan and investment company must provide all
15 relevant information requested by the department in connection
16 with the conversion.

17 (c) Upon conversion, an industrial loan and investment company has
18 all the rights, privileges, immunities, and powers, and is subject to all
19 the duties, restrictions, penalties, and liabilities of a bank or trust
20 company organized under IC 28-1 or a savings ~~and loan~~ association
21 organized under IC 28-4 **(before its repeal) or under IC 28-15.**

22 SECTION 70. IC 28-6.1-8-10 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10. A savings bank may
24 deposit its funds in:

25 (1) a federally chartered savings ~~and loan~~ association; or

26 (2) a ~~building and loan association~~, savings ~~and loan~~ association
27 or other entity organized and operated according to federal law or
28 the laws of a state or the District of Columbia;

29 the accounts of which are insured by the Savings Association Insurance
30 Fund of the Federal Deposit Insurance Corporation.

31 SECTION 71. IC 28-6.1-12-2 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. (a) As used in this
33 chapter, "bank" means a financial institution that is either of the
34 following:

35 (1) A bank that:

36 (A) has been organized or reorganized under the laws of the
37 United States, any state of the United States, or the District of
38 Columbia; and

39 (B) is an "insured bank" (as defined in Section 3(h) of the
40 Federal Deposit Insurance Act (12 U.S.C. 1813(h)) eligible to
41 make application to become an insured depository institution
42 under Section 5 of the Federal Deposit Insurance Act (12

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- 1 U.S.C. 1815).
- 2 (2) Notwithstanding subsection (b), a savings bank formed as a
- 3 result of conversion.
- 4 (b) The term does not include any of the following:
- 5 (1) An institution that has been or is chartered by the Federal
- 6 Home Loan Bank Board or the Office of Thrift Supervision.
- 7 (2) Institutions of the "Farm Credit System" as described in 12
- 8 U.S.C. 2001 through 2260, which include the Farm Credit Banks,
- 9 the Federal Land Bank Associations, the Production Credit
- 10 Associations, the Banks for Cooperatives, and any other
- 11 institution that may become a part of the Farm Credit System, as
- 12 chartered by and subject to the supervision of the Farm Credit
- 13 Administration.
- 14 (3) Another institution that has been organized or reorganized as
- 15 a savings ~~and loan association~~, a ~~building and loan~~ association, a
- 16 credit union, or an industrial loan and investment company.
- 17 SECTION 72. IC 28-6.1-14-2 IS AMENDED TO READ AS
- 18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. A stock savings bank
- 19 may convert into a state bank or a savings ~~and loan~~ association with the
- 20 approval of the department.
- 21 SECTION 73. IC 28-6.1-14-5 IS AMENDED TO READ AS
- 22 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. Upon conversion, the
- 23 new state bank or new savings ~~and loan~~ association:
- 24 (1) has all the rights, privileges, immunities, and powers of a bank
- 25 organized under IC 28-1 or a savings ~~and loan~~ association
- 26 organized under IC 28-4 (**before its repeal**) or **under IC 28-15**;
- 27 (2) is subject to all the duties, restrictions, penalties, and liabilities
- 28 of a bank organized under IC 28-1 or a savings ~~and loan~~
- 29 association organized under IC 28-4 (**before its repeal**) or **under**
- 30 **IC 28-15**; and
- 31 (3) is governed by IC 28-13.
- 32 SECTION 74. IC 28-6.1-16-2, AS AMENDED BY P.L.262-1995,
- 33 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 34 JULY 1, 1998]: Sec. 2. (a) With the approval of the department, a
- 35 savings bank may convert into a savings ~~and loan association~~ or a
- 36 ~~building and loan~~ association.
- 37 (b) Nothing in this title prohibits a savings bank organized under the
- 38 laws of Indiana from converting to a savings association or a savings
- 39 bank organized or reorganized under the laws of the United States.
- 40 Conversion to a savings association or a savings bank organized under
- 41 the laws of the United States does not require the approval of the
- 42 department.



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1 SECTION 75. IC 28-6.1-16-4 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. Upon conversion, the
 3 new savings ~~and loan~~ **association** has all the rights, privileges,
 4 immunities, and powers and, except as provided in this chapter, is
 5 subject to all the duties, restrictions, penalties, and liabilities of a
 6 savings ~~and loan~~ association organized under IC 28-4 (**before its**
 7 **repeal) or under IC 28-15.**

8 SECTION 76. IC 28-6.2-1-19, AS ADDED BY P.L.122-1994,
 9 SECTION 101, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 1998]: Sec. 19. (a) **As used in this chapter,**
 11 "savings association" means a savings association (as defined in 12
 12 U.S.C. 1813(3)(b)(1)) the deposits of which are insured by the FDIC.

13 (b) The term includes:

- 14 (1) a federal savings association;
 15 (2) a federal savings bank; and
 16 (3) a ~~building and loan~~ or savings ~~and loan~~ association organized
 17 and operating under the laws of the state in which it is organized.

18 SECTION 77. IC 28-6.2-5-1, AS ADDED BY P.L.122-1994,
 19 SECTION 101, IS AMENDED TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 1998]: Sec. 1. A mutual holding company may
 21 do the following:

- 22 (1) Invest in or acquire control of:
 23 (A) a bank, savings bank, or savings ~~and loan~~ association; or
 24 (B) the holding company of a bank, savings bank, or savings
 25 ~~and loan~~ association.
 26 (2) Acquire a mutual savings bank or mutual savings ~~and loan~~
 27 association by merger with an interim or existing subsidiary
 28 savings bank of the mutual holding company from which the
 29 mutual holding company has members.
 30 (3) Acquire control of another mutual holding company by:
 31 (A) merging with or into it; or
 32 (B) merging it with or into a subsidiary interim holding
 33 company;

34 with the consent of the department and subject to conditions the
 35 department may prescribe, upon an affirmative vote of at least
 36 two-thirds (2/3) of the board of each entity.

37 (4) Acquire control of a savings bank holding company or savings
 38 ~~and loan~~ association holding company in the stock form with the
 39 written approval of the department. An acquired holding company
 40 may be held as a subsidiary or merged into the mutual holding
 41 company.

42 (5) Invest in or acquire control of any corporation that is engaged



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- 1 exclusively in activities approved by the department.
- 2 (6) Invest in securities in which a savings bank may invest in
- 3 under IC 28-6.1.
- 4 (7) Engage in activities in which a savings bank may engage in
- 5 under IC 28-6.1.
- 6 (8) Furnish or perform management services for a subsidiary.
- 7 (9) Hold, manage, or liquidate assets owned or acquired from a
- 8 subsidiary.
- 9 (10) Hold or manage property that the mutual holding company
- 10 or a subsidiary uses.
- 11 (11) Engage in any activity that the federal reserve board permits
- 12 a bank holding company to engage in under 12 CFR 225, subpart
- 13 C, unless limited or prohibited by the department.
- 14 (12) Convert itself and any savings bank subsidiary into a mutual
- 15 savings bank under a plan that:
- 16 (A) is approved by the department;
- 17 (B) provides that the converting mutual holding company
- 18 ceases to engage in activities in which the converted savings
- 19 bank may not engage; and
- 20 (C) provides that stock in a subsidiary savings bank that is not
- 21 held by the converting mutual holding company is redeemed.
- 22 SECTION 78. IC 28-7-1-17, AS AMENDED BY P.L.192-1997,
- 23 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 24 JULY 1, 1998]: Sec. 17. (a) Every loan application shall be submitted
- 25 on a form approved by the board of directors. When making an
- 26 application, a member shall state the security offered. Loans may be
- 27 dispersed upon written approval by a majority of the credit committee
- 28 or a loan officer, except under conditions described in section 16(g) of
- 29 this chapter. If the credit committee or loan officer fails to approve an
- 30 application for a loan, the applicant may appeal to the board of
- 31 directors, providing such appeal is authorized by the bylaws.
- 32 (b) Loans to members may be made only under the following terms
- 33 and conditions:
- 34 (1) All loans shall be evidenced by notes signed by the borrowing
- 35 member. A loan shall not be made to a member if it would cause
- 36 the member to become indebted to the credit union in an
- 37 aggregate amount in excess of ten percent (10%) of the total
- 38 unimpaired shares and surplus.
- 39 (2) Unsecured loans shall not exceed five percent (5%) of the
- 40 current assets of the credit union. The board of directors shall
- 41 establish written lending policies and maintain such policies on
- 42 file in the credit union. For the purposes of this section, an

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- 1 assignment of shares or the endorsement of a note is considered
 2 security.
- 3 (3) Except as otherwise provided in this section, the terms of any
 4 loan to a member with a maturity of more than six (6) months
 5 shall provide for principal and interest payments that will
 6 amortize the obligation in full within the terms of the loan
 7 contract. If the income of the borrowing member is seasonal, the
 8 terms of the loan contract may provide for seasonal amortization.
- 9 (4) Loans may be made upon the security of improved or
 10 unimproved real estate. Except as otherwise specified in this
 11 section, such loans must be secured by a first lien upon real estate
 12 prior to all other liens, except for taxes and assessments not
 13 delinquent, and may be made with repayment terms other than as
 14 provided in subdivision (3). When the amount of a loan is at least
 15 two hundred fifty thousand dollars (\$250,000), the fair cash value
 16 of real estate security shall be determined by a written appraisal
 17 made by one (1) or more qualified state licensed or certified
 18 appraisers designated by the board of directors. The credit union
 19 loan folder for real estate mortgage loans shall include, when
 20 applicable:
- 21 (A) the loan application;
 - 22 (B) the mortgage instrument;
 - 23 (C) the note;
 - 24 (D) the disclosure statement;
 - 25 (E) the documentations of property insurance;
 - 26 (F) an appraisal on the real estate for which the loan is made;
 - 27 and
 - 28 (G) the attorney's opinion of titles or a certificate of title
 29 insurance on the real estate upon which the mortgage loan is
 30 made.
- 31 (5) The total unpaid balance of all loans authorized by this
 32 subdivision shall, at no time, exceed thirty-three and one-third
 33 percent (33 1/3%) of the total assets of the credit union at the time
 34 the loans are granted. This section does not limit unpaid balances
 35 secured by adjustable rate mortgages. Loans made upon security
 36 of real estate are subject to the following restrictions:
- 37 (A) Real estate loans in which no principal amortization is
 38 required shall provide for the payment of interest at least
 39 annually and shall mature within five (5) years of the date of
 40 the loan unless extended and shall not exceed fifty percent
 41 (50%) of the fair cash value of the real estate used as security.
 - 42 (B) Real estate loans on improved real estate, except for

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1 variable rate mortgage loans and rollover mortgage loans
 2 provided for in subdivision (6), shall require substantially
 3 equal payments at successive intervals of not more than one
 4 (1) year, shall mature within thirty (30) years, and shall not
 5 exceed ninety percent (90%) of the fair cash value of the real
 6 estate used as security, unless the excess of any loan over the
 7 authorized percentage of fair cash value is guaranteed or
 8 insured by a government agency or a private insurer authorized
 9 to engage in such business in Indiana.

10 (C) Real estate loans on unimproved real estate may be made
 11 only if such real estate is included as additional security on
 12 eligible improved residential real estate, or the funds borrowed
 13 will be used for the construction of improvements that will
 14 make such real estate eligible as security and the funds will be
 15 advanced as the work progresses. The terms of the loan shall
 16 require the borrower to commence development of the real
 17 estate within one (1) year after the date of the loan, shall
 18 require the payment of interest at least annually, shall mature
 19 within five (5) years, and shall not exceed seventy-five percent
 20 (75%) of the fair cash value of the real estate used as security.
 21 The fair cash value for purposes of this clause shall be based
 22 upon the condition of the real estate after such improvements
 23 have been made.

24 (D) Loans primarily secured by a mortgage which constitutes
 25 a second lien on improved real estate may be made only if the
 26 aggregate amount of all loans on the real estate does not
 27 exceed ninety percent (90%) of the fair cash value of the real
 28 estate after such loan is made. Repayment terms shall be in
 29 accordance with subdivision (3).

30 (6) Subject to the limitations of subdivision (4), variable rate
 31 mortgage loans and rollover mortgage loans may be made under
 32 the same limitations and rights provided state chartered ~~building~~
 33 ~~and loan savings~~ associations under ~~IC 28-1-21.5~~ **IC 28-15-11** or
 34 federal credit unions. A credit union is not, however, subject to
 35 the limitations or rights set out in ~~IC 28-1-21-25~~ **IC 28-15-6**.

36 (7) A credit union may participate with other financial institutions
 37 in making loans to credit union members and may sell a
 38 participating interest in any of its loans. However, the credit union
 39 may not sell more than ninety percent (90%) of the principal of
 40 participating loans outstanding at the time of sale.

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



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1 SECTION 79. IC 28-8-4-1, AS AMENDED BY P.L.172-1997,
 2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 1998]: Sec. 1. (a) This chapter does not apply to the following:

4 (1) The United States or an instrumentality of the United States.
 5 (2) The state, a political subdivision of the state, or an
 6 instrumentality of the state or of a political subdivision of the
 7 state.

8 (3) A bank, a bank holding company, an industrial loan and
 9 investment company, a credit union, a ~~building and loan~~
 10 ~~association~~, a ~~savings and loan association~~, a savings association,
 11 a savings bank, a mutual bank, or a mutual savings bank
 12 organized under the laws of any state or the United States.

13 (b) Unless otherwise provided in this chapter, this chapter does not
 14 apply to an authorized delegate of a person:

15 (1) licensed under this chapter; and
 16 (2) acting within the scope of authority conferred by a written
 17 contract conforming to the requirements of section 49 of this
 18 chapter.

19 SECTION 80. IC 28-9-2-6 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. "Depository financial
 21 institution" means a financial institution that is organized or
 22 reorganized under Indiana law, the law of another state, or United
 23 States law. The term includes:

24 (1) a commercial bank;
 25 (2) a trust company;
 26 ~~(3) a building and loan association;~~
 27 ~~(4) (3) a credit union;~~
 28 ~~(5) (4) a savings bank;~~
 29 ~~(6) (5) a savings and loan association;~~
 30 ~~(7) (6) a bank of discount and deposit;~~
 31 ~~(8) (7) an industrial loan and investment company; or~~
 32 ~~(9) (8) a similar financial institution to those listed in subdivisions~~
 33 (1) through ~~(8)~~; (7);

34 if that financial institution has the financial institution's principal place
 35 of business or a branch in Indiana.

36 SECTION 81. IC 28-10-1-3, AS AMENDED BY P.L.262-1995,
 37 SECTION 71, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 1998]: Sec. 3. For purposes of IC 28-12, "corporation" means
 39 any of the following:

40 (1) A bank and trust company.
 41 (2) A bank.
 42 (3) A ~~building and loan savings~~ association.

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1 (4) A trust company.
 2 (5) A stock savings bank.
 3 (6) A corporate fiduciary.
 4 SECTION 82. IC 28-10-1-4, AS AMENDED BY P.L.262-1995,
 5 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 1998]: Sec. 4. For purposes of IC 28-13, "corporation" means
 7 any of the following:
 8 (1) A bank and trust company.
 9 (2) A bank.
 10 (3) A ~~building and loan~~ **savings** association.
 11 (4) A mutual savings bank formed as the result of a conversion
 12 under IC 28-1-21.7 and governed by IC 28-6.1.
 13 (5) A stock savings bank that was:
 14 (A) formed as the result of a conversion under IC 28-1-21.8 or
 15 IC 28-1-21.9; or
 16 (B) incorporated under IC 28-12; and
 17 that is governed by IC 28-6.1.
 18 (6) A trust company.
 19 (7) A corporate fiduciary.
 20 SECTION 83. IC 28-11-1-3 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) The ultimate
 22 authority for and the powers, duties, management, and control of the
 23 department are vested in seven (7) members appointed by the governor.
 24 The members must be appointed as follows:
 25 (1) Two (2) members must have practical experience at the
 26 executive level of a state chartered bank.
 27 (2) One (1) member must have practical experience at the
 28 executive level of a state chartered ~~building and loan~~ **savings**
 29 association or a state chartered savings bank.
 30 (3) One (1) member must have practical experience at the
 31 executive level as a lender licensed under IC 24-4.5.
 32 (4) One (1) member must have practical experience at the
 33 executive level of a state chartered credit union.
 34 (5) Two (2) members must be appointed with due regard to a fair
 35 representation of the consumer, agricultural, industrial, and
 36 commercial interests of Indiana.
 37 (b) Not more than four (4) members may be affiliated with the same
 38 political party.
 39 SECTION 84. IC 28-11-5-1, AS AMENDED BY P.L.262-1995,
 40 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 1998]: Sec. 1. This chapter applies to the following financial
 42 institutions:

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- 1 (1) A bank.
 2 (2) A **building and loan savings** association.
 3 (3) A credit union.
 4 (4) A savings bank.
 5 (5) A trust company.
 6 (6) A corporate fiduciary.
- 7 SECTION 85. IC 28-12-3-3, AS AMENDED BY P.L.262-1995,
 8 SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 9 JULY 1, 1998]: Sec. 3. (a) If the proposed corporation is organized to
 10 transact business under IC 28-1-11, the corporate name must include
 11 the word "bank" or "trust".
 12 (b) If the proposed corporation is to be a corporate fiduciary, the
 13 corporate name of the corporation must include the word "trust" or
 14 "fiduciary".
 15 (c) ~~Except as otherwise permitted in IC 28-1-20-4(b), if the~~
 16 ~~proposed corporation is a building and loan association, the corporate~~
 17 ~~name must include the words "building and loan association", "savings~~
 18 ~~and loan association", or "savings association". The corporate name~~
 19 ~~may not include the word "rural" or "guaranty".~~
- 20 SECTION 86. IC 28-12-11-3 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. ~~(a) This section does~~
 22 ~~not apply to a building and loan association operating solely upon the~~
 23 ~~terminating plan.~~
 24 ~~(b)~~ The department shall determine the capital stock requirements
 25 of a **building and loan savings** association organized or reorganized
 26 under this title after giving consideration to the following:
 27 (1) In the case of a proposed new **building and loan savings**
 28 association, the potential deposit liability anticipated.
 29 (2) In the case of a **building and loan savings** association to be
 30 reorganized, the existing deposit liability.
- 31 SECTION 87. IC 28-13-2-6 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) Shares may be
 33 represented by certificates. Unless this article or another statute
 34 expressly provides otherwise, the rights and obligations of shareholders
 35 of the same class or series of shares are identical whether or not the
 36 shares are represented by certificates.
 37 (b) At a minimum each share certificate must state on the certificate
 38 face the following:
 39 (1) The name of the issuing corporation and that the corporation
 40 is organized under Indiana law.
 41 (2) The name of the person to whom issued.
 42 (3) The number and class of shares and the designation of the



- 1 series, if any, the certificate represents.
- 2 (c) If the issuing corporation is authorized to issue different classes
3 of shares or different series within a class:
- 4 (1) the designations, relative rights, preferences, and limitations
5 applicable to each class and the variations in rights, preferences,
6 and limitations determined for each series and the authority of the
7 board of directors to determine variations for future series must
8 be summarized on the front or back of each certificate; or
9 (2) each certificate may state conspicuously on the front or back
10 that the corporation will furnish the shareholder this information
11 on request in writing and without charge.
- 12 (d) Each share certificate:
- 13 (1) must be signed either manually or in facsimile by at least two
14 (2) officers designated in the bylaws or by the board of directors;
15 ~~except that where the corporation is a building and loan~~
16 ~~association, the certificate may be signed by any one (1) officer or~~
17 ~~employee designated by the board of directors; and~~
18 (2) may bear the seal or a facsimile of the seal of the corporation.
- 19 (e) If the person who signed either manually or in facsimile a share
20 certificate no longer holds office when the certificate is issued, the
21 certificate remains valid.
- 22 SECTION 88. IC 28-13-6-2, AS AMENDED BY P.L.192-1997,
23 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 1998]: Sec. 2. (a) Except as provided in subsections (b), (c),
25 (d), and (e) or unless the articles of incorporation provide otherwise,
26 each outstanding share, regardless of class, is entitled to one (1) vote
27 on each matter voted on at a shareholders' meeting.
- 28 (b) Absent special circumstances, the shares of a corporation are not
29 entitled to vote if the shares are owned, directly or indirectly, by a
30 second corporation, domestic or foreign, and the corporation owns,
31 directly or indirectly, a majority of the shares entitled to vote for
32 directors of the second corporation.
- 33 (c) Subsection (b) does not limit the power of a corporation to vote
34 any shares, including its own shares, held by the corporation in or for
35 an employee benefit plan or in any other fiduciary capacity.
- 36 (d) Redeemable shares are not entitled to vote after notice of
37 redemption is mailed to the holders and a sum sufficient to redeem the
38 shares has been deposited with a corporation, trust company, or other
39 financial institution under an irrevocable obligation to pay the holders
40 the redemption price on surrender of the shares.
- 41 (e) If the corporation is a mutual ~~building and loan~~ **savings**
42 association, each shareholder is entitled at every shareholders' meetings



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1 to cast one (1) vote for each one hundred dollars (\$100) or fraction
 2 thereof of the total amount paid in on all shares standing in the
 3 shareholder's name on the books of the association, **unless the articles**
 4 **of incorporation provide otherwise.** Each borrowing member who is
 5 not a shareholder is entitled to cast one (1) vote as a borrower. A
 6 person may not, except as proxy, cast more than fifty (50) votes at any
 7 election held by the association.

8 (f) Except as provided in subsection (g), if the corporation is a
 9 mutual savings bank, each member is entitled at a members' meeting
 10 to cast one (1) vote for each one hundred dollars (\$100) or fraction of
 11 one hundred dollars (\$100) of the total amount paid in on all deposits
 12 in the member's name on the books of the mutual savings bank. Each
 13 borrowing member is entitled to cast one (1) vote as a borrower. A
 14 person may not, except as proxy, cast more than fifty (50) votes at an
 15 election held by the mutual savings bank unless a greater number of
 16 votes is permitted in the articles of mutual savings bank conversion
 17 adopted under IC 28-1-21.7.

18 (g) Notwithstanding subsection (f), a mutual savings bank formed
 19 by charter conversion may provide in the articles of mutual bank
 20 conversion that only depositors are voting members of the mutual
 21 savings bank.

22 SECTION 89. IC 28-13-6-6, AS AMENDED BY P.L.122-1994,
 23 SECTION 120, IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 1998]: Sec. 6. (a) Shares entitled to vote as a
 25 separate voting group may take action on a matter at a meeting only if
 26 a quorum of those shares exists with respect to that matter. Unless the
 27 articles of incorporation or this article require a greater number, a
 28 majority of the votes entitled to be cast on the matter by the voting
 29 group constitutes a quorum of that voting group for action on that
 30 matter.

31 (b) Once a share is represented for any purpose at a meeting, the
 32 share is considered present for quorum purposes for the remainder of
 33 the meeting and for any adjournment of that meeting unless a new
 34 record date is or must be set for that adjourned meeting.

35 (c) If a quorum exists, action on a matter other than the election of
 36 directors by a voting group is approved if the votes cast within the
 37 voting group favoring the action exceed the votes cast opposing the
 38 action, unless the articles of incorporation or this article require a
 39 greater number of affirmative votes.

40 (d) The election of directors is governed by section 9 of this chapter.

41 (e) Any number of members represented either in person or by
 42 proxy constitutes a quorum of members at a regular or special members

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1 meeting of a mutual savings bank or a mutual ~~building and loan~~
 2 ~~savings~~ association.

3 SECTION 90. IC 30-2-9-1 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) Any payment of
 5 money made to any person, firm, partnership, association, limited
 6 liability company, or corporation, other than a bank or trust company,
 7 upon any agreement or contract, or any series or combination of
 8 agreements or contracts, which has for a purpose the furnishing or
 9 performance of funeral services, or the furnishing or delivery of any
 10 personal property, merchandise, or services of any nature in connection
 11 with the final disposition of a dead human body, for future use at a time
 12 determinable by the death of the person or persons whose body or
 13 bodies are to be so disposed of, shall be held to be trust funds, and the
 14 person, firm, partnership, association, or corporation receiving said
 15 payments is hereby declared to be a trustee thereof. This subsection
 16 applies only to such a contract or agreement executed before July 1,
 17 1978.

18 (b) After June 30, 1978, it is unlawful to enter into any agreement
 19 or contract for a purpose described in subsection (a) unless the
 20 agreement or contract requires that all payments be made by the settlor
 21 to an account in a:

- 22 (1) bank;
- 23 (2) trust company;
- 24 (3) savings ~~and loan~~ association; **or**
- 25 ~~(4) building and loan association; or~~
- 26 ~~(5) (4) credit union;~~

27 whose principal office is in Indiana.

28 (c) Nothing contained in this chapter shall be deemed or construed
 29 to apply to those persons, firms, partnerships, associations, limited
 30 liability companies, or corporations covered by the "Indiana General
 31 Cemetery Law", IC 23-14-1.

32 SECTION 91. IC 30-2-10-2 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. It is unlawful to enter
 34 into any agreement or contract for a purpose described in section 1 of
 35 this chapter unless the agreement or contract requires that all payments
 36 be made by the settlor to an account in a:

- 37 (1) bank;
- 38 (2) trust company;
- 39 (3) savings ~~and loan~~ association; **or**
- 40 ~~(4) building and loan association; or~~
- 41 ~~(5) (4) credit union;~~

42 whose principal office is in Indiana.



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1 SECTION 92. IC 30-2-13-11, AS AMENDED BY P.L.241-1995,
 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 1998]: Sec. 11. (a) As used in this chapter, "trustee" means a:

- 4 (1) bank;
 5 (2) trust company;
 6 (3) savings ~~and loan~~ association; **or**
 7 ~~(4) building and loan association; or~~
 8 ~~(5) (4) credit union;~~

9 that maintains an office in Indiana and is qualified under state or
 10 federal law to serve as a trustee.

11 (b) For a contract using a life insurance policy as consideration, the
 12 term also includes a life insurance company that establishes a trust for
 13 the purposes of holding and administering life insurance policies and
 14 annuity contracts issued by the company to fund contracts under this
 15 chapter.

16 SECTION 93. IC 30-5-5-5 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. (a) Language
 18 conferring general authority with respect to banking transactions means
 19 the principal authorizes the attorney in fact to do the following:

- 20 (1) Continue, modify, or terminate a deposit account or other
 21 banking arrangement made by or on behalf of the principal before
 22 the execution of the power of attorney.
 23 (2) Open in the name of the principal alone, or in a way that
 24 clearly evidences the principal and attorney in fact relationship,
 25 a deposit account with a bank, trust company, savings ~~and loan~~
 26 association, credit union, thrift company, brokerage firm, or other
 27 institution that serves as a depository for funds selected by the
 28 attorney in fact, or hire a safe deposit box or vault space and make
 29 other contracts to procure services made available by a banking
 30 institution as the attorney in fact considers desirable.
 31 (3) Make, sign, and deliver checks or drafts for any purpose and
 32 withdraw by check, order, or other means funds or property of the
 33 principal deposited with or left in the custody of a banking
 34 institution either before or after the power of attorney was
 35 executed.
 36 (4) Prepare necessary financial statements of assets and liabilities
 37 or income and expenses of the principal for submission to a
 38 banking institution.
 39 (5) Receive statements, vouchers, notices, or other documents
 40 from a banking institution and act with respect to the documents.
 41 (6) Enter at any time a safe deposit box or vault that the principal
 42 could enter if personally present.



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- 1 (7) Borrow money at an interest rate the attorney in fact selects,
2 pledge as security assets of the principal the attorney in fact
3 considers desirable or necessary for borrowing, and pay, renew,
4 or extend the time of the payment of a debt of the principal.
- 5 (8) Make, assign, pledge, draw, endorse, discount, guarantee, and
6 negotiate promissory notes, bills of exchange, checks, drafts, or
7 other negotiable or nonnegotiable paper of the principal or
8 payable to the principal or the principal's order, receive cash or
9 other proceeds of a transaction authorized under this subdivision,
10 accept a bill of exchange or draft drawn by another person upon
11 the principal, and pay a bill of exchange or a draft when the bill
12 of exchange or draft is due.
- 13 (9) Receive for the principal and deal in or deal with a sight draft,
14 warehouse receipt, or other negotiable or nonnegotiable
15 instrument in which the principal has or claims to have an
16 interest.
- 17 (10) Apply for and receive letters of credit for a banking
18 institution selected by the attorney in fact giving indemnity or
19 other agreement in connection with letters of credit the attorney
20 in fact considers desirable or necessary.
- 21 (11) Consent to an extension in the time of payment with respect
22 to a commercial paper or banking transaction in which the
23 principal has an interest or by which the principal is or might be
24 affected in any way.
- 25 (12) Demand, receive, or obtain by action or proceeding money
26 or other things of value to which the principal is, may become, or
27 claims to be entitled as the proceeds of a banking transaction, and
28 reimburse the attorney in fact for expenditures properly made in
29 the execution of powers conferred upon the attorney in fact under
30 this section.
- 31 (13) Execute, acknowledge, and deliver an instrument in the name
32 of the principal or other person the attorney in fact considers
33 useful to accomplish a purpose permitted under this section.
- 34 (14) Prosecute, defend, submit to arbitration, settle, and propose
35 or accept a compromise with respect to a claim existing in favor
36 of or against the principal based on or involving a banking
37 transaction, or intervene in a related action or proceeding.
- 38 (15) Hire, discharge, and compensate an attorney, accountant,
39 expert witness, or other assistant when the attorney in fact
40 considers the action to be desirable for the proper execution by
41 the attorney in fact of a power described in this section and keep
42 needed records.

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1 (16) Perform any other acts with respect to a bond, a share, an
 2 instrument of similar character, a commodity, or an interest with
 3 respect to a commodity.
 4 (b) The powers described in this section are exercisable equally with
 5 respect to a banking transaction engaged in by the principal at the time
 6 of the giving of the power of attorney or engaged in after that time,
 7 whether conducted in Indiana or in another jurisdiction.
 8 SECTION 94. IC 32-1-6-22, AS AMENDED BY P.L.2-1995,
 9 SECTION 122, IS AMENDED TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 1998]: Sec. 22. (a) Except as provided in
 11 subsection (d) or (e), the co-owners are bound to contribute pro rata, in
 12 the percentages computed according to section 7 of this chapter, toward
 13 the expenses of administration and of maintenance and repair of the
 14 general common areas and facilities, and, in the proper case, of the
 15 limited common areas and facilities of the building, and toward any
 16 other expense lawfully agreed upon.
 17 (b) No co-owner may exempt himself from contributing toward such
 18 expenses by waiver of the use or enjoyment of the common areas and
 19 facilities or by abandonment of the condominium unit belonging to
 20 him.
 21 (c) All sums assessed by the association of co-owners shall be
 22 established by using generally accepted accounting principles applied
 23 on a consistent basis and shall include the establishment and
 24 maintenance of a replacement reserve fund for capital expenditures and
 25 replacement and repair of the common areas and facilities, which funds
 26 shall be used for those purposes and not for usual and ordinary repair
 27 expenses of the common areas and facilities. This fund for capital
 28 expenditures and replacement and repair of common areas and
 29 facilities shall be maintained in a separate interest bearing account with
 30 a bank or savings ~~and loan~~ association authorized to conduct business
 31 in the county in which the horizontal property regime is established.
 32 Assessments collected for contributions to this fund may not be subject
 33 to Indiana gross income tax or adjusted gross income tax.
 34 (d) If the declaration so provides, the declarant or a developer (or a
 35 successor in interest of either) that is a co-owner of unoccupied
 36 condominium units offered for the first time for sale is excused from
 37 contributing toward the expenses referred to in subsection (a) for those
 38 units for a period of time that:
 39 (1) is stated in the declaration;
 40 (2) begins on the day that the declaration is recorded; and
 41 (3) terminates no later than the first day of the twenty-fourth
 42 calendar month following the month in which the closing of the

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sale of the first condominium unit occurs.
However, if the expenses referred to in subsection (a) that are incurred during the stated period exceed the amount assessed against the other co-owners, then the declarant, developer, or successor shall pay the excess.

(e) If the declaration does not contain the provisions referred to in subsection (d), the declarant or a developer (or a successor in interest of either) that is a co-owner of unoccupied condominium units offered for the first time for sale is excused from contributing toward the expenses referred to in subsection (a) for those units for a stated period of time if the declarant, developer, or successor:

(1) has guaranteed to each purchaser (either in the purchase contract, in the declaration, in the prospectus, or by an agreement with a majority of the other co-owners) that the assessment for those expenses will not increase over a stated dollar amount during the stated period; and

(2) has obligated itself to pay any amount of those expenses incurred during the stated period and not produced by the assessments at the guaranteed level receivable from the other co-owners.

SECTION 95. IC 32-2-1.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. As used in this chapter, "creditor" means:

(1) a bank, savings bank, trust company, savings ~~and loan~~ association, credit union, industrial loan and investment company, or any other financial institution regulated by any agency of the United States or any state, including a consumer finance institution licensed to make supervised or regulated loans under IC 24-4.5;

(2) a person authorized to sell and service loans for the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, issue securities backed by the Government National Mortgage Association, make loans insured by the United States Department of Housing and Urban Development, make loans guaranteed by the United States Department of Veterans Affairs, or act as a correspondent of loans insured by the United States Department of Housing and Urban Development or guaranteed by the United States Department of Veterans Affairs; and

(3) an insurance company or its affiliates; who extends credit under a credit agreement with a debtor.

SECTION 96. IC 32-9-1.5-6, AS ADDED BY P.L.31-1995,

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1 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 2 JULY 1, 1998]: Sec. 6. As used in this chapter, "business association"
 3 means a corporation, a limited liability company, a joint stock
 4 company, an investment company, a partnership, a business trust, a
 5 trust company, a savings ~~and loan~~ association, a ~~building and loan~~
 6 ~~association~~; a savings bank, an industrial bank, a land bank, a safe
 7 deposit company, a safekeeping depository, a bank, a banking
 8 organization, a financial organization, an insurance company, a mutual
 9 fund, a credit union, a utility, or other association for business purposes
 10 of two (2) or more individuals, whether or not for profit.

11 SECTION 97. IC 32-9-1.5-7.5, AS ADDED BY P.L.201-1997,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 1998]: Sec. 7.5. As used in this chapter, "financial institution"
 14 means:

- 15 (1) a commercial bank;
- 16 (2) a trust company;
- 17 (3) a ~~building and loan~~ association;
- 18 ~~(4)~~ a savings bank;
- 19 ~~(5)~~ (4) a savings association;
- 20 ~~(6)~~ (5) a credit union;
- 21 ~~(7)~~ (6) an industrial loan and investment company; or
- 22 ~~(8)~~ (7) any other entity that has powers similar to the powers of an
 23 entity described in subdivisions (1) through ~~(7)~~; (6);

24 organized or reorganized under the laws of the United States or a state.

25 SECTION 98. IC 33-16-2-1, AS AMENDED BY P.L.34-1997,
 26 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 1998]: Sec. 1. (a) Any applicant for a commission as a notary
 28 public must:

- 29 (1) be at least eighteen (18) years of age; and
- 30 (2) be a legal resident of Indiana.

31 (b) A notary public shall be appointed and commissioned by the
 32 governor. A notary public shall hold office for ~~ten (10)~~ **four (4)** years.
 33 A notary public, when so qualified, shall be authorized to act
 34 throughout Indiana.

35 (c) A person may request an application to become a notary public
 36 from the secretary of state. The ~~application form shall be prescribed by~~
 37 ~~the secretary of state and shall prescribe a written application form~~
 38 **on which a person may apply for a commission as a notary public.**
 39 **The secretary of state may provide an applicant with enhanced**
 40 **access (as defined in IC 5-14-3-2) to an application form that may**
 41 **be completed and submitted to the secretary of state by means of**
 42 **an electronic device. IC 4-5-10 applies to an application form**



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1 **provided by enhanced access under this section. The application**
2 **form must** include the applicant's county of residence, oath of office,
3 and official bond. The application ~~shall~~ **must** also contain any
4 additional information necessary for the efficient administration of this
5 chapter.

6 (d) The applicant shall:

7 (1) personally appear with an application form before an officer,
8 authorized by law to administer oaths, who shall administer an
9 oath of office to the applicant; **or**

10 (2) **certify on an application form under penalty of perjury**
11 **that the applicant will abide by the terms of the oath.**

12 **The secretary of state shall prescribe the manner in which an**
13 **applicant may complete a certification authorized under**
14 **subdivision (2).**

15 (e) The applicant shall secure an official bond, with freehold or
16 corporate security, to be approved by the secretary of state in the sum
17 of five thousand dollars (\$5,000). The official bond shall be
18 conditioned upon the faithful performance and discharge of the duties
19 of the office of notary public, in all things according to law, for the use
20 of any person injured by a breach of the condition. The completed
21 application shall be forwarded to the secretary of state. The secretary
22 of state shall forward each commission issued by the governor to the
23 applicant or the applicant's surety company.

24 (f) The secretary of state shall charge and collect the following
25 fees:

- 26 (1) For each commission to notaries public, ten dollars (\$10).
- 27 (2) For each duplicate commission to notaries public, five dollars
28 (\$5).

29 SECTION 99. IC 33-16-2-7, AS AMENDED BY P.L.218-1996,
30 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 1998]: Sec. 7. No person, being an officer in any corporation
32 or association possessed of any banking powers, shall act as a notary
33 public in the business of such corporation or association. The aforesaid
34 prohibition shall not apply to employees of any such corporation or
35 association. However, a person who is a shareholder or member of a
36 ~~building and loan association or savings and loan~~ association may act
37 as a notary public in the business of such association and an officer and
38 employee of a bank may become and act as a notary public in the
39 business of the bank. No person holding any lucrative office or
40 appointment under the United States or under this state, and prohibited
41 by the Constitution of this state from holding more than one (1) such
42 lucrative office, shall serve as a notary public, and his acceptance of

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1 any such office shall vacate his appointment as such notary; but this
 2 provision shall not apply to any person holding any lucrative office or
 3 appointment under any civil or school city or town of this state. No
 4 person, being a public official, or a deputy or appointee acting for or
 5 serving under the same, shall make any charge for services as a notary
 6 public in connection with any official business of such office, or of any
 7 other office in the governmental unit in which such persons are serving,
 8 unless such charges are specifically authorized by some statute other
 9 than the statute fixing generally the fees and charges of notaries public.

10 SECTION 100. IC 33-20-3-4 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 4. "Depository financial
 12 institution" means a bank, a bank or trust company, a credit union, an
 13 industrial loan and investment company, a savings bank, or a savings
 14 ~~and loan~~ association, whether chartered, incorporated, licensed, or
 15 organized under Indiana law or the law of the United States that:

- 16 (1) does business in Indiana; and
 17 (2) is insured by the Federal Deposit Insurance Corporation, the
 18 Savings Association Insurance Fund, the National Credit Union
 19 Administration, or an alternate share insurer.

20 SECTION 101. IC 34-2-34-2 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 2. The provisions of
 22 this chapter shall not apply to nor affect in any way the status of any
 23 national bank or banking institution; any federal building and savings
 24 association, or any ~~building and loan savings~~ association whether
 25 organized under any federal or state laws.

26 SECTION 102. IC 35-41-1-5 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 5. "Credit institution"
 28 means a bank, insurance company, credit union, ~~building and loan~~
 29 ~~savings~~ association, investment trust, industrial loan and investment
 30 company, or other organization held out to the public as a place of
 31 deposit of funds or a medium of savings or collective investment.

32 SECTION 103. IC 35-43-5-12, AS ADDED BY P.L.161-1994,
 33 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 1998]: Sec. 12. (a) As used in this section, "financial
 35 institution" refers to a state or federally chartered bank, savings bank,
 36 ~~building and loan association~~, savings association, or credit union.

37 (b) A person who knowingly or intentionally obtains property,
 38 through a scheme or artifice, with intent to defraud:

- 39 (1) by issuing or delivering a check, a draft, an electronic debit,
 40 or an order on a financial institution:

- 41 (A) knowing that the check, draft, order, or electronic debit
 42 will not be paid or honored by the financial institution upon

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- 1 presentment in the usual course of business;
- 2 (B) using false or altered evidence of identity or residence;
- 3 (C) using a false or an altered account number; or
- 4 (D) using a false or an altered check, draft, order or electronic
- 5 instrument;
- 6 (2) by:
 - 7 (A) depositing the minimum initial deposit required to open an
 - 8 account; and
 - 9 (B) either making no additional deposits or making insufficient
 - 10 additional deposits to insure debits to the account; or
 - 11 (3) by opening accounts with more than one (1) financial
 - 12 institution in either a consecutive or concurrent time period;
 - 13 commits check fraud, a Class D felony. However, the offense is a Class
 - 14 C felony if the person has a prior unrelated conviction under this
 - 15 section or the aggregate amount of property obtained is at least
 - 16 twenty-five thousand dollars (\$25,000).

17 SECTION 104. IC 36-2-10-19 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 19. (a) As used in this
 19 section, "financial institution" means any of the following:

- 20 (1) A bank, trust company, or mutual savings bank incorporated
- 21 under Indiana law.
- 22 (2) A national banking association with its principal office in
- 23 Indiana.
- 24 (3) A ~~building and loan savings~~ association operating as a ~~deposit~~
- 25 ~~association incorporated~~ under Indiana law.
- 26 (4) A federally chartered savings ~~and loan~~ association with its
- 27 principal office or a branch in Indiana.
- 28 (5) A federally chartered savings bank with its principal office or
- 29 a branch in Indiana.
- 30 (6) A credit union chartered under Indiana law or United States
- 31 law having its principal office in Indiana.
- 32 (b) The treasurer may designate one (1) or more financial
- 33 institutions in the county as the treasurer's agent for collecting
- 34 payments of taxes that are not delinquent.
- 35 (c) A designated financial institution may issue an official receipt
- 36 of the treasurer for taxes the financial institution collects.
- 37 (d) A designated financial institution shall make a daily settlement
- 38 with the treasurer for all taxes the financial institution collects.
- 39 (e) A designated financial institution is responsible for all taxes the
- 40 financial institution collects.
- 41 (f) This section does not affect IC 5-13.
- 42 SECTION 105. IC 36-7-11.9-7 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 7. "Lender" means any
 2 federal or state chartered bank, federal land bank, savings ~~and loan~~
 3 association, ~~building and loan association~~, production credit
 4 association, bank for cooperatives, or small business investment
 5 company, and includes any other institution qualified to originate and
 6 service loans, such as an insurance company, credit union, or mortgage
 7 loan company.

8 SECTION 106. IC 36-7-18-19 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 19. (a) A housing
 10 authority may invest any money that is held in reserves or sinking
 11 funds, or that is not required for immediate disbursement, in:

12 (1) property or securities in which savings banks may invest
 13 money subject to their control;

14 (2) the shares of any federal savings association or federal savings
 15 bank that is organized under the Home Owners' Loan Act of 1933,
 16 (12 U.S.C. 1461, 1462, 1464 through 1466a, and 1468 through
 17 1470), as in effect on December 31, 1990, and has its principal
 18 office in Indiana; and

19 (3) the shares of any ~~building and loan association~~ or savings ~~and~~
 20 ~~loan~~ association that is organized under Indiana statutes and the
 21 accounts of which are insured by the Federal Deposit Insurance
 22 Corporation as provided in 12 U.S.C. 1811 through 1833e, as in
 23 effect on December 31, 1990.

24 However, the value of shares purchased under subdivision (2) or (3)
 25 may not exceed the amount of insurance protection afforded a member
 26 or investor of the association.

27 (b) A housing authority may cancel its bonds, notes, or warrants
 28 after purchasing them for not more than their principal amount plus
 29 accrued interest.

30 SECTION 107. IC 36-8-7-10 IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 10. (a) The local board
 32 shall determine how much of the 1937 fund may be safely invested and
 33 how much should be retained for the needs of the fund. Investments are
 34 restricted to the following:

35 (1) Interest bearing direct obligations of the United States or of
 36 the state or bonds lawfully issued by an Indiana political
 37 subdivision. The securities shall be deposited with and must
 38 remain in the custody of the treasurer of the local board, who shall
 39 collect the interest on them as it becomes due and payable.

40 (2) Savings deposits or certificates of deposit of a chartered
 41 national, state, or mutual bank whose deposits are insured by a
 42 federal agency. However, deposits may not be made in excess of



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- 1 the amount of insurance protection afforded a member or investor
2 of the bank.
- 3 (3) Shares of a federal savings ~~and loan~~ association organized
4 under 12 U.S.C. ~~section~~ 1461, as amended, and having its
5 principal office in Indiana, or of a ~~building and loan association~~
6 ~~or~~ savings ~~and loan~~ association organized and operating under
7 Indiana statutes whose accounts are insured by a federal agency.
8 However, shares may not be purchased in excess of the amount of
9 insurance protection afforded a member or investor of the
10 association.
- 11 (b) All securities must be kept on deposit with the unit's fiscal
12 officer, or county treasurer acting under IC 36-4-10-6, who shall collect
13 all interest due and credit it to the 1937 fund.
- 14 (c) The fiscal officer (or county treasurer) shall keep a separate
15 account of the 1937 fund and shall fully and accurately set forth a
16 statement of all money received and paid out by him. The officer shall,
17 on the first Monday of January and June of each year, make a report to
18 the local board of all money received and distributed by him. The
19 president of the local board shall execute the officer's bond in the sum
20 that the local board considers adequate, conditioned that he will
21 faithfully discharge the duties of his office and faithfully account for
22 and pay over to the persons authorized to receive it all money that
23 comes into his hands by virtue of his office. The bond and sureties must
24 be approved by the local board and filed with the executive of the unit.
25 The local board shall make a full and accurate report of the condition
26 of the 1937 fund to the unit's fiscal officer on the first Monday of
27 February in each year.
- 28 (d) All securities that were owned by and held in the name of the
29 local board on January 1, 1938, shall be held and kept for the local
30 board by the unit's fiscal officer (or county treasurer) until they mature
31 and are retired. However, if an issue of the securities is refunded, the
32 local board shall accept refunding securities in exchange for and in an
33 amount equal to the securities refunded. All money received by the
34 local board for the surrender of matured and retired securities shall be
35 paid into and constitutes a part of the 1937 fund of the unit, as provided
36 in section 8 of this chapter.
- 37 (e) Investments under this section are subject to section 2.5 of this
38 chapter.
- 39 SECTION 108. IC 36-9-27-97.5 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 97.5. (a) Whenever the
41 board determines by resolution spread upon its minutes that the cost of
42 constructing or reconstructing a particular drain is an amount that the

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1 owners of land to be assessed may conveniently pay in installments
2 over a five (5) year period, it may ask the county fiscal body to:

3 (1) obtain a loan from a bank, trust company, ~~building and loan~~
4 **savings** association, or savings bank authorized to engage in
5 business in the county; or

6 (2) obtain funds in the manner prescribed by IC 36-2-6-18,
7 IC 36-2-6-19, and IC 36-2-6-20;

8 to finance that construction or reconstruction.

9 (b) A loan obtained under this section:

10 (1) must have a fixed or variable interest rate;

11 (2) must mature within six (6) years after the day it is obtained;

12 (3) shall be repaid from installments collected from assessments
13 of landowners over a five (5) year period; and

14 (4) is not subject to the provisions of section 94 of this chapter
15 that concern interest.

16 (c) The proceeds of loans obtained under this section shall be
17 deposited in the general drain improvement fund.

18 (d) The board shall determine whether interest on the loan is to be
19 a part of the final assessment under section 84(a) of this chapter.

20 (e) Notwithstanding section 85(c) of this chapter, interest on the
21 loan may be charged back to the benefited landowner at a rate that is
22 set in accordance with subsection (b).

23 SECTION 109. IC 36-10-9-21 IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 21. (a) In anticipation
25 of funds to be received from any source, the board may borrow money
26 and issue notes for a term not exceeding ten (10) years and at a rate or
27 rates of interest determined by the board. The notes shall be issued in
28 the name of the "capital improvement board of managers of
29 _____ county" and may be secured (either on a parity with or
30 junior and subordinate to any outstanding bonds or notes) by:

31 (1) the pledge of income and revenues of any capital
32 improvement;

33 (2) the proceeds of excise taxes; or

34 (3) any other funds anticipated to be received.

35 The notes are payable solely from the income, excise taxes, revenues,
36 and anticipated funds.

37 (b) The financing may be negotiated directly by the board with any
38 bank, insurance company, savings ~~and loan~~ association, or other
39 financial institution licensed to do business in Indiana upon the terms
40 and conditions that are agreed upon, except as specifically provided in
41 this section, and may be consummated without public offering. The
42 notes plus interest are exempt from taxation in Indiana as provided for

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1 bonds in IC 6-8-5.
2 SECTION 110. IC 28-13-4-8 IS REPEALED [EFFECTIVE JULY
3 1, 1998].
4 SECTION 111. [EFFECTIVE JULY 1, 1998] **IC 33-16-2-1, as**
5 **amended by this act, applies only to applicants applying for a**
6 **commission as a notary public after June 30, 1998.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1185, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

TABACZYNSKI, Chair

Committee Vote: yeas 14, nays 0.

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SENATE MOTION

Mr. President: I move that Senator Lanane be added as cosponsor of Engrossed House Bill 1185.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Financial Institutions, to which was referred House Bill 1185, 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 4, line 2, strike "IC".

Page 6, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 9. IC 5-15-6-3, AS AMENDED BY P.L.10-1997, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 3. (a) As used in this section, "original records" includes the optical image of a check **or deposit document** when:

- (1) the check **or deposit document** is recorded, copied, or reproduced by an optical imaging process described in subsection (e); and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment **or the depositor receives an optical image of the deposit document after the document has been processed for the deposit.**

(b) All public records which, in the judgment of the commission, have no official or historical value, and which occupy space to no purpose in the offices and storerooms of the local government of a county, shall be destroyed or otherwise disposed of. Except as provided in this section, such records shall not be destroyed until a period of at least three (3) years shall have elapsed from the time when the records were originally filed, and no public records shall be destroyed within a period of three (3) years if the law provides that they shall be kept for a longer period of time, or if the law prohibits their destruction.

(c) Subject to this section, records may be destroyed before three (3) years elapse after the date when the records were originally filed if the destruction is according to an approved retention schedule.

(d) No financial records or records relating thereto shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced as described in subsection (e).

(e) As used in this section, "public records" or "records" includes records that have been recorded, copied, or reproduced by a photographic, photostatic, miniature photographic, or optical imaging process that correctly, accurately, and permanently copies, reproduces, or forms a medium for copying or reproducing the original record on

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a film or other durable material. Original records may be disposed of in accordance with subsection (f), if the record has been copied or reproduced as described in this subsection. The copy must be treated as an original. Copies, recreations, or reproductions made from an optical image of a public record described in this subsection shall be received as evidence in any court in which the original record could have been introduced, if the recreations, copies, or reproductions are properly certified as to authenticity and accuracy by an official custodian of the records.

(f) Original records may be disposed of only with the approval of the commission according to guidelines established by the commission. However, the guidelines established by the commission concerning the disposal of financial records must be approved by the state board of accounts before the guidelines become effective."

Page 46, line 31, strike ""

Page 70, line 8, strike "IC".

Page 78, between lines 17 and 18, begin a new paragraph and insert: "SECTION 98. IC 33-16-2-1, AS AMENDED BY P.L.34-1997, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) Any applicant for a commission as a notary public must:

(1) be at least eighteen (18) years of age; and

(2) be a legal resident of Indiana.

(b) A notary public shall be appointed and commissioned by the governor. A notary public shall hold office for ~~ten (10)~~ **four (4)** years. A notary public, when so qualified, shall be authorized to act throughout Indiana.

(c) A person may request an application to become a notary public from the secretary of state. ~~The application form shall be prescribed by the secretary of state and shall prescribe a written application form on which a person may apply for a commission as a notary public. The secretary of state may provide an applicant with enhanced access (as defined in IC 5-14-3-2) to an application form that may be completed and submitted to the secretary of state by means of an electronic device. IC 4-5-10 applies to an application form provided by enhanced access under this section. The application form must include the applicant's county of residence, oath of office, and official bond. The application shall must also contain any additional information necessary for the efficient administration of this chapter.~~

(d) The applicant shall:

(1) personally appear with an application form before an officer,

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authorized by law to administer oaths, who shall administer an oath of office to the applicant; or

(2) certify on an application form under penalty of perjury that the applicant will abide by the terms of the oath.

The secretary of state shall prescribe the manner in which an applicant may complete a certification authorized under subdivision (2).

~~(e)~~ (e) The applicant shall secure an official bond, with freehold or corporate security, to be approved by the secretary of state in the sum of five thousand dollars (\$5,000). The official bond shall be conditioned upon the faithful performance and discharge of the duties of the office of notary public, in all things according to law, for the use of any person injured by a breach of the condition. The completed application shall be forwarded to the secretary of state. The secretary of state shall forward each commission issued by the governor to the applicant or the applicant's surety company.

~~(f)~~ (f) The secretary of state shall charge and collect the following fees:

- (1) For each commission to notaries public, ten dollars (\$10).
- (2) For each duplicate commission to notaries public, five dollars (\$5)."

Page 83, after line 34, begin a new paragraph and insert:

"SECTION 111. [EFFECTIVE JULY 1, 1998] IC 33-16-2-1, as amended by this act, applies only to applicants applying for a commission as a notary public after June 30, 1998."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to House Bill 1185 as printed January 23, 1998.)

PAUL, Chairperson

Committee Vote: Yeas 6, Nays 0.

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