Reprinted
March 4, 1999

# HOUSE BILL No. 2027

DIGEST OF HB 2027 (Updated March 3, 1999 12:33 pm - DI 94)

**Citations Affected:** IC 23-2; IC 32-8; noncode.

**Synopsis:** Mortgage loans and loan brokers. Makes numerous changes concerning the regulation of loan brokers by the securities commissioner. Requires a loan broker to be licensed. Requires an employee of a loan broker to be registered if the person engages in loan origination activities for a loan broker. Requires licensees and registrants to receive at least 24 hours of academic instruction in order to be licensed or registered after December 31, 2000. Requires that a transferor or assignor of a mortgage must file written notice with the county recorder stating the location and business address of the entity accepting the transfer or assignment. Makes certain other changes.

**Effective:** July 1, 1999.


## Kuzman, Burton, Mahern



January 27, 1999, read first time and referred to Committee on Financial Institutions.
February 25, 1999, amended, reported — Do Pass.
March 3, 1999, read second time, amended, ordered engrossed.



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First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

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# HOUSE BILL No. 2027

A BILL FOR AN ACT to amend the Indiana Code concerning business and other associations.

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

SECTION 1. IC 23-2-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) **As used in this chapter, "certificate of registration" means a certificate issued by the commissioner authorizing an individual to engage in origination activities on behalf of a licensee.**

**(b) As used in this chapter, "creditor" means a person:**

**(1) that loans funds of the person in connection with a loan; and**

**(2) to whom the loan is initially payable on the face of the note or contract evidencing the loan.**

**(c) As used in this chapter, "license" means a license issued by the commissioner authorizing a person to engage in the loan brokerage business.**

**(d) As used in this chapter, "licensee" means a person that is issued a license under this chapter.**

**(e)** As used in this chapter, "loan broker" means any person who, in return for any consideration from any person, promises to procure a

loan for any person or assist any person in procuring a loan from any third party, or who promises to consider whether or not to make a loan to any person. "Loan broker" does not include:

(1) any bank, savings bank, trust company, savings association, credit union, or any other financial institution **that is:**

**(A)** regulated by any agency of the United States or any state; ~~except any person who is~~ **and**

**(B) regularly actively engaged in the business of making consumer loans that are not secured by real estate or taking assignment of consumer sales contracts that are not secured by real estate;** ~~a financial institution solely because of a license to make consumer loans under IC 24-4.5-3-503 or solely because of a similar license from another state;~~

(2) any 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;

(3) any insurance company; or

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

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

**(f) As used in this chapter, "loan brokerage business" means a person acting as a loan broker.**

**(g) As used in this chapter, "origination activities" means establishing the terms or conditions of a loan with a borrower or prospective borrower.**

**(h) As used in this chapter, "person" means an individual, a partnership, a trust, a corporation, a limited liability company, a limited liability partnership, a sole proprietorship, a joint venture, a joint stock company, or another group or entity, however organized.**

**(i) As used in this chapter, "registrant" means an individual who is registered to engage in origination activities under this chapter.**

**(j) As used in this chapter, "ultimate equitable owner" means a**

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**person who, directly or indirectly, owns or controls any ownership interest in a person, regardless of whether the person owns or controls the ownership interest through one (1) or more other persons or one (1) or more proxies, powers of attorney, or variances.**

SECTION 2. IC 23-2-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. **(a)** Any person desiring to engage or continue in the ~~business of~~ loan ~~brokering~~ **brokerage business** shall apply to the commissioner for ~~registration~~ **a license** under this chapter.

**(b) An individual employed by a licensee to engage in origination activities shall be registered, by the licensee, with the commissioner under section 5(a)(6) and section 5(c) of this chapter.**

SECTION 3. IC 23-2-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. (a) An application for ~~registration~~ **license or renewal of a license** must contain:

(1) consent to service of process under subsection (e);

(2) evidence of the bond required in subsection (b);

(3) ~~a~~ **an initial** fee of ~~two hundred fifty dollars~~ **two hundred dollars** ~~($250);~~ **($200);** ~~and~~

(4) ~~a statement listing the business address of the loan broker and the business addresses of any affiliated companies.~~ **an affidavit affirming that none of the applicant's ultimate equitable owners, directors, managers, or officers have been convicted, in any jurisdiction, of an offense involving fraud or deception that is punishable by at least one (1) year of imprisonment, unless waived by the commissioner under subsection (f);**

**(5) evidence that the applicant, if the applicant is an individual, has completed the education requirements under section 21 of this chapter;**

**(6) a registration form setting forth the name, home address, home telephone number, and Social Security number of each employee or prospective employee of the applicant who is or who will be engaged in origination activities; and**

**(7) evidence that the license applicant's proposed registrants have completed the education requirements of section 21 of this chapter.**

(b) ~~A loan broker~~ **A licensee** must maintain a bond satisfactory to the commissioner in the amount of ~~twenty-five thousand dollars~~ **fifty thousand dollars** ~~($25,000),~~ **($50,000),** which shall be in favor of the state **and shall secure payment of damages to any person aggrieved by any violation of this chapter by the licensee**.

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(c) **The commissioner shall issue a license to an applicant that meets the licensure requirements of this chapter.** Whenever the **registration** provisions of this chapter have been complied with, the commissioner shall issue a certificate of registration ~~to the applicant~~ authorizing the ~~applicant~~ **registrant** to engage in ~~the business of loan brokering.~~ **origination activities.**

(d) ~~An application for registration becomes effective on the thirtieth day after it is filed unless an order of the commissioner establishes an earlier effective date. Every~~ **Licenses issued by the commissioner before January 1, 2001, shall be valid, and renewal of such licenses shall not be required until January 1, 2001. Individuals engaging in origination activities for a licensee before January 1, 2001, shall not be required to apply for and receive a certificate of registration until January 1, 2001. Except as otherwise provided in this subsection, licenses and certificates of** registration ~~is effective~~ **issued by the commissioner are valid** until January 1 of the second year after ~~it goes into effect.~~ **issuance. The education requirements of section 21 of this chapter shall first apply to applicants for issuance or renewal of licenses or registrations effective as of January 1, 2001.**

(e) Every applicant for ~~registration~~ **licensure or for renewal of a license** shall file with the commissioner, in such form as the commissioner by rule or order prescribes, an irrevocable consent appointing the secretary of state to be the applicant's agent to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant arising from the violation of any provision of this chapter. Service shall be made in accordance with the Indiana Rules of Trial Procedure.

**(f) Upon good cause shown, the commissioner may waive the requirements of subsection (a)(4), for one (1) or more of an applicant's ultimate equitable owners, directors, managers, or officers.**

SECTION 4. IC 23-2-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) A ~~loan broker~~ **licensee** may not continue engaging in the ~~business of loan brokering unless the broker's~~ **loan brokerage business unless the licensee's license is renewed biennially. A registrant may not continue engaging in origination activities unless the registrant's certificate of** registration is renewed biennially. A ~~loan broker shall renew the registration~~ **licensee shall renew its license and the certificates of registration of its registrant employees** by filing with the commissioner, at least thirty (30) days before the expiration of the registration, an application containing any information the

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commissioner may require to indicate any material change from the information contained in the applicant's original application or any previous application.

(b) The fee for renewal of a registration is one hundred dollars ($100) per year, to be paid biennially when an application for renewal is filed.

SECTION 5. IC 23-2-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 10. (a) The commissioner may deny, suspend, or revoke the ~~registration~~ **license** of a ~~loan broker if the loan broker~~ **licensee or the registration of a registrant if the licensee or the registrant:**

(1) fails to maintain the bond required under section 5 of this chapter;

(2) is insolvent;

(3) has violated any provision of this chapter;

(4) has knowingly filed with the commissioner any document or statement containing any false representation of a material fact or omitting to state a material fact **or if a representation becomes false after the filing but during the term of a license or certificate of registration as provided in subsection (d) of this section**; or

(5) has been convicted, within ten (10) years before the date of the application, renewal, or review, of any crime involving fraud or deceit.

(b) The commissioner may not enter a final order denying, suspending, or revoking the **license of a licensee or the** registration of a ~~loan broker~~ **registrant** without prior notice to all interested parties, opportunity for a hearing, and written findings of fact and conclusions of law. However, the commissioner may by summary order deny, suspend, or revoke a **license or certificate of** registration pending final determination of any proceeding under this section. Upon the entry of a summary order, the commissioner shall promptly notify all interested parties that it has been entered, of the reasons for the summary order, and that upon receipt by the commissioner of a written request from a party, the matter will be set for hearing to commence within fifteen (15) business days after receipt of the request. If no hearing is requested and none is ordered by the commissioner, the order remains in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of the hearing has been given to all interested persons and the hearing has been held, may modify or vacate the order or extend it until final determination.

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(c) IC 4-21.5 does not apply to a proceeding under this section.

**(d) If:**

**(1) a licensee desires to have a previously unregistered employee begin engaging in origination activities; or**

**(2) an individual who was previously registered under this chapter is employed by another licensee who desires to have the registrant engage in origination activities;**

**the employer licensee shall, within fifteen (15) days after the employee first conducts origination activities, submit to the commissioner, on a form prescribed by the commissioner, notice of the registrant's employment. If the employee has not previously been registered, the licensee shall submit evidence that the employee has completed the education requirements of section 21 of this chapter.**

**(e) If a material fact or statement included in an application under this chapter changes after the application has been submitted, the applicant shall provide written notice to the commissioner of the change. The commissioner may revoke or refuse to renew the license or registration of any person who:**

**(1) is required to submit a written notice under this subsection and fails to provide the required notice within two (2) business days after the person discovers or should have discovered the change; or**

**(2) would not qualify for licensure or registration under this chapter as a result of a change in material fact or statement.**

SECTION 6. IC 23-2-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 11. (a) The commissioner may do the following:

(1) Adopt rules under IC 4-22-2 to implement this chapter.

(2) Make investigations and examinations:

(A) in connection with any application **for licensure or** for registration of ~~any loan broker~~ **a licensee or registrant** or **with** any **license or certificate of** registration already granted; or

(B) whenever it appears to the commissioner, upon the basis of a complaint or information, that reasonable grounds exist for the belief that an investigation or examination is necessary or advisable for the more complete protection of the interests of the public.

(3) Charge as costs of investigation or examination all reasonable expenses, including a per diem prorated upon the salary of the commissioner or employee and actual traveling and hotel

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expenses. All reasonable expenses are to be paid by the party or parties under investigation or examination **if the party has violated this chapter.**

(4) Issue notices and orders, including cease and desist notices and orders, after making an investigation or examination under subdivision (2). The commissioner may also bring an action on behalf of the state to enjoin a person from violating this chapter. The commissioner shall notify the person that an order or notice has been issued, the reasons for it, and that a hearing will be set within fifteen (15) days after the commissioner receives a written request from the person requesting a hearing.

(5) Sign all orders, official certifications, documents, or papers issued under this chapter or delegate the authority to sign any of those items to a deputy.

(6) Hold and conduct hearings.

(7) Hear evidence.

(8) Conduct inquiries with or without hearings.

(9) Receive reports of investigators or other officers or employees of the state of Indiana or of any municipal corporation or governmental subdivision within the state.

(10) Administer oaths, or cause them to be administered.

(11) Subpoena witnesses, and compel them to attend and testify.

(12) Compel the production of books, records, and other documents.

(13) Order depositions to be taken of any witness residing within or without the state. The depositions shall be taken in the manner prescribed by law for depositions in civil actions and made returnable to the commissioner.

(14) Order that each witness appearing under the commissioner's order to testify before the commissioner shall receive the fees and mileage allowances provided for witnesses in civil cases.

(b) If a witness, in any hearing, inquiry, or investigation conducted under this chapter, refuses to answer any question or produce any item, the commissioner may file a written petition with the circuit or superior court in the county where the hearing, investigation, or inquiry in question is being conducted requesting a hearing on the refusal. The court shall hold a hearing to determine if the witness may refuse to answer the question or produce the item. If the court determines that the witness, based upon the witness's privilege against self-incrimination, may properly refuse to answer or produce an item, the commissioner may make a written request that the court grant use immunity to the witness. Upon written request of the commissioner, the

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court shall grant use immunity to a witness. The court shall instruct the witness, by written order or in open court, that:

(1) any evidence the witness gives, or evidence derived from that evidence, may not be used in any criminal proceedings against that witness, unless the evidence is volunteered by the witness or is not responsive to a question; and

(2) the witness must answer the questions asked and produce the items requested.

A grant of use immunity does not prohibit evidence that the witness gives in a hearing, investigation, or inquiry from being used in a prosecution for perjury under IC 35-44-2-1. If a witness refuses to give the evidence after he has been granted use immunity, the court may find him in contempt.

(c) In any prosecution, action, suit, or proceeding based upon or arising out of this chapter, the commissioner may sign a certificate showing compliance or noncompliance with this chapter by any ~~loan broker.~~ **person.** This shall constitute prima facie evidence of compliance or noncompliance with this chapter and shall be admissible in evidence in any action at law or in equity to enforce this chapter.

SECTION 7. IC 23-2-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. Upon:

(1) disobedience on the part of any person to any lawful subpoena issued under this chapter, or to any lawful order or demand requiring the production of any books, accounts, papers, records, documents, or other evidence or information as provided in this chapter; or

(2) the refusal of any witness to appear when subpoenaed, to testify to any matter regarding which the ~~person~~ **witness** may be lawfully interrogated, or to take or subscribe to any oath required by this chapter;

it shall be the duty of the circuit or superior court of the county in which the hearing or inquiry or investigation in question is being or is to be held, where demand is made, or where the production is ordered to be made, upon written petition of the commissioner, to compel obedience to the lawful requirements of the subpoena, order, or demand.

SECTION 8. IC 23-2-5-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. (a) If the commissioner determines, after a hearing, that a person has violated this chapter, the commissioner may, in addition to all other remedies, impose a civil penalty upon the person in an amount not to exceed ~~five thousand dollars~~ **ten thousand dollars** ~~($5,000)~~ **($10,000)** for each

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violation.

(b) The commissioner may bring an action in the circuit or superior court of Marion County to enforce payment of any penalty imposed under this section.

SECTION 9. IC 23-2-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. Any person who violates this chapter, in connection with a contract for the services of a loan broker, is liable to any person damaged by the violation, for the amount of the actual damages suffered, interest at the legal rate, and attorney's fees. If a ~~loan broker~~ **person** violates any provision of this chapter, in connection with a contract for loan brokering services, the contract is void, and the prospective borrower is entitled to receive from the loan broker all sums paid to the loan broker.

SECTION 10. IC 23-2-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. A person who knowingly violates this chapter commits a ~~Class D~~ **Class C** felony.

SECTION 11. IC 23-2-5-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. (a) Each loan broker agreement shall be given an account number. Each ~~loan broker~~ **licensee** shall keep and maintain the following records or their **electronic** equivalent:

(1) A file for each borrower or proposed borrower that contains the following:

(A) The name and address of the borrower or any proposed borrower.

(B) A copy of the signed loan broker agreement.

(C) A copy of any other papers or instruments used in connection with the loan broker agreement and signed by the borrower or any proposed borrower.

(D) If a loan was obtained for the borrower, the name and address of the creditor.

(E) If a loan is accepted by the borrower, a copy of the loan agreement.

(F) The amount of the loan broker's fee that the borrower has paid. If there is an unpaid balance, the status of any collection efforts.

(2) All receipts from or for the account of borrowers or any proposed borrowers and all disbursements to or for the account of borrowers or any proposed borrowers, recorded so that the transactions are readily identifiable.

(3) A general ledger that shall be posted at least monthly, and a trial balance sheet and profit and loss statement prepared within

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thirty (30) days of the commissioner's request for the information.

(4) A sample of:

(A) all advertisements, pamphlets, circulars, letters, articles, or communications published in any newspaper, magazine, or periodical;

(B) scripts of any recording, radio, or television announcement; and

(C) any sales kits or literature;

to be used in solicitation of borrowers.

(b) The records listed in subsection (a) shall be kept for a period of two (2) years in the ~~loan broker's~~ **licensee's** principal office and must be separate or readily identifiable from the records of any other business that is conducted in the office of the loan broker.

SECTION 12. IC 23-2-5-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 19. (a) The following persons are exempt from the requirements of sections 4, 5, 6, 9, 10, 17, and 18 of this chapter:

(1) Any attorney while engaging in the practice of law.

(2) Any certified public accountant, public accountant, or accountant practitioner holding a certificate or registered under IC 25-2.1 while performing the practice of accountancy (as defined by IC 25-2.1-1-10).

(3) Any person licensed as a real estate broker or salesperson under IC 25-34.1 ~~while~~ **to the extent that the person is** rendering **loan related** services in the ordinary course of a transaction in which a license as a real estate broker or salesperson is required.

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

(5) Any person that:

(A) procures;

(B) promises to procure; or

(C) assists in procuring;

a loan that is not subject to the Truth in Lending Act (15 U.S.C. 1601 through 1667e).

(6) Any person who is a creditor, or proposed to be a creditor, for any loan.

(b) As used in this chapter, "bona fide third party fee" includes fees for the following:

(1) Credit reports, investigations, and appraisals performed by a person who holds a license or certificate as a real estate appraiser under IC 25-34.1-8.

(2) If the loan is to be secured by real property, title examinations,

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an abstract of title, title insurance, a property survey, and similar purposes.

(3) The services provided by a loan broker in procuring possible business for a lending institution if the fees are paid by the lending institution.

(c) As used in this section, "successful procurement of a loan" means that a binding commitment from a creditor to advance money has been received and accepted by the borrower.

(d) The burden of proof of any exemption or classification provided in this chapter is on the party claiming the exemption or classification.

SECTION 13. IC 23-2-5-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 20. A ~~loan broker~~ **licensee or registrant** shall not, in connection with a contract for the services of a loan broker, either directly or indirectly, do any of the following:

(1) Employ any device, scheme, or artifice to defraud.

(2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they are made, not misleading.

(3) Engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person.

(4) Collect or solicit any consideration, except a bona fide third party fee, in connection with a loan until the loan has been closed.

SECTION 14. IC 23-2-5-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 21. (a) Except as provided under section 5(d) of this chapter, a person applying for or renewing a license or certificate of registration must provide to the commissioner evidence that during the twenty-four (24) month period immediately preceding the application that the person completed at least twenty-four (24) hours of academic instruction, acceptable to the commissioner, related to the loan brokerage business.**

**(b) In determining the acceptability of academic instruction the commissioner shall give consideration to approval of a licensee's internal academic instruction programs completed by employees.**

SECTION 15. IC 32-8-12-2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 2. (a) A firm, person, limited liability company, or corporation that transfers or assigns a mortgage under this chapter shall file a written notice with the county recorder stating the location and business address of the firm, person, limited**

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**liability company, or corporation that received the transfer or assignment of the mortgage.**

**(b) The county recorder shall enter the notice into the record of the property.**

SECTION 16. [EFFECTIVE JULY 1, 1999] **(a) The definitions of IC 23-2-5, as amended by this act, apply to this SECTION.**

**(b) Notwithstanding IC 23-2-5, until December 31, 2000, the commissioner shall license or renew the license of a person who:**

**(1) has not met the academic instruction requirements of IC 23-2-5; and**

**(2) meets all of the requirements of IC 23-2-5, as amended by this act, other than the academic instruction requirements of IC 23-2-5-21.**

**(c) Notwithstanding the amendment of IC 23-2-5 by this act, the requirements of IC 23-2-5 for the registration of an individual to engage in origination activities do not apply until January 1, 2001.**

**(d) This SECTION expires January 1, 2001.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 2027, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the amendments adopted by the House Financial Institutions committee on February 17, 1999.

Replace the effective dates in SECTIONS 1 through 15 with "[EFFECTIVE JULY 1, 1999]".

Page 1, line 5, delete "or to be employed by" and insert "**on behalf of**".

Page 1, line 5, delete "as a" and insert "**.**".

Page 1, delete line 6.

Page 2, line 29, delete "communication or negotiation" and insert "**establishing the terms or conditions of a loan**".

Page 2, line 30, delete "with respect to the terms or conditions of a loan".

Page 3, line 21, after "owners," insert "**directors,**".

Page 3, line 22, after "offense" insert "**involving fraud or deception that is**".

Page 3, line 23, delete ";" and insert "**, unless waived by the commissioner under subsection (f);**".

Page 3, line 29, after "applicant" insert "**who is or who will be**".

Page 4, between lines 23 and 24, begin a new paragraph and insert:

"**(f) Upon good cause shown, the commissioner may waive the requirements of subsection (a)(4), for one (1) or more of an applicant's ultimate equitable owners, directors, managers, or officers.**".

Page 5, line 10, delete "such" and insert "**a**".

Page 5, line 11, delete "such" and insert "**the**".

Page 6, line 1, after "employee" insert "**first**".

Page 6, line 3, after "has" insert "**not**".

Page 6, line 13, delete ";".

Page 6, line 14, delete "(2)".

Page 6, run in lines 13 through 14.

Page 6, line 14, delete "to the commissioner".

Page 6, line 16, delete "." and insert "**; or**

**(2) would not qualify for licensure or registration under this chapter as a result of a change in material fact or statement.**".

Page 11, line 31, after "IC 23-2-5," insert "**until December 31, 2000,**".

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Page 11, line 31, delete "until".
Page 11, line 32, delete "December 31, 2000,".
Page 11, line 32, delete "or register,".
Page 11, line 32, after "the license" delete "or".
Page 11, line 33, delete "registration".
Page 11, line 33, delete ",".
Page 11, between lines 38 and 39, begin a new paragraph and insert:
"**(c) Notwithstanding the amendment of IC 23-2-5 by this act, the requirements of IC 23-2-5 for the registration of an individual to engage in origination activities do not apply until January 1, 2001.**".
Page 11, line 39, delete "(c)" and insert "**(d)**".

and when so amended that said bill do pass.

(Reference is to HB 2027 as introduced and as amended by the House Committee on Financial Institutions on February 17, 1999.)

BODIKER, Chair

Committee Vote: yeas 11, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 2027 be amended to read as follows:

Page 2, line 5, after "institution" insert " **that is:**

**(A)**".

Page 2, line 6, after "state" insert ";".

Page 2, line 6, strike "except any person who is" and insert "**and**

**(B) regularly actively engaged in the business of making consumer loans that are not secured by real estate or taking assignment of consumer sales contracts that are not secured by real estate;**".

Page 2, strike lines 7 through 9.

(Reference is to HB 2027 as printed February 26, 1999.)

KUZMAN

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HOUSE MOTION

Mr. Speaker: I move that House Bill 2027 be amended to read as follows:

Page 11, between lines 32 and 33, begin a new paragraph and insert:"SECTION 15. IC 32-8-12-2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 2. (a) A firm, person, limited liability company, or corporation that transfers or assigns a mortgage under this chapter shall file a written notice with the county recorder stating the location and business address of the firm, person, limited liability company, or corporation that received the transfer or assignment of the mortgage.**

**(b) The county recorder shall enter the notice into the record of the property.**".

Renumber all SECTIONS consecutively.

(Reference is to HB2027 as printed February 26, 1999.)

YOUNG D

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