

# HOUSE BILL No. 2027

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 23-2-5.

**Synopsis:** 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. Prohibits felons from owning a loan brokerage or being licensed as a loan broker. Increases the penalty for the violation of the loan broker statute from a Class D felony to a Class C felony.

**Effective:** January 1, 2000.

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**Kuzman**

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January 27, 1999, read first time and referred to Committee on Financial Institutions.

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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:*

- 1 SECTION 1. IC 23-2-5-3 IS AMENDED TO READ AS FOLLOWS
- 2 [EFFECTIVE JANUARY 1, 2000]: Sec. 3. (a) **As used in this**
- 3 **chapter, "certificate of registration" means a certificate issued by**
- 4 **the commissioner authorizing an individual to engage in**
- 5 **origination activities or to be employed by a licensee as a**
- 6 **designated supervising officer.**
- 7 (b) **As used in this chapter, "creditor" means a person:**
- 8 (1) **that loans funds of the person in connection with a loan;**
- 9 **and**
- 10 (2) **to whom the loan is initially payable on the face of the note**
- 11 **or contract evidencing the loan.**
- 12 (c) **As used in this chapter, "license" means a license issued by**
- 13 **the commissioner authorizing a person to engage in the loan**
- 14 **brokerage business.**
- 15 (d) **As used in this chapter, "licensee" means a person that is**
- 16 **issued a license under this chapter.**
- 17 (e) **As used in this chapter, "loan broker" means any person who, in**



1 return for any consideration from any person, promises to procure a  
 2 loan for any person or assist any person in procuring a loan from any  
 3 third party, or who promises to consider whether or not to make a loan  
 4 to any person. "Loan broker" does not include:

5 (1) any bank, savings bank, trust company, savings association,  
 6 credit union, or any other financial institution regulated by any  
 7 agency of the United States or any state except any person who is  
 8 a financial institution solely because of a license to make  
 9 consumer loans under IC 24-4.5-3-503 or solely because of a  
 10 similar license from another state;

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

20 (3) any insurance company; or

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

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

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

28 **(g) As used in this chapter, "origination activities" means**  
 29 **communication or negotiation with a borrower or prospective**  
 30 **borrower with respect to the terms or conditions of a loan.**

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

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

39 **(j) As used in this chapter, "ultimate equitable owner" means a**  
 40 **person who, directly or indirectly, owns or controls any ownership**  
 41 **interest in a person, regardless of whether the person owns or**  
 42 **controls the ownership interest through one (1) or more other**



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1 persons or one (1) or more proxies, powers of attorney, or  
2 variances.

3 SECTION 2. IC 23-2-5-4 IS AMENDED TO READ AS FOLLOWS  
4 [EFFECTIVE JANUARY 1, 2000]: Sec. 4. (a) Any person desiring to  
5 engage or continue in the ~~business of loan brokering~~ **brokerage**  
6 **business** shall apply to the commissioner for ~~registration~~ **a license**  
7 under this chapter.

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

11 SECTION 3. IC 23-2-5-5 IS AMENDED TO READ AS FOLLOWS  
12 [EFFECTIVE JANUARY 1, 2000]: Sec. 5. (a) An application for  
13 ~~registration license or renewal of a license~~ must contain:

- 14 (1) consent to service of process under subsection (e);  
15 (2) evidence of the bond required in subsection (b);  
16 (3) ~~a an initial fee of two hundred fifty dollars two hundred~~  
17 ~~dollars (\$250); (\$200); and~~  
18 (4) ~~a statement listing the business address of the loan broker and~~  
19 ~~the business addresses of any affiliated companies; an affidavit~~  
20 ~~affirming that none of the applicant's ultimate equitable~~  
21 ~~owners, managers, or officers have been convicted, in any~~  
22 ~~jurisdiction, of an offense punishable by at least one (1) year~~  
23 ~~of imprisonment;~~  
24 (5) ~~evidence that the applicant, if the applicant is an~~  
25 ~~individual, has completed the education requirements under~~  
26 ~~section 21 of this chapter;~~  
27 (6) ~~a registration form setting forth the name, home address,~~  
28 ~~home telephone number, and Social Security number of each~~  
29 ~~employee or prospective employee of the applicant engaged in~~  
30 ~~origination activities; and~~  
31 (7) ~~evidence that the license applicant's proposed registrants~~  
32 ~~have completed the education requirements of section 21 of~~  
33 ~~this chapter.~~

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

39 (c) **The commissioner shall issue a license to an applicant that**  
40 **meets the licensure requirements of this chapter.** Whenever the  
41 **registration** provisions of this chapter have been complied with, the  
42 commissioner shall issue a certificate of registration ~~to the applicant~~



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1 authorizing the ~~applicant registrant~~ to engage in the business of loan  
2 ~~brokering: origination activities.~~

3 (d) An application for registration becomes effective on the thirtieth  
4 day after it is filed unless an order of the commissioner establishes an  
5 earlier effective date. ~~Every Licenses issued by the commissioner~~  
6 **before January 1, 2001, shall be valid, and renewal of such licenses**  
7 **shall not be required until January 1, 2001. Individuals engaging**  
8 **in origination activities for a licensee before January 1, 2001, shall**  
9 **not be required to apply for and receive a certificate of registration**  
10 **until January 1, 2001. Except as otherwise provided in this**  
11 **subsection, licenses and certificates of registration is effective issued**  
12 **by the commissioner are valid** until January 1 of the second year after  
13 ~~it goes into effect. issuance. The education requirements of section~~  
14 **21 of this chapter shall first apply to applicants for issuance or**  
15 **renewal of licenses or registrations effective as of January 1, 2001.**

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

24 SECTION 4. IC 23-2-5-6 IS AMENDED TO READ AS FOLLOWS  
25 [EFFECTIVE JANUARY 1, 2000]: Sec. 6. (a) A ~~loan broker licensee~~  
26 ~~may not continue engaging in the business of loan brokering unless the~~  
27 ~~broker's loan brokerage business unless the licensee's license is~~  
28 ~~renewed biennially. A registrant may not continue engaging in~~  
29 ~~origination activities unless the registrant's certificate of~~  
30 ~~registration is renewed biennially. A loan broker shall renew the~~  
31 ~~registration licensee shall renew its license and the certificates of~~  
32 **registration of its registrant employees** by filing with the  
33 commissioner, at least thirty (30) days before the expiration of the  
34 registration, an application containing any information the  
35 commissioner may require to indicate any material change from the  
36 information contained in the applicant's original application or any  
37 previous application.

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

41 SECTION 5. IC 23-2-5-10 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 10. (a) The

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1 commissioner may deny, suspend, or revoke the ~~registration license~~ of  
 2 a ~~loan broker~~ if the ~~loan broker licensee or the registration of a~~  
 3 **registrant if the licensee or the registrant:**

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

6 (2) is insolvent;

7 (3) has violated any provision of this chapter;

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

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

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

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

36 (d) **If:**

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

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

42 **the employer licensee shall, within fifteen (15) days after the**

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1 employee conducts origination activities, submit to the  
 2 commissioner, on a form prescribed by the commissioner, notice  
 3 of the registrant's employment. If the employee has previously  
 4 been registered, the licensee shall submit evidence that the  
 5 employee has completed the education requirements of section 21  
 6 of this chapter.

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

12 (1) is required to submit a written notice under this  
 13 subsection; and

14 (2) fails to provide the required notice to the commissioner  
 15 within two (2) business days after the person discovers or  
 16 should have discovered the change.

17 SECTION 6. IC 23-2-5-11 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 11. (a) The  
 19 commissioner may do the following:

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

21 (2) Make investigations and examinations:

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

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

31 (3) Charge as costs of investigation or examination all reasonable  
 32 expenses, including a per diem prorated upon the salary of the  
 33 commissioner or employee and actual traveling and hotel  
 34 expenses. All reasonable expenses are to be paid by the party or  
 35 parties under investigation or examination **if the party has**  
 36 **violated this chapter.**

37 (4) Issue notices and orders, including cease and desist notices  
 38 and orders, after making an investigation or examination under  
 39 subdivision (2). The commissioner may also bring an action on  
 40 behalf of the state to enjoin a person from violating this chapter.  
 41 The commissioner shall notify the person that an order or notice  
 42 has been issued, the reasons for it, and that a hearing will be set

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1 within fifteen (15) days after the commissioner receives a written  
2 request from the person requesting a hearing.

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

6 (6) Hold and conduct hearings.

7 (7) Hear evidence.

8 (8) Conduct inquiries with or without hearings.

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

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

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

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

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

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

23 (b) If a witness, in any hearing, inquiry, or investigation conducted  
24 under this chapter, refuses to answer any question or produce any item,  
25 the commissioner may file a written petition with the circuit or superior  
26 court in the county where the hearing, investigation, or inquiry in  
27 question is being conducted requesting a hearing on the refusal. The  
28 court shall hold a hearing to determine if the witness may refuse to  
29 answer the question or produce the item. If the court determines that  
30 the witness, based upon the witness's privilege against  
31 self-incrimination, may properly refuse to answer or produce an item,  
32 the commissioner may make a written request that the court grant use  
33 immunity to the witness. Upon written request of the commissioner, the  
34 court shall grant use immunity to a witness. The court shall instruct the  
35 witness, by written order or in open court, that:

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

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

42 A grant of use immunity does not prohibit evidence that the witness

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1 gives in a hearing, investigation, or inquiry from being used in a  
 2 prosecution for perjury under IC 35-44-2-1. If a witness refuses to give  
 3 the evidence after he has been granted use immunity, the court may  
 4 find him in contempt.

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

11 SECTION 7. IC 23-2-5-13 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 13. Upon:

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

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

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

28 SECTION 8. IC 23-2-5-14 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 14. (a) If the  
 30 commissioner determines, after a hearing, that a person has violated  
 31 this chapter, the commissioner may, in addition to all other remedies,  
 32 impose a civil penalty upon the person in an amount not to exceed ~~five~~  
 33 ~~thousand dollars~~ **ten thousand dollars** (~~\$5,000~~) **(\$10,000)** for each  
 34 violation.

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

38 SECTION 9. IC 23-2-5-15 IS AMENDED TO READ AS  
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 15. Any person  
 40 who violates this chapter, in connection with a contract for the services  
 41 of a loan broker, is liable to any person damaged by the violation, for  
 42 the amount of the actual damages suffered, interest at the legal rate,



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1 and attorney's fees. If a ~~loan broker~~ **person** violates any provision of  
 2 this chapter, in connection with a contract for loan brokering services,  
 3 the contract is void, and the prospective borrower is entitled to receive  
 4 from the loan broker all sums paid to the loan broker.

5 SECTION 10. IC 23-2-5-16 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 16. A person who  
 7 knowingly violates this chapter commits a ~~Class D~~ **Class C** felony.

8 SECTION 11. IC 23-2-5-18 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 18. (a) Each loan  
 10 broker agreement shall be given an account number. Each ~~loan broker~~  
 11 **licensee** shall keep and maintain the following records or their  
 12 **electronic** equivalent:

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

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

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

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

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

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

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

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

32 (3) A general ledger that shall be posted at least monthly, and a  
 33 trial balance sheet and profit and loss statement prepared within  
 34 thirty (30) days of the commissioner's request for the information.

35 (4) A sample of:

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

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

41 (C) any sales kits or literature;

42 to be used in solicitation of borrowers.

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

5 SECTION 12. IC 23-2-5-19 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 19. (a) The  
 7 following persons are exempt from the requirements of sections 4, 5,  
 8 6, 9, 10, 17, and 18 of this chapter:

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

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

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

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

20 (5) Any person that:

21 (A) procures;

22 (B) promises to procure; or

23 (C) assists in procuring;

24 a loan that is not subject to the Truth in Lending Act (15 U.S.C.  
 25 1601 through 1667e).

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

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

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

33 (2) If the loan is to be secured by real property, title examinations,  
 34 an abstract of title, title insurance, a property survey, and similar  
 35 purposes.

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

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

42 (d) The burden of proof of any exemption or classification provided

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1 in this chapter is on the party claiming the exemption or classification.

2 SECTION 13. IC 23-2-5-20 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 20. A ~~loan broker~~  
4 **licensee or registrant** shall not, in connection with a contract for the  
5 services of a loan broker, either directly or indirectly, do any of the  
6 following:

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

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

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

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

16 SECTION 14. IC 23-2-5-21 IS ADDED TO THE INDIANA CODE  
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
18 JANUARY 1, 2000]: **Sec. 21. (a) Except as provided under section**  
19 **5(d) of this chapter, a person applying for or renewing a license or**  
20 **certificate of registration must provide to the commissioner**  
21 **evidence that during the twenty-four (24) month period**  
22 **immediately preceding the application that the person completed**  
23 **at least twenty-four (24) hours of academic instruction, acceptable**  
24 **to the commissioner, related to the loan brokerage business.**

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

28 SECTION 15. [EFFECTIVE JANUARY 1, 2000] (a) The  
29 definitions of IC 23-2-5, as amended by this act, apply to this  
30 SECTION.

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

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

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

39 (c) This SECTION expires January 1, 2001.

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