

TITLE 710 SECURITIES DIVISION

ARTICLE 1. GENERAL PROVISIONS

NOTE: IC 23-2-1 was repealed by P.L.27-2007, SECTION 37, effective July 1, 2008.

Rule 1. Definitions (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)

Rule 2. Form and Requisites of Application for Registration of Securities; Reports to Commissioner; Rulings as to Materiality; Unfair Practices (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)

Rule 3. Secondary Market (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)

Rule 3.5. Nonpublic Offering Exemption (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)

Rule 4. Broker-Dealers and Agents; Requirements and Licensing Procedures

710 IAC 1-4-1 Definitions; consent to service of process; permission for dual office (Repealed)

Sec. 1. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-2 Examination of broker-dealer applicants (Repealed)

Sec. 2. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-2.1 Notice of broker-dealer registration (Repealed)

Sec. 2.1. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-3 Financial requirements; definitions (Repealed)

Sec. 3. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-4 Bookkeeping requirements (Repealed)

Sec. 4. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-5 Preservation of books and records (Repealed)

Sec. 5. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-6 Financial reports by broker-dealers (Repealed)

Sec. 6. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-7 Principal offices; supervision (Repealed)

Sec. 7. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-8 Branch offices (Repealed)

Sec. 8. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-9 Changes in broker-dealer applications; notice and amendment (Repealed)

Sec. 9. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-10 Broker-dealer registration expiration and renewal (Repealed)

Sec. 10. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-11 Certification of agent; restricted activities (Repealed)

Sec. 11. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-12 Agent examination requirements (Repealed)

Sec. 12. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-13 Agent identification (Repealed)

Sec. 13. *(Repealed by Securities Division; filed Aug 18, 1981, 3:42 pm: 4 IR 2023)*

710 IAC 1-4-13.1 Notice of agent registration (Repealed)

Sec. 13.1. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-14 Changes in agent applications; notice and amendment (Repealed)

Sec. 14. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-15 Agent registration expiration, renewal, termination, suspension (Repealed)

Sec. 15. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-16 Dishonest and unethical practices (Repealed)

Sec. 16. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

710 IAC 1-4-17 Time of delivery and payment by broker-dealer (Repealed)

Sec. 17. *(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)*

Rule 4.1. Investment Advisor (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2056, eff Jun 1, 1986)

Rule 5. Rules on Accounting; General Application; Commercial and Industrial Companies (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2057, eff Jun 1, 1986)

Rule 6. Rules of Practice; Proceedings Before the Division; Hearings Before the Commissioner (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2057, eff Jun 1, 1986)

Rule 7. Office Hours and Procedures (Repealed)

(Repealed by Securities Division; filed Mar 24, 1986, 3:27 pm: 9 IR 2057, eff Jun 1, 1986)

Rule 8. General Provisions (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 9. Securities Registration (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 10. Disclosure Requirements (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 11. Reporting Requirements (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 12. Merit Standards (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 13. Exemptions (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 14. Broker-Dealers (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 15. Agents (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 16. Investment Advisers

710 IAC 1-16-1 Application for registration (Repealed)

Sec. 1. *(Repealed by Securities Division; filed Dec 20, 1991, 9:30 a.m.: 15 IR 733, eff Jan 1, 1992 [IC 4-22-2-36 suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #91-105 was filed Dec 20, 1991.])*

710 IAC 1-16-2 Notice of changes in circumstances (Repealed)

Sec. 2. *(Repealed by Securities Division; filed Dec 20, 1991, 9:30 a.m.: 15 IR 733, eff Jan 1, 1992 [IC 4-22-2-36 suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #91-105 was filed Dec 20, 1991.])*

710 IAC 1-16-3 Expiration and renewal of registration (Repealed)

Sec. 3. *(Repealed by Securities Division; filed Dec 20, 1991, 9:30 a.m.: 15 IR 733, eff Jan 1, 1992 [IC 4-22-2-36 suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #91-105 was filed Dec 20, 1991.])*

710 IAC 1-16-4 Unethical business practices (Repealed)

Sec. 4. *(Repealed by Securities Division; filed Dec 20, 1991, 9:30 a.m.: 15 IR 733, eff Jan 1, 1992 [IC 4-22-2-36 suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #91-105 was filed Dec 20, 1991.])*

710 IAC 1-16-5 Annual reports (Repealed)

Sec. 5. *(Repealed by Securities Division; filed Dec 20, 1991, 9:30 a.m.: 15 IR 733, eff Jan 1, 1992 [IC 4-22-2-36 suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #91-105 was filed Dec 20, 1991.])*

710 IAC 1-16-6 Holding out as an investment adviser (Repealed)

Sec. 6. *(Repealed by Securities Division; filed Dec 20, 1991, 9:30 a.m.: 15 IR 733, eff Jan 1, 1992 [IC 4-22-2-36 suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #91-105 was filed Dec 20, 1991.])*

710 IAC 1-16-7 Investment adviser registration application (Repealed)

Sec. 7. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-8 Investment adviser representative application (Repealed)

Sec. 8. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-9 Fees for registration and renewal (Repealed)

Sec. 9. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-10 Termination or withdrawal from registration (Repealed)

Sec. 10. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-11 Incomplete and abandoned applications (Repealed)

Sec. 11. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-12 Exemption for certain broker-dealers (Repealed)

Sec. 12. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-13 Examinations (Repealed)

Sec. 13. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-14 Books and records; maintenance (Repealed)

Sec. 14. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-15 Supervision of investment adviser representatives and employees (Repealed)

Sec. 15. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-16 Written disclosure statements (Repealed)

Sec. 16. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-17 Performance based compensation exemption (Repealed)

Sec. 17. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-18 Certain transactions not deemed assignments (Repealed)

Sec. 18. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-19 Financial statements and reporting requirements for investment advisers (Repealed)

Sec. 19. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-20 Custody and possession of client funds or securities (Repealed)

Sec. 20. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-21 Agency cross transactions for advisory clients (Repealed)

Sec. 21. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-22 Dishonest or unethical practices (Repealed)

Sec. 22. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-23 Amendment of registration documents filed by investment advisers and investment adviser representatives (Repealed)

Sec. 23. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

710 IAC 1-16-24 Refunds (Repealed)

Sec. 24. *(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)*

Rule 17. Standards of Practice (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 18. Financial Statements (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 19. Division Proceedings (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 20. Records and Investigations (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 21. Investigation; Rules of Practice (Repealed)

(Repealed by Securities Division; filed Jun 28, 2010, 2:36 p.m.: 20100728-IR-710100044FRA)

Rule 22. Loan Broker Regulations

710 IAC 1-22-1 Originators (Expired)

Sec. 1. *(Expired under IC 4-22-2.5, effective January 1, 2013.)*

710 IAC 1-22-2 Loan broker licensing and originator licensing (Expired)

Sec. 2. *(Expired under IC 4-22-2.5, effective January 1, 2013.)*

710 IAC 1-22-3 Branches and exemptions (Expired)

Sec. 3. *(Expired under IC 4-22-2.5, effective January 1, 2013.)*

710 IAC 1-22-4 Educational requirements (Expired)

Sec. 4. *(Expired under IC 4-22-2.5, effective January 1, 2013.)*

710 IAC 1-22-5 Forms

Authority: IC 23-2-1-15

Affected: IC 23-2.5

Sec. 5. Within three (3) business days of the time an application for a loan is made to a licensee, the licensee must have entered into a separate, signed, and written loan broker agreement with the potential borrower. A copy of the agreement shall be given to the potential borrower, and the original shall be placed in the file of the borrower or proposed borrower required under IC 23-2-5-18(a)(1)(B) *[IC 23-2-5 was repealed by P.L.175-2019, SECTION 1, effective July 1, 2019. See IC 23-2.5.]*. The agreement shall contain, at a minimum, the following:

- (1) The name of the licensee.
- (2) The Indiana loan broker license number of the licensee.
- (3) The name of the prospective borrower.
- (4) The date of the agreement and the period for which it shall remain in effect.
- (5) A statement that the licensee is not the credit provider.
- (6) A complete description of the services the licensee undertakes to perform for the prospective borrower.
- (7) A specific statement that the licensee cannot solicit or collect any fee, other than a bona fide third party fee, prior to the

loan closing.

(8) An estimate of the costs of the licensee's services, which may be expressed as a specific dollar amount or percentage or as a range, disclosing the factors used in determining the fee within that range, together with the maximum cost of services, along with a statement that the amounts are not due unless and until the loan closes. The amounts shall include all compensation paid to the licensee whether paid directly or indirectly, including any applicable yield-spread premium.

(9) The following disclosure in clear and legible print:

(Name of licensee) IS LICENSED UNDER THE LAWS OF THE STATE OF INDIANA AND BY STATE LAW IS SUBJECT TO THE REGULATORY OVERSIGHT BY THE INDIANA SECRETARY OF STATE'S SECURITIES DIVISION. ANY CONSUMER WISHING TO FILE A COMPLAINT AGAINST OR INQUIRY REGARDING THE REGISTRATION STATUS OF (Name of licensee) SHOULD CONTACT THE SECURITIES DIVISION THROUGH ONE OF THE MEANS LISTED BELOW:

BY U.S. MAIL:

302 W. WASHINGTON ST.
ROOM E-111
INDIANAPOLIS, IN 46204

BY TELEPHONE:

1-800-223-8791

BY INTERNET:

<http://www.in.gov/sos/securities/index.html>

(Securities Division; 710 IAC 1-22-5; filed Jan 19, 2006, 12:19 p.m.: 29 IR 1925; readopted filed Nov 26, 2012, 1:59 p.m.: 20121226-IR-710120573RFA; readopted filed Nov 19, 2018, 12:53 p.m.: 20181219-IR-710180415RFA)

710 IAC 1-22-6 Fees

Authority: IC 23-2-1-15

Affected: IC 23-2

Sec. 6. In connection with the application for credit and on behalf of the borrower, the following fees, subject to the limitations enumerated in this section, may be collected before the closing of the loan:

(1) Property appraisal fees, if applicable, shall be limited to the following:

(A) The amount paid to a licensed appraiser for the appraisal.

(B) Those amounts that are customary and reasonable.

(2) Credit report fees, if applicable, shall be limited to the actual cost of the report, the amount of which was paid to a third party. The amounts shall be customary and reasonable.

(3) Title examination fees or title insurance, or both, if applicable, shall be limited to those amounts actually expended for such purposes. The amounts shall be customary and reasonable.

(4) Returned check charges, if applicable, may be assessed to consumers, provided the amounts of the charges are customary and reasonable for checks that are returned unpaid.

(5) Other bona fide third party fees actually paid or incurred on behalf of the borrower. Such other fees shall:

(A) not be incurred without the express permission of the borrower; and

(B) be limited to amounts actually paid or incurred.

Additionally, all such amounts must be customary and reasonable.

(6) Fees associated with the commitment of a specific interest rate, to be held for a specified period of time, may be collected in accordance with a signed rate lock agreement, provided the fees are payable to the lender.

(Securities Division; 710 IAC 1-22-6; filed Jan 19, 2006, 12:19 p.m.: 29 IR 1926; readopted filed Nov 26, 2012, 1:59 p.m.: 20121226-IR-710120573RFA; readopted filed Nov 19, 2018, 12:53 p.m.: 20181219-IR-710180415RFA)

710 IAC 1-22-7 Deceitful practices (Expired)

Sec. 7. *(Expired under IC 4-22-2.5, effective January 1, 2013.)*

710 IAC 1-22-8 Material facts

Authority: IC 23-2-1-15

Affected: IC 23-2.5

Sec. 8. As used in IC 23-2-5 *[IC 23-2-5 was repealed by P.L.175-2019, SECTION 1, effective July 1, 2019. See IC 23-2.5.]*, "material fact" includes, but is not limited to, the following:

- (1) The address of the following:
 - (A) A principal place of business.
 - (B) Any branch office.
- (2) The type of business entity the loan broker is registered with the securities division.
- (3) Criminal convictions of the licensee's ultimate equitable owners, directors, managers, officers, or originators.
- (4) Information pertaining to education courses to fulfill the necessary academic instruction requirement of IC 23-2-5-21 *[IC 23-2-5 was repealed by P.L.175-2019, SECTION 1, effective July 1, 2019. See IC 23-2.5.]*.

(Securities Division; 710 IAC 1-22-8; filed Jan 19, 2006, 12:19 p.m.: 29 IR 1926; readopted filed Nov 26, 2012, 1:59 p.m.: 20121226-IR-710120573RFA; readopted filed Nov 19, 2018, 12:53 p.m.: 20181219-IR-710180415RFA)

710 IAC 1-22-9 Record maintenance

Authority: IC 23-2-1-15

Affected: IC 23-2.5

Sec. 9. Any licensee who procures a residential mortgage loan shall include in the file of the borrower or potential borrower, in addition to the requirements set forth in IC 23-2-5-18(a)(1) *[IC 23-2-5 was repealed by P.L.175-2019, SECTION 1, effective July 1, 2019. See IC 23-2.5.]*, the following to the extent the documents are originated by the licensee:

- (1) The initial loan application, signed and dated by the loan originator.
- (2) The initial and any subsequent good faith estimate provided by the licensee.
- (3) A credit report, if obtained.
- (4) Verification of the borrower's income and employment as required by the initial lender.
- (5) Any Truth in Lending Act disclosure.
- (6) A HUD-1 or HUD 1A Settlement Statement signed by the borrower or borrowers and the initial lender or settlement agent, if applicable.
- (7) Affiliated business arrangement disclosure statements provided to the borrower.
- (8) A servicing transfer disclosure statement.
- (9) A right to receive appraisal disclosure, if applicable.
- (10) A right of rescission notice, if applicable.
- (11) An appraisal or appraisals of the property obtained by the broker.
- (12) Any commitment or rate lock-in agreements, if applicable.
- (13) Copies of all notes or correspondence in whatever format, including electronic and facsimile transmissions, with the following:
 - (A) Borrowers.
 - (B) Third party settlement service providers, including the following:
 - (i) Appraisers.
 - (ii) Title agents.
 - (iii) Credit reporting agencies.
 - (C) Lenders.
- (14) A record of all charges or fees assessed to the borrower's account reflecting the following:
 - (A) Amount of the charge or fee.
 - (B) Purpose.
 - (C) Date imposed.

(Securities Division; 710 IAC 1-22-9; filed Jan 19, 2006, 12:19 p.m.: 29 IR 1926; readopted filed Nov 26, 2012, 1:59 p.m.: 20121226-IR-710120573RFA; readopted filed Nov 19, 2018, 12:53 p.m.: 20181219-IR-710180415RFA)

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