

Indiana Department of Financial Institutions
Consumer Credit Division
Change in Control

August 23, 2019

LHM/TMB

If a change in control is contemplated by one of the following types of licensees, a change in control notification must be submitted to the Department as specified in the cited statutes. **Licenses are not transferable.**

First Lien Mortgage Lending: Indiana Code 24-4.4-2-406

Subordinate Lien Mortgage Lending, Non-Mortgage Lending, Small Loan: Indiana Code 24-4.5-3-515

Civil Proceeding Advance Payment: Indiana Code 24-12-9-12

Debt Management: Indiana Code 28-1-29-3.1

Pawnbrokers: Indiana Code 28-7-5-9.1

Money Transmitters: Indiana Code 28-8-4-40.2

Check Cashing: Indiana Code 28-8-5-13.1

An organization or an individual acting directly, indirectly, or through or in concert with one (1) or more other organizations or individuals may not acquire control of any licensee unless the department has received and approved an application for change in control.

The Department has not more than one hundred twenty (120) days after receipt of an application to issue a notice approving the proposed change in control. The application must contain the name and address of the organization, individual, or individuals who propose to acquire control and any other information required by the director. **For planning purposes, it is recommended that an entity provide notice to the Department at least 120 days prior to any planned consummation or merger transaction requiring approval of a change of control.**

“Control” means possession of the power directly or indirectly to:

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

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

Events that may trigger a Change of Control Notification:

- Sale of the licensee to new owners.
- The addition of a new owner that will obtain at least 25% of the voting securities.

Events that DO NOT trigger a Change of Control Notification:

- The addition of an executive officer that is not receiving any ownership interest in the licensee.
- A change in legal status, as long as no change in ownership is occurring. For example, corporate formation change from a Limited Liability Company to a Corporation.
- Insertion of a holding company between a licensee and a parent company, provided the ultimate ownership does not change.

If you hold a Mortgage Lending license, a Money Transmitter license, or a Debt Management license, you are required to complete an Advance Change Notice in the [NMLS Resource Center](#) and upload all required documentation in NMLS. All other license types must mail or email (dfilicensing@dfi.in.gov) the notification and all required documentation.

Required Documentation

- A letter that outlines all the changes that will be occurring.
- If applicable, a copy of the purchase agreement.
- A pre-organizational chart.
- A post organizational chart.
- Financial statements for the proposed new entity owners.

If you have any additional questions regarding a possible change in control, please contact us by phone at 317-453-2539 or by email at dfilicensing@dfi.in.gov.