

## Indiana QuickNotes™

Indiana Secretary of State, Indiana Securities Division 302 W. Washington Street, Room E-111, Indianapolis, IN 46204  
 317-232-6681 800-223-8791 317-233-3675  
[www.in.gov/sos/securities](http://www.in.gov/sos/securities)

### Licensing Requirements

Exemptions	HUD/VA/FNMAFHLMC/RHS approved mortgagee/seller/servicer, OCC, FDIC, Regulated Institutions, Non-profit Housing agencies, Insurance Companies, Individuals selling own home, attorneys practicing law, Investment Advisers, Investment/Commercial lenders/brokers, Community Development Agencies, Indiana Housing Authorities,		
Mortgage/Loan Broker	<b>Fee</b>	<b>Background Check</b>	<b>Bond/Net Worth</b>
	\$200 Fee/\$200 Renewal	Background Check, Provide "Consent to Service"	\$50,000 bond,
	Education	Pre-Licensing 24 Hour Live Class and Test	12 Hours every 2 years
Loan Originator	Must be licensed - \$100 Fee - Lender must report status, certify requirements met. 21 Hours Live Initial Pre-Licensing Education ;12 Hours Continuing Education every 2 years - Effective 7/1/2007 - Standardized Mortgage Test required for all licensees		
Principal Manager	Must be designated - 3 Years Experience/ Principal Manager Exam		

### Required/Prohibited Practices

Advertising Materials	Samples of all Advertising/Solicitation Materials must be kept for 24 months
Record Keeping	Copies of Broker Agreement, Investor, Broker Fee Amount, Receipts for 24 months
Account Number	Broker Agreements must have Account/Loan Number
Prohibited Practices	Use a device or scheme to defraud, Make untrue or misleading statements, representations, omissions
	Collect Upfront fees except for pass-throughs (credit, appraisal, title)
Penalties	Knowing violation - Class D Felony; up to \$10,000 per violation, disgorgement, restitution and interest on damages at 8%; claimant may recover damages, attorney fee, reimbursement all sums

### High Cost Home Loan Act IC 24-9-2

Rate Trigger	Section 32 Rate 1st Mortgage > 8%; 2nd Mortgage > 10% over comparable securities
Points and Fees Trigger	points > 5% for loans >\$40,000; points > 6% for loans < \$40,000
Exceptions	Discount points, up to 1.5% YSP w < 2% prepayment penalty, prepaid interest;
Fees	All compensation direct or indirect; prepaid finance charge items; fees to lender for closing costs; Title examination/insurance/document preparation, Notary, Appraisal, Pest, Credit
Disclosures	3 Days prior - Section 32 disclosure; Prepayment Penalty Choice Disclosure
Prohibited Practices	Churning - no points and fees on high cost>high cost refinance < 4 years; no fees to modify or extend
	Financed Insurance Products; direct payments to contractors
	Refinance low cost loan with high cost loan
	Recommending default; acceleration; deceptive actions; post default increase; mandatory
	Structuring as open endend to circumvent
	Financing points or fees
	Prepayment penalties > 2 years; > 2% of prepayment; borrower must choose prepay over non-
	Negative amortization
Requiring Advance Payments	
Statute of Limitatons	5 years