



April 7, 2020

Indiana General Assembly Adjourns for 2020

Indiana lawmakers concluded all legislative business for the 2020 Indiana General Assembly session late into the evening on March 11. This date was several days earlier than the legislative calendar dictated for the end of session, but widely anticipated based on comments from leadership at the start of session. For the 2020 session, legislators introduced 903 bills concerning topics from education and healthcare to financial institutions and general business. Of those 903 bills, 168 bills passed both the House and Senate to be eligible for the Governor's signature into law.

The 2020 "short session" was not without issues that brought forward a significant amount of debate. Among topics that garnered attention were landlord tenants' rights, hospitals and the cost of healthcare, a variety of education related issues and a bill to temporarily preserve coal fired power plants. The IMBA and its membership were not without a multitude of bills to work through for the short two-and-a-half months the General Assembly was in session. The IMBA Legislative Team ultimately monitored over 100 different bills during the 2020 session.

The most important bill for the IMBA this session was HEA 1109, a bill that addressed two unanticipated problems that arose from the passage of two separate bills from the 2019 session (HEA 1123 and HEA 1664). HEA 1109 reaffirmed that financial institutions, along with all Indiana businesses, were not required to register with the Attorney General's office for simply soliciting business via telephone contact. HEA 1109 was amended at the outset to include language to repeal a law enacted from last session that created the unintended restriction on how credit reports were furnished if certain data inputs were incorrect. HEA 1109 was also declared an emergency act, meaning that upon passage and signature by the governor, the bill immediately became law in Indiana without waiting until the July 1 effective date typical of new laws. At the time of this summary, the bill has been signed by the governor.

The IMBA would like to extend a special thanks to the many legislators and mortgage bankers who worked toward satisfactory outcomes on issues of concern to the banking industry. The effort and engagement put forward by so many ensures Indiana continues to be a state in which financial institutions can continue to serve our customers and have positive impacts on our communities and the broader economy.

Legislation That Passed the 2020 Indiana General Assembly

SEA 50 – Various Trust and Probate Issues

Author: Sen. Aaron Freeman, R-Indianapolis

House Sponsor: Rep. Jerry Torr, R-Carmel

Bill summary

Makes various changes to trust and probate laws concerning proof of title affidavits, small estate affidavits, execution of a trust by a third party, silent trusts, nonjudicial settlements of accounts and legacy trusts. Makes technical corrections. (The introduced version of this bill was prepared by the probate code study commission).

Why it matters

The bill was refined and crafted during the interim study committee process last summer through committee deliberation and testimony from various industries. The IMBA Legislative Team worked to keep out of the bill a harmful forced foreclosure proposal that would require a mortgage holder to file a foreclosure on a property in probate if the heir to the property requested it. The bill also includes provisions that amend the legacy trust statute that was passed into law during the 2019 legislative session. The amendments clarify that only the lender that relied upon the assets listed on a financial statement when extending credit is able to proceed against those assets in the event of a default. Other changes include various changes to trust and probate laws concerning proof of title affidavits, small estate affidavits, execution of a trust by a third party, silent trusts and nonjudicial settlements of accounts.

What happened

The bill passed the General Assembly and was signed by the governor.

SEA 100 – Nonconforming Structures

Author: Sen. Blake Doriot, R-Syracuse

House Sponsor: Rep. Doug Miller, R-Elkhart

Bill summary

The bill provides that the parcel owner shall be allowed to reconstruct, repair, or renovate the nonconforming structure if the reconstruction, repair, or renovation meets certain requirements. It specifies that the bill's provision regarding the reconstruction, repair, or renovation of a nonconforming structure does not apply to a nonconforming structure that is: (1) subject to the jurisdiction of a preservation commission; or (2) located within a floodplain.

Why it matters

The bill provides that the parcel owner shall be allowed to reconstruct, repair or renovate the nonconforming structure if the reconstruction, repair or renovation meets certain requirements. Specifies that the bill's provision regarding the reconstruction, repair or renovation of a nonconforming structure does not apply to a nonconforming structure that is: (1) subject to the jurisdiction of a

preservation commission; or (2) located within a floodplain. The bill makes it easier for a parcel owner to reconstruct a structure that has become nonconforming after years of zoning changes.

What happened

The bill passed the General Assembly and was signed by the governor.

SEA 395 – Uniform Consumer Credit Code

Author: Sen. Eric Bassler, R-Washington

House Sponsor: Rep. Woody Burton, R-Whiteland

Bill summary

This bill amends the Uniform Consumer Credit Code (UCCC) as follows:

(1) It changes:

(A) from July 1 of each even-numbered year to Jan. 1 of each odd-numbered year the effective date for the adjustment, based on changes in the Consumer Price Index, of various dollar amounts set forth in the UCCC; and

(B) the corresponding date that precedes the adjustment date and by which the Department of Financial Institutions (DFI) must issue an emergency rule announcing the adjustment.

(2) For an agreement for a consumer credit sale entered into after Jun. 30, 2020:

(A) authorizes a seller to contract for and receive a nonrefundable prepaid finance charge based on the amount financed, in addition to the credit service charge and any other authorized charges and fees; and

(B) prohibits precomputed consumer credit sales.

(3) Repeals a provision concerning the credit service charge for revolving charge accounts and relocates the language to the provision concerning the authorized credit service charge for consumer sales.

(4) For an agreement for a consumer loan entered into after Jun. 30, 2020:

(A) changes the amount of the authorized nonrefundable prepaid finance charge from \$50 to an amount that is not more than: (i) \$75; (ii) \$150; or (iii) \$200; based on the amount financed, in the case of a consumer loan not secured by an interest in land; and

(B) prohibits precomputed consumer loans.

The bill makes conforming changes with respect to supervised loans. It changes from \$1.50 to \$3 the amount of the fee that a lessor in a rental purchase agreement may impose for accepting rental payments by telephone. The bill also makes conforming technical amendments throughout the UCCC to reflect the bill's changes.

Why it matters

This bill originated from recommendations made by the Financial Institutions Study Committee last summer. The IMBA provided suggested changes to the Uniform Consumer Credit Code for purposes of reforming the antiquated uniform law. The bill was amended in the Senate Insurance and Financial Institutions Committee with several significant changes. Most notably, the bill attempts to fix the problematic refundable calculation of the prepaid/origination fee by establishing a flat origination fee/prepaid finance charge of no more than \$75 for a consumer loan under \$2,000; \$150 for a consumer loan between \$2,000 and \$4,000; and \$200 for a consumer loan over \$4,000. The tiered fee structure is not an ideal fix, but a lender will no longer have to calculate a refund on loans over \$4,000 if the

origination fee is under \$200. A lender must be aware of the new fee structure when making consumer loans under \$4,000, however. The bill was amended to specifically allow only financial institutions to exceed the current fee structure but must include any additional fee in the rate if the loan were to pay off early. The bill also raised the state usury rate from 25% to 36% but was amended to keep the rate at 25%. The bill was also amended to remove several provisions about which the IMBA expressed concern.

What happened

The bill passed the General Assembly and was signed by the governor.

SEA 408 – Various Tax Matters

Author: Sen. Travis Holdman, R-Markle

House Sponsor: Rep. Tim Brown, R-Crawfordsville

Bill summary

The bill does the following: It removes references to an out-of-state merchant's collection of the state use tax. (Under current law, an out-of-state merchant is required to collect the state gross retail tax (not the use tax) on retail transactions made in Indiana if certain threshold conditions are met). It makes clarifying and technical changes to the definitions of "bundled transaction," "unitary transaction," and "gross retail income" in the Sales Tax statute, and "adjusted gross receipts" in the sports wagering statute. It removes outdated references to the Gross Income Tax and Adjusted Gross Income Tax. It changes the definition of "Internal Revenue Code" in the Adjusted Gross Income Tax law to mean the Internal Revenue Code of 1986 as amended and in effect on Jan. 1, 2020.

It clarifies the allowable state income tax deductions and credits for a married individual filing a separate return. It requires a payor of prize money to an initial recipient in connection with a racing event at a qualified motorsports facility to withhold Adjusted Gross Income Tax from the payment of the prize money. It provides that a taxpayer is entitled to claim a historic rehabilitation tax credit granted for a year other than the year in which the preservation or rehabilitation of the historic property was performed and certification provided, notwithstanding the expiration of the historic rehabilitation tax credit chapter on Jan. 1, 2019, and the cap on the amount of credits allowed in a state fiscal year beginning after Jun. 30, 2016.

It defines "loans arising in factoring" under the Financial Institutions Tax statute. It specifies the duties of the motor carrier service division of the Department of State Revenue (DOR). It removes obsolete provisions related to transporting gasoline or special fuel. It eliminates a redundant penalty provision for failure to file a quarterly Motor Carrier Fuel Tax report (this penalty is currently assessed and calculated under the penalty provisions of the International Fuel Tax Agreement as set forth in another section of the Indiana Code). It authorizes the DOR to require a taxpayer to execute a power of attorney for representation of the taxpayer on a form prescribed by the DOR. It requires each county to periodically submit certain data to the GIS Officer.

It allows a taxpayer to request a secondary review of adjustments to tax attributes in certain circumstances. It makes clarifying changes to the statute of limitations for tax assessments and tax refunds. It extends the statute of limitations for assessments for certain partners and partnerships. It

allows for certain disclosures of a taxpayer's information concerning returns and remittances for a listed tax in connection with the DOR's online tax system to an individual without a power of attorney. The bill provides that after a date determined by the DOR, no later than Sept. 1, 2023, the DOR may not make disclosures of a taxpayer's information concerning returns and remittances for a listed tax to an individual unless the individual has a power of attorney or is otherwise authorized to receive the information by law. It extends the statute of limitations to allow a refund of state and local income tax with regard to veterans' disability severance payments that were determined to qualify for a refund of federal income tax under the Combat-Injured Veterans Tax Fairness Act of 2016. It revises the penalty provisions related to payments made to the DOR by a payment instrument on which the DOR is unable to obtain payment. It expands the functions of the taxpayer rights advocate office within the DOR. It repeals the State Revenue Pilot Program Fund. It provides that any money in the State Revenue Pilot Program Fund before its repeal is transferred to the Motor Carrier Regulation Fund.

Why it matters

The bill is the annual Department of Revenue legislation and makes various changes to Indiana's tax code. The bill updates Indiana's tax code to reflect changes that were made to the Federal tax code in 2019. Notably, the bill clarifies the treatment of factored receivables under the Financial Institutions Tax. The IMBA monitors this bill every session for changes to Indiana's tax code as it relates to financial institutions. The IMBA identified an issue in the bill regarding language dealing with the division of an Industrial Recovery Tax Credit and the issue was addressed in HEA 1065.

What happened

The bill passed the General Assembly and was signed by the governor.

SEA 424 – Address Confidentiality Program

Author: Sen. Linda Rogers, R-Granger

House Sponsor: Rep. Karen Engleman, R-Georgetown

Bill summary

Allows a victim of harassment, human trafficking, intimidation, or invasion of privacy to participate in the address confidentiality program (program) of the office of the attorney general (office). (Currently the law allows only victims of domestic violence, sexual assault, or stalking to participate in the program). Removes the requirement that a victim must have obtained a protective order to participate in the program. Requires that an applicant to the program provide a description of the applicant's plan to maintain the confidentiality of the applicant's new address. Provides, with certain exceptions, that if a program participant provides written notice to an individual, state or local government agency, business, or other legal entity: (1) the entity shall use the address designated by the office; (2) the entity may not disclose the program participant's address; and (3) if the entity is a landlord, the entity may not display the program participant's name at the protected address. Allows the office to revoke a person's participation in the program or deny an applicant's application if the person: (1) uses or intends to use the program in furtherance of a crime; (2) knowingly misrepresents in a fraudulent manner any information the program participant or applicant provides to the program; or (3) is unable or unwilling to maintain the confidentiality of the program participant's or applicant's address. Establishes the circumstances under which a program participant's address may be disclosed in a court proceeding and

requires the court to issue an appropriate order to limit any further disclosure. Repeals a statute providing that a program participant who provides false information on a program application commits perjury.

Why it matters

Banks currently have customers who are participants in the state address confidentiality program. This bill expands the program and makes it more accessible and workable for participants. The original version of the bill would have required a bank to obtain consent every time they needed to share an ACP participant's name with a third party. Current law only requires consent when a business needs to share the ACP participant's actual address. The IMBA worked with the bill's author to amend the bill to remove the additional requirement for consent to disclose a participant's name because of the extra duty on the bank. This change maintains the current requirement on the bank while still not exposing a participant's address, which is the purpose of the program.

What happened

The bill passed the General Assembly and was signed by the governor.

HEA 1109 - Telephone Solicitation and Consumer Credit

Author: Rep. Matt Lehman, R-Berne

Senate Sponsor: Sen. Greg Walker, R-Columbus

Bill summary

This bill amends the law requiring telemarketers to register with the Office of the Attorney General (registration law) as follows: (1) It provides that a seller is not subject to the registration law solely because the seller makes or will make a solicitation in a telephone call that is exempt from the Do Not Call statute. (2) It restores conditions removed by P.L.242-2019 that limit application of the registration law to sellers that make certain types of solicitations. (3) It provides that a solicitation occurs for purposes of the registration law only in a telephone call made by a seller. (4) It removes the requirement that a seller must provide in the seller's registration statement information as to whether the seller (or any officer, director, trustee, general partner, manager, principal, executive or representative of the seller) has been: (A) held liable in certain civil actions; (B) convicted of certain crimes during the most recent seven years; or (C) declared bankrupt during the most recent seven years.

This bill also repeals from the statute governing consumer sales the chapter that sets forth certain requirements for a consumer reporting agency that uses a Social Security number as a factor in determining whether a file maintained by the consumer reporting agency matches the identity of an individual who is the subject of a credit inquiry.

Why it matters

The IMBA supported HEA 1109, as this legislation fixes two issues from the passage of last session's HEA 1123 and HEA 1668. HEA 1123 inadvertently expanded the registration requirement for telephone solicitation to any business in the state of Indiana using the telephone to solicit business. The registration requirement is burdensome and comes with private right of action if not implemented

properly. The IMBA sought this clarification to ensure financial institutions are not required to register with the attorney general's office which is included in HEA 1109.

Additionally, the IMBA worked with lawmakers to amend HEA 1109 to fix the issue lenders are dealing with when trying to pull a credit report on a customer and are returned an error message because of misinformation. HEA 1668, which passed in 2019, changed this process and took away the ability from lenders to do their own customer due diligence.

What happened

The bill passed the General Assembly and was signed by the governor.

HEA 1143 – Device Implementation as a Condition of Employment

Author: Rep. Alan Morrison, R-Brazil

Senate Sponsor: Sen. Jon Ford, R-Terre Haute

Bill summary

The bill prohibits an employer from requiring a candidate for employment or an employee to have a device implanted or otherwise incorporated into the candidate's or employee's body as a condition of employment, as a condition of employment in a particular position, or as a condition of receiving additional compensation or benefits.

Why it matters

The IMBA monitors general employment legislation. The bill prohibits an employer from requiring a candidate for employment or an employee to have a device implanted in the employee's body as a condition of employment. This practice is rare, but something to keep in mind.

What happened

The bill passed the General Assembly and was signed by the governor.

HEA 1353 – Financial Institutions and Consumer Credit

Author: Rep. Woody Burton, R-Whiteland

Senate Sponsor: Sen. Eric Bassler, R-Washington

Bill summary

The bill conforms state law to the federal SAFE Act amendment. The bill expands post-licensing notification requirements across regulated industries. The bill modifies the definition of stored value card to encompass stored value account in the Money Transmitter statute. The bill permits pawnbrokers to use electronic thumbprints for record keeping purposes. The bill fixes a technical issue related to the applicability of the new Indiana delinquency charge from 2019 (HEA 1136) to existing loans as permitted by contract. The bill conforms credit unions to Reg O. It amends a provision in the statute governing credit unions that concerns loans made by a credit union to the credit union's individual officers to: (1) include extensions of credit made to the credit union's individual directors and supervisory committee members (and to the immediate family members and related interests of the credit union's individual

directors and supervisory committee members); and (2) specify that such extensions of credit shall be made in accordance with Regulation O of the Board of Governors of the Federal Reserve System. The bill provides that an appraisal required in connection with a real estate mortgage loan to a credit union member must be: (1) a written appraisal; or (2) a written estimate of market value; consistent with the appraisal standards and transaction value limitations set forth in the appraisal regulations of the National Credit Union Administration.

Why it matters

The IMBA supports HEA 1353, which is the annual bill from the Department of Financial Institutions. Every year, the DFI has an agency bill that cleans up portions of the code that it identifies as needing to be updated. The IMBA generally supports the proposed changes initiated in the DFI bill. There is one section of the bill that the IMBA sought clarification to fix: the issue of which delinquency charge may be assessed. Last session the permissible delinquency charge was set in statute at \$25 through the passage of HEA 1136. There was some confusion within contracts whether the delinquency share should be \$25 or the former indexed rate according to the Consumer Price Index. The IMBA worked with legislators to clarify this inconsistency.

What happened

The bill passed the General Assembly and was signed by the governor.

HEA 1372 – Various Insurance Matters

Author: Rep. Martin Carbaugh, R-Fort Wayne

Senate sponsor: Sen. Eric Bassler, R-Washington

Bill summary

Requires a state employee health plan, a policy of accident and sickness insurance, and a health maintenance organization contract to provide coverage for pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections (PANDAS) and pediatric acute-onset neuropsychiatric syndrome (PANS), including treatment with intravenous immunoglobulin therapy. Makes changes in the law concerning the permissible investments of life insurance companies and casualty, fire and marine insurance companies. Provides that an insurance administrator may pay claims via electronic payment. Exempts an individual from the pre-licensing course, state license examination and continuing education requirements for licensed independent adjusters if the individual holds a current claims certification issued by a national or state claims association whose certification program meets certain conditions. Provides that a multiple employer welfare arrangement may be established through an interlocal cooperation agreement. Adopts the insurance data security model law, which requires certain holders of an insurance license, authority or registration to maintain an information security program and meet other requirements. Establishes an affirmative defense to a tort civil action for a licensee that satisfies the requirements of the insurance data security model law. Adopts a new model law on credit for reinsurance. Provides that a rejection of uninsured motorist coverage or underinsured motorist coverage in an underlying personal policy is also a rejection of uninsured motorist coverage or underinsured motorist coverage in a personal umbrella or excess liability policy. Urges the legislative council to assign to an appropriate interim study committee the task of studying medical payment coverage, including: (1) whether medical payment coverage should be supplemental to the benefits: (A)

to which a covered individual is entitled under a health plan; and (B) that are the same as or similar to benefits available to the covered individual under the medical payment coverage; and (2) whether a health plan should be prohibited from requiring the use or exhaustion of medical payment coverage as a condition of payment of benefits under the health plan for health care services rendered to a covered individual.

Why it matters

HEA 1372 requires insurance companies to adopt cybersecurity policies to protect consumer information, in addition to making other changes to insurance laws. The IMBA worked with legislators to exempt financial institutions from certain data management requirements of the bill, because banks with affiliated insurance companies already adhere to customer information requirements under the Gramm-Leach-Bliley Act at the federal level. The bill will place a new requirement on all insurance entities on how to respond in the event of a data breach.

What happened

The bill passed the General Assembly and was signed by the governor.

Legislation That Died During the 2020 Indiana General Assembly

SB 32 – Use of Consumer Reports for Employment Purposes

Author: Sen. Lonnie Randolph, R-East Chicago

Bill summary

The bill prohibited an employer from using a credit report for purposes of employment and allowed a consumer to bring a civil action against the employer for violating this requirement.

Why it matters

The bill did include exclusions for financial institutions related to reviewing a credit report as a condition of employment. The IMBA is opposed to any legislation that would prohibit a lender from reviewing credit reports as a condition of employment.

What happened

The bill did not receive a hearing in the Senate.

SB 43 – Fraud Consolidation

Author: Sen. Mike Young, R-Indianapolis

House Sponsor: Rep. Greg Steuerwald, R-Brownsburg

Bill summary

The bill consolidated all the Indiana fraud statutes, including each of the defined crimes against a financial institution (card skimming, check fraud, etc.) into one singular fraud definition. The bill did increase penalties related to these crimes in certain circumstances.

Why it matters

The IMBA worked with the bill author to address several concerns with the initial draft of the legislation to ensure the appropriate applicability of the statute when a crime is committed. The bill did increase penalties for fraud crimes committed against a financial institution to a level 5 in most instances.

What happened

The bill passed the Senate, but did not receive a hearing in the House.

SB 320 – Withholding Tax Remittance

Author: Sen. Linda Rogers, R-Granger

House Sponsor: Rep. Doug Miller, R-Elkhart

Bill summary

The bill required employers to establish a separate account for purposes of allowing the Department of Revenue to withdrawal state payroll taxes, with certain exemptions being provided.

Why it matters

The IMBA monitored the bill as it progressed through the Senate based on the impact it would have had on all businesses including, but not limited to, financial institutions.

What happened

The bill passed the Senate, but did not receive a hearing in the House.

SB 327 – Reporting of Consumer Loans by Unlicensed Lenders

Author: Sen. Andy Zay, R-Huntington

House Sponsor: Rep. Martin Carbaugh, R-Ft. Wayne

Bill summary

The bill required lenders that do not have to comply with the UCCC to provide data on the loans made to Indiana residents.

Why it matters

The bill was aimed at collecting loan information/data on loans made by out-of-state non-traditional lenders, such as tribal lenders and non-profits. The IMBA worked with the author to exempt financial institutions from the bill as the initial draft was broad enough to apply to all consumer loans made in Indiana.

What happened

The bill passed the Senate, but did not receive a hearing in the House.

SB 329 – Supervised Loans

Author: Sen. Andy Zay, R-Huntington

Bill summary

The bill increased the state maximum finance charge from 25% to 36% and repealed certain limitation on charges that a supervised lender may contract for and receive.

Why it matters

The bill would have increased rates and fees under the UCCC supervised loan statute, which are largely made by consumer finance companies. This bill is one part of the evolving discussion on the UCCC and general consumer credit products.

What happened

The bill did not receive a hearing in the Senate.

SB 407 – Consumer Credit Transactions

Author: Sen. Greg Walker, R-Columbus

Bill summary

The bill applied the UCCC to institutions not domiciled in Indiana, exposed lenders to AG enforcement for a violation of the UCCC and would have exposed national chartered financial institutions to certain DFI oversight.

Why it matters

The bill created unnecessary and burdensome state regulatory oversight of partnerships (fintech, lending platforms, etc.) for both state and nationally chartered financial institutions. The IMBA was strongly opposed to this approach.

What happened

The bill received a hearing in the Senate, but did not receive a vote in committee.

SB 417 – Insurance Proceeds Held by Mortgagee

Author: Sen. Jon Ford, R-Terre Haute

Bill summary

The bill required a mortgagee that is a joint payee of available insurance proceeds on a claim for property loss to an insured building to deposit the proceeds in a separate and segregated account and provided that the insured is entitled to any interest that accrued.

Why it matters

The bill would have placed new burdens on lenders when processing insurance proceeds. The IMBA had significant concerns about this bill.

What happened

The bill did not receive a hearing in the Senate.

HB 1021 – Liens

Author: Rep. Jerry Torr, R-Carmel

Bill summary

Permits a person to discharge a mechanic's lien by filing an indemnification, payment or cash bond with the recorder's office in an amount equal to at least 150% of the lien or \$7,500, whichever is greater. Provides that the filing of a bond discharges the property and liability of a person served by a lien claimant no less than 30 days after the filing of a bond. Provides that a contractor or subcontractor may adjudicate the adequacy of a bond in certain instances.

Why it matters

The IMBA liked the intent of the bill. By removing the requirement to file a lawsuit to satisfy a mechanic's lien, the likelihood of a lien being satisfied is much greater, which is a positive change for lenders if they have a borrower with property that is subject to the mechanic's lien.

What happened

The bill passed the House, but never received a hearing in the Senate.

HB 1085 – Delinquent Sewer Fees

Author: Rep. Jim Pressel, R-Rolling Prairie

Bill summary

Provides that in the case of real property for which municipal sewer fees become 60 days delinquent after Jun. 30, 2020, regardless of whether the property is occupied by someone other than the owner, a lien attaches to the real property only if the municipal utility provides notice of the delinquency to: (1) the owner of the property; and (2) any first lien mortgage holder of record; not later than 20 days after the time the fees become 60 days delinquent.

Why it matters

In the past the IMBA has asked for notification to the lien holder (current law only requires notifying the owner of a property when sewer fees become 60 days delinquent) when sewer fees become delinquent because of the priority status sewer liens have over first-lien mortgages. This change would allow a lender to intervene when a sewer lien is attached to keep a property from going to tax sale.

What happened

The bill never received a hearing.

HB 1154 – Septic System Inspection Before Property Transfer

Author: Rep. Mike Aylesworth, R-Hebron

Bill summary

Provides that if a dwelling is connected to a residential onsite sewage system, the residential onsite sewage system must be inspected by a qualified inspector and mitigated completely before a property can be transferred.

Why it matters

The IMBA was concerned about the impact this bill would have on the transfer of property and create new challenges in the real estate marketplace.

What happened

The bill never received a hearing.

HB 1191 – Land Contracts

Author: Rep. Ed Clere, R-New Albany

Bill summary

Defines "principal dwelling land contract" (contract) as a land contract for the sale of real property: (1) designed for the occupancy of one to two families; and (2) that is or will be occupied by the buyer as the buyer's principal dwelling. Provides that the seller under a contract must provide the buyer with certain disclosures at least 10 days before the contract is executed. Sets forth disclosures that must be included in a contract.

Why it matters

This bill is identical to a bill filed last session. The IMBA worked with the authors of the bill to exempt financial institutions from the application of the new regulations that would be placed on land contracts. The IMBA monitored the bill for potential changes.

What happened

The bill passed the House, but never received a hearing in the Senate.

HB 1239 – Territorial Application of the UCCC

Author: Rep. Chris Chyung, D-Dyer

Bill summary

Amends the provision in the UCCC concerning the territorial application of the UCCC to provide that a sale, lease or loan transaction occurs in Indiana if the creditor, a person acting on behalf of the creditor, or an assignee of the creditor's rights under the transaction has advertised, solicited, offered, made, brokered, arranged or guaranteed sales, leases or loans in Indiana by any means, regardless of whether the creditor, the person acting on behalf of the creditor or the assignee of the creditor has a physical location in Indiana.

Why it matters

The bill sought to apply the UCCC to all lenders regardless of whether or not they are domiciled in Indiana. The IMBA had concerns with this approach and opposed the bill. The IMBA believes it's unconstitutional to require an out of state lender to comply to the UCCC and would be an impediment to out of state lenders operating in Indiana.

What happened

The bill never received a hearing.

HB 1310 – Public Notice Agreements

Author: Rep. David Wolkins, R-Warsaw

Bill summary

Provides that a political subdivision may not pay more than \$300 for each insertion of a public notice. Provides that if: (1) the cost of a public notice that is required to be published exceeds \$300; or (2) a public notice corrects a previous public notice that contains an error or omission; publication of the public notice on the political subdivision's Internet website satisfies the requirements applicable to the publication of such notices.

Why it matters

There is heightened scrutiny on the amount newspapers charge for public notices to be published. The IMBA supports further oversight over these charges and monitors these issues because state law requires banks to publish property sales in newspapers.

What happened

The bill never received a hearing.

HB 1409 – Credit Reporting for Consumers Under Medical Care

Author: Rep. Dan Forestal, D-Indianapolis

Bill summary

Provides that a consumer may provide to a creditor a note or other written certification that: (1) is signed by a health care provider; and (2) indicates that the consumer was hospitalized or under medical care for a specified period in connection with a medical condition or an illness. Provides that if the creditor receives the note or certification not later than 30 days after the end date of the period of hospitalization or medical care, the creditor shall: (1) promptly notify each consumer reporting agency to which the creditor has reported a delinquency that was incurred by the consumer at any time during the period: (A) beginning 15 days before the start date of the consumer's hospitalization or medical care; and (B) ending 15 days after the end date of the consumer's hospitalization or medical care; and (2) request that the consumer reporting agency delete the record of the delinquency from the consumer's file.

Why it matters

The IMBA had concerns with the bill because of the extra regulations it would place on a bank to remedy credit reporting issues on behalf of a customer.

What happened

The bill never received a hearing.