

Adopted Rejected

# COMMITTEE REPORT

YES: 9  
NO: 0

**MR. SPEAKER:**

*Your Committee on Financial Institutions, to which was referred House Bill 1332, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 2, between lines 30 and 31, begin a new line block indented
- 2 and insert:
- 3 **"(9) A loan servicer acting on behalf of the holder of:**
- 4 **(A) a consumer loan; or**
- 5 **(B) a residential mortgage loan.**
- 6 **(10) A debt management company (as defined in**
- 7 **IC 28-1-29-1(2)).**
- 8 SECTION 2. IC 24-5-15-2.5 IS ADDED TO THE INDIANA CODE
- 9 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 10 1, 2010]: **Sec. 2.5. As used in this chapter, "debt settlement**
- 11 **services" means any of the following services that a person**
- 12 **performs, offers to perform, or represents, either directly or by**
- 13 **implication, that the person will perform with respect to a debt**
- 14 **between a buyer and one (1) or more unsecured creditors or debt**

1 **collectors:**

2 **(1) A renegotiation of the debt.**

3 **(2) A settlement of the debt.**

4 **(3) An alteration of the terms of payment or other terms of**  
 5 **the debt, including a reduction in the balance, interest rate, or**  
 6 **fees owed by the buyer to the creditor or debt collector."**

7 Page 4, between lines 1 and 2, begin a new paragraph and insert:

8 "SECTION 5. IC 24-5.5-6-1, AS ADDED BY P.L.209-2007,  
 9 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 JULY 1, 2010]: Sec. 1. A person who **knowingly or intentionally**  
 11 violates this article commits:

12 **(1) a Class A misdemeanor; and**

13 **(2) a deceptive act that is actionable by the attorney general under**  
 14 **IC 24-5-0.5-4 and is subject to the penalties and remedies**  
 15 **available to the attorney general under IC 24-5-0.5."**

16 Page 5, line 33, delete "from a closing agent in an escrow  
 17 transaction (as" and insert "**for the payment of real estate taxes and**  
 18 **insurance unless the person is any of the following:**

19 **(A) Any of the following that is chartered under the laws**  
 20 **of a state or the United States:**

21 **(i) A bank.**

22 **(ii) A savings and loan association.**

23 **(iii) A credit union.**

24 **(iv) A savings bank.**

25 **(B) The creditor in a mortgage transaction.**

26 **(C) A mortgage servicer acting on behalf of the creditor in**  
 27 **a mortgage transaction."**

28 Page 5, delete lines 34 through 42.

29 Page 6, delete lines 1 through 3.

30 Page 6, line 4, delete "(8)" and insert "(7)".

31 Page 6, line 23, delete "IC 24-9-3-7(c)(6), or" and insert "**or**  
 32 **IC 24-9-3-7(c)(6)."**

33 Page 6, line 24, delete "IC 24-9-3-7(c)(7)."

34 Page 6, line 25, after "transaction" insert "**, mortgage transaction**  
 35 **(as defined in IC 24-9-3-7(a)), or real estate transaction (as defined**  
 36 **in IC 24-9-3-7(b)), as appropriate,"**

37 Page 6, line 31, strike "the" and insert "a".

38 Page 7, between lines 20 and 21, begin a new paragraph and insert:

1 "SECTION 8. IC 24-9-8-1, AS AMENDED BY P.L.105-2009,  
 2 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2010]: Sec. 1. A person who knowingly or intentionally  
 4 violates this article commits:

- 5 (1) a Class A misdemeanor; and
- 6 (2) except for a violation of ~~IC 24-9-7-3(c)(4)~~ **IC 24-9-3-7(c)(4)**  
 7 by a person required to be licensed by the department of financial  
 8 institutions, an act that is actionable by the attorney general under  
 9 IC 24-5-0.5 and is subject to the penalties listed in IC 24-5-0.5.

10 SECTION 9. IC 24-9-8-3, AS AMENDED BY P.L.105-2009,  
 11 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12 JULY 1, 2010]: Sec. 3. (a) This section does not apply to a violation of  
 13 ~~IC 24-9-7-3(c)(4)~~ **IC 24-9-3-7(c)(4)** by a person required to be licensed  
 14 by the department of financial institutions. The attorney general may  
 15 bring an action to enjoin a violation of this article. A court in which the  
 16 action is brought may:

- 17 (1) issue an injunction;
- 18 (2) order a person to make restitution;
- 19 (3) order a person to reimburse the state for reasonable costs of  
 20 the attorney general's investigation and prosecution of the  
 21 violation of this article; and
- 22 (4) impose a civil penalty of not more than ten thousand dollars  
 23 (\$10,000) per violation.

24 (b) A person who violates an injunction under this section is subject  
 25 to a civil penalty of not more than ten thousand dollars (\$10,000) per  
 26 violation.

27 (c) The court that issues an injunction retains jurisdiction over a

1 proceeding seeking the imposition of a civil penalty under this  
2 section.".

3 Renumber all SECTIONS consecutively.  
(Reference is to HB 1332 as introduced.)

**and when so amended that said bill do pass.**

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Representative Riecken