

First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1125

AN ACT to amend the Indiana Code concerning financial institutions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-21.5-3-6, AS AMENDED BY HEA 1474-2025, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 6. (a) Notice shall be given under this section concerning the following:

- (1) A safety order under IC 22-8-1.1.
- (2) Any order that:
 - (A) imposes a sanction on a person or terminates a legal right, duty, privilege, immunity, or other legal interest of a person;
 - (B) is not described in section 4 or 5 of this chapter or IC 4-21.5-4; and
 - (C) by statute becomes effective without a proceeding under this chapter if there is no request for a review of the order within a specified period after the order is issued or served.
- (3) A notice of program reimbursement or equivalent determination or other notice regarding a hospital's reimbursement issued by the office of Medicaid policy and planning or by a contractor of the office of Medicaid policy and planning regarding a hospital's year end cost settlement.
- (4) A determination of audit findings or an equivalent determination by the office of Medicaid policy and planning or by a contractor of the office of Medicaid policy and planning arising

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from a Medicaid postpayment or concurrent audit of a hospital's Medicaid claims.

(5) A license suspension or revocation under:

- (A) IC 24-4.4-2;
- (B) IC 24-4.5-3;
- (C) IC 28-1-29;
- (D) IC 28-7-5;
- (E) IC 28-8-4.1; ~~or~~
- (F) IC 28-8-5; ~~or~~
- (G) IC 28-8-6.**

(6) An order issued by the secretary or the secretary's designee against providers regulated by the office of the secretary, the division of aging or the bureau of disabilities services and not licensed by the Indiana department of health under IC 16-27 or IC 16-28.

(b) When an agency issues an order described by subsection (a), the agency shall give notice to the following persons:

- (1) Each person to whom the order is specifically directed.
- (2) Each person to whom a law requires notice to be given.

A person who is entitled to notice under this subsection is not a party to any proceeding resulting from the grant of a petition for review under section 7 of this chapter unless the person is designated as a party in the record of the proceeding.

(c) The notice must include the following:

- (1) A brief description of the order.
- (2) A brief explanation of the available procedures and the time limit for seeking administrative review of the order under section 7 of this chapter.
- (3) Any other information required by law.

(d) An order described in subsection (a) is effective fifteen (15) days after the order is served, unless a statute other than this article specifies a different date or the agency specifies a later date in its order. This subsection does not preclude an agency from issuing, under IC 4-21.5-4, an emergency or other temporary order concerning the subject of an order described in subsection (a).

(e) If a petition for review of an order described in subsection (a) is filed within the period set by section 7 of this chapter and a petition for stay of effectiveness of the order is filed by a party or another person who has a pending petition for intervention in the proceeding, an administrative law judge shall, as soon as practicable, conduct a preliminary hearing to determine whether the order should be stayed in whole or in part. The burden of proof in the preliminary hearing is on



the person seeking the stay. The administrative law judge may stay the order in whole or in part. The order concerning the stay may be issued after an order described in subsection (a) becomes effective. The resulting order concerning the stay shall be served on the parties and any person who has a pending petition for intervention in the proceeding. It must include a statement of the facts and law on which it is based.

SECTION 2. IC 24-4.5-3-201, AS AMENDED BY P.L.29-2022, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 201. Loan Finance Charge for Consumer Loans other than Supervised Loans—(1) This section does not apply to a supervised loan (as defined in section 501 of this chapter). Except as provided in subsections (7) and (9), with respect to a consumer loan, a lender may contract for a loan finance charge, calculated according to the actuarial method, not exceeding twenty-five percent (25%) per year on the unpaid balances of the principal (as defined in section 107(3) of this chapter).

(2) In the case of a loan agreement entered into before July 1, 2020, this section does not limit or restrict the manner of contracting for the loan finance charge, whether by way of add-on, discount, or otherwise, so long as the rate of the loan finance charge does not exceed that permitted by this section. If the loan is precomputed:

- (a) the loan finance charge may be calculated on the assumption that all scheduled payments will be made when due; and
- (b) the effect of prepayment is governed by the provisions on rebate upon prepayment in section 210 of this chapter.

(3) The following apply to a loan agreement for a consumer loan (or for the refinancing or consolidation of a consumer loan) that is entered into after June 30, 2020:

- (a) The consumer loan is subject to this section, including the limitations set forth in:
 - (i) subsection (1) with respect to the loan finance charge; and
 - (ii) subsection (9)(b) with respect to the amount of the authorized nonrefundable prepaid finance charge, in the case of a consumer loan that is not secured by an interest in land.
- (b) The loan finance charge authorized by this section must be:
 - (i) contracted for between the lender and the debtor; and
 - (ii) calculated by applying a rate not exceeding the rate set forth in subsection (1) to unpaid balances of the principal (as defined in section 107(3) of this chapter).
- (c) A loan agreement for a precomputed consumer loan is prohibited.



(d) Subject to subsection (12), in addition to the loan finance charge authorized by subsection (1) and to any other fees permitted by this chapter, and not subject to the twenty-five percent (25%) rate set forth in subsection (1), the lender may contract for and receive as a condition for, or an incident to, the extension of credit a nonrefundable prepaid finance charge under subsection (9), whether the charge is:

- (i) paid separately in cash or by check before or at consummation; or
- (ii) withheld from the proceeds of the consumer loan.

(4) For the purposes of this section, the term of a loan commences with the date the loan is made. Differences in the lengths of months are disregarded, and a day may be counted as one-thirtieth ($1/30$) of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen (15) days may be treated as a full month if periods of fifteen (15) days or less are disregarded and if that procedure is not consistently used to obtain a greater yield than would otherwise be permitted. For purposes of computing average daily balances, the creditor may elect to treat all months as consisting of thirty (30) days.

(5) With respect to a consumer loan made pursuant to a revolving loan account:

(a) the loan finance charge shall be deemed not to exceed the maximum annual percentage rate if the loan finance charge contracted for and received does not exceed a charge in each monthly billing cycle which is two and eighty-three thousandths percent (2.083%) of an amount not greater than:

- (i) the average daily balance of the debt;
- (ii) the unpaid balance of the debt on the same day of the billing cycle; or
- (iii) subject to subsection (6), the median amount within a specified range within which the average daily balance or the unpaid balance of the debt, on the same day of the billing cycle, is included; for the purposes of this clause and clause (ii), a variation of not more than four (4) days from month to month is "the same day of the billing cycle";

(b) if the billing cycle is not monthly, the loan finance charge shall be deemed not to exceed the maximum annual percentage rate if the loan finance charge contracted for and received does not exceed a percentage which bears the same relation to one-twelfth ($1/12$) the maximum annual percentage rate as the number of days in the billing cycle bears to thirty (30); and



(c) notwithstanding subsection (1), if there is an unpaid balance on the date as of which the loan finance charge is applied, the lender may contract for and receive a charge not exceeding fifty cents (\$0.50) if the billing cycle is monthly or longer, or the pro rata part of fifty cents (\$0.50) which bears the same relation to fifty cents (\$0.50) as the number of days in the billing cycle bears to thirty (30) if the billing cycle is shorter than monthly, but no charge may be made pursuant to this subdivision if the lender has made an annual charge for the same period as permitted by the provisions on additional charges in section 202(1)(c) of this chapter.

(6) Subject to classifications and differentiations the lender may reasonably establish, the lender may make the same loan finance charge on all amounts financed within a specified range. A loan finance charge does not violate subsection (1) if:

- (a) when applied to the median amount within each range, it does not exceed the maximum permitted by subsection (1); and
- (b) when applied to the lowest amount within each range, it does not produce a rate of loan finance charge exceeding the rate calculated according to subdivision (a) by more than eight percent (8%) of the rate calculated according to subdivision (a).

(7) With respect to a consumer loan not made pursuant to a revolving loan account, the lender may contract for and receive a minimum loan finance charge of not more than thirty dollars (\$30). The minimum loan finance charge allowed under this subsection may be imposed only if the lender does not contract for or receive a nonrefundable prepaid finance charge under subsection (9) and:

- (a) the debtor prepays in full a consumer loan, refinancing, or consolidation, regardless of whether the loan, refinancing, or consolidation is precomputed;
- (b) the loan, refinancing, or consolidation prepaid by the debtor is subject to a loan finance charge that:
 - (i) is contracted for by the parties; and
 - (ii) does not exceed the rate prescribed in subsection (1); and
- (c) the loan finance charge earned at the time of prepayment is less than the minimum loan finance charge contracted for under this subsection.

(8) The amount of thirty dollars (\$30) in subsection (7) is subject to change under the provisions on adjustment of dollar amounts (IC 24-4.5-1-106). However, notwithstanding IC 24-4.5-1-106(1), the Reference Base Index to be used under this subsection is the Index for October 1992.



(9) Except as provided in subsection (7), and subject to subsection (12), in addition to the loan finance charge authorized by subsection (1) and to any other charges and fees permitted by this chapter, a lender may contract for and receive a nonrefundable prepaid finance charge of not more than the following:

(a) In the case of a consumer loan that is secured by an interest in land and that:

(i) is not made under a revolving loan account, ~~two percent (2%)~~ **three percent (3%)** of the loan amount; or

(ii) is made under a revolving loan account, ~~two percent (2%)~~ **three percent (3%)** of the line of credit.

(b) In the case of consumer loan that is not secured by an interest in land, fifty dollars (\$50) if the loan agreement is entered into before July 1, 2020. If the loan agreement is entered into after June 30, 2020, not more than the following:

(i) Seventy-five dollars (\$75), in the case of a loan agreement for a principal amount which is two thousand dollars (\$2,000) or less.

(ii) One hundred fifty dollars (\$150) in the case of a loan agreement for a principal amount which is more than two thousand dollars (\$2,000) but does not exceed four thousand dollars (\$4,000).

(iii) Two hundred dollars (\$200) in the case of a loan agreement for a principal amount which is more than four thousand dollars (\$4,000).

The amounts in this subsection are not subject to change under IC 24-4.5-1-106.

(10) The nonrefundable prepaid finance charge provided for in subsection (9) is not subject to refund or rebate. However, for any loan entered into after June 30, 2020, any amount charged by the lender, other than by a lender that is a depository institution (as defined in IC 24-4.5-1-301.5(12)), under subsection (9) that exceeds the applicable amount permitted by subsection (9)(b) constitutes a violation of this article under IC 24-4.5-6-107.5(1) and is subject to refund. Any amount charged by a depository institution (as defined in IC 24-4.5-1-301.5(12)) under subsection (9) that exceeds the applicable amount set forth in subsection (9)(b) is subject to refund.

(11) If the director determines that a lender's accrual method of accounting as applied to a consumer loan under this section involves the application of subterfuge for the purpose of circumventing this chapter, the director may conform the loan finance charge and fees for the transaction to the limitations set forth in this section and may



require a refund of overcharges under IC 24-4.5-6-106(2)(a). A determination by the director under this subsection:

- (a) must be in writing;
- (b) shall be delivered to all parties in the transaction; and
- (c) is subject to IC 4-21.5-3.

(12) At the time of consummation of a consumer loan:

- (a) the loan finance charge authorized by subsection (1); and
- (b) the nonrefundable prepaid finance charge authorized by subsection (9) (including any amount charged by a depository institution (as defined in IC 24-4.5-1-301.5(12)) that exceeds the applicable amount set forth in subsection (9)(b));

are subject to IC 35-45-7 and, when combined, may not exceed the rate set forth in IC 35-45-7-2.

(13) Notwithstanding subsections (9) and (10), in the case of a consumer loan that is not secured by an interest in land, if a lender retains any part of a nonrefundable prepaid finance charge charged on a loan that is paid in full by a new loan from the same lender, the following apply:

- (a) If the loan is paid in full by the new loan within three (3) months after the date of the prior loan, the lender may not charge a nonrefundable prepaid finance charge on the new loan, or, in the case of a revolving loan, on the increased credit line.
- (b) The lender may not assess more than two (2) nonrefundable prepaid finance charges in any twelve (12) month period.
- (c) Subject to subdivisions (a) and (b), if a loan that is entered into by a lender and a debtor before July 1, 2020, is paid in full by a new loan from the same lender after June 30, 2020, the lender may contract for and receive a nonrefundable prepaid finance charge in the amount set forth in subsection (9)(b) for loan agreements entered into after June 30, 2020.

(14) In the case of a consumer loan that is secured by an interest in land, this section does not prohibit a lender from contracting for and receiving a fee for preparing deeds, mortgages, reconveyances, and similar documents under section 202(1)(d)(ii) of this chapter, in addition to the nonrefundable prepaid finance charge provided for in subsection (9).

SECTION 3. IC 28-1-2-30, AS AMENDED BY P.L.198-2023, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 30. (a) As used in this section, "financial institution" means any bank, trust company, corporate fiduciary, savings association, credit union, savings bank, bank of discount and deposit, or industrial loan and investment company organized or



reorganized under the laws of this state, and includes licensees and registrants under IC 24-4.4, IC 24-4.5, IC 24-7, IC 24-12, IC 28-1-29, IC 28-7-5, IC 28-8-4.1, IC 28-8-5, **IC 28-8-6**, and 750 IAC 9.

(b) Except as otherwise provided, a member of the department or the director or deputy, assistant, or any other person having access to any such information may not disclose to any person, other than officially to the department, by the report made to it, or to the board of directors, partners, or owners, or in compliance with the order of a court, the names of the depositors or shareholders in any financial institution, or the amount of money on deposit in any financial institution at any time in favor of any depositor, or any other information concerning the affairs of any such financial institution.

SECTION 4. IC 28-7-1-33, AS AMENDED BY P.L.73-2016, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 33. (a) Except as provided in section 33.1 of this chapter, any two (2) or more credit unions may, with the approval of the department, merge. This section authorizes the merger of a credit union organized under this chapter with a credit union organized under any other law.

(b) The board of directors of each credit union participating in the merger must by majority vote approve a joint agreement of merger.

(c) After the resolutions approving a joint agreement of merger have been adopted by the board of directors of each credit union, the credit unions shall submit the resolutions and joint agreement to the department for approval. The department may, in the department's discretion, approve or disapprove the resolution and joint agreement. In deciding whether to approve or disapprove the resolution and joint agreement under this section, the department shall consider the following factors:

- (1) Whether the surviving credit union resulting from the proposed transaction will be operated in a safe, sound, and prudent manner.
- (2) Whether the financial condition of any credit union subject to the proposed transaction will jeopardize the financial stability of any other credit unions subject to the proposed transaction.
- (3) Whether the proposed transaction will result in a credit union that has inadequate capital, unsatisfactory management, or poor earnings prospects.
- (4) Whether the proposed transaction, in the department's judgment and considering the available information under the prevailing circumstances, will result in an institution that is more favorable to the stakeholders than if the entities were to remain



separate.

(5) Whether the management or other principals of the credit union that will result from the proposed transaction are qualified by character and financial responsibility to control and operate in a legal and proper manner the resulting credit union.

(6) Whether the credit unions subject to the proposed transaction furnish all the information the department requires in reaching the department's decision.

(d) If the joint agreement is approved by the department, any credit union whose existence will terminate as a result of the merger shall submit the joint agreement to a vote of its shareholders ~~at the meeting~~ **as** directed by the resolution of the board of directors. A majority of the shareholders ~~present at the meeting~~ **voting** may approve the joint agreement. However, the department may permit the merger to become effective without the affirmative vote of the membership of a credit union if that credit union is in danger of insolvency or if the qualified group or groups associated with the credit union either have ceased or will soon cease to exist.

(e) After approval of the joint agreement by the shareholders of the merging credit unions, each credit union shall execute in triplicate articles of merger, on forms furnished by the department, which shall set forth the following:

(1) The time and place of the meeting of the board of directors at which the plan was approved.

(2) The vote by which the plan was approved by the board.

(3) A copy of the resolution or other action by which the plan was agreed upon.

(4) The time and place of the meeting of the members at which the plan was approved.

(5) The vote by which the plan was approved by the members.

(f) The articles, joint agreement, and resolutions shall be delivered to the department for certification, which shall be evidenced in the manner prescribed in IC 28-12-5, and shall be presented to the secretary of state for filing. The secretary of state shall file one (1) copy of the articles of merger and shall issue a certificate of merger and two (2) copies of the articles of merger to the surviving credit union. The date on which the secretary of state issues the certificate of merger is the effective date of the merger.

(g) The articles of merger shall be filed with the county recorder of the county in which the principal office of the surviving credit union is located.

SECTION 5. IC 28-8-6 IS ADDED TO THE INDIANA CODE AS



A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]:

Chapter 6. Indiana Earned Wage Access Act

Sec. 101. This chapter shall be known as and may be cited as the Indiana Earned Wage Access Act.

Sec. 201. The following definitions apply throughout this chapter:

- (1) "Consumer" means an individual who:
 - (A) resides in Indiana, as may be determined by a provider on the basis of the:
 - (i) mailing address; or
 - (ii) state of residence;
 provided by the individual; or
 - (B) requests proceeds in Indiana, as may be determined by a provider by using any legal, readily available commercial means to determine the location from which the individual requests proceeds.
- (2) "Consumer directed wage access services" means the business by a provider of delivering to a consumer access to earned but unpaid income based on:
 - (A) the consumer's representations of; and
 - (B) the provider's reasonable determination of;
 the consumer's earned but unpaid income.
- (3) "Control" means any of the following:
 - (A) The power to vote, directly or indirectly, at least twenty-five percent (25%) of the outstanding voting shares or voting interests of a licensee or of a person in control of a licensee.
 - (B) The power to elect or appoint a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control of a licensee.
 - (C) The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or of a person in control of a licensee. For purposes of this clause, a person is presumed to exercise a controlling influence if the person holds the power to vote, directly or indirectly, at least ten percent (10%) of the outstanding voting shares or voting interests of a licensee or of a person in control of a licensee, subject to the person's right to rebut the presumption if the person is a passive investor.



For purposes of this subdivision, the percentage of a person controlled by any other person is determined by aggregating the other person's interest with the interest of any other immediate family member of that person, including the person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, and any other person who shares the person's home.

(4) "Department" refers to the members of the department of financial institutions.

(5) "Director" refers to the director of the department appointed under IC 28-11-2-1.

(6) "Earned but unpaid income", with respect to a consumer, means salary, wages, compensation, or other income that:

(A) the consumer represents, and a provider reasonably determines, has been earned by, or has accrued to the benefit of, the consumer in exchange for the consumer's provision of services to an employer or on behalf of an employer, including the provision of services by the consumer:

(i) on an hourly, project based, piecework, or other basis; and

(ii) regardless of whether the consumer is an employee of the employer or acts as an independent contractor with respect to the employer; but

(B) has not, at the time of payment of proceeds to the consumer by the provider, been paid to the consumer by the employer.

(7) "Earned wage access services" includes the following:

(A) Consumer directed wage access services.

(B) Employer integrated wage access services.

The term does not include a small loan.

(8) "Employer" means a person that employs a consumer or that is contractually obligated to pay a consumer earned but unpaid income. The term does not include:

(A) a customer of the person; or

(B) any other person whose obligation to make a payment of salary, wages, compensation, or other income to a consumer is not based on the provision of services by the consumer for or on behalf of that person.

(9) "Employer integrated wage access services" means the business by a provider of delivering to a consumer access to earned but unpaid income on the basis of:



(A) employment;

(B) income; or

(C) attendance;

data obtained directly or indirectly from an employer.

(10) "Federally insured depository financial institution" means:

(A) a bank;

(B) a credit union;

(C) a savings and loan association;

(D) a trust company;

(E) a corporate fiduciary;

(F) a savings association;

(G) a savings bank;

(H) an industrial bank; or

(I) an industrial loan company;

that is organized under the law of the United States or any state of the United States and that has federally or privately insured deposits as permitted by state or federal law.

(11) "Fee" includes the following, however denominated:

(A) An amount charged by a provider for:

(i) expedited delivery; or

(ii) other delivery;

of proceeds to a consumer.

(B) A subscription or membership fee imposed by a provider for a bona fide group of services that include earned wage access services.

(C) An amount that:

(i) is paid by an employer to a provider on a consumer's behalf; and

(ii) entitles the consumer to receive proceeds at reduced or no cost to the consumer.

The term does not include a voluntary tip, gratuity, or donation paid to a provider.

(12) "Individual" means a natural person.

(13) "Key individual" means an individual ultimately responsible for establishing or directing policies and procedures of a licensee, such as an executive officer, manager, director, or trustee.

(14) "Licensee" means a person licensed under this chapter.

(15) "NMLSR" means the Nationwide Multistate Licensing System and Registry:

(A) developed by the Conference of State Bank Supervisors



and the American Association of Residential Mortgage Regulators; and

(B) owned and operated by the State Regulatory Registry, LLC, or by any successor or affiliated entity;

for the licensing and registry of persons in financial services industries.

(16) "Outstanding proceeds" means proceeds that:

(A) have been paid to a consumer by a provider; and

(B) have not yet been repaid to the provider.

(17) "Passive investor" means a person that:

(A) does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority over a person in control of a licensee;

(B) is not employed by and does not have any managerial duties with respect to the licensee or a person in control of the licensee;

(C) does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of the licensee or a person in control of the licensee; and

(D) either:

(i) attests to as facts the characteristics of passivity set forth in clauses (A) through (C), in a form and by a medium prescribed by the director; or

(ii) commits to the characteristics of passivity set forth in clauses (A) through (C) in a written document.

(18) "Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity, as so identified by the director.

(19) "Proceeds" means a payment that:

(A) is made to a consumer by a provider; and

(B) is based on earned but unpaid income.

(20) "Provider" means a person in the business of offering and providing earned wage access services to consumers. The term does not include the following:

(A) A service provider that is not contractually obligated to fund proceeds delivered as part of the earned wage access services, such as a payroll service provider that verifies a consumer's available earnings.

(B) An employer that offers a portion of salary, wages,



compensation, or other income directly to its employees or independent contractors before the normally scheduled pay date.

(C) An entity that offers or provides earned wage access services and reports a consumer's payment or nonpayment of either outstanding proceeds of the earned wage access services or fees, voluntary tips, gratuities, or other donations in connection with the earned wage access services to a consumer reporting agency (as defined in the Federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)).

(21) "Small loan" has the meaning set forth in IC 24-4.5-7-104.

Sec. 301. This chapter does not apply to the following:

(1) A federally insured depository financial institution, which may provide earned wage access services in Indiana without obtaining a license under this chapter.

(2) An individual employed by:

(A) a licensee; or

(B) a person exempt from the licensing requirements of this chapter;

when acting within the scope of employment and under the supervision of the licensee or exempt person as an employee and not as an independent contractor.

(3) An employer that offers a portion of salary, wages, compensation, or other income directly to its employees or independent contractors before the normally scheduled pay date.

Sec. 302. The director may require any person claiming to be exempt from licensing under section 301 of this chapter to provide information and documentation to the director demonstrating that the person qualifies for the claimed exemption.

Sec. 401. (a) To administer and enforce this chapter, the director may, subject to section 402 of this chapter, do any of the following:

(1) Enter into agreements or relationships with other government officials or federal and state regulatory agencies and regulatory associations in order to improve efficiencies and reduce regulatory burden by:

(A) standardizing methods or procedures; and

(B) sharing resources, records, or related information obtained under this chapter.



(2) Use, contract for, or employ analytical systems, methods, or software to examine or investigate any person subject to this chapter.

(3) Accept, from other state or federal government agencies or officials, licensing, examination, or investigation reports made by those other state or federal government agencies or officials.

(4) Accept audit reports made by an independent certified public accountant or another qualified third party auditor for an applicant or licensee and incorporate the audit report in any report of examination or investigation.

(b) The department has broad administrative authority to:

(1) administer, interpret, and enforce this chapter;

(2) promulgate rules implementing this chapter; and

(3) recover the cost of administering and enforcing this chapter by imposing and collecting proportionate and equitable fees and costs associated with applications, examinations, investigations, and other actions required to administer and enforce this chapter.

Sec. 402. (a) Except as otherwise provided in this section, the following are confidential:

(1) All information or reports obtained by the department from an applicant or licensee.

(2) All information contained in or related to an examination, investigation, operating report, or condition report prepared by, on behalf of, or for the use of the department.

(3) Financial statements or balance sheets of an applicant or licensee.

(b) Subject to the confidentiality provisions contained in IC 5-14-3 and this section, the director may regularly report significant or recurring violations of this chapter to the NMLSR.

(c) Subject to the confidentiality provisions contained in IC 5-14-3 and this section, the director may report complaints received regarding licensees to the NMLSR.

(d) The director's authority to use the NMLSR under this chapter is subject to the following:

(1) Information stored in the NMLSR is subject to the confidentiality provisions of IC 5-14-3 and this section. A person may not:

(A) obtain information from the NMLSR, unless the person is authorized to do so by statute;

(B) initiate any civil action based on information obtained



from the NMLSR if the information is not otherwise available to the person under any other state law; or

(C) initiate any civil action based on information obtained from the NMLSR if the person could not have initiated the action based on information otherwise available to the person under any other state law.

(2) Documents, materials, and other forms of information in the control or possession of the NMLSR that are confidential under this section and that are:

(A) furnished by the director, the director's designee, or a licensee; or

(B) otherwise obtained by the NMLSR;

are confidential and privileged by law and are not subject to inspection under IC 5-14-3, subject to subpoena, subject to discovery, or admissible in evidence in any civil action. However, the director may use the documents, materials, or other information available to the director in furtherance of any action brought in connection with the director's duties under this chapter.

(3) Disclosure of documents, materials, and information:

(A) to the director; or

(B) by the director;

under this subsection does not result in a waiver of any applicable privilege or claim of confidentiality with respect to the documents, materials, or information.

(4) Information provided to the NMLSR is subject to IC 4-1-11.

(5) This subsection does not limit or impair a person's right to:

(A) obtain information;

(B) use information as evidence in a civil action or proceeding; or

(C) use information to initiate a civil action or proceeding; if the information may be obtained from the director or the director's designee under any law.

(6) The requirements under any federal law or IC 5-14-3 regarding the privacy or confidentiality of any information or material provided to the NMLSR, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to the information or material, continue to apply to the information or material after the information or material has been disclosed to the NMLSR.



The information and material may be shared with all state and federal regulatory officials with financial services industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by federal law or IC 5-14-3.

(7) Information or material that is subject to a privilege or confidentiality under subdivision (6) is not subject to:

(A) disclosure under any federal or state law governing the disclosure to the public of information held by an officer or an agency of the federal government or the respective state; or

(B) subpoena, discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privileged information or material held by the NMLSR, the person to whom the information or material pertains waives, in whole or in part, in the discretion of the person, that privilege.

(e) Notwithstanding any other provision of law, all information or reports obtained by the director from an applicant or a licensee, whether obtained through reports, applications, examination, audits, investigation, or otherwise, including:

(1) all information contained in or related to:

(A) examination;

(B) investigation;

(C) operation; or

(D) condition;

reports prepared by, on behalf of, or for the use of the director; or

(2) financial statements or balance sheets of an applicant or licensee;

are confidential and may not be disclosed or distributed outside the department by the director or any officer or employee of the department, except as provided in subsection (b).

(f) The director may provide for the release of information to representatives of:

(1) financial institution and financial services business supervisory agencies;

(2) law enforcement agencies; or

(3) prosecutorial agencies or offices;

of a state (as defined in IC 28-2-17-19), the United States, or a foreign country. An agency or office that receives information from the director under this subsection shall maintain the



confidentiality of the information as described in IC 28-1-2-30.

(g) This section does not prohibit the director from releasing to the public a list of persons licensed under this chapter or from releasing aggregated financial data with respect to such licensees.

Sec. 403. (a) The director may conduct an examination or investigation of a licensee or otherwise take independent action authorized by this chapter, or by a rule adopted or order issued under this chapter, as reasonably necessary or appropriate to administer and enforce this chapter and rules implementing this chapter. The director may:

- (1) conduct an examination either onsite or offsite as the director may reasonably require;
- (2) conduct an examination in conjunction with an examination conducted by other state agencies or agencies of another state or of the federal government;
- (3) accept the examination report of another state agency or an agency of another state or of the federal government, or a report prepared by an independent accounting firm, with any such report considered, upon being accepted and for all purposes, as an official report of the director; and
- (4) summon and examine under oath a key individual or employee of a licensee or authorized delegate and require the person to produce records regarding any matter related to the condition and business of the licensee.

(b) A licensee shall provide, and the director shall have full and complete access to, all records the director may reasonably require to conduct a complete examination. The records must be provided at the location and in the format specified by the director. The director may use multistate record production standards and examination procedures when those standards will reasonably achieve the purposes of this subsection.

(c) Unless otherwise directed by the director, a licensee shall pay all costs reasonably incurred in connection with an examination of the licensee.

(d) The director shall determine the sufficiency of the licensee's records and whether the licensee has made the required information reasonably available.

(e) To discover violations of this chapter, the director may investigate and examine the records of any person the director believes is operating without a license, when a license is required under this chapter. The person examined must pay the reasonably incurred costs of the examination.



Sec. 404. (a) To efficiently and effectively administer and enforce this chapter and to minimize regulatory burden, the director may participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors and any affiliate or successor of that organization for all licensees that hold licenses in Indiana and other states. As a participant in multistate supervision, the director may:

- (1) cooperate, coordinate, and share information with other state and federal regulators in accordance with section 402 of this chapter;**
- (2) enter into written cooperation, coordination, or information sharing contracts or agreements with organizations the membership of which is made up of state or federal governmental agencies; and**
- (3) cooperate, coordinate, and share information with organizations the membership of which is made up of state or federal governmental agencies, as long as the organizations agree in writing to maintain the confidentiality and security of the shared information in accordance with section 402 of this chapter.**

(b) The director may not waive, and nothing in this section constitutes a waiver of, the director's authority to conduct an examination or investigation or to otherwise take independent action authorized by this chapter, or by a rule adopted or order issued under this chapter, to enforce compliance with applicable state or federal law.

(c) The performance of a joint examination or investigation, or acceptance of an examination or investigation report, does not waive the director's authority to perform an examination assessment provided for in this chapter.

Sec. 501. (a) A person may not:

- (1) engage in the business of offering or providing earned wage access services; or**
- (2) advertise, solicit, or hold itself out as offering or providing earned wage access services;**

unless the person is licensed under this chapter.

(b) Subsection (a) does not apply to a person that is exempt under section 301 of this chapter and does not engage in the business of offering or providing earned wage access services outside the scope of the exemption.

(c) A license issued under section 503 of this chapter is not



transferable or assignable without the approval of the department.

Sec. 502. (a) To establish consistent licensing between this state and other states, the director may:

- (1) implement all licensing provisions of this chapter in a manner that is consistent with other states that have adopted:
 - (A) a law containing the same provisions of this chapter; or
 - (B) multistate licensing processes; and
- (2) participate in nationwide protocols for licensing cooperation and coordination among state regulators if those protocols are consistent with this chapter.

(b) To administer and enforce this chapter, the director may establish relationships or contracts with the NMLSR or other entities designated by the NMLSR to enable the director to:

- (1) collect and maintain records;
- (2) coordinate multistate licensing processes and supervision processes;
- (3) process fees; and
- (4) facilitate communication between the state and licensees or other persons subject to this chapter.

(c) The director may use the NMLSR for all aspects of licensing in accordance with this chapter, including license applications, applications for acquisitions of control, surety bonds, reporting, criminal history background checks, credit checks, fee processing, and examinations.

(d) The director may use NMLSR forms, processes, and functionalities in accordance with this chapter. If the NMLSR does not provide functionality, forms, or processes for a provision of this chapter, the director may implement the requirements in a manner that facilitates uniformity with respect to licensing, supervision, reporting, and regulation of licensees that are licensed in multiple jurisdictions.

(e) For the purpose of participating in the NMLSR, the director is authorized to waive or modify, in whole or in part, by rule or order, any or all of the requirements for licensure and to establish new requirements as reasonably necessary to participate in the NMLSR.

Sec. 503. (a) The department shall receive and act on all applications for licenses to offer or provide earned wage access services. Applications must be made as prescribed by the director. If, at any time, the information or record contained in:

- (1) an application filed under this section; or
- (2) a renewal application filed under section 506 of this



chapter;
is or becomes inaccurate or incomplete in a material respect, the applicant shall promptly file a correcting amendment with the department.

(b) A license may not be issued unless the department finds that the professional training and experience, financial responsibility, character, and fitness of:

- (1) the applicant;
- (2) each executive officer, director, or manager of the applicant, or any other individual having a similar status or performing a similar function for the applicant; and
- (3) if known, each person directly or indirectly owning of record or owning beneficially at least ten percent (10%) of the outstanding shares of any class of equity security of the applicant;

are such as to warrant belief that the business will be operated honestly and fairly.

(c) The director is entitled to request evidence of compliance with this section at:

- (1) the time of application;
- (2) the time of renewal of a license; or
- (3) any other time considered necessary by the director.

(d) Evidence of compliance with this section must include:

- (1) criminal background checks, as described in section 504 of this chapter, including a national criminal history background check (as defined in IC 10-13-3-12) by the Federal Bureau of Investigation, for any individual described in subsection (b);
- (2) credit histories as described in section 504 of this chapter;
- (3) surety bond requirements as described in section 505 of this chapter;
- (4) a review of licensure actions in Indiana and in other states; and
- (5) other background checks considered necessary by the director.

(e) For purposes of this section and in order to reduce the points of contact that the director has to maintain under this section, the director may use the NMLSR as a channeling agent for requesting and distributing information to and from any source as directed by the director.

(f) The department may deny an application under this section if the director of the department determines that the application was submitted for the benefit of, or on behalf of, a person who does



not qualify for a license.

(g) Upon written request, an applicant is entitled to a hearing, in the manner provided in IC 4-21.5, on the question of the qualifications of the applicant for a license.

(h) An applicant shall pay the following fees at the time designated by the department:

(1) An initial license fee as established by the department under IC 28-11-3-5, which shall not exceed two thousand five hundred dollars (\$2,500). Until the department establishes an initial license fee under IC 28-11-3-5, the initial license fee shall be one thousand five hundred dollars (\$1,500).

(2) Examination fees as established by the department under IC 28-11-3-5, which shall not exceed one hundred dollars (\$100) per hour. Until the department establishes an examination fee schedule under IC 28-11-3-5 that is applicable to an applicant under this chapter, the examination fee schedule shall be the fee schedule applicable to persons licensed under IC 24-4.5-7.

(3) An annual renewal fee as established by the department under IC 28-11-3-5, which shall not exceed two thousand five hundred dollars (\$2,500). Until the department establishes an annual renewal fee under IC 28-11-3-5, the annual renewal fee shall be one thousand five hundred dollars (\$1,500).

(i) A fee as established by the department under IC 28-11-3-5 may be charged for each day a fee under subsection (h)(2) or (h)(3) is delinquent. The fee described in this subsection shall not exceed fifty dollars (\$50) per day.

(j) Except in a transaction approved under section 601 of this chapter, a license issued under this section is not assignable or transferable.

(k) If the department of state revenue notifies the department that a person is on the most recent tax warrant list, the department shall not issue or renew the person's license until:

(1) the person provides to the department a statement from the department of state revenue that the person's tax warrant has been satisfied; or

(2) the department receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

Sec. 504. (a) An individual in control of a licensee or an applicant, an individual who seeks to acquire control of a licensee, and each key individual with respect to a licensee or an applicant shall furnish to the department through the NMLSR the following



items:

- (1) The individual's fingerprints for submission to the Federal Bureau of Investigation and the department for purposes of a national criminal history background check.**
- (2) Personal history and experience, in a form and by a medium prescribed by the director, including the following:**
 - (A) An independent credit report from a consumer reporting agency unless the individual does not have a Social Security number, in which case a credit report is not required.**
 - (B) Information related to any criminal convictions with respect to, or pending charges against, the individual.**
 - (C) Information related to any:**
 - (i) regulatory or administrative action; or**
 - (ii) civil litigation;****involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty, or breach of contract.**

(b) The director may:

- (1) waive one (1) or more requirements set forth in subsection (a); or**
- (2) permit an applicant to submit other information instead of meeting one (1) or more of the requirements set forth in subsection (a).**

Sec. 505. (a) An applicant for an earned wage access services license must provide, and a licensee at all times must maintain, security consisting of a surety bond in a form satisfactory to the director.

(b) Subject to subsections (c) and (d), the amount of the required security under this section is the greater of:

- (1) one hundred thousand dollars (\$100,000); or**
- (2) an amount equal to the licensee's average daily provision of proceeds to Indiana consumers, as calculated for the most recently completed calendar quarter, up to a maximum of two hundred fifty thousand dollars (\$250,000).**

(c) A licensee that maintains a bond in the maximum amount of two hundred fifty thousand dollars (\$250,000) set forth in subsection (b)(2) is not required to calculate the licensee's average daily provision of proceeds to Indiana consumers for purposes of this section.

(d) A licensee may exceed the maximum required bond amount of two hundred fifty thousand dollars (\$250,000) set forth in



subsection (b)(2).

Sec. 506. (a) A license under this chapter shall be renewed annually as follows:

- (1) An annual renewal fee, as set by the department, shall be paid not later than December 31 of each year.
- (2) The renewal term is for a period of one (1) year and:
 - (A) begins on January 1 of each year after the initial license term; and
 - (B) expires on December 31 of the year the renewal term begins.

(b) A licensee shall submit a renewal report with the renewal fee, in a form and by a medium prescribed by the director. The renewal report must state or contain a description of each material change in the information submitted by the licensee in its original license application, if such change has not been previously reported to the department.

(c) The director may grant an extension of the renewal date for good cause.

(d) The director may use the NMLSR to process license renewals, as long as the functionality of the NMLSR for such purpose is consistent with this section.

Sec. 507. (a) If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new earned wage access services license, the department may suspend or revoke the licensee's license in accordance with the procedures established by this chapter or other applicable state law for such suspension or revocation.

(b) An applicant for an earned wage access services license must demonstrate that it meets or will meet, and an earned wage access services licensee must at all times meet, the requirements set forth in section 505 of this chapter.

Sec. 601. (a) Any person, or group of persons acting in concert, seeking to acquire control of a licensee shall obtain the written approval of the department before acquiring control. An individual:

- (1) is not considered to acquire control of a licensee; and
- (2) is not subject to the acquisition of control provisions set forth in this chapter;

when that individual becomes a key individual in the ordinary course of business.

(b) A person, or group of persons acting in concert, seeking to acquire control of a licensee shall, in cooperation with the licensee,



submit:

(1) an application in a form and by a medium prescribed by the director; and

(2) a nonrefundable fee, as determined by the department, with the request for approval. The nonrefundable fee established under this subdivision shall not exceed two thousand five hundred dollars (\$2,500). Until the department establishes the nonrefundable fee under IC 28-11-3-5, the nonrefundable fee shall be one thousand five hundred dollars (\$1,500).

(c) Upon request, the director may permit a licensee or the:

(1) person; or

(2) group of persons acting in concert;

seeking to acquire control of the licensee, to submit some or all information required in an application under subsection (b)(1) without using the NMLSR.

(d) The application required under subsection (b)(1) must include information required by section 504 of this chapter for any new key individuals that have not previously completed the requirements of section 504 of this chapter for a licensee.

(e) Subject to subsection (f), when an application for acquisition of control appears to include all the items, and to address all the matters, that are required for an application for change in control, as determined by the director, the application is considered complete, and the director shall promptly notify the applicant, in a record, of the date on which the application is determined to be complete, and:

(1) the department shall approve or deny the application not later than sixty (60) days after the completion date, as determined in accordance with this subsection; or

(2) if the application is not approved or denied not later than sixty (60) days after the completion date:

(A) the application is considered approved; and

(B) the person, or group of persons acting in concert, seeking to acquire control of the licensee is not prohibited from acquiring control.

However, the director may for good cause extend the sixty (60) day period described in this subsection.

(f) A determination by the director that an application is complete and is accepted for processing means only that the application, on its face, appears to:

(1) include all of the items; and



(2) address all of the matters;
that are required for an application for acquisition of control under this chapter, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

(g) When an application is filed and considered complete under subsection (e), the director shall investigate the financial condition and responsibility, financial and business experience, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control. The department shall approve an acquisition of control under this section if the department finds that all of the following conditions have been met:

(1) The requirements set forth in subsections (b) and (d) have been met, as applicable.

(2) Both the:

(A) financial condition and responsibility, financial and business experience, competence, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control; and

(B) competence, experience, character, and general fitness of the key individuals and persons that would be in control of the licensee after the acquisition of control;

indicate that it is in the interest of the public to permit the person, or group of persons acting in concert, to control the licensee.

(h) If an applicant avails itself of, or is otherwise subject to, a multistate licensing process:

(1) the director may accept the investigation results of a lead investigative state for the purpose of subsection (g) if the lead investigative state has sufficient staffing, expertise, and minimum standards; or

(2) if Indiana is a lead investigative state, the director may investigate the applicant pursuant to subsection (g) and to the time frames established by agreement through the multistate licensing process.

(i) The department shall issue a formal written notice of the denial of an application to acquire control not later than thirty (30) days after the decision to deny the application. The department shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is denied by the department under this subsection may appeal the denial to the department for an administrative review under IC 4-21.5-3.

(j) The requirements of subsections (a) and (b) do not apply to



any of the following:

(1) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the:

- (A) shareholders;
- (B) holders of voting shares; or
- (C) voting interests;

of a licensee or a person in control of a licensee.

(2) A person that acquires control of a licensee as a conservator or as an officer appointed by a court of competent jurisdiction or by operation of law.

(3) A person that is exempt under section 301 of this chapter.

(4) A person that the director determines is not subject to subsection (a) based on the public interest.

(5) A public offering of securities of a licensee or of a person in control of a licensee.

(6) An internal reorganization of a person in control of the licensee if the ultimate person in control of the licensee remains the same.

(k) A person described in subsection (j)(2), (j)(3), (j)(5), or (j)(6), in cooperation with the licensee, shall notify the director not later than fifteen (15) days after the acquisition of control.

(l) The requirements of subsections (a) and (b) do not apply to a person that has complied with, and received approval to engage in, the business of offering or providing earned wage access services under this chapter, or that was identified as a person in control in a prior application filed with and approved by the department, if all of the following apply:

(1) The person has not:

- (A) had a license revoked or suspended; or
- (B) controlled a licensee that has had a license revoked or suspended while the person was in control of the licensee; in the most recent five (5) years.

(2) The licensee to be acquired will not implement any material changes to its business plan as a result of the acquisition of control, and if the person acquiring control is a licensee, the person acquiring control also will not implement any material changes to its business plan as a licensee as a result of the acquisition of control.

(3) The person provides notice of the acquisition in cooperation with the licensee and attests to meeting the requirements set forth in subdivisions (1) and (2) in a form and by a medium prescribed by the director.



If the notice described in subdivision (3) is not disapproved within thirty (30) days after the date on which the notice is determined to be complete by the director, the notice is considered approved.

(m) Before filing an application for approval to acquire control of a licensee, a person may request in writing a determination from the director as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the director determines that the person would not be a person in control of a licensee, the proposed person and transaction is not subject to the requirements of subsections (a) and (b).

(n) If a multistate licensing process includes a determination described in subsection (m), and an applicant avails itself of, or is otherwise subject to, the multistate licensing process:

- (1) the director may accept the control determination of a lead investigative state with sufficient staffing, expertise, and minimum standards for the purpose of subsection (m); or
- (2) if Indiana is a lead investigative state, the director may investigate the applicant pursuant to subsection (m) and to the time frames established by agreement through the multistate licensing process.

Sec. 602. (a) A licensee adding or replacing any key individual shall:

- (1) provide notice in a manner prescribed by the director not later than fifteen (15) days after the effective date of the key individual's appointment; and
- (2) provide information as required by section 504 of this chapter not later than forty-five (45) days after the effective date of the key individual's appointment.

(b) Not later than ninety (90) days after the date on which a notice provided under subsection (a) is determined by the director to be complete, the department may issue a notice of disapproval of a key individual if the competence, experience, character, or integrity of the individual would not be in the best interests of:

- (1) the public; or
- (2) the customers of the licensee;

so as to permit the individual to be a key individual of such licensee.

(c) A notice of disapproval under subsection (b) must contain a statement of the basis for disapproval and shall be sent to the licensee and the disapproved individual. A licensee that receives a notice of disapproval under subsection (b) may appeal the denial



to the department for an administrative review under IC 4-21.5-3.

(d) If a notice provided under subsection (a) is not disapproved within ninety (90) days after the date on which the notice was determined by the director to be complete, the key individual is considered approved.

(e) If a multistate licensing process includes a key individual notice and review and approval process as described in this section, and a licensee avails itself of, or is otherwise subject to, the multistate licensing process:

- (1) the director may accept the determination of another state if the investigating state has sufficient staffing, expertise, and minimum standards for the purpose of this section; or
- (2) if Indiana is a lead investigative state, the director may investigate the applicant pursuant to this section and to the time frames established by agreement through the multistate licensing process.

Sec. 701. (a) A provider required to be licensed under this chapter shall maintain records in a manner that will enable the department to determine whether the provider is complying with the provisions of this chapter. The department shall be given free access to the records wherever the records are located. Records concerning any earned wage access services transaction shall be retained for two (2) years after the transaction is initiated. A provider licensed or required to be licensed under this chapter is subject to IC 28-1-2-30.5 with respect to any records maintained by the provider.

(b) A provider required to be licensed under this chapter shall file with the department, in the form and manner required by the department, a quarterly composite report relating to all earned wage access services transactions made by the provider in Indiana during the reporting period covered by the report. Information contained in the reports is confidential and may be published only in composite form. The department may impose a fee in an amount fixed by the department under IC 28-11-3-5 for each day that a provider fails to file the report required by this subsection. The fee established under this subsection shall not exceed fifty dollars (\$50) per day.

Sec. 801. A provider required to be licensed under this chapter shall do the following:

- (1) Develop and implement policies and procedures to:
 - (A) respond to questions raised by consumers; and
 - (B) address complaints from consumers;



in an expedient manner.

(2) Whenever the provider offers a consumer the option to receive proceeds for a fee or solicits a tip, gratuity, or other donation:

(A) offer that consumer at least one (1) reasonable option to obtain proceeds at no cost;

(B) clearly explain to the consumer how to elect each no cost option offered;

(C) ensure that any no cost option offered is clearly displayed and is in the same:

(i) color;

(ii) font;

(iii) font size; and

(iv) general location;

as any option to obtain proceeds that has a fee associated with it;

(D) ensure that any option to obtain proceeds that has a fee associated with the delivery of the proceeds is not the default option;

(E) ensure that if a consumer elects to not pay a tip, gratuity, or other donation, any fee amount charged to the consumer as part of an earned wage access services transaction is not increased because of the consumer's decision to not pay a tip, gratuity, or other donation; and

(F) ensure that, if a consumer elects a no cost option, initiate the delivery of the proceeds to the consumer not later than one (1) business day after the consumer initiates an earned wage access services transaction with the provider.

(3) Before entering into an agreement with a consumer to provide earned wage access services, do both of the following:

(A) Inform the consumer of the consumer's rights under the agreement.

(B) Fully and clearly disclose all fees associated with the earned wage access services to be provided.

(4) Inform the consumer of the fact of or obtain the consent of the consumer to any material changes to the terms and conditions of the earned wage access services before implementing those changes for that consumer.

(5) Allow the consumer to cancel use of the provider's earned wage access services:

(A) at any time; and



- (B) without incurring a cancellation fee imposed by the provider.
- (6) Comply with all applicable local, state, and federal privacy and information security laws.
- (7) If the provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer:
 - (A) clearly and conspicuously disclose to the consumer immediately before each transaction that a tip, gratuity, or other donation:
 - (i) is voluntary; and
 - (ii) may be in the amount of zero dollars (\$0); and
 - (B) clearly and conspicuously disclose in the provider's service contract with the consumer that tips, gratuities, or other donations are voluntary and that the offering of earned wage access services, including:
 - (i) the amount of proceeds that a consumer is eligible to request;
 - (ii) the frequency with which proceeds are provided to a consumer; and
 - (iii) the level or cost of any service provided to the consumer in connection with an earned wage access services transaction;
- is not contingent on whether the consumer pays any tip, gratuity, or other donation, or on the amount of the tip, gratuity, or other donation.
- (8) Provide proceeds to a consumer by any means mutually agreed upon by the provider and the consumer.
- (9) If the provider seeks repayment of outstanding proceeds or the payment of fees or other amounts owed (including voluntary tips, gratuities, or other donations) in connection with earned wage access services provided under this chapter from a consumer's deposit account, including by means of electronic funds transfer, the provider must do the following:
 - (A) Comply with applicable provisions of the federal Electronic Funds Transfer Act (15 U.S.C. 1693 et seq.).
 - (B) Reimburse the consumer for the full amount of any overdraft or nonsufficient funds fees that are imposed on the consumer by the consumer's depository financial institution if the overdraft or nonsufficient funds fees resulted from the provider's attempt to seek payment of any outstanding proceeds, fees, or other amounts (including voluntary tips, gratuities, or other donations)



under this chapter:

- (i) on a date before; or
- (ii) in an incorrect amount from;

the date or amount disclosed to the consumer. However, a provider is not subject to the requirements of this clause with respect to the payment of any outstanding proceeds, fees, or other amounts incurred by a consumer through fraudulent or other unlawful means.

(10) Ensure that the provider's software application does not do any of the following:

(A) Subject a user of the software application to unsolicited electronic mail advertisements or surveys, if the user has elected to not receive electronic mail advertisements or surveys, as required by 15 U.S.C. 7701-7713.

(B) Subject a user of the software application to unsolicited electronic advertisements or surveys, based on the individual user's:

- (i) use of the provider's software application;
- (ii) location; or
- (iii) behavior;

if the user has elected to not receive the electronic advertisements or surveys.

(C) Display an unsolicited electronic notification to a user of the software application unless the user has elected to receive electronic notifications.

(D) Access a user's location, except for purposes of verifying that a user is located in Indiana at the time the user creates an account with the provider, unless the user has authorized the provider's software application to access the user's location.

(11) Ensure that any data that the provider receives under subdivision (10) is not sold or shared, except as follows:

(A) In connection with a law enforcement investigation or legal proceeding.

(B) As necessary to provide earned wage access services to the user.

(C) The user authorizes the provider to sell or share the data.

(12) Sell consumer data to a lender (as defined in IC 24-4.5-7-111) licensed under IC 24-4.5-7.

(13) Share consumer data with a lender (as defined in IC 24-4.5-7-111) licensed under IC 24-4.5-7.



Sec. 802. A provider required to be licensed under this chapter shall not do any of the following:

- (1) Share with an employer a portion of any:**
 - (A) fees; or**
 - (B) voluntary tips, gratuities, or other donations;**
received from or charged to a consumer for earned wage access services.
- (2) Use a consumer's credit score from a consumer report (as defined in IC 24-5-24-2) to determine:**
 - (A) a consumer's eligibility for earned wage access services;**
 - (B) the amount of proceeds that a consumer is eligible to request or receive in an earned wage access services transaction; or**
 - (C) the frequency with which proceeds may be provided to a consumer through earned wage access services transactions.**
- (3) Accept payment of outstanding proceeds, fees, or voluntary tips, gratuities, or other donations by means of a credit card (as defined in IC 24-5-27.5-3).**
- (4) Charge or collect a late fee, a deferral fee, interest, or any other charge or penalty for a consumer's failure to pay outstanding proceeds, fees, or voluntary tips, gratuities, or other donations.**
- (5) Compel or attempt to compel a consumer to pay to the provider any outstanding proceeds, fees, or voluntary tips, gratuities, or other donations through any of the following means:**
 - (A) The use of unsolicited outbound telephone calls to the consumer.**
 - (B) A suit against the consumer in a court of competent jurisdiction.**
 - (C) The use of a third party to pursue collection from the consumer on the provider's behalf.**
 - (D) The sale of outstanding amounts to a third party collector or debt buyer for collection from the consumer.**

However, this subdivision does not preclude a provider from using any of the means set forth in clauses (A) through (D) to pursue payment of outstanding amounts incurred by a consumer through fraudulent or other unlawful means, or from pursuing any available remedies against an employer for breach of the employer's contractual obligations to the



provider.

(6) If the provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer:

- (A) mislead or deceive consumers about the voluntary nature of the tips, gratuities, or donations;
- (B) represent that tips, gratuities, or donations will benefit any specific individuals; or
- (C) suggest a default tip, gratuity, or other donation amount greater than zero dollars (\$0).

(7) If the provider also offers small loans to consumers under IC 24-4.5-7:

- (A) provide proceeds to a consumer who has a small loan outstanding from that provider, as verified by the provider in accordance with IC 24-4.5-7-404(4); or
- (B) make a small loan to a consumer who has outstanding proceeds from that provider.

Sec. 803. A fee described in section 201(11)(A) of this chapter shall not exceed:

- (1) an amount; or
- (2) a percentage of the proceeds delivered to a consumer; that exceeds the limitation set forth in IC 28-8-5-17(a)(2).

Sec. 901. (a) A license issued by the department under this chapter may be revoked or suspended by the department if the person fails to:

- (1) file any renewal form required by the department; or
 - (2) pay any license renewal fee described under section 506(a)(1) of this chapter;
- not later than sixty (60) days after the due date.

(b) A person whose license is revoked or suspended under this section may:

- (1) pay all delinquent fees and apply for a reinstatement of the person's license; or
- (2) appeal the revocation or suspension to the department in an administrative review under IC 4-21.5-3.

Pending the decision resulting from a hearing under IC 4-21.5-3 concerning license revocation or suspension, a license remains in force.

Sec. 902. Except as otherwise provided, IC 4-21.5 applies to and governs all agency action taken by the department under this chapter. A proceeding for administrative review under IC 4-21.5-3 or judicial review under IC 4-21.5-5 must be held in Marion County.



Sec. 903. (a) If the department determines, after notice and an opportunity to be heard, that a person has violated this chapter, the department may, in addition to or instead of all other remedies available under this chapter, impose upon the person a civil penalty not greater than ten thousand dollars (\$10,000) per violation.

(b) A penalty collected under this section shall be deposited into the financial institutions fund established by IC 28-11-2-9.

Sec. 904. The director, in the exercise of reasonable judgment, is authorized to compromise, settle, and collect civil penalties from a person for a violation of:

- (1)** a provision of this chapter; or
- (2)** an order issued or promulgated pursuant to this chapter.

Sec. 905. If it appears to the director that a person has committed or is about to commit a violation of a provision of this chapter or an order of the director, the director may apply to a court having jurisdiction for:

- (1)** an order enjoining the person from violating or continuing to violate this chapter or the order; or
- (2)** injunctive or other relief;

as the nature of the case may require.

Sec. 906. (a) The director may enter into a consent order with a person to resolve a matter arising under this chapter.

(b) A consent order must:

- (1)** be signed by the person to whom it is issued or by an authorized representative of that person; and
- (2)** indicate agreement to the terms contained within the consent order.

(c) A consent order does not:

- (1)** constitute an admission by a person that a provision of this chapter or an order promulgated or issued under this chapter has been violated; or
- (2)** constitute a finding by the director that the person has violated a provision of this chapter or an order promulgated or issued under this chapter.

(d) Notwithstanding the issuance of a consent order, the director may seek civil or criminal penalties or compromise civil penalties concerning matters encompassed by the consent order, unless the consent order by its terms expressly precludes the director from doing so.

Sec. 907. (a) A person who knowingly or intentionally makes a material false statement, or omits a material entry, in a document



filed or required to be filed under this chapter, with the intent to deceive the recipient of the document, commits a Class C misdemeanor.

(b) A person who knowingly or intentionally fails to file a document required to be filed under this chapter, commits a Class D infraction. However, the person commits a Class C infraction for a subsequent offense.

Sec. 1001. (a) Rules promulgated by the director or the department under this chapter must be adopted in accordance with IC 4-22-2.

(b) At the time the director or department files a notice of proposed adoption, amendment, or repeal of a rule under this chapter for public comment, a copy of the notice must be sent by first class mail postage prepaid to all licensees and applicants for licenses under this chapter as of the time the notice is sent.

Sec. 1002. (a) Notwithstanding any other provision of law, earned wage access services offered or provided by a licensee in accordance with this chapter are not considered to be any of the following:

- (1) A violation of, or noncompliance with, any Indiana law governing deductions from payroll, salary, wages, compensation, or other income.
- (2) A violation of, or noncompliance with, any Indiana law governing:
 - (A) the purchase of;
 - (B) the sale or assignment of; or
 - (C) an order for;
 earned but unpaid income.
- (3) A loan or other form of credit or debt.
- (4) Money transmission (as defined in IC 28-8-4.1-201(19)).

(b) Notwithstanding any other provision of law, a licensee that offers or provides earned wage access services in accordance with this chapter is not considered to be any of the following solely by reason of offering or providing the earned wage access services:

- (1) A lender, creditor, credit services organization (as defined in IC 24-5-15-2), or debt collector.
- (2) A money transmitter for purposes of IC 28-8-4.1.

However, this subsection does not exempt a licensee under this chapter from complying with section 802(7) of this chapter, as applicable.

- (c) Notwithstanding any other provision of law:
- (1) fees; or



(2) voluntary tips, gratuities, or other donations; paid by a consumer to a licensee in accordance with this chapter are not considered to be interest or finance charges and shall not be subject to IC 35-45-7-2.

(d) If there is a conflict between the provisions of this chapter and any other Indiana law, the provisions of this chapter control.

Sec. 1003. The division of consumer credit within the department is responsible for administering this chapter.

SECTION 6. IC 28-11-1-3, AS AMENDED BY P.L.198-2023, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026]: Sec. 3. (a) The ultimate authority for and the powers, duties, management, and control of the department are vested in the following seven (7) members:

(1) The director of the department, who serves as an ex officio, voting member.

(2) The following six (6) members appointed by the governor as follows:

(A) Three (3) members must have practical experience at the executive level of a:

- (i) state chartered bank;
- (ii) state chartered savings association; or
- (iii) state chartered savings bank.

(B) One (1) member must have practical experience at the executive level as a:

- (i) lender licensed under IC 24-4.5;
- (ii) mortgage lender licensed under IC 24-4.4;
- (iii) registrant under IC 24-7;
- (iv) licensee under IC 28-1-29;
- (v) licensee under IC 28-7-5;
- (vi) licensee under IC 28-8-4.1; ~~or~~
- (vii) licensee under IC 28-8-5; ~~or~~
- (viii) licensee under IC 28-8-6.**

(C) One (1) member must have practical experience at the executive level of a state chartered credit union.

(D) One (1) member must be appointed with due regard for the consumer, agricultural, industrial, and commercial interests of Indiana.

(b) Not more than three (3) members appointed by the governor under subsection (a)(2) after June 30, 2006, may be affiliated with the same political party.

SECTION 7. IC 35-52-28-11.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JANUARY 1, 2026]: **Sec. 11.1. IC 28-8-6-907 defines a crime concerning financial services.**



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

HEA 1125 — CC 1

