

- Q.** *What is the Hoosier Traditional Mortgage Program?*
- A.** A voluntary program passed by the Indiana legislature (IC 24-5-23.6) for creditors and mortgage brokers that offer qualifying first lien mortgages to Indiana consumers after June 30, 2010. The Public Employees Retirement Fund (PERF) may invest in pools of these loans in select instances.
- Q.** *What conditions are required for a creditor to qualify as a Hoosier Traditional Mortgage Program?*
- A.** In order for the company to qualify, the company must certify that 1. Indiana customers are offered at least one (1) mortgage product that qualifies as a Hoosier Traditional Mortgage under the program. 2. Certify that the creditor does not have a record of any significant or recurring violations of IC 24-5-23.5-7 regarding real estate appraisals; or any other state or federal law, regulation or rule applicable to mortgage transactions and 3. The creditor does not have a director or an executive officer who has been convicted of or pled guilty or nolo contendere to a felony involving fraud, deceit, or misrepresentation under the laws of Indiana or any other jurisdiction, as of the date of the creditor's certification.
- Q.** *What are the terms of a Hoosier Traditional Mortgage?*
- A.** The following conditions are required: (1) (A) a down payment of at least 10% of the purchase price of the dwelling, in the case of a purchase money transaction; or (B) that the customer have equity of at least 10% in the dwelling, in the case of a refinancing; (2) must have a fixed rate of interest; (3) must provide for an escrow account for the payment of taxes and insurance, if the creditor regularly provides for such escrow accounts in the creditor's ordinary course of business; (4) may not have a term that exceeds 30 years; and (5) may not include a prepayment penalty or fee.
- Q.** *How does the consumer know what companies qualify for the Hoosier Traditional Mortgage Program?*
- A.** The Department of Financial Institutions will publish on the Department's website a list of all creditors that are currently certified as Hoosier Traditional Mortgage lenders. Certified Hoosier Traditional Mortgage Lenders may also advertise their status.
- Q.** *What happens if a customer applies for a Hoosier Traditional Mortgage, but does not qualify?*
- A.** The creditor must give the customer a statement that details the reasons the customer does not meet the underwriting standards. Creditor must comply with Regulation B, section 202.9(a)(2)(i) as to the Equal Credit Opportunity Act notice of adverse action.

Q. *How often will a company's qualifications be reviewed.*

A. After a company is certified as a Hoosier Traditional Mortgage Lender, an annual renewal/recertification will be conducted to ensure that a lender/broker meets all the required conditions to be listed as a Hoosier Traditional Mortgage Lender. The Department will also act on any complaints to ensure compliance with IC 24-5-23.6.

Q. *What if a company does not meet all the requirements for the program?*

A. The Department will provide to the creditor a written notice whenever a creditor: (1) holds itself out as a Hoosier Traditional Mortgage lender when it does not qualify to participate in the program; or (2) fails to comply with any program requirement. The Department will remove any creditor from the list of Hoosier Traditional Mortgage Lenders on the Department's website. A link to the written notice provided to the non-qualified creditor will also be available on the Department's website.

Q. *What if I have additional questions concerning the Hoosier Traditional Mortgage Program?*

A. You may direct any additional questions to the Consumer Credit Division of the Department of Financial Institutions at (317) 232-3955 or (800) 382-4880.