

**Regulatory Analysis**  
LSA Document #24-266**I. Description of Rule****a. History and Background of the Rule**

The Indiana Department of Financial Institutions (DFI) submits this Regulatory Analysis in support of its request for approval for interim rulemaking concerning amendments to the dollar amount rule found at [750 IAC 1-1-1](#)(a) & (b).

The dollar amount rule is part of the DFI's administrative rules that govern indexing of specified dollar amounts related to the Uniform Consumer Credit Code (UCCC) and high-cost home loans.

The last adjustment to dollar amounts were effective January 1, 2023. The DFI developed the proposed rule through an internal team.

**b. Scope of the Rule**

Throughout the UCCC codified at [IC 24-4.5](#) there are specific dollar amounts listed that are subject to indexing, which means they are adjusted for inflation every two years. This keeps the dollar amounts current. There are 15 different figures throughout the UCCC that are required by statute to be indexed. There is one figure outside of the UCCC related to high-cost home loans that is also indexed by the DFI and that falls under the authority of the Indiana Attorney General.

To index a figure, the DFI performs a math equation as prescribed by [IC 24-4.5-1-106](#), which requires the DFI to use a specific Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W.)

Statute requires that the DFI issue a rule utilizing the interim rule process, in even numbered years, that takes effect at the beginning of the next year (the odd numbered year) using the CPI-W that is published, usually in January, of the even numbered year. Here, the proposed interim rule will be promulgated in 2024 to be effective January 1, 2025.

**c. Statement of Need**

The interim rule is needed to comply with the requirement to adjust the respective dollar amounts every two years as provided in [IC 24-4.5-1-106](#) and [IC 24-9-2-8](#). The DFI has been adjusting dollar amounts since approximately 1978.

[IC 4-22-2.3-6](#)(1) enacted in 2023 expressly requires the DFI to adjust the dollar amounts via an interim rule process.

**d. Statutory Authority for the Proposed Rule**

The DFI has the duty to administer the UCCC codified at [IC 24-4.5](#) *et seq.* Although not under its authority, the duty to perform dollar adjustments to high-cost home loans is statutorily assigned to the DFI pursuant to [IC 24-9-2-8](#).

[IC 4-22-2.3-6](#)(1) specifically requires the DFI to adjust the dollar amounts via an interim rule.

**e. Fees, Fines, and Civil Penalties**

The proposed interim rule does not add or increase any fees, fines or civil penalties.

**II. Fiscal Impact Analysis**

**a. Anticipated Effective Date of the Rule** January 1, 2025, with changes in the rule to be announced in the Indiana Register 60 days prior to that date.

**b. Estimated Fiscal Impact on State and Local Government** The proposed interim rule does not impact expenditures and revenues of State agencies or local government.

**c. Sources of Expenditures or Revenues Affected by the Rule** The proposed interim rule does not impact expenditures and revenues of State agencies or local government.

**III. Impacted Parties**

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The DFI anticipates that the following parties will be affected by the interim rule: (1) parties to the 15 categories of UCCC transactions or court orders listed in the interim rule and (2) parties to transactions covered by high-cost home loans.

#### IV. Changes in Proposed Rule

Changes in the proposed interim rule are shown in the table below.

The proposed effective date is January 1, 2025. All proposed dollar amounts have been increased to account for inflation.

Sec. 1. (a) The dollar amounts in [IC 24-4.5](#) which are required to be adjusted by [IC 24-4.5-1-106](#), as amended, shall, on January 1, 2025, be as set forth in each of the following Indiana Uniform Consumer Credit Code sections:

Amended	Dollar Amounts	Provisions Relating To
<a href="#">IC 24-4.5-2-201</a> (9)	2,600/5,200	Graduated rate (sales)
<a href="#">IC 24-4.5-2-201</a> (10)	63	Minimum credit service charge
<a href="#">IC 24-4.5-2-203.5</a> (1)(a)	21.5	Delinquency charge (sales)
<a href="#">IC 24-4.5-2-407</a> (4)	1,290/5,200	Security interest (sales or leases)
<a href="#">IC 24-4.5-3-201</a> (8)	63	Minimum loan finance charge
<a href="#">IC 24-4.5-3-203.5</a> (1)(a)	21.5	Delinquency charge (loans)
<a href="#">IC 24-4.5-3-508</a> (6)	2,600/5,200	Graduated rate (supervised loans)
<a href="#">IC 24-4.5-3-508</a> (6)	63	Minimum loan finance charge
<a href="#">IC 24-4.5-3-510</a> (2)	5,200	Land as security (loans)
<a href="#">IC 24-4.5-3-511</a> (2)	1,290/5,200	Maximum loan term
<a href="#">IC 24-4.5-4-301</a> (4)	1,290	Property insurance
<a href="#">IC 24-4.5-5-103</a> (7)	5,200	Deficiency judgment
<a href="#">IC 24-4.5-7-104</a> (2)	825	Principal loan amount
<a href="#">IC 24-4.5-7-201</a> (4)	825	Graduated rate scale
<a href="#">IC 24-4.5-7-404</a> (3)	825	Combined loan amounts

(b) The dollar amount change which is required to be adjusted by [IC 24-9-2-8](#), as amended, shall be as follows:

Amended	Dollar Amounts	Provisions Relating To
<a href="#">IC 24-9-2-8</a>	60,000	High cost home loan

#### V. Benefit Analysis

##### a. Estimate of Primary and Direct Benefits of the Rule

Adjusting the dollar amounts in this interim rule will comply with statutory requirement and keep the respective amounts current. Indexing mitigates the negative impact of inflation on dollar amounts prescribed in the UCCC and eliminates the need to pass legislation to adjust the rates for inflation.

##### b. Estimate of Secondary or Indirect Benefits of the Rule

None identified.

##### c. Estimate of Any Cost Savings to Regulated Industries

The DFI staff does not anticipate any cost savings to regulated industries, individuals or businesses.

#### VI. Cost Analysis

##### a. Estimate of Compliance Costs for Regulated Entities

Although no proposed amendment to [750 IAC 1](#) imposes direct costs, there may be nominal indirect costs to modify software to comply with the new dollar amounts imposed on regulated entities.

##### b. Estimate of Administrative Expenses Imposed by the Rules

The proposed rule is modified every two years; the regulated entities to which it is applicable, routinely adjust systems to account for changing dollar amounts. Consequently, the DFI staff does not anticipate that regulated parties will spend substantial time or sums to understand and comply with requirements.

##### c. The fees, fines, and civil penalties analysis required by [IC 4-22-2-19.6](#)

The proposed rule does not add or increase a fee, fine or civil penalty.

**d. If the implementation costs of the proposed rule are expected to exceed the threshold set in [IC 4-22-2-22.7\(c\)\(6\)](#)**

The implementation costs are not expected to exceed the threshold set in [IC 4-22-2-22.7\(c\)\(6\)](#).

**VII. Sources of Information**

**a. Independent Verifications or Studies**

No studies were utilized in determining the impacts and costs and benefits concerning the proposed rule.

**b. Sources Relied Upon in Determining and Calculating Costs and Benefits**

As required by [IC 24-4.5-1-106](#), to calculate the dollar adjustments, the DFI used the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items, 1957-59 equals 100, compiled by the Bureau of Labor Statistics, United States Department of Labor (CPI).

A person can obtain a copy of the CPI from the DFI at the following address:

Indiana Department of Financial Institutions  
30 South Meridian Street, Suite 200  
Indianapolis, IN 46204

**VIII. Regulatory Analysis**

[IC 24-4.5-1-106](#) specifically requires the DFI to adjust the dollar amounts every two years. [IC 4-22-2.3-6\(1\)](#) specifically requires the DFI to adjust the dollar amounts via an interim rule. The DFI determines that the benefits of this rulemaking outweigh the costs.

**IX. Contact Information of Staff to Answer Substantive Questions**

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