

**VIA EMAIL**

October 8, 2024

George Dremonas  
General Counsel  
Indiana Department of Financial Institutions  
30 S Meridian Street, Suite 200  
Indianapolis, IN 46204

Re: LSA Document #24-372/Regulatory Analysis-Small Business Economic Impact Statement

Dear Mr. Dremonas,

Pursuant to Indiana Code 4-22-2.1-5(c)(2), as the Small Business Ombudsman for the state of Indiana, I have reviewed the proposed rule and economic impact analysis associated with the rule changes contained in LSA Document #24-372 (proposed rule) submitted to the Indiana Small Business Ombudsman by the Indiana Department of Financial Institutions (DFI). I have found the following to be true.

Proposed rule LSA #24-372 amends various sections of Indiana Administrative Code (IAC), specifically 750 IAC 9-1-1, 9-3-1, and 9-3-1.2. Throughout the rule change, the amendments largely aim to provide a regulatory framework for independent contractors to be utilized by companies as Mortgage Loan Originators (MLO). This includes expanding the definition of "employee" to allow for qualified individuals to be licensed MLOs and establishing the systematic avenue for the licensing of MLOs. The proposed rule was initiated through Indiana Senate Enrolled Act 452 of 2023 in order to conform with statutory changes found under the federal *Secure and Fair Enforcement of Mortgage Licensing Act of 2008* (S.A.F.E. Act), specifically 12 CFR 1008, Appendix C. Implementation of the proposed rule will allow Indiana to retain autonomy in supervising Indiana's mortgage lenders and administering the S.A.F.E. Act.

The DFI's provided impact analysis displays a well-documented background, proper due diligence and understanding of how implementation must be carried out to ensure compliance. The impact to small businesses by the proposed rule appears to be minimal, if any at all, and may in fact be beneficial for the industry at large. This is largely based on the realization that any costs incurred by a company subject to these rules would have the similar costs imposed whether they retained an employee or an independent contractor, which inherently will open up a larger workforce pool, and no new fees or fines are being imposed through the proposed rule. Additionally, administrative burden placed on DFI appears to be minimal and within the agency's existing capabilities. Based upon this statement and review, the Indiana Small Business Ombudsman supports the proposed rule related to the economic impact on small business if the DFI's conclusion reflects the actual result after promulgation. If there are any questions about these comments, please contact me at [ombudsman@iedc.in.gov](mailto:ombudsman@iedc.in.gov).

Sincerely,  
Matt Jaworowski  
Small Business Ombudsman  
Indiana Economic Development Corporation