



STATE OF INDIANA

DEPARTMENT OF FINANCIAL INSTITUTIONS

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Date: February 20, 2009

To: Indiana Small Loan Lenders

Re: Indiana Small Loan Requirements: **Social Security Number or TIN in File and Verified
Bold Type Notice to Public on Internet Loans**

Social Security Number or TIN in File:

Each loan made by a licensee is entered in the Veritec database with a unique social security number or TIN associated with the borrower.

All licensees must implement procedures to verify the unique social security number or TIN provided by the borrower is legitimate. Photocopies of documents used to verify the accuracy of the unique number must be retained in borrowers' files.

The new requirement becomes effective for loans made on or after March 1, 2009.

Bold Type Notice to Public:

With respect to Small Loans, IC 37-3-3-4(b) and (c) provides that the lender must conspicuously display in bold type a warning statement to the public, both in the lending area of each business location and in the loan documents, a specific warning, and that the warning statement must be in not less than one inch bold print in the lending area of the business location.

For small loan lenders making loans via the internet, "lending area of each business location" is deemed to mean what is viewed on electronic screen displays by applicants during the application process. Logging on to a website that permits the user to apply for a small loan is the equivalent of a person walking into a business location of a lender. Therefore, the required warning should display before the user begins to provide any data related to an application. Before the user can reach a point of providing data, the user must select a box to affirm the warning has been presented to them.

The phrase "conspicuously display in bold type" means the statement should be presented on the electronic screen display in bold text format. The text of the warning should be more conspicuous than any other text that might be displayed when the warning is displayed, such as site navigation instructions.

Before any online small loan programs are operational, the lender must present the programs to the Department for review. The Department will determine if the lender's disclosure process complies with this advice.

If you have questions about this advisory contact:

Consumer Credit Division
ConsumerCredit@dfi.in.gov
(317) 453-2529