



STATE OF INDIANA

DEPARTMENT OF FINANCIAL INSTITUTIONS



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September 4, 2018

INDIANA
STATE ETHICS COMMISSION

Mr. James Clevenger, Chair
Indiana State Ethics Commission
315 West Ohio Street, Room 104
Indianapolis, IN 46204

SEP 13 2018

FILED

Re: Post-Employment Waiver for DFI Employee Ryan Black

Dear Mr. Clevenger:

As the Director of the Indiana Department of Financial Institutions ("DFI"), I have approved and executed a waiver of the 365 day regulatory decision "cooling off" period for Ryan Black. Unfortunately, I must attend meetings in Washington D.C. on the same date as the September 13, 2018 Indiana State Ethics Commission meeting, so I will be unable to attend this meeting of the Commission.

I have discussed my reasons for granting this waiver with Nicole Buskill, DFI's General Counsel and Ethics Officer. Ms. Buskill will be able to attend the Commission's September 13, 2018 meeting, present the waiver to the Commission, and answer all questions of the Commission members concerning the form and substance of the waiver for Mr. Black.

Thank you for allowing Ms. Buskill to serve as my representative at the Commission's September 13, 2018 meeting.

Regards,

Thomas C. Fite
Director
Indiana Department of Financial Institutions

cc: Nicole Buskill, General Counsel, DFI



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IC 4-2-6-11

Post-employment waiver

As the Appointing Authority of the Indiana Department of Financial Institutions, I am filing this waiver of the application of the Code of Ethics' post-employment restriction as it applies Ryan Black in his post-employment with OneMain Financial.

I understand that I must file and present this waiver to the State Ethics Commission at their next available meeting. I further understand that this waiver is not final until approved by the State Ethics Commission.

A. This waiver is provided pursuant to IC 4-2-6-11(g) and specifically waives the application of (Please indicate the specific restriction in 42 IAC 1-5-14 (IC 4-2-6-11) you are waiving):

- IC 4-2-6-11(b)(1): 365 day required "cooling off" period before serving as a lobbyist.
- IC 4-2-6-11(b)(2): 365 day required "cooling off" period before receiving compensation from an employer for whom the state employee or special state appointee was engaged in the negotiation or administration of a contract and was in a position to make a discretionary decision affecting the outcome of such negotiation or administration.
- IC 4-2-6-11(b)(3): 365 day required "cooling off" period before receiving compensation from an employer for which the former state employee or special state appointee made a directly applicable regulatory or licensing decision.
- IC 4-2-6-11(c): Particular matter restriction prohibiting the former state employee or special state appointee from representing or assisting a person in a particular matter involving the state if the former state officer, employee, or special state appointee personally and substantially participated in the matter as a state worker. (Please provide a brief description of the specific particular matter(s) to which this waiver applies below):

B. IC 4-2-6-11(g)(2) requires that an agency's appointing authority, when authorizing a waiver of the application of the post-employment restrictions in IC 4-2-6-11(b)-(c), also include specific information supporting such authorization. Please provide the requested information in the following five (5) sections to fulfill this requirement.

1. Please explain whether the employee's prior job duties involved substantial decision-making authority over policies, rules, or contracts:

Ryan Black currently serves as the Deputy Director for the Consumer Credit Division of the Indiana Department of Financial Institutions ("DFI"). DFI, through its Consumer Credit Division, serves as the Administrator of Indiana's Uniform Consumer Credit Code ("UCCC", Generally, IC § 24-4.5), and has general authority over entities that extend credit to consumers for personal, family, or household purposes. The Consumer Credit Division is directly responsible for regulation of eight separate state statutes and one state rule, as well as regulation of multiple federal regulations of which the primary is Federal Regulation Z (also known as the Truth in Lending Act). These state statutes primarily regulate extensions of credit to Indiana consumers, but also cover other financial services: money transmission, rent to own, non-depository check cashing, civil proceeding advance payment transactions (also known as lawsuit lending), and debt management services. The division regulates the above entities located within the state as well as those located outside of Indiana but soliciting and engaging in transactions with Indiana consumers. Regulatory efforts primarily consist of registration and licensing, examinations, annual renewals, and consumer complaints. The statutes administered by the Division primarily deal with maximum rates and fees, limitations, prohibited practices, and disclosures. The division is also provided administrative authority with a full slate of enforcement powers to include: orders to issue refunds, cease and desist orders, injunctions, license suspension and/or revocation, and assessment of civil monetary penalties. OneMain Financial ("OMF") is one of several thousand entities regulated by the DFI.

In addition to administering the UCCC, Black also helps shape and craft policy and legislation for the DFI in regards to consumer credit affairs. Black serves as the agency's representative on the National Association of Consumer Credit Administrators and the Indiana State Mortgage Fraud Task Force. Black also opines on fee schedules for the Members' (the board that governs the DFI) vote, annually updates renewal forms and generic license applications, and drafts advisory letters.

Fee schedules, renewal forms and generic license applications all affect OMF as a regulated entity, but none of the items are directed specifically towards, or crafted for, OMF. They are applicable to all licensed entities the same as they are applicable to OMF.

As the Deputy Director Black is responsible for oversight of the aforementioned, and reports to the Director. Black is also responsible for operational policy, setting examination schedules, and finding level examination decisions. Black generally does not have authority to make final enforcement decisions, but rather makes recommendations to the Director. Either the Director or the Members hold the ultimate responsibility for final decisions, including all DFI policy, legislation, and approvals and denials. Statute dictates whether the Director or the Members holds ultimate authority for a specific item.

As Deputy Director Black also oversees new license applications. Approval of licenses is a process that is governed by statute and contains a three part test for approval. If an entity that is seeking approval for a new license meets all of the factors contained in the test, approval is granted

by the Director through delegated authority. If the entity fails to meet the factors, the entity may rescind its application or request that the Members make a determination regarding the application. In January, 2018, OMF applied for a loan license. Finding that OMF met the statutorily prescribed test, Black ultimately recommended approval of the new license to the DFI Director and the Director approved the license under delegated authority on March 28, 2018.

Additionally, in January of 2018, OMF provided notice of a change of control. Tabitha Butts, a license specialist who processes consumer credit licenses, determined that the change of control did not require an approval because the change was occurring several levels above the licensees and no changes to the management structure were going to occur. Black, Butts' supervisor, confirmed her determination.

Additionally, on August 2, 2017 Black drafted and issued an Advisory Letter on Loansharking applicable to all creditors, including OMF, regarding compliance with Indiana's criminal loansharking statutes.

Prior to serving as the Deputy Director Black served as a Consumer Credit Supervisor and an examiner. As a Consumer Credit Supervisor, Black was directly responsible for overseeing functions related to examinations and licensing, as well as office functions related to the Consumer Credit divisions. Black assisted the Consumer Credit Deputy Director in strategic planning, hiring, and legislation. Black also attended industry and regulatory association events. In this role he reported to the Consumer Credit Deputy Director. While serving as a Consumer Credit Supervisor, Black reviewed and approved an examination report authored by an examiner for an examination of an OMF entity. The examination occurred from January through February 2015.

As a Consumer Credit examiner, Black progressed from an entry level examiner to the highest level examiner. As an examiner Black examined entities regulated by the Consumer Credit division for compliance with the IUCCC, state rules, and Federal Regulation Z. He scheduled and conducted in-depth examinations, wrote examination reports, and conducted exit meetings with appropriate staff at the regulated entity. Black did not conduct any examinations of OMF while in this role.

The DFI does not believe that contracts are an issue with this waiver. Black has not negotiated contracts on behalf of the DFI, nor does the DFI maintain contracts with OMF.

2. Please describe the nature of the duties to be performed by the employee for the prospective employer:

Black received a conditional offer from OMF to serve as Vice President/Director of Government Relations. In that role, Black is to present the company views to state and national legislators and promote a better understanding of OMF's business with the opinion forming portion of the business community through direct and personal contact. Black will represent and advocate for OMF in front of regulators, legislators, and other key policymakers and constituencies in the southeast and midwest regions of the country. He will also be responsible for the following: tracking legislation, regulations, and trends that impact OMF; developing and executing strategies that effect legislation and regulations impacting OMF; developing relationships with legislators in his portion of the country; developing relationships with the Commissioners of Banking and

Insurance in his region; working with associations related to OMF; and preparing budgets. All responsibilities are for the southeast and midwest portions of the country and do not include Indiana.

3. Please explain whether the prospective employment is likely to involve substantial contact with the employee's former agency and the extent to which any such contact is likely to involve matters where the agency has the discretion to make decisions based on the work product of the employee:

Black's territory will include the southeast and midwest portions of the United States, and he will not be responsible for Indiana. His job responsibilities do not include contact with Indiana or the DFI. OMF has another employee who is responsible for Indiana and contact with the DFI.

4. Please explain whether the prospective employment may be beneficial to the state or the public, specifically stating how the intended employment is consistent with the public interest:

The DFI, State, and public benefit by having a former employee with great knowledge of the rules, regulations, and policies impacting consumer lending and a strong sense of ethics working for a regulated entity. Black worked at the DFI for ten years as a regulator and can bring a regulator's perspective to an entity that extends consumer credit, which can lead to greater compliance with consumer lending laws.

Furthermore, the State will not be able to attract talented employees if long-term employees are not allowed to take the knowledge they built in service to the State and apply it elsewhere. Further it could make filling this position more difficult if potential recruits perceived the position eliminated thousands of other future career opportunities.

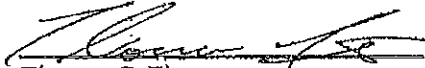
5. Please explain the extent of economic hardship to the employee if the request for a waiver is denied:

Black has a conditional offer of employment from OMF. As a Consumer Credit regulator and his role within the DFI, it would be difficult for Black to find suitable employment within his area of expertise that would not require a waiver request. Black is the sole income earner for his family. Failure to approve this waiver would severely limit his subsequent employment opportunities and cause a severe economic hardship for Black and his plans for his future.

C. Signatures

1. Appointing authority/state officer of agency

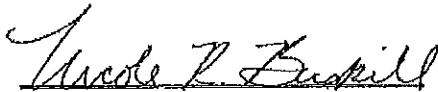
By signing below I authorize the waiver of the above-specified post-employment restrictions pursuant to IC 4-2-6-11(g)(1)(A). In addition, I acknowledge that this waiver is limited to an employee or special state appointee who obtains the waiver before engaging in the conduct that would give rise to a violation.


Thomas C. Fite

9-4-18
DATE

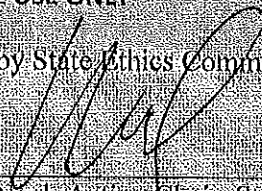
2. Ethics Officer of agency

By signing below I attest to the form of this waiver of the above-specified post-employment restrictions pursuant to IC 4-2-6-11(g)(1)(B).


Nicole R. Buskill

9/4/18
DATE

D. Approval by State Ethics Commission

FOR OFFICE USE ONLY	
Approved by State Ethics Commission	
	9-13-18
Katherine Noel, Acting Chair, State Ethics Commission	Date

Mail to:
Office of Inspector General
315 West Ohio Street, Room 104
Indianapolis, IN 46202
OR
Email scanned copy to: info@ig.in.gov

Upon receipt you will be contacted with details regarding the presentation of this waiver to the State Ethics Commission.