



# Secretary of State State of Indiana

**Connie Lawson**  
Indiana Secretary of State

**Alex Glass**  
Securities Commissioner

## COMPLIANCE ALERT

**TO:** All Collection Agencies Licensed with the Division  
**FROM:** Alex Glass, Securities Commissioner  
**DATE:** May 1, 2020  
**RE:** Collection Agencies Converting to Electronic Surety Bonds beginning July 1, 2020

The Indiana Secretary of State, Securities Division (“Division”) and Securities Commissioner (“Commissioner”) are issuing this compliance alert regarding changes in the law regarding the surety bond requirements imposed on licensed collection agencies.

As a result of recent legislation, beginning on July 1, 2020, the Division will begin to transition away from the practice of requiring licensed collection agencies to obtain and post a paper surety bond. Instead, each collection agency will be required to obtain and post a single electronic surety bond using software provided by the Nationwide Multistate Licensing System (“NMLS”). This new electronic format should prove more efficient for both licensees as well as the Division.

Accordingly, any new applicant seeking a collection agency license following July 1, 2020, will be required to obtain and upload to NMLS an electronic surety bond pursuant to I.C. § 25-11-1-3(f) (2020). Additionally, all collection agencies seeking to renew their licenses for operation in 2021 must upload an electronic surety bond before their renewal applications will be approved. As a result, no collection agency will be permitted to operate in Indiana in 2021 without having made the transition to an electronic surety bond. A collection agency shall comply with the bond requirement by obtaining a single electronic surety bond in an amount equal to \$5,000 for each office the collection agency operates in Indiana.

The Division encourages collection agencies to begin the surety bond conversion process early to help ensure a smooth renewal period. More information surrounding the electronic surety bond uploading process may be found here: [NMLS Electronic Surety Bond Training](#).

Questions regarding this alert should be directed to [securities@sos.in.gov](mailto:securities@sos.in.gov).