



Diego Morales
Secretary of State

Secretary of State

State of Indiana

Securities Division

Marie Castetter
Securities Commissioner

COMPLIANCE ALERT

TO: Mortgage Industry Licensed with the Division
FROM: Marie Castetter, Securities Commissioner
DATE: June 15, 2024
RE: Indiana Loan Broker Industry Updates and Related Compliance

The Indiana Secretary of State, Securities Division (“Division”) and Securities Commissioner (“Commissioner”) are issuing this compliance alert about changes in the law regarding elimination of the Principal Manager license and conversion of current Principal Manager licenses to Mortgage Loan Originator licenses. These changes are pursuant to Indiana HEA 1336.

As a result of recent legislation, beginning on July 1, 2024, the Principal Manager license type will be eliminated, and all current Principal Manager licenses held by licensees will be automatically converted to Mortgage Loan Originator licenses. The conversion of license types will be automatically processed by NMLS on July 1, 2024, and there is no action that needs to be taken by current Principal Manager licensees. Those who have applied for a Principal Manager license and are in a ‘pending’ status, and do not meet the new requirements of a Mortgage Loan Originator manager, will be abandoned on July 2, 2024, unless the application is withdrawn prior.

As a result, Loan Brokers will no longer be required to sponsor a Principal Manager but will instead be required to designate a Mortgage Loan Originator (“MLO”) to serve as manager. In addition to the requirements for licensure of the MLO, the MLO manager shall have three years of experience as a Mortgage Loan Originator and be responsible for the supervision of not more than five loan broker offices.

The Division expects the removal of this license type to streamline the application process for licensees and the Division while maintaining adequate regulatory protections.

Questions regarding this alert should be directed to compliance@sos.in.gov.

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