

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6371

BILL NUMBER: SB 220

NOTE PREPARED: Dec 13, 2023

BILL AMENDED:

SUBJECT: Financial Institutions and Consumer Credit.

FIRST AUTHOR: Sen. Bassler

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a reference to federal law in: (1) the first lien mortgage lending act; (2) the Uniform Consumer Credit Code; or (3) the Indiana Code title governing financial institutions; is a reference to the law as in effect December 31, 2023 (rather than December 31, 2022, under current law).

The bill amends Indiana Code provisions concerning accounting practices for credit unions to reflect a new accounting standard that replaces the allowance for loan and lease losses accounting methodology with the allowance for credit losses methodology, as required by the Financial Accounting Standards Board.

The bill also establishes a new chapter in the Indiana Code article containing general provisions with respect to financial institutions to require corporations (defined as certain financial institutions organized or reorganized under Indiana law) to notify the director of the Department of Financial Institutions of a reportable cyber incident in accordance with the same procedures required by the corporation's federal supervisory authority or federal insurer.

Effective Date: July 1, 2024.

Explanation of State Expenditures: The Department of Financial Institutions (DFI) would see a short term increase in workload to amend some internal regulatory processes. In addition, the DFI's director would receive notifications from corporations via email, telephone, or other method if there is a security breach. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Financial Institutions.

Local Agencies Affected:

Information Sources:

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