

As Introduced

**131st General Assembly
Regular Session
2015-2016**

S. B. No. 355

Senator Peterson

A BILL

To enact sections 1321.62, 1321.63, 1321.631, 1
1321.632, 1321.64, 1321.641, 1321.642, 1321.643, 2
1321.644, 1321.65, 1321.651, 1321.66, 1321.661, 3
1321.662, 1321.663, 1321.664, 1321.665, 4
1321.666, 1321.667, 1321.668, 1321.669, 1321.67, 5
1321.671, 1321.672, 1321.673, 1321.674, 1321.68, 6
1321.681, 1321.69, 1321.70, 1321.701, and 7
1321.702 of the Revised Code to create the Ohio 8
Consumer Installment Loan Act. 9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1321.62, 1321.63, 1321.631, 10
1321.632, 1321.64, 1321.641, 1321.642, 1321.643, 1321.644, 11
1321.65, 1321.651, 1321.66, 1321.661, 1321.662, 1321.663, 12
1321.664, 1321.665, 1321.666, 1321.667, 1321.668, 1321.669, 13
1321.67, 1321.671, 1321.672, 1321.673, 1321.674, 1321.68, 14
1321.681, 1321.69, 1321.70, 1321.701, and 1321.702 of the Revised 15
Code be enacted to read as follows: 16

Sec. 1321.62. As used in sections 1321.62 to 1321.702 of 17
the Revised Code: 18

(A) "Actuarial method" means the method of allocating 19

payments made on a loan between the principal amount and 20
interest whereby a payment is applied first to the accumulated 21
interest and the remainder to the unpaid principal amount. 22

(B) "Advertisement" and "advertising" mean all material 23
printed, published, displayed, distributed, or broadcast, and 24
all material displayed or distributed over the internet, 25
telephone, facsimile, or other electronic transmission, for the 26
purposes of obtaining applications for loans. 27

(C) "Affiliation" and "affiliated with" mean controlled by 28
or under common control with another person or enterprise either 29
directly or indirectly through one or more intermediaries. 30

(D) "Annual percentage rate" means the ratio of the 31
interest on a loan to the unpaid principal balances on the loan 32
for any period of time, expressed on an annual basis. 33

(E) "Applicable charge" means the amount of interest 34
attributable to each monthly installment period of the loan 35
contract, computed as if each installment period were one month 36
and any charge for extending the first installment period beyond 37
one month is ignored. In the case of loans originally scheduled 38
to be repaid in sixty-one months or less, "applicable charge" 39
for any installment period means that proportion of the total 40
interest contracted for, as the balance scheduled to be 41
outstanding during that period bears to the sum of all of the 42
periodic balances, all determined according to the payment 43
schedule originally contracted for. In all other cases, 44
"applicable charge" for any installment period is that which 45
would have been made for such period had the loan been made on 46
an interest-bearing basis, based upon the assumption that all 47
payments were made according to schedule. 48

(F) "Assets" means properties of value that are owned by 49
the applicant or licensee, including cash on hand and in 50
depository institutions, readily marketable securities, accounts 51
receivable less allowances for uncollectible accounts, and real 52
estate less liens and depreciation. "Assets" does not mean 53
office premises, leasehold improvements, office furniture, 54
fixtures, and equipment, or intangible assets. 55

(G) "Closed-end loan" means any extension of credit other 56
than an open-end loan. 57

(H) "Collecting" and "collected" means the servicing of a 58
loan or receipt of payments from a borrower for a loan made 59
pursuant to sections 1321.62 to 1321.702 of the Revised Code. 60

(I) "Consumer report" and "consumer reporting agency" have 61
the same meanings as in the "Fair Credit Reporting Act," 84 62
Stat. 1128, 15 U.S.C. 1681a, as amended. 63

(J) "Control person" means a person that, in the 64
determination of the superintendent of financial institutions, 65
has the authority to direct and control the operations of the 66
applicant. 67

(K) "Depository institution" has the same meaning as in 68
section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 69
12 U.S.C. 1813, and includes any credit union. 70

(L) "Direct mail" means a loan arranged via an application 71
through the mail or internet where the loan proceeds are 72
delivered through the mail or electronic transmission to the 73
benefit of a borrower. A loan is not made by "direct mail" if it 74
is facilitated by face-to-face, personal contact in this state 75
between the lender, lender's employee or agent, or lender's 76
attorney and the borrower or borrower's agent. 77

(M) "Federal banking agency" means the board of governors 78
of the federal reserve system, the comptroller of the currency, 79
the national credit union administration, and the federal 80
deposit insurance corporation. 81

(N) "Final entry on a loan" means, as to a particular 82
lender, the latter of the date the loan is paid in full, deemed 83
uncollectible, assigned to another licensee or exempt entity and 84
all records are transferred to the new lender, or discharged or 85
otherwise settled by an order terminating litigation governing 86
the loan transaction. 87

(O) "Interest" means all charges payable directly or 88
indirectly by a borrower to a licensee as a condition to a loan 89
or an application for a loan, however denominated, but does not 90
include default charges, deferment charges, insurance charges or 91
premiums, court costs, loan origination charges, check 92
collection charges, credit investigation charges, credit line 93
charges, points, or other fees and charges specifically 94
authorized by law. 95

(P) "Interest-bearing loan" means a loan in which the debt 96
is expressed as the principal amount and interest is computed, 97
charged, and collected on unpaid principal balances outstanding 98
from time to time. 99

(Q) "Instrument" means a personal check or authorization 100
to transfer or withdraw funds from an account that is signed by 101
the borrower and made payable to a person subject to sections 102
1321.62 to 1321.702 of the Revised Code. 103

(R) "License" means a license issued under sections 104
1321.62 to 1321.702 of the Revised Code. 105

(S) "Licensee" means any person that has been issued a 106

<u>license.</u>	107
<u>(T) "Net worth" means the excess of assets over</u>	108
<u>liabilities as determined by generally accepted accounting</u>	109
<u>principles.</u>	110
<u>(U) "NMLSR" means a multistate licensing system developed</u>	111
<u>and maintained by the conference of state bank supervisors and</u>	112
<u>the American association of residential mortgage regulators, or</u>	113
<u>their successor entities, for the licensing and registration of</u>	114
<u>loan originators, or any system established by the secretary of</u>	115
<u>housing and urban development pursuant to the "Secure and Fair</u>	116
<u>Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810,</u>	117
<u>12 U.S.C. 5101.</u>	118
<u>(V) "Open-end loan" means consumer credit extended by a</u>	119
<u>creditor under a plan to which all of the following conditions</u>	120
<u>apply:</u>	121
<u>(1) The creditor reasonably contemplates repeated</u>	122
<u>transactions.</u>	123
<u>(2) The creditor may impose a finance charge from time to</u>	124
<u>time on an outstanding unpaid balance.</u>	125
<u>(3) The amount of credit that may be extended to the</u>	126
<u>borrower during the term of the plan, up to any limit set by the</u>	127
<u>creditor, is generally made available to the extent that any</u>	128
<u>outstanding balance is repaid.</u>	129
<u>(W) "Person" means an individual, partnership,</u>	130
<u>association, trust, corporation, or any other legal entity.</u>	131
<u>(X) "Precomputed loan" means a loan in which the debt is a</u>	132
<u>sum comprising the principal amount and the amount of interest</u>	133
<u>computed in advance on the assumption that all scheduled</u>	134

payments will be made when due. 135

(Y) "Principal amount" means the amount of cash paid to, 136
or paid or payable for the account of, the borrower, and 137
includes any charge, fee, or expense that is financed by the 138
borrower at origination of the loan or during the term of the 139
loan. 140

(Z) "Refinance" means a loan the proceeds of which are 141
used in whole or in part to pay the unpaid balance of a prior 142
loan made by the same licensee or any employee or affiliate of 143
the licensee to the same borrower under sections 1321.62 to 144
1321.702 of the Revised Code. 145

(AA) "Residential mortgage" means any credit transaction 146
secured by an interest in the covered borrower's dwelling, 147
including a transaction to finance the purchase or initial 148
construction of a dwelling, any refinance transaction, home 149
equity loan or home equity line of credit, or reverse mortgage. 150

(BB) "State" in the context of referring to states in 151
addition to Ohio means any state of the United States, the 152
district of Columbia, any territory of the United States, Puerto 153
Rico, Guam, American Samoa, the trust territory of the Pacific 154
islands, the virgin islands, and the northern Mariana islands. 155

(CC) "Superintendent of financial institutions" includes 156
the deputy superintendent for consumer finance as provided in 157
section 1181.21 of the Revised Code. 158

Sec. 1321.63. (A) (1) Subject to section 1321.631 of the 159
Revised Code, no person shall do either of the following without 160
first having obtained a license from the superintendent of 161
financial institutions under sections 1321.62 to 1321.702 of the 162
Revised Code: 163

<u>(a) Engage in the business of lending money;</u>	164
<u>(b) Contract for, or receive, directly or indirectly, on</u>	165
<u>or in connection with any such loan, any interest and charges</u>	166
<u>that in the aggregate are greater than the interest and charges</u>	167
<u>that the lender would be permitted to charge for a loan of money</u>	168
<u>if the lender were not a licensee.</u>	169
<u>(2) Division (A) (1) of this section applies to any person,</u>	170
<u>who by any device, subterfuge, or pretense, charges, contracts</u>	171
<u>for, or receives greater interest, consideration, or charges</u>	172
<u>than that authorized by this section for any such loan, or who</u>	173
<u>for a fee or any manner of compensation arranges or offers to</u>	174
<u>find or arrange for another person to make any such loan.</u>	175
<u>(B) This section does not preclude the acquiring, directly</u>	176
<u>or indirectly, by purchase or discount, of a bona fide</u>	177
<u>obligation for goods or services when such obligation is payable</u>	178
<u>directly to the person who provided the goods or services.</u>	179
<u>(C) Any contract of a loan in the making or collection of</u>	180
<u>which an act is done by the lender that violates this section is</u>	181
<u>void and the lender has no right to collect, receive, or retain</u>	182
<u>any principal, interest, or charges.</u>	183
<u>Sec. 1321.631. Sections 1321.62 to 1321.702 of the Revised</u>	184
<u>Code do not apply to any of the following:</u>	185
<u>(A) Any credit transaction made without a license issued</u>	186
<u>under sections 1321.62 to 1321.702 of the Revised Code;</u>	187
<u>(B) Any credit transaction with a loan term of less than</u>	188
<u>six months from the loan transaction date;</u>	189
<u>(C) Any credit transaction that does not require equal</u>	190
<u>monthly payments;</u>	191

<u>(D) Any credit transaction with an interest rate in excess</u>	192
<u>of that provided for under section 1321.68 of the Revised Code;</u>	193
<u>(E) Any credit transaction secured by an interest in the</u>	194
<u>covered borrower's dwelling, including a transaction to finance</u>	195
<u>the purchase or initial construction of a dwelling, any</u>	196
<u>refinance transaction, home equity loan or home equity line of</u>	197
<u>credit, or reverse mortgage;</u>	198
<u>(F) Any credit transaction that is an exempt transaction</u>	199
<u>for the purposes of Regulation Z under 15 U.S.C. 1601, other</u>	200
<u>than a transaction exempt under 12 C.F.R. 1026.29, or otherwise</u>	201
<u>is not subject to disclosure requirements under Regulation Z;</u>	202
<u>(G) Any credit transaction that originates as a result,</u>	203
<u>directly or indirectly, of a referral from a person registered</u>	204
<u>or acting as a credit services organization under sections</u>	205
<u>4712.01 to 4712.14 of the Revised Code;</u>	206
<u>(H) Any credit transaction made by a person licensed as a</u>	207
<u>check-cashing business under sections 1315.21 to 1315.30 of the</u>	208
<u>Revised Code;</u>	209
<u>(I) Any credit transaction made by a retail seller under</u>	210
<u>Chapter 1317. of the Revised Code;</u>	211
<u>(J) Any credit transaction made by a person licensed or</u>	212
<u>acting as a pawnbroker under Chapter 4727. of the Revised Code;</u>	213
<u>(K) Any credit transaction made by a person licensed under</u>	214
<u>sections 1321.35 to 1321.48 of the Revised Code;</u>	215
<u>(L) Any credit transaction made by a collection agency</u>	216
<u>pursuant to section 1319.12 of the Revised Code;</u>	217
<u>(M) Any credit transaction made by a premium finance</u>	218
<u>company licensed under sections 1321.71 to 1321.83 of the</u>	219

<u>Revised Code;</u>	220
<u>(N) Any credit transaction made by a person chartered and</u>	221
<u>lawfully doing business under the authority of any law of this</u>	222
<u>state, another state, or the United States as a bank, savings</u>	223
<u>bank, trust company, savings and loan association, or credit</u>	224
<u>union, or a subsidiary of any such entity, which subsidiary is</u>	225
<u>regulated by a federal banking agency and is owned and</u>	226
<u>controlled by such a depository institution;</u>	227
<u>(O) Any credit transaction made by a life, property, or</u>	228
<u>casualty insurance company licensed to do business in this state</u>	229
<u>or any entity licensed under Title XXXIX of the Revised Code</u>	230
<u>that makes advances or loans to any person who is licensed to</u>	231
<u>sell insurance pursuant to that title and who is authorized in</u>	232
<u>writing by that entity to sell insurance;</u>	233
<u>(P) Any licensee doing business under sections 1321.01 to</u>	234
<u>1321.19 of the Revised Code;</u>	235
<u>(Q) Any person making a business loan described in</u>	236
<u>division (B)(6) of section 1343.01 of the Revised Code;</u>	237
<u>(R) Any political subdivision, or any governmental or</u>	238
<u>other public entity, corporation, instrumentality, or agency, in</u>	239
<u>or of the United States or any state of the United States, or</u>	240
<u>any entity mentioned in division (B)(3) of section 1343.01 of</u>	241
<u>the Revised Code;</u>	242
<u>(S) Any college or university, or controlled entity of a</u>	243
<u>college or university, as those terms are defined in section</u>	244
<u>1713.05 of the Revised Code;</u>	245
<u>(T) Any person doing business under and as permitted by</u>	246
<u>any law of this state, another state, or the United States</u>	247
<u>relating to banks, savings banks, savings societies, trust</u>	248

companies, credit unions, or savings and loan associations 249
substantially all the business of which is confined to loans on 250
real estate mortgages and evidences of their own indebtedness. 251

Sec. 1321.632. A licensee may engage in the business of 252
making loans provided the licensee does not do any of the 253
following: 254

(A) Assess an origination fee pursuant to section 1321.68 255
of the Revised Code more than three times in any twelve-month 256
period; 257

(B) Accept a dated instrument from the borrower as 258
security for a loan; 259

(C) Hold an instrument for a period of time prior to 260
negotiation or deposit of the instrument; 261

(D) Pay to a borrower, credit to a borrower's account, or 262
pay to another person on the borrower's behalf the amount of an 263
instrument, less interest, fees, or any other charges permitted 264
by section 1321.68 of the Revised Code; 265

(E) Refinance the loan during the first one hundred twenty 266
days of the loan term; 267

(F) Except for the deferment charge permitted by section 268
1321.68 of the Revised Code, charge or collect any fee, charge, 269
or remuneration of any sort for renewing, amending, or extending 270
a loan beyond its original term. 271

Sec. 1321.64. (A) An application for a license shall 272
contain an undertaking by the applicant to abide by those 273
sections. The application shall be in writing, under oath, and 274
in the form prescribed by the superintendent of financial 275
institutions, and shall contain any information that the 276

superintendent may require. Applicants that are foreign 277
corporations shall obtain and maintain a license pursuant to 278
Chapter 1703. of the Revised Code before a license is issued or 279
renewed. 280

(B) Upon the filing of the application and the payment by 281
the applicant of a nonrefundable investigation fee of two 282
hundred dollars, a nonrefundable annual registration fee of 283
three hundred dollars, and any additional fee required by the 284
NMLSR, the division of financial institutions shall investigate 285
the relevant facts. If the application involves investigation 286
outside this state, the applicant may be required by the 287
division to advance sufficient funds to pay any of the actual 288
expenses of the investigation when it appears that these 289
expenses will exceed two hundred dollars. An itemized statement 290
of any of these expenses which the applicant is required to pay 291
shall be furnished to the applicant by the division. A license 292
shall not be issued unless all the required fees have been 293
submitted to the division. 294

(C) (1) The investigation undertaken upon receipt of an 295
application shall include both a civil and criminal records 296
check of any control person. 297

(2) (a) Notwithstanding division (K) of section 121.08 of 298
the Revised Code, the superintendent shall obtain a criminal 299
records check on each control person and, as part of that 300
records check, request that criminal records information from 301
the federal bureau of investigation be obtained. To fulfill this 302
requirement, the superintendent shall do either of the 303
following: 304

(i) Request the superintendent of the bureau of criminal 305
identification and investigation, or a vendor approved by the 306

bureau, to conduct a criminal records check based on the control 307
person's fingerprints or, if the fingerprints are unreadable, 308
based on the control person's social security number, in 309
accordance with section 109.572 of the Revised Code; 310

(ii) Authorize the NMLSR to request a criminal records 311
check of the control person. 312

(b) Any fee required under division (C)(3) of section 313
109.572 of the Revised Code or by the NMLSR shall be paid by the 314
applicant. 315

(D) If an application for a license does not contain all 316
of the information required under division (A) of this section, 317
and if such information is not submitted to the division or to 318
the NMLSR within ninety days after the superintendent or the 319
NMLSR requests the information in writing, including by 320
electronic transmission or facsimile, the superintendent may 321
consider the application withdrawn. 322

(E) If the superintendent of financial institutions finds 323
that the financial responsibility, experience, character, and 324
general fitness of the applicant command the confidence of the 325
public and warrant the belief that the business will be operated 326
honestly and fairly in compliance with the purposes of sections 327
1321.62 to 1321.702 of the Revised Code and the rules adopted 328
thereunder, and that the applicant has the requisite net worth 329
and assets required under section 1321.65 of the Revised Code, 330
the superintendent shall issue a license to the applicant. The 331
license shall be valid for one year. 332

(F) If the superintendent finds that the applicant does 333
not meet the conditions set forth in this section, the 334
superintendent shall issue a notice of intent to deny the 335

application, and promptly notify the applicant of the denial, 336
the grounds for the denial, and the applicant's reasonable 337
opportunity to be heard on the action in accordance with Chapter 338
119. of the Revised Code. 339

Sec. 1321.641. (A) A license issued under section 1321.64 340
of the Revised Code may be renewed annually on or before the 341
thirty-first day of December by submitting a renewal application 342
in the form prescribed by the superintendent of financial 343
institutions. The application shall be accompanied by a 344
nonrefundable renewal fee of three hundred dollars, any 345
assessment as determined by the superintendent pursuant to 346
division (B) of this section, and any additional fee required by 347
the NMLSR. A licensee shall not be required to pay any other fee 348
or assessment by the state or any political subdivision of the 349
state. 350

(B) If the amount of renewal fees collected by the 351
division of financial institutions is less than the estimated 352
expenditures of the consumer finance section of the division, as 353
determined by the superintendent, for the following fiscal year, 354
the superintendent may assess each licensee at a rate sufficient 355
to equal in the aggregate the difference between the renewal 356
fees collected and the estimated expenditures. Each licensee 357
shall pay the assessed amount to the superintendent prior to the 358
last day of June. In no event shall the assessment exceed ten 359
cents per each one hundred dollars of interest, excluding 360
charge-off recoveries, loan origination charges, and credit line 361
charges collected by that licensee during the previous calendar 362
year. If such an assessment is imposed, it shall not be less 363
than two hundred fifty dollars per licensee and shall not exceed 364
thirty thousand dollars less the total renewal fees paid 365
pursuant to division (A) of this section by each licensee. 366

(C) If a renewal application does not contain all of the 367
information required, and if that information is not submitted 368
to the division or to the NMLSR within ninety days after the 369
superintendent or the NMLSR requests the information in writing, 370
including by electronic transmission or facsimile, the 371
superintendent may consider the renewal application withdrawn. 372

(D) An applicant's license shall not be renewed if it is 373
subject to an order of suspension, revocation, or an unpaid and 374
past due fine imposed by the superintendent. 375

Sec. 1321.642. (A) If there is a change of five per cent 376
or more in the ownership of a licensee, the division of 377
financial institutions may make any investigation necessary to 378
determine whether any fact or condition exists that, if it had 379
existed at the time of the original application for a license, 380
the fact or condition would have warranted the division to deny 381
the application under section 1321.64 of the Revised Code. 382

(B) If there is a change of fifty per cent or more in the 383
ownership of a licensee, the licensee shall notify the division 384
within fifteen calendar days, and the superintendent of 385
financial institutions shall issue a provisional license that 386
remains in effect for the lesser of six months after the date of 387
receiving such notification, or until the division concludes any 388
investigation necessary to determine whether any fact or 389
condition exists that, if it had existed at the time of the 390
original application for a license, the fact or condition would 391
have warranted the division to deny the application under 392
section 1321.64 of the Revised Code, at which time the 393
superintendent shall either issue an amended license or revoke 394
the license. 395

Sec. 1321.643. (A) (1) Not more than one place of business 396

shall be maintained under the same license, but the 397
superintendent of financial institutions may issue additional 398
licenses to the same licensee upon compliance with sections 399
1321.62 to 1321.702 of the Revised Code. 400

(2) Each licensed place of business shall be located in a 401
state. 402

(B) (1) When a licensee wishes to change its place of 403
business, it shall give written notice of the change in advance 404
to the division of financial institutions. The division shall 405
provide a license for the new address without cost. 406

(2) If a licensee changes its name, it shall give written 407
notice of the change to the division prior to making loans under 408
the new name. The division shall provide a license in the new 409
name without cost. 410

(C) Each license shall be kept conspicuously posted in the 411
place of business of the licensee and is not transferable or 412
assignable. 413

Sec. 1321.644. No person engaged in the business of 414
selling tangible goods or services related to tangible goods may 415
receive or retain a license under sections 1321.62 to 1321.702 416
of the Revised Code for such place of business. 417

Sec. 1321.65. Each licensee that conducts business under 418
sections 1321.62 to 1321.702 of the Revised Code shall maintain 419
both of the following: 420

(A) A net worth of at least fifty thousand dollars; 421

(B) For each license, assets of at least fifty thousand 422
dollars either in use or readily available for use in the 423
conduct of the business. 424

Sec. 1321.651. All of the following apply to advertising 425
for loans made under sections 1321.62 to 1321.702 of the Revised 426
Code: 427

(A) Every advertisement shall state and clearly indicate 428
the identity of the licensee and shall do so in such a manner 429
that prevents confusion with the name of any other unrelated 430
licensee. Licensees shall be identified by means of trade names, 431
service marks, or business names that are filed with the 432
division of financial institutions and the secretary of state. 433

(B) Advertising shall not be false, misleading, or 434
deceptive. False, misleading, or deceptive advertising includes, 435
but is not limited to, the following: 436

(1) Placing, or causing to be placed, any advertisement 437
indicating that special terms, reduced rates, guaranteed rates, 438
particular rates, or any other special feature of loans is 439
available unless the advertisement clearly states any 440
limitations that apply; 441

(2) Placing, or causing to be placed, any advertisement 442
containing a rate or special fee offer that is not a bona fide 443
available rate or fee. 444

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 445
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 446
for closed-end loans. 447

(D) A licensee shall not use loan advertisements that 448
provide only telephone or facsimile numbers or newspaper box 449
addresses and that do not clearly indicate the identity of the 450
licensee. 451

(E) A licensee shall not advertise that loans will be made 452
within a specified time after the loan application is received, 453

unless it is the general practice of the licensee to make loans 454
within the specified time. 455

(F) A licensee shall not advertise special terms, reduced 456
rates, reduced payments, or any other special feature of a loan 457
within a specified limited time, unless the advertisement 458
clearly states any limitations that apply to the offer. 459

(G) A licensee shall not advertise by the use of 460
unqualified superlatives, including, but not limited to, "lowest 461
rates," "lowest costs," "lowest payment plan," or "cheapest 462
loans," or by making offers that cannot be reasonably fulfilled. 463

(H) A licensee shall not advertise the words "new" or 464
"reduced," or words of similar import, in connection with rates, 465
costs, payments, or plans, for more than ninety days after the 466
rates, costs, payments, or plans have become effective. 467

(I) Any licensee specifying in any advertisement charges 468
on loans in dollars shall also state the length of time required 469
to repay the loans as well as the method of repayment, and 470
shall, when the rate of interest is stated, do so in a manner to 471
prevent misunderstanding. 472

(J) Any licensee advertising flat or average payments on 473
loans that include principal and interest shall specify the 474
number and frequency of payments required to repay the loans. 475
Whenever the amounts of periodic payments are advertised, the 476
amounts shall include all interest to the borrower, as well as 477
principal. The principal payments alone may be shown separately 478
provided the interest charges are also clearly stated with equal 479
prominence. 480

(K) A licensee shall not advertise rebates, rates, or 481
charges below the maximum lawful rate of interest that are 482

conditioned upon prompt payment unless the condition is clearly 483
indicated. 484

(L) A licensee shall not advertise either of the 485
following: 486

(1) Waiver of payments in the event of sickness or 487
disability or other contingency, without advertising that the 488
interest and other charges, if assessed, continue during the 489
waiver period; 490

(2) That the first payment on any loan may be made more 491
than thirty days after the date of loan closing, without 492
advertising that the interest and other charges, if assessed, 493
will accrue from the date of disbursement of the loan funds 494
until the first payment is due. 495

(M) A licensee shall not advertise for loans for illegal 496
purposes. 497

(N) A licensee shall not advertise the availability of 498
credit-related insurance without disclosing the charge, if any, 499
for the insurance. 500

(O) Each licensee shall maintain in each licensed office 501
or in a central location a records file of all advertising for a 502
period of three years from the date disseminated. This 503
requirement includes newspaper, magazine, direct mailing, and 504
facsimile advertising and solicitations, roadside advertising, 505
internet advertising, and scripts of radio and television 506
commercials. A record or other file shall be readily available 507
for inspection by the division at all times. Each licensee shall 508
notify the division in writing of the location of the record or 509
file. Each licensee shall, upon the request of the 510
superintendent of financial institutions, provide to the 511

division any printed or electronic advertising it has used 512
regarding any business conducted under sections 1321.62 to 513
1321.702 of the Revised Code. The text of the advertising shall 514
be maintained by the licensee for three years from the date of 515
usage. 516

Sec. 1321.66. (A) Each licensee shall keep records 517
pertaining to loans made under sections 1321.62 to 1321.702 of 518
the Revised Code. Such records shall be segregated from records 519
pertaining to transactions that are not subject to those 520
sections of the Revised Code. 521

(B) Records pertaining to business conducted pursuant to 522
sections 1321.62 to 1321.702 of the Revised Code may be 523
maintained in their original paper form or, if all of the 524
following conditions apply, on an electronic storage media or 525
system: 526

(1) The electronic storage media or system preserves the 527
records in a nonrewritable, nonerasable format. 528

(2) The electronic storage media or system verifies 529
automatically the quality and accuracy of the storage media 530
recording process. 531

(3) The electronic storage media or system serializes the 532
original and the duplicate units of storage media, and affixes a 533
date and time for the required period of retention on both the 534
original and duplicate. 535

(4) The electronic storage media or system must have the 536
capacity to readily download indices and records preserved on 537
the electronic storage media or system to any medium acceptable 538
to the superintendent of financial institutions. 539

(5) Acceptable facilities and appropriate equipment are, 540

at all times during normal business hours, available to the 541
superintendent for immediate, easily readable projection or 542
production of electronic storage media or system images and for 543
producing easily readable images. 544

(6) Immediate facsimile enlargement is available upon the 545
superintendent's request. 546

(7) A duplicate copy of the electronic record stored on 547
any electronic media or system for the time required is stored 548
separately from the original electronic record. 549

(8) The electronic storage media or system organizes and 550
indexes accurately all information maintained on both the 551
original and duplicate storage media or system. 552

(9) At all times, indices of the electronic records being 553
stored are available for examination by the superintendent. 554

(10) Each index is duplicated and the duplicate copies are 555
stored separately from the original copy of each index. 556

(11) Original and duplicate indices are preserved for the 557
time required for the indexed records. 558

(12) An audit system is in place providing for 559
accountability regarding inputting of records and inputting of 560
any changes made to every original and duplicate record 561
maintained and preserved. 562

(13) At all times, the results of the audit system are 563
available for examination by the superintendent. 564

(14) The audit results are preserved for the time required 565
for the audited records. 566

(15) All information necessary to access records and 567

indices stored on the electronic storage media or system, a copy 568
of the physical and logical file format of the electronic 569
storage media or system, the field format of all different 570
information types written on the electronic storage media or 571
system, together with the appropriate documentation and 572
information necessary to access records and indices, are 573
maintained, kept current, and provided promptly to the 574
superintendent, upon request. 575

(16) Paper documents produced or reproduced by means of an 576
electronic storage media or system are not destroyed until the 577
conditions set forth in division (B) of this section have been 578
met with regard to each paper document that is to be destroyed. 579

(17) At the request of the division of financial 580
institutions, the records will be printed on paper for 581
inspection or examination without cost to the division within 582
seventy-two hours after the request or, upon receipt of a 583
request for additional time from the licensee, by any additional 584
time the superintendent may grant for good cause shown. 585

(C) Each licensee shall preserve records pertaining to 586
loans made under sections 1321.62 to 1321.702 of the Revised 587
Code for at least three years after making the final entry on 588
the records. 589

Sec. 1321.661. (A) All records required to be maintained 590
by a licensee shall be kept current and shall be available at 591
all times during normal business hours for review by the 592
division of financial institutions. Records shall be legible and 593
maintained in a type size that is clearly readable without 594
magnification, and in conformity with any specific typeface or 595
font size that may be required by state or federal law. Except 596
where otherwise provided by federal or state law, records shall 597

be maintained in English. When records are allowed to be in a 598
language other than English, the licensee, at its expense, shall 599
be responsible for providing the division with a full and 600
accurate translation. For purposes of record keeping, "current" 601
means within thirty business days from the date of the 602
occurrence of the event required to be recorded. 603

(B) The division shall make or cause to be made an 604
examination of records pertaining to loans made under sections 605
1321.62 to 1321.702 of the Revised Code at least once every 606
twenty-four months for the purpose of determining whether the 607
licensee is complying with those sections and verifying the 608
licensee's annual report. 609

(C) (1) A licensee may designate a primary location at 610
which all records required to be maintained under sections 611
1321.62 to 1321.702 of the Revised Code may be accessed and 612
reviewed by the division by providing notice to the 613
superintendent of financial institutions at any time. 614

(2) The following records for all loans made under 615
sections 1321.62 to 1321.702 of the Revised Code shall be 616
maintained at either the licensed premises or any other location 617
approved in advance in writing by the superintendent: 618

(a) Copies of loan statements, which shall be maintained 619
in one file, in chronological order, and kept available for 620
examination. Loan statements shall disclose all of the following 621
information: 622

(i) The principal borrower's name; 623

(ii) The account number; 624

(iii) The date of the loan; 625

<u>(iv) An itemization of the charges for all credit-related</u>	626
<u>insurances provided pursuant to section 1321.68 of the Revised</u>	627
<u>Code;</u>	628
<u>(v) The type of security.</u>	629
<u>(b) A ledger record, which shall be kept for each</u>	630
<u>outstanding loan and loan paid in full within the last two</u>	631
<u>years. The ledger record shall disclose the following</u>	632
<u>information, if applicable:</u>	633
<u>(i) Account number;</u>	634
<u>(ii) Principal borrower's name and residence address;</u>	635
<u>(iii) Date of the loan;</u>	636
<u>(iv) Date finance charges begin to accrue;</u>	637
<u>(v) Contractual rate of loan interest;</u>	638
<u>(vi) Federal annual percentage rate;</u>	639
<u>(vii) Loan origination charge;</u>	640
<u>(viii) Original principal amount;</u>	641
<u>(ix) Scheduled or precomputed interest;</u>	642
<u>(x) Total of payments;</u>	643
<u>(xi) Type of security;</u>	644
<u>(xii) Terms of repayment;</u>	645
<u>(xiii) Types and amounts of credit-related insurance;</u>	646
<u>(xiv) Unit default charge;</u>	647
<u>(xv) Chronological entry of all debits, credits, payments,</u>	648
<u>and charges received, assessed, or disbursed in connection with</u>	649

the loan, recorded in an identifiable manner that shows the 650
actual date of receipt, the assessment or disbursement, and the 651
balance due on the account; 652

(xvi) The amount of points charged to the borrower. 653

(c) All loan agreements, notes, disclosure forms, closing 654
statements, security agreements, and other documents signed by 655
the obligors and taken in connection with loans made, which 656
shall be identified by the loan number and maintained in a 657
separate file for each borrower. 658

(d) The cash receipt and disbursement record, which shall 659
include the account number and name of the principal borrowers, 660
all transactions involving either the receipt or disbursement of 661
money on the account of borrowers, and the actual date of the 662
transaction. 663

(e) An alphabetical index of all borrowers, co-makers, 664
guarantors, and other obligors identified by account number. 665

(f) A litigation record that records all loans in 666
litigation, which shall be maintained for at least two years 667
after the final entry has been made on the loan, kept current, 668
and include all of the following information: 669

(i) Loan number and name of principal borrower; 670

(ii) Date litigation proceedings were initiated, the date 671
and amount of the judgment, and the judgment rate of interest; 672

(iii) All original litigation records and documents, 673
including pleadings, court orders, judgments, and documentation 674
of all court costs paid by the borrower to or through the 675
licensee, or copies thereof, which shall be maintained in the 676
file of original papers; 677

(iv) In cases of garnishment or attachment, all notices served on employers, or copies thereof, and the amounts collected, which shall be maintained in the file of original loan papers. 678
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(g) A repossession record that records all loans in repossession, which shall be maintained for at least two years after the final entry has been made on the loan, kept current, and include all of the following information: 682
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(i) Loan number and name of principal borrower; 686

(ii) Type of security attached, replevied, repossessed, or surrendered; 687
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(iii) Date of repossession, date of sale of the security, the gross amount received from the sale of the security, the expenses deducted from the sale of the security, and the amount of money applied to the outstanding loan balance; 689
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(iv) All original repossession legal documents and other records, including bills for all expenses or copies thereof, which shall be maintained in the file of original loan papers; 693
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(v) In instances where the security is offered for private sale, not less than three bona fide written bids or appraisals in order to establish that the terms of sale were fair to the borrower and, where the security is offered for private or public sale, evidence that the sale was consummated in compliance with sections 1309.610, 1309.611, 1309.615, 1309.617, and 1309.624 of the Revised Code. 696
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(h) A credit life claims record, which shall cover all loans upon which a credit life claim has been paid by the insurer, be maintained for at least two years after the final entry has been made on the loan, be kept current, and include 703
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all of the following information: 707

(i) Loan number and name of principal borrower; 708

(ii) Date of death and certified copy of the death 709
certificate or a copy thereof; 710

(iii) Name and address of second beneficiary, if any; 711

(iv) Copies of all checks received or paid pertaining to a 712
credit life claim. 713

(i) Histories of nonpublished indices used to establish 714
interest rates for variable rate loans, which shall be 715
maintained for two years from the date of usage and be available 716
for review by the division. 717

(j) Due bills, receipts, invoices, or other evidence, 718
which shall be maintained in the file of loan papers for any 719
amount in excess of twenty dollars paid by the borrower to or 720
through the licensee for any dishonored check, negotiable order 721
of withdrawal, share draft, or any other negotiable instrument. 722

Sec. 1321.662. (A) Each licensee shall submit to the NMLSR 723
call reports or other reports of condition, which reports shall 724
be in such form and shall contain such information as the NMLSR 725
may require. 726

(B) (1) As required by the superintendent of financial 727
institutions, each licensee shall file with the division of 728
financial institutions an annual report under oath or 729
affirmation, on forms supplied by the division, concerning the 730
business and operation of the licensee for the preceding 731
calendar year. 732

(2) The superintendent shall annually publish an analysis 733
of the information required under division (B) (1) of this 734

section, but the individual reports shall not be public records 735
and shall not be open to public inspection. 736

Sec. 1321.663. (A)(1) The following information is 737
confidential: 738

(a) Examination information, and any information leading 739
to or arising from an examination; 740

(b) Investigation information, and any information arising 741
from or leading to an investigation. 742

(2) The information described in division (A)(1) of this 743
section shall remain confidential for all purposes except when 744
it is necessary for the superintendent of financial institutions 745
to take official action regarding the affairs of a licensee, or 746
in connection with criminal or civil proceedings to be initiated 747
by a prosecuting attorney or the attorney general. This 748
information may also be introduced into evidence or disclosed 749
when and in the manner authorized by section 1181.25 of the 750
Revised Code. 751

(B) All application information, except social security 752
numbers, employer identification numbers, financial account 753
numbers, the identity of the institution where financial 754
accounts are maintained, personal financial information, 755
fingerprint cards and the information contained on such cards, 756
and criminal background information, is a public record as 757
defined in section 149.43 of the Revised Code. 758

(C) This section does not prevent the division of 759
financial institutions from releasing to or exchanging with 760
other financial institution regulatory authorities information 761
relating to licensees. For this purpose, a "financial 762
institution regulatory authority" includes a regulator of a 763

business activity in which a licensee is engaged, or has applied 764
to engage in, to the extent that the regulator has jurisdiction 765
over a licensee engaged in that business activity. A licensee is 766
engaged in a business activity, and a regulator of that business 767
activity has jurisdiction over the licensee, whether the 768
licensee conducts the activity directly or a subsidiary or 769
affiliate of the licensee conducts the activity. 770

(D) (1) Any confidentiality or privilege arising under 771
federal or state law with respect to any information or material 772
provided to the NMLSR shall continue to apply to the information 773
or material after the information or material has been provided 774
to the NMLSR. The information and material so provided may be 775
shared with all state and federal regulatory officials with 776
oversight authority without the loss of confidentiality or 777
privilege protections provided by federal law or the law of any 778
state. Information or material described in division (D) (1) of 779
this section to which confidentiality or privilege applies shall 780
not be subject to any of the following: 781

(a) Disclosure under any federal or state law governing 782
disclosure to the public of information held by an officer or an 783
agency of the federal government or of the respective state; 784

(b) Subpoena or discovery, or admission into evidence, in 785
any private civil action or administrative process, unless the 786
person to whom such information or material pertains waives, in 787
whole or in part and at the discretion of the person, any 788
privilege held by the NMLSR with respect to that information or 789
material. 790

(2) The superintendent, in order to promote more effective 791
regulation and reduce regulatory burden through supervisory 792
information sharing, may enter into sharing arrangements with 793

other governmental agencies, the conference of state bank 794
supervisors, and the American association of residential 795
mortgage regulators. 796

(3) Any state law, including section 149.43 of the Revised 797
Code, relating to the disclosure of confidential supervisory 798
information or any information or material described in division 799
(A) (1) or (D) (1) of this section that is inconsistent with this 800
section shall be superseded by the requirements of this section. 801

(E) This section does not prevent the division from 802
releasing information relating to licensees to the attorney 803
general, to the superintendent of insurance for purposes 804
relating to the administration of Chapter 3953. of the Revised 805
Code, to the commissioner of securities for purposes relating to 806
the administration of Chapter 1707. of the Revised Code, or to 807
local law enforcement agencies and local prosecutors. 808
Information the division releases pursuant to this section 809
remains confidential. 810

(F) The superintendent of financial institutions shall, by 811
rule adopted in accordance with Chapter 119. of the Revised 812
Code, establish a process by which licensees may challenge 813
information provided to the NMLSR by the superintendent. 814

Sec. 1321.664. No person, in connection with any 815
examination or investigation conducted by the superintendent of 816
financial institutions under sections 1321.62 to 1321.702 of the 817
Revised Code shall knowingly do any of the following: 818

(A) Circumvent, interfere with, obstruct, or fail to 819
cooperate with the superintendent, including making a false or 820
misleading statement, failing to produce records, or 821
intimidating or suborning any witness; 822

(B) Withhold, abstract, remove, mutilate, destroy, or 823
secrete any books, records, computer records, or other 824
information; 825

(C) Tamper with, alter, or manufacture any evidence. 826

Sec. 1321.665. In order to reduce the risk of consumer 827
fraud and related harms, including identity theft, licensees 828
shall comply with the provisions of the "Fair and Accurate 829
Credit Transactions Act of 2003," 117 Stat. 1952, 15 U.S.C. 830
1681w, as in effect on January 1, 2008, the "Gramm Leach Bliley 831
Act," 113 Stat. 1138 (1999), 15 U.S.C. 6801, as in effect on 832
January 1, 2008, and the rules promulgated pursuant to those 833
federal acts, including 16 C.F.R. 682, as in effect January 1, 834
2008, pertaining to the maintenance, security, and disposal of 835
consumer information and records. 836

Sec. 1321.666. Before ceasing to conduct or discontinuing 837
business as a licensee, the licensee shall arrange for and be 838
responsible for the preservation of the books and records 839
required to be maintained and preserved under sections 1321.62 840
to 1321.702 of the Revised Code and shall notify the division of 841
financial institutions in writing of the exact address where the 842
books and records will be maintained during the required period. 843

Sec. 1321.667. The superintendent of financial 844
institutions may suspend, revoke, or refuse to renew any license 845
issued by the superintendent under sections 1321.62 to 1321.702 846
of the Revised Code, or bring any other authorized 847
administrative enforcement action in accordance with section 848
1321.70 of the Revised Code, against any person for failure to 849
maintain records in accordance with sections 1321.66 and 850
1321.661 of the Revised Code. 851

Sec. 1321.668. (A) Except as otherwise provided in section 852
9.02 of the Revised Code, any party, including a governmental 853
authority, that requires or requests a licensee to assemble or 854
provide a customer's financial records shall pay the licensee 855
for all actual and necessary costs directly incurred in 856
searching for, reproducing, or transporting those records 857
according to the following schedule: 858

(1) Reimbursement of search and processing costs shall be 859
the total amount of personnel direct time incurred in locating 860
and retrieving, reproducing, packaging, and preparing financial 861
records for shipment. The rate for search and processing costs 862
shall be eleven dollars per hour per person, computed on the 863
basis of two dollars and seventy-five cents per quarter hour or 864
fraction thereof, and shall be limited to the total amount of 865
personnel time spent in locating and retrieving documents or 866
information or reproducing or packaging and preparing documents 867
for shipment where required or requested by a party. Specific 868
salaries of such persons shall not be included in search costs. 869
In addition, search and processing costs shall not include 870
salaries, fees, or similar costs for analysis of material or for 871
managerial or legal advice, expertise, research, or time spent 872
for any of these activities. If itemized separately, search and 873
processing costs may include the actual cost of extracting 874
information stored by computer in the format in which it is 875
normally produced, based on computer time and necessary 876
supplies; however, personnel time for computer search may be 877
paid for only at the rate specified in division (A)(1) of this 878
section. 879

(2) Reimbursement for reproduction costs shall be for 880
costs incurred in making copies of documents required or 881
requested. The rate for reproduction costs for making copies of 882

required or requested documents shall be twenty-five cents for 883
each page, including copies produced by reader or printer 884
reproduction processes. Photographs, films, and other materials 885
shall be reimbursed at actual cost. 886

(3) Reimbursement for transportation costs shall be for 887
necessary costs, directly incurred, to transport personnel to 888
locate and retrieve the information required or requested and 889
for necessary costs, directly incurred, solely by the need to 890
convey the required or requested material to the place of 891
examination. 892

(B) A licensee shall not be entitled to reimbursement for 893
costs incurred in assembling or providing the following records 894
or information: 895

(1) Any financial records provided as an incident to 896
perfecting a security interest, proving a claim in bankruptcy, 897
or otherwise collecting on a debt owing to the licensee; 898

(2) Financial records that are not identified with or 899
identifiable as being derived from the financial records of a 900
particular customer. 901

(C) Payment shall be made only for costs that are directly 902
incurred, actual, and necessary. No payment shall be made until 903
the licensee satisfactorily complies with the request or 904
requirement, except that in the case where the request or 905
requirement is withdrawn or revoked, the licensee shall be 906
reimbursed for the actual and necessary costs directly incurred 907
in assembling financial records required or requested to be 908
produced prior to the time the party notifies the licensee that 909
the request or requirement is withdrawn or revoked. No payment 910
shall be made unless the licensee submits an itemized bill or 911

invoice showing specific details concerning search and 912
processing, reproduction, and transportation costs. Search and 913
processing time shall be billed in fifteen-minute increments. 914

(D) As used in this section: 915

(1) "Costs directly incurred" means costs incurred solely 916
and necessarily as a consequence of searching for, reproducing, 917
or transporting books, papers, records, or other data, in order 918
to comply with a request or requirement to produce a customer's 919
financial records. The term does not include any allocation of 920
fixed costs, such as overhead, equipment, and depreciation. If a 921
licensee has financial records that are stored at an independent 922
storage facility that charges a fee to search for, reproduce, or 923
transport particular records requested, these costs shall be 924
considered to be directly incurred by the licensee. 925

(2) "Customer," "financial record," and "governmental 926
authority" have the same meanings as in section 9.02 of the 927
Revised Code. 928

Sec. 1321.669. (A) In the event books, records, data, and 929
documents of a licensee are located outside this state, the 930
division of financial institutions shall issue a records request 931
to the licensee requesting any books, records, data, and 932
documents the division may require to conduct its examination, 933
and providing a date by which the records requested must be 934
provided. The licensee may provide any requested records using 935
such methods and medium as the licensee chooses, including, but 936
not limited to the transmission of electronic records as defined 937
in section 1306.01 of the Revised Code. The licensee shall 938
reimburse the division for any expenses the division may incur 939
in assembling, printing, or otherwise reproducing the materials 940
provided for under this division. 941

(B) In the event a licensee is unable or unwilling to 942
provide books, records, data, and documents located outside this 943
state to the division pursuant to division (A) of this section, 944
the division may require the licensee to pay in advance the 945
estimated costs of the examination of the licensee outside the 946
state, including the proportionate cost of the salaries of 947
division employees who conduct the examination. The licensee 948
shall deposit the estimated costs of an out-of-state 949
examination, as determined by the superintendent of financial 950
institutions, with the division upon demand. After the actual 951
costs of the out-of-state examination have been determined, any 952
funds in the deposit account in excess of costs as itemized by 953
the division shall be returned to the licensee. 954

Sec. 1321.67. (A) For purposes of sections 1321.62 to 955
1321.702 of the Revised Code, a loan shall be considered closed 956
upon the signature of the obligor or obligors, unless the loan 957
contract is not executed by signature, in which case the loan is 958
considered closed upon disbursement of loan funds. 959

(B) All loans made under sections 1321.62 to 1321.702 of 960
the Revised Code by direct mail shall be made from a place of 961
business for which the licensee holds a valid license. 962

(C) Licensees have an ongoing duty to notify the division 963
of financial institutions of material changes in the information 964
contained in the application and exhibits, schedules, and other 965
documentation submitted in conjunction with the application, and 966
to report all changes or additions to information in the 967
application within thirty days of the change. Material changes 968
in the information include changes in affiliations, controlling 969
interest, officers, directors, criminal record, and any change 970
in net worth below the requirements set forth in section 1321.65 971

of the Revised Code. 972

(D) Each licensee shall do all of the following: 973

(1) Obtain the written consent of the borrower for any 974
purchase of insurance on property of the borrower other than 975
that which is used as security for the loan; 976

(2) Permit payment to be made in advance in any amount on 977
any contract at any time, but the licensee may apply the payment 978
first to interest and charges due up to the date of payment; 979

(3) Notify the borrower in writing of any interest rate 980
change at least thirty but not more than one hundred twenty days 981
prior to the effective date of the changes, provided that if the 982
interest rate is tied to a published and verifiable index and 983
the contractual rate of interest is adjusted within forty-five 984
days of change in the published index rate, the licensee shall 985
notify the borrower in writing of any interest rate change at 986
least thirty days prior to the effective date of the change. The 987
notice required under division (D)(3) of this section shall 988
include all of the following: 989

(a) A statement of the borrower's current interest rate 990
and corresponding monthly payment prior to the reset date; 991

(b) A good faith statement of the borrower's anticipated 992
future interest rate and corresponding monthly payment following 993
the reset date; 994

(c) A statement that notifies the borrower to contact the 995
licensee for workout options in the event that there is a 996
possible problem of repayment at the new interest rate and 997
monthly payment following the reset; 998

(d) A toll-free number by which borrowers can discuss 999

possible payment problems and workout options; 1000

(e) An explanation of the index or formula that is being used to reset the interest rate and the source of that index or formula. 1001
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(4) In the instance of a non-amortized or partially amortized interest-bearing loan, provide the borrower with written notice of maturity at least ninety but not more than one hundred twenty days prior to the expected maturity date; 1004
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(5) Clearly indicate by prominently disclosing on, or in, the loan documents, the federal or state statutory authority pursuant to which the loan is made. This prominent disclosure shall be provided on loans made: 1008
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(a) Solely in reliance on the provisions of sections 1321.62 to 1321.702 of the Revised Code; 1012
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(b) Partially in reliance on the provisions of sections 1321.62 to 1321.702 of the Revised Code; or 1014
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(c) In reliance on any combination of federal or state provisions that do not include sections 1321.62 to 1321.702 of the Revised Code. 1016
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(6) In providing any payment history requested by the borrower or by the division, provide a clear and accurate payment statement in a manner a reasonable borrower should understand that sets forth the dates and amounts due and owing and the dates and amounts received and paid. 1019
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(E) A licensee shall not be prohibited from holding other licenses or registrations issued by the division as long as the licensee is in compliance with section 1321.63 of the Revised Code and other applicable provisions of state and federal laws. 1024
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(F) A licensee is liable for payment of the annual 1028
assessment described in division (B) of section 1321.641 of the 1029
Revised Code on any loan made by the licensee that has been 1030
sold, transferred, or assigned to another person if servicing 1031
rights have been retained by the licensee. 1032

Sec. 1321.671. (A) Upon repayment of the loan in full, the 1033
original note signed by any obligor or copy, photograph, or 1034
stored representation of the original note as retained in 1035
accordance with sections 1321.66 and 1321.661 of the Revised 1036
Code shall be plainly marked "paid" or "canceled" and the note 1037
or the reproduction of the note shall be returned to the obligor 1038
or, if there are two or more obligors, to one of them. 1039

(B) If requested, the licensee shall give to the borrower 1040
a receipt for each payment made on account of any interest- 1041
bearing or precomputed loan. 1042

Sec. 1321.672. (A) When, in connection with a loan, a 1043
licensee furnishes or places insurance written on behalf of the 1044
borrower at the borrower's expense, a policy or certificate of 1045
insurance properly executed shall be furnished to the borrower 1046
within fifteen days of the closing date of the loan. The policy 1047
or certificate shall state the name of the insurance company, 1048
the nature of the insurance, the extent of the coverage, the 1049
amount of the premium, and the effective and expiration dates of 1050
the policy. 1051

(B) If a licensee furnishes or places credit life 1052
insurance, credit accident and health insurance, or unemployment 1053
insurance on behalf of the borrower at the borrower's expense, 1054
the licensee shall give written notice to the borrower at the 1055
time the loan is made. The notice shall disclose the borrower's 1056
right to cancel the insurance within twenty-five days after the 1057

purchase of the insurance with a full refund of the premium or 1058
identifiable charge for the insurance. The notice shall further 1059
disclose that the cancellation may be effected upon the written 1060
request of the borrower together with the return of the policy 1061
or certificate of insurance to the licensee. 1062

(C) All insurance sold or obtained in connection with the 1063
making of a loan shall be governed by Title XXXIX of the Revised 1064
Code. 1065

(D) In any transaction in which the licensee furnishes or 1066
places insurance on behalf of the borrower at the borrower's 1067
expense, the licensee shall, prior to furnishing or placing the 1068
insurance, provide written disclosure to the borrower of the 1069
business relationship, beneficial ownership or affiliation, 1070
whether direct or indirect, between the licensee and the 1071
insurer. 1072

Sec. 1321.673. No licensee shall conduct the business of 1073
making loans under sections 1321.62 to 1321.702 of the Revised 1074
Code in any office, room, or place of business in which any 1075
other business is solicited or engaged in, or in association or 1076
conjunction with any other such business, if the superintendent 1077
of financial institutions finds, pursuant to a hearing conducted 1078
in accordance with Chapter 119. of the Revised Code, that the 1079
other business is of such a nature that the conduct tends to 1080
conceal evasion of sections 1321.62 to 1321.702 of the Revised 1081
Code, and orders the licensee in writing to desist from the 1082
conduct. 1083

Sec. 1321.674. Any person that willfully violates section 1084
1321.68 of the Revised Code shall forfeit to the borrower the 1085
amount of interest paid by the borrower. The maximum rate of 1086
interest applicable to any loan transaction that does not comply 1087

with section 1321.68 of the Revised Code shall be the rate that 1088
would be applicable in the absence of sections 1321.62 to 1089
1321.702 of the Revised Code. 1090

Sec. 1321.68. (A) A licensee may contract for and receive 1091
interest, calculated according to the actuarial method, at a 1092
rate or rates not exceeding twenty-five per cent per year on the 1093
unpaid principal balances of the loan. Loans may be interest- 1094
bearing or precomputed. 1095

(B) For purposes of computation of time on interest- 1096
bearing and precomputed loans, including, but not limited to, 1097
the calculation of interest, a month is considered one-twelfth 1098
of a year, and a day is considered one three hundred sixty-fifth 1099
of a year when calculation is made for a fraction of a month. A 1100
year is as defined in section 1.44 of the Revised Code. A month 1101
is that period described in section 1.45 of the Revised Code. 1102
Alternatively, a licensee may consider a day as one three 1103
hundred sixtieth of a year and each month as having thirty days. 1104

(C) With respect to interest-bearing loans: 1105

(1) (a) Interest shall be computed on unpaid principal 1106
balances outstanding from time to time, for the time 1107
outstanding. 1108

(b) As an alternative to the method of computing interest 1109
set forth in division (C) (1) (a) of this section, a licensee may 1110
charge and collect interest for the first installment period 1111
based on elapsed time from the date of the loan to the first 1112
scheduled payment due date, and for each succeeding installment 1113
period from the scheduled payment due date to the next scheduled 1114
payment due date, regardless of the date or dates the payments 1115
are actually made. 1116

(c) Whether a licensee computes interest pursuant to 1117
division (C) (1) (a) or (b) of this section, each payment shall be 1118
applied first to unpaid charges, then to interest, and the 1119
remainder to the unpaid principal balance. However, if the 1120
amount of the payment is insufficient to pay the accumulated 1121
interest, the unpaid interest continues to accumulate to be paid 1122
from the proceeds of subsequent payments and is not added to the 1123
principal balance. 1124

(2) Interest shall not be compounded, collected, or paid 1125
in advance. However, both of the following apply: 1126

(a) Interest may be charged to extend the first monthly 1127
installment period by not more than fifteen days, and the 1128
interest charged for the extension may be added to the principal 1129
amount of the loan. 1130

(b) If part or all of the consideration for a new loan 1131
contract is the unpaid principal balance of a prior loan, the 1132
principal amount payable under the new loan contract may include 1133
any unpaid interest that has accrued. The resulting loan 1134
contract shall be deemed a new and separate loan transaction for 1135
purposes of this section. The unpaid principal balance of a 1136
precomputed loan is the balance due after refund or credit of 1137
unearned interest as provided in division (D) (3) of this 1138
section. 1139

(D) With respect to precomputed loans: 1140

(1) Loans shall be repayable in monthly installments of 1141
principal and interest combined, except that: 1142

(a) The first installment period may exceed one month by 1143
not more than fifteen days, and the first installment payment 1144
amount may be larger than the remaining payments by the amount 1145

of interest charged for the extra days; 1146

(b) Monthly installment payment dates may be omitted to 1147
accommodate borrowers with seasonal income. 1148

(2) Payments may be applied to the combined total of 1149
principal and precomputed interest until maturity of the loan. A 1150
licensee may charge interest after the original or deferred 1151
maturity of a precomputed loan at the rate specified in division 1152
(A) of this section on all unpaid principal balances for the 1153
time outstanding. 1154

(3) When any loan contract is paid in full by cash, 1155
renewal, refinancing, or a new loan, one month or more before 1156
the final installment due date, the licensee shall refund, or 1157
credit the borrower with, the total of the applicable charges 1158
for all fully unexpired installment periods, as originally 1159
scheduled or as deferred, that follow the day of prepayment. If 1160
the prepayment is made other than on a scheduled installment due 1161
date, the nearest scheduled installment due date shall be used 1162
in such computation. If the prepayment occurs prior to the first 1163
installment due date, the licensee may retain one-thirtieth of 1164
the applicable charge for a first installment period of one 1165
month for each day from date of loan to date of prepayment, and 1166
shall refund, or credit the borrower with, the balance of the 1167
total interest contracted for. If the maturity of the loan is 1168
accelerated for any reason and judgment is entered, the licensee 1169
shall credit the borrower with the same refund as if prepayment 1170
in full had been made on the date the judgment is entered. 1171

(4) If the parties agree in writing, either in the loan 1172
contract or in a subsequent agreement, to a deferment of wholly 1173
unpaid installments, a licensee may grant a deferment and may 1174
collect a deferment charge as provided in this section. A 1175

deferment postpones the scheduled due date of the earliest 1176
unpaid installment and all subsequent installments as originally 1177
scheduled, or as previously deferred, for a period equal to the 1178
deferment period. The deferment period is that period during 1179
which no installment is scheduled to be paid by reason of the 1180
deferment. The deferment charge for a one-month period may not 1181
exceed the applicable charge for the installment period 1182
immediately following the due date of the last undeferred 1183
installment. A proportionate charge may be made for deferment 1184
for periods of more or less than one month. A deferment charge 1185
is earned pro rata during the deferment period and is fully 1186
earned on the last day of the deferment period. If a loan is 1187
prepaid in full during a deferment period, the licensee shall 1188
make, or credit to the borrower, a refund of the unearned 1189
deferment charge in addition to any other refund or credit made 1190
for prepayment of the loan in full. 1191

(E) A licensee, at the request of the borrower, may 1192
obtain, on one or more borrowers, credit life insurance, credit 1193
accident and health insurance, and unemployment insurance. The 1194
premium or identifiable charge for the insurance may be included 1195
in the principal amount of the loan and may not exceed the 1196
premium rate filed by the insurer with the superintendent of 1197
insurance and not disapproved by the superintendent. If a 1198
licensee obtains the insurance at the request of the borrower, 1199
the borrower shall have the right to cancel the insurance for a 1200
period of twenty-five days after the loan is made. If the 1201
borrower chooses to cancel the insurance, the borrower shall 1202
give the licensee written notice of this choice and shall return 1203
all of the policies or certificates of insurance or notices of 1204
proposed insurance to the licensee during such period, and the 1205
full premium or identifiable charge for the insurance shall be 1206

refunded to the borrower by the licensee. If the borrower 1207
requests, in the notice to cancel the insurance, that this 1208
refund be applied to reduce the balance of a precomputed loan, 1209
the licensee shall credit the amount of the refund plus the 1210
amount of interest applicable to the refund to the loan balance. 1211
If the licensee obtains the insurance at the request of the 1212
borrower, the licensee shall not charge or collect interest on 1213
any insured amount that remains unpaid after the insured 1214
borrower's date of death. 1215

(F) A licensee may require the borrower to provide 1216
insurance or a loss payable endorsement covering reasonable 1217
risks of loss, damage, and destruction of property used as 1218
security for the loan and with the consent of the borrower such 1219
insurance may cover property of the borrower other than that 1220
which is security for the loan. The amount and term of required 1221
property insurance shall be reasonable in relation to the amount 1222
and term of the loan contract and the type and value of the 1223
security, and the insurance shall be procured in accordance with 1224
the insurance laws of this state. The purchase of this insurance 1225
through the licensee or an agent or broker designated by the 1226
licensee shall not be a condition precedent to the granting of 1227
the loan. If the borrower purchases the insurance from or 1228
through the licensee or from another source, the premium may be 1229
included in the principal amount of the loan. 1230

(G) (1) In addition to the interest and charges provided 1231
for by this section, no further or other amount, whether in the 1232
form of broker fees, placement fees, or any other fees 1233
whatsoever, shall be charged or received by the licensee, except 1234
that: 1235

(a) The licensee may charge and receive costs and 1236

disbursements in connection with any suit to collect a loan or 1237
any lawful activity to realize on a security interest after 1238
default, including reasonable attorney's fees incurred by the 1239
licensee as a result of the suit or activity and to which the 1240
licensee becomes entitled by law. 1241

(b) The licensee may include the following additional 1242
charges in the principal amount of the loan or collect the 1243
following additional charges at any time after the loan is made: 1244

(i) The amounts of fees authorized by law to record, file, 1245
or release security interests on a loan; 1246

(ii) Fees received from borrowers to record, file, or 1247
release a security interest on a loan for purposes either of 1248
purchasing insurance to insure the licensee against losses for 1249
failure to record or file or creating a self-insurance fund to 1250
reimburse the licensee against losses for failure to record or 1251
file; 1252

(iii) Fees for credit investigations not exceeding twenty- 1253
five dollars provided a licensee obtains a consumer report in 1254
connection with an application for a grant, extension, or other 1255
provision of credit to a consumer that is based in whole or in 1256
part on the consumer report. 1257

(2) Division (G) (1) of this section does not limit the 1258
rights of licensees to engage in other transactions with 1259
borrowers, provided the transactions are not a condition of the 1260
loan. 1261

(H) If the loan contract or security instrument contains 1262
covenants by the borrower to perform certain duties pertaining 1263
to insuring or preserving security and the licensee pursuant to 1264
the loan contract or security instrument pays for performance of 1265

the duties on behalf of the borrower, the licensee may add the 1266
amounts paid to the unpaid principal balance of the loan or 1267
collect them separately. A charge for interest may be made for 1268
sums advanced not exceeding the rate of interest permitted by 1269
division (A) of this section. Within a reasonable time after 1270
advancing a sum, the licensee shall notify the borrower in 1271
writing of the amount advanced, any interest charged with 1272
respect to the amount advanced, and any revised payment 1273
schedule, and shall include a brief description of the reason 1274
for the advance. 1275

(I) (1) In addition to any other permissible fees and 1276
charges, a licensee may charge and receive the following: 1277

(a) If the principal amount of the loan is five hundred 1278
dollars or less, loan origination charges not exceeding fifteen 1279
dollars; 1280

(b) If the principal amount of the loan is more than five 1281
hundred dollars but less than one thousand dollars, loan 1282
origination charges not exceeding thirty dollars; 1283

(c) If the principal amount of the loan is at least one 1284
thousand dollars but less than two thousand dollars, loan 1285
origination charges not exceeding one hundred dollars; 1286

(d) If the principal amount of the loan is at least two 1287
thousand dollars but less than five thousand dollars, loan 1288
origination charges not exceeding two hundred dollars; 1289

(e) If the principal amount of the loan is at least five 1290
thousand dollars, loan origination charges not exceeding the 1291
greater of two hundred fifty dollars or one per cent of the 1292
principal amount of the loan. 1293

(2) Loan origination charges may be paid by the borrower 1294

at the time of the loan or may be included in the principal 1295
amount of the loan. 1296

(J) A licensee may charge and receive check collection 1297
charges not greater than twenty dollars plus any amount passed 1298
on from other depository institutions for each check, negotiable 1299
order of withdrawal, share draft, or other negotiable instrument 1300
returned or dishonored for any reason. 1301

(K) If the loan contract so provides, a licensee may 1302
collect a default charge on any installment not paid in full 1303
within ten days after its due date. For this purpose, all 1304
installments are considered paid in the order in which they 1305
become due. Any amounts applied to an outstanding loan balance 1306
as a result of voluntary release of a security interest, sale of 1307
security on the loan, or cancellation of insurance shall be 1308
considered payments on the loan, unless the parties otherwise 1309
agree in writing at the time the amounts are applied. A licensee 1310
shall not collect more than one default charge per unpaid 1311
installment regardless of the number of months the installment 1312
remains fully unpaid. The amount of the default charge shall not 1313
exceed the greater of five per cent of the scheduled installment 1314
or fifteen dollars. 1315

Sec. 1321.681. (A) For open-end loans, "billing cycle" 1316
means the time interval between periodic billing dates. A 1317
billing cycle shall be considered monthly if the closing date of 1318
the cycle is the same date each month or does not vary by more 1319
than four days from such date. 1320

(B) A licensee may make open-end loans pursuant to an 1321
agreement between the licensee and the borrower whereby: 1322

(1) The licensee may permit the borrower to obtain 1323

advances of money from the licensee from time to time or the 1324
licensee may advance money on behalf of the borrower from time 1325
to time as directed by the borrower. 1326

(2) The amount of each advance and permitted interest, 1327
charges, and costs are debited to the borrower's account and 1328
payments and other credits are credited to the same account. 1329

(3) The interest and charges are computed on the unpaid 1330
balance or balances of the account from time to time. 1331

(4) The borrower has the privilege of paying the account 1332
in full at any time or, if the account is not in default, in 1333
installments of determinable amounts as provided in the 1334
agreement. 1335

(C) A licensee may contract for and receive interest for 1336
open-end loans at a rate or rates not exceeding twenty-eight per 1337
cent per year and may compute interest in each billing cycle by 1338
either of the following methods: 1339

(1) By multiplying the daily rate by the daily unpaid 1340
balance of the account, in which case the daily rate is 1341
determined by dividing the annual rate by three hundred sixty- 1342
five; 1343

(2) By multiplying the monthly rate by the average daily 1344
unpaid balance of the account in the billing cycle, in which 1345
case the average daily unpaid balance is the sum of all of the 1346
daily unpaid balances each day during the cycle divided by the 1347
number of days in the cycle. The monthly rate is determined by 1348
dividing the annual rate by twelve. 1349

(D) The billing cycle shall be monthly and the unpaid 1350
balance on any day shall be determined by adding to any balance 1351
unpaid as of the beginning of that day all advances and 1352

permitted interest, charges, and costs and deducting all 1353
payments and other credits made or received that day. 1354

(E) In addition to the interest permitted in division (C) 1355
of this section, a licensee may charge and receive or add to the 1356
unpaid balance any or all of the following: 1357

(1) All charges and costs authorized by divisions (E), 1358
(F), (G), (H), and (J) of section 1321.68 of the Revised Code; 1359

(2) An annual credit line charge, for the privilege of 1360
maintaining a line of credit, as follows: 1361

(a) For the first year: 1362

(i) If the original credit line is less than five thousand 1363
dollars, an amount not exceeding one hundred fifty dollars; 1364

(ii) If the original credit line is at least five thousand 1365
dollars, an amount not exceeding the greater of one per cent of 1366
the original credit line or two hundred fifty dollars. 1367

(b) For subsequent years, an amount not exceeding the 1368
greater of one-half per cent of the credit line on the 1369
anniversary date or fifty dollars. 1370

(3) A default charge on any required minimum payment not 1371
paid in full within ten days after its due date. For this 1372
purpose, all required minimum payments are considered paid in 1373
the order in which they become due. The amount of the default 1374
charge shall not exceed the greater of five per cent of the 1375
required minimum payment or twenty dollars. 1376

(F) The borrower at any time may pay all or any part of 1377
the unpaid balance on the account or, if the account is not in 1378
default, the borrower may pay the unpaid balance in installments 1379
subject to minimum payment requirements as determined by the 1380

licensee and set forth in the open-end loan agreement. 1381

(G) If credit life insurance or credit accident and health 1382
insurance is obtained by the licensee and if the insured dies or 1383
becomes disabled when there is an outstanding open-end loan 1384
indebtedness, the insurance shall be sufficient to pay the 1385
unpaid balance on the loan due on the date of the borrower's 1386
death in the case of credit life insurance or all minimum 1387
payments that become due on the loan during the covered period 1388
of disability in the case of credit accident and health 1389
insurance. The additional charge for credit life insurance, 1390
credit accident and health insurance, or unemployment insurance 1391
shall be calculated each billing cycle by applying the current 1392
monthly premium rate for the insurance, filed by the insurer 1393
with the superintendent of insurance and not disapproved by the 1394
superintendent, to the unpaid balances in the borrower's 1395
account, using one of the methods specified in division (C) of 1396
this section for the calculation of interest. No credit life 1397
insurance, credit accident and health insurance, or unemployment 1398
insurance written in connection with an open-end loan shall be 1399
canceled by the licensee because of delinquency of the borrower 1400
in making the required minimum payments on the loan unless one 1401
or more such payments is past due for a period of thirty days or 1402
more. The licensee shall advance to the insurer the amounts 1403
required to keep the insurance in force during such period, 1404
which amounts may be debited to the borrower's account. 1405

(H) Whenever there is no unpaid balance in an open-end 1406
loan account, the account may be terminated by written notice, 1407
by the borrower or the licensee, to the other party. 1408

Sec. 1321.69. (A) A licensee shall not permit any borrower 1409
to be indebted for a loan made under sections 1321.62 to 1410

1321.702 of the Revised Code at any time while the borrower is 1411
also indebted to an affiliate or agent of the licensee for a 1412
loan made under sections 1321.01 to 1321.19 or sections 1321.51 1413
to 1321.60 of the Revised Code for the purpose or with the 1414
result of obtaining greater charges than otherwise would be 1415
permitted by sections 1321.62 to 1321.702 of the Revised Code. 1416

(B) A licensee shall not induce or permit any person to 1417
become obligated to the licensee under sections 1321.62 to 1418
1321.702 of the Revised Code, directly or contingently, or both, 1419
under more than one contract of loan at the same time for the 1420
purpose or with the result of obtaining greater charges than 1421
would otherwise be permitted by sections 1321.62 to 1321.702 of 1422
the Revised Code. 1423

(C) A licensee shall not fail to provide information 1424
regarding the amount required to pay in full a loan made under 1425
sections 1321.62 to 1321.702 of the Revised Code within five 1426
business days after the receipt of a written request from a 1427
borrower or by another person designated in writing by the 1428
borrower. 1429

(D) A licensee shall not obtain a license through any 1430
false or fraudulent representation of a material fact or any 1431
omission of a material fact required by state or federal law, or 1432
make any substantial misrepresentation in the application to 1433
engage in lending under sections 1321.62 to 1321.702 of the 1434
Revised Code. 1435

(E) A licensee, in connection with the business of making 1436
or offering to make a loan, shall not knowingly make false or 1437
misleading statements of a material fact, omissions of 1438
statements required by state or federal law, or false promises 1439
regarding a material fact, through advertising or other means, 1440

or knowingly engage in a continued course of misrepresentations. 1441

(F) A licensee, or person making loans without a license 1442
in violation of section 1321.63 of the Revised Code, shall not 1443
knowingly engage in conduct, in connection with the business of 1444
making or offering to make loans under sections 1321.62 to 1445
1321.702 of the Revised Code, that constitutes improper, 1446
fraudulent, or dishonest dealings. 1447

(G) A licensee or applicant for a license shall not fail 1448
to notify the division of financial institutions within thirty 1449
days after having a license, or comparable authority, revoked in 1450
any governmental jurisdiction. 1451

(H) A licensee shall not knowingly make, propose, or 1452
solicit fraudulent, false, or misleading statements on any loan 1453
document or on any document related to a loan. For purposes of 1454
this division, "fraudulent, false, or misleading statements" 1455
does not include mathematical errors, inadvertent transposition 1456
of numbers, typographical errors, or any other bona fide error. 1457

(I) A licensee shall not knowingly instruct, solicit, 1458
propose, or otherwise cause a borrower to sign in blank a loan- 1459
related document in connection with a loan. 1460

(J) A licensee shall not take any note or other promise to 1461
pay that does not set forth the entire agreement made with the 1462
borrower. 1463

(K) A licensee shall not take any note or promise to pay 1464
in which blanks are left to be filled in after execution. 1465

(L) A licensee shall not charge or collect interest prior 1466
to the date of disbursement of the loan funds to the borrower. 1467

(M) A licensee shall not make a new loan for the purpose 1468

of paying any part of the interest or principal due on an 1469
existing loan with the same licensee unless the interest and 1470
principal balance of the existing loan is paid in full from the 1471
proceeds of the new loan. 1472

(N) Notwithstanding any provision of sections 1321.62 to 1473
1321.702 of the Revised Code to the contrary, no licensee shall 1474
give, or advertise an offer to give, any article, merchandise, 1475
reward-program benefit, or any other thing of value, as 1476
inducement to a borrower or prospective borrower to obtain a 1477
loan, unless the cost of the thing of value is absorbed by the 1478
licensee as general overhead, rather than directly charged to 1479
the borrower who received the thing of value. 1480

Sec. 1321.70. (A) The division of financial institutions 1481
may, upon written notice to the licensee stating the 1482
contemplated action, the grounds for the action, and the 1483
licensee's reasonable opportunity to be heard on the action in 1484
accordance with Chapter 119. of the Revised Code, revoke, 1485
suspend, or refuse to renew any license issued under sections 1486
1321.62 to 1321.702 of the Revised Code if it finds a violation 1487
of or failure to comply with any provision of sections 1321.62 1488
to 1321.702 of the Revised Code or the rules adopted thereunder, 1489
any federal lending law, or any other law applicable to the 1490
business conducted under a license. 1491

(B) In addition to, or in lieu of, any revocation, 1492
suspension, or denial, the division may impose a monetary fine 1493
after administrative hearing or in settlement of matters subject 1494
to claims under division (A) of this section. 1495

(C) The revocation, suspension, or refusal to renew shall 1496
not impair the obligation of any pre-existing lawful contract 1497
made under sections 1321.62 to 1321.702 of the Revised Code; 1498

provided, however, that a prior licensee shall make good faith 1499
efforts to promptly transfer the licensee's collection rights to 1500
another licensee or person exempt from licensing, or be subject 1501
to additional monetary fines and legal or administrative action 1502
by the division. Nothing in this division shall limit a court's 1503
ability to impose a cease-and-desist order preventing any 1504
further business or servicing activity. 1505

(D) (1) The superintendent of financial institutions may 1506
impose a fine for a violation of sections 1321.62 to 1321.702 of 1507
the Revised Code committed by a licensee. All fines collected 1508
pursuant to this section shall be paid to the treasurer of state 1509
to the credit of the consumer finance fund created in section 1510
1321.21 of the Revised Code. In determining the amount of a fine 1511
to be imposed pursuant to this division, the superintendent may 1512
consider all of the following to the extent it is known to the 1513
division: 1514

(a) The seriousness of the violation; 1515

(b) The licensee's good faith efforts to prevent the 1516
violation; 1517

(c) The licensee's history regarding violations and 1518
compliance with division orders; 1519

(d) The licensee's financial resources; 1520

(e) Any other matters the superintendent considers 1521
appropriate in enforcing sections 1321.62 to 1321.702 of the 1522
Revised Code. 1523

(2) Monetary fines imposed under division (D) (1) of this 1524
section shall not exceed twenty-five thousand dollars. 1525

(E) The superintendent may investigate alleged violations 1526

of sections 1321.62 to 1321.702 of the Revised Code, or the 1527
rules adopted thereunder, or complaints concerning any such 1528
violation. The superintendent may make application to the court 1529
of common pleas for an order enjoining any violation and, upon a 1530
showing by the superintendent that a person has committed, or is 1531
about to commit, a violation, the court shall grant an 1532
injunction, restraining order, or other appropriate relief. The 1533
superintendent, in making application to the court of common 1534
pleas for an order enjoining a person from acting as a licensee 1535
in violation of section 1321.63 of the Revised Code, may also 1536
seek and obtain civil penalties for that unlicensed conduct in 1537
an amount not to exceed five thousand dollars per violation. 1538

(F) In conducting an investigation pursuant to this 1539
section, the superintendent may compel, by subpoena, witnesses 1540
to testify in relation to any matter over which the 1541
superintendent has jurisdiction, and may require the production 1542
or photocopying of any book, record, or other document 1543
pertaining to such matter. If a person fails to file any 1544
statement or report, obey any subpoena, give testimony, produce 1545
any book, record, or other document as required by such a 1546
subpoena, or permit photocopying of any book, record, or other 1547
document subpoenaed, the court of common pleas of any county in 1548
this state, upon application made to it by the superintendent, 1549
shall compel obedience by attachment proceedings for contempt, 1550
as in the case of disobedience of the requirements of a subpoena 1551
issued from the court, or a refusal to testify therein. 1552

(G) If the superintendent determines that a person is 1553
engaged in, or is believed to be engaged in, activities that may 1554
constitute a violation of sections 1321.62 to 1321.702 of the 1555
Revised Code, the superintendent may, after notice and a hearing 1556
conducted in accordance with Chapter 119. of the Revised Code, 1557

issue a cease-and-desist order. The superintendent, in taking 1558
administrative action to enjoin a person from acting as a 1559
licensee in violation of section 1321.63 of the Revised Code, 1560
may also seek and impose fines for those violations in an amount 1561
not to exceed five thousand dollars per violation. Such an order 1562
shall be enforceable in the court of common pleas. 1563

(H) The superintendent shall regularly report violations 1564
of sections 1321.62 to 1321.702 of the Revised Code, as well as 1565
enforcement actions and other relevant information, to the 1566
NMLSR. 1567

(I) (1) To protect the public interest, the superintendent 1568
may, without a prior hearing, do either of the following: 1569

(a) Suspend any licensee who violates section 1321.65 of 1570
the Revised Code; 1571

(b) Suspend any licensee who fails to comply with a 1572
request made by the superintendent under this section. 1573

(2) The superintendent may, in accordance with Chapter 1574
119. of the Revised Code, subsequently revoke any license 1575
suspended under division (I) (1) of this section. 1576

Sec. 1321.701. (A) The attorney general may directly bring 1577
an action to enjoin a violation of sections 1321.62 to 1321.702 1578
of the Revised Code with the same rights, privileges, and powers 1579
as those described in section 1345.06 of the Revised Code. The 1580
prosecuting attorney of the county in which the action may be 1581
brought may bring an action to enjoin a violation of sections 1582
1321.62 to 1321.702 of the Revised Code only if the prosecuting 1583
attorney first presents any evidence of the violation to the 1584
attorney general and, within a reasonable period of time, the 1585
attorney general has not agreed to bring the action. 1586

(B) These powers of the attorney general shall be in 1587
addition to any other applicable powers of the attorney general. 1588

Sec. 1321.702. The superintendent of financial 1589
institutions may adopt, in accordance with Chapter 119. of the 1590
Revised Code, rules that are necessary for the enforcement of 1591
sections 1321.62 to 1321.702 of the Revised Code and that are 1592
consistent with those sections. Each rule shall contain a 1593
reference to the section, division, or paragraph of the Revised 1594
Code to which it applies. The superintendent shall send by 1595
regular mail to each licensee a copy of each rule that is 1596
adopted pursuant to this section. 1597

Section 2. (A) Section 1 of this act shall take effect on 1598
July 1, 2017. 1599

(B) Beginning on the effective date of this section, the 1600
Superintendent of Financial Institutions may take whatever 1601
actions the Superintendent considers necessary to ensure full 1602
compliance with this act by July 1, 2017, including the 1603
acceptance of applications for a license under sections 1321.62 1604
to 1321.702 of the Revised Code, as enacted by this act. 1605