

**As Passed by the House**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**Sub. S. B. No. 24**

**Senator Terhar**

**Cosponsors: Senators Beagle, Hackett, Bacon, Coley, Eklund, Gardner, Hite, Hoagland, Hottinger, Huffman, Jordan, LaRose, Lehner, Manning, Peterson, Thomas, Wilson Representatives Dever, Arndt, Blessing, Brenner, Conditt, Ginter, Green, Hambley, Johnson, Koehler, Leland, Manning, Reineke, Rogers, Seitz, Sheehy, Smith, K., Smith, R., Stein, Sweeney, West, Young**

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**A BILL**

To amend sections 1321.02, 1321.53, and 1321.99 and 1  
to enact sections 1321.62, 1321.63, 1321.631, 2  
1321.632, 1321.64, 1321.641, 1321.642, 1321.643, 3  
1321.644, 1321.65, 1321.651, 1321.66, 1321.661, 4  
1321.662, 1321.663, 1321.664, 1321.665, 5  
1321.666, 1321.667, 1321.67, 1321.671, 1321.672, 6  
1321.673, 1321.674, 1321.68, 1321.681, 1321.69, 7  
1321.70, 1321.701, and 1321.702 of the Revised 8  
Code to create the Ohio Consumer Installment 9  
Loan Act. 10

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

**Section 1.** That sections 1321.02, 1321.53, and 1321.99 be 11  
amended and sections 1321.62, 1321.63, 1321.631, 1321.632, 12  
1321.64, 1321.641, 1321.642, 1321.643, 1321.644, 1321.65, 13  
1321.651, 1321.66, 1321.661, 1321.662, 1321.663, 1321.664, 14  
1321.665, 1321.666, 1321.667, 1321.67, 1321.671, 1321.672, 15  
1321.673, 1321.674, 1321.68, 1321.681, 1321.69, 1321.70, 16

1321.701, and 1321.702 of the Revised Code be enacted to read as follows: 17  
18

**Sec. 1321.02.** No person shall engage in the business of 19  
lending money, credit, or choses in action in amounts of five 20  
thousand dollars or less, or exact, contract for, or receive, 21  
directly or indirectly, on or in connection with any such loan, 22  
any interest and charges that in the aggregate are greater than 23  
the interest and charges that the lender would be permitted to 24  
charge for a loan of money if the lender were not a licensee, 25  
without first having obtained a license from the division of 26  
financial institutions under sections 1321.01 to 1321.19 of the 27  
Revised Code. 28

Sections 1321.01 to 1321.19 of the Revised Code do not 29  
apply to any person doing business under and as permitted by any 30  
law of this state, another state, or the United States relating 31  
to banks, savings banks, savings societies, trust companies, 32  
credit unions, savings and loan associations substantially all 33  
the business of which is confined to loans on real estate 34  
mortgages and evidences of their own indebtedness; to 35  
registrants conducting business pursuant to sections 1321.51 to 36  
1321.60 of the Revised Code; to licensees conducting business 37  
pursuant to sections 1321.62 to 1321.702 of the Revised Code; to 38  
licensees conducting business pursuant to sections 1321.71 to 39  
1321.83 of the Revised Code; to licensees doing business 40  
pursuant to sections 1321.35 to 1321.48 of the Revised Code; or 41  
to any entity who is licensed pursuant to Title XXXIX of the 42  
Revised Code, who makes advances or loans to any person who is 43  
licensed to sell insurance pursuant to that Title, and who is 44  
authorized in writing by that entity to sell insurance. No 45  
person engaged in the business of selling tangible goods or 46  
services related thereto may receive or retain a license under 47

sections 1321.01 to 1321.19 of the Revised Code for such place 48  
of business. 49

The first paragraph of this section applies to any person, 50  
who by any device, subterfuge, or pretense, charges, contracts 51  
for, or receives greater interest, consideration, or charges 52  
than that authorized by this section for any such loan or use of 53  
money or for any such loan, use, or sale of credit, or who for a 54  
fee or any manner of compensation arranges or offers to find or 55  
arrange for another person to make any such loan, use, or sale 56  
of credit. This section does not preclude the acquiring, 57  
directly or indirectly, by purchase or discount, of a bona fide 58  
obligation for goods or services when such obligation is payable 59  
directly to the person who provided the goods or services. 60

Any contract of loan in the making or collection of which 61  
an act is done by the lender that violates this section is void 62  
and the lender has no right to collect, receive, or retain any 63  
principal, interest, or charges. 64

**Sec. 1321.53.** (A) (1) An application for a certificate of 65  
registration under sections 1321.51 to 1321.60 of the Revised 66  
Code shall contain an undertaking by the applicant to abide by 67  
those sections. The application shall be in writing, under oath, 68  
and in the form prescribed by the division of financial 69  
institutions, and shall contain any information that the 70  
division may require. Applicants that are foreign corporations 71  
shall obtain and maintain a license pursuant to Chapter 1703. of 72  
the Revised Code before a certificate is issued or renewed. 73

(2) Upon the filing of the application and the payment by 74  
the applicant of a nonrefundable two-hundred-dollar 75  
investigation fee, a nonrefundable three-hundred-dollar annual 76  
registration fee, and any additional fee required by the 77

nationwide mortgage licensing system and registry, the division 78  
shall investigate the relevant facts. If the application 79  
involves investigation outside this state, the applicant may be 80  
required by the division to advance sufficient funds to pay any 81  
of the actual expenses of such investigation, when it appears 82  
that these expenses will exceed two hundred dollars. An itemized 83  
statement of any of these expenses which the applicant is 84  
required to pay shall be furnished to the applicant by the 85  
division. No certificate shall be issued unless all the required 86  
fees have been submitted to the division. 87

(3) All applicants making loans secured by an interest in 88  
real estate shall designate an employee or owner of the 89  
applicant as the applicant's primary point of contact. While 90  
acting as the primary point of contact, the employee or owner 91  
shall not be employed by any other registrant or mortgage 92  
broker. 93

(4) The investigation undertaken upon application shall 94  
include both a civil and criminal records check of the applicant 95  
including any individual whose identity is required to be 96  
disclosed in the application. Where the applicant is a business 97  
entity the superintendent shall have the authority to require a 98  
civil and criminal background check of those persons that in the 99  
determination of the superintendent have the authority to direct 100  
and control the operations of the applicant. 101

(5) (a) Notwithstanding division (K) of section 121.08 of 102  
the Revised Code, the superintendent of financial institutions 103  
shall obtain a criminal history records check and, as part of 104  
that records check, request that criminal record information 105  
from the federal bureau of investigation be obtained. To fulfill 106  
this requirement, the superintendent shall do either of the 107

following: 108

(i) Request the superintendent of the bureau of criminal 109  
identification and investigation, or a vendor approved by the 110  
bureau, to conduct a criminal records check based on the 111  
applicant's fingerprints or, if the fingerprints are unreadable, 112  
based on the applicant's social security number, in accordance 113  
with section 109.572 of the Revised Code; 114

(ii) Authorize the nationwide mortgage licensing system 115  
and registry to request a criminal history background check as 116  
set forth in division (C) of section 1321.531 of the Revised 117  
Code. 118

(b) Any fee required under division (C)(3) of section 119  
109.572 of the Revised Code or by the nationwide mortgage 120  
licensing system and registry shall be paid by the applicant. 121

(6) If an application for a certificate of registration 122  
does not contain all of the information required under division 123  
(A) of this section, and if such information is not submitted to 124  
the division or to the nationwide mortgage licensing system and 125  
registry within ninety days after the superintendent or the 126  
nationwide mortgage licensing system and registry requests the 127  
information in writing, including by electronic transmission or 128  
facsimile, the superintendent may consider the application 129  
withdrawn. 130

(7) If the division finds that the financial 131  
responsibility, experience, character, and general fitness of 132  
the applicant command the confidence of the public and warrant 133  
the belief that the business will be operated honestly and 134  
fairly in compliance with the purposes of sections 1321.51 to 135  
1321.60 of the Revised Code and the rules adopted thereunder, 136

and that the applicant has the requisite bond or applicable net 137  
worth and assets required by division (B) of this section, the 138  
division shall thereupon issue a certificate of registration to 139  
the applicant. The superintendent shall not use a credit score 140  
as the sole basis for a registration denial. 141

(a) (i) Certificates of registration issued on or after 142  
July 1, 2010, shall annually expire on the thirty-first day of 143  
December, unless renewed by the filing of a renewal application 144  
and payment of a three-hundred-dollar nonrefundable annual 145  
registration fee, any assessment as determined by the 146  
superintendent pursuant to division (A) (7) (a) (ii) of this 147  
section, and any additional fee required by the nationwide 148  
mortgage licensing system and registry, on or before the last 149  
day of December of each year. No other fee or assessment shall 150  
be required of a registrant by the state or any political 151  
subdivision of this state. 152

(ii) If the renewal fees billed by the superintendent 153  
pursuant to division (A) (7) (a) (i) of this section are less than 154  
the estimated expenditures of the consumer finance section of 155  
the division of financial institutions, as determined by the 156  
superintendent, for the following fiscal year, the 157  
superintendent may assess each registrant at a rate sufficient 158  
to equal in the aggregate the difference between the renewal 159  
fees billed and the estimated expenditures. Each registrant 160  
shall pay the assessed amount to the superintendent prior to the 161  
last day of June. In no case shall the assessment exceed ten 162  
cents per each one hundred dollars of interest (excluding 163  
charge-off recoveries), points, loan origination charges, and 164  
credit line charges collected by that registrant during the 165  
previous calendar year. If such an assessment is imposed, it 166  
shall not be less than two hundred fifty dollars per registrant 167

and shall not exceed thirty thousand dollars less the total 168  
renewal fees paid pursuant to division (A) (7) (a) (i) of this 169  
section by each registrant. 170

(b) Registrants shall timely file renewal applications on 171  
forms prescribed by the division and provide any further 172  
information that the division may require. If a renewal 173  
application does not contain all of the information required 174  
under this section, and if that information is not submitted to 175  
the division or to the nationwide mortgage licensing system and 176  
registry within ninety days after the superintendent or the 177  
nationwide mortgage licensing system and registry requests the 178  
information in writing, including by electronic transmission or 179  
facsimile, the superintendent may consider the application 180  
withdrawn. 181

(c) Renewal shall not be granted if the applicant's 182  
certificate of registration is subject to an order of 183  
suspension, revocation, or an unpaid and past due fine imposed 184  
by the superintendent. 185

(d) If the division finds the applicant does not meet the 186  
conditions set forth in this section, it shall issue a notice of 187  
intent to deny the application, and forthwith notify the 188  
applicant of the denial, the grounds for the denial, and the 189  
applicant's reasonable opportunity to be heard on the action in 190  
accordance with Chapter 119. of the Revised Code. 191

(8) If there is a change of five per cent or more in the 192  
ownership of a registrant, the division may make any 193  
investigation necessary to determine whether any fact or 194  
condition exists that, if it had existed at the time of the 195  
original application for a certificate of registration, the fact 196  
or condition would have warranted the division to deny the 197

application under division (A) (7) of this section. If such a 198  
fact or condition is found, the division may, in accordance with 199  
Chapter 119. of the Revised Code, revoke the registrant's 200  
certificate. 201

(B) Each registrant that engages in lending under sections 202  
1321.51 to 1321.60 of the Revised Code shall, if not otherwise 203  
required to be bonded pursuant to section 1321.533 of the 204  
Revised Code, maintain both of the following: 205

(1) A net worth of at least fifty thousand dollars; 206

(2) For each certificate of registration, assets of at 207  
least fifty thousand dollars either in use or readily available 208  
for use in the conduct of the business. 209

(C) Not more than one place of business shall be 210  
maintained under the same certificate, but the division may 211  
issue additional certificates to the same registrant upon 212  
compliance with sections 1321.51 to 1321.60 of the Revised Code, 213  
governing the issuance of a single certificate. No change in the 214  
place of business of a registrant to a location outside the 215  
original municipal corporation shall be permitted under the same 216  
certificate without the approval of a new application, the 217  
payment of the registration fee and, if required by the 218  
superintendent, the payment of an investigation fee of two 219  
hundred dollars. When a registrant wishes to change its place of 220  
business within the same municipal corporation, it shall give 221  
written notice of the change in advance to the division, which 222  
shall provide a certificate for the new address without cost. If 223  
a registrant changes its name, prior to making loans under the 224  
new name it shall give written notice of the change to the 225  
division, which shall provide a certificate in the new name 226  
without cost. Sections 1321.51 to 1321.60 of the Revised Code do 227



not limit the loans of any registrant to residents of the 228  
community in which the registrant's place of business is 229  
situated. Each certificate shall be kept conspicuously posted in 230  
the place of business of the registrant and is not transferable 231  
or assignable. 232

(D) Sections 1321.51 to 1321.60 of the Revised Code do not 233  
apply to any of the following: 234

(1) Entities chartered and lawfully doing business under 235  
the authority of any law of this state, another state, or the 236  
United States as a bank, savings bank, trust company, savings 237  
and loan association, or credit union, or a subsidiary of any 238  
such entity, which subsidiary is regulated by a federal banking 239  
agency and is owned and controlled by such a depository 240  
institution; 241

(2) Life, property, or casualty insurance companies 242  
licensed to do business in this state; 243

(3) Any person that is a lender making a loan pursuant to 244  
sections 1321.01 to 1321.19 or sections 1321.62 to 1321.701 of 245  
the Revised Code or a business loan as described in division (B) 246  
(6) of section 1343.01 of the Revised Code; 247

(4) Any political subdivision, or any governmental or 248  
other public entity, corporation, instrumentality, or agency, in 249  
or of the United States or any state of the United States, or 250  
any entity described in division (B) (3) of section 1343.01 of 251  
the Revised Code; 252

(5) A college or university, or controlled entity of a 253  
college or university, as those terms are defined in section 254  
1713.05 of the Revised Code; 255

(6) A credit union service organization, provided the 256

organization utilizes services provided by registered mortgage 257  
loan originators or the organization complies with section 258  
1321.522 of the Revised Code and holds a valid letter of 259  
exemption issued by the superintendent. 260

(E) No person engaged in the business of selling tangible 261  
goods or services related to tangible goods may receive or 262  
retain a certificate under sections 1321.51 to 1321.60 of the 263  
Revised Code for such place of business. 264

Sec. 1321.62. As used in sections 1321.62 to 1321.702 of 265  
the Revised Code: 266

(A) "Actuarial method" means the method of allocating 267  
payments made on a loan between the principal amount and 268  
interest whereby a payment is applied first to the accumulated 269  
interest and the remainder to the unpaid principal amount. 270

(B) "Advertisement" and "advertising" mean all material 271  
printed, published, displayed, distributed, or broadcast, and 272  
all material displayed or distributed over the internet, 273  
telephone, facsimile, or other electronic transmission, for the 274  
purposes of obtaining applications for loans. 275

(C) "Affiliation" and "affiliated with" mean controlled by 276  
or under common control with another person or enterprise either 277  
directly or indirectly through one or more intermediaries. 278

(D) "Annual percentage rate" means the ratio of the 279  
interest on a loan to the unpaid principal balances on the loan 280  
for any period of time, expressed on an annual basis. 281

(E) "Applicable charge" means the amount of interest 282  
attributable to each monthly installment period of the loan 283  
contract, computed as if each installment period were one month 284  
and any charge for extending the first installment period beyond 285

one month is ignored. In the case of loans originally scheduled 286  
to be repaid in sixty-one months or less, "applicable charge" 287  
for any installment period means that proportion of the total 288  
interest contracted for, as the balance scheduled to be 289  
outstanding during that period bears to the sum of all of the 290  
periodic balances, all determined according to the payment 291  
schedule originally contracted for. In all other cases, 292  
"applicable charge" for any installment period is that which 293  
would have been made for such period had the loan been made on 294  
an interest-bearing basis, based upon the assumption that all 295  
payments were made according to schedule. 296

(F) "Assets" means properties of value that are owned by 297  
the applicant or licensee, including cash on hand and in 298  
depository institutions, readily marketable securities, accounts 299  
receivable less allowances for uncollectible accounts, and real 300  
estate less liens and depreciation. "Assets" does not mean 301  
office premises, leasehold improvements, office furniture, 302  
fixtures, and equipment, or intangible assets. 303

(G) "Closed-end loan" means any extension of credit other 304  
than an open-end loan. 305

(H) "Collecting" and "collected" means the servicing of a 306  
loan or receipt of payments from a borrower for a loan made 307  
pursuant to sections 1321.62 to 1321.702 of the Revised Code. 308

(I) "Consumer report" and "consumer reporting agency" have 309  
the same meanings as in the "Fair Credit Reporting Act," 84 310  
Stat. 1128, 15 U.S.C. 1681a, as amended. 311

(J) "Control person" means a person that, in the 312  
determination of the superintendent of financial institutions, 313  
has the authority to direct and control the operations of the 314

applicant. 315

(K) "Depository institution" has the same meaning as in 316  
section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 317  
12 U.S.C. 1813, and includes any credit union. 318

(L) "Direct mail" means a loan arranged via an application 319  
through the mail or internet where the loan proceeds are 320  
delivered through the mail or electronic transmission to the 321  
benefit of a borrower. A loan is not made by "direct mail" if it 322  
is facilitated by face-to-face, personal contact in this state 323  
between the lender, lender's employee or agent, or lender's 324  
attorney and the borrower or borrower's agent. 325

(M) "Federal banking agency" means the board of governors 326  
of the federal reserve system, the comptroller of the currency, 327  
the national credit union administration, and the federal 328  
deposit insurance corporation. 329

(N) "Final entry on a loan" means, as to a particular 330  
lender, the latter of the date the loan is paid in full, deemed 331  
uncollectible, assigned to another licensee or exempt entity and 332  
all records are transferred to the new lender, or discharged or 333  
otherwise settled by an order terminating litigation governing 334  
the loan transaction. 335

(O) "Interest" means all charges payable directly or 336  
indirectly by a borrower to a licensee as a condition to a loan 337  
or an application for a loan, however denominated, but does not 338  
include default charges, deferment charges, insurance charges or 339  
premiums, court costs, loan origination charges, check 340  
collection charges, credit investigation charges, credit line 341  
charges, points, or other fees and charges specifically 342  
authorized by law. 343

(P) "Interest-bearing loan" means a loan in which the debt 344  
is expressed as the principal amount and interest is computed, 345  
charged, and collected on unpaid principal balances outstanding 346  
from time to time. 347

(Q) "Instrument" means a personal check or authorization 348  
to transfer or withdraw funds from an account that is signed by 349  
the borrower and made payable to a person subject to sections 350  
1321.62 to 1321.702 of the Revised Code. 351

(R) "License" means a license issued under sections 352  
1321.62 to 1321.702 of the Revised Code. 353

(S) "Licensee" means any person that has been issued a 354  
license. 355

(T) "Loan agreement" means one or more promises, 356  
promissory notes, agreements, undertakings, security agreements, 357  
or other documents or commitments, or any combination of these 358  
documents or commitments, pursuant to which a licensee loans or 359  
delays, or agrees to loan or delay, repayment of money, goods, 360  
or anything of value, or otherwise extends credit or makes a 361  
financial accommodation. 362

(U) "Net worth" means the excess of assets over 363  
liabilities as determined by generally accepted accounting 364  
principles. 365

(V) "NMLSR" means a multistate licensing system developed 366  
and maintained by the conference of state bank supervisors and 367  
the American association of residential mortgage regulators, or 368  
their successor entities, for the licensing and registration of 369  
loan originators, or any system established by the secretary of 370  
housing and urban development pursuant to the "Secure and Fair 371  
Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 372

<u>12 U.S.C. 5101.</u>	373
<u>(W) "Open-end loan" means consumer credit extended by a</u>	374
<u>creditor under a plan to which all of the following conditions</u>	375
<u>apply:</u>	376
<u>(1) The creditor reasonably contemplates repeated</u>	377
<u>transactions.</u>	378
<u>(2) The creditor may impose a finance charge from time to</u>	379
<u>time on an outstanding unpaid balance.</u>	380
<u>(3) The amount of credit that may be extended to the</u>	381
<u>borrower during the term of the plan, up to any limit set by the</u>	382
<u>creditor, is generally made available to the extent that any</u>	383
<u>outstanding balance is repaid.</u>	384
<u>(X) "Person" means an individual, partnership,</u>	385
<u>association, trust, corporation, or any other legal entity.</u>	386
<u>(Y) "Precomputed loan" means a loan in which the debt is a</u>	387
<u>sum comprising the principal amount and the amount of interest</u>	388
<u>computed in advance on the assumption that all scheduled</u>	389
<u>payments will be made when due.</u>	390
<u>(Z) "Principal amount" means the amount of cash paid to,</u>	391
<u>or paid or payable for the account of, the borrower, and</u>	392
<u>includes any charge, fee, or expense that is financed by the</u>	393
<u>borrower at origination of the loan or during the term of the</u>	394
<u>loan.</u>	395
<u>(AA) "Refinance" means a loan the proceeds of which are</u>	396
<u>used in whole or in part to pay the unpaid balance of a prior</u>	397
<u>loan made by the same licensee or any employee or affiliate of</u>	398
<u>the licensee to the same borrower under sections 1321.62 to</u>	399
<u>1321.702 of the Revised Code.</u>	400

(BB) "Residential mortgage loan" means any loan primarily 401  
for personal, family, or household use that is secured by a 402  
mortgage, deed of trust, or other equivalent consensual security 403  
interest on a dwelling or on residential real estate upon which 404  
is constructed or intended to be constructed a dwelling. For 405  
purposes of this division, "dwelling" has the same meaning as in 406  
the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602. 407

(CC) "State" in the context of referring to states in 408  
addition to Ohio means any state of the United States, the 409  
district of Columbia, any territory of the United States, Puerto 410  
Rico, Guam, American Samoa, the trust territory of the Pacific 411  
islands, the virgin islands, and the northern Mariana islands. 412

(DD) "Superintendent of financial institutions" includes 413  
the deputy superintendent for consumer finance as provided in 414  
section 1181.21 of the Revised Code. 415

**Sec. 1321.63.** (A) (1) No person shall do either of the 416  
following without first having obtained a license from the 417  
superintendent of financial institutions under sections 1321.62 418  
to 1321.702 of the Revised Code: 419

(a) Engage in the business of lending money under sections 420  
1321.62 to 1321.702 of the Revised Code; 421

(b) Contract for, or receive, directly or indirectly, on 422  
or in connection with any such loan, any interest and charges 423  
that in the aggregate are greater than the interest and charges 424  
that the lender would be permitted to charge for a loan of money 425  
if the lender were not a licensee. 426

(2) Division (A) (1) of this section applies to any person, 427  
who by any device, subterfuge, or pretense, charges, contracts 428  
for, or receives greater interest, consideration, or charges 429

than that authorized by this section for any such loan, or who 430  
for a fee or any manner of compensation arranges or offers to 431  
find or arrange for another person to make any such loan. 432

(B) This section does not preclude the acquiring, directly 433  
or indirectly, by purchase or discount, of a bona fide 434  
obligation for goods or services when such obligation is payable 435  
directly to the person who provided the goods or services. 436

(C) Any contract of a loan in the making or collection of 437  
which an act is done by the lender that violates this section is 438  
void and the lender has no right to collect, receive, or retain 439  
any principal, interest, or charges. 440

**Sec. 1321.631.** Sections 1321.62 to 1321.702 of the Revised 441  
Code do not apply to any of the following: 442

(A) Any credit transaction with a loan term of less than 443  
six months from the loan transaction date; 444

(B) Any credit transaction that does not require equal 445  
monthly payments, unless either of the following apply: 446

(1) The credit transaction contains an interest rate that 447  
is tied to a published and verifiable index and the contractual 448  
rate of interest is adjusted in accordance with changes in that 449  
index. 450

(2) The credit transaction provides for an extension of 451  
the first monthly installment period pursuant to division (C) (2) 452  
(a) of section 1321.68 of the Revised Code. 453

(C) Any credit transaction with an interest rate in excess 454  
of that provided for under section 1321.68 of the Revised Code; 455

(D) Any credit transaction secured by an interest in the 456  
covered borrower's residential mortgage loan, including a 457



transaction to finance the purchase or initial construction of a dwelling, any refinance transaction, home equity loan or home equity line of credit, or reverse mortgage; 458  
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(E) Any credit transaction that originates as a result, directly or indirectly, of a referral from a person registered or acting as a credit services organization under sections 4712.01 to 4712.14 of the Revised Code; 461  
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(F) Any credit transaction made by a person licensed as a check-cashing business under sections 1315.21 to 1315.30 of the Revised Code; 465  
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(G) Any credit transaction made by a retail seller under Chapter 1317. of the Revised Code; 468  
469

(H) Any credit transaction made by a person licensed or acting as a pawnbroker under Chapter 4727. of the Revised Code; 470  
471

(I) Any credit transaction made by a person licensed under sections 1321.35 to 1321.48 of the Revised Code; 472  
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(J) Any credit transaction made by a collection agency pursuant to section 1319.12 of the Revised Code; 474  
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(K) Any credit transaction made by a premium finance company licensed under sections 1321.71 to 1321.83 of the Revised Code; 476  
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(L) Any credit transaction made by a person chartered and lawfully doing business under the authority of any law of this state, another state, or the United States as a bank, savings bank, trust company, savings and loan association, or credit union, or a subsidiary of any such entity, which subsidiary is regulated by a federal banking agency and is owned and controlled by such a depository institution; 479  
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(M) Any credit transaction made by a life, property, or 486  
casualty insurance company licensed to do business in this state 487  
or any entity licensed under Title XXXIX of the Revised Code 488  
that makes advances or loans to any person who is licensed to 489  
sell insurance pursuant to that title and who is authorized in 490  
writing by that entity to sell insurance; 491

(N) Any licensee doing business under sections 1321.01 to 492  
1321.19 of the Revised Code; 493

(O) Any registrant doing business under sections 1321.51 494  
to 1321.60 of the Revised Code; 495

(P) Any person making a business loan described in 496  
division (B) (6) of section 1343.01 of the Revised Code; 497

(Q) Any political subdivision, or any governmental or 498  
other public entity, corporation, instrumentality, or agency, in 499  
or of the United States or any state of the United States, or 500  
any entity mentioned in division (B) (3) of section 1343.01 of 501  
the Revised Code; 502

(R) Any college or university, or controlled entity of a 503  
college or university, as those terms are defined in section 504  
1713.05 of the Revised Code; 505

(S) Any person doing business under and as permitted by 506  
any law of this state, another state, or the United States 507  
relating to banks, savings banks, savings societies, trust 508  
companies, credit unions, or savings and loan associations 509  
substantially all the business of which is confined to loans on 510  
real estate mortgages and evidences of their own indebtedness. 511

**Sec. 1321.632.** A licensee may engage in the business of 512  
making loans provided the licensee does not do any of the 513  
following: 514

(A) Assess an origination fee pursuant to section 1321.68 515  
of the Revised Code more than three times in any twelve-month 516  
period; 517

(B) Accept a dated instrument from the borrower as 518  
security for a loan; 519

(C) Hold an instrument for a period of time prior to 520  
negotiation or deposit of the instrument; 521

(D) Pay to a borrower, credit to a borrower's account, or 522  
pay to another person on the borrower's behalf the amount of an 523  
instrument, less interest, fees, or any other charges permitted 524  
by section 1321.68 of the Revised Code; 525

(E) Refinance the loan during the first one hundred twenty 526  
days of the loan term; 527

(F) Except for the deferment charge permitted by section 528  
1321.68 of the Revised Code, charge or collect any fee, charge, 529  
or remuneration of any sort for renewing, amending, or extending 530  
a loan beyond its original term. 531

**Sec. 1321.64.** (A) An application for a license shall 532  
contain an undertaking by the applicant to abide by those 533  
sections. The application shall be in writing, under oath, and 534  
in the form prescribed by the superintendent of financial 535  
institutions, and shall contain any information that the 536  
superintendent may require. Applicants that are foreign 537  
corporations shall obtain and maintain a license pursuant to 538  
Chapter 1703. of the Revised Code before a license is issued or 539  
renewed. 540

(B) Upon the filing of the application and the payment by 541  
the applicant of a nonrefundable investigation fee of two 542  
hundred dollars, a nonrefundable annual registration fee of 543

three hundred dollars, and any additional fee required by the 544  
NMLSR, the division of financial institutions shall investigate 545  
the relevant facts. If the application involves investigation 546  
outside this state, the applicant may be required by the 547  
division to advance sufficient funds to pay any of the actual 548  
expenses of the investigation when it appears that these 549  
expenses will exceed two hundred dollars. An itemized statement 550  
of any of these expenses which the applicant is required to pay 551  
shall be furnished to the applicant by the division. A license 552  
shall not be issued unless all the required fees have been 553  
submitted to the division. 554

(C) (1) The investigation undertaken upon receipt of an 555  
application shall include both a civil and criminal records 556  
check of any control person. 557

(2) (a) Notwithstanding division (K) of section 121.08 of 558  
the Revised Code, the superintendent shall obtain a criminal 559  
records check on each control person and, as part of that 560  
records check, request that criminal records information from 561  
the federal bureau of investigation be obtained. To fulfill this 562  
requirement, the superintendent shall do either of the 563  
following: 564

(i) Request the superintendent of the bureau of criminal 565  
identification and investigation, or a vendor approved by the 566  
bureau, to conduct a criminal records check based on the control 567  
person's fingerprints or, if the fingerprints are unreadable, 568  
based on the control person's social security number, in 569  
accordance with section 109.572 of the Revised Code; 570

(ii) Authorize the NMLSR to request a criminal records 571  
check of the control person. 572

(b) Any fee required under division (C) (3) of section 573  
109.572 of the Revised Code or by the NMLSR shall be paid by the 574  
applicant. 575

(D) If an application for a license does not contain all 576  
of the information required under division (A) of this section, 577  
and if such information is not submitted to the division or to 578  
the NMLSR within ninety days after the superintendent or the 579  
NMLSR requests the information in writing, including by 580  
electronic transmission or facsimile, the superintendent may 581  
consider the application withdrawn. 582

(E) If the superintendent of financial institutions finds 583  
that the financial responsibility, experience, character, and 584  
general fitness of the applicant command the confidence of the 585  
public and warrant the belief that the business will be operated 586  
honestly and fairly in compliance with the purposes of sections 587  
1321.62 to 1321.702 of the Revised Code and the rules adopted 588  
thereunder, and that the applicant has the requisite net worth 589  
and assets required under section 1321.65 of the Revised Code, 590  
the superintendent shall issue a license to the applicant. The 591  
license shall be valid until the thirty-first day of December of 592  
the year in which it is issued. A person may be licensed under 593  
both sections 1321.51 to 1321.60 and sections 1321.62 to 594  
1321.702 of the Revised Code. 595

(F) If the superintendent finds that the applicant does 596  
not meet the conditions set forth in this section, the 597  
superintendent shall issue a notice of intent to deny the 598  
application, and promptly notify the applicant of the denial, 599  
the grounds for the denial, and the applicant's reasonable 600  
opportunity to be heard on the action in accordance with Chapter 601  
119. of the Revised Code. 602

Sec. 1321.641. (A) A license issued under section 1321.64 603  
of the Revised Code may be renewed annually on or before the 604  
thirty-first day of December by submitting a renewal application 605  
in the form prescribed by the superintendent of financial 606  
institutions. The application shall be accompanied by a 607  
nonrefundable renewal fee of three hundred dollars, any 608  
assessment as determined by the superintendent pursuant to 609  
division (B) of this section, and any additional fee required by 610  
the NMLSR. A licensee shall not be required to pay any other fee 611  
or assessment by the state or any political subdivision of the 612  
state. 613

(B) If the amount of renewal fees collected by the 614  
division of financial institutions is less than the estimated 615  
expenditures of the consumer finance section of the division, as 616  
determined by the superintendent, for the following fiscal year, 617  
the superintendent may assess each licensee at a rate sufficient 618  
to equal in the aggregate the difference between the renewal 619  
fees collected and the estimated expenditures. Each licensee 620  
shall pay the assessed amount to the superintendent prior to the 621  
last day of June. In no event shall the assessment exceed ten 622  
cents per each one hundred dollars of interest (excluding 623  
charge-off recoveries), loan origination charges, and credit 624  
line charges collected by that licensee during the previous 625  
calendar year. If such an assessment is imposed, it shall not be 626  
less than two hundred fifty dollars per licensee and shall not 627  
exceed thirty thousand dollars less the total renewal fees paid 628  
pursuant to division (A) of this section by each licensee. 629

(C) If a renewal application does not contain all of the 630  
information required, and if that information is not submitted 631  
to the division or to the NMLSR within ninety days after the 632  
superintendent or the NMLSR requests the information in writing, 633

including by electronic transmission or facsimile, the 634  
superintendent may consider the renewal application withdrawn. 635

(D) An applicant's license shall not be renewed if it is 636  
subject to an order of suspension or an unpaid and past due fine 637  
imposed by the superintendent. 638

**Sec. 1321.642.** (A) If there is a change of five per cent 639  
or more in the ownership of a licensee, the division of 640  
financial institutions may make any investigation necessary to 641  
determine whether any fact or condition exists that, if it had 642  
existed at the time of the original application for a license, 643  
the fact or condition would have warranted the division to deny 644  
the application under section 1321.64 of the Revised Code. 645

(B) A licensee shall give the superintendent of financial 646  
institutions sixty days prior written notice before there is a 647  
change of fifty per cent or more in the ownership of the 648  
licensee. 649

**Sec. 1321.643.** (A) (1) Not more than one place of business 650  
shall be maintained under the same license, but the 651  
superintendent of financial institutions may issue additional 652  
licenses to the same licensee upon compliance with sections 653  
1321.62 to 1321.702 of the Revised Code. 654

(2) Each licensed place of business shall be located in a 655  
state. 656

(B) (1) When a licensee wishes to change its place of 657  
business, it shall give at least fifteen days prior written 658  
notice of the change to the division of financial institutions. 659  
The division shall provide a license for the new address without 660  
cost. 661

(2) If a licensee changes its name, it shall give written 662

notice of the change to the division prior to making loans under 663  
the new name. The division shall provide a license in the new 664  
name without cost. 665

(C) Each current license shall be kept conspicuously 666  
posted in each place of business of the licensee and is not 667  
transferable or assignable. 668

**Sec. 1321.644.** No person engaged in the business of 669  
selling tangible goods or services related to tangible goods may 670  
receive or retain a license under sections 1321.62 to 1321.702 671  
of the Revised Code for such place of business. 672

**Sec. 1321.65.** Each licensee that conducts business under 673  
sections 1321.62 to 1321.702 of the Revised Code shall maintain 674  
both of the following: 675

(A) A net worth of at least fifty thousand dollars; 676

(B) For each license, assets of at least fifty thousand 677  
dollars either in use or readily available for use in the 678  
conduct of the business. 679

**Sec. 1321.651.** All of the following apply to advertising 680  
for loans made under sections 1321.62 to 1321.702 of the Revised 681  
Code: 682

(A) Every advertisement shall state and clearly indicate 683  
the identity of the licensee and shall do so in such a manner 684  
that prevents confusion with the name of any other unrelated 685  
licensee. Licensees shall be identified by means of trade names, 686  
service marks, or business names that are filed with the 687  
division of financial institutions and the secretary of state. 688

(B) Advertising shall not be false, misleading, or 689  
deceptive. False, misleading, or deceptive advertising includes, 690



but is not limited to, the following: 691

(1) Placing, or causing to be placed, any advertisement 692  
indicating that special terms, reduced rates, guaranteed rates, 693  
particular rates, or any other special feature of loans is 694  
available unless the advertisement clearly states any 695  
limitations that apply; 696

(2) Placing, or causing to be placed, any advertisement 697  
containing a rate or special fee offer that is not a bona fide 698  
available rate or fee. 699

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 700  
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 701  
for closed-end loans. 702

(D) A licensee shall not use loan advertisements that 703  
provide only telephone or facsimile numbers or newspaper box 704  
addresses and that do not clearly indicate the identity of the 705  
licensee. 706

(E) A licensee shall not advertise that loans will be made 707  
within a specified time after the loan application is received, 708  
unless it is the general practice of the licensee to make loans 709  
within the specified time. 710

(F) A licensee shall not advertise special terms, reduced 711  
rates, reduced payments, or any other special feature of a loan 712  
within a specified limited time, unless the advertisement 713  
clearly states any limitations that apply to the offer. 714

(G) A licensee shall not advertise by the use of 715  
unqualified superlatives, including, but not limited to, "lowest 716  
rates," "lowest costs," "lowest payment plan," or "cheapest 717  
loans," or by making offers that cannot be reasonably fulfilled. 718

(H) A licensee shall not advertise the words "new" or "reduced," or words of similar import, in connection with rates, costs, payments, or plans, for more than ninety days after the rates, costs, payments, or plans have become effective. 719  
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(I) Any licensee specifying in any advertisement charges on loans in dollars shall also state the length of time required to repay the loans as well as the method of repayment, and shall, when the rate of interest is stated, do so in a manner to prevent misunderstanding. 723  
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(J) Any licensee advertising flat or average payments on loans that include principal and interest shall specify the number and frequency of payments required to repay the loans. Whenever the amounts of periodic payments are advertised, the amounts shall include all interest to the borrower, as well as principal. The principal payments alone may be shown separately provided the interest charges are also clearly stated with equal prominence. 728  
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(K) A licensee shall not advertise rebates, rates, or charges below the maximum lawful rate of interest that are conditioned upon prompt payment unless the condition is clearly indicated. 736  
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(L) A licensee shall not advertise either of the following: 740  
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(1) Waiver of payments in the event of sickness or disability or other contingency, without advertising that the interest and other charges, if assessed, continue during the waiver period; 742  
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(2) That the first payment on any loan may be made more than thirty days after the date of loan closing, without 746  
747

advertising that the interest and other charges, if assessed, 748  
will accrue from the date of disbursement of the loan funds 749  
until the first payment is due. 750

(M) A licensee shall not advertise for loans for illegal 751  
purposes. 752

(N) A licensee shall not advertise the availability of 753  
credit-related insurance without disclosing the charge, if any, 754  
for the insurance. 755

(O) Each licensee shall maintain in each licensed office 756  
or in a central location a file of all advertising for a period 757  
of two years from the date disseminated. This requirement 758  
includes newspaper, magazine, direct mailing, and facsimile 759  
advertising and solicitations, roadside advertising, internet 760  
advertising, and scripts of radio and television commercials. 761  
The file shall be readily available for inspection by the 762  
division at all times. Each licensee shall notify the division 763  
in writing of the location of the file. Each licensee shall, 764  
upon the request of the superintendent of financial 765  
institutions, provide to the division any printed or electronic 766  
advertising it has used regarding any business conducted under 767  
sections 1321.62 to 1321.702 of the Revised Code. 768

**Sec. 1321.66.** (A) Records a licensee is required to 769  
maintain shall be kept current and be available at a licensed 770  
location at all times during normal business hours for review by 771  
the superintendent. Records must be legible and maintained in a 772  
type size that is clearly readable without magnification and in 773  
conformity with any specific typeface or font size that may be 774  
required by state or federal law. Except when otherwise provided 775  
by federal or state law, records shall be maintained in English. 776  
When records are allowed to be in a language other than English, 777

the licensee, at its expense, shall be responsible for providing 778  
the superintendent with a full and accurate translation. For 779  
purposes of this section, "current" means within thirty days 780  
from the date of the occurrence of the event required to be 781  
recorded. A licensee shall keep and preserve the following 782  
records: 783

(1) A sortable electronic spreadsheet that discloses the 784  
following fields of information: 785

(a) Principal borrower's name; 786

(b) Principal borrower's address or property address; 787

(c) Loan or account number; 788

(d) Type of the security for the loan; 789

(e) Date of loan; 790

(f) Amount financed; 791

(g) Date finance charges begin to accrue; 792

(h) Loan origination charge; 793

(i) Itemization of all additional fees or charges; 794

(j) Principal amount of the loan; 795

(k) Scheduled or precomputed interest; 796

(l) Number of payments; 797

(m) Contractual rate of interest; 798

(n) Federal annual percentage rate; 799

(o) Payment amount; 800

(p) Types and amounts of credit-related insurance; 801

<u>(q) Default charge;</u>	802
<u>(r) Check collection charge;</u>	803
<u>(s) Any points charged to the borrower;</u>	804
<u>(t) Any charges for prepayment of the loan.</u>	805
<u>(2) Payment histories for each outstanding loan and each loan paid in full that shall disclose all of the following:</u>	806 807
<u>(a) Principal borrower's name;</u>	808
<u>(b) Loan or account number;</u>	809
<u>(c) A chronological entry of all debits, credits, payments, and charges received, assessed, or disbursed in connection with the loan, recorded thereon in an identifiable manner in order to show the actual date of receipt, assessment, or disbursement and the balance due on the loan or account.</u>	810 811 812 813 814
<u>(3) A file for each principal borrower. If there are multiple loan transactions with the same borrower, each loan transaction in the file shall have a unique loan or account number. The file shall contain copies of all of the following:</u>	815 816 817 818
<u>(a) All documents related to the loan transaction from origination through the final entry on the record;</u>	819 820
<u>(b) Copies of the complaints, court orders, settlements, and judgments relating to collection litigation;</u>	821 822
<u>(c) In cases of garnishment or attachment in collection litigation, copies of all notices served on employers and amounts collected;</u>	823 824 825
<u>(d) Copies of all repossession and foreclosure legal documents and other records, including bills for all expenses;</u>	826 827

<u>(e) In instances where the security foreclosed upon or</u>	828
<u>repossessed is offered for private sale, not less than three</u>	829
<u>bona fide written bids or appraisals in order to establish that</u>	830
<u>the terms of the sale were commercially reasonable to the</u>	831
<u>borrower;</u>	832
<u>(f) A copy of the death certificate and documentation of</u>	833
<u>all funds received or paid pursuant to a credit life claim.</u>	834
<u>(4) A sortable electronic spreadsheet of all loans in</u>	835
<u>collection litigation that shall include all of the following:</u>	836
<u>(a) Principal borrower's name;</u>	837
<u>(b) Loan or account number;</u>	838
<u>(c) Date litigation proceedings were initiated;</u>	839
<u>(d) Name of the court in which proceedings were initiated;</u>	840
<u>(e) Indication of whether a final judgment has been</u>	841
<u>entered, and if so, all of the following:</u>	842
<u>(i) Date of judgment;</u>	843
<u>(ii) Amount of judgment;</u>	844
<u>(iii) The judgment rate of interest.</u>	845
<u>(5) A sortable electronic spreadsheet of all loans in</u>	846
<u>repossession and foreclosure that shall include all of the</u>	847
<u>following:</u>	848
<u>(a) Principal borrower's name;</u>	849
<u>(b) Loan or account number;</u>	850
<u>(c) Type of security foreclosed, attached, replevied,</u>	851
<u>repossessed, or surrendered;</u>	852

<u>(d) Date of repossession or foreclosure;</u>	853
<u>(e) Date of sale of the security;</u>	854
<u>(f) Gross amount received from the sale of the security;</u>	855
<u>(g) The amount of money applied to the outstanding loan balance;</u>	856 857
<u>(h) Where the security is offered for private or public sale, evidence that the sale was consummated in compliance with the provisions of sections 1309.610, 1309.611, 1309.615, 1309.617, and 1309.624 of the Revised Code.</u>	858 859 860 861
<u>(6) A sortable electronic spreadsheet of all loans upon which a credit life claim has been paid by the insurer that shall include all of the following:</u>	862 863 864
<u>(a) Principal borrower's name;</u>	865
<u>(b) Loan or account number;</u>	866
<u>(c) Date of death;</u>	867
<u>(d) Total amount paid by the insurance claim;</u>	868
<u>(e) Amount applied to the principal borrower's account.</u>	869
<u>(7) General business records including, but not limited to, financial statements, check registers, bank statements, contracts with third-party vendors relating to lending services, policy and procedures manual, and training materials.</u>	870 871 872 873
<u>(8) All contracts or agreements relating to business relationships with businesses or individuals licensed by the division of financial institutions;</u>	874 875 876
<u>(9) A file of all advertisements;</u>	877
<u>(10) Histories of nonpublished indices used to establish</u>	878

interest rates for variable rate loans, which shall be 879  
maintained for two years from date of usage; 880

(11) Any other records the superintendent may from time to 881  
time specify in writing. 882

(B) Where electronic records are required, a licensee may 883  
retain paper records as well. Where electronic records are 884  
required, the superintendent may, for good cause, allow a 885  
licensee to retain paper records in lieu of the electronic 886  
records required by this section. 887

(C) (1) A licensee shall keep and preserve records 888  
pertaining to loans made under sections 1321.62 to 1321.702 of 889  
the Revised Code for at least two years after the final entry on 890  
the record. The final entry on the record occurs when the loan 891  
is paid in full, charged off as uncollectible, sold, transferred 892  
or assigned to another, or discharged or otherwise settled by a 893  
final order issued in litigation governing the loan transaction. 894

(2) Notwithstanding division (C) (1) of this section, a 895  
licensee shall keep and preserve records pertaining to 896  
residential mortgage loans in accordance with 12 C.F.R. 897  
1026.25(b) (3) as in effect on November 30, 2016. 898

(3) A licensee shall keep and preserve records pertaining 899  
to an advertisement for at least two years after the date the 900  
advertisement is published, broadcast, or disseminated. 901

(D) A licensee shall segregate the records pertaining to 902  
business conducted pursuant to sections 1321.62 to 1321.702 of 903  
the Revised Code from all other business records. 904

(E) A licensee shall notify the superintendent via the 905  
NMLSR of a change of location of its records pertaining to 906  
business conducted pursuant to sections 1321.62 to 1321.702 of 907



the Revised Code not later than five business days after the 908  
change. 909

(F) Where a licensee maintains electronic records in 910  
compliance with this section and those records are located 911  
outside of this state, the licensee shall make the electronic 912  
records available to the division of financial institutions upon 913  
request, within the time frame provided by the division. The 914  
electronic records may be uploaded to a secure server for the 915  
purpose of the division conducting an examination of the 916  
licensee. 917

(G) In the event electronic records, books, records, data, 918  
and documents of a licensee are located outside of this state 919  
and the superintendent determines that an in-person examination 920  
is necessary, the licensee shall, upon the request of the 921  
superintendent, pay in advance the estimated costs of the 922  
examination of the licensee outside this state, including the 923  
proportionate cost of the salaries of division of financial 924  
institutions employees who conduct the examination. The 925  
estimated costs of an out-of-state examination, as determined by 926  
the superintendent, shall be deposited with the division of 927  
financial institutions upon demand. After the actual costs of 928  
the out-of-state examination have been determined, any funds in 929  
the deposit account in excess of costs as itemized by the 930  
division of financial institutions shall be returned to the 931  
licensee. 932

(H) Any records maintained on an electronic storage media 933  
or system shall meet all of the following requirements: 934

(1) The electronic storage media or system must preserve 935  
the records in a nonrewritable, nonerasable format. 936

(2) The electronic storage media or system must verify automatically the quality and accuracy of the storage media recording process. 937  
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(3) The electronic storage media or system must serialize the original and the duplicate units of storage media, and affix a date and time for the required period of retention on both the original and duplicate. 940  
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(4) The electronic storage media or system must have the capacity to readily download indices and records preserved on the electronic storage media or system to any medium acceptable to the superintendent. 944  
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(5) Acceptable facilities and appropriate equipment must, at all times during normal business hours, be available to the superintendent for immediate, easily readable projection or production of electronic storage media or system images and for producing easily readable images. 948  
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(6) Immediate facsimile enlargement must be available upon the superintendent's request. 953  
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(7) A duplicate copy of the electronic record stored on any electronic media or system for the time required must be stored separately from the "original" electronic record. 955  
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(8) The electronic storage media or system must organize and index accurately all information maintained on both the original and duplicate storage media or system. 958  
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(9) At all times, a licensee must be able to have indices of the electronic records being stored available for examination by the superintendent. 961  
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(10) Each index must also be duplicated and the duplicate 964

copies must be stored separately from the original copy of each 965  
index. 966

(11) Original and duplicate indices must be preserved for 967  
the time required for the indexed records. 968

(12) An audit system must be in place that does all of the 969  
following: 970

(a) Provides for accountability regarding inputting of 971  
records and inputting any changes made to every original and 972  
duplicate record maintained and preserved; 973

(b) Requires the licensee, at all times, to have the 974  
results of the audit system available for examination by the 975  
superintendent; 976

(c) Preserves the results of the audit for the time 977  
required for the audited records. 978

(13) All information necessary to access records and 979  
indices stored on the electronic storage media or system, a copy 980  
of the physical and logical file format of the electronic 981  
storage media or system, the field format of all different 982  
information types written on the electronic storage media or 983  
system, together with the appropriate documentation and 984  
information necessary to access records and indices must be 985  
maintained, kept current, and provided promptly to the 986  
superintendent upon request. 987

(14) No paper documents produced or reproduced by means of 988  
an electronic storage media or system may be destroyed until the 989  
conditions of division (H) of this section have been met with 990  
regard to each paper document that is to be destroyed. 991

(15) At the request of the division: 992

(a) Records must be printed on paper for inspection or 993  
examination without cost to the division within forty-eight 994  
hours of the request. The superintendent may grant additional 995  
time for good cause shown upon receipt of a request for 996  
additional time from the licensee. 997

(b) The licensee shall provide any court documents in 998  
addition to those described in division (A) (3) of this section. 999

(I) In order to reduce the risk of consumer fraud and 1000  
related harms, including identity theft, licensees shall be 1001  
required to comply with section 216 of the "Fair and Accurate 1002  
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 1003  
15 U.S.C. 1681w as in effect on November 30, 2016, section 501 1004  
of the "Gramm Leach Bliley Act," 113 Stat. 1338 (1999) (amended 1005  
2010), 15 U.S.C. 6801 as in effect on November 30, 2016, and the 1006  
rules promulgated pursuant to those federal acts, including 16 1007  
C.F.R. Part 313 and 16 C.F.R. Part 682, as in effect November 1008  
30, 2016, pertaining to the maintenance, security, and disposal 1009  
of consumer information and records. 1010

(J) The division shall make or cause to be made an 1011  
examination of records pertaining to loans made under sections 1012  
1321.62 to 1321.702 of the Revised Code at least once every 1013  
twenty-four months for the purpose of determining whether the 1014  
licensee is complying with those sections and verifying the 1015  
licensee's annual report. 1016

**Sec. 1321.661.** (A) Each licensee shall submit to the NMLSR 1017  
call reports or other reports of condition, which reports shall 1018  
be in such form and shall contain such information as the NMLSR 1019  
may require. 1020

(B) (1) As required by the superintendent of financial 1021

institutions, each licensee shall file with the division of 1022  
financial institutions an annual report under oath or 1023  
affirmation, on forms supplied by the division, concerning the 1024  
business and operation of the licensee for the preceding 1025  
calendar year. 1026

(2) The superintendent shall annually publish an analysis 1027  
of the information required under division (B)(1) of this 1028  
section, but the individual reports shall not be public records 1029  
and shall not be open to public inspection. 1030

**Sec. 1321.662.** (A)(1) The following information is 1031  
confidential: 1032

(a) Examination information, and any information leading 1033  
to or arising from an examination; 1034

(b) Investigation information, and any information arising 1035  
from or leading to an investigation. 1036

(2) The information described in division (A)(1) of this 1037  
section shall remain confidential for all purposes except when 1038  
it is necessary for the superintendent of financial institutions 1039  
to take official action regarding the affairs of a licensee, or 1040  
in connection with criminal or civil proceedings to be initiated 1041  
by a prosecuting attorney or the attorney general. This 1042  
information may also be introduced into evidence or disclosed 1043  
when and in the manner authorized by section 1181.25 of the 1044  
Revised Code. 1045

(B) All application information, except social security 1046  
numbers, employer identification numbers, financial account 1047  
numbers, the identity of the institution where financial 1048  
accounts are maintained, personal financial information, 1049  
fingerprint cards and the information contained on such cards, 1050

and criminal background information, is a public record as 1051  
defined in section 149.43 of the Revised Code. 1052

(C) This section does not prevent the division of 1053  
financial institutions from releasing to or exchanging with 1054  
other financial institution regulatory authorities information 1055  
relating to licensees. For this purpose, a "financial 1056  
institution regulatory authority" includes a regulator of a 1057  
business activity in which a licensee is engaged, or has applied 1058  
to engage in, to the extent that the regulator has jurisdiction 1059  
over a licensee engaged in that business activity. A licensee is 1060  
engaged in a business activity, and a regulator of that business 1061  
activity has jurisdiction over the licensee, whether the 1062  
licensee conducts the activity directly or a subsidiary or 1063  
affiliate of the licensee conducts the activity. 1064

(D) (1) Any confidentiality or privilege arising under 1065  
federal or state law with respect to any information or material 1066  
provided to the NMLSR shall continue to apply to the information 1067  
or material after the information or material has been provided 1068  
to the NMLSR. The information and material so provided may be 1069  
shared with all state and federal regulatory officials with 1070  
oversight authority without the loss of confidentiality or 1071  
privilege protections provided by federal law or the law of any 1072  
state. Information or material described in division (D) (1) of 1073  
this section to which confidentiality or privilege applies shall 1074  
not be subject to any of the following: 1075

(a) Disclosure under any federal or state law governing 1076  
disclosure to the public of information held by an officer or an 1077  
agency of the federal government or of the respective state; 1078

(b) Subpoena or discovery, or admission into evidence, in 1079  
any private civil action or administrative process, unless the 1080

person to whom such information or material pertains waives, in 1081  
whole or in part and at the discretion of the person, any 1082  
privilege held by the NMLSR with respect to that information or 1083  
material. 1084

(2) The superintendent, in order to promote more effective 1085  
regulation and reduce regulatory burden through supervisory 1086  
information sharing, may enter into sharing arrangements with 1087  
other governmental agencies, the conference of state bank 1088  
supervisors, and the American association of residential 1089  
mortgage regulators. 1090

(3) Any state law, including section 149.43 of the Revised 1091  
Code, relating to the disclosure of confidential supervisory 1092  
information or any information or material described in division 1093  
(A) (1) or (D) (1) of this section that is inconsistent with this 1094  
section shall be superseded by the requirements of this section. 1095

(E) This section does not prevent the division from 1096  
releasing information relating to licensees to the attorney 1097  
general, to the superintendent of insurance for purposes 1098  
relating to the administration of Chapter 3953. of the Revised 1099  
Code, to the commissioner of securities for purposes relating to 1100  
the administration of Chapter 1707. of the Revised Code, or to 1101  
local law enforcement agencies and local prosecutors. 1102  
Information the division releases pursuant to this section 1103  
remains confidential. 1104

(F) The superintendent of financial institutions shall, by 1105  
rule adopted in accordance with Chapter 119. of the Revised 1106  
Code, establish a process by which licensees may challenge 1107  
information provided to the NMLSR by the superintendent. 1108

**Sec. 1321.663.** No person, in connection with any 1109

examination or investigation conducted by the superintendent of 1110  
financial institutions under sections 1321.62 to 1321.702 of the 1111  
Revised Code shall knowingly do any of the following: 1112

(A) Circumvent, interfere with, obstruct, or fail to 1113  
cooperate with the superintendent, including making a false or 1114  
misleading statement, failing to produce records, or 1115  
intimidating or suborning any witness; 1116

(B) Withhold, abstract, remove, mutilate, destroy, or 1117  
secrete any books, records, computer records, or other 1118  
information; 1119

(C) Tamper with, alter, or manufacture any evidence. 1120

**Sec. 1321.664.** In order to reduce the risk of consumer 1121  
fraud and related harms, including identity theft, licensees 1122  
shall comply with the provisions of the "Fair and Accurate 1123  
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 1124  
15 U.S.C. 1681w, as in effect on November 30, 2016, the "Gramm 1125  
Leach Bliley Act," 113 Stat. 1138 (1999) (amended 2010), 15 1126  
U.S.C. 6801, as in effect on November 30, 2016, including those 1127  
federal acts as amended from time to time and the rules 1128  
promulgated pursuant to those federal acts, including 16 C.F.R. 1129  
682, as in effect November 30, 2016, pertaining to the 1130  
maintenance, security, and disposal of consumer information and 1131  
records. 1132

**Sec. 1321.665.** Before ceasing to conduct or discontinuing 1133  
business as a licensee, the licensee shall arrange for and be 1134  
responsible for the preservation of the books and records 1135  
required to be maintained and preserved under sections 1321.62 1136  
to 1321.702 of the Revised Code and shall notify the division of 1137  
financial institutions in writing of the exact address where the 1138



books and records will be maintained during the required period. 1139

**Sec. 1321.666.** The superintendent of financial 1140  
institutions may suspend, revoke, or refuse to renew any license 1141  
issued by the superintendent under sections 1321.62 to 1321.702 1142  
of the Revised Code, or bring any other authorized 1143  
administrative enforcement action in accordance with section 1144  
1321.70 of the Revised Code, against any person for failure to 1145  
maintain records in accordance with section 1321.66 of the 1146  
Revised Code. 1147

**Sec. 1321.667.** (A) Except as otherwise provided in section 1148  
9.02 of the Revised Code, any party, including a governmental 1149  
authority, that requires or requests a licensee to assemble or 1150  
provide a customer's financial records shall pay the licensee 1151  
for all actual and necessary costs directly incurred in 1152  
searching for, reproducing, or transporting those records 1153  
according to the following schedule: 1154

(1) Reimbursement of search and processing costs shall be 1155  
the total amount of personnel direct time incurred in locating 1156  
and retrieving, reproducing, packaging, and preparing financial 1157  
records for shipment. The rate for search and processing costs 1158  
shall be eleven dollars per hour per person, computed on the 1159  
basis of two dollars and seventy-five cents per quarter hour or 1160  
fraction thereof, and shall be limited to the total amount of 1161  
personnel time spent in locating and retrieving documents or 1162  
information or reproducing or packaging and preparing documents 1163  
for shipment where required or requested by a party. Specific 1164  
salaries of such persons shall not be included in search costs. 1165  
In addition, search and processing costs shall not include 1166  
salaries, fees, or similar costs for analysis of material or for 1167  
managerial or legal advice, expertise, research, or time spent 1168

for any of these activities. If itemized separately, search and 1169  
processing costs may include the actual cost of extracting 1170  
information stored by computer in the format in which it is 1171  
normally produced, based on computer time and necessary 1172  
supplies; however, personnel time for computer search may be 1173  
paid for only at the rate specified in division (A)(1) of this 1174  
section. 1175

(2) Reimbursement for reproduction costs shall be for 1176  
costs incurred in making copies of documents required or 1177  
requested. The rate for reproduction costs for making copies of 1178  
required or requested documents shall be twenty-five cents for 1179  
each page, including copies produced by reader or printer 1180  
reproduction processes. Photographs, films, and other materials 1181  
shall be reimbursed at actual cost. 1182

(3) Reimbursement for transportation costs shall be for 1183  
necessary costs, directly incurred, to transport personnel to 1184  
locate and retrieve the information required or requested and 1185  
for necessary costs, directly incurred, solely by the need to 1186  
convey the required or requested material to the place of 1187  
examination. 1188

(B) A licensee shall not be entitled to reimbursement for 1189  
costs incurred in assembling or providing the following records 1190  
or information: 1191

(1) Any financial records provided as an incident to 1192  
perfecting a security interest, proving a claim in bankruptcy, 1193  
or otherwise collecting on a debt owing to the licensee; 1194

(2) Financial records that are not identified with or 1195  
identifiable as being derived from the financial records of a 1196  
particular customer. 1197

(C) Payment shall be made only for costs that are directly 1198  
incurred, actual, and necessary. No payment shall be made until 1199  
the licensee satisfactorily complies with the request or 1200  
requirement, except that in the case where the request or 1201  
requirement is withdrawn or revoked, the licensee shall be 1202  
reimbursed for the actual and necessary costs directly incurred 1203  
in assembling financial records required or requested to be 1204  
produced prior to the time the party notifies the licensee that 1205  
the request or requirement is withdrawn or revoked. No payment 1206  
shall be made unless the licensee submits an itemized bill or 1207  
invoice showing specific details concerning search and 1208  
processing, reproduction, and transportation costs. Search and 1209  
processing time shall be billed in fifteen-minute increments. 1210

(D) As used in this section: 1211

(1) "Costs directly incurred" means costs incurred solely 1212  
and necessarily as a consequence of searching for, reproducing, 1213  
or transporting books, papers, records, or other data, in order 1214  
to comply with a request or requirement to produce a customer's 1215  
financial records. The term does not include any allocation of 1216  
fixed costs, such as overhead, equipment, and depreciation. If a 1217  
licensee has financial records that are stored at an independent 1218  
storage facility that charges a fee to search for, reproduce, or 1219  
transport particular records requested, these costs shall be 1220  
considered to be directly incurred by the licensee. 1221

(2) "Customer," "financial record," and "governmental 1222  
authority" have the same meanings as in section 9.02 of the 1223  
Revised Code. 1224

**Sec. 1321.67.** (A) For purposes of sections 1321.62 to 1225  
1321.702 of the Revised Code, a loan shall be considered closed 1226  
upon the signature of the obligor or obligors, unless the loan 1227

contract is not executed by signature, in which case the loan is 1228  
considered closed upon disbursement of loan funds. 1229

(B) All loans made under sections 1321.62 to 1321.702 of 1230  
the Revised Code by direct mail shall be made from a place of 1231  
business for which the licensee holds a valid license. 1232

(C) Licensees have an ongoing duty to notify the division 1233  
of financial institutions of material changes in the information 1234  
contained in the application and exhibits, schedules, and other 1235  
documentation submitted in conjunction with the application, and 1236  
to report all changes or additions to information in the 1237  
application within thirty days of the change. Material changes 1238  
in the information include changes in affiliations, controlling 1239  
interest, officers, directors, criminal record, and any change 1240  
in net worth below the requirements set forth in section 1321.65 1241  
of the Revised Code. 1242

(D) Each licensee shall do all of the following: 1243

(1) Obtain the written consent of the borrower for any 1244  
purchase of insurance on property of the borrower other than 1245  
that which is used as security for the loan; 1246

(2) Permit payment to be made in advance in any amount on 1247  
any contract at any time, but the licensee may apply the payment 1248  
first to interest and charges due up to the date of payment; 1249

(3) Notify the borrower in writing of any interest rate 1250  
change at least thirty but not more than one hundred twenty days 1251  
prior to the effective date of the changes, provided that if the 1252  
interest rate is tied to a published and verifiable index and 1253  
the contractual rate of interest is adjusted within forty-five 1254  
days of change in the published index rate, the licensee shall 1255  
notify the borrower in writing of any interest rate change at 1256

least thirty days prior to the effective date of the change. The 1257  
notice required under division (D) (3) of this section shall 1258  
include all of the following: 1259

(a) A statement of the borrower's current interest rate 1260  
and corresponding monthly payment prior to the reset date; 1261

(b) A good faith statement of the borrower's anticipated 1262  
future interest rate and corresponding monthly payment following 1263  
the reset date; 1264

(c) A statement that notifies the borrower to contact the 1265  
licensee for workout options in the event that there is a 1266  
possible problem of repayment at the new interest rate and 1267  
monthly payment following the reset; 1268

(d) A toll-free number by which borrowers can discuss 1269  
possible payment problems and workout options; 1270

(e) An explanation of the index or formula that is being 1271  
used to reset the interest rate and the source of that index or 1272  
formula. 1273

(4) In the instance of a non-amortized or partially 1274  
amortized interest-bearing loan, provide the borrower with 1275  
written notice of maturity at least ninety but not more than one 1276  
hundred twenty days prior to the expected maturity date; 1277

(5) Clearly indicate by prominently disclosing on, or in, 1278  
the loan documents, the federal or state statutory authority 1279  
pursuant to which the loan is made. This prominent disclosure 1280  
shall be provided on loans made: 1281

(a) Solely in reliance on the provisions of sections 1282  
1321.62 to 1321.702 of the Revised Code; 1283

(b) Partially in reliance on the provisions of sections 1284

1321.62 to 1321.702 of the Revised Code; or 1285

(c) In reliance on any combination of federal or state 1286  
provisions that do not include sections 1321.62 to 1321.702 of 1287  
the Revised Code. 1288

(6) In providing any payment history requested by the 1289  
borrower or by the division, provide a clear and accurate 1290  
payment statement in a manner a reasonable borrower should 1291  
understand that sets forth the dates and amounts due and owing 1292  
and the dates and amounts received and paid. 1293

(E) A licensee shall not be prohibited from holding other 1294  
licenses or registrations issued by the division as long as the 1295  
licensee is in compliance with section 1321.63 of the Revised 1296  
Code and other applicable provisions of state and federal laws. 1297

(F) A licensee is liable for payment of the annual 1298  
assessment described in division (B) of section 1321.641 of the 1299  
Revised Code on any loan made by the licensee that has been 1300  
sold, transferred, or assigned to another person if servicing 1301  
rights have been retained by the licensee. 1302

**Sec. 1321.671.** (A) Upon repayment of the loan in full, the 1303  
original note signed by any obligor or copy, photograph, or 1304  
stored representation of the original note as retained in 1305  
accordance with section 1321.66 of the Revised Code shall be 1306  
plainly marked "paid" or "canceled" and the note or the 1307  
reproduction of the note shall be returned to the obligor or, if 1308  
there are two or more obligors, to one of them. 1309

(B) If requested, the licensee shall give to the borrower 1310  
a receipt for each payment made on account of any interest- 1311  
bearing or precomputed loan. 1312

**Sec. 1321.672.** (A) When, in connection with a loan, a 1313

licensee furnishes or places insurance written on behalf of the 1314  
borrower at the borrower's expense, a policy or certificate of 1315  
insurance properly executed shall be furnished to the borrower 1316  
within fifteen days of the closing date of the loan. The policy 1317  
or certificate shall state the name of the insurance company, 1318  
the nature of the insurance, the extent of the coverage, the 1319  
amount of the premium, and the effective and expiration dates of 1320  
the policy. 1321

(B) If a licensee furnishes or places credit life 1322  
insurance, credit accident and health insurance, or unemployment 1323  
insurance on behalf of the borrower at the borrower's expense, 1324  
the licensee shall give written notice to the borrower at the 1325  
time the loan is made. The notice shall disclose the borrower's 1326  
right to cancel the insurance within twenty-five days after the 1327  
purchase of the insurance with a full refund of the premium or 1328  
identifiable charge for the insurance. The notice shall further 1329  
disclose that the cancellation may be effected upon the written 1330  
request of the borrower together with the return of the policy 1331  
or certificate of insurance to the licensee. 1332

(C) All insurance sold or obtained in connection with the 1333  
making of a loan shall be governed by Title XXXIX of the Revised 1334  
Code. 1335

(D) In any transaction in which the licensee furnishes or 1336  
places insurance on behalf of the borrower at the borrower's 1337  
expense, the licensee shall, prior to furnishing or placing the 1338  
insurance, provide written disclosure to the borrower of the 1339  
business relationship, beneficial ownership or affiliation, 1340  
whether direct or indirect, between the licensee and the 1341  
insurer. 1342

**Sec. 1321.673.** No licensee shall conduct the business of 1343

making loans under sections 1321.62 to 1321.702 of the Revised 1344  
Code in any office, room, or place of business in which any 1345  
other business is solicited or engaged in, or in association or 1346  
conjunction with any other such business, if the superintendent 1347  
of financial institutions finds, pursuant to a hearing conducted 1348  
in accordance with Chapter 119. of the Revised Code, that the 1349  
other business is of such a nature that the conduct tends to 1350  
conceal evasion of sections 1321.62 to 1321.702 of the Revised 1351  
Code, and orders the licensee in writing to desist from the 1352  
conduct. 1353

**Sec. 1321.674.** (A) Any person that willfully violates 1354  
section 1321.68 of the Revised Code shall forfeit to the 1355  
borrower the amount of interest paid by the borrower. The 1356  
maximum rate of interest applicable to any loan transaction that 1357  
does not comply with section 1321.68 of the Revised Code shall 1358  
be the rate that would be applicable in the absence of sections 1359  
1321.62 to 1321.702 of the Revised Code. 1360

(B) Any extension of credit under sections 1321.62 to 1361  
1321.702 of the Revised Code shall include a notice in at least 1362  
ten point type at the bottom of the first page of any loan 1363  
agreement to read: "This loan is governed by, and made pursuant 1364  
to, the provisions of the Ohio Consumer Installment Loan Act 1365  
under R.C. 1321.62 - 1321.702." 1366

**Sec. 1321.68.** (A) A licensee may contract for and receive 1367  
interest, calculated according to the actuarial method, at a 1368  
rate or rates not exceeding twenty-five per cent per year on the 1369  
unpaid principal balances of the loan. Loans may be interest- 1370  
bearing or precomputed. 1371

(B) For purposes of computation of time on interest- 1372  
bearing and precomputed loans, including, but not limited to, 1373



the calculation of interest, a month is considered one-twelfth 1374  
of a year, and a day is considered one three hundred sixty-fifth 1375  
of a year when calculation is made for a fraction of a month. A 1376  
year is as defined in section 1.44 of the Revised Code. A month 1377  
is that period described in section 1.45 of the Revised Code. 1378  
Alternatively, a licensee may consider a day as one three 1379  
hundred sixtieth of a year and each month as having thirty days. 1380

(C) With respect to interest-bearing loans: 1381

(1) (a) Interest shall be computed on unpaid principal 1382  
balances outstanding from time to time, for the time 1383  
outstanding. 1384

(b) As an alternative to the method of computing interest 1385  
set forth in division (C) (1) (a) of this section, a licensee may 1386  
charge and collect interest for the first installment period 1387  
based on elapsed time from the date of the loan to the first 1388  
scheduled payment due date, and for each succeeding installment 1389  
period from the scheduled payment due date to the next scheduled 1390  
payment due date, regardless of the date or dates the payments 1391  
are actually made. 1392

(c) Whether a licensee computes interest pursuant to 1393  
division (C) (1) (a) or (b) of this section, each payment shall be 1394  
applied first to unpaid charges, then to interest, and the 1395  
remainder to the unpaid principal balance. However, if the 1396  
amount of the payment is insufficient to pay the accumulated 1397  
interest, the unpaid interest continues to accumulate to be paid 1398  
from the proceeds of subsequent payments and is not added to the 1399  
principal balance. 1400

(2) Interest shall not be compounded, collected, or paid 1401  
in advance. However, both of the following apply: 1402

(a) Interest may be charged to extend the first monthly installment period by not more than fifteen days, and the interest charged for the extension may be added to the principal amount of the loan. 1403  
1404  
1405  
1406

(b) If part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, the principal amount payable under the new loan contract may include any unpaid interest that has accrued. The resulting loan contract shall be deemed a new and separate loan transaction for purposes of this section. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in division (D) (3) of this section. 1407  
1408  
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(D) With respect to precomputed loans: 1416

(1) Loans shall be repayable in monthly installments of principal and interest combined, except that: 1417  
1418

(a) The first installment period may exceed one month by not more than fifteen days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days. 1419  
1420  
1421  
1422

(b) Monthly installment payment dates may be omitted to accommodate borrowers with seasonal income. 1423  
1424

(2) Payments may be applied to the combined total of principal and precomputed interest until maturity of the loan. A licensee may charge interest after the original or deferred maturity of a precomputed loan at the rate specified in division (A) of this section on all unpaid principal balances for the time outstanding. 1425  
1426  
1427  
1428  
1429  
1430

(3) When any loan contract is paid in full by cash, 1431

renewal, refinancing, or a new loan, one month or more before 1432  
the final installment due date, the licensee shall refund, or 1433  
credit the borrower with, the total of the applicable charges 1434  
for all fully unexpired installment periods, as originally 1435  
scheduled or as deferred, that follow the day of prepayment. If 1436  
the prepayment is made other than on a scheduled installment due 1437  
date, the nearest scheduled installment due date shall be used 1438  
in such computation. If the prepayment occurs prior to the first 1439  
installment due date, the licensee may retain one-thirtieth of 1440  
the applicable charge for a first installment period of one 1441  
month for each day from date of loan to date of prepayment, and 1442  
shall refund, or credit the borrower with, the balance of the 1443  
total interest contracted for. If the maturity of the loan is 1444  
accelerated for any reason and judgment is entered, the licensee 1445  
shall credit the borrower with the same refund as if prepayment 1446  
in full had been made on the date the judgment is entered. 1447

(4) If the parties agree in writing, either in the loan 1448  
contract or in a subsequent agreement, to a deferment of wholly 1449  
unpaid installments, a licensee may grant a deferment and may 1450  
collect a deferment charge as provided in this section. A 1451  
deferment postpones the scheduled due date of the earliest 1452  
unpaid installment and all subsequent installments as originally 1453  
scheduled, or as previously deferred, for a period equal to the 1454  
deferment period. The deferment period is that period during 1455  
which no installment is scheduled to be paid by reason of the 1456  
deferment. The deferment charge for a one-month period may not 1457  
exceed the applicable charge for the installment period 1458  
immediately following the due date of the last undeferred 1459  
installment. A proportionate charge may be made for deferment 1460  
for periods of more or less than one month. A deferment charge 1461  
is earned pro rata during the deferment period and is fully 1462

earned on the last day of the deferment period. If a loan is 1463  
prepaid in full during a deferment period, the licensee shall 1464  
make, or credit to the borrower, a refund of the unearned 1465  
deferment charge in addition to any other refund or credit made 1466  
for prepayment of the loan in full. 1467

(E) A licensee, at the request of the borrower, may 1468  
obtain, on one or more borrowers, credit life insurance, credit 1469  
accident and health insurance, and unemployment insurance. The 1470  
premium or identifiable charge for the insurance may be included 1471  
in the principal amount of the loan and may not exceed the 1472  
premium rate filed by the insurer with the superintendent of 1473  
insurance and not disapproved by the superintendent. If a 1474  
licensee obtains the insurance at the request of the borrower, 1475  
the borrower shall have the right to cancel the insurance for a 1476  
period of twenty-five days after the loan is made. If the 1477  
borrower chooses to cancel the insurance, the borrower shall 1478  
give the licensee written notice of this choice and shall return 1479  
all of the policies or certificates of insurance or notices of 1480  
proposed insurance to the licensee during such period, and the 1481  
full premium or identifiable charge for the insurance shall be 1482  
refunded to the borrower by the licensee. If the borrower 1483  
requests, in the notice to cancel the insurance, that this 1484  
refund be applied to reduce the balance of a precomputed loan, 1485  
the licensee shall credit the amount of the refund plus the 1486  
amount of interest applicable to the refund to the loan balance. 1487  
If the licensee obtains the insurance at the request of the 1488  
borrower, the licensee shall not charge or collect interest on 1489  
any insured amount that remains unpaid after the insured 1490  
borrower's date of death. 1491

(F) A licensee may require the borrower to provide 1492  
insurance or a loss payable endorsement covering reasonable 1493

risks of loss, damage, and destruction of property used as 1494  
security for the loan and with the consent of the borrower such 1495  
insurance may cover property of the borrower other than that 1496  
which is security for the loan. The amount and term of required 1497  
property insurance shall be reasonable in relation to the amount 1498  
and term of the loan contract and the type and value of the 1499  
security, and the insurance shall be procured in accordance with 1500  
the insurance laws of this state. The purchase of this insurance 1501  
through the licensee or an agent or broker designated by the 1502  
licensee shall not be a condition precedent to the granting of 1503  
the loan. If the borrower purchases the insurance from or 1504  
through the licensee or from another source, the premium may be 1505  
included in the principal amount of the loan. 1506

(G) (1) In addition to the interest and charges provided 1507  
for by this section, no further or other amount, whether in the 1508  
form of broker fees, placement fees, or any other fees 1509  
whatsoever, shall be charged or received by the licensee, except 1510  
that: 1511

(a) The licensee may charge and receive costs and 1512  
disbursements in connection with any suit to collect a loan or 1513  
any lawful activity to realize on a security interest after 1514  
default, including reasonable attorney's fees incurred by the 1515  
licensee as a result of the suit or activity and to which the 1516  
licensee becomes entitled by law. 1517

(b) The licensee may include the following additional 1518  
charges in the principal amount of the loan or collect the 1519  
following additional charges at any time after the loan is made: 1520

(i) The amounts of fees authorized by law to record, file, 1521  
or release security interests on a loan; 1522

(ii) Fees received from borrowers to record, file, or 1523  
release a security interest on a loan for purposes either of 1524  
purchasing insurance to insure the licensee against losses for 1525  
failure to record or file or creating a self-insurance fund to 1526  
reimburse the licensee against losses for failure to record or 1527  
file; 1528

(iii) Fees for credit investigations not exceeding twenty- 1529  
five dollars provided a licensee obtains a consumer report in 1530  
connection with an application for a grant, extension, or other 1531  
provision of credit to a consumer that is based in whole or in 1532  
part on the consumer report. 1533

(2) Division (G) (1) of this section does not limit the 1534  
rights of licensees to engage in other transactions with 1535  
borrowers, provided the transactions are not a condition of the 1536  
loan. 1537

(H) If the loan contract or security instrument contains 1538  
covenants by the borrower to perform certain duties pertaining 1539  
to insuring or preserving security and the licensee pursuant to 1540  
the loan contract or security instrument pays for performance of 1541  
the duties on behalf of the borrower, the licensee may add the 1542  
amounts paid to the unpaid principal balance of the loan or 1543  
collect them separately. A charge for interest may be made for 1544  
sums advanced not exceeding the rate of interest permitted by 1545  
division (A) of this section. Within a reasonable time after 1546  
advancing a sum, the licensee shall notify the borrower in 1547  
writing of the amount advanced, any interest charged with 1548  
respect to the amount advanced, and any revised payment 1549  
schedule, and shall include a brief description of the reason 1550  
for the advance. 1551

(I) (1) In addition to any other permissible fees and 1552

charges, a licensee may charge and receive the following: 1553

(a) If the principal amount of the loan is five hundred 1554  
dollars or less, loan origination charges not exceeding fifteen 1555  
dollars; 1556

(b) If the principal amount of the loan is more than five 1557  
hundred dollars but less than one thousand dollars, loan 1558  
origination charges not exceeding thirty dollars; 1559

(c) If the principal amount of the loan is at least one 1560  
thousand dollars but less than two thousand dollars, loan 1561  
origination charges not exceeding one hundred dollars; 1562

(d) If the principal amount of the loan is at least two 1563  
thousand dollars but less than five thousand dollars, loan 1564  
origination charges not exceeding two hundred dollars; 1565

(e) If the principal amount of the loan is at least five 1566  
thousand dollars, loan origination charges not exceeding the 1567  
greater of two hundred fifty dollars or one per cent of the 1568  
principal amount of the loan. 1569

(2) Loan origination charges may be paid by the borrower 1570  
at the time of the loan or may be included in the principal 1571  
amount of the loan. 1572

(J) A licensee may charge and receive check collection 1573  
charges not greater than twenty dollars plus any amount passed 1574  
on from other depository institutions for each check, negotiable 1575  
order of withdrawal, share draft, or other negotiable instrument 1576  
returned or dishonored for any reason. 1577

(K) If the loan contract so provides, a licensee may 1578  
collect a default charge on any installment not paid in full 1579  
within ten days after its due date. For this purpose, all 1580

installments are considered paid in the order in which they 1581  
become due. Any amounts applied to an outstanding loan balance 1582  
as a result of voluntary release of a security interest, sale of 1583  
security on the loan, or cancellation of insurance shall be 1584  
considered payments on the loan, unless the parties otherwise 1585  
agree in writing at the time the amounts are applied. A licensee 1586  
shall not collect more than one default charge per unpaid 1587  
installment regardless of the number of months the installment 1588  
remains fully unpaid. The amount of the default charge shall not 1589  
exceed the greater of five per cent of the scheduled installment 1590  
or fifteen dollars. 1591

**Sec. 1321.681.** (A) For open-end loans, "billing cycle" 1592  
means the time interval between periodic billing dates. A 1593  
billing cycle shall be considered monthly if the closing date of 1594  
the cycle is the same date each month or does not vary by more 1595  
than four days from such date. 1596

(B) A licensee may make open-end loans pursuant to an 1597  
agreement between the licensee and the borrower whereby: 1598

(1) The licensee may permit the borrower to obtain 1599  
advances of money from the licensee from time to time or the 1600  
licensee may advance money on behalf of the borrower from time 1601  
to time as directed by the borrower. 1602

(2) The amount of each advance and permitted interest, 1603  
charges, and costs are debited to the borrower's account and 1604  
payments and other credits are credited to the same account. 1605

(3) The interest and charges are computed on the unpaid 1606  
balance or balances of the account from time to time. 1607

(4) The borrower has the privilege of paying the account 1608  
in full at any time or, if the account is not in default, in 1609



installments of determinable amounts as provided in the 1610  
agreement. 1611

(C) A licensee may contract for and receive interest for 1612  
open-end loans at a rate or rates not exceeding twenty-eight per 1613  
cent per year and may compute interest in each billing cycle by 1614  
either of the following methods: 1615

(1) By multiplying the daily rate by the daily unpaid 1616  
balance of the account, in which case the daily rate is 1617  
determined by dividing the annual rate by three hundred sixty- 1618  
five; 1619

(2) By multiplying the monthly rate by the average daily 1620  
unpaid balance of the account in the billing cycle, in which 1621  
case the average daily unpaid balance is the sum of all of the 1622  
daily unpaid balances each day during the cycle divided by the 1623  
number of days in the cycle. The monthly rate is determined by 1624  
dividing the annual rate by twelve. 1625

(D) The billing cycle shall be monthly and the unpaid 1626  
balance on any day shall be determined by adding to any balance 1627  
unpaid as of the beginning of that day all advances and 1628  
permitted interest, charges, and costs and deducting all 1629  
payments and other credits made or received that day. 1630

(E) In addition to the interest permitted in division (C) 1631  
of this section, a licensee may charge and receive or add to the 1632  
unpaid balance any or all of the following: 1633

(1) All charges and costs authorized by divisions (E), 1634  
(F), (G), (H), and (J) of section 1321.68 of the Revised Code; 1635

(2) An annual credit line charge, for the privilege of 1636  
maintaining a line of credit, as follows: 1637

(a) For the first year: 1638

(i) If the original credit line is less than five thousand 1639  
dollars, an amount not exceeding one hundred fifty dollars; 1640

(ii) If the original credit line is at least five thousand 1641  
dollars, an amount not exceeding the greater of one per cent of 1642  
the original credit line or two hundred fifty dollars. 1643

(b) For subsequent years, an amount not exceeding the 1644  
greater of one-half per cent of the credit line on the 1645  
anniversary date or fifty dollars. 1646

(3) A default charge on any required minimum payment not 1647  
paid in full within ten days after its due date. For this 1648  
purpose, all required minimum payments are considered paid in 1649  
the order in which they become due. The amount of the default 1650  
charge shall not exceed the greater of five per cent of the 1651  
required minimum payment or twenty dollars. 1652

(F) The borrower at any time may pay all or any part of 1653  
the unpaid balance on the account or, if the account is not in 1654  
default, the borrower may pay the unpaid balance in installments 1655  
subject to minimum payment requirements as determined by the 1656  
licensee and set forth in the open-end loan agreement. 1657

(G) If credit life insurance or credit accident and health 1658  
insurance is obtained by the licensee and if the insured dies or 1659  
becomes disabled when there is an outstanding open-end loan 1660  
indebtedness, the insurance shall be sufficient to pay the 1661  
unpaid balance on the loan due on the date of the borrower's 1662  
death in the case of credit life insurance or all minimum 1663  
payments that become due on the loan during the covered period 1664  
of disability in the case of credit accident and health 1665  
insurance. The additional charge for credit life insurance, 1666

credit accident and health insurance, or unemployment insurance 1667  
shall be calculated each billing cycle by applying the current 1668  
monthly premium rate for the insurance, filed by the insurer 1669  
with the superintendent of insurance and not disapproved by the 1670  
superintendent, to the unpaid balances in the borrower's 1671  
account, using one of the methods specified in division (C) of 1672  
this section for the calculation of interest. No credit life 1673  
insurance, credit accident and health insurance, or unemployment 1674  
insurance written in connection with an open-end loan shall be 1675  
canceled by the licensee because of delinquency of the borrower 1676  
in making the required minimum payments on the loan unless one 1677  
or more such payments is past due for a period of thirty days or 1678  
more. The licensee shall advance to the insurer the amounts 1679  
required to keep the insurance in force during such period, 1680  
which amounts may be debited to the borrower's account. 1681

(H) Whenever there is no unpaid balance in an open-end 1682  
loan account, the account may be terminated by written notice, 1683  
by the borrower or the licensee, to the other party. 1684

**Sec. 1321.69.** (A) A licensee shall not permit any borrower 1685  
to be indebted for a loan made under sections 1321.62 to 1686  
1321.702 of the Revised Code at any time while the borrower is 1687  
also indebted to an affiliate or agent of the licensee for a 1688  
loan made under sections 1321.01 to 1321.19 or sections 1321.51 1689  
to 1321.60 of the Revised Code for the purpose or with the 1690  
result of obtaining greater charges than otherwise would be 1691  
permitted by sections 1321.62 to 1321.702 of the Revised Code. 1692

(B) A licensee shall not induce or permit any person to 1693  
become obligated to the licensee under sections 1321.62 to 1694  
1321.702 of the Revised Code, directly or contingently, or both, 1695  
under more than one contract of loan at the same time for the 1696

purpose or with the result of obtaining greater charges than 1697  
would otherwise be permitted by sections 1321.62 to 1321.702 of 1698  
the Revised Code. 1699

(C) A licensee shall not fail to provide information 1700  
regarding the amount required to pay in full a loan made under 1701  
sections 1321.62 to 1321.702 of the Revised Code within five 1702  
business days after the receipt of a written request from a 1703  
borrower or by another person designated in writing by the 1704  
borrower. 1705

(D) A licensee shall not obtain a license through any 1706  
false or fraudulent representation of a material fact or any 1707  
omission of a material fact required by state or federal law, or 1708  
make any substantial misrepresentation in the application to 1709  
engage in lending under sections 1321.62 to 1321.702 of the 1710  
Revised Code. 1711

(E) A licensee, in connection with the business of making 1712  
or offering to make a loan, shall not knowingly make false or 1713  
misleading statements of a material fact, omissions of 1714  
statements required by state or federal law, or false promises 1715  
regarding a material fact, through advertising or other means, 1716  
or knowingly engage in a continued course of misrepresentations. 1717

(F) A licensee, or person making loans without a license 1718  
in violation of section 1321.63 of the Revised Code, shall not 1719  
knowingly engage in conduct, in connection with the business of 1720  
making or offering to make loans under sections 1321.62 to 1721  
1321.702 of the Revised Code, that constitutes improper, 1722  
fraudulent, or dishonest dealings. 1723

(G) A licensee or applicant for a license shall not fail 1724  
to notify the division of financial institutions within thirty 1725

days after having a license, or comparable authority, revoked in 1726  
any governmental jurisdiction. 1727

(H) A licensee shall not knowingly make, propose, or 1728  
solicit fraudulent, false, or misleading statements on any loan 1729  
document or on any document related to a loan. For purposes of 1730  
this division, "fraudulent, false, or misleading statements" 1731  
does not include mathematical errors, inadvertent transposition 1732  
of numbers, typographical errors, or any other bona fide error. 1733

(I) A licensee shall not knowingly instruct, solicit, 1734  
propose, or otherwise cause a borrower to sign in blank a loan- 1735  
related document in connection with a loan. 1736

(J) A licensee shall not take any note or other promise to 1737  
pay that does not set forth the entire agreement made with the 1738  
borrower. 1739

(K) A licensee shall not take any note or promise to pay 1740  
in which blanks are left to be filled in after execution. 1741

(L) A licensee shall not charge or collect interest prior 1742  
to the date of disbursement of the loan funds to the borrower. 1743

(M) A licensee shall not make a new loan for the purpose 1744  
of paying any part of the interest or principal due on an 1745  
existing loan with the same licensee unless the interest and 1746  
principal balance of the existing loan is paid in full from the 1747  
proceeds of the new loan. 1748

(N) Notwithstanding any provision of sections 1321.62 to 1749  
1321.702 of the Revised Code to the contrary, no licensee shall 1750  
give, or advertise an offer to give, any article, merchandise, 1751  
reward-program benefit, or any other thing of value, as 1752  
inducement to a borrower or prospective borrower to obtain a 1753  
loan, unless the cost of the thing of value is absorbed by the 1754

licensee as general overhead, rather than directly charged to 1755  
the borrower who received the thing of value. 1756

Sec. 1321.70. (A) The division of financial institutions 1757  
may, upon written notice to the licensee stating the 1758  
contemplated action, the grounds for the action, and the 1759  
licensee's reasonable opportunity to be heard on the action in 1760  
accordance with Chapter 119. of the Revised Code, revoke, 1761  
suspend, or refuse to renew any license issued under sections 1762  
1321.62 to 1321.702 of the Revised Code if it finds a violation 1763  
of or failure to comply with any provision of sections 1321.62 1764  
to 1321.702 of the Revised Code or the rules adopted thereunder, 1765  
any federal lending law, or any other law applicable to the 1766  
business conducted under a license. 1767

(B) In addition to, or in lieu of, any revocation, 1768  
suspension, or denial, the division may impose a monetary fine 1769  
after administrative hearing or in settlement of matters subject 1770  
to claims under division (A) of this section. 1771

(C) The revocation, suspension, or refusal to renew shall 1772  
not impair the obligation of any pre-existing lawful contract 1773  
made under sections 1321.62 to 1321.702 of the Revised Code; 1774  
provided, however, that a prior licensee shall make good faith 1775  
efforts to promptly transfer the licensee's collection rights to 1776  
another licensee or person exempt from licensing, or be subject 1777  
to additional monetary fines and legal or administrative action 1778  
by the division. Nothing in this division shall limit a court's 1779  
ability to impose a cease-and-desist order preventing any 1780  
further business or servicing activity. 1781

(D) (1) The superintendent of financial institutions may 1782  
impose a fine for a violation of sections 1321.62 to 1321.702 of 1783  
the Revised Code committed by a licensee. All fines collected 1784

pursuant to this section shall be paid to the treasurer of state 1785  
to the credit of the consumer finance fund created in section 1786  
1321.21 of the Revised Code. In determining the amount of a fine 1787  
to be imposed pursuant to this division, the superintendent may 1788  
consider all of the following to the extent it is known to the 1789  
division: 1790

(a) The seriousness of the violation; 1791

(b) The licensee's good faith efforts to prevent the 1792  
violation; 1793

(c) The licensee's history regarding violations and 1794  
compliance with division orders; 1795

(d) The licensee's financial resources; 1796

(e) Any other matters the superintendent considers 1797  
appropriate in enforcing sections 1321.62 to 1321.702 of the 1798  
Revised Code. 1799

(2) Monetary fines imposed under division (D)(1) of this 1800  
section shall not exceed twenty-five thousand dollars. 1801

(E) The superintendent may investigate alleged violations 1802  
of sections 1321.62 to 1321.702 of the Revised Code, or the 1803  
rules adopted thereunder, or complaints concerning any such 1804  
violation. The superintendent may make application to the court 1805  
of common pleas for an order enjoining any violation and, upon a 1806  
showing by the superintendent that a person has committed, or is 1807  
about to commit, a violation, the court shall grant an 1808  
injunction, restraining order, or other appropriate relief. The 1809  
superintendent, in making application to the court of common 1810  
pleas for an order enjoining a person from acting as a licensee 1811  
in violation of section 1321.63 of the Revised Code, may also 1812  
seek and obtain civil penalties for that unlicensed conduct in 1813

an amount not to exceed five thousand dollars per violation. 1814

(F) In conducting an investigation pursuant to this 1815  
section, the superintendent may compel, by subpoena, witnesses 1816  
to testify in relation to any matter over which the 1817  
superintendent has jurisdiction, and may require the production 1818  
or photocopying of any book, record, or other document 1819  
pertaining to such matter. If a person fails to file any 1820  
statement or report, obey any subpoena, give testimony, produce 1821  
any book, record, or other document as required by such a 1822  
subpoena, or permit photocopying of any book, record, or other 1823  
document subpoenaed, the court of common pleas of any county in 1824  
this state, upon application made to it by the superintendent, 1825  
shall compel obedience by attachment proceedings for contempt, 1826  
as in the case of disobedience of the requirements of a subpoena 1827  
issued from the court, or a refusal to testify therein. 1828

(G) If the superintendent determines that a person is 1829  
engaged in, or is believed to be engaged in, activities that may 1830  
constitute a violation of sections 1321.62 to 1321.702 of the 1831  
Revised Code, the superintendent may, after notice and a hearing 1832  
conducted in accordance with Chapter 119. of the Revised Code, 1833  
issue a cease-and-desist order. The superintendent, in taking 1834  
administrative action to enjoin a person from acting as a 1835  
licensee in violation of section 1321.63 of the Revised Code, 1836  
may also seek and impose fines for those violations in an amount 1837  
not to exceed five thousand dollars per violation. Such an order 1838  
shall be enforceable in the court of common pleas. 1839

(H) The superintendent shall regularly report violations 1840  
of sections 1321.62 to 1321.702 of the Revised Code, as well as 1841  
enforcement actions and other relevant information, to the 1842  
NMLSR. 1843



(I) (1) To protect the public interest, the superintendent may, without a prior hearing, do any of the following: 1844  
1845

(a) Suspend the license of a person who is convicted of or pleads guilty or nolo contendere to a criminal violation of sections 1321.62 to 1321.702 of the Revised Code; 1846  
1847  
1848

(b) Suspend any licensee who violates section 1321.65 of the Revised Code; 1849  
1850

(c) Suspend any licensee who fails to comply with a request made by the superintendent under this section. 1851  
1852

(2) The superintendent may, in accordance with Chapter 119. of the Revised Code, subsequently revoke any license suspended under division (I) (1) of this section. 1853  
1854  
1855

**Sec. 1321.701.** (A) The attorney general may directly bring an action to enjoin a violation of sections 1321.62 to 1321.702 of the Revised Code with the same rights, privileges, and powers as those described in section 1345.06 of the Revised Code. The prosecuting attorney of the county in which the action may be brought may bring an action to enjoin a violation of sections 1321.62 to 1321.702 of the Revised Code only if the prosecuting attorney first presents any evidence of the violation to the attorney general and, within a reasonable period of time, the attorney general has not agreed to bring the action. 1856  
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(B) These powers of the attorney general shall be in addition to any other applicable powers of the attorney general. 1866  
1867

**Sec. 1321.702.** The superintendent of financial institutions may adopt, in accordance with Chapter 119. of the Revised Code, rules that are necessary for the enforcement of sections 1321.62 to 1321.702 of the Revised Code and that are consistent with those sections. Each rule shall contain a 1868  
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1872

reference to the section, division, or paragraph of the Revised 1873  
Code to which it applies. The superintendent shall send by 1874  
regular mail to each licensee a copy of each rule that is 1875  
adopted pursuant to this section. 1876

**Sec. 1321.99.** (A) Whoever violates section 1321.02 of the 1877  
Revised Code is guilty of a felony of the fifth degree. 1878

(B) Whoever violates section 1321.13 of the Revised Code 1879  
shall be fined not less than one hundred nor more than five 1880  
hundred dollars or imprisoned not more than six months, or both. 1881

(C) Whoever violates section 1321.14 of the Revised Code 1882  
shall be fined not less than fifty nor more than two hundred 1883  
dollars for a first offense; for a second offense such person 1884  
shall be fined not less than two hundred nor more than five 1885  
hundred dollars and imprisoned for not more than six months. 1886

(D) Whoever willfully violates section 1321.57, 1321.58, 1887  
division (A), (B), (C), or (D) of section 1321.59, 1321.591, or 1888  
1321.60 of the Revised Code or whoever recklessly violates 1889  
section 1321.651, 1321.68, 1321.681, or division (A), (B), (C), 1890  
or (E) of section 1321.69 of the Revised Code is guilty of a 1891  
minor misdemeanor and shall be fined not less than one nor more 1892  
than five hundred dollars. 1893

(E) (1) Whoever violates section 1321.52 or division (I), 1894  
(J), (K), (L), or (M) of section 1321.59, section 1321.63, or 1895  
division (H), (I), or (K) of section 1321.69 of the Revised Code 1896  
is guilty of a felony of the fifth degree. 1897

(2) A violation of section 1321.63 or division (K) of 1898  
section 1321.69 of the Revised Code is a strict liability 1899  
offense and section 2901.20 of the Revised Code does not apply. 1900

(F) Whoever violates division (A) of section 1321.73 of 1901

the Revised Code shall be fined not more than five hundred 1902  
dollars or imprisoned not more than six months, or both. 1903

(G) Whoever violates section 1321.41 of the Revised Code 1904  
is guilty of a misdemeanor of the first degree. 1905

(H) Whoever violates division (N) of section 1321.59 of 1906  
the Revised Code is guilty of a felony of the fourth degree. 1907

(I) The imposition of fines pursuant to this section does 1908  
not preclude the imposition of any administrative fines or civil 1909  
penalties authorized under section 1321.54 or 1321.70 or any 1910  
other section of the Revised Code. 1911

**Section 2.** That existing sections 1321.02, 1321.53, and 1912  
1321.99 of the Revised Code are hereby repealed. 1913

**Section 3.** (A) Sections 1 and 2 of this act shall take 1914  
effect on July 1, 2017. 1915

(B) Beginning on the effective date of this section, the 1916  
Superintendent of Financial Institutions may take whatever 1917  
actions the Superintendent considers necessary to ensure full 1918  
compliance with this act by July 1, 2017, including the 1919  
acceptance of applications for a license under sections 1321.62 1920  
to 1321.702 of the Revised Code, as enacted by this act. 1921