

**As Reported by the Senate Insurance and Financial Institutions
Committee**

133rd General Assembly

Regular Session

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S. B. No. 280

Senator Blessing

Cosponsors: Senators Brenner, Hackett, Huffman, S.

A BILL

To amend section 4712.05 of the Revised Code to 1
exempt certain contracts between a credit 2
services organization and a buyer from the time 3
limit to perform services. 4

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

Section 1. That section 4712.05 of the Revised Code be 5
amended to read as follows: 6

Sec. 4712.05. (A) Each contract between the buyer and a 7
credit services organization for the purchase of the services of 8
the organization shall be in writing, dated and signed by the 9
buyer, and shall include all of the following: 10

(1) A statement, in type that is boldfaced, capitalized, 11
underlined, or otherwise conspicuously set out from surrounding 12
written material and that is in immediate proximity to the space 13
reserved for the signature of the buyer, as follows: 14

"If you, the buyer, have been denied credit within the 15
last sixty days, you may obtain a free copy of the consumer 16
credit report from the consumer reporting agency. You also have 17

the right to dispute inaccurate information in a report. 18

You may cancel this contract at any time before midnight 19
of the third business day after the date you signed it. See the 20
attached notice of cancellation form for an explanation of this 21
right." 22

(2) The terms and conditions of payment, including the 23
total of all payments to be made by the buyer, whether to the 24
credit services organization or to another person; 25

(3) A full and detailed description of the services to be 26
performed for the buyer by the credit services organization, 27
including all guarantees and all promises of full or partial 28
refunds, and the estimated length of time, not exceeding sixty 29
days or any shorter time period prescribed by the superintendent 30
of financial institutions, for performing the services~~r~~. The 31
performance of services under a contract to which all of the 32
following conditions apply is not subject to the time limit 33
identified in division (A) (3) of this section, but is subject to 34
a twelve-month limit: 35

(a) The buyer agrees to make periodic payments for the 36
services performed during the term of the contract. 37

(b) The buyer may cancel the contract at any time without 38
penalty or future obligation. 39

(c) The contract solely provides for the ongoing 40
performance of either of the following services: 41

(i) Services described in division (C) (1) (a) of section 42
4712.01 of the Revised Code or providing advice or assistance to 43
a buyer in connection with such services; 44

(ii) Services described in division (C) (1) (d) of section 45

<u>4712.01 of the Revised Code.</u>	46
<u>(d) The buyer's explicit, affirmative, and documented assent is provided before a contract is renewed.</u>	47 48
<u>(e) During the term of the contract period, the credit services organization reviews with the buyer the adverse credit information on the buyer's credit report.</u>	49 50 51
(4) The address of the credit services organization's principal place of business and the name and address of its agent in this state authorized to receive service of process;	52 53 54
(5) With respect to the previous calendar year or the time period during which the credit services organization has been in business, whichever is shorter, the percentage of the organization's customers for whom the organization has fully and completely performed the services the organization agreed to perform for the buyer.	55 56 57 58 59 60
(B) The contract shall have attached two easily detachable copies of a notice of cancellation. The notice shall be in boldface type and in the following form:	61 62 63
"Notice of Cancellation	64
You may cancel this contract, without any penalty or obligation, within three business days after the date the contract is signed.	65 66 67
To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or other written notice, to:	68 69
_____ (Name of Seller) at _____	70
(Address of Seller) (Place of Business) not later than midnight	71
_____ (Date)	72

I hereby cancel this transaction.	73
Dated: _____	74
(Buyer's signature)"	75
(C) The credit services organization, at the time of signing, shall give to the buyer a copy of the completed contract and all other documents the organization requires the buyer to sign.	76 77 78 79
(D) No credit services organization shall breach a contract described in this section or fail to comply with any obligation arising from such a contract.	80 81 82
(E) No credit services organization shall fail to comply with division (A), (B), or (C) of this section.	83 84
Section 2. That existing section 4712.05 of the Revised Code is hereby repealed.	85 86