

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

S. B. No. 24

Senator Terhar

A BILL

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

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

Section 1. That section 1321.99 be amended and sections 10
1321.62, 1321.63, 1321.631, 1321.632, 1321.64, 1321.641,
11
1321.642, 1321.643, 1321.644, 1321.65, 1321.651, 1321.66,
12
1321.661, 1321.662, 1321.663, 1321.664, 1321.665, 1321.666,
13
1321.667, 1321.67, 1321.671, 1321.672, 1321.673, 1321.674,
14
1321.68, 1321.681, 1321.69, 1321.70, 1321.701, and 1321.702 of
15
the Revised Code be enacted to read as follows: 16

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

payments will be made when due. 135

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

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

(AA) "Residential mortgage loan" means any loan primarily 146
for personal, family, or household use that is secured by a 147
mortgage, deed of trust, or other equivalent consensual security 148
interest on a dwelling or on residential real estate upon which 149
is constructed or intended to be constructed a dwelling. For 150
purposes of this division, "dwelling" has the same meaning as in 151
the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602. 152

(BB) "State" in the context of referring to states in 153
addition to Ohio means any state of the United States, the 154
district of Columbia, any territory of the United States, Puerto 155
Rico, Guam, American Samoa, the trust territory of the Pacific 156
islands, the virgin islands, and the northern Mariana islands. 157

(CC) "Superintendent of financial institutions" includes 158
the deputy superintendent for consumer finance as provided in 159
section 1181.21 of the Revised Code. 160

Sec. 1321.63. (A) (1) No person shall do either of the 161
following without first having obtained a license from the 162
superintendent of financial institutions under sections 1321.62 163

<u>to 1321.702 of the Revised Code:</u>	164
<u>(a) Engage in the business of lending money under sections 1321.62 to 1321.702 of the Revised Code;</u>	165
<u>(b) Contract for, or receive, directly or indirectly, on or in connection with any such loan, any interest and charges that in the aggregate are greater than the interest and charges that the lender would be permitted to charge for a loan of money if the lender were not a licensee.</u>	166
<u>(2) Division (A) (1) of this section applies to any person, who by any device, subterfuge, or pretense, charges, contracts for, or receives greater interest, consideration, or charges than that authorized by this section for any such loan, or who for a fee or any manner of compensation arranges or offers to find or arrange for another person to make any such loan.</u>	167
<u>(B) This section does not preclude the acquiring, directly or indirectly, by purchase or discount, of a bona fide obligation for goods or services when such obligation is payable directly to the person who provided the goods or services.</u>	168
<u>(C) Any contract of a loan in the making or collection of which an act is done by the lender that violates this section is void and the lender has no right to collect, receive, or retain any principal, interest, or charges.</u>	169
<u>Sec. 1321.631. Sections 1321.62 to 1321.702 of the Revised Code do not apply to any of the following:</u>	170
<u>(A) Any credit transaction with a loan term of less than six months from the loan transaction date;</u>	171
<u>(B) Any credit transaction that does not require equal monthly payments, unless either of the following apply:</u>	172
	173
	174
	175
	176
	177
	178
	179
	180
	181
	182
	183
	184
	185
	186
	187
	188
	189
	190
	191

(1) The credit transaction contains an interest rate that 192
is tied to a published and verifiable index and the contractual 193
rate of interest is adjusted in accordance with changes in that 194
index. 195

(2) The credit transaction provides for an extension of 196
the first monthly installment period pursuant to division (C) (2) 197
(a) of section 1321.68 of the Revised Code. 198

(C) Any credit transaction with an interest rate in excess 199
of that provided for under section 1321.68 of the Revised Code; 200

(D) Any credit transaction secured by an interest in the 201
covered borrower's residential mortgage loan, including a 202
transaction to finance the purchase or initial construction of a 203
dwelling, any refinance transaction, home equity loan or home 204
equity line of credit, or reverse mortgage; 205

(E) Any credit transaction that is an exempt transaction 206
for the purposes of Regulation Z under 15 U.S.C. 1601, other 207
than a transaction exempt under 12 C.F.R. 1026.29, or otherwise 208
is not subject to disclosure requirements under Regulation Z; 209

(F) Any credit transaction that originates as a result, 210
directly or indirectly, of a referral from a person registered 211
or acting as a credit services organization under sections 212
4712.01 to 4712.14 of the Revised Code; 213

(G) Any credit transaction made by a person licensed as a 214
check-cashing business under sections 1315.21 to 1315.30 of the 215
Revised Code; 216

(H) Any credit transaction made by a retail seller under 217
Chapter 1317. of the Revised Code; 218

(I) Any credit transaction made by a person licensed or 219

<u>acting as a pawnbroker under Chapter 4727. of the Revised Code;</u>	220
<u>(J) Any credit transaction made by a person licensed under sections 1321.35 to 1321.48 of the Revised Code;</u>	221
	222
<u>(K) Any credit transaction made by a collection agency pursuant to section 1319.12 of the Revised Code;</u>	223
	224
<u>(L) Any credit transaction made by a premium finance company licensed under sections 1321.71 to 1321.83 of the Revised Code;</u>	225
	226
	227
<u>(M) 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;</u>	228
	229
	230
	231
	232
	233
	234
<u>(N) Any credit transaction made by a life, property, or casualty insurance company licensed to do business in this state or any entity licensed under Title XXXIX of the Revised Code that makes advances or loans to any person who is licensed to sell insurance pursuant to that title and who is authorized in writing by that entity to sell insurance;</u>	235
	236
	237
	238
	239
	240
<u>(O) Any licensee doing business under sections 1321.01 to 1321.19 of the Revised Code;</u>	241
	242
<u>(P) Any registrant doing business under sections 1321.51 to 1321.60 of the Revised Code;</u>	243
	244
<u>(Q) Any person making a business loan described in division (B) (6) of section 1343.01 of the Revised Code;</u>	245
	246
<u>(R) Any political subdivision, or any governmental or</u>	247

other public entity, corporation, instrumentality, or agency, in 248
or of the United States or any state of the United States, or 249
any entity mentioned in division (B) (3) of section 1343.01 of 250
the Revised Code; 251

(S) Any college or university, or controlled entity of a 252
college or university, as those terms are defined in section 253
1713.05 of the Revised Code; 254

(T) Any person doing business under and as permitted by 255
any law of this state, another state, or the United States 256
relating to banks, savings banks, savings societies, trust 257
companies, credit unions, or savings and loan associations 258
substantially all the business of which is confined to loans on 259
real estate mortgages and evidences of their own indebtedness. 260

Sec. 1321.632. A licensee may engage in the business of 261
making loans provided the licensee does not do any of the 262
following: 263

(A) Assess an origination fee pursuant to section 1321.68 264
of the Revised Code more than three times in any twelve-month 265
period; 266

(B) Accept a dated instrument from the borrower as 267
security for a loan; 268

(C) Hold an instrument for a period of time prior to 269
negotiation or deposit of the instrument; 270

(D) Pay to a borrower, credit to a borrower's account, or 271
pay to another person on the borrower's behalf the amount of an 272
instrument, less interest, fees, or any other charges permitted 273
by section 1321.68 of the Revised Code; 274

(E) Refinance the loan during the first one hundred twenty 275

days of the loan term; 276

(F) Except for the deferment charge permitted by section 277
1321.68 of the Revised Code, charge or collect any fee, charge, 278
or remuneration of any sort for renewing, amending, or extending 279
a loan beyond its original term. 280

Sec. 1321.64. (A) An application for a license shall 281
contain an undertaking by the applicant to abide by those 282
sections. The application shall be in writing, under oath, and 283
in the form prescribed by the superintendent of financial 284
institutions, and shall contain any information that the 285
superintendent may require. Applicants that are foreign 286
corporations shall obtain and maintain a license pursuant to 287
Chapter 1703. of the Revised Code before a license is issued or 288
renewed. 289

(B) Upon the filing of the application and the payment by 290
the applicant of a nonrefundable investigation fee of two 291
hundred dollars, a nonrefundable annual registration fee of 292
three hundred dollars, and any additional fee required by the 293
NMLSR, the division of financial institutions shall investigate 294
the relevant facts. If the application involves investigation 295
outside this state, the applicant may be required by the 296
division to advance sufficient funds to pay any of the actual 297
expenses of the investigation when it appears that these 298
expenses will exceed two hundred dollars. An itemized statement 299
of any of these expenses which the applicant is required to pay 300
shall be furnished to the applicant by the division. A license 301
shall not be issued unless all the required fees have been 302
submitted to the division. 303

(C) (1) The investigation undertaken upon receipt of an 304
application shall include both a civil and criminal records 305

check of any control person. 306

(2) (a) Notwithstanding division (K) of section 121.08 of 307
the Revised Code, the superintendent shall obtain a criminal 308
records check on each control person and, as part of that 309
records check, request that criminal records information from 310
the federal bureau of investigation be obtained. To fulfill this 311
requirement, the superintendent shall do either of the 312
following: 313

(i) Request the superintendent of the bureau of criminal 314
identification and investigation, or a vendor approved by the 315
bureau, to conduct a criminal records check based on the control 316
person's fingerprints or, if the fingerprints are unreadable, 317
based on the control person's social security number, in 318
accordance with section 109.572 of the Revised Code; 319

(ii) Authorize the NMLSR to request a criminal records 320
check of the control person. 321

(b) Any fee required under division (C) (3) of section 322
109.572 of the Revised Code or by the NMLSR shall be paid by the 323
applicant. 324

(D) If an application for a license does not contain all 325
of the information required under division (A) of this section, 326
and if such information is not submitted to the division or to 327
the NMLSR within ninety days after the superintendent or the 328
NMLSR requests the information in writing, including by 329
electronic transmission or facsimile, the superintendent may 330
consider the application withdrawn. 331

(E) If the superintendent of financial institutions finds 332
that the financial responsibility, experience, character, and 333
general fitness of the applicant command the confidence of the 334

public and warrant the belief that the business will be operated 335
honestly and fairly in compliance with the purposes of sections 336
1321.62 to 1321.702 of the Revised Code and the rules adopted 337
thereunder, and that the applicant has the requisite net worth 338
and assets required under section 1321.65 of the Revised Code, 339
the superintendent shall issue a license to the applicant. The 340
license shall be valid until the thirty-first day of December of 341
the year in which it is issued. A person may be licensed under 342
both sections 1321.51 to 1321.60 and sections 1321.62 to 343
1321.702 of the Revised Code. 344

(F) If the superintendent finds that the applicant does 345
not meet the conditions set forth in this section, the 346
superintendent shall issue a notice of intent to deny the 347
application, and promptly notify the applicant of the denial, 348
the grounds for the denial, and the applicant's reasonable 349
opportunity to be heard on the action in accordance with Chapter 350
119. of the Revised Code. 351

Sec. 1321.641. (A) A license issued under section 1321.64 352
of the Revised Code may be renewed annually on or before the 353
thirty-first day of December by submitting a renewal application 354
in the form prescribed by the superintendent of financial 355
institutions. The application shall be accompanied by a 356
nonrefundable renewal fee of three hundred dollars, any 357
assessment as determined by the superintendent pursuant to 358
division (B) of this section, and any additional fee required by 359
the NMLSR. A licensee shall not be required to pay any other fee 360
or assessment by the state or any political subdivision of the 361
state. 362

(B) If the amount of renewal fees collected by the 363
division of financial institutions is less than the estimated 364

expenditures of the consumer finance section of the division, as 365
determined by the superintendent, for the following fiscal year, 366
the superintendent may assess each licensee at a rate sufficient 367
to equal in the aggregate the difference between the renewal 368
fees collected and the estimated expenditures. Each licensee 369
shall pay the assessed amount to the superintendent prior to the 370
last day of June. In no event shall the assessment exceed ten 371
cents per each one hundred dollars of interest (excluding 372
charge-off recoveries), loan origination charges, and credit 373
line charges collected by that licensee during the previous 374
calendar year. If such an assessment is imposed, it shall not be 375
less than two hundred fifty dollars per licensee and shall not 376
exceed thirty thousand dollars less the total renewal fees paid 377
pursuant to division (A) of this section by each licensee. 378

(C) If a renewal application does not contain all of the 379
information required, and if that information is not submitted 380
to the division or to the NMLSR within ninety days after the 381
superintendent or the NMLSR requests the information in writing, 382
including by electronic transmission or facsimile, the 383
superintendent may consider the renewal application withdrawn. 384

(D) An applicant's license shall not be renewed if it is 385
subject to an order of suspension or an unpaid and past due fine 386
imposed by the superintendent. 387

Sec. 1321.642. (A) If there is a change of five per cent 388
or more in the ownership of a licensee, the division of 389
financial institutions may make any investigation necessary to 390
determine whether any fact or condition exists that, if it had 391
existed at the time of the original application for a license, 392
the fact or condition would have warranted the division to deny 393
the application under section 1321.64 of the Revised Code. 394

(B) A licensee shall give the superintendent of financial institutions sixty days prior written notice before there is a change of fifty per cent or more in the ownership of the licensee. 395
396
397
398

Sec. 1321.643. (A) (1) Not more than one place of business shall be maintained under the same license, but the superintendent of financial institutions may issue additional licenses to the same licensee upon compliance with sections 1321.62 to 1321.702 of the Revised Code. 399
400
401
402
403

(2) Each licensed place of business shall be located in a state. 404
405

(B) (1) When a licensee wishes to change its place of business, it shall give at least fifteen days prior written notice of the change to the division of financial institutions. The division shall provide a license for the new address without cost. 406
407
408
409
410

(2) If a licensee changes its name, it shall give written notice of the change to the division prior to making loans under the new name. The division shall provide a license in the new name without cost. 411
412
413
414

(C) Each current license shall be kept conspicuously posted in each place of business of the licensee and is not transferable or assignable. 415
416
417

Sec. 1321.644. No person engaged in the business of selling tangible goods or services related to tangible goods may receive or retain a license under sections 1321.62 to 1321.702 of the Revised Code for such place of business. 418
419
420
421

Sec. 1321.65. Each licensee that conducts business under sections 1321.62 to 1321.702 of the Revised Code shall maintain 422
423

both of the following: 424

(A) A net worth of at least fifty thousand dollars; 425

(B) For each license, assets of at least fifty thousand 426
dollars either in use or readily available for use in the 427
conduct of the business. 428

Sec. 1321.651. All of the following apply to advertising 429
for loans made under sections 1321.62 to 1321.702 of the Revised 430
Code: 431

(A) Every advertisement shall state and clearly indicate 432
the identity of the licensee and shall do so in such a manner 433
that prevents confusion with the name of any other unrelated 434
licensee. Licensees shall be identified by means of trade names, 435
service marks, or business names that are filed with the 436
division of financial institutions and the secretary of state. 437

(B) Advertising shall not be false, misleading, or 438
deceptive. False, misleading, or deceptive advertising includes, 439
but is not limited to, the following: 440

(1) Placing, or causing to be placed, any advertisement 441
indicating that special terms, reduced rates, guaranteed rates, 442
particular rates, or any other special feature of loans is 443
available unless the advertisement clearly states any 444
limitations that apply; 445

(2) Placing, or causing to be placed, any advertisement 446
containing a rate or special fee offer that is not a bona fide 447
available rate or fee. 448

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 449
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 450
for closed-end loans. 451

(D) A licensee shall not use loan advertisements that 452
provide only telephone or facsimile numbers or newspaper box 453
addresses and that do not clearly indicate the identity of the 454
licensee. 455

(E) A licensee shall not advertise that loans will be made 456
within a specified time after the loan application is received, 457
unless it is the general practice of the licensee to make loans 458
within the specified time. 459

(F) A licensee shall not advertise special terms, reduced 460
rates, reduced payments, or any other special feature of a loan 461
within a specified limited time, unless the advertisement 462
clearly states any limitations that apply to the offer. 463

(G) A licensee shall not advertise by the use of 464
unqualified superlatives, including, but not limited to, "lowest 465
rates," "lowest costs," "lowest payment plan," or "cheapest 466
loans," or by making offers that cannot be reasonably fulfilled. 467

(H) A licensee shall not advertise the words "new" or 468
"reduced," or words of similar import, in connection with rates, 469
costs, payments, or plans, for more than ninety days after the 470
rates, costs, payments, or plans have become effective. 471

(I) Any licensee specifying in any advertisement charges 472
on loans in dollars shall also state the length of time required 473
to repay the loans as well as the method of repayment, and 474
shall, when the rate of interest is stated, do so in a manner to 475
prevent misunderstanding. 476

(J) Any licensee advertising flat or average payments on 477
loans that include principal and interest shall specify the 478
number and frequency of payments required to repay the loans. 479
Whenever the amounts of periodic payments are advertised, the 480

amounts shall include all interest to the borrower, as well as 481
principal. The principal payments alone may be shown separately 482
provided the interest charges are also clearly stated with equal 483
prominence. 484

(K) A licensee shall not advertise rebates, rates, or 485
charges below the maximum lawful rate of interest that are 486
conditioned upon prompt payment unless the condition is clearly 487
indicated. 488

(L) A licensee shall not advertise either of the 489
following: 490

(1) Waiver of payments in the event of sickness or 491
disability or other contingency, without advertising that the 492
interest and other charges, if assessed, continue during the 493
waiver period; 494

(2) That the first payment on any loan may be made more 495
than thirty days after the date of loan closing, without 496
advertising that the interest and other charges, if assessed, 497
will accrue from the date of disbursement of the loan funds 498
until the first payment is due. 499

(M) A licensee shall not advertise for loans for illegal 500
purposes. 501

(N) A licensee shall not advertise the availability of 502
credit-related insurance without disclosing the charge, if any, 503
for the insurance. 504

(O) Each licensee shall maintain in each licensed office 505
or in a central location a file of all advertising for a period 506
of two years from the date disseminated. This requirement 507
includes newspaper, magazine, direct mailing, and facsimile 508
advertising and solicitations, roadside advertising, internet 509

advertising, and scripts of radio and television commercials. 510
The file shall be readily available for inspection by the 511
division at all times. Each licensee shall notify the division 512
in writing of the location of the file. Each licensee shall, 513
upon the request of the superintendent of financial 514
institutions, provide to the division any printed or electronic 515
advertising it has used regarding any business conducted under 516
sections 1321.62 to 1321.702 of the Revised Code. 517

Sec. 1321.66. (A) Records a licensee is required to 518
maintain shall be kept current and be available at a licensed 519
location at all times during normal business hours for review by 520
the superintendent. Records must be legible and maintained in a 521
type size that is clearly readable without magnification and in 522
conformity with any specific typeface or font size that may be 523
required by state or federal law. Except when otherwise provided 524
by federal or state law, records shall be maintained in English. 525
When records are allowed to be in a language other than English, 526
the licensee, at its expense, shall be responsible for providing 527
the superintendent with a full and accurate translation. For 528
purposes of this section, "current" means within thirty days 529
from the date of the occurrence of the event required to be 530
recorded. A licensee shall keep and preserve the following 531
records: 532

(1) A sortable electronic spreadsheet that discloses the 533
following fields of information: 534

(a) Principal borrower's name; 535

(b) Principal borrower's address or property address; 536

(c) Loan or account number; 537

(d) Type of the security for the loan; 538

<u>(e) Date of loan;</u>	539
<u>(f) Amount financed;</u>	540
<u>(g) Date finance charges begin to accrue;</u>	541
<u>(h) Loan origination charge;</u>	542
<u>(i) Itemization of all additional fees or charges;</u>	543
<u>(j) Principal amount of the loan;</u>	544
<u>(k) Scheduled or precomputed interest;</u>	545
<u>(l) Number of payments;</u>	546
<u>(m) Contractual rate of interest;</u>	547
<u>(n) Federal annual percentage rate;</u>	548
<u>(o) Payment amount;</u>	549
<u>(p) Types and amounts of credit-related insurance;</u>	550
<u>(q) Default charge;</u>	551
<u>(r) Check collection charge;</u>	552
<u>(s) Any points charged to the borrower;</u>	553
<u>(t) Any charges for prepayment of the loan.</u>	554
<u>(2) Payment histories for each outstanding loan and each loan paid in full that shall disclose all of the following:</u>	555 556
<u>(a) Principal borrower's name;</u>	557
<u>(b) Loan or account number;</u>	558
<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,</u>	559 560 561 562

<u>or disbursement and the balance due on the loan or account.</u>	563
<u>(3) A file for each principal borrower. If there are</u>	564
<u>multiple loan transactions with the same borrower, each loan</u>	565
<u>transaction in the file shall have a unique loan or account</u>	566
<u>number. The file shall contain copies of all of the following:</u>	567
<u>(a) All documents related to the loan transaction from</u>	568
<u>origination through the final entry on the record;</u>	569
<u>(b) Copies of the complaints, court orders, settlements,</u>	570
<u>and judgments relating to collection litigation;</u>	571
<u>(c) In cases of garnishment or attachment in collection</u>	572
<u>litigation, copies of all notices served on employers and</u>	573
<u>amounts collected;</u>	574
<u>(d) Copies of all repossession and foreclosure legal</u>	575
<u>documents and other records, including bills for all expenses;</u>	576
<u>(e) In instances where the security foreclosed upon or</u>	577
<u>repossessed is offered for private sale, not less than three</u>	578
<u>bona fide written bids or appraisals in order to establish that</u>	579
<u>the terms of the sale were commercially reasonable to the</u>	580
<u>borrower;</u>	581
<u>(f) A copy of the death certificate and documentation of</u>	582
<u>all funds received or paid pursuant to a credit life claim.</u>	583
<u>(4) A sortable electronic spreadsheet of all loans in</u>	584
<u>collection litigation that shall include all of the following:</u>	585
<u>(a) Principal borrower's name;</u>	586
<u>(b) Loan or account number;</u>	587
<u>(c) Date litigation proceedings were initiated;</u>	588
<u>(d) Name of the court in which proceedings were initiated;</u>	589

<u>(e) Indication of whether a final judgment has been</u>	590
<u>entered, and if so, all of the following:</u>	591
<u>(i) Date of judgment;</u>	592
<u>(ii) Amount of judgment;</u>	593
<u>(iii) The judgment rate of interest.</u>	594
<u>(5) A sortable electronic spreadsheet of all loans in</u>	595
<u>repossession and foreclosure that shall include all of the</u>	596
<u>following:</u>	597
<u>(a) Principal borrower's name;</u>	598
<u>(b) Loan or account number;</u>	599
<u>(c) Type of security foreclosed, attached, replevied,</u>	600
<u>repossessed, or surrendered;</u>	601
<u>(d) Date of repossession or foreclosure;</u>	602
<u>(e) Date of sale of the security;</u>	603
<u>(f) Gross amount received from the sale of the security;</u>	604
<u>(g) The amount of money applied to the outstanding loan</u>	605
<u>balance;</u>	606
<u>(h) Where the security is offered for private or public</u>	607
<u>sale, evidence that the sale was consummated in compliance with</u>	608
<u>the provisions of sections 1309.610, 1309.611, 1309.615,</u>	609
<u>1309.617, and 1309.624 of the Revised Code.</u>	610
<u>(6) A sortable electronic spreadsheet of all loans upon</u>	611
<u>which a credit life claim has been paid by the insurer that</u>	612
<u>shall include all of the following:</u>	613
<u>(a) Principal borrower's name;</u>	614

<u>(b) Loan or account number;</u>	615
<u>(c) Date of death;</u>	616
<u>(d) Total amount paid by the insurance claim;</u>	617
<u>(e) Amount applied to the principal borrower's account.</u>	618
<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>	619 620 621 622
<u>(8) All contracts or agreements relating to business relationships with businesses or individuals licensed by the division of financial institutions;</u>	623 624 625
<u>(9) A file of all advertisements;</u>	626
<u>(10) Histories of nonpublished indices used to establish interest rates for variable rate loans, which shall be maintained for two years from date of usage;</u>	627 628 629
<u>(11) Any other records the superintendent may from time to time specify in writing.</u>	630 631
<u>(B) Where electronic records are required, a licensee may retain paper records as well. Where electronic records are required, the superintendent may, for good cause, allow a licensee to retain paper records in lieu of the electronic records required by this section.</u>	632 633 634 635 636
<u>(C) (1) A licensee shall keep and preserve records pertaining to loans made under sections 1321.62 to 1321.702 of the Revised Code for at least two years after the final entry on the record. The final entry on the record occurs when the loan is paid in full, charged off as uncollectable, sold, transferred</u>	637 638 639 640 641

or assigned to another, or discharged or otherwise settled by a 642
final order issued in litigation governing the loan transaction. 643

(2) Notwithstanding division (C)(1) of this section, a 644
licensee shall keep and preserve records pertaining to 645
residential mortgage loans in accordance with 12 C.F.R. 646
1026.25(b)(3) as in effect on November 30, 2016. 647

(3) A licensee shall keep and preserve records pertaining 648
to an advertisement for at least two years after the date the 649
advertisement is published, broadcast, or disseminated. 650

(D) A licensee shall segregate the records pertaining to 651
business conducted pursuant to sections 1321.62 to 1321.702 of 652
the Revised Code from all other business records. 653

(E) A licensee shall notify the superintendent via the 654
NMLSR of a change of location of its records pertaining to 655
business conducted pursuant to sections 1321.62 to 1321.702 of 656
the Revised Code not later than five business days after the 657
change. 658

(F) Where a licensee maintains electronic records in 659
compliance with this section and those records are located 660
outside of this state, the licensee shall make the electronic 661
records available to the division of financial institutions upon 662
request, within the time frame provided by the division. The 663
electronic records may be uploaded to a secure server for the 664
purpose of the division conducting an examination of the 665
licensee. 666

(G) In the event electronic records, books, records, data, 667
and documents of a licensee are located outside of this state 668
and the superintendent determines that an in-person examination 669
is necessary, the licensee shall, upon the request of the 670

superintendent, pay in advance the estimated costs of the 671
examination of the licensee outside this state, including the 672
proportionate cost of the salaries of division of financial 673
institutions employees who conduct the examination. The 674
estimated costs of an out-of-state examination, as determined by 675
the superintendent, shall be deposited with the division of 676
financial institutions upon demand. After the actual costs of 677
the out-of-state examination have been determined, any funds in 678
the deposit account in excess of costs as itemized by the 679
division of financial institutions shall be returned to the 680
licensee. 681

(H) Any records maintained on an electronic storage media 682
or system shall meet all of the following requirements: 683

(1) The electronic storage media or system must preserve 684
the records in a nonrewritable, nonerasable format. 685

(2) The electronic storage media or system must verify 686
automatically the quality and accuracy of the storage media 687
recording process. 688

(3) The electronic storage media or system must serialize 689
the original and the duplicate units of storage media, and affix 690
a date and time for the required period of retention on both the 691
original and duplicate. 692

(4) The electronic storage media or system must have the 693
capacity to readily download indices and records preserved on 694
the electronic storage media or system to any medium acceptable 695
to the superintendent. 696

(5) Acceptable facilities and appropriate equipment must, 697
at all times during normal business hours, be available to the 698
superintendent for immediate, easily readable projection or 699

production of electronic storage media or system images and for 700
producing easily readable images. 701

(6) Immediate facsimile enlargement must be available upon 702
the superintendent's request. 703

(7) A duplicate copy of the electronic record stored on 704
any electronic media or system for the time required must be 705
stored separately from the "original" electronic record. 706

(8) The electronic storage media or system must organize 707
and index accurately all information maintained on both the 708
original and duplicate storage media or system. 709

(9) At all times, a licensee must be able to have indices 710
of the electronic records being stored available for examination 711
by the superintendent. 712

(10) Each index must also be duplicated and the duplicate 713
copies must be stored separately from the original copy of each 714
index. 715

(11) Original and duplicate indices must be preserved for 716
the time required for the indexed records. 717

(12) An audit system must be in place that does all of the 718
following: 719

(a) Provides for accountability regarding inputting of 720
records and inputting any changes made to every original and 721
duplicate record maintained and preserved; 722

(b) Requires the licensee, at all times, to have the 723
results of the audit system available for examination by the 724
superintendent; 725

(c) Preserves the results of the audit for the time 726

required for the audited records. 727

(13) All information necessary to access records and indices stored on the electronic storage media or system, a copy of the physical and logical file format of the electronic storage media or system, the field format of all different information types written on the electronic storage media or system, together with the appropriate documentation and information necessary to access records and indices must be maintained, kept current, and provided promptly to the superintendent upon request. 728
729
730
731
732
733
734
735
736

(14) No paper documents produced or reproduced by means of an electronic storage media or system may be destroyed until the conditions of division (H) of this section have been met with regard to each paper document that is to be destroyed. 737
738
739
740

(15) At the request of the division: 741

(a) Records must be printed on paper for inspection or examination without cost to the division within forty-eight hours of the request. The superintendent may grant additional time for good cause shown upon receipt of a request for additional time from the licensee. 742
743
744
745
746

(b) The licensee shall provide any court documents in addition to those described in division (A) (3) of this section. 747
748

(I) In order to reduce the risk of consumer fraud and related harms, including identity theft, licensees shall be required to comply with section 216 of the "Fair and Accurate Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 15 U.S.C. 1681w as in effect on November 30, 2016, section 501 of the "Gramm Leach Bliley Act," 113 Stat. 1338 (1999) (amended 2010), 15 U.S.C. 6801 as in effect on November 30, 2016, and the 749
750
751
752
753
754
755

rules promulgated pursuant to those federal acts, including 16 756
C.F.R. Part 313 and 16 C.F.R. Part 682, as in effect November 757
30, 2016, pertaining to the maintenance, security, and disposal 758
of consumer information and records. 759

(J) The division shall make or cause to be made an 760
examination of records pertaining to loans made under sections 761
1321.62 to 1321.702 of the Revised Code at least once every 762
twenty-four months for the purpose of determining whether the 763
licensee is complying with those sections and verifying the 764
licensee's annual report. 765

Sec. 1321.661. (A) Each licensee shall submit to the NMLSR 766
call reports or other reports of condition, which reports shall 767
be in such form and shall contain such information as the NMLSR 768
may require. 769

(B) (1) As required by the superintendent of financial 770
institutions, each licensee shall file with the division of 771
financial institutions an annual report under oath or 772
affirmation, on forms supplied by the division, concerning the 773
business and operation of the licensee for the preceding 774
calendar year. 775

(2) The superintendent shall annually publish an analysis 776
of the information required under division (B) (1) of this 777
section, but the individual reports shall not be public records 778
and shall not be open to public inspection. 779

Sec. 1321.662. (A) (1) The following information is 780
confidential: 781

(a) Examination information, and any information leading 782
to or arising from an examination; 783

(b) Investigation information, and any information arising 784

from or leading to an investigation. 785

(2) The information described in division (A)(1) of this 786
section shall remain confidential for all purposes except when 787
it is necessary for the superintendent of financial institutions 788
to take official action regarding the affairs of a licensee, or 789
in connection with criminal or civil proceedings to be initiated 790
by a prosecuting attorney or the attorney general. This 791
information may also be introduced into evidence or disclosed 792
when and in the manner authorized by section 1181.25 of the 793
Revised Code. 794

(B) All application information, except social security 795
numbers, employer identification numbers, financial account 796
numbers, the identity of the institution where financial 797
accounts are maintained, personal financial information, 798
fingerprint cards and the information contained on such cards, 799
and criminal background information, is a public record as 800
defined in section 149.43 of the Revised Code. 801

(C) This section does not prevent the division of 802
financial institutions from releasing to or exchanging with 803
other financial institution regulatory authorities information 804
relating to licensees. For this purpose, a "financial 805
institution regulatory authority" includes a regulator of a 806
business activity in which a licensee is engaged, or has applied 807
to engage in, to the extent that the regulator has jurisdiction 808
over a licensee engaged in that business activity. A licensee is 809
engaged in a business activity, and a regulator of that business 810
activity has jurisdiction over the licensee, whether the 811
licensee conducts the activity directly or a subsidiary or 812
affiliate of the licensee conducts the activity. 813

(D)(1) Any confidentiality or privilege arising under 814

federal or state law with respect to any information or material 815
provided to the NMLSR shall continue to apply to the information 816
or material after the information or material has been provided 817
to the NMLSR. The information and material so provided may be 818
shared with all state and federal regulatory officials with 819
oversight authority without the loss of confidentiality or 820
privilege protections provided by federal law or the law of any 821
state. Information or material described in division (D)(1) of 822
this section to which confidentiality or privilege applies shall 823
not be subject to any of the following: 824

(a) Disclosure under any federal or state law governing 825
disclosure to the public of information held by an officer or an 826
agency of the federal government or of the respective state; 827

(b) Subpoena or discovery, or admission into evidence, in 828
any private civil action or administrative process, unless the 829
person to whom such information or material pertains waives, in 830
whole or in part and at the discretion of the person, any 831
privilege held by the NMLSR with respect to that information or 832
material. 833

(2) The superintendent, in order to promote more effective 834
regulation and reduce regulatory burden through supervisory 835
information sharing, may enter into sharing arrangements with 836
other governmental agencies, the conference of state bank 837
supervisors, and the American association of residential 838
mortgage regulators. 839

(3) Any state law, including section 149.43 of the Revised 840
Code, relating to the disclosure of confidential supervisory 841
information or any information or material described in division 842
(A)(1) or (D)(1) of this section that is inconsistent with this 843
section shall be superseded by the requirements of this section. 844

(E) This section does not prevent the division from 845
releasing information relating to licensees to the attorney 846
general, to the superintendent of insurance for purposes 847
relating to the administration of Chapter 3953. of the Revised 848
Code, to the commissioner of securities for purposes relating to 849
the administration of Chapter 1707. of the Revised Code, or to 850
local law enforcement agencies and local prosecutors. 851
Information the division releases pursuant to this section 852
remains confidential. 853

(F) The superintendent of financial institutions shall, by 854
rule adopted in accordance with Chapter 119. of the Revised 855
Code, establish a process by which licensees may challenge 856
information provided to the NMLSR by the superintendent. 857

Sec. 1321.663. No person, in connection with any 858
examination or investigation conducted by the superintendent of 859
financial institutions under sections 1321.62 to 1321.702 of the 860
Revised Code shall knowingly do any of the following: 861

(A) Circumvent, interfere with, obstruct, or fail to 862
cooperate with the superintendent, including making a false or 863
misleading statement, failing to produce records, or 864
intimidating or suborning any witness; 865

(B) Withhold, abstract, remove, mutilate, destroy, or 866
secrete any books, records, computer records, or other 867
information; 868

(C) Tamper with, alter, or manufacture any evidence. 869

Sec. 1321.664. In order to reduce the risk of consumer 870
fraud and related harms, including identity theft, licensees 871
shall comply with the provisions of the "Fair and Accurate 872
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 873

15 U.S.C. 1681w, as in effect on November 30, 2016, the "Gramm 874
Leach Bliley Act," 113 Stat. 1138 (1999) (amended 2010), 15 875
U.S.C. 6801, as in effect on November 30, 2016, including those 876
federal acts as amended from time to time and the rules 877
promulgated pursuant to those federal acts, including 16 C.F.R. 878
682, as in effect November 30, 2016, pertaining to the 879
maintenance, security, and disposal of consumer information and 880
records. 881

Sec. 1321.665. Before ceasing to conduct or discontinuing 882
business as a licensee, the licensee shall arrange for and be 883
responsible for the preservation of the books and records 884
required to be maintained and preserved under sections 1321.62 885
to 1321.702 of the Revised Code and shall notify the division of 886
financial institutions in writing of the exact address where the 887
books and records will be maintained during the required period. 888

Sec. 1321.666. The superintendent of financial 889
institutions may suspend, revoke, or refuse to renew any license 890
issued by the superintendent under sections 1321.62 to 1321.702 891
of the Revised Code, or bring any other authorized 892
administrative enforcement action in accordance with section 893
1321.70 of the Revised Code, against any person for failure to 894
maintain records in accordance with section 1321.66 of the 895
Revised Code. 896

Sec. 1321.667. (A) Except as otherwise provided in section 897
9.02 of the Revised Code, any party, including a governmental 898
authority, that requires or requests a licensee to assemble or 899
provide a customer's financial records shall pay the licensee 900
for all actual and necessary costs directly incurred in 901
searching for, reproducing, or transporting those records 902
according to the following schedule: 903

(1) Reimbursement of search and processing costs shall be 904
the total amount of personnel direct time incurred in locating 905
and retrieving, reproducing, packaging, and preparing financial 906
records for shipment. The rate for search and processing costs 907
shall be eleven dollars per hour per person, computed on the 908
basis of two dollars and seventy-five cents per quarter hour or 909
fraction thereof, and shall be limited to the total amount of 910
personnel time spent in locating and retrieving documents or 911
information or reproducing or packaging and preparing documents 912
for shipment where required or requested by a party. Specific 913
salaries of such persons shall not be included in search costs. 914
In addition, search and processing costs shall not include 915
salaries, fees, or similar costs for analysis of material or for 916
managerial or legal advice, expertise, research, or time spent 917
for any of these activities. If itemized separately, search and 918
processing costs may include the actual cost of extracting 919
information stored by computer in the format in which it is 920
normally produced, based on computer time and necessary 921
supplies; however, personnel time for computer search may be 922
paid for only at the rate specified in division (A)(1) of this 923
section. 924

(2) Reimbursement for reproduction costs shall be for 925
costs incurred in making copies of documents required or 926
requested. The rate for reproduction costs for making copies of 927
required or requested documents shall be twenty-five cents for 928
each page, including copies produced by reader or printer 929
reproduction processes. Photographs, films, and other materials 930
shall be reimbursed at actual cost. 931

(3) Reimbursement for transportation costs shall be for 932
necessary costs, directly incurred, to transport personnel to 933
locate and retrieve the information required or requested and 934

for necessary costs, directly incurred, solely by the need to 935
convey the required or requested material to the place of 936
examination. 937

(B) A licensee shall not be entitled to reimbursement for 938
costs incurred in assembling or providing the following records 939
or information: 940

(1) Any financial records provided as an incident to 941
perfecting a security interest, proving a claim in bankruptcy, 942
or otherwise collecting on a debt owing to the licensee; 943

(2) Financial records that are not identified with or 944
identifiable as being derived from the financial records of a 945
particular customer. 946

(C) Payment shall be made only for costs that are directly 947
incurred, actual, and necessary. No payment shall be made until 948
the licensee satisfactorily complies with the request or 949
requirement, except that in the case where the request or 950
requirement is withdrawn or revoked, the licensee shall be 951
reimbursed for the actual and necessary costs directly incurred 952
in assembling financial records required or requested to be 953
produced prior to the time the party notifies the licensee that 954
the request or requirement is withdrawn or revoked. No payment 955
shall be made unless the licensee submits an itemized bill or 956
invoice showing specific details concerning search and 957
processing, reproduction, and transportation costs. Search and 958
processing time shall be billed in fifteen-minute increments. 959

(D) As used in this section: 960

(1) "Costs directly incurred" means costs incurred solely 961
and necessarily as a consequence of searching for, reproducing, 962
or transporting books, papers, records, or other data, in order 963

to comply with a request or requirement to produce a customer's 964
financial records. The term does not include any allocation of 965
fixed costs, such as overhead, equipment, and depreciation. If a 966
licensee has financial records that are stored at an independent 967
storage facility that charges a fee to search for, reproduce, or 968
transport particular records requested, these costs shall be 969
considered to be directly incurred by the licensee. 970

(2) "Customer," "financial record," and "governmental 971
authority" have the same meanings as in section 9.02 of the 972
Revised Code. 973

Sec. 1321.67. (A) For purposes of sections 1321.62 to 974
1321.702 of the Revised Code, a loan shall be considered closed 975
upon the signature of the obligor or obligors, unless the loan 976
contract is not executed by signature, in which case the loan is 977
considered closed upon disbursement of loan funds. 978

(B) All loans made under sections 1321.62 to 1321.702 of 979
the Revised Code by direct mail shall be made from a place of 980
business for which the licensee holds a valid license. 981

(C) Licensees have an ongoing duty to notify the division 982
of financial institutions of material changes in the information 983
contained in the application and exhibits, schedules, and other 984
documentation submitted in conjunction with the application, and 985
to report all changes or additions to information in the 986
application within thirty days of the change. Material changes 987
in the information include changes in affiliations, controlling 988
interest, officers, directors, criminal record, and any change 989
in net worth below the requirements set forth in section 1321.65 990
of the Revised Code. 991

(D) Each licensee shall do all of the following: 992

- (1) Obtain the written consent of the borrower for any purchase of insurance on property of the borrower other than that which is used as security for the loan; 993
994
995
- (2) Permit payment to be made in advance in any amount on any contract at any time, but the licensee may apply the payment first to interest and charges due up to the date of payment; 996
997
998
- (3) Notify the borrower in writing of any interest rate change at least thirty but not more than one hundred twenty days prior to the effective date of the changes, provided that if the interest rate is tied to a published and verifiable index and the contractual rate of interest is adjusted within forty-five days of change in the published index rate, the licensee shall notify the borrower in writing of any interest rate change at least thirty days prior to the effective date of the change. The notice required under division (D) (3) of this section shall include all of the following: 999
1000
1001
1002
1003
1004
1005
1006
1007
1008
- (a) A statement of the borrower's current interest rate and corresponding monthly payment prior to the reset date; 1009
1010
- (b) A good faith statement of the borrower's anticipated future interest rate and corresponding monthly payment following the reset date; 1011
1012
1013
- (c) A statement that notifies the borrower to contact the licensee for workout options in the event that there is a possible problem of repayment at the new interest rate and monthly payment following the reset; 1014
1015
1016
1017
- (d) A toll-free number by which borrowers can discuss possible payment problems and workout options; 1018
1019
- (e) An explanation of the index or formula that is being used to reset the interest rate and the source of that index or 1020
1021

formula. 1022

(4) In the instance of a non-amortized or partially 1023
amortized interest-bearing loan, provide the borrower with 1024
written notice of maturity at least ninety but not more than one 1025
hundred twenty days prior to the expected maturity date; 1026

(5) Clearly indicate by prominently disclosing on, or in, 1027
the loan documents, the federal or state statutory authority 1028
pursuant to which the loan is made. This prominent disclosure 1029
shall be provided on loans made: 1030

(a) Solely in reliance on the provisions of sections 1031
1321.62 to 1321.702 of the Revised Code; 1032

(b) Partially in reliance on the provisions of sections 1033
1321.62 to 1321.702 of the Revised Code; or 1034

(c) In reliance on any combination of federal or state 1035
provisions that do not include sections 1321.62 to 1321.702 of 1036
the Revised Code. 1037

(6) In providing any payment history requested by the 1038
borrower or by the division, provide a clear and accurate 1039
payment statement in a manner a reasonable borrower should 1040
understand that sets forth the dates and amounts due and owing 1041
and the dates and amounts received and paid. 1042

(E) A licensee shall not be prohibited from holding other 1043
licenses or registrations issued by the division as long as the 1044
licensee is in compliance with section 1321.63 of the Revised 1045
Code and other applicable provisions of state and federal laws. 1046

(F) A licensee is liable for payment of the annual 1047
assessment described in division (B) of section 1321.641 of the 1048
Revised Code on any loan made by the licensee that has been 1049

sold, transferred, or assigned to another person if servicing 1050
rights have been retained by the licensee. 1051

Sec. 1321.671. (A) Upon repayment of the loan in full, the 1052
original note signed by any obligor or copy, photograph, or 1053
stored representation of the original note as retained in 1054
accordance with section 1321.66 of the Revised Code shall be 1055
plainly marked "paid" or "canceled" and the note or the 1056
reproduction of the note shall be returned to the obligor or, if 1057
there are two or more obligors, to one of them. 1058

(B) If requested, the licensee shall give to the borrower 1059
a receipt for each payment made on account of any interest- 1060
bearing or precomputed loan. 1061

Sec. 1321.672. (A) When, in connection with a loan, a 1062
licensee furnishes or places insurance written on behalf of the 1063
borrower at the borrower's expense, a policy or certificate of 1064
insurance properly executed shall be furnished to the borrower 1065
within fifteen days of the closing date of the loan. The policy 1066
or certificate shall state the name of the insurance company, 1067
the nature of the insurance, the extent of the coverage, the 1068
amount of the premium, and the effective and expiration dates of 1069
the policy. 1070

(B) If a licensee furnishes or places credit life 1071
insurance, credit accident and health insurance, or unemployment 1072
insurance on behalf of the borrower at the borrower's expense, 1073
the licensee shall give written notice to the borrower at the 1074
time the loan is made. The notice shall disclose the borrower's 1075
right to cancel the insurance within twenty-five days after the 1076
purchase of the insurance with a full refund of the premium or 1077
identifiable charge for the insurance. The notice shall further 1078
disclose that the cancellation may be effected upon the written 1079

request of the borrower together with the return of the policy 1080
or certificate of insurance to the licensee. 1081

(C) All insurance sold or obtained in connection with the 1082
making of a loan shall be governed by Title XXXIX of the Revised 1083
Code. 1084

(D) In any transaction in which the licensee furnishes or 1085
places insurance on behalf of the borrower at the borrower's 1086
expense, the licensee shall, prior to furnishing or placing the 1087
insurance, provide written disclosure to the borrower of the 1088
business relationship, beneficial ownership or affiliation, 1089
whether direct or indirect, between the licensee and the 1090
insurer. 1091

Sec. 1321.673. No licensee shall conduct the business of 1092
making loans under sections 1321.62 to 1321.702 of the Revised 1093
Code in any office, room, or place of business in which any 1094
other business is solicited or engaged in, or in association or 1095
conjunction with any other such business, if the superintendent 1096
of financial institutions finds, pursuant to a hearing conducted 1097
in accordance with Chapter 119. of the Revised Code, that the 1098
other business is of such a nature that the conduct tends to 1099
conceal evasion of sections 1321.62 to 1321.702 of the Revised 1100
Code, and orders the licensee in writing to desist from the 1101
conduct. 1102

Sec. 1321.674. Any person that willfully violates section 1103
1321.68 of the Revised Code shall forfeit to the borrower the 1104
amount of interest paid by the borrower. The maximum rate of 1105
interest applicable to any loan transaction that does not comply 1106
with section 1321.68 of the Revised Code shall be the rate that 1107
would be applicable in the absence of sections 1321.62 to 1108
1321.702 of the Revised Code. 1109

Sec. 1321.68. (A) A licensee may contract for and receive 1110
interest, calculated according to the actuarial method, at a 1111
rate or rates not exceeding twenty-five per cent per year on the 1112
unpaid principal balances of the loan. Loans may be interest- 1113
bearing or precomputed. 1114

(B) For purposes of computation of time on interest- 1115
bearing and precomputed loans, including, but not limited to, 1116
the calculation of interest, a month is considered one-twelfth 1117
of a year, and a day is considered one three hundred sixty-fifth 1118
of a year when calculation is made for a fraction of a month. A 1119
year is as defined in section 1.44 of the Revised Code. A month 1120
is that period described in section 1.45 of the Revised Code. 1121
Alternatively, a licensee may consider a day as one three 1122
hundred sixtieth of a year and each month as having thirty days. 1123

(C) With respect to interest-bearing loans: 1124

(1) (a) Interest shall be computed on unpaid principal 1125
balances outstanding from time to time, for the time 1126
outstanding. 1127

(b) As an alternative to the method of computing interest 1128
set forth in division (C) (1) (a) of this section, a licensee may 1129
charge and collect interest for the first installment period 1130
based on elapsed time from the date of the loan to the first 1131
scheduled payment due date, and for each succeeding installment 1132
period from the scheduled payment due date to the next scheduled 1133
payment due date, regardless of the date or dates the payments 1134
are actually made. 1135

(c) Whether a licensee computes interest pursuant to 1136
division (C) (1) (a) or (b) of this section, each payment shall be 1137
applied first to unpaid charges, then to interest, and the 1138

remainder to the unpaid principal balance. However, if the 1139
amount of the payment is insufficient to pay the accumulated 1140
interest, the unpaid interest continues to accumulate to be paid 1141
from the proceeds of subsequent payments and is not added to the 1142
principal balance. 1143

(2) Interest shall not be compounded, collected, or paid 1144
in advance. However, both of the following apply: 1145

(a) Interest may be charged to extend the first monthly 1146
installment period by not more than fifteen days, and the 1147
interest charged for the extension may be added to the principal 1148
amount of the loan. 1149

(b) If part or all of the consideration for a new loan 1150
contract is the unpaid principal balance of a prior loan, the 1151
principal amount payable under the new loan contract may include 1152
any unpaid interest that has accrued. The resulting loan 1153
contract shall be deemed a new and separate loan transaction for 1154
purposes of this section. The unpaid principal balance of a 1155
precomputed loan is the balance due after refund or credit of 1156
unearned interest as provided in division (D) (3) of this 1157
section. 1158

(D) With respect to precomputed loans: 1159

(1) Loans shall be repayable in monthly installments of 1160
principal and interest combined, except that: 1161

(a) The first installment period may exceed one month by 1162
not more than fifteen days, and the first installment payment 1163
amount may be larger than the remaining payments by the amount 1164
of interest charged for the extra days. 1165

(b) Monthly installment payment dates may be omitted to 1166
accommodate borrowers with seasonal income. 1167

(2) Payments may be applied to the combined total of 1168
principal and precomputed interest until maturity of the loan. A 1169
licensee may charge interest after the original or deferred 1170
maturity of a precomputed loan at the rate specified in division 1171
(A) of this section on all unpaid principal balances for the 1172
time outstanding. 1173

(3) When any loan contract is paid in full by cash, 1174
renewal, refinancing, or a new loan, one month or more before 1175
the final installment due date, the licensee shall refund, or 1176
credit the borrower with, the total of the applicable charges 1177
for all fully unexpired installment periods, as originally 1178
scheduled or as deferred, that follow the day of prepayment. If 1179
the prepayment is made other than on a scheduled installment due 1180
date, the nearest scheduled installment due date shall be used 1181
in such computation. If the prepayment occurs prior to the first 1182
installment due date, the licensee may retain one-thirtieth of 1183
the applicable charge for a first installment period of one 1184
month for each day from date of loan to date of prepayment, and 1185
shall refund, or credit the borrower with, the balance of the 1186
total interest contracted for. If the maturity of the loan is 1187
accelerated for any reason and judgment is entered, the licensee 1188
shall credit the borrower with the same refund as if prepayment 1189
in full had been made on the date the judgment is entered. 1190

(4) If the parties agree in writing, either in the loan 1191
contract or in a subsequent agreement, to a deferment of wholly 1192
unpaid installments, a licensee may grant a deferment and may 1193
collect a deferment charge as provided in this section. A 1194
deferment postpones the scheduled due date of the earliest 1195
unpaid installment and all subsequent installments as originally 1196
scheduled, or as previously deferred, for a period equal to the 1197
deferment period. The deferment period is that period during 1198

which no installment is scheduled to be paid by reason of the 1199
deferment. The deferment charge for a one-month period may not 1200
exceed the applicable charge for the installment period 1201
immediately following the due date of the last undeferred 1202
installment. A proportionate charge may be made for deferment 1203
for periods of more or less than one month. A deferment charge 1204
is earned pro rata during the deferment period and is fully 1205
earned on the last day of the deferment period. If a loan is 1206
prepaid in full during a deferment period, the licensee shall 1207
make, or credit to the borrower, a refund of the unearned 1208
deferment charge in addition to any other refund or credit made 1209
for prepayment of the loan in full. 1210

(E) A licensee, at the request of the borrower, may 1211
obtain, on one or more borrowers, credit life insurance, credit 1212
accident and health insurance, and unemployment insurance. The 1213
premium or identifiable charge for the insurance may be included 1214
in the principal amount of the loan and may not exceed the 1215
premium rate filed by the insurer with the superintendent of 1216
insurance and not disapproved by the superintendent. If a 1217
licensee obtains the insurance at the request of the borrower, 1218
the borrower shall have the right to cancel the insurance for a 1219
period of twenty-five days after the loan is made. If the 1220
borrower chooses to cancel the insurance, the borrower shall 1221
give the licensee written notice of this choice and shall return 1222
all of the policies or certificates of insurance or notices of 1223
proposed insurance to the licensee during such period, and the 1224
full premium or identifiable charge for the insurance shall be 1225
refunded to the borrower by the licensee. If the borrower 1226
requests, in the notice to cancel the insurance, that this 1227
refund be applied to reduce the balance of a precomputed loan, 1228
the licensee shall credit the amount of the refund plus the 1229

amount of interest applicable to the refund to the loan balance. 1230
If the licensee obtains the insurance at the request of the 1231
borrower, the licensee shall not charge or collect interest on 1232
any insured amount that remains unpaid after the insured 1233
borrower's date of death. 1234

(F) A licensee may require the borrower to provide 1235
insurance or a loss payable endorsement covering reasonable 1236
risks of loss, damage, and destruction of property used as 1237
security for the loan and with the consent of the borrower such 1238
insurance may cover property of the borrower other than that 1239
which is security for the loan. The amount and term of required 1240
property insurance shall be reasonable in relation to the amount 1241
and term of the loan contract and the type and value of the 1242
security, and the insurance shall be procured in accordance with 1243
the insurance laws of this state. The purchase of this insurance 1244
through the licensee or an agent or broker designated by the 1245
licensee shall not be a condition precedent to the granting of 1246
the loan. If the borrower purchases the insurance from or 1247
through the licensee or from another source, the premium may be 1248
included in the principal amount of the loan. 1249

(G)(1) In addition to the interest and charges provided 1250
for by this section, no further or other amount, whether in the 1251
form of broker fees, placement fees, or any other fees 1252
whatsoever, shall be charged or received by the licensee, except 1253
that: 1254

(a) The licensee may charge and receive costs and 1255
disbursements in connection with any suit to collect a loan or 1256
any lawful activity to realize on a security interest after 1257
default, including reasonable attorney's fees incurred by the 1258
licensee as a result of the suit or activity and to which the 1259

licensee becomes entitled by law. 1260

(b) The licensee may include the following additional 1261
charges in the principal amount of the loan or collect the 1262
following additional charges at any time after the loan is made: 1263

(i) The amounts of fees authorized by law to record, file, 1264
or release security interests on a loan; 1265

(ii) Fees received from borrowers to record, file, or 1266
release a security interest on a loan for purposes either of 1267
purchasing insurance to insure the licensee against losses for 1268
failure to record or file or creating a self-insurance fund to 1269
reimburse the licensee against losses for failure to record or 1270
file; 1271

(iii) Fees for credit investigations not exceeding twenty- 1272
five dollars provided a licensee obtains a consumer report in 1273
connection with an application for a grant, extension, or other 1274
provision of credit to a consumer that is based in whole or in 1275
part on the consumer report. 1276

(2) Division (G)(1) of this section does not limit the 1277
rights of licensees to engage in other transactions with 1278
borrowers, provided the transactions are not a condition of the 1279
loan. 1280

(H) If the loan contract or security instrument contains 1281
covenants by the borrower to perform certain duties pertaining 1282
to insuring or preserving security and the licensee pursuant to 1283
the loan contract or security instrument pays for performance of 1284
the duties on behalf of the borrower, the licensee may add the 1285
amounts paid to the unpaid principal balance of the loan or 1286
collect them separately. A charge for interest may be made for 1287
sums advanced not exceeding the rate of interest permitted by 1288

division (A) of this section. Within a reasonable time after 1289
advancing a sum, the licensee shall notify the borrower in 1290
writing of the amount advanced, any interest charged with 1291
respect to the amount advanced, and any revised payment 1292
schedule, and shall include a brief description of the reason 1293
for the advance. 1294

(I) (1) In addition to any other permissible fees and 1295
charges, a licensee may charge and receive the following: 1296

(a) If the principal amount of the loan is five hundred 1297
dollars or less, loan origination charges not exceeding fifteen 1298
dollars; 1299

(b) If the principal amount of the loan is more than five 1300
hundred dollars but less than one thousand dollars, loan 1301
origination charges not exceeding thirty dollars; 1302

(c) If the principal amount of the loan is at least one 1303
thousand dollars but less than two thousand dollars, loan 1304
origination charges not exceeding one hundred dollars; 1305

(d) If the principal amount of the loan is at least two 1306
thousand dollars but less than five thousand dollars, loan 1307
origination charges not exceeding two hundred dollars; 1308

(e) If the principal amount of the loan is at least five 1309
thousand dollars, loan origination charges not exceeding the 1310
greater of two hundred fifty dollars or one per cent of the 1311
principal amount of the loan. 1312

(2) Loan origination charges may be paid by the borrower 1313
at the time of the loan or may be included in the principal 1314
amount of the loan. 1315

(J) A licensee may charge and receive check collection 1316

charges not greater than twenty dollars plus any amount passed 1317
on from other depository institutions for each check, negotiable 1318
order of withdrawal, share draft, or other negotiable instrument 1319
returned or dishonored for any reason. 1320

(K) If the loan contract so provides, a licensee may 1321
collect a default charge on any installment not paid in full 1322
within ten days after its due date. For this purpose, all 1323
installments are considered paid in the order in which they 1324
become due. Any amounts applied to an outstanding loan balance 1325
as a result of voluntary release of a security interest, sale of 1326
security on the loan, or cancellation of insurance shall be 1327
considered payments on the loan, unless the parties otherwise 1328
agree in writing at the time the amounts are applied. A licensee 1329
shall not collect more than one default charge per unpaid 1330
installment regardless of the number of months the installment 1331
remains fully unpaid. The amount of the default charge shall not 1332
exceed the greater of five per cent of the scheduled installment 1333
or fifteen dollars. 1334

Sec. 1321.681. (A) For open-end loans, "billing cycle" 1335
means the time interval between periodic billing dates. A 1336
billing cycle shall be considered monthly if the closing date of 1337
the cycle is the same date each month or does not vary by more 1338
than four days from such date. 1339

(B) A licensee may make open-end loans pursuant to an 1340
agreement between the licensee and the borrower whereby: 1341

(1) The licensee may permit the borrower to obtain 1342
advances of money from the licensee from time to time or the 1343
licensee may advance money on behalf of the borrower from time 1344
to time as directed by the borrower. 1345

(2) The amount of each advance and permitted interest, charges, and costs are debited to the borrower's account and payments and other credits are credited to the same account. 1346
1347
1348

(3) The interest and charges are computed on the unpaid balance or balances of the account from time to time. 1349
1350

(4) The borrower has the privilege of paying the account in full at any time or, if the account is not in default, in installments of determinable amounts as provided in the agreement. 1351
1352
1353
1354

(C) A licensee may contract for and receive interest for open-end loans at a rate or rates not exceeding twenty-eight per cent per year and may compute interest in each billing cycle by either of the following methods: 1355
1356
1357
1358

(1) By multiplying the daily rate by the daily unpaid balance of the account, in which case the daily rate is determined by dividing the annual rate by three hundred sixty-five; 1359
1360
1361
1362

(2) By multiplying the monthly rate by the average daily unpaid balance of the account in the billing cycle, in which case the average daily unpaid balance is the sum of all of the daily unpaid balances each day during the cycle divided by the number of days in the cycle. The monthly rate is determined by dividing the annual rate by twelve. 1363
1364
1365
1366
1367
1368

(D) The billing cycle shall be monthly and the unpaid balance on any day shall be determined by adding to any balance unpaid as of the beginning of that day all advances and permitted interest, charges, and costs and deducting all payments and other credits made or received that day. 1369
1370
1371
1372
1373

(E) In addition to the interest permitted in division (C) 1374

of this section, a licensee may charge and receive or add to the 1375
unpaid balance any or all of the following: 1376

(1) All charges and costs authorized by divisions (E), 1377
(F), (G), (H), and (J) of section 1321.68 of the Revised Code; 1378

(2) An annual credit line charge, for the privilege of 1379
maintaining a line of credit, as follows: 1380

(a) For the first year: 1381

(i) If the original credit line is less than five thousand 1382
dollars, an amount not exceeding one hundred fifty dollars; 1383

(ii) If the original credit line is at least five thousand 1384
dollars, an amount not exceeding the greater of one per cent of 1385
the original credit line or two hundred fifty dollars. 1386

(b) For subsequent years, an amount not exceeding the 1387
greater of one-half per cent of the credit line on the 1388
anniversary date or fifty dollars. 1389

(3) A default charge on any required minimum payment not 1390
paid in full within ten days after its due date. For this 1391
purpose, all required minimum payments are considered paid in 1392
the order in which they become due. The amount of the default 1393
charge shall not exceed the greater of five per cent of the 1394
required minimum payment or twenty dollars. 1395

(F) The borrower at any time may pay all or any part of 1396
the unpaid balance on the account or, if the account is not in 1397
default, the borrower may pay the unpaid balance in installments 1398
subject to minimum payment requirements as determined by the 1399
licensee and set forth in the open-end loan agreement. 1400

(G) If credit life insurance or credit accident and health 1401
insurance is obtained by the licensee and if the insured dies or 1402

becomes disabled when there is an outstanding open-end loan 1403
indebtedness, the insurance shall be sufficient to pay the 1404
unpaid balance on the loan due on the date of the borrower's 1405
death in the case of credit life insurance or all minimum 1406
payments that become due on the loan during the covered period 1407
of disability in the case of credit accident and health 1408
insurance. The additional charge for credit life insurance, 1409
credit accident and health insurance, or unemployment insurance 1410
shall be calculated each billing cycle by applying the current 1411
monthly premium rate for the insurance, filed by the insurer 1412
with the superintendent of insurance and not disapproved by the 1413
superintendent, to the unpaid balances in the borrower's 1414
account, using one of the methods specified in division (C) of 1415
this section for the calculation of interest. No credit life 1416
insurance, credit accident and health insurance, or unemployment 1417
insurance written in connection with an open-end loan shall be 1418
canceled by the licensee because of delinquency of the borrower 1419
in making the required minimum payments on the loan unless one 1420
or more such payments is past due for a period of thirty days or 1421
more. The licensee shall advance to the insurer the amounts 1422
required to keep the insurance in force during such period, 1423
which amounts may be debited to the borrower's account. 1424

(H) Whenever there is no unpaid balance in an open-end 1425
loan account, the account may be terminated by written notice, 1426
by the borrower or the licensee, to the other party. 1427

Sec. 1321.69. (A) A licensee shall not permit any borrower 1428
to be indebted for a loan made under sections 1321.62 to 1429
1321.702 of the Revised Code at any time while the borrower is 1430
also indebted to an affiliate or agent of the licensee for a 1431
loan made under sections 1321.01 to 1321.19 or sections 1321.51 1432
to 1321.60 of the Revised Code for the purpose or with the 1433

result of obtaining greater charges than otherwise would be 1434
permitted by sections 1321.62 to 1321.702 of the Revised Code. 1435

(B) A licensee shall not induce or permit any person to 1436
become obligated to the licensee under sections 1321.62 to 1437
1321.702 of the Revised Code, directly or contingently, or both, 1438
under more than one contract of loan at the same time for the 1439
purpose or with the result of obtaining greater charges than 1440
would otherwise be permitted by sections 1321.62 to 1321.702 of 1441
the Revised Code. 1442

(C) A licensee shall not fail to provide information 1443
regarding the amount required to pay in full a loan made under 1444
sections 1321.62 to 1321.702 of the Revised Code within five 1445
business days after the receipt of a written request from a 1446
borrower or by another person designated in writing by the 1447
borrower. 1448

(D) A licensee shall not obtain a license through any 1449
false or fraudulent representation of a material fact or any 1450
omission of a material fact required by state or federal law, or 1451
make any substantial misrepresentation in the application to 1452
engage in lending under sections 1321.62 to 1321.702 of the 1453
Revised Code. 1454

(E) A licensee, in connection with the business of making 1455
or offering to make a loan, shall not knowingly make false or 1456
misleading statements of a material fact, omissions of 1457
statements required by state or federal law, or false promises 1458
regarding a material fact, through advertising or other means, 1459
or knowingly engage in a continued course of misrepresentations. 1460

(F) A licensee, or person making loans without a license 1461
in violation of section 1321.63 of the Revised Code, shall not 1462

knowingly engage in conduct, in connection with the business of 1463
making or offering to make loans under sections 1321.62 to 1464
1321.702 of the Revised Code, that constitutes improper, 1465
fraudulent, or dishonest dealings. 1466

(G) A licensee or applicant for a license shall not fail 1467
to notify the division of financial institutions within thirty 1468
days after having a license, or comparable authority, revoked in 1469
any governmental jurisdiction. 1470

(H) A licensee shall not knowingly make, propose, or 1471
solicit fraudulent, false, or misleading statements on any loan 1472
document or on any document related to a loan. For purposes of 1473
this division, "fraudulent, false, or misleading statements" 1474
does not include mathematical errors, inadvertent transposition 1475
of numbers, typographical errors, or any other bona fide error. 1476

(I) A licensee shall not knowingly instruct, solicit, 1477
propose, or otherwise cause a borrower to sign in blank a loan- 1478
related document in connection with a loan. 1479

(J) A licensee shall not take any note or other promise to 1480
pay that does not set forth the entire agreement made with the 1481
borrower. 1482

(K) A licensee shall not take any note or promise to pay 1483
in which blanks are left to be filled in after execution. 1484

(L) A licensee shall not charge or collect interest prior 1485
to the date of disbursement of the loan funds to the borrower. 1486

(M) A licensee shall not make a new loan for the purpose 1487
of paying any part of the interest or principal due on an 1488
existing loan with the same licensee unless the interest and 1489
principal balance of the existing loan is paid in full from the 1490
proceeds of the new loan. 1491

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

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

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

(C) The revocation, suspension, or refusal to renew shall not impair the obligation of any pre-existing lawful contract made under sections 1321.62 to 1321.702 of the Revised Code; provided, however, that a prior licensee shall make good faith efforts to promptly transfer the licensee's collection rights to another licensee or person exempt from licensing, or be subject to additional monetary fines and legal or administrative action

by the division. Nothing in this division shall limit a court's 1522
ability to impose a cease-and-desist order preventing any 1523
further business or servicing activity. 1524

(D)(1) The superintendent of financial institutions may 1525
impose a fine for a violation of sections 1321.62 to 1321.702 of 1526
the Revised Code committed by a licensee. All fines collected 1527
pursuant to this section shall be paid to the treasurer of state 1528
to the credit of the consumer finance fund created in section 1529
1321.21 of the Revised Code. In determining the amount of a fine 1530
to be imposed pursuant to this division, the superintendent may 1531
consider all of the following to the extent it is known to the 1532
division: 1533

(a) The seriousness of the violation; 1534

(b) The licensee's good faith efforts to prevent the 1535
violation; 1536

(c) The licensee's history regarding violations and 1537
compliance with division orders; 1538

(d) The licensee's financial resources; 1539

(e) Any other matters the superintendent considers 1540
appropriate in enforcing sections 1321.62 to 1321.702 of the 1541
Revised Code. 1542

(2) Monetary fines imposed under division (D)(1) of this 1543
section shall not exceed twenty-five thousand dollars. 1544

(E) The superintendent may investigate alleged violations 1545
of sections 1321.62 to 1321.702 of the Revised Code, or the 1546
rules adopted thereunder, or complaints concerning any such 1547
violation. The superintendent may make application to the court 1548
of common pleas for an order enjoining any violation and, upon a 1549

showing by the superintendent that a person has committed, or is 1550
about to commit, a violation, the court shall grant an 1551
injunction, restraining order, or other appropriate relief. The 1552
superintendent, in making application to the court of common 1553
pleas for an order enjoining a person from acting as a licensee 1554
in violation of section 1321.63 of the Revised Code, may also 1555
seek and obtain civil penalties for that unlicensed conduct in 1556
an amount not to exceed five thousand dollars per violation. 1557

(F) In conducting an investigation pursuant to this 1558
section, the superintendent may compel, by subpoena, witnesses 1559
to testify in relation to any matter over which the 1560
superintendent has jurisdiction, and may require the production 1561
or photocopying of any book, record, or other document 1562
pertaining to such matter. If a person fails to file any 1563
statement or report, obey any subpoena, give testimony, produce 1564
any book, record, or other document as required by such a 1565
subpoena, or permit photocopying of any book, record, or other 1566
document subpoenaed, the court of common pleas of any county in 1567
this state, upon application made to it by the superintendent, 1568
shall compel obedience by attachment proceedings for contempt, 1569
as in the case of disobedience of the requirements of a subpoena 1570
issued from the court, or a refusal to testify therein. 1571

(G) If the superintendent determines that a person is 1572
engaged in, or is believed to be engaged in, activities that may 1573
constitute a violation of sections 1321.62 to 1321.702 of the 1574
Revised Code, the superintendent may, after notice and a hearing 1575
conducted in accordance with Chapter 119. of the Revised Code, 1576
issue a cease-and-desist order. The superintendent, in taking 1577
administrative action to enjoin a person from acting as a 1578
licensee in violation of section 1321.63 of the Revised Code, 1579
may also seek and impose fines for those violations in an amount 1580

not to exceed five thousand dollars per violation. Such an order 1581
shall be enforceable in the court of common pleas. 1582

(H) The superintendent shall regularly report violations 1583
of sections 1321.62 to 1321.702 of the Revised Code, as well as 1584
enforcement actions and other relevant information, to the 1585
NMLSR. 1586

(I) (1) To protect the public interest, the superintendent 1587
may, without a prior hearing, do any of the following: 1588

(a) Suspend the license of a person who is convicted of or 1589
pleads guilty or nolo contendere to a criminal violation of 1590
sections 1321.62 to 1321.702 of the Revised Code; 1591

(b) Suspend any licensee who violates section 1321.65 of 1592
the Revised Code; 1593

(c) Suspend any licensee who fails to comply with a 1594
request made by the superintendent under this section. 1595

(2) The superintendent may, in accordance with Chapter 1596
119. of the Revised Code, subsequently revoke any license 1597
suspended under division (I) (1) of this section. 1598

Sec. 1321.701. (A) The attorney general may directly bring 1599
an action to enjoin a violation of sections 1321.62 to 1321.702 1600
of the Revised Code with the same rights, privileges, and powers 1601
as those described in section 1345.06 of the Revised Code. The 1602
prosecuting attorney of the county in which the action may be 1603
brought may bring an action to enjoin a violation of sections 1604
1321.62 to 1321.702 of the Revised Code only if the prosecuting 1605
attorney first presents any evidence of the violation to the 1606
attorney general and, within a reasonable period of time, the 1607
attorney general has not agreed to bring the action. 1608

(B) These powers of the attorney general shall be in 1609
addition to any other applicable powers of the attorney general. 1610

Sec. 1321.702. The superintendent of financial 1611
institutions may adopt, in accordance with Chapter 119. of the 1612
Revised Code, rules that are necessary for the enforcement of 1613
sections 1321.62 to 1321.702 of the Revised Code and that are 1614
consistent with those sections. Each rule shall contain a 1615
reference to the section, division, or paragraph of the Revised 1616
Code to which it applies. The superintendent shall send by 1617
regular mail to each licensee a copy of each rule that is 1618
adopted pursuant to this section. 1619

Sec. 1321.99. (A) Whoever violates section 1321.02 of the 1620
Revised Code is guilty of a felony of the fifth degree. 1621

(B) Whoever violates section 1321.13 of the Revised Code 1622
shall be fined not less than one hundred nor more than five 1623
hundred dollars or imprisoned not more than six months, or both. 1624

(C) Whoever violates section 1321.14 of the Revised Code 1625
shall be fined not less than fifty nor more than two hundred 1626
dollars for a first offense; for a second offense such person 1627
shall be fined not less than two hundred nor more than five 1628
hundred dollars and imprisoned for not more than six months. 1629

(D) Whoever willfully violates section 1321.57, 1321.58, 1630
division (A), (B), (C), or (D) of section 1321.59, 1321.591, or 1631
1321.60 of the Revised Code or whoever recklessly violates 1632
section 1321.651, 1321.68, 1321.681, or division (A), (B), (C), 1633
or (E) of section 1321.69 of the Revised Code is guilty of a 1634
minor misdemeanor and shall be fined not less than one nor more 1635
than five hundred dollars. 1636

(E) (1) Whoever violates section 1321.52 or division (I), 1637

(J), (K), (L), or (M) of section 1321.59, section 1321.63, or 1638
division (H), (I), or (K) of section 1321.69 of the Revised Code 1639
is guilty of a felony of the fifth degree. 1640

(2) A violation of section 1321.63 or division (K) of 1641
section 1321.69 of the Revised Code is a strict liability 1642
offense and section 2901.20 of the Revised Code does not apply. 1643

(F) Whoever violates division (A) of section 1321.73 of 1644
the Revised Code shall be fined not more than five hundred 1645
dollars or imprisoned not more than six months, or both. 1646

(G) Whoever violates section 1321.41 of the Revised Code 1647
is guilty of a misdemeanor of the first degree. 1648

(H) Whoever violates division (N) of section 1321.59 of 1649
the Revised Code is guilty of a felony of the fourth degree. 1650

(I) The imposition of fines pursuant to this section does 1651
not preclude the imposition of any administrative fines or civil 1652
penalties authorized under section 1321.54 or 1321.70 or any 1653
other section of the Revised Code. 1654

Section 2. That existing section 1321.99 of the Revised 1655
Code is hereby repealed. 1656

Section 3. (A) Sections 1 and 2 of this act shall take 1657
effect on July 1, 2017. 1658

(B) Beginning on the effective date of this section, the 1659
Superintendent of Financial Institutions may take whatever 1660
actions the Superintendent considers necessary to ensure full 1661
compliance with this act by July 1, 2017, including the 1662
acceptance of applications for a license under sections 1321.62 1663
to 1321.702 of the Revised Code, as enacted by this act. 1664