

As Introduced

134th General Assembly

Regular Session

2021-2022

H. B. No. 133

Representative Hillyer

Cosponsors: Representatives Holmes, Riedel, Kick, Young, T., Seitz



A BILL

To amend sections 135.77, 135.774, 307.04, 1115.05, 1
1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 2
1322.07, 1322.09, 1322.10, 1322.12, 1322.15, 3
1322.29, 1322.30, 1322.32, 1322.34, 1322.43, 4
1322.50, 1322.52, 1345.01, 1349.72, 2913.11, and 5
4712.05; to enact section 1319.17; and to repeal 6
sections 1322.24, 1322.25, and 1349.16 of the 7
Revised Code relating to commerce and property 8
tax valuation complaints, and to repeal the 9
version of section 1322.24 of the Revised Code 10
that is scheduled to take effect October 9, 11
2021. 12

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

Section 1. That sections 135.77, 135.774, 307.04, 1115.05, 13
1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 1322.07, 1322.09, 14
1322.10, 1322.12, 1322.15, 1322.29, 1322.30, 1322.32, 1322.34, 15
1322.43, 1322.50, 1322.52, 1345.01, 1349.72, 2913.11, and 16
4712.05 be amended and section 1319.17 of the Revised Code be 17
enacted to read as follows: 18

Sec. 135.77. As used in sections 135.77 to 135.774 of the Revised Code: 19
20

(A) "Business linked deposit" means ~~share certificates~~ 21
~~issued by an eligible lending institution that are purchased by~~ 22
~~the treasurer of state in accordance with sections 135.772 to~~ 23
~~135.774 of the Revised Code.~~a certificate of deposit or other 24
financial institution instrument placed by the treasurer of 25
state with an eligible lending institution at a rate below 26
current market rates, as determined and calculated by the 27
treasurer of state, provided the institution agrees to lend the 28
value of such deposit, according to the deposit agreement 29
provided in section 135.773 of the Revised Code, to eligible 30
small businesses at a rate that reflects an equal percentage 31
rate reduction below the present borrowing rate applicable to 32
each specific business at the time of the deposit of state funds 33
in the institution. 34

(B) "Eligible lending institution" means a federal credit 35
union, a foreign credit union licensed pursuant to section 36
1733.39 of the Revised Code, or a credit union as defined in 37
section 1733.01 of the Revised Code, located in this state. 38

(C) "Eligible small business" means any person that has 39
all of the following characteristics: 40

(1) Is domiciled in this state; 41

(2) Maintains offices and operating facilities exclusively 42
in this state and transacts business in this state; 43

(3) Employs fewer than one hundred fifty employees, the 44
majority of whom are residents of this state; 45

(4) Is organized for profit; 46

(5) Is able to save or create one full-time job or two 47
part-time jobs in this state for every fifty thousand dollars 48
borrowed. 49

(D) "Full-time job" means a job with regular hours of 50
service totaling at least forty hours per week or any other 51
standard of service accepted as full-time by the employee's 52
employer. 53

(E) "Loan" means a contractual agreement under which an 54
eligible lending institution agrees to lend money in the form of 55
an upfront lump sum, a line of credit, or any other reasonable 56
arrangement approved by the treasurer of state. 57

(F) "Part-time job" means a job with regular hours of 58
service totaling fewer than forty hours per week or any other 59
standard of service accepted as part-time by the employee's 60
employer. 61

Sec. 135.774. (A) Upon the placement of a business linked 62
deposit with an eligible lending institution, such institution 63
is required to lend such funds to each approved eligible small 64
business listed in the linked deposit loan package required by 65
section 135.772 of the Revised Code and in accordance with the 66
deposit agreement required by section 135.773 of the Revised 67
Code. ~~The loan shall be at a rate that reflects the following-~~ 68
~~percentage rate reduction below the present borrowing rate-~~ 69
~~applicable to each eligible small business:~~ 70

~~(1) Three per cent if the present borrowing rate is-~~ 71
~~greater than five per cent;~~ 72

~~(2) Two and one-tenth per cent if the present borrowing-~~ 73
~~rate is equal to or less than five per cent.~~ 74

~~A certification of compliance with this section in the~~ 75

~~form and manner as prescribed by the treasurer of state shall be~~ 76
~~required of the eligible lending institution.~~ 77

(B) The treasurer of state shall take any and all steps 78
necessary to implement the business linked deposit program and 79
monitor compliance of eligible lending institutions and eligible 80
small businesses, including the development of guidelines as 81
necessary. 82

(C) The state and the treasurer of state are not liable to 83
any eligible lending institution in any manner for payment of 84
the principal or interest on the loan to an eligible small 85
business. Any delay in payments or default on the part of an 86
eligible small business does not in any manner affect the 87
deposit agreement between the eligible lending institution and 88
the treasurer of state. 89

Sec. 307.04. The board of county commissioners may, at any 90
time before or after the completion of any county building, 91
award contracts for supplying such building with light, heat, or 92
power for any period of time not exceeding ten years, except a 93
contract entered into under section 9.48 of the Revised Code may 94
exceed ten years. Sections 5705.41 and 5705.44 of the Revised 95
Code shall not apply to any such contracts. 96

Sec. 1115.05. (A) As used in this section: 97

(1) "Acquire" or "acquisition" means any of the following 98
transactions or actions: 99

(a) A merger or consolidation with, or purchase of assets 100
from, a bank holding company that has acquired an Ohio bank; 101

(b) The acquisition of the direct or indirect ownership or 102
control of voting shares of an Ohio bank if, after the 103
acquisition, the acquiring bank holding company will directly or 104

indirectly own or control the Ohio bank, unless the 105
superintendent of financial institutions determines, in the 106
superintendent's discretion, due to the nature of the 107
acquisition, it should not be subject to the limitations of this 108
section; 109

(c) The merger or consolidation of an Ohio bank with, or 110
the transfer of assets from an Ohio bank to, another bank, 111
whether previously existing or chartered for the purpose of the 112
transaction; 113

(d) Any other action that results in the direct or 114
indirect control of an Ohio bank. 115

(2) "Ohio bank" means a state bank or a national bank 116
whose principal place of business is in this state. 117

(B) Subject to division (C) of this section, a bank ~~or,~~ 118
bank holding company, federal savings association, or savings 119
and loan holding company whose principal place of business is in 120
this state or any other state may charter or otherwise acquire 121
an Ohio bank, and a bank may acquire banking offices in this 122
state by merger or consolidation with or transfer of assets and 123
liabilities from a bank, savings bank, or savings association 124
that has offices in this state, if, upon consummation of the 125
acquisition, both of the following will apply: 126

(1) The acquiring bank ~~with, or the acquiring,~~ bank 127
holding company ~~through,~~ federal savings association, or savings 128
and loan holding company, with or through its affiliate banks, 129
savings banks, and savings associations, does not control more 130
than ten per cent of the total deposits of banks, savings banks, 131
and savings associations in the United States, and either of the 132
following applies: 133

(a) The acquiring bank ~~with, or the,~~ acquiring bank 134
holding company ~~through, federal savings association, or savings~~ 135
and loan holding company, with or through its affiliate banks, 136
savings banks, and savings associations, does not control more 137
than thirty per cent of the total deposits of banks, savings 138
banks, and savings associations in this state. 139

(b) The acquiring bank ~~with, or the,~~ acquiring bank 140
holding company ~~through, federal savings association, or savings~~ 141
and loan holding company, with or through its affiliate banks, 142
savings banks, and savings associations, controls more than 143
thirty per cent of the total deposits of banks, savings banks, 144
and savings associations in this state, and the superintendent 145
approved the acquisition after determining the anticompetitive 146
effects of the acquisition were clearly outweighed in the public 147
interest by the probable effect of the transaction. 148

(2) Except in the case of a foreign bank subject to 149
Chapter 1119. of the Revised Code or a bank that by the terms of 150
its articles of incorporation or association is not permitted to 151
solicit or accept deposits other than trust funds, the Ohio bank 152
or any bank that has banking offices in this state will be an 153
insured bank as defined in section 3(h) of the "Federal Deposit 154
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). 155

(C) (1) Any bank holding company proposing to charter a 156
state bank under this section shall comply with Chapter 1113. or 157
1114. of the Revised Code and any rules adopted to implement 158
that chapter. 159

(2) If, after the proposed acquisition, the acquiring bank 160
or bank holding company will control an existing state bank the 161
acquiring bank or bank holding company did not control before 162
the acquisition, and the acquisition does not include the merger 163

or consolidation of the existing state bank with another bank, 164
the acquiring bank or bank holding company shall comply with 165
section 1115.06 of the Revised Code and any rules adopted to 166
implement that section. 167

(3) If the proposed acquisition will be accomplished by 168
means of a merger or consolidation with a state bank and the 169
resulting bank of the merger or consolidation will be a state 170
bank, the state bank shall comply with section 1115.11 of the 171
Revised Code and any rules adopted to implement that section. 172

(4) If the proposed acquisition will be accomplished by 173
means of a transfer of assets and liabilities to a state bank, 174
the state bank shall comply with section 1115.14 of the Revised 175
Code and any rules adopted to implement that section. 176

(5) If the proposed acquisition will be accomplished by 177
forming a bank to which the bank to be acquired will transfer 178
assets and liabilities, or with which the bank to be acquired 179
will be merged or consolidated and the resulting bank will be a 180
state bank, the acquiring bank holding company shall comply with 181
section 1115.23 of the Revised Code and any rules adopted to 182
implement that section. 183

Sec. 1319.17. (A) As used in this section: 184

(1) "Business" means a sole proprietorship, partnership, 185
corporation, limited liability company, or other commercial 186
entity, whether for profit or not for profit. 187

(2) "Commercial credit report" means any report provided 188
to a business for a legitimate business purpose, relating to the 189
financial status or payment habits of a business that is the 190
subject of the report. "Commercial credit report" does not 191
include any of the following: 192

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| <u>(a) A report prepared for commercial insurance</u> | 193 |
| <u>underwriting, claims, or auditing purposes;</u> | 194 |
| <u>(b) A report containing information related to</u> | 195 |
| <u>transactions or experiences between the subject and the person</u> | 196 |
| <u>making the report;</u> | 197 |
| <u>(c) An authorization or approval of a specific extension</u> | 198 |
| <u>of credit directly or indirectly by the issuer of a credit card</u> | 199 |
| <u>or similar device;</u> | 200 |
| <u>(d) Any report in which a person that has been requested</u> | 201 |
| <u>by a third party to make a specific extension of credit directly</u> | 202 |
| <u>or indirectly to the subject conveys its decision with respect</u> | 203 |
| <u>to that request.</u> | 204 |
| <u>(3) "Commercial credit reporting agency" means any person</u> | 205 |
| <u>or entity that regularly engages in the practice of compiling</u> | 206 |
| <u>and maintaining commercial credit reports on a business</u> | 207 |
| <u>operating in this state for the purpose of providing commercial</u> | 208 |
| <u>credit reports and, for monetary fees, dues, or on a cooperative</u> | 209 |
| <u>nonprofit basis, provides such commercial credit reports on a</u> | 210 |
| <u>business operating in this state to third parties.</u> | 211 |
| <u>"Commercial credit reporting agency" does not include a</u> | 212 |
| <u>person or entity that does not maintain a database of commercial</u> | 213 |
| <u>credit reports from which new commercial credit reports are</u> | 214 |
| <u>produced.</u> | 215 |
| <u>(4) "Subject" means the business operating in this state</u> | 216 |
| <u>about which a commercial credit report has been compiled.</u> | 217 |
| <u>(B) Upon the request of a representative of the subject of</u> | 218 |
| <u>a commercial credit report, a commercial credit reporting agency</u> | 219 |
| <u>shall provide the subject's commercial credit report. The report</u> | 220 |
| <u>shall be provided to the subject at a cost not greater than what</u> | 221 |

is charged to third parties and may be printed or in electronic 222
form. The report shall be in a format routinely made available 223
to third parties. A commercial credit reporting agency may 224
protect the identity of sources of information to be used in 225
commercial credit reports. 226

(C) Within thirty days after receipt of a commercial 227
credit report, a representative of the subject of the report may 228
file with the commercial credit reporting agency a written 229
summary statement identifying each particular statement in the 230
report that the subject of the report believes contains an 231
inaccurate statement of fact and indicating the nature of the 232
disagreement with the statement. Within thirty days after 233
receipt of a subject's summary statement of disagreement, the 234
commercial credit reporting agency at no cost to the subject 235
shall do either of the following: 236

(1) Delete the disputed statement of fact from the report 237
and, thereafter, block any repeat reporting of that disputed 238
statement unless its accuracy has been verified; 239

(2) Include in the report a notice of the subject's 240
assertion that the statement of fact is inaccurate. 241

(D) Nothing in this section shall be construed to provide 242
a private right of action, including a class action, with 243
respect to any act or practice regulated under this section. 244

Sec. 1321.52. (A) (1) A registrant may make loans, other 245
than a residential mortgage loan as defined in section 1322.01 246
of the Revised Code, on terms and conditions provided by 247
sections 1321.51 to 1321.60 of the Revised Code. 248

(2) Each person issued a certificate of registration is 249
subject to all the rules prescribed under sections 1321.51 to 250

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| 1321.60 of the Revised Code. | 251 |
| (B) (1) All loans made to persons who at the time are | 252 |
| residents of this state are considered as made within this state | 253 |
| and subject to the laws of this state, regardless of any | 254 |
| statement in the contract or note to the contrary, except if the | 255 |
| loan is for the purpose of purchasing goods acquired by the | 256 |
| borrower when the borrower is outside of this state, the loan | 257 |
| may be governed by the laws of the other state. | 258 |
| (2) Nothing in division (B) (1) of this section prevents a | 259 |
| choice of law or requires registration of persons outside of | 260 |
| this state in a transaction involving the solicitation of | 261 |
| residents of this state to obtain non-real estate secured loans | 262 |
| that require the borrowers to physically visit a lender's out- | 263 |
| of-state office to apply for and obtain the disbursement of loan | 264 |
| funds. | 265 |
| (C) A registrant may make unsecured loans and loans | 266 |
| secured by other than residential real estate or a dwelling as | 267 |
| those terms are defined in section 1322.01 of the Revised Code. | 268 |
| <u>(D) For the purpose of registering persons under and</u> | 269 |
| <u>requiring compliance with sections 1321.51 to 1321.60 of the</u> | 270 |
| <u>Revised Code, the superintendent may do any of the following:</u> | 271 |
| <u>(1) Require any person registered under or applying for</u> | 272 |
| <u>registration under these sections to do both of the following:</u> | 273 |
| <u>(a) Utilize the national multistate licensing system for</u> | 274 |
| <u>application, renewal, amendment, or surrender of a license or</u> | 275 |
| <u>for any other activity as the superintendent may require;</u> | 276 |
| <u>(b) Pay all applicable charges to utilize the national</u> | 277 |
| <u>multistate licensing system.</u> | 278 |

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| <u>(2) Establish requirements as necessary for the use of the</u> | 279 |
| <u>national multistate licensing system to meet the purposes of</u> | 280 |
| <u>these sections, including:</u> | 281 |
| <u>(a) Background checks for:</u> | 282 |
| <u>(i) Criminal history through fingerprint or other</u> | 283 |
| <u>databases;</u> | 284 |
| <u>(ii) Civil or administrative records;</u> | 285 |
| <u>(iii) Credit history;</u> | 286 |
| <u>(iv) Any other information considered necessary by the</u> | 287 |
| <u>national multistate licensing system or the superintendent.</u> | 288 |
| <u>(b) The payment of fees to apply for or renew licenses</u> | 289 |
| <u>through the multistate licensing system;</u> | 290 |
| <u>(c) The setting or resetting of renewal or reporting</u> | 291 |
| <u>dates;</u> | 292 |
| <u>(d) Requirements for amending or surrendering a license or</u> | 293 |
| <u>any other such activities as the superintendent considers</u> | 294 |
| <u>necessary for participation in the national multistate licensing</u> | 295 |
| <u>system.</u> | 296 |
| Sec. 1321.68. (A) A licensee may contract for and receive | 297 |
| interest, calculated according to the actuarial method, at a | 298 |
| rate or rates not exceeding twenty-five per cent per year on the | 299 |
| unpaid principal balances of the loan. Loans may be interest- | 300 |
| bearing or precomputed. | 301 |
| (B) For purposes of computation of time on interest- | 302 |
| bearing and precomputed loans, including, but not limited to, | 303 |
| the calculation of interest, a month is considered one-twelfth | 304 |
| of a year, and a day is considered one three hundred sixty-fifth | 305 |

of a year when calculation is made for a fraction of a month. A 306
year is as defined in section 1.44 of the Revised Code. A month 307
is that period described in section 1.45 of the Revised Code. 308
Alternatively, a licensee may consider a day as one three 309
hundred sixtieth of a year and each month as having thirty days. 310

(C) With respect to interest-bearing loans: 311

(1) (a) Interest shall be computed on unpaid principal 312
balances outstanding from time to time, for the time 313
outstanding. 314

(b) As an alternative to the method of computing interest 315
set forth in division (C) (1) (a) of this section, a licensee may 316
charge and collect interest for the first installment period 317
based on elapsed time from the date of the loan to the first 318
scheduled payment due date, and for each succeeding installment 319
period from the scheduled payment due date to the next scheduled 320
payment due date, regardless of the date or dates the payments 321
are actually made. 322

(c) Whether a licensee computes interest pursuant to 323
division (C) (1) (a) or (b) of this section, each payment shall be 324
applied first to unpaid charges, then to interest, and the 325
remainder to the unpaid principal balance. However, if the 326
amount of the payment is insufficient to pay the accumulated 327
interest, the unpaid interest continues to accumulate to be paid 328
from the proceeds of subsequent payments and is not added to the 329
principal balance. 330

(2) Interest shall not be compounded, collected, or paid 331
in advance. However, both of the following apply: 332

(a) Interest may be charged to extend the first monthly 333
installment period by not more than fifteen days, and the 334

interest charged for the extension may be added to the principal 335
amount of the loan. 336

(b) If part or all of the consideration for a new loan 337
contract is the unpaid principal balance of a prior loan, the 338
principal amount payable under the new loan contract may include 339
any unpaid interest that has accrued. The resulting loan 340
contract shall be deemed a new and separate loan transaction for 341
purposes of this section. The unpaid principal balance of a 342
precomputed loan is the balance due after refund or credit of 343
unearned interest as provided in division (D) (3) of this 344
section. 345

(D) With respect to precomputed loans: 346

(1) Loans shall be repayable in monthly installments of 347
principal and interest combined, except that: 348

(a) The first installment period may exceed one month by 349
not more than fifteen days, and the first installment payment 350
amount may be larger than the remaining payments by the amount 351
of interest charged for the extra days. 352

(b) Monthly installment payment dates may be omitted to 353
accommodate borrowers with seasonal income. 354

(2) Payments may be applied to the combined total of 355
principal and precomputed interest until maturity of the loan. A 356
licensee may charge interest after the original or deferred 357
maturity of a precomputed loan at the rate specified in division 358
(A) of this section on all unpaid principal balances for the 359
time outstanding. 360

(3) When any loan contract is paid in full by cash, 361
renewal, refinancing, or a new loan, one month or more before 362
the final installment due date, the licensee shall refund, or 363

credit the borrower with, the total of the applicable charges 364
for all fully unexpired installment periods, as originally 365
scheduled or as deferred, that follow the day of prepayment. If 366
the prepayment is made other than on a scheduled installment due 367
date, the nearest scheduled installment due date shall be used 368
in such computation. If the prepayment occurs prior to the first 369
installment due date, the licensee may retain one-thirtieth of 370
the applicable charge for a first installment period of one 371
month for each day from date of loan to date of prepayment, and 372
shall refund, or credit the borrower with, the balance of the 373
total interest contracted for. If the maturity of the loan is 374
accelerated for any reason and judgment is entered, the licensee 375
shall credit the borrower with the same refund as if prepayment 376
in full had been made on the date the judgment is entered. 377

(4) If the parties agree in writing, either in the loan 378
contract or in a subsequent agreement, to a deferment of wholly 379
unpaid installments, a licensee may grant a deferment and may 380
collect a deferment charge as provided in this section. A 381
deferment postpones the scheduled due date of the earliest 382
unpaid installment and all subsequent installments as originally 383
scheduled, or as previously deferred, for a period equal to the 384
deferment period. The deferment period is that period during 385
which no installment is scheduled to be paid by reason of the 386
deferment. The deferment charge for a one-month period may not 387
exceed the applicable charge for the installment period 388
immediately following the due date of the last undeferred 389
installment. A proportionate charge may be made for deferment 390
for periods of more or less than one month. A deferment charge 391
is earned pro rata during the deferment period and is fully 392
earned on the last day of the deferment period. If a loan is 393
prepaid in full during a deferment period, the licensee shall 394

make, or credit to the borrower, a refund of the unearned 395
deferment charge in addition to any other refund or credit made 396
for prepayment of the loan in full. 397

(E) A licensee, at the request of the borrower, may 398
obtain, on one or more borrowers, credit life insurance, credit 399
accident and health insurance, and unemployment insurance. The 400
premium or identifiable charge for the insurance may be included 401
in the principal amount of the loan and may not exceed the 402
premium rate filed by the insurer with the superintendent of 403
insurance and not disapproved by the superintendent. If a 404
licensee obtains the insurance at the request of the borrower, 405
the borrower shall have the right to cancel the insurance for a 406
period of twenty-five days after the loan is made. If the 407
borrower chooses to cancel the insurance, the borrower shall 408
give the licensee written notice of this choice and shall return 409
all of the policies or certificates of insurance or notices of 410
proposed insurance to the licensee during such period, and the 411
full premium or identifiable charge for the insurance shall be 412
refunded to the borrower by the licensee. If the borrower 413
requests, in the notice to cancel the insurance, that this 414
refund be applied to reduce the balance of a precomputed loan, 415
the licensee shall credit the amount of the refund plus the 416
amount of interest applicable to the refund to the loan balance. 417
If the licensee obtains the insurance at the request of the 418
borrower, the licensee shall not charge or collect interest on 419
any insured amount that remains unpaid after the insured 420
borrower's date of death. 421

(F) A licensee may require the borrower to provide 422
insurance or a loss payable endorsement covering reasonable 423
risks of loss, damage, and destruction of property used as 424
security for the loan and with the consent of the borrower such 425

insurance may cover property of the borrower other than that 426
which is security for the loan. The amount and term of required 427
property insurance shall be reasonable in relation to the amount 428
and term of the loan contract and the type and value of the 429
security, and the insurance shall be procured in accordance with 430
the insurance laws of this state. The purchase of this insurance 431
through the licensee or an agent or broker designated by the 432
licensee shall not be a condition precedent to the granting of 433
the loan. If the borrower purchases the insurance from or 434
through the licensee or from another source, the premium may be 435
included in the principal amount of the loan. 436

(G) (1) In addition to the interest and charges provided 437
for by this section, no further or other amount, whether in the 438
form of broker fees, placement fees, or any other fees 439
whatsoever, shall be charged or received by the licensee, except 440
that: 441

(a) The licensee may charge and receive costs and 442
disbursements in connection with any suit to collect a loan or 443
any lawful activity to realize on a security interest after 444
default, including reasonable attorney's fees incurred by the 445
licensee as a result of the suit or activity and to which the 446
licensee becomes entitled by law. 447

(b) The licensee may include the following additional 448
charges in the principal amount of the loan or collect the 449
following additional charges at any time after the loan is made: 450

(i) The amounts of fees authorized by law to record, file, 451
or release security interests on a loan; 452

(ii) Fees received from borrowers to record, file, or 453
release a security interest on a loan for purposes either of 454

purchasing insurance to insure the licensee against losses for 455
failure to record or file or creating a self-insurance fund to 456
reimburse the licensee against losses for failure to record or 457
file; 458

(iii) Fees for credit investigations not exceeding twenty- 459
five dollars provided a licensee obtains a consumer report in 460
connection with an application for a grant, extension, or other 461
provision of credit to a consumer that is based in whole or in 462
part on the consumer report. 463

(2) Division (G)(1) of this section does not limit the 464
rights of licensees to engage in other transactions with 465
borrowers, provided the transactions are not a condition of the 466
loan. As used in this division, a transaction shall not be 467
considered a "condition of the loan" if it meets both of the 468
following conditions: 469

(a) It is not required for the extension of the credit. 470

(b) It is a charge that is not considered a "finance 471
charge" pursuant to 12 C.F.R. 1026.4. 472

(H) If the loan contract or security instrument contains 473
covenants by the borrower to perform certain duties pertaining 474
to insuring or preserving security and the licensee pursuant to 475
the loan contract or security instrument pays for performance of 476
the duties on behalf of the borrower, the licensee may add the 477
amounts paid to the unpaid principal balance of the loan or 478
collect them separately. A charge for interest may be made for 479
sums advanced not exceeding the rate of interest permitted by 480
division (A) of this section. Within a reasonable time after 481
advancing a sum, the licensee shall notify the borrower in 482
writing of the amount advanced, any interest charged with 483

respect to the amount advanced, and any revised payment 484
schedule, and shall include a brief description of the reason 485
for the advance. 486

(I) (1) In addition to any other permissible fees and 487
charges, a licensee may charge and receive the following: 488

(a) If the principal amount of the loan is five hundred 489
dollars or less, loan origination charges not exceeding fifteen 490
dollars; 491

(b) If the principal amount of the loan is more than five 492
hundred dollars but less than one thousand dollars, loan 493
origination charges not exceeding thirty dollars; 494

(c) If the principal amount of the loan is at least one 495
thousand dollars but less than two thousand dollars, loan 496
origination charges not exceeding one hundred dollars; 497

(d) If the principal amount of the loan is at least two 498
thousand dollars but less than five thousand dollars, loan 499
origination charges not exceeding two hundred dollars; 500

(e) If the principal amount of the loan is at least five 501
thousand dollars, loan origination charges not exceeding the 502
greater of two hundred fifty dollars or one per cent of the 503
principal amount of the loan. 504

(2) Loan origination charges may be paid by the borrower 505
at the time of the loan or may be included in the principal 506
amount of the loan. 507

(J) A licensee may charge and receive check collection 508
charges not greater than twenty dollars plus any amount passed 509
on from other depository institutions for each check, negotiable 510
order of withdrawal, share draft, or other negotiable instrument 511

returned or dishonored for any reason. 512

(K) If the loan contract so provides, a licensee may 513
collect a default charge on any installment not paid in full 514
within ten days after its due date. For this purpose, all 515
installments are considered paid in the order in which they 516
become due. Any amounts applied to an outstanding loan balance 517
as a result of voluntary release of a security interest, sale of 518
security on the loan, or cancellation of insurance shall be 519
considered payments on the loan, unless the parties otherwise 520
agree in writing at the time the amounts are applied. A licensee 521
shall not collect more than one default charge per unpaid 522
installment regardless of the number of months the installment 523
remains fully unpaid. The amount of the default charge shall not 524
exceed the greater of five per cent of the scheduled installment 525
or fifteen dollars. 526

Sec. 1322.01. As used in this chapter: 527

(A) "Administrative or clerical tasks" mean the receipt, 528
collection, and distribution of information common for the 529
processing or underwriting of a loan in the mortgage industry, 530
~~without performing any analysis of the information, and~~ 531
communication with a consumer to obtain information necessary 532
for the processing or underwriting of a residential mortgage 533
loan, to the extent the communication does not include offering 534
or negotiating loan rates or terms or counseling borrowers about 535
residential mortgage loan rates or terms. 536

(B) "Advertising" means a commercial message in any medium 537
that promotes, either directly or indirectly, a residential 538
mortgage lending transaction. 539

(C) "Application" has the same meaning as in 12 C.F.R. 540

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| 1026.2 (a) (3) . | 541 |
| (D) "Approved education course" means any course approved by the nationwide mortgage licensing system and registry. | 542 543 |
| (E) "Approved test provider" means any test provider approved by the nationwide mortgage licensing system and registry. | 544 545 546 |
| (F) <u>"Bona fide nonprofit organization" means an organization that meets all of the following:</u> | 547 548 |
| <u>(1) Has the status of a tax-exempt organization under section 501(c) (3) of the Internal Revenue Code of 1986, as amended;</u> | 549 550 551 |
| <u>(2) Promotes affordable housing or provides homeownership education or similar services;</u> | 552 553 |
| <u>(3) Conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes;</u> | 554 555 |
| <u>(4) Receives funding and revenue and charges fees in a manner that does not incentivize it or its employees to act other than in the best interests of its clients;</u> | 556 557 558 |
| <u>(5) Compensates its employees in a manner that does not incentivize employees to act other than in the best interests of its clients;</u> | 559 560 561 |
| <u>(6) Provides, or identifies for the borrower, residential mortgage loans with terms favorable to the borrower and comparable to mortgage loans and housing assistance provided under government housing assistance programs;</u> | 562 563 564 565 |
| <u>(7) Has obtained a valid letter of exemption from the superintendent of financial institutions.</u> | 566 567 |

(G) "Borrower" means a person seeking a residential mortgage loan or an obligor on a residential mortgage loan. 568
569

~~(G)~~ (H) "Branch office" means a location at which a licensee conducts business other than a registrant's principal place of business, if at least one of the following applies to the location: 570
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(1) The address of the location appears on business cards, stationery, or advertising used by the registrant; 574
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(2) The registrant's name or advertising at the location suggests that mortgage transactions are made at the location; 576
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(3) The location is held out to the public as a licensee's place of business due to the actions of an employee or independent contractor of the registrant; or 578
579
580

(4) The location within this state is controlled directly or indirectly by the registrant. 581
582

~~(H)~~ (I) "Buyer" means an individual who is solicited to purchase or who purchases the services of a mortgage loan originator for purposes of obtaining a residential mortgage loan. "Buyer" includes an individual whose mortgage loan is serviced by a mortgage servicer. 583
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~~(I)~~ (J) "Consumer reporting agency" has the same meaning as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended. 588
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~~(J)~~ (K) "Control" means the power, directly or indirectly, to direct the management or policies of an entity, whether through ownership of securities, by contract, or otherwise. A person is presumed to control an entity if that person: 591
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594

(1) Is a director, general partner, or executive officer 595

or is an individual that occupies a similar position or performs 596
a similar function; 597

(2) Directly or indirectly has the right to vote five per 598
cent or more of a class of a voting security or has the power to 599
sell or direct the sale of five per cent or more of a class of 600
voting securities; 601

(3) In the case of a limited liability company, is a 602
managing member; or 603

(4) In the case of a partnership, has the right to receive 604
upon dissolution or has contributed five per cent or more of the 605
capital. 606

~~(K)~~ (L) "Depository institution" has the same meaning as 607
in section 3 of the "Federal Deposit Insurance Act," 12 U.S.C. 608
1813(c), and also includes any credit union. 609

~~(L)~~ (M) "Dwelling" has the same meaning as in 15 U.S.C. 610
1602(w). "Dwelling" includes a single condominium unit, 611
cooperative unit, mobile home, and trailer, if it is used as a 612
residence, whether or not that structure is attached to real 613
property. 614

~~(M)~~ (N) "Employee" means an individual for whom a mortgage 615
broker ~~or, mortgage lender, or mortgage servicer,~~ in addition to 616
providing a wage or salary, pays social security and 617
unemployment taxes, provides workers' compensation coverage, and 618
withholds local, state, and federal income taxes. "Employee" 619
also includes any individual who acts as a mortgage loan 620
originator or operations manager of a registrant, but for whom 621
the registrant is prevented by law from making income tax 622
withholdings. 623

~~(N)~~ (O) "Entity" means a business organization, including 624

a sole proprietorship. 625

~~(O)~~ (P) "Expungement" means a court-ordered process that 626
involves the destruction of documentation related to past 627
arrests and convictions. 628

~~(P)~~ (Q) "Federal banking agency" means the board of 629
governors of the federal reserve system, the comptroller of the 630
currency, the national credit union administration, or the 631
federal deposit insurance corporation. 632

~~(Q)~~ (R) "Immediate family" means an individual's spouse, 633
child, stepchild, parent, stepparent, grandparent, grandchild, 634
brother, sister, parent-in-law, brother-in-law, or sister-in- 635
law. 636

~~(R)~~ (S) "Independent contractor" means an individual who 637
performs duties for another person and is not subject to that 638
person's supervision or control. 639

~~(S)~~ (T) "Individual" means a natural person. 640

~~(T)~~ (U) "Licensee" means any individual who has been 641
issued a mortgage loan originator license under this chapter. 642

~~(U)~~ (V) "Loan commitment" means a statement transmitted in 643
writing or electronically by a mortgage lender setting forth the 644
terms and conditions upon which the mortgage lender is willing 645
to make a particular residential mortgage loan to a particular 646
borrower. 647

~~(V)~~ (W) "Loan processor or underwriter" means an 648
individual who, with respect to the origination of a residential 649
mortgage loan, performs ~~administrative or clerical tasks as an~~ 650
~~employee at the direction of and subject to the supervision of a~~ 651
~~mortgage lender or mortgage broker. For purposes of this~~ 652

~~division, "origination of a residential mortgage loan" means all~~ 653
~~activities related to a residential mortgage loan, from the~~ 654
~~taking of a loan application through the completion of all~~ 655
~~required loan closing documents and the funding of the loan any~~ 656
of the following activities at the direction or subject to the 657
supervision of a licensed mortgage loan originator or registered 658
mortgage loan originator: 659

(1) Receiving, collecting, distributing, or analyzing 660
information common for the processing or underwriting of a 661
residential mortgage loan; 662

(2) Communicating with a borrower to obtain the 663
information necessary for the processing or underwriting of a 664
loan, to the extent the communication does not include offering 665
or negotiating loan rates or terms or counseling borrowers about 666
residential mortgage loan rates or terms. 667

~~(W)~~ (X) "Mortgage" means the consensual interest in real 668
property located in this state, including improvements to that 669
property, securing a debt evidence by a mortgage, trust 670
indenture, deed of trust, or other lien on real property. 671

~~(X)~~ (Y) "Mortgage broker" means an entity that for 672
compensation or gain, or in the expectation of compensation or 673
gain, obtains, attempts to obtain, or assists in obtaining a 674
residential mortgage loan for a borrower from a mortgage lender 675
in return for consideration or in anticipation of consideration. 676
For purposes of this division, "attempting to obtain or 677
assisting in obtaining" a residential mortgage loan includes 678
referring a borrower to a mortgage lender, soliciting or 679
offering to solicit a mortgage loan on behalf of a borrower, or 680
negotiating or offering to negotiate the terms or conditions of 681
a mortgage loan with a mortgage lender on behalf of a borrower. 682

~~(Y)-(Z)~~ "Mortgage lender" means an entity that for 683
compensation or gain, or in the expectation of compensation or 684
gain consummates a residential mortgage loan, advances funds, 685
offers to advance funds, or commits to advancing funds for a 686
~~residential mortgage loan applicant~~borrower. 687

~~(Z)(1)-(AA)(1)~~ "Mortgage loan originator" means an 688
individual who for compensation or gain, or in the expectation 689
of compensation or gain, does any of the following: 690

(a) Takes a residential mortgage loan application; 691

(b) Assists or offers to assist a buyer in obtaining or 692
applying to obtain a residential mortgage loan by, among other 693
things, advising on loan terms, including rates, fees, and other 694
costs; 695

(c) Offers or negotiates terms of a residential mortgage 696
loan; 697

(d) Issues or offers to issue a commitment for a 698
residential mortgage loan to a buyer. 699

(2) "Mortgage loan originator" does not include any of the 700
following: 701

(a) An individual who performs purely administrative or 702
clerical tasks on behalf of a mortgage loan originator; 703

(b) A person licensed under Chapter 4735. of the Revised 704
Code, or under the similar law of another state, who performs 705
only real estate brokerage activities permitted by that license, 706
provided the person is not compensated by a mortgage lender, 707
mortgage broker, mortgage loan originator, or by any agent 708
thereof; 709

(c) A person solely involved in extensions of credit 710

relating to timeshare plans, as that term is defined in 11 711
U.S.C. 101; 712

(d) An employee of a mortgage lender or mortgage broker 713
who acts solely as a loan processor or underwriter and who does 714
not represent to the public, through advertising or other means 715
of communicating, including the use of business cards, 716
stationery, brochures, signs, rate lists, or other promotional 717
items, that the employee can or will perform any of the 718
activities of a mortgage loan originator; 719

(e) A licensed attorney who negotiates the terms of a 720
residential mortgage loan on behalf of a client as an ancillary 721
matter to the attorney's representation of the client, unless 722
the attorney is compensated by a mortgage lender, a mortgage 723
broker, or another mortgage loan originator, or by any agent 724
thereof; 725

(f) Any person engaged in the retail sale of manufactured 726
homes, mobile homes, or industrialized units, including a 727
manufactured home park operator, as defined in section 4781.01 728
of the Revised Code if, in connection with financing those 729
retail sales, the person ~~only assists the borrower by providing~~ 730
~~or transmitting the loan application and~~ does not do any of the 731
following: 732

(i) Offer or negotiate the residential mortgage loan rates 733
or terms; 734

~~(ii) Provide any counseling with borrowers about~~ 735
~~residential mortgage loan rates or terms~~ Fail to give a borrower 736
written disclosure of any corporate affiliation the person has 737
with any lender, or fail to refer a borrower to at least one 738
unaffiliated lender if the person recommends a lender with which 739

the person has a corporate affiliation; 740

(iii) Receive any ~~payment~~ compensation or ~~fee~~ gain from 741
any company or individual for assisting the borrower obtain or 742
apply for financing to purchase the manufactured home, mobile 743
home, or industrialized unit; 744

~~(iv) Assist the borrower in completing a residential~~ 745
~~mortgage loan application.~~ 746

(g) An individual employed by a bona fide nonprofit 747
organization ~~that is recognized as tax exempt under 26 U.S.C.~~ 748
~~501(c)(3) and whose primary activity is the construction,~~ 749
~~remodeling, or rehabilitation of homes for use by low income~~ 750
~~families, provided that the nonprofit organization makes no~~ 751
~~profit mortgage loans or mortgage loans at zero per cent~~ 752
~~interest to low income families and no fees accrue directly to~~ 753
~~the nonprofit organization or individual employed by the~~ 754
~~nonprofit organization from those mortgage loans and that the~~ 755
~~United States department of housing and urban development does~~ 756
~~not deny this exemption.~~ acting within the scope of employment 757
with respect to residential mortgage loans with terms that are 758
favorable to the borrower; 759

(h) An employee of a loan processing or underwriting 760
company that provides loan processing or underwriting services 761
to one or more mortgage lenders or mortgage brokers under a 762
contract between the loan processing or underwriting company and 763
the mortgage lenders or mortgage brokers, provided the employee 764
performs only clerical or support duties and performs those 765
duties only at the direction of and subject to the supervision 766
and instruction of a licensed mortgage loan originator employee 767
of the same loan processing and underwriting company, and 768
provided that the loan processing and underwriting company has 769

obtained a letter of exemption provided for in a rule adopted by 770
the superintendent of financial institutions. 771

~~(AA)~~ (BB) "Mortgage servicer" means an entity a person 772
that, for compensation or gain for itself or on behalf of the 773
holder of a residential mortgage loan, holds the servicing 774
rights for more than five residential mortgage loans, records 775
mortgage payments on its books for more than five residential 776
mortgage loans, or performs other functions to carry out the 777
residential mortgage holder's obligations or rights under the 778
mortgage agreement for more than five residential mortgage loans 779
including, when applicable, the receipt of funds from the 780
mortgagor to be held in escrow for payment of real estate taxes 781
and insurance premiums and the distribution of such funds to the 782
taxing authority and insurance company. 783

~~(BB)~~ (CC) "Nationwide mortgage licensing system and 784
registry" means a licensing system developed and maintained by 785
the conference of state bank supervisors and the American 786
association of residential mortgage regulators, or their 787
successor entities, for the licensing and registration of 788
persons providing non-depository financial services. 789

~~(CC)~~ (DD) "Nontraditional mortgage product" means any 790
mortgage product other than a thirty-year fixed rate mortgage. 791

~~(DD)~~ (EE) "Person" means an individual, sole 792
proprietorship, corporation, company, limited liability company, 793
partnership, limited liability partnership, trust, or 794
association. 795

~~(EE)~~ (FF) "Real estate brokerage activity" means any 796
activity that involves offering or providing real estate 797
brokerage services to the public, including all of the 798

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| following: | 799 |
| (1) Acting as a real estate salesperson or real estate broker for a buyer, seller, lessor, or lessee of real property; | 800 801 |
| (2) Bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property; | 802 803 |
| (3) Negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property, other than in connection with providing financing for any such transaction; | 804 805 806 807 |
| (4) Engaging in any activity for which a person engaged in that activity is required to be licensed as a real estate salesperson or real estate broker under the law of this state; | 808 809 810 |
| (5) Offering to engage in any activity, or to act in any capacity, described in division (EE) <u>(FF)</u> of this section. | 811 812 |
| (FF) <u>(GG)</u> "Registered mortgage loan originator" means an individual to whom both of the following apply: | 813 814 |
| (1) The individual is a mortgage loan originator and an employee of a depository institution, a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the farm credit administration. | 815 816 817 818 819 |
| (2) The individual is registered with, and maintains a unique identifier through, the nationwide mortgage licensing system and registry. | 820 821 822 |
| (GG) <u>(HH)</u> "Registrant" means any person that has been issued a certificate of registration under this chapter. | 823 824 |
| (HH) <u>(II)</u> "Residential mortgage loan" means any loan that | 825 |

meets both of the following requirements: 826

(1) It is primarily for personal, family, or household use 827
and is secured by a mortgage, deed of trust, or other equivalent 828
consensual security interest on a dwelling or on residential 829
real estate ~~located in Ohio~~. 830

(2) It is provided and secured by a first lien holder 831
secured creditor or by a ~~second~~ subordinate lien holder secured 832
creditor. 833

~~(II)~~ (JJ) "Residential real estate" means any real 834
property located in this state upon which is constructed a 835
dwelling or upon which a dwelling is intended to be built within 836
a two-year period, subject to 24 C.F.R. 3500.5(b)(4). For 837
purposes of this division, a borrower's intent to build a 838
dwelling within a two-year period is presumed unless the 839
borrower has submitted a written, signed statement to the 840
contrary. 841

~~(JJ)~~ (KK) "Superintendent of financial institutions" 842
includes the deputy superintendent for consumer finance as 843
provided in section 1181.21 of the Revised Code. 844

~~(KK)~~ (LL) "Transaction of business as a mortgage lender, 845
mortgage servicer, or mortgage broker in this state" means 846
originating, brokering, or servicing five or more residential 847
mortgage loans in any twelve-month period in any of the 848
following circumstances: 849

(1) For any resident in this state; 850

(2) For any property in this state; 851

(3) By a person who is physically located in this state 852
even if the property in question is in another state. 853

(MM) "Unique identifier" means a number or other 854
identifier assigned by protocols established by the nationwide 855
mortgage licensing system and registry. 856

Sec. 1322.02. The superintendent of financial institutions 857
may, by rule, amend the definition of mortgage loan originator, 858
mortgage broker, ~~or~~ mortgage lender, mortgage servicer, or any 859
other definition in section 1322.01 of the Revised Code, or the 860
criteria for an entity to obtain a letter of exemption ~~under~~ 861
~~division (B) (1) of section 1322.05 of the Revised Code, or a~~ 862
registration or license, under this chapter, if the 863
superintendent finds that the change is necessary to remain 864
consistent with the purposes intended by the policy and 865
provisions of the "Secure and Fair Enforcement for Mortgage 866
Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101. 867

Rules authorized by this section shall be adopted in 868
accordance with Chapter 119. of the Revised Code. 869

Sec. 1322.04. This chapter does not apply to any of the 870
following: 871

(A) Any entity chartered and lawfully doing business under 872
the authority of any law of this state, another state, or the 873
United States as a bank, savings bank, trust company, savings 874
and loan association, or credit union, or a subsidiary of any 875
such entity, which subsidiary is regulated by a federal banking 876
agency and is owned and controlled by a depository institution; 877

(B) A consumer reporting agency that is in substantial 878
compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 879
15 U.S.C. 1681a, as amended; 880

(C) Any political subdivision, or any governmental or 881
other public entity, corporation, instrumentality, or agency, in 882

or of the United States or any state; 883

(D) A college or university, or controlled entity of a 884
college or university, as those terms are defined in section 885
1713.05 of the Revised Code; 886

(E) Any entity created solely for the purpose of 887
securitizing loans secured by an interest in real estate, 888
~~provide~~ provided the entity does not service the loans. As used 889
in this division, "securitizing" means the packaging and sale of 890
mortgage loans as a unit for sale as investment securities, but 891
only to the extent of those activities. 892

(F) Any person engaged in the retail sale of manufactured 893
homes, mobile homes, or industrialized units, including a 894
manufactured home park operator, as defined in section 4781.01 895
of the Revised Code, if, in connection with obtaining financing 896
by others for those retail sales, the person ~~only assists the~~ 897
~~borrower by providing or transmitting the loan application and~~ 898
does not do any of the following: 899

(1) Offer or negotiate the residential mortgage loan rates 900
or terms; 901

(2) ~~Provide any counseling with borrowers about~~ 902
~~residential mortgage loan rates or terms~~ Fail to give a borrower 903
written disclosure of any corporate affiliation the person has 904
with any lender, or fail to refer a borrower to at least one 905
unaffiliated lender if the person recommends a lender with which 906
the person has a corporate affiliation; 907

(3) Receive any ~~payment~~ compensation or fee ~~gain~~ from any 908
company or individual for assisting the borrower to obtain or 909
apply for financing to purchase the manufactured home, mobile 910
home, or industrialized unit; 911

~~(4) Assist the borrower in completing the residential mortgage loan application.~~ 912
913

~~(G) A bona fide nonprofit organization that is recognized as tax exempt under 26 U.S.C. 501(c)(3) and whose primary activity is the construction, remodeling, or rehabilitation of homes for use by low income families, provided that the organization makes no profit mortgage loans or mortgage loans at zero per cent interest to low income families and no fees accrue directly to the organization from those mortgage loans and that the United States department of housing and urban development does not deny this exemption;~~ 914
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(H) A credit union service organization, provided that the organization utilizes services provided by registered mortgage loan originators or that it holds a valid letter of exemption issued by the superintendent of financial institutions under division (B) (1) of section 1322.05 of the Revised Code. 923
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(I) A depository institution not otherwise required to be licensed under this chapter that voluntarily makes a filing on the nationwide mortgage licensing system and registry as an exempt entity for the purpose of licensing loan originators exclusively associated with the institution and that holds a valid letter of exemption issued by the superintendent pursuant to division (B) (1) of section 1322.05 of the Revised Code. 928
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Sec. 1322.07. (A) (1) No person, on the person's own behalf or on behalf of any other person, shall ~~act~~ engage in the transaction of business as a mortgage lender, mortgage servicer, or mortgage broker in this state without first having obtained a certificate of registration from the superintendent of financial institutions for the principal office and every branch office to be maintained by the person for the transaction of business as a 935
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mortgage lender, mortgage servicer, or mortgage broker in this 942
state. ~~A~~ 943

~~(2) A registrant shall maintain an office location for the 944
transaction of business as a mortgage lender, mortgage servicer,
or mortgage broker in this any state of the United States. 945
Registrants are not required to maintain a physical location in 946
this state. 947
this state. 948~~

(B) (1) No individual shall act as a mortgage loan 949
originator without first having obtained a license from the 950
superintendent. A mortgage loan originator shall be employed by 951
or associated with a ~~mortgage lender, mortgage broker,~~ 952
registrant or entity holding a valid letter of exemption under 953
~~division (B) (1) of section 1322.05 of the Revised Code~~this 954
chapter, but shall not be employed by or associated with more 955
than one registrant or entity holding a valid letter of 956
exemption under ~~division (B) (1) of section 1322.05 of the~~ 957
~~Revised Code~~ this chapter at any one time. 958

(2) An individual acting under the individual's authority 959
as a registered mortgage loan originator shall not be required 960
to be licensed under division (B) (1) of this section. 961

~~(3) An individual who holds a valid temporary mortgage 962
loan originator license issued pursuant to section 1322.24 of
the Revised Code may engage in the business of a mortgage loan 963
originator in accordance with this chapter during the term of 964
the temporary license. 965
the temporary license. 966~~

Sec. 1322.09. (A) (1) An application for a certificate of 967
registration shall be in writing, under oath, and in a form 968
prescribed by the superintendent of financial institutions that 969
complies with the requirements of the nationwide mortgage 970

licensing system and registry. The application shall be 971
accompanied by a nonrefundable application fee of five hundred 972
dollars for each location of an office to be maintained by the 973
applicant in accordance with division (A) of section 1322.07 of 974
the Revised Code and any additional fee required by the 975
nationwide mortgage licensing system and registry. 976

(2) The application shall include the names and addresses 977
of the owners, officers, or partners having control of the 978
applicant, including all of the following: 979

(a) In the case of a sole proprietor, the name and address 980
of the sole proprietor; 981

(b) In the case of a partnership, the name and address of 982
each partner; 983

(c) In the case of a corporation, the name and address of 984
each shareholder owning five per cent or more of the 985
corporation; 986

(d) In the case of any other entity, the name and address 987
of any person that owns five per cent or more of any entity that 988
will transact business under the certificate of registration. 989

(3) In addition to any information required by this 990
section, an applicant shall furnish to the superintendent any 991
reasonable information the superintendent may require. 992

(B) Upon the filing of the application and payment of the 993
nonrefundable application fee and any fee required by the 994
nationwide mortgage licensing system and registry, the 995
superintendent shall investigate the applicant and any 996
individual whose identity is required to be disclosed in the 997
application. As part of that investigation, the superintendent 998
shall conduct a civil records check. 999

If, in order to issue a certificate of registration to an applicant, additional investigation by the superintendent outside this state is necessary, the superintendent may require the applicant to advance sufficient funds to pay the actual expenses of the investigation, if it appears that these expenses will exceed five hundred dollars. The superintendent shall provide the applicant with an itemized statement of the actual expenses that the applicant is required to pay.

(C) In connection with applying for a certificate of registration, the applicant shall furnish to the nationwide mortgage licensing system and registry information concerning the applicant's identity, including all of the following for the applicant and any individual with control of the applicant:

(1) The applicant's fingerprints for submission to the federal bureau of investigation, and any other governmental agency or entity authorized to receive such information, for purposes of a state, national, and international criminal history background check;

(2) Personal history and experience in a form prescribed by the nationwide mortgage licensing system and registry, along with authorization for the superintendent and the nationwide mortgage licensing system and registry to obtain both of the following:

(a) An independent credit report from a consumer reporting agency;

(b) Information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

(D) The superintendent shall pay all funds advanced and application and renewal fees and penalties the superintendent

receives pursuant to this section and section 1322.10 of the Revised Code to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code.

(E) If an application for a certificate of registration does not contain all of the information required under this section, and if that information is not submitted to the superintendent or to the nationwide mortgage licensing system and registry within ninety days after the superintendent or the nationwide mortgage licensing system and registry requests the information in writing, including by electronic transmission or facsimile, the superintendent may consider the application withdrawn.

(F) A certificate of registration and the authority granted under that certificate is not transferable or assignable and cannot be franchised by contract or any other means.

(G) (1) The superintendent may establish relationships or enter into contracts with the nationwide mortgage licensing system and registry, or any entities designated by it, to collect and maintain records and process transaction fees or other fees related to mortgage lender, mortgage servicer, or mortgage broker certificates of registration or the persons associated with a mortgage lender, mortgage servicer, or mortgage broker.

(2) For purposes of this section and to reduce the points of contact that the federal bureau of investigation may have to maintain, the division of financial institutions may use the nationwide mortgage licensing system and registry as a channeling agent for requesting information from and distributing information to the United States department of

justice or other governmental agencies. 1059

(3) For purposes of this section and to reduce the points 1060
of contact that the division may have to maintain, the division 1061
may use the nationwide mortgage licensing system and registry as 1062
a channeling agent for requesting information from and 1063
distributing information to any source as determined by the 1064
division. 1065

Sec. 1322.10. (A) Upon the conclusion of the investigation 1066
required under division (B) of section 1322.09 of the Revised 1067
Code, the superintendent of financial institutions shall issue a 1068
certificate of registration to the applicant if the 1069
superintendent finds that the following conditions are met: 1070

(1) The application is accompanied by the application fee 1071
and any fee required by the nationwide mortgage licensing system 1072
and registry. 1073

(a) If a check or other draft instrument is returned to 1074
the superintendent for insufficient funds, the superintendent 1075
shall notify the applicant by certified mail, return receipt 1076
requested, that the application will be withdrawn unless the 1077
applicant, within thirty days after receipt of the notice, 1078
submits the application fee and a one-hundred-dollar penalty to 1079
the superintendent. If the applicant does not submit the 1080
application fee and penalty within that time period, or if any 1081
check or other draft instrument used to pay the fee or penalty 1082
is returned to the superintendent for insufficient funds, the 1083
application shall be withdrawn. 1084

(b) If a check or other draft instrument is returned to 1085
the superintendent for insufficient funds after the certificate 1086
of registration has been issued, the superintendent shall notify 1087

the registrant by certified mail, return receipt requested, that 1088
the certificate of registration issued in reliance on the check 1089
or other draft instrument will be canceled unless the 1090
registrant, within thirty days after receipt of the notice, 1091
submits the application fee and a one-hundred-dollar penalty to 1092
the superintendent. If the registrant does not submit the 1093
application fee and penalty within that time period, or if any 1094
check or other draft instrument used to pay the fee or penalty 1095
is returned to the superintendent for insufficient funds, the 1096
certificate of registration shall be canceled immediately 1097
without a hearing, and the registrant shall cease activity as a 1098
mortgage broker, mortgage lender, or mortgage servicer. 1099

(2) If the application is for a location that is a 1100
residence, evidence that the use of the residence to transact 1101
business as a mortgage lender ~~or, mortgage broker, or mortgage~~ 1102
servicer is not prohibited. 1103

(3) The applicant maintains all necessary filings and 1104
approvals required by the secretary of state. 1105

(4) The applicant complies with the surety bond 1106
requirements of section 1322.32 of the Revised Code. 1107

(5) The applicant has not made a material misstatement of 1108
fact or material omission of fact in the application. 1109

(6) Neither the applicant nor any person whose identity is 1110
required to be disclosed on an application for a certificate of 1111
registration has had such a certificate of registration or 1112
mortgage loan originator license, or any comparable authority, 1113
revoked in any governmental jurisdiction or has pleaded guilty 1114
or nolo contendere to or been convicted of any of the following 1115
in a domestic, foreign, or military court: 1116

(a) During the seven-year period immediately preceding the 1117
date of application for the certificate of registration, a 1118
misdemeanor involving theft or any felony; 1119

(b) At any time prior to the date the application for the 1120
certificate of registration is approved, a felony involving an 1121
act of fraud, dishonesty, a breach of trust, theft, or money 1122
laundering. 1123

(7) The applicant's operations manager successfully 1124
completed the examination required by section 1322.27 of the 1125
Revised Code. 1126

(8) The applicant's financial responsibility, experience, 1127
character, and general fitness command the confidence of the 1128
public and warrant the belief that the business will be operated 1129
honestly, fairly, and efficiently in compliance with the 1130
purposes of this chapter and the rules adopted thereunder. The 1131
superintendent shall not use a credit score or a bankruptcy as 1132
the sole basis for registration denial. 1133

(B) For purposes of determining whether an applicant that 1134
is a partnership, corporation, or other business entity or 1135
association has met the conditions set forth in divisions (A) (6) 1136
and (8) of this section, the superintendent shall determine 1137
which partners, shareholders, or persons named in the 1138
application must meet those conditions. This determination shall 1139
be based on the extent and nature of the partner's, 1140
shareholder's, or person's ownership interest in the 1141
partnership, corporation, or other business entity or 1142
association that is the applicant and on whether the person is 1143
in a position to direct, control, or adversely influence the 1144
operations of the applicant. 1145

(C) The certificate of registration issued pursuant to 1146
division (A) of this section may be renewed annually on or 1147
before the thirty-first day of December if the superintendent 1148
finds that all of the following conditions are met: 1149

(1) The renewal application is accompanied by a 1150
nonrefundable renewal fee of five hundred dollars for each 1151
location of an office to be maintained by the applicant in 1152
accordance with division (A) of section 1322.07 of the Revised 1153
Code and any fee required by the nationwide mortgage licensing 1154
system and registry. If a check or other draft instrument is 1155
returned to the superintendent for insufficient funds, the 1156
superintendent shall notify the registrant by certified mail, 1157
return receipt requested, that the certificate of registration 1158
renewed in reliance on the check or other draft instrument will 1159
be canceled unless the registrant, within thirty days after 1160
receipt of the notice, submits the renewal fee and a one- 1161
hundred-dollar penalty to the superintendent. If the registrant 1162
does not submit the renewal fee and penalty within that time 1163
period, or if any check or other draft instrument used to pay 1164
the fee or penalty is returned to the superintendent for 1165
insufficient funds, the certificate of registration shall be 1166
canceled immediately without a hearing and the registrant shall 1167
cease activity as a mortgage broker, mortgage lender, or 1168
mortgage servicer. 1169

~~(2) The operations manager designated under section~~ 1170
~~1322.12 of the Revised Code has completed at least eight hours~~ 1171
~~of continuing education as required under section 1322.28 of the~~ 1172
~~Revised Code.~~ 1173

~~(3)~~ The applicant meets the conditions set forth in 1174
divisions (A) (2) to (8) of this section. 1175

~~(4)~~ (3) The applicant's certificate of registration is not 1176
subject to an order of suspension or an unpaid and past due fine 1177
imposed by the superintendent. 1178

(D) (1) Subject to division (D) (2) of this section, if a 1179
renewal fee or additional fee required by the nationwide 1180
mortgage licensing system and registry is received by the 1181
superintendent after the thirty-first day of December, the 1182
certificate of registration shall not be considered renewed, and 1183
the applicant shall cease activity as a mortgage lender ~~or,~~ 1184
mortgage broker, or mortgage servicer. 1185

(2) Division (D) (1) of this section shall not apply if the 1186
applicant, not later than forty-five days after the renewal 1187
deadline, submits the renewal fee or additional fee and a one- 1188
hundred-dollar penalty to the superintendent. 1189

(E) Certificates of registration issued under this chapter 1190
annually expire on the thirty-first day of December. 1191

(F) The pardon or expungement of a conviction shall not be 1192
considered a conviction for purposes of this section. When 1193
determining the eligibility of an applicant, the superintendent 1194
may consider the underlying crime, facts, or circumstances 1195
connected with a pardoned or expunged conviction. 1196

Sec. 1322.12. (A) Each registrant or entity holding a 1197
valid letter of exemption under division (B) (1) of section 1198
1322.05 of the Revised Code shall designate an employee or owner 1199
of that registrant's business as the operations manager. The 1200
operations manager shall be responsible for the management, 1201
supervision, and control of a particular ~~location~~ registrant. 1202

(B) To be eligible for such a designation, an employee or 1203
owner shall have at least three years of experience in the 1204

residential mortgage and lending field including experience as a 1205
mortgage loan originator ~~or,~~ registered mortgage loan 1206
originator, or other experience related to the business of 1207
residential mortgage lending that the superintendent determines 1208
is sufficient. While acting as the operations manager, the 1209
employee or owner shall be licensed as a mortgage loan 1210
originator under this chapter and shall not be employed by any 1211
other mortgage lender ~~or,~~ mortgage broker, or mortgage servicer. 1212
~~This paragraph shall not apply to the designated operations-~~ 1213
~~manager of an entity registered exclusively as a mortgage-~~ 1214
~~servicer.~~ 1215

(C) If the person designated as the operations manager 1216
pursuant to this section ceases to be the operations manager, 1217
the registrant shall do all of the following: 1218

(1) Within ninety days after the person ceases to be the 1219
operations manager, designate another person as the operations 1220
manager; 1221

(2) Within ten days after the designation described in 1222
division (C) (1) of this section, notify the superintendent in 1223
writing of the new designation; 1224

(3) Submit any additional information that the 1225
superintendent requires to establish that the newly designated 1226
operations manager meets the requirements set forth in this 1227
section. 1228

(D) The registrant shall cease operations if it is without 1229
an operations manager approved by the superintendent for more 1230
than one hundred eighty days unless otherwise authorized in 1231
writing by the superintendent due to exigent circumstances. 1232

Sec. 1322.15. No person shall acquire, sell, transfer, or 1233

hypothecate any interest in a registrant, or an entity holding a 1234
letter of exemption issued under this chapter, or an applicant 1235
for a certificate of registration under this chapter in order to 1236
obfuscate or conceal the true ownership or control of the 1237
registrant, exemption holder, or applicant. 1238

Sec. 1322.29. (A) A registrant or entity holding a valid 1239
letter of exemption under division (B) (1) of section 1322.05 of 1240
the Revised Code shall supervise all business of a mortgage loan 1241
originator conducted at the principal office, any branch office, 1242
or other location used by the individual mortgage loan 1243
originator. 1244

(B) If a mortgage loan originator's employment or 1245
association is terminated for any reason, the licensee may 1246
request the transfer of the license to another ~~mortgage lender~~ 1247
~~or mortgage broker~~ registrant by submitting a transfer 1248
application, along with a fifteen-dollar fee and any fee 1249
required by the national mortgage licensing system and registry, 1250
to the superintendent of financial institutions or may request 1251
the superintendent in writing to hold the license in escrow. Any 1252
licensee whose license is held in escrow shall cease activity as 1253
a mortgage loan originator. A licensee whose license is held in 1254
escrow shall be required to apply for renewal annually and to 1255
comply with the annual continuing education requirement. 1256

(C) A registrant may employ or be associated with a 1257
mortgage loan originator on a temporary basis pending the 1258
transfer of the mortgage loan originator's license to the 1259
registrant, if the registrant receives written confirmation from 1260
the superintendent that the mortgage loan originator is licensed 1261
under this chapter. 1262

(D) Notwithstanding divisions (A) to (C) of this section, 1263

if a licensee is employed by or associated with a person or 1264
entity holding a valid letter of exemption under division (B) (1) 1265
of section 1322.05 of the Revised Code, ~~all of the following~~ 1266
~~apply:~~ 1267

~~(1) The licensee shall maintain and display a copy of the~~ 1268
~~mortgage loan originator license at the office where the~~ 1269
~~licensee principally transacts business.~~ 1270

~~(2) If and if~~ the mortgage loan originator's employment or 1271
association is terminated, the mortgage loan originator shall 1272
notify the superintendent within five business days after 1273
termination. The licensee may request the transfer of the 1274
license to another person or entity holding a valid letter of 1275
exemption under division (B) (1) of section 1322.05 of the 1276
Revised Code by submitting a transfer application, along with a 1277
fifteen-dollar fee and any fee required by the national mortgage 1278
licensing system and registry, to the superintendent or may 1279
request the superintendent in writing to hold the license in 1280
escrow. A licensee whose license is held in escrow shall cease 1281
activity as a mortgage loan originator. A licensee whose license 1282
is held in escrow shall be required to apply for renewal 1283
annually and to comply with the annual continuing education 1284
requirement. 1285

(E) A licensee may seek to be employed by or associated 1286
with a registrant or a person or entity holding a valid letter 1287
of exemption under division (B) (1) of section 1322.05 of the 1288
Revised Code, if the ~~mortgage lender, mortgage broker, or person~~ 1289
~~or entity registrant~~ receives written confirmation from the 1290
superintendent that the mortgage loan originator is licensed 1291
under this chapter. 1292

Sec. 1322.30. A registrant or entity holding a letter of 1293

exemption under this chapter may contract for and receive 1294
interest at any rate or rates agreed upon or consented to by the 1295
parties to the ~~dwelling secured loan or residential~~ mortgage 1296
loan, but not exceeding an annual percentage rate of twenty-five 1297
per cent. 1298

Sec. 1322.32. (A) (1) No registrant shall conduct business 1299
in this state, unless the registrant has obtained and maintains 1300
in effect at all times a corporate surety bond issued by a 1301
bonding company or insurance company authorized to do business 1302
in this state. The bond shall be in favor of the superintendent 1303
of financial institutions and in the penal sum of one-half per 1304
cent of the aggregate loan amount of residential mortgage loans 1305
originated in the immediately preceding calendar year, but not 1306
exceeding one hundred fifty thousand dollars. Under no 1307
circumstances, however, shall the bond for mortgage lenders and 1308
mortgage brokers be less than fifty thousand dollars and an 1309
additional penal sum of ten thousand dollars for each location, 1310
in excess of one, at which the registrant conducts business. The 1311
bond amount for registrants that engage exclusively in the 1312
business of mortgage servicing shall be a minimum of one hundred 1313
fifty thousand dollars. The term of the bond shall coincide with 1314
the term of registration. A copy of the bond shall be filed with 1315
the superintendent. The bond shall be for the exclusive benefit 1316
of any buyer injured by a violation by an employee of the 1317
registrant, mortgage loan originator employed by or associated 1318
with the registrant, or registrant of any provision of this 1319
chapter or any rule adopted thereunder. The aggregate liability 1320
of the corporate surety for any and all breaches of the 1321
conditions of the bond shall not exceed the penal sum of the 1322
bond. 1323

(2) (a) No licensee who is employed by or associated with a 1324

person or entity holding a valid letter of exemption under 1325
division (B) (1) of section 1322.05 of the Revised Code shall 1326
conduct business in this state, unless either the licensee or 1327
the person or entity on the licensee's behalf has obtained and 1328
maintains in effect at all times a corporate surety bond issued 1329
by a bonding company or insurance company authorized to do 1330
business in this state. The bond shall be in favor of the 1331
superintendent of financial institutions and in the penal sum of 1332
one-half per cent of the aggregate loan amount of residential 1333
mortgage loans originated in the immediately preceding calendar 1334
year, but not exceeding one hundred thousand dollars. Under no 1335
circumstances, however, shall the bond be less than fifty 1336
thousand dollars. The term of the bond shall coincide with the 1337
term of licensure. A copy of the bond shall be filed with the 1338
superintendent. The bond shall be for the exclusive benefit of 1339
any buyer injured by a violation by the licensee of any 1340
provision of this chapter or any rule adopted thereunder. The 1341
aggregate liability of the corporate surety for any and all 1342
breaches of the conditions of the bond shall not exceed the 1343
penal sum of the bond. 1344

(b) Licensees covered by a corporate surety bond obtained 1345
by a registrant, or by a person or entity holding a valid letter 1346
of exemption under division (B) (1) of section 1322.05 of the 1347
Revised Code, they are employed by or associated with shall not 1348
be required to obtain an individual bond. 1349

(B) (1) (a) The registrant shall give notice to the 1350
superintendent by certified mail of any action that is brought 1351
by a buyer against the registrant, mortgage loan originator, or 1352
employee alleging injury by a violation of any provision of this 1353
chapter or any rule adopted thereunder, and of any judgment that 1354
is entered against the registrant, mortgage loan originator, or 1355

employee by a buyer injured by a violation of any provision of 1356
this chapter or any rule adopted thereunder. The notice shall 1357
provide details sufficient to identify the action or judgment, 1358
and shall be filed with the superintendent within ten days after 1359
the commencement of the action or notice to the registrant of 1360
entry of a judgment. 1361

(b) The licensee shall give notice to the superintendent 1362
by certified mail of any action that is brought by a buyer 1363
against the licensee alleging injury by a violation of any 1364
provision of this chapter or any rule adopted thereunder, and of 1365
any judgment that is entered against the licensee by a buyer 1366
injured by a violation of any provision of this chapter or any 1367
rule adopted thereunder. The notice shall provide details 1368
sufficient to identify the action or judgment, and shall be 1369
filed with the superintendent within ten days after the 1370
commencement of the action or notice to the licensee of entry of 1371
a judgment. A person or entity holding a valid letter of 1372
exemption under division (B)(1) of section 1322.05 of the 1373
Revised Code that secures bonding for the licensees employed by 1374
or associated with the person or entity shall report such 1375
actions or judgments in the same manner as is required of 1376
registrants. 1377

(2) A corporate surety, within ten days after it pays any 1378
claim or judgment, shall give notice to the superintendent by 1379
certified mail of the payment, with details sufficient to 1380
identify the person and the claim or judgment paid. 1381

(C) Whenever the penal sum of the corporate surety bond is 1382
reduced by one or more recoveries or payments, the registrant or 1383
licensee shall furnish a new or additional bond under this 1384
section, so that the total or aggregate penal sum of the bond or 1385

bonds equals the sum required by this section, or shall furnish 1386
an endorsement executed by the corporate surety reinstating the 1387
bond to the required penal sum of it. 1388

(D) The liability of the corporate surety on the bond to 1389
the superintendent and to any buyer injured by a violation of 1390
any provision of this chapter or any rule adopted thereunder 1391
shall not be affected in any way by any misrepresentation, 1392
breach of warranty, or failure to pay the premium, by any act or 1393
omission upon the part of the registrant or licensee, by the 1394
insolvency or bankruptcy of the registrant or licensee, or by 1395
the insolvency of the registrant's or licensee's estate. The 1396
liability for any act or omission that occurs during the term of 1397
the corporate surety bond shall be maintained and in effect for 1398
at least two years after the date on which the corporate surety 1399
bond is terminated or canceled. 1400

(E) The corporate surety bond shall not be canceled by the 1401
registrant, the licensee, or the corporate surety except upon 1402
notice to the superintendent by certified mail, return receipt 1403
requested. The cancellation shall not be effective prior to 1404
thirty days after the superintendent receives the notice. 1405

(F) No registrant or licensee employed by or associated 1406
with a person or entity holding a valid letter of exemption 1407
under division (B) (1) of section 1322.05 of the Revised Code 1408
shall fail to comply with this section. Any registrant or 1409
licensee that fails to comply with this section shall cease all 1410
mortgage lender, mortgage broker, mortgage servicer, or mortgage 1411
loan originator activity in this state until the registrant or 1412
licensee complies with this section. 1413

Sec. 1322.34. (A) As often as the superintendent of 1414
financial institutions considers it necessary, the 1415

superintendent may examine the ~~registrant's or licensee's~~ 1416
~~records~~ records of a registrant or licensee or holder of a 1417
letter of exemption issued under this chapter, including all 1418
records created or processed by a licensee, pertaining to 1419
business transacted pursuant to this chapter. 1420

(B) A registrant or licensee shall maintain records 1421
pertaining to business transacted pursuant to this chapter for 1422
four years. For purposes of this division, "registrant or 1423
licensee" includes any person whose certificate of registration 1424
or license is cancelled, surrendered, or revoked or who 1425
otherwise ceases to engage in business as a mortgage lender, 1426
mortgage servicer, mortgage broker, or mortgage loan originator. 1427

No registrant or licensee shall fail to comply with this 1428
division. 1429

(C) Each registrant, licensee, and entity holding a valid 1430
letter of exemption ~~under division (B) (1) of section 1322.05 of~~ 1431
~~the Revised Code~~ issued under this chapter shall submit to the 1432
nationwide mortgage licensing system and registry call reports 1433
or other reports of condition, which reports shall be in such 1434
form and shall contain such information as the nationwide 1435
mortgage licensing system and registry may require. Each 1436
registrant and entity holding a valid letter of exemption under 1437
~~division (B) (1) of section 1322.05 of the Revised Code~~ this 1438
chapter shall ensure that all residential mortgage loans that 1439
are consummated as a result of a mortgage loan originator's loan 1440
origination activities or serviced by the registrant or entity 1441
holding a valid exemption are included in the report of 1442
condition submitted to the nationwide mortgage licensing system 1443
and registry. 1444

(D) Any document or record that is required to be signed 1445

and that is filed in this state as an electronic record through 1446
the nationwide mortgage licensing system and registry, and any 1447
other electronic record filed through the nationwide mortgage 1448
licensing system and registry, shall be considered a valid 1449
original document upon reproduction to paper form by the 1450
division of financial institutions. 1451

(E) In the event electronic records, books, records, data, 1452
and documents of a registrant or holder of a letter of exemption 1453
issued under this chapter are located outside of this state and 1454
the superintendent determines that an in-person examination is 1455
necessary, the registrant or holder of a letter of exemption 1456
shall, upon the request of the superintendent, pay the estimated 1457
costs of the examination, including the proportionate cost of 1458
the salaries of division of financial institutions employees who 1459
conduct the examination. 1460

Sec. 1322.43. (A) No registrant and entity holding a valid 1461
letter of exemption under ~~division (B) (1) of section 1322.05 of~~ 1462
~~the Revised Code~~ this chapter, through its operations manager or 1463
otherwise, shall fail to do either of the following: 1464

~~(A)~~ (1) Reasonably supervise a mortgage loan originator or 1465
any other person associated with the registrant or entity; 1466

~~(B)~~ (2) Establish reasonable procedures designed to avoid 1467
violations of any provision of this chapter or the rules adopted 1468
under this chapter, or violations of applicable state and 1469
federal consumer and lending laws or rules, by mortgage loan 1470
originators or any other person associated with the registrant 1471
or entity. 1472

(B) No registrant or entity holding a letter of exemption 1473
issued under this chapter shall: 1474

| | |
|---|------|
| <u>(1) Receive, directly or indirectly, a premium on the fees</u> | 1475 |
| <u>charged for services performed by a bona fide third party;</u> | 1476 |
| <u>(2) Pay or receive, directly or indirectly, a referral fee</u> | 1477 |
| <u>or kickback of any kind to or from a bona fide third party or</u> | 1478 |
| <u>other party with a related interest in the transaction,</u> | 1479 |
| <u>including a home improvement builder, real estate developer, or</u> | 1480 |
| <u>real estate broker or agent, for the referral of business.</u> | 1481 |
| Sec. 1322.50. (A) After notice and opportunity for a | 1482 |
| hearing conducted in accordance with Chapter 119. of the Revised | 1483 |
| Code, the superintendent of financial institutions may do the | 1484 |
| following: | 1485 |
| (1) Suspend, revoke, or refuse to issue or renew a | 1486 |
| certificate of registration or, <u>license, or letter of exemption</u> | 1487 |
| if the superintendent finds any of the following: | 1488 |
| (a) A violation of or failure to comply with any provision | 1489 |
| of this chapter or the rules adopted under this chapter, federal | 1490 |
| lending law, or any other law applicable to the business | 1491 |
| conducted under a certificate of registration or license; | 1492 |
| (b) A conviction of or guilty or nolo contendere plea to a | 1493 |
| felony in a domestic, foreign, or military court; | 1494 |
| (c) A conviction of or guilty or nolo contendere plea to | 1495 |
| any criminal offense involving theft, receiving stolen property, | 1496 |
| embezzlement, forgery, fraud, passing bad checks, money | 1497 |
| laundering, breach of trust, dishonesty, or drug trafficking, or | 1498 |
| any criminal offense involving money or securities, in a | 1499 |
| domestic, foreign, or military court; | 1500 |
| (d) The revocation of a certificate of registration or | 1501 |
| mortgage loan originator license, or any comparable authority, | 1502 |
| in any governmental jurisdiction. | 1503 |

(2) Impose a fine of not more than one thousand dollars, 1504
for each day a violation of a law or rule is committed, 1505
repeated, or continued. If the registrant, letter of exemption 1506
holder, or licensee engages in a pattern of repeated violations 1507
of a law or rule, the superintendent may impose a fine of not 1508
more than two thousand dollars for each day the violation is 1509
committed, repeated, or continued. All fines collected pursuant 1510
to this division shall be paid to the treasurer of state to the 1511
credit of the consumer finance fund created in section 1321.21 1512
of the Revised Code. In determining the amount of a fine to be 1513
imposed pursuant to this division, the superintendent may 1514
consider all of the following, to the extent known by the 1515
division of financial institutions: 1516

(a) The seriousness of the violation; 1517

(b) The registrant's or licensee's good faith efforts to 1518
prevent the violation; 1519

(c) The registrant's or licensee's history regarding 1520
violations and compliance with division orders; 1521

(d) The registrant's or licensee's financial resources; 1522

(e) Any other matters the superintendent considers 1523
appropriate in enforcing this chapter. 1524

(B) The superintendent may investigate alleged violations 1525
of this chapter or the rules adopted under this chapter or 1526
complaints concerning any violation. 1527

(1) The superintendent may make application to the court 1528
of common pleas for an order enjoining any violation and, upon a 1529
showing by the superintendent that a person has committed or is 1530
about to commit that violation, the court shall grant an 1531
injunction, restraining order, or other appropriate relief. 1532

(2) The superintendent may make application to the court 1533
of common pleas for an order enjoining any person from acting as 1534
a mortgage lender, mortgage servicer, mortgage broker, 1535
registrant, mortgage loan originator, or licensee in violation 1536
of division (A) or (B) of section 1322.07 of the Revised Code, 1537
and may seek and obtain civil penalties for unregistered or 1538
unlicensed conduct of not more than five thousand dollars per 1539
violation. 1540

(C) In conducting any investigation pursuant to this 1541
section, the superintendent may compel, by subpoena, witnesses 1542
to testify in relation to any matter over which the 1543
superintendent has jurisdiction and may require the production 1544
of any book, record, or other document pertaining to that 1545
matter. If a person fails to file any statement or report, obey 1546
any subpoena, give testimony, produce any book, record, or other 1547
document as required by a subpoena, or permit photocopying of 1548
any book, record, or other document subpoenaed, the court of 1549
common pleas of any county in this state, upon application made 1550
to it by the superintendent, shall compel obedience by 1551
attachment proceedings for contempt, as in the case of 1552
disobedience of the requirements of a subpoena issued from the 1553
court or a refusal to testify therein. 1554

(D) If the superintendent determines that a person is 1555
engaged in or is believed to be engaged in activities that may 1556
constitute a violation of this chapter or any rule adopted 1557
thereunder, the superintendent, after notice and a hearing 1558
conducted in accordance with Chapter 119. of the Revised Code, 1559
may issue a cease and desist order. If the administrative action 1560
is to enjoin a person from acting as a mortgage lender, mortgage 1561
servicer, mortgage broker, or mortgage loan originator in 1562
violation of division (A) or (B) of section 1322.07 of the 1563

Revised Code, the superintendent may seek and impose fines for 1564
that conduct in an amount not to exceed five thousand dollars 1565
per violation. Such an order shall be enforceable in the court 1566
of common pleas. 1567

(E) If the superintendent revokes a certificate of 1568
registration, letter of exemption, or mortgage loan originator 1569
license, the revocation shall be permanent and with prejudice. 1570

(F) (1) To protect the public interest, the superintendent 1571
may, without a prior hearing, do any of the following: 1572

(a) Suspend the certificate of registration, letter of 1573
exemption, or mortgage loan originator license of a registrant 1574
or licensee who is convicted of or pleads guilty or nolo 1575
contendere to a criminal violation of any provision of this 1576
chapter or any criminal offense described in division (A) (1) (b) 1577
or (c) of this section; 1578

(b) Suspend the certificate of registration of a 1579
registrant who violates division (F) of section 1322.32 of the 1580
Revised Code; 1581

(c) Suspend the certificate of registration or mortgage 1582
loan originator license of a registrant or licensee who fails to 1583
comply with a request made by the superintendent under section 1584
1322.09 or 1322.20 of the Revised Code to inspect qualifying 1585
education transcripts located at the registrant's or licensee's 1586
place of business. 1587

(2) The superintendent may, in accordance with Chapter 1588
119. of the Revised Code, subsequently revoke any registration 1589
or license suspended under division (F) (1) of this section. 1590

(G) The imposition of fines under this section does not 1591
preclude any penalty imposed under section 1322.99 of the 1592

Revised Code. 1593

Sec. 1322.52. (A) (1) A buyer injured by a violation of 1594
section 1322.07, 1322.40, or 1322.46 of the Revised Code may 1595
bring an action for recovery of damages. 1596

(2) Damages awarded under division (A) (1) of this section 1597
shall not be less than all compensation paid directly and 1598
indirectly to a registrant or mortgage loan originator from any 1599
source, plus reasonable attorney's fees and court costs. 1600

(3) The buyer may be awarded punitive damages. 1601

(B) (1) The superintendent of financial institutions or a 1602
buyer may directly bring an action to enjoin a violation of any 1603
provision of this chapter. The attorney general may directly 1604
bring an action to enjoin a violation of any provision of this 1605
chapter with the same rights, privileges, and powers as those 1606
described in section 1345.06 of the Revised Code. The 1607
prosecuting attorney of the county in which the action may be 1608
brought may bring an action to enjoin a violation of any 1609
provision of this chapter only if the prosecuting attorney first 1610
presents any evidence of the violation to the attorney general 1611
and, within a reasonable period of time, the attorney general 1612
has not agreed to bring the action. 1613

(2) The superintendent may initiate criminal proceedings 1614
under this chapter by presenting any evidence of criminal 1615
violation to the prosecuting attorney of the county in which the 1616
offense may be prosecuted. If the prosecuting attorney does not 1617
prosecute the violations, or at the request of the prosecuting 1618
attorney, the superintendent shall present any evidence of 1619
criminal violations to the attorney general, who may proceed in 1620
the prosecution with all the rights, privileges, and powers 1621

conferred by law on prosecuting attorneys, including the power 1622
to appear before grand juries and to interrogate witnesses 1623
before such grand juries. These powers of the attorney general 1624
shall be in addition to any other applicable powers of the 1625
attorney general. 1626

(3) The prosecuting attorney of the county in which an 1627
alleged offense may be prosecuted may initiate criminal 1628
proceedings under this chapter. 1629

(4) In order to initiate criminal proceedings under this 1630
chapter, the attorney general shall first present any evidence 1631
of criminal violations to the prosecuting attorney of the county 1632
in which the alleged offense may be prosecuted. If, within a 1633
reasonable period of time, the prosecuting attorney has not 1634
agreed to prosecute the violations, the attorney general may 1635
proceed in the prosecution with all the rights, privileges, and 1636
powers described in division (B) (2) of this section. 1637

(5) When a judgment under this section becomes final, the 1638
clerk of court shall mail a copy of the judgment, including 1639
supporting opinions, to the superintendent. 1640

(C) The remedies provided by this section are in addition 1641
to any other remedy provided by law. 1642

(D) In any proceeding or action brought under this 1643
chapter, the burden of proving an exemption under those sections 1644
is on the person claiming the benefit of the exemption. 1645

(E) No person shall be deemed to violate any provision of 1646
this chapter with respect to any act taken or omission made in 1647
reliance on a written notice, written interpretation, or written 1648
report from the superintendent, unless there is a subsequent 1649
amendment to that written notice, written interpretation, 1650

written report from the superintendent, or 1651
rules promulgated thereunder, that affects the superintendent's 1652
notice, interpretation, or report. 1653

(F) Upon disbursement of mortgage loan proceeds to or on 1654
behalf of the buyer, the registrant that assisted the buyer to 1655
obtain the mortgage loan is deemed to have completed the 1656
performance of the registrant's services for the buyer and owes 1657
no additional duties or obligations to the buyer with respect to 1658
the mortgage loan. However, nothing in this division shall be 1659
construed to limit or preclude the civil or criminal liability 1660
of a registrant for failing to comply with this chapter or any 1661
rule adopted under this chapter, for failing to comply with any 1662
provision of or duty arising under an agreement with a buyer or 1663
lender under this chapter, or for violating any other provision 1664
of state or federal law. 1665

(G) A buyer injured by a violation of any of the sections 1666
specified in division (A) (1) of this section is precluded from 1667
recovering any damages, plus reasonable attorney's fees and 1668
costs, if the buyer has also recovered any damages in a cause of 1669
action initiated under section 1322.45 of the Revised Code and 1670
the recovery of damages for a violation of any of the sections 1671
specified in division (A) (1) of this section is based on the 1672
same acts or circumstances as the basis for recovery of damages 1673
in section 1322.45 of the Revised Code. 1674

Sec. 1345.01. As used in sections 1345.01 to 1345.13 of 1675
the Revised Code: 1676

(A) "Consumer transaction" means a sale, lease, 1677
assignment, award by chance, or other transfer of an item of 1678
goods, a service, a franchise, or an intangible, to an 1679
individual for purposes that are primarily personal, family, or 1680

household, or solicitation to supply any of these things. 1681
"Consumer transaction" does not include transactions between 1682
persons, defined in sections 4905.03 and 5725.01 of the Revised 1683
Code, and their customers, except for transactions involving a 1684
loan made pursuant to sections 1321.35 to 1321.48 of the Revised 1685
Code and transactions in connection with residential mortgages 1686
between loan officers, mortgage brokers, or nonbank mortgage 1687
lenders and their customers; transactions involving a home 1688
construction service contract as defined in section 4722.01 of 1689
the Revised Code; transactions between certified public 1690
accountants or public accountants and their clients; 1691
transactions between attorneys, physicians, or dentists and 1692
their clients or patients; and transactions between 1693
veterinarians and their patients that pertain to medical 1694
treatment but not ancillary services. 1695

(B) "Person" includes an individual, corporation, 1696
government, governmental subdivision or agency, business trust, 1697
estate, trust, partnership, association, cooperative, or other 1698
legal entity. 1699

(C) "Supplier" means a seller, lessor, assignor, 1700
franchisor, or other person engaged in the business of effecting 1701
or soliciting consumer transactions, whether or not the person 1702
deals directly with the consumer. If the consumer transaction is 1703
in connection with a residential mortgage, "supplier" does not 1704
include an assignee or purchaser of the loan for value, except 1705
as otherwise provided in section 1345.091 of the Revised Code. 1706
For purposes of this division, in a consumer transaction in 1707
connection with a residential mortgage, "seller" means a loan 1708
officer, mortgage broker, or nonbank mortgage lender. 1709

(D) "Consumer" means a person who engages in a consumer 1710

transaction with a supplier. 1711

(E) "Knowledge" means actual awareness, but such actual 1712
awareness may be inferred where objective manifestations 1713
indicate that the individual involved acted with such awareness. 1714

(F) "Natural gas service" means the sale of natural gas, 1715
exclusive of any distribution or ancillary service. 1716

(G) "Public telecommunications service" means the 1717
transmission by electromagnetic or other means, other than by a 1718
telephone company as defined in section 4927.01 of the Revised 1719
Code, of signs, signals, writings, images, sounds, messages, or 1720
data originating in this state regardless of actual call 1721
routing. "Public telecommunications service" excludes a system, 1722
including its construction, maintenance, or operation, for the 1723
provision of telecommunications service, or any portion of such 1724
service, by any entity for the sole and exclusive use of that 1725
entity, its parent, a subsidiary, or an affiliated entity, and 1726
not for resale, directly or indirectly; the provision of 1727
terminal equipment used to originate telecommunications service; 1728
broadcast transmission by radio, television, or satellite 1729
broadcast stations regulated by the federal government; or cable 1730
television service. 1731

(H) (1) "Loan officer" means an individual who for 1732
compensation or gain, or in anticipation of compensation or 1733
gain, takes or offers to take a residential mortgage loan 1734
application; assists or offers to assist a buyer in obtaining or 1735
applying to obtain a residential mortgage loan by, among other 1736
things, advising on loan terms, including rates, fees, and other 1737
costs; offers or negotiates terms of a residential mortgage 1738
loan; or issues or offers to issue a commitment for a 1739
residential mortgage loan. "Loan officer" also includes a 1740

mortgage loan originator as defined in ~~division (Z)~~ of section 1741
1322.01 of the Revised Code. 1742

(2) "Loan officer" does not include an employee of a bank, 1743
savings bank, savings and loan association, credit union, or 1744
credit union service organization organized under the laws of 1745
this state, another state, or the United States; an employee of 1746
a subsidiary of such a bank, savings bank, savings and loan 1747
association, or credit union; or an employee of an affiliate 1748
that (a) controls, is controlled by, or is under common control 1749
with, such a bank, savings bank, savings and loan association, 1750
or credit union and (b) is subject to examination, supervision, 1751
and regulation, including with respect to the affiliate's 1752
compliance with applicable consumer protection requirements, by 1753
the board of governors of the federal reserve system, the 1754
comptroller of the currency, the office of thrift supervision, 1755
the federal deposit insurance corporation, or the national 1756
credit union administration. 1757

(I) "Residential mortgage" or "mortgage" means an 1758
obligation to pay a sum of money evidenced by a note and secured 1759
by a lien upon real property located within this state 1760
containing two or fewer residential units or on which two or 1761
fewer residential units are to be constructed and includes such 1762
an obligation on a residential condominium or cooperative unit. 1763

(J) (1) "Mortgage broker" means any of the following: 1764

(a) A person that holds that person out as being able to 1765
assist a buyer in obtaining a mortgage and charges or receives 1766
from either the buyer or lender money or other valuable 1767
consideration readily convertible into money for providing this 1768
assistance; 1769

(b) A person that solicits financial and mortgage 1770
information from the public, provides that information to a 1771
mortgage broker or a person that makes residential mortgage 1772
loans, and charges or receives from either of them money or 1773
other valuable consideration readily convertible into money for 1774
providing the information; 1775

(c) A person engaged in table-funding or warehouse-lending 1776
mortgage loans that are residential mortgage loans. 1777

(2) "Mortgage broker" does not include a bank, savings 1778
bank, savings and loan association, credit union, or credit 1779
union service organization organized under the laws of this 1780
state, another state, or the United States; a subsidiary of such 1781
a bank, savings bank, savings and loan association, or credit 1782
union; an affiliate that (a) controls, is controlled by, or is 1783
under common control with, such a bank, savings bank, savings 1784
and loan association, or credit union and (b) is subject to 1785
examination, supervision, and regulation, including with respect 1786
to the affiliate's compliance with applicable consumer 1787
protection requirements, by the board of governors of the 1788
federal reserve system, the comptroller of the currency, the 1789
office of thrift supervision, the federal deposit insurance 1790
corporation, or the national credit union administration; or an 1791
employee of any such entity. 1792

(K) "Nonbank mortgage lender" means any person that 1793
engages in a consumer transaction in connection with a 1794
residential mortgage, except for a bank, savings bank, savings 1795
and loan association, credit union, or credit union service 1796
organization organized under the laws of this state, another 1797
state, or the United States; a subsidiary of such a bank, 1798
savings bank, savings and loan association, or credit union; or 1799

an affiliate that (1) controls, is controlled by, or is under 1800
common control with, such a bank, savings bank, savings and loan 1801
association, or credit union and (2) is subject to examination, 1802
supervision, and regulation, including with respect to the 1803
affiliate's compliance with applicable consumer protection 1804
requirements, by the board of governors of the federal reserve 1805
system, the comptroller of the currency, the office of thrift 1806
supervision, the federal deposit insurance corporation, or the 1807
national credit union administration. 1808

(L) For purposes of divisions (H), (J), and (K) of this 1809
section: 1810

(1) "Control" of another entity means ownership, control, 1811
or power to vote twenty-five per cent or more of the outstanding 1812
shares of any class of voting securities of the other entity, 1813
directly or indirectly or acting through one or more other 1814
persons. 1815

(2) "Credit union service organization" means a CUSO as 1816
defined in 12 C.F.R. 702.2. 1817

Sec. 1349.72. (A) ~~Before~~ Not less than thirty days prior 1818
to a person collecting ~~filing a foreclosure action to collect on~~ 1819
a debt secured by residential real property ~~collects or attempts~~ 1820
~~to collect any part of the debt,~~ the person shall first send a 1821
written notice as described in division (B) of this section via 1822
United States mail to the residential address of the debtor, if 1823
both of the following apply: 1824

(1) The debt is ~~a second~~ secured by a mortgage or junior 1825
lien on the debtor's residential real property that is not in 1826
the first mortgage position. 1827

(2) The debt has either been accelerated or is in default 1828

in accordance with the terms set forth in the promissory note. 1829

(B) The written notice may be included on, or accompany, 1830
any other communication, and shall be printed in at least 1831
twelve-point type and ~~state~~include the following: 1832

(1) The name and contact information of the person 1833
collecting the debt; 1834

(2) ~~The~~ A statement of the amount of the debt; 1835

(3) A statement that the debtor has a right to engage an 1836
attorney; 1837

(4) A statement that the debtor may qualify for debt 1838
relief under Chapter 7 or 13 of the United States Bankruptcy 1839
Code, 11 U.S.C. Chapter 7 or 13, as amended; 1840

(5) A statement that a debtor that qualifies under Chapter 1841
13 of the United States Bankruptcy Code may be able to protect 1842
their residential real property from foreclosure. 1843

(C) Upon written request of the debtor, the owner of the 1844
debt shall provide a copy of the note and the loan history to 1845
the debtor. 1846

(D) (1) As used in this division~~7~~: 1847

(a) "bona-fide error" means an unintentional 1848
clerical, calculation, computer malfunction or programming, or 1849
printing error. 1850

(b) "Restitution" means either of the following: 1851

(i) A waiver of all fees, costs, or expenses proximately 1852
associated with the failure to provide the notice to the debtor; 1853
or 1854

(ii) Actual damages. 1855

(2) Any owner of debt subject to divisions (A), (B), and (C) of this section shall not be held civilly liable in any action, if all of the following are met:

(a) The owner of the debt shows by a preponderance of evidence that the compliance failure was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

(b) Within sixty days after discovering the error, and prior to the initiation of any action, the owner of the debt notifies the debtor of the error and the manner in which the owner of the debt intends to make full restitution to the debtor.

(c) The owner of the debt promptly makes reasonable restitution to the debtor.

(3) If, in the event of a compliance failure, the owner of the debt does not meet the conditions set forth in division (D) (2) of this section, a debtor injured by the error has a cause of action to recover damages. Such an action shall not, however, be maintained as a class action.

Sec. 2913.11. (A) As used in this section:

(1) "Check" includes any form of debit from a demand deposit account, including, but not limited to any of the following:

(a) A check, bill of exchange, draft, order of withdrawal, or similar negotiable or non-negotiable instrument;

(b) An electronic check, electronic transaction, debit card transaction, check card transaction, substitute check, web check, or any form of automated clearing house transaction.

(2) "Issue a check" means causing any form of debit from a demand deposit account. 1884
1885

(B) No person, with purpose to defraud, shall issue or transfer or cause to be issued or transferred a check or other negotiable instrument, knowing that it will be dishonored or knowing that a person has ordered or will order stop payment on the check or other negotiable instrument. 1886
1887
1888
1889
1890

(C) For purposes of this section, a person who issues or transfers a check or other negotiable instrument is presumed to know that it will be dishonored if either of the following occurs: 1891
1892
1893
1894

(1) The drawer had no account with the drawee at the time of issue or the stated date, whichever is later; 1895
1896

(2) The check or other negotiable instrument was properly refused payment for insufficient funds upon presentment within thirty days after issue or the stated date, whichever is later, and the liability of the drawer, indorser, or any party who may be liable thereon is not discharged by payment or satisfaction within ten days after receiving notice of dishonor. 1897
1898
1899
1900
1901
1902

~~(D) For purposes of this section, a person who issues or transfers a check, bill of exchange, or other draft is presumed to have the purpose to defraud if the drawer fails to comply with section 1349.16 of the Revised Code by doing any of the following when opening a checking account intended for personal, family, or household purposes at a financial institution:~~ 1903
1904
1905
1906
1907
1908

~~(1) Falsely stating that the drawer has not been issued a valid driver's or commercial driver's license or identification card issued under section 4507.50 of the Revised Code;~~ 1909
1910
1911

~~(2) Furnishing such license or card, or another~~ 1912

~~identification document that contains false information;~~ 1913

~~(3) Making a false statement with respect to the drawer's
current address or any additional relevant information
reasonably required by the financial institution.~~ 1914
1915
1916

~~(E)~~—In determining the value of the payment for purposes 1917
of division ~~(F)~~—(E) of this section, the court may aggregate all 1918
checks and other negotiable instruments that the offender issued 1919
or transferred or caused to be issued or transferred in 1920
violation of division (A) of this section within a period of one 1921
hundred eighty consecutive days. 1922

~~(F)~~—(E) Whoever violates this section is guilty of passing 1923
bad checks. Except as otherwise provided in this division, 1924
passing bad checks is a misdemeanor of the first degree. If the 1925
check or checks or other negotiable instrument or instruments 1926
are issued or transferred to a single vendor or single other 1927
person for the payment of one thousand dollars or more but less 1928
than seven thousand five hundred dollars or if the check or 1929
checks or other negotiable instrument or instruments are issued 1930
or transferred to multiple vendors or persons for the payment of 1931
one thousand five hundred dollars or more but less than seven 1932
thousand five hundred dollars, passing bad checks is a felony of 1933
the fifth degree. If the check or checks or other negotiable 1934
instrument or instruments are for the payment of seven thousand 1935
five hundred dollars or more but less than one hundred fifty 1936
thousand dollars, passing bad checks is a felony of the fourth 1937
degree. If the check or checks or other negotiable instrument or 1938
instruments are for the payment of one hundred fifty thousand 1939
dollars or more, passing bad checks is a felony of the third 1940
degree. 1941

Sec. 4712.05. (A) Each contract between the buyer and a 1942

credit services organization for the purchase of the services of 1943
the organization shall be in writing, dated and signed by the 1944
buyer, and shall include all of the following: 1945

(1) A statement, in type that is boldfaced, capitalized, 1946
underlined, or otherwise conspicuously set out from surrounding 1947
written material and that is in immediate proximity to the space 1948
reserved for the signature of the buyer, as follows: 1949

"If you, the buyer, have been denied credit within the 1950
last sixty days, you may obtain a free copy of the consumer 1951
credit report from the consumer reporting agency. You also have 1952
the right to dispute inaccurate information in a report. 1953

You may cancel this contract at any time before midnight 1954
of the third business day after the date you signed it. See the 1955
attached notice of cancellation form for an explanation of this 1956
right." 1957

(2) The terms and conditions of payment, including the 1958
total of all payments to be made by the buyer, whether to the 1959
credit services organization or to another person; 1960

(3) A full and detailed description of the services to be 1961
performed for the buyer by the credit services organization, 1962
including all guarantees and all promises of full or partial 1963
refunds, and the estimated length of time, not exceeding sixty 1964
days or any shorter time period prescribed by the superintendent 1965
of financial institutions, for performing the services~~r~~. The 1966
performance of services under a contract to which all of the 1967
following conditions apply is not subject to the time limit 1968
identified in division (A)(3) of this section, but is subject to 1969
a twelve-month limit: 1970

(a) The buyer agrees to make substantially equal periodic 1971

payments at fixed time intervals for the services after they are performed during the term of the contract. 1972
1973

(b) The buyer may cancel the contract at any time without penalty or obligation to pay for any services that have not yet been rendered. 1974
1975
1976

(c) The contract solely provides for the ongoing performance of either of the following services: 1977
1978

(i) Services described in division (C)(1)(a) of section 4712.01 of the Revised Code or providing advice or assistance to a buyer in connection with such services; 1979
1980
1981

(ii) Services described in division (C)(1)(d) of section 4712.01 of the Revised Code. 1982
1983

(d) The buyer's explicit, affirmative, and documented assent is provided before a contract is renewed. 1984
1985

(e) During the term of the contract period, the credit services organization reviews with the buyer the adverse credit information on the buyer's credit report. 1986
1987
1988

(4) The address of the credit services organization's principal place of business and the name and address of its agent in this state authorized to receive service of process; 1989
1990
1991

(5) With respect to the previous calendar year or the time period during which the credit services organization has been in business, whichever is shorter, the percentage of the organization's customers for whom the organization has fully and completely performed the services the organization agreed to perform for the buyer. 1992
1993
1994
1995
1996
1997

(B) The contract shall have attached two easily detachable copies of a notice of cancellation. The notice shall be in 1998
1999

Section 3. That sections 1322.24, 1322.25, and 1349.16 of
the Revised Code are hereby repealed. 2027
2028

Section 4. That the version of section 1322.24 of the
Revised Code that is scheduled to take effect October 9, 2021,
is hereby repealed. 2029
2030
2031

Section 5. (A) As used in this section: 2032

(1) "Valuation complaint" means a complaint filed under
section 5715.19 of the Revised Code against a determination
described in division (A) (1) (d) or (e) of that section, a
complaint filed in response to such a complaint under division
(B) of that section, or a complaint filed under section 5715.13
of the Revised Code. 2033
2034
2035
2036
2037
2038

(2) "Interim period" has the same meaning as in division
(A) (2) of section 5715.19 of the Revised Code. 2039
2040

(3) "Eligible person" means any person, board, or officer
authorized to file a complaint under division (A) (1) of section
5715.19 of the Revised Code. 2041
2042
2043

(4) "State COVID-19 order" means any of the following,
issued on or after March 9, 2020, as the result of or in
response to the COVID-19 pandemic: 2044
2045
2046

(a) An executive order issued by the Governor; 2047

(b) An order issued by the Director of Health under
section 3701.13 of the Revised Code; 2048
2049

(c) Any other order authorized by the Revised Code issued
by another state official or state agency. 2050
2051

(B) Subject to section 5715.19 of the Revised Code, an
eligible person may request in a valuation complaint for tax 2052
2053

year 2020 that the assessment of true value in money of the 2054
property be determined as of October 1, 2020, instead of the tax 2055
lien date for that year, provided the request reflects a 2056
reduction in true value between those two dates due to a 2057
circumstance related to the COVID-19 pandemic or a state COVID- 2058
19 order. 2059

An eligible person that files such a valuation complaint 2060
shall allege with particularity in the complaint how such a 2061
circumstance or order caused the reduction in true value of the 2062
property. The board of revision shall dismiss a valuation 2063
complaint that merely alleges a general decline in economic or 2064
market conditions in the area or region in which the property 2065
that is the subject of the complaint is located. 2066

(C) For any valuation complaint filed by an eligible 2067
person for tax year 2020 that includes a request described in 2068
division (B) of this section, the board of revision shall 2069
consider evidence of diminished true value as of October 1, 2070
2020, due to any circumstances related to the COVID-19 pandemic 2071
or state COVID-19 orders, and, if the board determines that this 2072
evidence is satisfactory, shall adjust the property's true value 2073
in money for that tax year to reflect that diminished valuation 2074
as of that date. 2075

(D) Notwithstanding division (A) (1) of section 5715.19 of 2076
the Revised Code, a valuation complaint authorized under 2077
division (B) of this section shall be filed with the county 2078
auditor on or before the thirtieth day after the effective date 2079
of this section. The county auditor and the county board of 2080
revision shall otherwise proceed as provided in section 5715.19 2081
of the Revised Code for complaints filed under that section. 2082

(E) Notwithstanding division (A) (2) of section 5715.19 of 2083

the Revised Code, an eligible person may file a valuation 2084
complaint authorized under division (B) of this section, 2085
regardless of whether that eligible person filed any complaint 2086
under section 5715.19 of the Revised Code relative to that 2087
parcel for any preceding tax year in the same interim period. 2088

Section 6. Terms used in this section have the same 2089
meanings as in Section 5 of this act. 2090

Notwithstanding division (A)(2) of section 5715.19 of the 2091
Revised Code and except as otherwise provided in this section, 2092
an eligible person may file a valuation complaint that conforms 2093
with the requirements of this section for tax year 2021 or 2022, 2094
regardless of whether that eligible person filed any complaint 2095
under section 5715.19 of the Revised Code relative to that 2096
parcel for any preceding tax year in the same interim period. 2097

To qualify for this exception, the valuation complaint 2098
must solely request that the assessment of true value in money 2099
of the property account for any reduction in true value due to a 2100
circumstance related to the COVID-19 pandemic or a state COVID- 2101
19 order and allege with particularity how such circumstance or 2102
order caused the reduction in true value of the property. The 2103
exception authorized under this section does not apply, and the 2104
board of revision shall enforce division (A)(2) of section 2105
5715.19 of the Revised Code, if the valuation complaint merely 2106
alleges a general decline in economic or market conditions in 2107
the area or region in which the property that is the subject of 2108
the complaint is located or alleges any other factor 2109
contributing to the reduction other than a circumstance related 2110
to the COVID-19 pandemic or a state COVID-19 order. 2111