

**As Introduced**

**134th General Assembly  
Regular Session  
2021-2022**

**S. B. No. 62**

**Senator Hackett  
Cosponsor: Senator Schuring**

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**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 taxation. 8

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

**Section 1.** That sections 135.77, 135.774, 307.04, 1115.05, 9  
1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 1322.07, 1322.09, 10  
1322.10, 1322.12, 1322.15, 1322.29, 1322.30, 1322.32, 1322.34, 11  
1322.43, 1322.50, 1322.52, 1345.01, 1349.72, 2913.11, and 12  
4712.05 be amended and section 1319.17 of the Revised Code be 13  
enacted to read as follows: 14

**Sec. 135.77.** As used in sections 135.77 to 135.774 of the 15  
Revised Code: 16

(A) "Business linked deposit" means ~~share certificates~~ 17  
~~issued by an eligible lending institution that are purchased by~~ 18

~~the treasurer of state in accordance with sections 135.772 to~~ 19  
~~135.774 of the Revised Code.~~a certificate of deposit or other 20  
financial institution instrument placed by the treasurer of 21  
state with an eligible lending institution at a rate below 22  
current market rates, as determined and calculated by the 23  
treasurer of state, provided the institution agrees to lend the 24  
value of such deposit, according to the deposit agreement 25  
provided in section 135.773 of the Revised Code, to eligible 26  
small businesses at a rate that reflects an equal percentage 27  
rate reduction below the present borrowing rate applicable to 28  
each specific business at the time of the deposit of state funds 29  
in the institution. 30

(B) "Eligible lending institution" means a federal credit 31  
union, a foreign credit union licensed pursuant to section 32  
1733.39 of the Revised Code, or a credit union as defined in 33  
section 1733.01 of the Revised Code, located in this state. 34

(C) "Eligible small business" means any person that has 35  
all of the following characteristics: 36

(1) Is domiciled in this state; 37

(2) Maintains offices and operating facilities exclusively 38  
in this state and transacts business in this state; 39

(3) Employs fewer than one hundred fifty employees, the 40  
majority of whom are residents of this state; 41

(4) Is organized for profit; 42

(5) Is able to save or create one full-time job or two 43  
part-time jobs in this state for every fifty thousand dollars 44  
borrowed. 45

(D) "Full-time job" means a job with regular hours of 46

service totaling at least forty hours per week or any other 47  
standard of service accepted as full-time by the employee's 48  
employer. 49

(E) "Loan" means a contractual agreement under which an 50  
eligible lending institution agrees to lend money in the form of 51  
an upfront lump sum, a line of credit, or any other reasonable 52  
arrangement approved by the treasurer of state. 53

(F) "Part-time job" means a job with regular hours of 54  
service totaling fewer than forty hours per week or any other 55  
standard of service accepted as part-time by the employee's 56  
employer. 57

**Sec. 135.774.** (A) Upon the placement of a business linked 58  
deposit with an eligible lending institution, such institution 59  
is required to lend such funds to each approved eligible small 60  
business listed in the linked deposit loan package required by 61  
section 135.772 of the Revised Code and in accordance with the 62  
deposit agreement required by section 135.773 of the Revised 63  
Code. ~~The loan shall be at a rate that reflects the following-~~ 64  
~~percentage rate reduction below the present borrowing rate-~~ 65  
~~applicable to each eligible small business:~~ 66

~~(1) Three per cent if the present borrowing rate is~~ 67  
~~greater than five per cent;~~ 68

~~(2) Two and one tenth per cent if the present borrowing~~ 69  
~~rate is equal to or less than five per cent.~~ 70

~~A certification of compliance with this section in the~~ 71  
~~form and manner as prescribed by the treasurer of state shall be~~ 72  
~~required of the eligible lending institution.~~ 73

(B) The treasurer of state shall take any and all steps 74  
necessary to implement the business linked deposit program and 75

monitor compliance of eligible lending institutions and eligible 76  
small businesses, including the development of guidelines as 77  
necessary. 78

(C) The state and the treasurer of state are not liable to 79  
any eligible lending institution in any manner for payment of 80  
the principal or interest on the loan to an eligible small 81  
business. Any delay in payments or default on the part of an 82  
eligible small business does not in any manner affect the 83  
deposit agreement between the eligible lending institution and 84  
the treasurer of state. 85

**Sec. 307.04.** The board of county commissioners may, at any 86  
time before or after the completion of any county building, 87  
award contracts for supplying such building with light, heat, or 88  
power for any period of time not exceeding ten years, except a 89  
contract entered into under section 9.48 of the Revised Code may 90  
exceed ten years. Sections 5705.41 and 5705.44 of the Revised 91  
Code shall not apply to any such contracts. 92

**Sec. 1115.05.** (A) As used in this section: 93

(1) "Acquire" or "acquisition" means any of the following 94  
transactions or actions: 95

(a) A merger or consolidation with, or purchase of assets 96  
from, a bank holding company that has acquired an Ohio bank; 97

(b) The acquisition of the direct or indirect ownership or 98  
control of voting shares of an Ohio bank if, after the 99  
acquisition, the acquiring bank holding company will directly or 100  
indirectly own or control the Ohio bank, unless the 101  
superintendent of financial institutions determines, in the 102  
superintendent's discretion, due to the nature of the 103  
acquisition, it should not be subject to the limitations of this 104

section; 105

(c) The merger or consolidation of an Ohio bank with, or 106  
the transfer of assets from an Ohio bank to, another bank, 107  
whether previously existing or chartered for the purpose of the 108  
transaction; 109

(d) Any other action that results in the direct or 110  
indirect control of an Ohio bank. 111

(2) "Ohio bank" means a state bank or a national bank 112  
whose principal place of business is in this state. 113

(B) Subject to division (C) of this section, a bank ~~or,~~ 114  
bank holding company, federal savings association, or savings 115  
and loan holding company whose principal place of business is in 116  
this state or any other state may charter or otherwise acquire 117  
an Ohio bank, and a bank may acquire banking offices in this 118  
state by merger or consolidation with or transfer of assets and 119  
liabilities from a bank, savings bank, or savings association 120  
that has offices in this state, if, upon consummation of the 121  
acquisition, both of the following will apply: 122

(1) The acquiring bank ~~with, or the acquiring,~~ bank 123  
holding company through, federal savings association, or savings 124  
and loan holding company, with or through its affiliate banks, 125  
savings banks, and savings associations, does not control more 126  
than ten per cent of the total deposits of banks, savings banks, 127  
and savings associations in the United States, and either of the 128  
following applies: 129

(a) The acquiring bank ~~with, or the,~~ acquiring bank 130  
holding company through, federal savings association, or savings 131  
and loan holding company, with or through its affiliate banks, 132  
savings banks, and savings associations, does not control more 133

than thirty per cent of the total deposits of banks, savings banks, and savings associations in this state. 134  
135

(b) The acquiring bank ~~with, or the,~~ acquiring bank 136  
holding company ~~through, federal savings association, or savings~~ 137  
and loan holding company, with or through its affiliate banks, 138  
savings banks, and savings associations, controls more than 139  
thirty per cent of the total deposits of banks, savings banks, 140  
and savings associations in this state, and the superintendent 141  
approved the acquisition after determining the anticompetitive 142  
effects of the acquisition were clearly outweighed in the public 143  
interest by the probable effect of the transaction. 144

(2) Except in the case of a foreign bank subject to 145  
Chapter 1119. of the Revised Code or a bank that by the terms of 146  
its articles of incorporation or association is not permitted to 147  
solicit or accept deposits other than trust funds, the Ohio bank 148  
or any bank that has banking offices in this state will be an 149  
insured bank as defined in section 3(h) of the "Federal Deposit 150  
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). 151

(C) (1) Any bank holding company proposing to charter a 152  
state bank under this section shall comply with Chapter 1113. or 153  
1114. of the Revised Code and any rules adopted to implement 154  
that chapter. 155

(2) If, after the proposed acquisition, the acquiring bank 156  
or bank holding company will control an existing state bank the 157  
acquiring bank or bank holding company did not control before 158  
the acquisition, and the acquisition does not include the merger 159  
or consolidation of the existing state bank with another bank, 160  
the acquiring bank or bank holding company shall comply with 161  
section 1115.06 of the Revised Code and any rules adopted to 162  
implement that section. 163

(3) If the proposed acquisition will be accomplished by 164  
means of a merger or consolidation with a state bank and the 165  
resulting bank of the merger or consolidation will be a state 166  
bank, the state bank shall comply with section 1115.11 of the 167  
Revised Code and any rules adopted to implement that section. 168

(4) If the proposed acquisition will be accomplished by 169  
means of a transfer of assets and liabilities to a state bank, 170  
the state bank shall comply with section 1115.14 of the Revised 171  
Code and any rules adopted to implement that section. 172

(5) If the proposed acquisition will be accomplished by 173  
forming a bank to which the bank to be acquired will transfer 174  
assets and liabilities, or with which the bank to be acquired 175  
will be merged or consolidated and the resulting bank will be a 176  
state bank, the acquiring bank holding company shall comply with 177  
section 1115.23 of the Revised Code and any rules adopted to 178  
implement that section. 179

**Sec. 1319.17.** (A) As used in this section: 180

(1) "Business" means a sole proprietorship, partnership, 181  
corporation, limited liability company, or other commercial 182  
entity, whether for profit or not for profit. 183

(2) "Commercial credit report" means any report provided 184  
to a business for a legitimate business purpose, relating to the 185  
financial status or payment habits of a business that is the 186  
subject of the report. "Commercial credit report" does not 187  
include any of the following: 188

(a) A report prepared for commercial insurance 189  
underwriting, claims, or auditing purposes; 190

(b) A report containing information related to 191  
transactions or experiences between the subject and the person 192

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



commercial credit reports. 222

(C) Within thirty days after receipt of a commercial 223  
credit report, a representative of the subject of the report may 224  
file with the commercial credit reporting agency a written 225  
summary statement identifying each particular statement in the 226  
report that the subject of the report believes contains an 227  
inaccurate statement of fact and indicating the nature of the 228  
disagreement with the statement. Within thirty days after 229  
receipt of a subject's summary statement of disagreement, the 230  
commercial credit reporting agency at no cost to the subject 231  
shall do either of the following: 232

(1) Delete the disputed statement of fact from the report 233  
and, thereafter, block any repeat reporting of that disputed 234  
statement unless its accuracy has been verified; 235

(2) Include in the report a notice of the subject's 236  
assertion that the statement of fact is inaccurate. 237

(D) Nothing in this section shall be construed to provide 238  
a private right of action, including a class action, with 239  
respect to any act or practice regulated under this section. 240

**Sec. 1321.52.** (A) (1) A registrant may make loans, other 241  
than a residential mortgage loan as defined in section 1322.01 242  
of the Revised Code, on terms and conditions provided by 243  
sections 1321.51 to 1321.60 of the Revised Code. 244

(2) Each person issued a certificate of registration is 245  
subject to all the rules prescribed under sections 1321.51 to 246  
1321.60 of the Revised Code. 247

(B) (1) All loans made to persons who at the time are 248  
residents of this state are considered as made within this state 249  
and subject to the laws of this state, regardless of any 250

statement in the contract or note to the contrary, except if the 251  
loan is for the purpose of purchasing goods acquired by the 252  
borrower when the borrower is outside of this state, the loan 253  
may be governed by the laws of the other state. 254

(2) Nothing in division (B)(1) of this section prevents a 255  
choice of law or requires registration of persons outside of 256  
this state in a transaction involving the solicitation of 257  
residents of this state to obtain non-real estate secured loans 258  
that require the borrowers to physically visit a lender's out- 259  
of-state office to apply for and obtain the disbursement of loan 260  
funds. 261

(C) A registrant may make unsecured loans and loans 262  
secured by other than residential real estate or a dwelling as 263  
those terms are defined in section 1322.01 of the Revised Code. 264

(D) For the purpose of registering persons under and 265  
requiring compliance with sections 1321.51 to 1321.60 of the 266  
Revised Code, the superintendent may do any of the following: 267

(1) Require any person registered under or applying for 268  
registration under these sections to do both of the following: 269

(a) Utilize the national multistate licensing system for 270  
application, renewal, amendment, or surrender of a license or 271  
for any other activity as the superintendent may require; 272

(b) Pay all applicable charges to utilize the national 273  
multistate licensing system. 274

(2) Establish requirements as necessary for the use of the 275  
national multistate licensing system to meet the purposes of 276  
these sections, including: 277

(a) Background checks for: 278

<u>(i) Criminal history through fingerprint or other</u>	279
<u>databases;</u>	280
<u>(ii) Civil or administrative records;</u>	281
<u>(iii) Credit history;</u>	282
<u>(iv) Any other information considered necessary by the</u>	283
<u>national multistate licensing system or the superintendent.</u>	284
<u>(b) The payment of fees to apply for or renew licenses</u>	285
<u>through the multistate licensing system;</u>	286
<u>(c) The setting or resetting of renewal or reporting</u>	287
<u>dates;</u>	288
<u>(d) Requirements for amending or surrendering a license or</u>	289
<u>any other such activities as the superintendent considers</u>	290
<u>necessary for participation in the national multistate licensing</u>	291
<u>system.</u>	292
<b>Sec. 1321.68.</b> (A) A licensee may contract for and receive	293
interest, calculated according to the actuarial method, at a	294
rate or rates not exceeding twenty-five per cent per year on the	295
unpaid principal balances of the loan. Loans may be interest-	296
bearing or precomputed.	297
(B) For purposes of computation of time on interest-	298
bearing and precomputed loans, including, but not limited to,	299
the calculation of interest, a month is considered one-twelfth	300
of a year, and a day is considered one three hundred sixty-fifth	301
of a year when calculation is made for a fraction of a month. A	302
year is as defined in section 1.44 of the Revised Code. A month	303
is that period described in section 1.45 of the Revised Code.	304
Alternatively, a licensee may consider a day as one three	305
hundred sixtieth of a year and each month as having thirty days.	306

(C) With respect to interest-bearing loans:	307
(1) (a) Interest shall be computed on unpaid principal	308
balances outstanding from time to time, for the time	309
outstanding.	310
(b) As an alternative to the method of computing interest	311
set forth in division (C) (1) (a) of this section, a licensee may	312
charge and collect interest for the first installment period	313
based on elapsed time from the date of the loan to the first	314
scheduled payment due date, and for each succeeding installment	315
period from the scheduled payment due date to the next scheduled	316
payment due date, regardless of the date or dates the payments	317
are actually made.	318
(c) Whether a licensee computes interest pursuant to	319
division (C) (1) (a) or (b) of this section, each payment shall be	320
applied first to unpaid charges, then to interest, and the	321
remainder to the unpaid principal balance. However, if the	322
amount of the payment is insufficient to pay the accumulated	323
interest, the unpaid interest continues to accumulate to be paid	324
from the proceeds of subsequent payments and is not added to the	325
principal balance.	326
(2) Interest shall not be compounded, collected, or paid	327
in advance. However, both of the following apply:	328
(a) Interest may be charged to extend the first monthly	329
installment period by not more than fifteen days, and the	330
interest charged for the extension may be added to the principal	331
amount of the loan.	332
(b) If part or all of the consideration for a new loan	333
contract is the unpaid principal balance of a prior loan, the	334
principal amount payable under the new loan contract may include	335

any unpaid interest that has accrued. The resulting loan 336  
contract shall be deemed a new and separate loan transaction for 337  
purposes of this section. The unpaid principal balance of a 338  
precomputed loan is the balance due after refund or credit of 339  
unearned interest as provided in division (D) (3) of this 340  
section. 341

(D) With respect to precomputed loans: 342

(1) Loans shall be repayable in monthly installments of 343  
principal and interest combined, except that: 344

(a) The first installment period may exceed one month by 345  
not more than fifteen days, and the first installment payment 346  
amount may be larger than the remaining payments by the amount 347  
of interest charged for the extra days. 348

(b) Monthly installment payment dates may be omitted to 349  
accommodate borrowers with seasonal income. 350

(2) Payments may be applied to the combined total of 351  
principal and precomputed interest until maturity of the loan. A 352  
licensee may charge interest after the original or deferred 353  
maturity of a precomputed loan at the rate specified in division 354  
(A) of this section on all unpaid principal balances for the 355  
time outstanding. 356

(3) When any loan contract is paid in full by cash, 357  
renewal, refinancing, or a new loan, one month or more before 358  
the final installment due date, the licensee shall refund, or 359  
credit the borrower with, the total of the applicable charges 360  
for all fully unexpired installment periods, as originally 361  
scheduled or as deferred, that follow the day of prepayment. If 362  
the prepayment is made other than on a scheduled installment due 363  
date, the nearest scheduled installment due date shall be used 364

in such computation. If the prepayment occurs prior to the first 365  
installment due date, the licensee may retain one-thirtieth of 366  
the applicable charge for a first installment period of one 367  
month for each day from date of loan to date of prepayment, and 368  
shall refund, or credit the borrower with, the balance of the 369  
total interest contracted for. If the maturity of the loan is 370  
accelerated for any reason and judgment is entered, the licensee 371  
shall credit the borrower with the same refund as if prepayment 372  
in full had been made on the date the judgment is entered. 373

(4) If the parties agree in writing, either in the loan 374  
contract or in a subsequent agreement, to a deferment of wholly 375  
unpaid installments, a licensee may grant a deferment and may 376  
collect a deferment charge as provided in this section. A 377  
deferment postpones the scheduled due date of the earliest 378  
unpaid installment and all subsequent installments as originally 379  
scheduled, or as previously deferred, for a period equal to the 380  
deferment period. The deferment period is that period during 381  
which no installment is scheduled to be paid by reason of the 382  
deferment. The deferment charge for a one-month period may not 383  
exceed the applicable charge for the installment period 384  
immediately following the due date of the last undeferred 385  
installment. A proportionate charge may be made for deferment 386  
for periods of more or less than one month. A deferment charge 387  
is earned pro rata during the deferment period and is fully 388  
earned on the last day of the deferment period. If a loan is 389  
prepaid in full during a deferment period, the licensee shall 390  
make, or credit to the borrower, a refund of the unearned 391  
deferment charge in addition to any other refund or credit made 392  
for prepayment of the loan in full. 393

(E) A licensee, at the request of the borrower, may 394  
obtain, on one or more borrowers, credit life insurance, credit 395

accident and health insurance, and unemployment insurance. The 396  
premium or identifiable charge for the insurance may be included 397  
in the principal amount of the loan and may not exceed the 398  
premium rate filed by the insurer with the superintendent of 399  
insurance and not disapproved by the superintendent. If a 400  
licensee obtains the insurance at the request of the borrower, 401  
the borrower shall have the right to cancel the insurance for a 402  
period of twenty-five days after the loan is made. If the 403  
borrower chooses to cancel the insurance, the borrower shall 404  
give the licensee written notice of this choice and shall return 405  
all of the policies or certificates of insurance or notices of 406  
proposed insurance to the licensee during such period, and the 407  
full premium or identifiable charge for the insurance shall be 408  
refunded to the borrower by the licensee. If the borrower 409  
requests, in the notice to cancel the insurance, that this 410  
refund be applied to reduce the balance of a precomputed loan, 411  
the licensee shall credit the amount of the refund plus the 412  
amount of interest applicable to the refund to the loan balance. 413  
If the licensee obtains the insurance at the request of the 414  
borrower, the licensee shall not charge or collect interest on 415  
any insured amount that remains unpaid after the insured 416  
borrower's date of death. 417

(F) A licensee may require the borrower to provide 418  
insurance or a loss payable endorsement covering reasonable 419  
risks of loss, damage, and destruction of property used as 420  
security for the loan and with the consent of the borrower such 421  
insurance may cover property of the borrower other than that 422  
which is security for the loan. The amount and term of required 423  
property insurance shall be reasonable in relation to the amount 424  
and term of the loan contract and the type and value of the 425  
security, and the insurance shall be procured in accordance with 426

the insurance laws of this state. The purchase of this insurance 427  
through the licensee or an agent or broker designated by the 428  
licensee shall not be a condition precedent to the granting of 429  
the loan. If the borrower purchases the insurance from or 430  
through the licensee or from another source, the premium may be 431  
included in the principal amount of the loan. 432

(G) (1) In addition to the interest and charges provided 433  
for by this section, no further or other amount, whether in the 434  
form of broker fees, placement fees, or any other fees 435  
whatsoever, shall be charged or received by the licensee, except 436  
that: 437

(a) The licensee may charge and receive costs and 438  
disbursements in connection with any suit to collect a loan or 439  
any lawful activity to realize on a security interest after 440  
default, including reasonable attorney's fees incurred by the 441  
licensee as a result of the suit or activity and to which the 442  
licensee becomes entitled by law. 443

(b) The licensee may include the following additional 444  
charges in the principal amount of the loan or collect the 445  
following additional charges at any time after the loan is made: 446

(i) The amounts of fees authorized by law to record, file, 447  
or release security interests on a loan; 448

(ii) Fees received from borrowers to record, file, or 449  
release a security interest on a loan for purposes either of 450  
purchasing insurance to insure the licensee against losses for 451  
failure to record or file or creating a self-insurance fund to 452  
reimburse the licensee against losses for failure to record or 453  
file; 454

(iii) Fees for credit investigations not exceeding twenty- 455



five dollars provided a licensee obtains a consumer report in 456  
connection with an application for a grant, extension, or other 457  
provision of credit to a consumer that is based in whole or in 458  
part on the consumer report. 459

(2) Division (G)(1) of this section does not limit the 460  
rights of licensees to engage in other transactions with 461  
borrowers, provided the transactions are not a condition of the 462  
loan. As used in this division, a transaction shall not be 463  
considered a "condition of the loan" if it meets both of the 464  
following conditions: 465

(a) It is not required for the extension of the credit. 466

(b) It is a charge that is not considered a "finance 467  
charge" pursuant to 12 C.F.R. 1026.4. 468

(H) If the loan contract or security instrument contains 469  
covenants by the borrower to perform certain duties pertaining 470  
to insuring or preserving security and the licensee pursuant to 471  
the loan contract or security instrument pays for performance of 472  
the duties on behalf of the borrower, the licensee may add the 473  
amounts paid to the unpaid principal balance of the loan or 474  
collect them separately. A charge for interest may be made for 475  
sums advanced not exceeding the rate of interest permitted by 476  
division (A) of this section. Within a reasonable time after 477  
advancing a sum, the licensee shall notify the borrower in 478  
writing of the amount advanced, any interest charged with 479  
respect to the amount advanced, and any revised payment 480  
schedule, and shall include a brief description of the reason 481  
for the advance. 482

(I)(1) In addition to any other permissible fees and 483  
charges, a licensee may charge and receive the following: 484

(a) If the principal amount of the loan is five hundred	485
dollars or less, loan origination charges not exceeding fifteen	486
dollars;	487
(b) If the principal amount of the loan is more than five	488
hundred dollars but less than one thousand dollars, loan	489
origination charges not exceeding thirty dollars;	490
(c) If the principal amount of the loan is at least one	491
thousand dollars but less than two thousand dollars, loan	492
origination charges not exceeding one hundred dollars;	493
(d) If the principal amount of the loan is at least two	494
thousand dollars but less than five thousand dollars, loan	495
origination charges not exceeding two hundred dollars;	496
(e) If the principal amount of the loan is at least five	497
thousand dollars, loan origination charges not exceeding the	498
greater of two hundred fifty dollars or one per cent of the	499
principal amount of the loan.	500
(2) Loan origination charges may be paid by the borrower	501
at the time of the loan or may be included in the principal	502
amount of the loan.	503
(J) A licensee may charge and receive check collection	504
charges not greater than twenty dollars plus any amount passed	505
on from other depository institutions for each check, negotiable	506
order of withdrawal, share draft, or other negotiable instrument	507
returned or dishonored for any reason.	508
(K) If the loan contract so provides, a licensee may	509
collect a default charge on any installment not paid in full	510
within ten days after its due date. For this purpose, all	511
installments are considered paid in the order in which they	512
become due. Any amounts applied to an outstanding loan balance	513

as a result of voluntary release of a security interest, sale of security on the loan, or cancellation of insurance shall be considered payments on the loan, unless the parties otherwise agree in writing at the time the amounts are applied. A licensee shall not collect more than one default charge per unpaid installment regardless of the number of months the installment remains fully unpaid. The amount of the default charge shall not exceed the greater of five per cent of the scheduled installment or fifteen dollars.

**Sec. 1322.01.** As used in this chapter:

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

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

(C) "Application" has the same meaning as in 12 C.F.R. 1026.2(a)(3).

(D) "Approved education course" means any course approved by the nationwide mortgage licensing system and registry.

(E) "Approved test provider" means any test provider approved by the nationwide mortgage licensing system and registry.

(F) <u>"Bona fide nonprofit organization" means an</u>	543
<u>organization that meets all of the following:</u>	544
<u>(1) Has the status of a tax-exempt organization under</u>	545
<u>section 501(c) (3) of the Internal Revenue Code of 1986, as</u>	546
<u>amended;</u>	547
<u>(2) Promotes affordable housing or provides homeownership</u>	548
<u>education or similar services;</u>	549
<u>(3) Conducts its activities in a manner that serves public</u>	550
<u>or charitable purposes, rather than commercial purposes;</u>	551
<u>(4) Receives funding and revenue and charges fees in a</u>	552
<u>manner that does not incentivize it or its employees to act</u>	553
<u>other than in the best interests of its clients;</u>	554
<u>(5) Compensates its employees in a manner that does not</u>	555
<u>incentivize employees to act other than in the best interests of</u>	556
<u>its clients;</u>	557
<u>(6) Provides, or identifies for the borrower, residential</u>	558
<u>mortgage loans with terms favorable to the borrower and</u>	559
<u>comparable to mortgage loans and housing assistance provided</u>	560
<u>under government housing assistance programs;</u>	561
<u>(7) Has obtained a valid letter of exemption from the</u>	562
<u>superintendent of financial institutions.</u>	563
<u>(G) "Borrower" means a person seeking a residential</u>	564
<u>mortgage loan or an obligor on a residential mortgage loan.</u>	565
<del>(G)</del> <u>(H) "Branch office" means a location at which a</u>	566
<u>licensee conducts business other than a registrant's principal</u>	567
<u>place of business, if at least one of the following applies to</u>	568
<u>the location:</u>	569

- (1) The address of the location appears on business cards, 570  
stationery, or advertising used by the registrant; 571
- (2) The registrant's name or advertising at the location 572  
suggests that mortgage transactions are made at the location; 573
- (3) The location is held out to the public as a licensee's 574  
place of business due to the actions of an employee or 575  
independent contractor of the registrant; or 576
- (4) The location within this state is controlled directly 577  
or indirectly by the registrant. 578
- ~~(H)~~ (I) "Buyer" means an individual who is solicited to 579  
purchase or who purchases the services of a mortgage loan 580  
originator for purposes of obtaining a residential mortgage 581  
loan. "Buyer" includes an individual whose mortgage loan is 582  
serviced by a mortgage servicer. 583
- ~~(I)~~ (J) "Consumer reporting agency" has the same meaning 584  
as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 585  
U.S.C.A. 1681a, as amended. 586
- ~~(J)~~ (K) "Control" means the power, directly or indirectly, 587  
to direct the management or policies of an entity, whether 588  
through ownership of securities, by contract, or otherwise. A 589  
person is presumed to control an entity if that person: 590
- (1) Is a director, general partner, or executive officer 591  
or is an individual that occupies a similar position or performs 592  
a similar function; 593
- (2) Directly or indirectly has the right to vote five per 594  
cent or more of a class of a voting security or has the power to 595  
sell or direct the sale of five per cent or more of a class of 596  
voting securities; 597

(3) In the case of a limited liability company, is a 598  
managing member; or 599

(4) In the case of a partnership, has the right to receive 600  
upon dissolution or has contributed five per cent or more of the 601  
capital. 602

~~(K)~~ (L) "Depository institution" has the same meaning as 603  
in section 3 of the "Federal Deposit Insurance Act," 12 U.S.C. 604  
1813(c), and also includes any credit union. 605

~~(I)~~ (M) "Dwelling" has the same meaning as in 15 U.S.C. 606  
1602(w). "Dwelling" includes a single condominium unit, 607  
cooperative unit, mobile home, and trailer, if it is used as a 608  
residence, whether or not that structure is attached to real 609  
property. 610

~~(M)~~ (N) "Employee" means an individual for whom a mortgage 611  
broker ~~or~~, mortgage lender, or mortgage servicer, in addition to 612  
providing a wage or salary, pays social security and 613  
unemployment taxes, provides workers' compensation coverage, and 614  
withholds local, state, and federal income taxes. "Employee" 615  
also includes any individual who acts as a mortgage loan 616  
originator or operations manager of a registrant, but for whom 617  
the registrant is prevented by law from making income tax 618  
withholdings. 619

~~(N)~~ (O) "Entity" means a business organization, including 620  
a sole proprietorship. 621

~~(O)~~ (P) "Expungement" means a court-ordered process that 622  
involves the destruction of documentation related to past 623  
arrests and convictions. 624

~~(P)~~ (Q) "Federal banking agency" means the board of 625  
governors of the federal reserve system, the comptroller of the 626

currency, the national credit union administration, or the 627  
federal deposit insurance corporation. 628

~~(Q)~~ (R) "Immediate family" means an individual's spouse, 629  
child, stepchild, parent, stepparent, grandparent, grandchild, 630  
brother, sister, parent-in-law, brother-in-law, or sister-in- 631  
law. 632

~~(R)~~ (S) "Independent contractor" means an individual who 633  
performs duties for another person and is not subject to that 634  
person's supervision or control. 635

~~(S)~~ (T) "Individual" means a natural person. 636

~~(T)~~ (U) "Licensee" means any individual who has been 637  
issued a mortgage loan originator license under this chapter. 638

~~(U)~~ (V) "Loan commitment" means a statement transmitted in 639  
writing or electronically by a mortgage lender setting forth the 640  
terms and conditions upon which the mortgage lender is willing 641  
to make a particular residential mortgage loan to a particular 642  
borrower. 643

~~(V)~~ (W) "Loan processor or underwriter" means an 644  
individual who, with respect to the origination of a residential 645  
mortgage loan, performs ~~administrative or clerical tasks as an~~ 646  
~~employee at the direction of and subject to the supervision of a~~ 647  
~~mortgage lender or mortgage broker. For purposes of this~~ 648  
~~division, "origination of a residential mortgage loan" means all~~ 649  
~~activities related to a residential mortgage loan, from the~~ 650  
~~taking of a loan application through the completion of all~~ 651  
~~required loan closing documents and the funding of the loan~~ any 652  
of the following activities at the direction or subject to the 653  
supervision of a licensed mortgage loan originator or registered 654  
mortgage loan originator: 655

(1) Receiving, collecting, distributing, or analyzing 656  
information common for the processing or underwriting of a 657  
residential mortgage loan; 658

(2) Communicating with a borrower to obtain the 659  
information necessary for the processing or underwriting of a 660  
loan, to the extent the communication does not include offering 661  
or negotiating loan rates or terms or counseling borrowers about 662  
residential mortgage loan rates or terms. 663

~~(W)~~(X) "Mortgage" means the consensual interest in real 664  
property located in this state, including improvements to that 665  
property, securing a debt evidence by a mortgage, trust 666  
indenture, deed of trust, or other lien on real property. 667

~~(X)~~(Y) "Mortgage broker" means an entity that for 668  
compensation or gain, or in the expectation of compensation or 669  
gain, obtains, attempts to obtain, or assists in obtaining a 670  
residential mortgage loan for a borrower from a mortgage lender 671  
~~in return for consideration or in anticipation of consideration.~~ 672  
For purposes of this division, "attempting to obtain or 673  
assisting in obtaining" a residential mortgage loan includes 674  
referring a borrower to a mortgage lender, soliciting or 675  
offering to solicit a mortgage loan on behalf of a borrower, or 676  
negotiating or offering to negotiate the terms or conditions of 677  
a mortgage loan with a mortgage lender on behalf of a borrower. 678

~~(Y)~~(Z) "Mortgage lender" means an entity that for 679  
compensation or gain, or in the expectation of compensation or 680  
gain consummates a residential mortgage loan, advances funds, 681  
offers to advance funds, or commits to advancing funds for a 682  
~~residential mortgage loan applicant~~borrower. 683

~~(Z)~~(1)~~(AA)~~ (1) "Mortgage loan originator" means an 684



individual who for compensation or gain, or in the expectation 685  
of compensation or gain, does any of the following: 686

(a) Takes a residential mortgage loan application; 687

(b) Assists or offers to assist a buyer in obtaining or 688  
applying to obtain a residential mortgage loan by, among other 689  
things, advising on loan terms, including rates, fees, and other 690  
costs; 691

(c) Offers or negotiates terms of a residential mortgage 692  
loan; 693

(d) Issues or offers to issue a commitment for a 694  
residential mortgage loan to a buyer. 695

(2) "Mortgage loan originator" does not include any of the 696  
following: 697

(a) An individual who performs purely administrative or 698  
clerical tasks on behalf of a mortgage loan originator; 699

(b) A person licensed under Chapter 4735. of the Revised 700  
Code, or under the similar law of another state, who performs 701  
only real estate brokerage activities permitted by that license, 702  
provided the person is not compensated by a mortgage lender, 703  
mortgage broker, mortgage loan originator, or by any agent 704  
thereof; 705

(c) A person solely involved in extensions of credit 706  
relating to timeshare plans, as that term is defined in 11 707  
U.S.C. 101; 708

(d) An employee of a mortgage lender or mortgage broker 709  
who acts solely as a loan processor or underwriter and who does 710  
not represent to the public, through advertising or other means 711  
of communicating, including the use of business cards, 712

stationery, brochures, signs, rate lists, or other promotional 713  
items, that the employee can or will perform any of the 714  
activities of a mortgage loan originator; 715

(e) A licensed attorney who negotiates the terms of a 716  
residential mortgage loan on behalf of a client as an ancillary 717  
matter to the attorney's representation of the client, unless 718  
the attorney is compensated by a mortgage lender, a mortgage 719  
broker, or another mortgage loan originator, or by any agent 720  
thereof; 721

(f) Any person engaged in the retail sale of manufactured 722  
homes, mobile homes, or industrialized units, including a 723  
manufactured home park operator, as defined in section 4781.01 724  
of the Revised Code if, in connection with financing those 725  
retail sales, the person ~~only assists the borrower by providing~~ 726  
~~or transmitting the loan application and does not do any of the~~ 727  
following: 728

(i) Offer or negotiate the residential mortgage loan rates 729  
or terms; 730

~~(ii) Provide any counseling with borrowers about~~ 731  
~~residential mortgage loan rates or terms~~ Fail to give a borrower 732  
written disclosure of any corporate affiliation the person has 733  
with any lender, or fail to refer a borrower to at least one 734  
unaffiliated lender if the person recommends a lender with which 735  
the person has a corporate affiliation; 736

(iii) Receive any ~~payment~~ compensation or fee gain from 737  
any company or individual for assisting the borrower obtain or 738  
apply for financing to purchase the manufactured home, mobile 739  
home, or industrialized unit; 740

~~(iv) Assist the borrower in completing a residential~~ 741

~~mortgage loan application.~~ 742

(g) An individual employed by a bona fide nonprofit 743  
~~organization that is recognized as tax exempt under 26 U.S.C.~~ 744  
~~501(c)(3) and whose primary activity is the construction,~~ 745  
~~remodeling, or rehabilitation of homes for use by low income~~ 746  
~~families, provided that the nonprofit organization makes no~~ 747  
~~profit mortgage loans or mortgage loans at zero per cent~~ 748  
~~interest to low income families and no fees accrue directly to~~ 749  
~~the nonprofit organization or individual employed by the~~ 750  
~~nonprofit organization from those mortgage loans and that the~~ 751  
~~United States department of housing and urban development does~~ 752  
~~not deny this exemption.~~acting within the scope of employment 753  
with respect to residential mortgage loans with terms that are 754  
favorable to the borrower; 755

(h) An employee of a loan processing or underwriting 756  
company that provides loan processing or underwriting services 757  
to one or more mortgage lenders or mortgage brokers under a 758  
contract between the loan processing or underwriting company and 759  
the mortgage lenders or mortgage brokers, provided the employee 760  
performs only clerical or support duties and performs those 761  
duties only at the direction of and subject to the supervision 762  
and instruction of a licensed mortgage loan originator employee 763  
of the same loan processing and underwriting company, and 764  
provided that the loan processing and underwriting company has 765  
obtained a letter of exemption provided for in a rule adopted by 766  
the superintendent of financial institutions. 767

~~(AA)-(BB)~~ "Mortgage servicer" means an entity a person 768  
that, for compensation or gain for itself or on behalf of the 769  
holder of a residential mortgage loan, holds the servicing 770  
rights for more than five residential mortgage loans, records 771

mortgage payments on its books for more than five residential 772  
mortgage loans, or performs other functions to carry out the 773  
residential mortgage holder's obligations or rights under the 774  
mortgage agreement for more than five residential mortgage loans 775  
including, when applicable, the receipt of funds from the 776  
mortgagor to be held in escrow for payment of real estate taxes 777  
and insurance premiums and the distribution of such funds to the 778  
taxing authority and insurance company. 779

~~(BB)~~ (CC) "Nationwide mortgage licensing system and 780  
registry" means a licensing system developed and maintained by 781  
the conference of state bank supervisors and the American 782  
association of residential mortgage regulators, or their 783  
successor entities, for the licensing and registration of 784  
persons providing non-depository financial services. 785

~~(CC)~~ (DD) "Nontraditional mortgage product" means any 786  
mortgage product other than a thirty-year fixed rate mortgage. 787

~~(DD)~~ (EE) "Person" means an individual, sole 788  
proprietorship, corporation, company, limited liability company, 789  
partnership, limited liability partnership, trust, or 790  
association. 791

~~(EE)~~ (FF) "Real estate brokerage activity" means any 792  
activity that involves offering or providing real estate 793  
brokerage services to the public, including all of the 794  
following: 795

(1) Acting as a real estate salesperson or real estate 796  
broker for a buyer, seller, lessor, or lessee of real property; 797

(2) Bringing together parties interested in the sale, 798  
purchase, lease, rental, or exchange of real property; 799

(3) Negotiating, on behalf of any party, any portion of a 800

contract relating to the sale, purchase, lease, rental, or 801  
exchange of real property, other than in connection with 802  
providing financing for any such transaction; 803

(4) Engaging in any activity for which a person engaged in 804  
that activity is required to be licensed as a real estate 805  
salesperson or real estate broker under the law of this state; 806

(5) Offering to engage in any activity, or to act in any 807  
capacity, described in division ~~(EE)~~(FF) of this section. 808

~~(FF)~~(GG) "Registered mortgage loan originator" means an 809  
individual to whom both of the following apply: 810

(1) The individual is a mortgage loan originator and an 811  
employee of a depository institution, a subsidiary that is owned 812  
and controlled by a depository institution and regulated by a 813  
federal banking agency, or an institution regulated by the farm 814  
credit administration. 815

(2) The individual is registered with, and maintains a 816  
unique identifier through, the nationwide mortgage licensing 817  
system and registry. 818

~~(GG)~~(HH) "Registrant" means any person that has been 819  
issued a certificate of registration under this chapter. 820

~~(HH)~~(II) "Residential mortgage loan" means any loan that 821  
meets both of the following requirements: 822

(1) It is primarily for personal, family, or household use 823  
and is secured by a mortgage, deed of trust, or other equivalent 824  
consensual security interest on a dwelling or on residential 825  
real estate ~~located in Ohio.~~ 826

(2) It is provided and secured by a first lien holder 827  
secured creditor or by a ~~second~~subordinate lien holder secured 828

creditor. 829

~~(II)~~ (JJ) "Residential real estate" means any real 830  
property located in this state upon which is constructed a 831  
dwelling or upon which a dwelling is intended to be built within 832  
a two-year period, subject to 24 C.F.R. 3500.5(b)(4). For 833  
purposes of this division, a borrower's intent to build a 834  
dwelling within a two-year period is presumed unless the 835  
borrower has submitted a written, signed statement to the 836  
contrary. 837

~~(JJ)~~ (KK) "Superintendent of financial institutions" 838  
includes the deputy superintendent for consumer finance as 839  
provided in section 1181.21 of the Revised Code. 840

~~(KK)~~ (LL) "Transaction of business as a mortgage lender, 841  
mortgage servicer, or mortgage broker in this state" means 842  
originating, brokering, or servicing five or more residential 843  
mortgage loans in any twelve-month period in any of the 844  
following circumstances: 845

(1) For any resident in this state; 846

(2) For any property in this state; 847

(3) By a person who is physically located in this state 848  
even if the property in question is in another state. 849

(MM) "Unique identifier" means a number or other 850  
identifier assigned by protocols established by the nationwide 851  
mortgage licensing system and registry. 852

**Sec. 1322.02.** The superintendent of financial institutions 853  
may, by rule, amend the definition of mortgage loan originator, 854  
mortgage broker, ~~or mortgage lender,~~ mortgage servicer, or any 855  
other definition in section 1322.01 of the Revised Code, or the 856

criteria for an entity to obtain a letter of exemption ~~under~~ 857  
~~division (B) (1) of section 1322.05 of the Revised Code, or a~~ 858  
registration or license, under this chapter, if the 859  
superintendent finds that the change is necessary to remain 860  
consistent with the purposes intended by the policy and 861  
provisions of the "Secure and Fair Enforcement for Mortgage 862  
Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101. 863

Rules authorized by this section shall be adopted in 864  
accordance with Chapter 119. of the Revised Code. 865

**Sec. 1322.04.** This chapter does not apply to any of the 866  
following: 867

(A) Any entity chartered and lawfully doing business under 868  
the authority of any law of this state, another state, or the 869  
United States as a bank, savings bank, trust company, savings 870  
and loan association, or credit union, or a subsidiary of any 871  
such entity, which subsidiary is regulated by a federal banking 872  
agency and is owned and controlled by a depository institution; 873

(B) A consumer reporting agency that is in substantial 874  
compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 875  
15 U.S.C. 1681a, as amended; 876

(C) Any political subdivision, or any governmental or 877  
other public entity, corporation, instrumentality, or agency, in 878  
or of the United States or any state; 879

(D) A college or university, or controlled entity of a 880  
college or university, as those terms are defined in section 881  
1713.05 of the Revised Code; 882

(E) Any entity created solely for the purpose of 883  
securitizing loans secured by an interest in real estate, 884  
~~provide~~ provided the entity does not service the loans. As used 885

in this division, "securitizing" means the packaging and sale of mortgage loans as a unit for sale as investment securities, but only to the extent of those activities.

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

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

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

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

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

(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~~ 915  
~~directly to the organization from those mortgage loans and that~~ 916  
~~the United States department of housing and urban development~~ 917  
~~does not deny this exemption;~~ 918

(H) A credit union service organization, provided that the 919  
organization utilizes services provided by registered mortgage 920  
loan originators or that it holds a valid letter of exemption 921  
issued by the superintendent of financial institutions under 922  
division (B) (1) of section 1322.05 of the Revised Code. 923

(I) A depository institution not otherwise required to be 924  
licensed under this chapter that voluntarily makes a filing on 925  
the nationwide mortgage licensing system and registry as an 926  
exempt entity for the purpose of licensing loan originators 927  
exclusively associated with the institution and that holds a 928  
valid letter of exemption issued by the superintendent pursuant 929  
to division (B) (1) of section 1322.05 of the Revised Code. 930

**Sec. 1322.07.** (A) (1) No person, on the person's own behalf 931  
or on behalf of any other person, shall ~~act engage in the~~ 932  
transaction of business as a mortgage lender, mortgage servicer, 933  
or mortgage broker in this state without first having obtained a 934  
certificate of registration from the superintendent of financial 935  
institutions for the principal office and every branch office to 936  
be maintained by the person for the transaction of business as a 937  
mortgage lender, mortgage servicer, or mortgage broker in this 938  
state. ~~A-~~ 939

(2) A registrant shall maintain an office location for the 940  
transaction of business as a mortgage lender, mortgage servicer, 941  
or mortgage broker in ~~this any state of the United States.~~ 942  
Registrants are not required to maintain a physical location in 943  
this state. 944

(B) (1) No individual shall act as a mortgage loan 945  
originator without first having obtained a license from the 946  
superintendent. A mortgage loan originator shall be employed by 947  
or associated with a ~~mortgage lender, mortgage broker,~~ 948  
registrant or entity holding a valid letter of exemption under 949  
~~division (B) (1) of section 1322.05 of the Revised Code~~this 950  
chapter, but shall not be employed by or associated with more 951  
than one registrant or entity holding a valid letter of 952  
exemption under ~~division (B) (1) of section 1322.05 of the~~ 953  
~~Revised Code~~ this chapter at any one time. 954

(2) An individual acting under the individual's authority 955  
as a registered mortgage loan originator shall not be required 956  
to be licensed under division (B) (1) of this section. 957

~~(3) An individual who holds a valid temporary mortgage~~ 958  
~~loan originator license issued pursuant to section 1322.24 of~~ 959  
~~the Revised Code may engage in the business of a mortgage loan~~ 960  
~~originator in accordance with this chapter during the term of~~ 961  
~~the temporary license.~~ 962

**Sec. 1322.09.** (A) (1) An application for a certificate of 963  
registration shall be in writing, under oath, and in a form 964  
prescribed by the superintendent of financial institutions that 965  
complies with the requirements of the nationwide mortgage 966  
licensing system and registry. The application shall be 967  
accompanied by a nonrefundable application fee of five hundred 968  
dollars for each location of an office to be maintained by the 969  
applicant in accordance with division (A) of section 1322.07 of 970  
the Revised Code and any additional fee required by the 971  
nationwide mortgage licensing system and registry. 972

(2) The application shall include the names and addresses 973  
of the owners, officers, or partners having control of the 974

<u>applicant, including all of the following:</u>	975
<u>(a) In the case of a sole proprietor, the name and address of the sole proprietor;</u>	976
<u>(b) In the case of a partnership, the name and address of each partner;</u>	978
<u>(c) In the case of a corporation, the name and address of each shareholder owning five per cent or more of the corporation;</u>	980
<u>(d) In the case of any other entity, the name and address of any person that owns five per cent or more of any entity that will transact business under the certificate of registration.</u>	983
<u>(3) In addition to any information required by this section, an applicant shall furnish to the superintendent any reasonable information the superintendent may require.</u>	986
(B) Upon the filing of the application and payment of the nonrefundable application fee and any fee required by the nationwide mortgage licensing system and registry, the superintendent shall investigate the applicant and any individual whose identity is required to be disclosed in the application. As part of that investigation, the superintendent shall conduct a civil records check.	989
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.	996

(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 1033  
nationwide mortgage licensing system and registry requests the 1034  
information in writing, including by electronic transmission or 1035  
facsimile, the superintendent may consider the application 1036  
withdrawn. 1037

(F) A certificate of registration and the authority 1038  
granted under that certificate is not transferable or assignable 1039  
and cannot be franchised by contract or any other means. 1040

(G) (1) The superintendent may establish relationships or 1041  
enter into contracts with the nationwide mortgage licensing 1042  
system and registry, or any entities designated by it, to 1043  
collect and maintain records and process transaction fees or 1044  
other fees related to mortgage lender, mortgage servicer, or 1045  
mortgage broker certificates of registration or the persons 1046  
associated with a mortgage lender, mortgage servicer, or 1047  
mortgage broker. 1048

(2) For purposes of this section and to reduce the points 1049  
of contact that the federal bureau of investigation may have to 1050  
maintain, the division of financial institutions may use the 1051  
nationwide mortgage licensing system and registry as a 1052  
channeling agent for requesting information from and 1053  
distributing information to the United States department of 1054  
justice or other governmental agencies. 1055

(3) For purposes of this section and to reduce the points 1056  
of contact that the division may have to maintain, the division 1057  
may use the nationwide mortgage licensing system and registry as 1058  
a channeling agent for requesting information from and 1059  
distributing information to any source as determined by the 1060  
division. 1061

**Sec. 1322.10.** (A) Upon the conclusion of the investigation 1062  
required under division (B) of section 1322.09 of the Revised 1063  
Code, the superintendent of financial institutions shall issue a 1064  
certificate of registration to the applicant if the 1065  
superintendent finds that the following conditions are met: 1066

(1) The application is accompanied by the application fee 1067  
and any fee required by the nationwide mortgage licensing system 1068  
and registry. 1069

(a) If a check or other draft instrument is returned to 1070  
the superintendent for insufficient funds, the superintendent 1071  
shall notify the applicant by certified mail, return receipt 1072  
requested, that the application will be withdrawn unless the 1073  
applicant, within thirty days after receipt of the notice, 1074  
submits the application fee and a one-hundred-dollar penalty to 1075  
the superintendent. If the applicant does not submit the 1076  
application fee and penalty within that time period, or if any 1077  
check or other draft instrument used to pay the fee or penalty 1078  
is returned to the superintendent for insufficient funds, the 1079  
application shall be withdrawn. 1080

(b) If a check or other draft instrument is returned to 1081  
the superintendent for insufficient funds after the certificate 1082  
of registration has been issued, the superintendent shall notify 1083  
the registrant by certified mail, return receipt requested, that 1084  
the certificate of registration issued in reliance on the check 1085  
or other draft instrument will be canceled unless the 1086  
registrant, within thirty days after receipt of the notice, 1087  
submits the application fee and a one-hundred-dollar penalty to 1088  
the superintendent. If the registrant does not submit the 1089  
application fee and penalty within that time period, or if any 1090  
check or other draft instrument used to pay the fee or penalty 1091

is returned to the superintendent for insufficient funds, the 1092  
certificate of registration shall be canceled immediately 1093  
without a hearing, and the registrant shall cease activity as a 1094  
mortgage broker, mortgage lender, or mortgage servicer. 1095

(2) If the application is for a location that is a 1096  
residence, evidence that the use of the residence to transact 1097  
business as a mortgage lender ~~or~~, mortgage broker, or mortgage 1098  
servicer is not prohibited. 1099

(3) The applicant maintains all necessary filings and 1100  
approvals required by the secretary of state. 1101

(4) The applicant complies with the surety bond 1102  
requirements of section 1322.32 of the Revised Code. 1103

(5) The applicant has not made a material misstatement of 1104  
fact or material omission of fact in the application. 1105

(6) Neither the applicant nor any person whose identity is 1106  
required to be disclosed on an application for a certificate of 1107  
registration has had such a certificate of registration or 1108  
mortgage loan originator license, or any comparable authority, 1109  
revoked in any governmental jurisdiction or has pleaded guilty 1110  
or nolo contendere to or been convicted of any of the following 1111  
in a domestic, foreign, or military court: 1112

(a) During the seven-year period immediately preceding the 1113  
date of application for the certificate of registration, a 1114  
misdemeanor involving theft or any felony; 1115

(b) At any time prior to the date the application for the 1116  
certificate of registration is approved, a felony involving an 1117  
act of fraud, dishonesty, a breach of trust, theft, or money 1118  
laundering. 1119

(7) The applicant's operations manager successfully 1120  
completed the examination required by section 1322.27 of the 1121  
Revised Code. 1122

(8) The applicant's financial responsibility, experience, 1123  
character, and general fitness command the confidence of the 1124  
public and warrant the belief that the business will be operated 1125  
honestly, fairly, and efficiently in compliance with the 1126  
purposes of this chapter and the rules adopted thereunder. The 1127  
superintendent shall not use a credit score or a bankruptcy as 1128  
the sole basis for registration denial. 1129

(B) For purposes of determining whether an applicant that 1130  
is a partnership, corporation, or other business entity or 1131  
association has met the conditions set forth in divisions (A) (6) 1132  
and (8) of this section, the superintendent shall determine 1133  
which partners, shareholders, or persons named in the 1134  
application must meet those conditions. This determination shall 1135  
be based on the extent and nature of the partner's, 1136  
shareholder's, or person's ownership interest in the 1137  
partnership, corporation, or other business entity or 1138  
association that is the applicant and on whether the person is 1139  
in a position to direct, control, or adversely influence the 1140  
operations of the applicant. 1141

(C) The certificate of registration issued pursuant to 1142  
division (A) of this section may be renewed annually on or 1143  
before the thirty-first day of December if the superintendent 1144  
finds that all of the following conditions are met: 1145

(1) The renewal application is accompanied by a 1146  
nonrefundable renewal fee of five hundred dollars for each 1147  
location of an office to be maintained by the applicant in 1148  
accordance with division (A) of section 1322.07 of the Revised 1149



Code and any fee required by the nationwide mortgage licensing 1150  
system and registry. If a check or other draft instrument is 1151  
returned to the superintendent for insufficient funds, the 1152  
superintendent shall notify the registrant by certified mail, 1153  
return receipt requested, that the certificate of registration 1154  
renewed in reliance on the check or other draft instrument will 1155  
be canceled unless the registrant, within thirty days after 1156  
receipt of the notice, submits the renewal fee and a one- 1157  
hundred-dollar penalty to the superintendent. If the registrant 1158  
does not submit the renewal fee and penalty within that time 1159  
period, or if any check or other draft instrument used to pay 1160  
the fee or penalty is returned to the superintendent for 1161  
insufficient funds, the certificate of registration shall be 1162  
canceled immediately without a hearing and the registrant shall 1163  
cease activity as a mortgage broker, mortgage lender, or 1164  
mortgage servicer. 1165

~~(2) The operations manager designated under section 1166  
1322.12 of the Revised Code has completed at least eight hours 1167  
of continuing education as required under section 1322.29 of the 1168  
Revised Code. 1169~~

~~(3) The applicant meets the conditions set forth in 1170  
divisions (A) (2) to (8) of this section. 1171~~

~~(4) (3) The applicant's certificate of registration is not 1172  
subject to an order of suspension or an unpaid and past due fine 1173  
imposed by the superintendent. 1174~~

(D) (1) Subject to division (D) (2) of this section, if a 1175  
renewal fee or additional fee required by the nationwide 1176  
mortgage licensing system and registry is received by the 1177  
superintendent after the thirty-first day of December, the 1178  
certificate of registration shall not be considered renewed, and 1179

the applicant shall cease activity as a mortgage lender ~~or,~~ 1180  
mortgage broker, or mortgage servicer. 1181

(2) Division (D) (1) of this section shall not apply if the 1182  
applicant, not later than forty-five days after the renewal 1183  
deadline, submits the renewal fee or additional fee and a one- 1184  
hundred-dollar penalty to the superintendent. 1185

(E) Certificates of registration issued under this chapter 1186  
annually expire on the thirty-first day of December. 1187

(F) The pardon or expungement of a conviction shall not be 1188  
considered a conviction for purposes of this section. When 1189  
determining the eligibility of an applicant, the superintendent 1190  
may consider the underlying crime, facts, or circumstances 1191  
connected with a pardoned or expunged conviction. 1192

**Sec. 1322.12.** (A) Each registrant or entity holding a 1193  
valid letter of exemption under division (B) (1) of section 1194  
1322.05 of the Revised Code shall designate an employee or owner 1195  
of that registrant's business as the operations manager. The 1196  
operations manager shall be responsible for the management, 1197  
supervision, and control of a particular ~~location~~ registrant. 1198

(B) To be eligible for such a designation, an employee or 1199  
owner shall have at least three years of experience in the 1200  
residential mortgage and lending field including experience as a 1201  
mortgage loan originator ~~or,~~ registered mortgage loan 1202  
originator, or other experience related to the business of 1203  
residential mortgage lending that the superintendent determines 1204  
is sufficient. While acting as the operations manager, the 1205  
employee or owner shall be licensed as a mortgage loan 1206  
originator under this chapter and shall not be employed by any 1207  
other mortgage lender ~~or,~~ mortgage broker, or mortgage servicer. 1208

~~This paragraph shall not apply to the designated operations manager of an entity registered exclusively as a mortgage servicer.~~ 1209  
1210  
1211

(C) If the person designated as the operations manager pursuant to this section ceases to be the operations manager, the registrant shall do all of the following: 1212  
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1214

(1) Within ninety days after the person ceases to be the operations manager, designate another person as the operations manager; 1215  
1216  
1217

(2) Within ten days after the designation described in division (C) (1) of this section, notify the superintendent in writing of the new designation; 1218  
1219  
1220

(3) Submit any additional information that the superintendent requires to establish that the newly designated operations manager meets the requirements set forth in this section. 1221  
1222  
1223  
1224

(D) The registrant shall cease operations if it is without an operations manager approved by the superintendent for more than one hundred eighty days unless otherwise authorized in writing by the superintendent due to exigent circumstances. 1225  
1226  
1227  
1228

**Sec. 1322.15.** No person shall acquire, sell, transfer, or hypothecate any interest in a registrant, or an entity holding a letter of exemption issued under this chapter, or an applicant for a certificate of registration under this chapter in order to obfuscate or conceal the true ownership or control of the registrant, exemption holder, or applicant. 1229  
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1231  
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1234

**Sec. 1322.29.** (A) A registrant or entity holding a valid letter of exemption under division (B) (1) of section 1322.05 of the Revised Code shall supervise all business of a mortgage loan 1235  
1236  
1237

originator conducted at the principal office, any branch office, 1238  
or other location used by the individual mortgage loan 1239  
originator. 1240

(B) If a mortgage loan originator's employment or 1241  
association is terminated for any reason, the licensee may 1242  
request the transfer of the license to another ~~mortgage lender-~~ 1243  
~~or mortgage broker-registrant~~ by submitting a transfer 1244  
application, along with a fifteen-dollar fee and any fee 1245  
required by the national mortgage licensing system and registry, 1246  
to the superintendent of financial institutions or may request 1247  
the superintendent in writing to hold the license in escrow. Any 1248  
licensee whose license is held in escrow shall cease activity as 1249  
a mortgage loan originator. A licensee whose license is held in 1250  
escrow shall be required to apply for renewal annually and to 1251  
comply with the annual continuing education requirement. 1252

(C) A registrant may employ or be associated with a 1253  
mortgage loan originator on a temporary basis pending the 1254  
transfer of the mortgage loan originator's license to the 1255  
registrant, if the registrant receives written confirmation from 1256  
the superintendent that the mortgage loan originator is licensed 1257  
under this chapter. 1258

(D) Notwithstanding divisions (A) to (C) of this section, 1259  
if a licensee is employed by or associated with a person or 1260  
entity holding a valid letter of exemption under division (B) (1) 1261  
of section 1322.05 of the Revised Code, ~~all of the following-~~ 1262  
~~apply:~~ 1263

~~(1) The licensee shall maintain and display a copy of the-~~ 1264  
~~mortgage loan originator license at the office where the-~~ 1265  
~~licensee principally transacts business.~~ 1266

~~(2) If and if~~ the mortgage loan originator's employment or 1267  
association is terminated, the mortgage loan originator shall 1268  
notify the superintendent within five business days after 1269  
termination. The licensee may request the transfer of the 1270  
license to another person or entity holding a valid letter of 1271  
exemption under division (B) (1) of section 1322.05 of the 1272  
Revised Code by submitting a transfer application, along with a 1273  
fifteen-dollar fee and any fee required by the national mortgage 1274  
licensing system and registry, to the superintendent or may 1275  
request the superintendent in writing to hold the license in 1276  
escrow. A licensee whose license is held in escrow shall cease 1277  
activity as a mortgage loan originator. A licensee whose license 1278  
is held in escrow shall be required to apply for renewal 1279  
annually and to comply with the annual continuing education 1280  
requirement. 1281

(E) A licensee may seek to be employed by or associated 1282  
with a registrant or a person or entity holding a valid letter 1283  
of exemption under division (B) (1) of section 1322.05 of the 1284  
Revised Code, if the ~~mortgage lender, mortgage broker, or person~~ 1285  
~~or entity registrant~~ receives written confirmation from the 1286  
superintendent that the mortgage loan originator is licensed 1287  
under this chapter. 1288

**Sec. 1322.30.** A registrant or entity holding a letter of 1289  
exemption under this chapter may contract for and receive 1290  
interest at any rate or rates agreed upon or consented to by the 1291  
parties to the ~~dwelling secured loan or residential~~ mortgage 1292  
loan, but not exceeding an annual percentage rate of twenty-five 1293  
per cent. 1294

**Sec. 1322.32.** (A) (1) No registrant shall conduct business 1295  
in this state, unless the registrant has obtained and maintains 1296

in effect at all times a corporate surety bond issued by a 1297  
bonding company or insurance company authorized to do business 1298  
in this state. The bond shall be in favor of the superintendent 1299  
of financial institutions and in the penal sum of one-half per 1300  
cent of the aggregate loan amount of residential mortgage loans 1301  
originated in the immediately preceding calendar year, but not 1302  
exceeding one hundred fifty thousand dollars. Under no 1303  
circumstances, however, shall the bond for mortgage lenders and 1304  
mortgage brokers be less than fifty thousand dollars and an 1305  
additional penal sum of ten thousand dollars for each location, 1306  
in excess of one, at which the registrant conducts business. The 1307  
bond amount for registrants that engage exclusively in the 1308  
business of mortgage servicing shall be a minimum of one hundred 1309  
fifty thousand dollars. The term of the bond shall coincide with 1310  
the term of registration. A copy of the bond shall be filed with 1311  
the superintendent. The bond shall be for the exclusive benefit 1312  
of any buyer injured by a violation by an employee of the 1313  
registrant, mortgage loan originator employed by or associated 1314  
with the registrant, or registrant of any provision of this 1315  
chapter or any rule adopted thereunder. The aggregate liability 1316  
of the corporate surety for any and all breaches of the 1317  
conditions of the bond shall not exceed the penal sum of the 1318  
bond. 1319

(2) (a) No licensee who is employed by or associated with a 1320  
person or entity holding a valid letter of exemption under 1321  
division (B) (1) of section 1322.05 of the Revised Code shall 1322  
conduct business in this state, unless either the licensee or 1323  
the person or entity on the licensee's behalf has obtained and 1324  
maintains in effect at all times a corporate surety bond issued 1325  
by a bonding company or insurance company authorized to do 1326  
business in this state. The bond shall be in favor of the 1327

superintendent of financial institutions and in the penal sum of 1328  
one-half per cent of the aggregate loan amount of residential 1329  
mortgage loans originated in the immediately preceding calendar 1330  
year, but not exceeding one hundred thousand dollars. Under no 1331  
circumstances, however, shall the bond be less than fifty 1332  
thousand dollars. The term of the bond shall coincide with the 1333  
term of licensure. A copy of the bond shall be filed with the 1334  
superintendent. The bond shall be for the exclusive benefit of 1335  
any buyer injured by a violation by the licensee of any 1336  
provision of this chapter or any rule adopted thereunder. The 1337  
aggregate liability of the corporate surety for any and all 1338  
breaches of the conditions of the bond shall not exceed the 1339  
penal sum of the bond. 1340

(b) Licensees covered by a corporate surety bond obtained 1341  
by a registrant, or by a person or entity holding a valid letter 1342  
of exemption under division (B)(1) of section 1322.05 of the 1343  
Revised Code, they are employed by or associated with shall not 1344  
be required to obtain an individual bond. 1345

(B)(1)(a) The registrant shall give notice to the 1346  
superintendent by certified mail of any action that is brought 1347  
by a buyer against the registrant, mortgage loan originator, or 1348  
employee alleging injury by a violation of any provision of this 1349  
chapter or any rule adopted thereunder, and of any judgment that 1350  
is entered against the registrant, mortgage loan originator, or 1351  
employee by a buyer injured by a violation of any provision of 1352  
this chapter or any rule adopted thereunder. The notice shall 1353  
provide details sufficient to identify the action or judgment, 1354  
and shall be filed with the superintendent within ten days after 1355  
the commencement of the action or notice to the registrant of 1356  
entry of a judgment. 1357

(b) The licensee shall give notice to the superintendent 1358  
by certified mail of any action that is brought by a buyer 1359  
against the licensee alleging injury by a violation of any 1360  
provision of this chapter or any rule adopted thereunder, and of 1361  
any judgment that is entered against the licensee by a buyer 1362  
injured by a violation of any provision of this chapter or any 1363  
rule adopted thereunder. The notice shall provide details 1364  
sufficient to identify the action or judgment, and shall be 1365  
filed with the superintendent within ten days after the 1366  
commencement of the action or notice to the licensee of entry of 1367  
a judgment. A person or entity holding a valid letter of 1368  
exemption under division (B)(1) of section 1322.05 of the 1369  
Revised Code that secures bonding for the licensees employed by 1370  
or associated with the person or entity shall report such 1371  
actions or judgments in the same manner as is required of 1372  
registrants. 1373

(2) A corporate surety, within ten days after it pays any 1374  
claim or judgment, shall give notice to the superintendent by 1375  
certified mail of the payment, with details sufficient to 1376  
identify the person and the claim or judgment paid. 1377

(C) Whenever the penal sum of the corporate surety bond is 1378  
reduced by one or more recoveries or payments, the registrant or 1379  
licensee shall furnish a new or additional bond under this 1380  
section, so that the total or aggregate penal sum of the bond or 1381  
bonds equals the sum required by this section, or shall furnish 1382  
an endorsement executed by the corporate surety reinstating the 1383  
bond to the required penal sum of it. 1384

(D) The liability of the corporate surety on the bond to 1385  
the superintendent and to any buyer injured by a violation of 1386  
any provision of this chapter or any rule adopted thereunder 1387



shall not be affected in any way by any misrepresentation, 1388  
breach of warranty, or failure to pay the premium, by any act or 1389  
omission upon the part of the registrant or licensee, by the 1390  
insolvency or bankruptcy of the registrant or licensee, or by 1391  
the insolvency of the registrant's or licensee's estate. The 1392  
liability for any act or omission that occurs during the term of 1393  
the corporate surety bond shall be maintained and in effect for 1394  
at least two years after the date on which the corporate surety 1395  
bond is terminated or canceled. 1396

(E) The corporate surety bond shall not be canceled by the 1397  
registrant, the licensee, or the corporate surety except upon 1398  
notice to the superintendent by certified mail, return receipt 1399  
requested. The cancellation shall not be effective prior to 1400  
thirty days after the superintendent receives the notice. 1401

(F) No registrant or licensee employed by or associated 1402  
with a person or entity holding a valid letter of exemption 1403  
under division (B) (1) of section 1322.05 of the Revised Code 1404  
shall fail to comply with this section. Any registrant or 1405  
licensee that fails to comply with this section shall cease all 1406  
mortgage lender, mortgage broker, mortgage servicer, or mortgage 1407  
loan originator activity in this state until the registrant or 1408  
licensee complies with this section. 1409

**Sec. 1322.34.** (A) As often as the superintendent of 1410  
financial institutions considers it necessary, the 1411  
superintendent may examine the ~~registrant's or licensee's~~ 1412  
records records of a registrant or licensee or holder of a 1413  
letter of exemption issued under this chapter, including all 1414  
records created or processed by a licensee, pertaining to 1415  
business transacted pursuant to this chapter. 1416

(B) A registrant or licensee shall maintain records 1417

pertaining to business transacted pursuant to this chapter for 1418  
four years. For purposes of this division, "registrant or 1419  
licensee" includes any person whose certificate of registration 1420  
or license is cancelled, surrendered, or revoked or who 1421  
otherwise ceases to engage in business as a mortgage lender, 1422  
mortgage servicer, mortgage broker, or mortgage loan originator. 1423

No registrant or licensee shall fail to comply with this 1424  
division. 1425

(C) Each registrant, licensee, and entity holding a valid 1426  
letter of exemption ~~under division (B) (1) of section 1322.05 of~~ 1427  
~~the Revised Code issued under this chapter~~ shall submit to the 1428  
nationwide mortgage licensing system and registry call reports 1429  
or other reports of condition, which reports shall be in such 1430  
form and shall contain such information as the nationwide 1431  
mortgage licensing system and registry may require. Each 1432  
registrant and entity holding a valid letter of exemption under 1433  
~~division (B) (1) of section 1322.05 of the Revised Code~~ this 1434  
chapter shall ensure that all residential mortgage loans that 1435  
are consummated as a result of a mortgage loan originator's loan 1436  
origination activities or serviced by the registrant or entity 1437  
holding a valid exemption are included in the report of 1438  
condition submitted to the nationwide mortgage licensing system 1439  
and registry. 1440

(D) Any document or record that is required to be signed 1441  
and that is filed in this state as an electronic record through 1442  
the nationwide mortgage licensing system and registry, and any 1443  
other electronic record filed through the nationwide mortgage 1444  
licensing system and registry, shall be considered a valid 1445  
original document upon reproduction to paper form by the 1446  
division of financial institutions. 1447

(E) In the event electronic records, books, records, data, 1448  
and documents of a registrant or holder of a letter of exemption 1449  
issued under this chapter are located outside of this state and 1450  
the superintendent determines that an in-person examination is 1451  
necessary, the registrant or holder of a letter of exemption 1452  
shall, upon the request of the superintendent, pay the estimated 1453  
costs of the examination, including the proportionate cost of 1454  
the salaries of division of financial institutions employees who 1455  
conduct the examination. 1456

**Sec. 1322.43.** (A) No registrant and entity holding a valid 1457  
letter of exemption under division (B) (1) of section 1322.05 of 1458  
the Revised Code this chapter, through its operations manager or 1459  
otherwise, shall fail to do either of the following: 1460

~~(A)~~ (1) Reasonably supervise a mortgage loan originator or 1461  
any other person associated with the registrant or entity; 1462

~~(B)~~ (2) Establish reasonable procedures designed to avoid 1463  
violations of any provision of this chapter or the rules adopted 1464  
under this chapter, or violations of applicable state and 1465  
federal consumer and lending laws or rules, by mortgage loan 1466  
originators or any other person associated with the registrant 1467  
or entity. 1468

(B) No registrant or entity holding a letter of exemption 1469  
issued under this chapter shall: 1470

(1) Receive, directly or indirectly, a premium on the fees 1471  
charged for services performed by a bona fide third party; 1472

(2) Pay or receive, directly or indirectly, a referral fee 1473  
or kickback of any kind to or from a bona fide third party or 1474  
other party with a related interest in the transaction, 1475  
including a home improvement builder, real estate developer, or 1476

real estate broker or agent, for the referral of business. 1477

**Sec. 1322.50.** (A) After notice and opportunity for a 1478  
hearing conducted in accordance with Chapter 119. of the Revised 1479  
Code, the superintendent of financial institutions may do the 1480  
following: 1481

(1) Suspend, revoke, or refuse to issue or renew a 1482  
certificate of registration or, license, or letter of exemption 1483  
if the superintendent finds any of the following: 1484

(a) A violation of or failure to comply with any provision 1485  
of this chapter or the rules adopted under this chapter, federal 1486  
lending law, or any other law applicable to the business 1487  
conducted under a certificate of registration or license; 1488

(b) A conviction of or guilty or nolo contendere plea to a 1489  
felony in a domestic, foreign, or military court; 1490

(c) A conviction of or guilty or nolo contendere plea to 1491  
any criminal offense involving theft, receiving stolen property, 1492  
embezzlement, forgery, fraud, passing bad checks, money 1493  
laundering, breach of trust, dishonesty, or drug trafficking, or 1494  
any criminal offense involving money or securities, in a 1495  
domestic, foreign, or military court; 1496

(d) The revocation of a certificate of registration or 1497  
mortgage loan originator license, or any comparable authority, 1498  
in any governmental jurisdiction. 1499

(2) Impose a fine of not more than one thousand dollars, 1500  
for each day a violation of a law or rule is committed, 1501  
repeated, or continued. If the registrant, letter of exemption 1502  
holder, or licensee engages in a pattern of repeated violations 1503  
of a law or rule, the superintendent may impose a fine of not 1504  
more than two thousand dollars for each day the violation is 1505

committed, repeated, or continued. All fines collected pursuant 1506  
to this division shall be paid to the treasurer of state to the 1507  
credit of the consumer finance fund created in section 1321.21 1508  
of the Revised Code. In determining the amount of a fine to be 1509  
imposed pursuant to this division, the superintendent may 1510  
consider all of the following, to the extent known by the 1511  
division of financial institutions: 1512

(a) The seriousness of the violation; 1513

(b) The registrant's or licensee's good faith efforts to 1514  
prevent the violation; 1515

(c) The registrant's or licensee's history regarding 1516  
violations and compliance with division orders; 1517

(d) The registrant's or licensee's financial resources; 1518

(e) Any other matters the superintendent considers 1519  
appropriate in enforcing this chapter. 1520

(B) The superintendent may investigate alleged violations 1521  
of this chapter or the rules adopted under this chapter or 1522  
complaints concerning any violation. 1523

(1) The superintendent may make application to the court 1524  
of common pleas for an order enjoining any violation and, upon a 1525  
showing by the superintendent that a person has committed or is 1526  
about to commit that violation, the court shall grant an 1527  
injunction, restraining order, or other appropriate relief. 1528

(2) The superintendent may make application to the court 1529  
of common pleas for an order enjoining any person from acting as 1530  
a mortgage lender, mortgage servicer, mortgage broker, 1531  
registrant, mortgage loan originator, or licensee in violation 1532  
of division (A) or (B) of section 1322.07 of the Revised Code, 1533

and may seek and obtain civil penalties for unregistered or 1534  
unlicensed conduct of not more than five thousand dollars per 1535  
violation. 1536

(C) In conducting any investigation pursuant to this 1537  
section, the superintendent may compel, by subpoena, witnesses 1538  
to testify in relation to any matter over which the 1539  
superintendent has jurisdiction and may require the production 1540  
of any book, record, or other document pertaining to that 1541  
matter. If a person fails to file any statement or report, obey 1542  
any subpoena, give testimony, produce any book, record, or other 1543  
document as required by a subpoena, or permit photocopying of 1544  
any book, record, or other document subpoenaed, the court of 1545  
common pleas of any county in this state, upon application made 1546  
to it by the superintendent, shall compel obedience by 1547  
attachment proceedings for contempt, as in the case of 1548  
disobedience of the requirements of a subpoena issued from the 1549  
court or a refusal to testify therein. 1550

(D) If the superintendent determines that a person is 1551  
engaged in or is believed to be engaged in activities that may 1552  
constitute a violation of this chapter or any rule adopted 1553  
thereunder, the superintendent, after notice and a hearing 1554  
conducted in accordance with Chapter 119. of the Revised Code, 1555  
may issue a cease and desist order. If the administrative action 1556  
is to enjoin a person from acting as a mortgage lender, mortgage 1557  
servicer, mortgage broker, or mortgage loan originator in 1558  
violation of division (A) or (B) of section 1322.07 of the 1559  
Revised Code, the superintendent may seek and impose fines for 1560  
that conduct in an amount not to exceed five thousand dollars 1561  
per violation. Such an order shall be enforceable in the court 1562  
of common pleas. 1563

(E) If the superintendent revokes a certificate of registration, letter of exemption, or mortgage loan originator license, the revocation shall be permanent and with prejudice. 1564  
1565  
1566

(F) (1) To protect the public interest, the superintendent may, without a prior hearing, do any of the following: 1567  
1568

(a) Suspend the certificate of registration, letter of exemption, or mortgage loan originator license of a registrant or licensee who is convicted of or pleads guilty or nolo contendere to a criminal violation of any provision of this chapter or any criminal offense described in division (A) (1) (b) or (c) of this section; 1569  
1570  
1571  
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(b) Suspend the certificate of registration of a registrant who violates division (F) of section 1322.32 of the Revised Code; 1575  
1576  
1577

(c) Suspend the certificate of registration or mortgage loan originator license of a registrant or licensee who fails to comply with a request made by the superintendent under section 1322.09 or 1322.20 of the Revised Code to inspect qualifying education transcripts located at the registrant's or licensee's place of business. 1578  
1579  
1580  
1581  
1582  
1583

(2) The superintendent may, in accordance with Chapter 119. of the Revised Code, subsequently revoke any registration or license suspended under division (F) (1) of this section. 1584  
1585  
1586

(G) The imposition of fines under this section does not preclude any penalty imposed under section 1322.99 of the Revised Code. 1587  
1588  
1589

**Sec. 1322.52.** (A) (1) A buyer injured by a violation of section 1322.07, 1322.40, or 1322.46 of the Revised Code may bring an action for recovery of damages. 1590  
1591  
1592

(2) Damages awarded under division (A) (1) of this section 1593  
shall not be less than all compensation paid directly and 1594  
indirectly to a registrant or mortgage loan originator from any 1595  
source, plus reasonable attorney's fees and court costs. 1596

(3) The buyer may be awarded punitive damages. 1597

(B) (1) The superintendent of financial institutions or a 1598  
buyer may directly bring an action to enjoin a violation of any 1599  
provision of this chapter. The attorney general may directly 1600  
bring an action to enjoin a violation of any provision of this 1601  
chapter with the same rights, privileges, and powers as those 1602  
described in section 1345.06 of the Revised Code. The 1603  
prosecuting attorney of the county in which the action may be 1604  
brought may bring an action to enjoin a violation of any 1605  
provision of this chapter only if the prosecuting attorney first 1606  
presents any evidence of the violation to the attorney general 1607  
and, within a reasonable period of time, the attorney general 1608  
has not agreed to bring the action. 1609

(2) The superintendent may initiate criminal proceedings 1610  
under this chapter by presenting any evidence of criminal 1611  
violation to the prosecuting attorney of the county in which the 1612  
offense may be prosecuted. If the prosecuting attorney does not 1613  
prosecute the violations, or at the request of the prosecuting 1614  
attorney, the superintendent shall present any evidence of 1615  
criminal violations to the attorney general, who may proceed in 1616  
the prosecution with all the rights, privileges, and powers 1617  
conferred by law on prosecuting attorneys, including the power 1618  
to appear before grand juries and to interrogate witnesses 1619  
before such grand juries. These powers of the attorney general 1620  
shall be in addition to any other applicable powers of the 1621  
attorney general. 1622



(3) The prosecuting attorney of the county in which an 1623  
alleged offense may be prosecuted may initiate criminal 1624  
proceedings under this chapter. 1625

(4) In order to initiate criminal proceedings under this 1626  
chapter, the attorney general shall first present any evidence 1627  
of criminal violations to the prosecuting attorney of the county 1628  
in which the alleged offense may be prosecuted. If, within a 1629  
reasonable period of time, the prosecuting attorney has not 1630  
agreed to prosecute the violations, the attorney general may 1631  
proceed in the prosecution with all the rights, privileges, and 1632  
powers described in division (B)(2) of this section. 1633

(5) When a judgment under this section becomes final, the 1634  
clerk of court shall mail a copy of the judgment, including 1635  
supporting opinions, to the superintendent. 1636

(C) The remedies provided by this section are in addition 1637  
to any other remedy provided by law. 1638

(D) In any proceeding or action brought under this 1639  
chapter, the burden of proving an exemption under those sections 1640  
is on the person claiming the benefit of the exemption. 1641

(E) No person shall be deemed to violate any provision of 1642  
this chapter with respect to any act taken or omission made in 1643  
reliance on a written notice, written interpretation, or written 1644  
report from the superintendent, unless there is a subsequent 1645  
amendment to that written notice, written interpretation, 1646  
written report from the superintendent, or those provisions, or 1647  
rules promulgated thereunder, that affects the superintendent's 1648  
notice, interpretation, or report. 1649

(F) Upon disbursement of mortgage loan proceeds to or on 1650  
behalf of the buyer, the registrant that assisted the buyer to 1651

obtain the mortgage loan is deemed to have completed the 1652  
performance of the registrant's services for the buyer and owes 1653  
no additional duties or obligations to the buyer with respect to 1654  
the mortgage loan. However, nothing in this division shall be 1655  
construed to limit or preclude the civil or criminal liability 1656  
of a registrant for failing to comply with this chapter or any 1657  
rule adopted under this chapter, for failing to comply with any 1658  
provision of or duty arising under an agreement with a buyer or 1659  
lender under this chapter, or for violating any other provision 1660  
of state or federal law. 1661

(G) A buyer injured by a violation of any of the sections 1662  
specified in division (A) (1) of this section is precluded from 1663  
recovering any damages, plus reasonable attorney's fees and 1664  
costs, if the buyer has also recovered any damages in a cause of 1665  
action initiated under section 1322.45 of the Revised Code and 1666  
the recovery of damages for a violation of any of the sections 1667  
specified in division (A) (1) of this section is based on the 1668  
same acts or circumstances as the basis for recovery of damages 1669  
in section 1322.45 of the Revised Code. 1670

**Sec. 1345.01.** As used in sections 1345.01 to 1345.13 of 1671  
the Revised Code: 1672

(A) "Consumer transaction" means a sale, lease, 1673  
assignment, award by chance, or other transfer of an item of 1674  
goods, a service, a franchise, or an intangible, to an 1675  
individual for purposes that are primarily personal, family, or 1676  
household, or solicitation to supply any of these things. 1677  
"Consumer transaction" does not include transactions between 1678  
persons, defined in sections 4905.03 and 5725.01 of the Revised 1679  
Code, and their customers, except for transactions involving a 1680  
loan made pursuant to sections 1321.35 to 1321.48 of the Revised 1681

Code and transactions in connection with residential mortgages 1682  
between loan officers, mortgage brokers, or nonbank mortgage 1683  
lenders and their customers; transactions involving a home 1684  
construction service contract as defined in section 4722.01 of 1685  
the Revised Code; transactions between certified public 1686  
accountants or public accountants and their clients; 1687  
transactions between attorneys, physicians, or dentists and 1688  
their clients or patients; and transactions between 1689  
veterinarians and their patients that pertain to medical 1690  
treatment but not ancillary services. 1691

(B) "Person" includes an individual, corporation, 1692  
government, governmental subdivision or agency, business trust, 1693  
estate, trust, partnership, association, cooperative, or other 1694  
legal entity. 1695

(C) "Supplier" means a seller, lessor, assignor, 1696  
franchisor, or other person engaged in the business of effecting 1697  
or soliciting consumer transactions, whether or not the person 1698  
deals directly with the consumer. If the consumer transaction is 1699  
in connection with a residential mortgage, "supplier" does not 1700  
include an assignee or purchaser of the loan for value, except 1701  
as otherwise provided in section 1345.091 of the Revised Code. 1702  
For purposes of this division, in a consumer transaction in 1703  
connection with a residential mortgage, "seller" means a loan 1704  
officer, mortgage broker, or nonbank mortgage lender. 1705

(D) "Consumer" means a person who engages in a consumer 1706  
transaction with a supplier. 1707

(E) "Knowledge" means actual awareness, but such actual 1708  
awareness may be inferred where objective manifestations 1709  
indicate that the individual involved acted with such awareness. 1710

(F) "Natural gas service" means the sale of natural gas, 1711  
exclusive of any distribution or ancillary service. 1712

(G) "Public telecommunications service" means the 1713  
transmission by electromagnetic or other means, other than by a 1714  
telephone company as defined in section 4927.01 of the Revised 1715  
Code, of signs, signals, writings, images, sounds, messages, or 1716  
data originating in this state regardless of actual call 1717  
routing. "Public telecommunications service" excludes a system, 1718  
including its construction, maintenance, or operation, for the 1719  
provision of telecommunications service, or any portion of such 1720  
service, by any entity for the sole and exclusive use of that 1721  
entity, its parent, a subsidiary, or an affiliated entity, and 1722  
not for resale, directly or indirectly; the provision of 1723  
terminal equipment used to originate telecommunications service; 1724  
broadcast transmission by radio, television, or satellite 1725  
broadcast stations regulated by the federal government; or cable 1726  
television service. 1727

(H) (1) "Loan officer" means an individual who for 1728  
compensation or gain, or in anticipation of compensation or 1729  
gain, takes or offers to take a residential mortgage loan 1730  
application; assists or offers to assist a buyer in obtaining or 1731  
applying to obtain a residential mortgage loan by, among other 1732  
things, advising on loan terms, including rates, fees, and other 1733  
costs; offers or negotiates terms of a residential mortgage 1734  
loan; or issues or offers to issue a commitment for a 1735  
residential mortgage loan. "Loan officer" also includes a 1736  
mortgage loan originator as defined in ~~division (Z)~~ of section 1737  
1322.01 of the Revised Code. 1738

(2) "Loan officer" does not include an employee of a bank, 1739  
savings bank, savings and loan association, credit union, or 1740

credit union service organization organized under the laws of 1741  
this state, another state, or the United States; an employee of 1742  
a subsidiary of such a bank, savings bank, savings and loan 1743  
association, or credit union; or an employee of an affiliate 1744  
that (a) controls, is controlled by, or is under common control 1745  
with, such a bank, savings bank, savings and loan association, 1746  
or credit union and (b) is subject to examination, supervision, 1747  
and regulation, including with respect to the affiliate's 1748  
compliance with applicable consumer protection requirements, by 1749  
the board of governors of the federal reserve system, the 1750  
comptroller of the currency, the office of thrift supervision, 1751  
the federal deposit insurance corporation, or the national 1752  
credit union administration. 1753

(I) "Residential mortgage" or "mortgage" means an 1754  
obligation to pay a sum of money evidenced by a note and secured 1755  
by a lien upon real property located within this state 1756  
containing two or fewer residential units or on which two or 1757  
fewer residential units are to be constructed and includes such 1758  
an obligation on a residential condominium or cooperative unit. 1759

(J) (1) "Mortgage broker" means any of the following: 1760

(a) A person that holds that person out as being able to 1761  
assist a buyer in obtaining a mortgage and charges or receives 1762  
from either the buyer or lender money or other valuable 1763  
consideration readily convertible into money for providing this 1764  
assistance; 1765

(b) A person that solicits financial and mortgage 1766  
information from the public, provides that information to a 1767  
mortgage broker or a person that makes residential mortgage 1768  
loans, and charges or receives from either of them money or 1769  
other valuable consideration readily convertible into money for 1770

providing the information; 1771

(c) A person engaged in table-funding or warehouse-lending 1772  
mortgage loans that are residential mortgage loans. 1773

(2) "Mortgage broker" does not include a bank, savings 1774  
bank, savings and loan association, credit union, or credit 1775  
union service organization organized under the laws of this 1776  
state, another state, or the United States; a subsidiary of such 1777  
a bank, savings bank, savings and loan association, or credit 1778  
union; an affiliate that (a) controls, is controlled by, or is 1779  
under common control with, such a bank, savings bank, savings 1780  
and loan association, or credit union and (b) is subject to 1781  
examination, supervision, and regulation, including with respect 1782  
to the affiliate's compliance with applicable consumer 1783  
protection requirements, by the board of governors of the 1784  
federal reserve system, the comptroller of the currency, the 1785  
office of thrift supervision, the federal deposit insurance 1786  
corporation, or the national credit union administration; or an 1787  
employee of any such entity. 1788

(K) "Nonbank mortgage lender" means any person that 1789  
engages in a consumer transaction in connection with a 1790  
residential mortgage, except for a bank, savings bank, savings 1791  
and loan association, credit union, or credit union service 1792  
organization organized under the laws of this state, another 1793  
state, or the United States; a subsidiary of such a bank, 1794  
savings bank, savings and loan association, or credit union; or 1795  
an affiliate that (1) controls, is controlled by, or is under 1796  
common control with, such a bank, savings bank, savings and loan 1797  
association, or credit union and (2) is subject to examination, 1798  
supervision, and regulation, including with respect to the 1799  
affiliate's compliance with applicable consumer protection 1800

requirements, by the board of governors of the federal reserve 1801  
system, the comptroller of the currency, the office of thrift 1802  
supervision, the federal deposit insurance corporation, or the 1803  
national credit union administration. 1804

(L) For purposes of divisions (H), (J), and (K) of this 1805  
section: 1806

(1) "Control" of another entity means ownership, control, 1807  
or power to vote twenty-five per cent or more of the outstanding 1808  
shares of any class of voting securities of the other entity, 1809  
directly or indirectly or acting through one or more other 1810  
persons. 1811

(2) "Credit union service organization" means a CUSO as 1812  
defined in 12 C.F.R. 702.2. 1813

**Sec. 1349.72.** (A) ~~Before~~ Not less than thirty days prior 1814  
to a person collecting filing a foreclosure action to collect on 1815  
a debt secured by residential real property ~~collects or attempts~~ 1816  
~~to collect any part of the debt,~~ the person shall first send a 1817  
written notice as described in division (B) of this section via 1818  
United States mail to the residential address of the debtor, if 1819  
both of the following apply: 1820

(1) The debt is ~~a second secured by a mortgage or junior~~ 1821  
lien on the debtor's residential real property that is not in 1822  
the first mortgage position. 1823

(2) The debt has either been accelerated or is in default 1824  
in accordance with the terms set forth in the promissory note. 1825

(B) The written notice may be included on, or accompany, 1826  
any other communication, and shall be printed in at least 1827  
twelve-point type and ~~state~~ include the following: 1828

(1) The name and contact information of the person collecting the debt;	1829 1830
(2) <del>The</del> <u>A statement of the</u> amount of the debt;	1831
(3) A statement that the debtor has a right to <u>engage an</u> attorney;	1832 1833
(4) A statement that the debtor may qualify for debt relief under Chapter 7 or 13 of the United States Bankruptcy Code, 11 U.S.C. Chapter 7 or 13, as amended;	1834 1835 1836
(5) A statement that a debtor that qualifies under Chapter 13 of the United States Bankruptcy Code may be able to protect their residential real property from foreclosure.	1837 1838 1839
(C) Upon written request of the debtor, the owner of the debt shall provide a copy of the note and the loan history to the debtor.	1840 1841 1842
(D) (1) As used in this division <del>7</del> :	1843
<u>(a) "bona-fide error"</u> means an unintentional clerical, calculation, computer malfunction or programming, or printing error.	1844 1845 1846
<u>(b) "Restitution" means either of the following:</u>	1847
<u>(i) A waiver of all fees, costs, or expenses proximately</u> <u>associated with the failure to provide the notice to the debtor;</u> <u>or</u>	1848 1849 1850
<u>(ii) Actual damages.</u>	1851
(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:	1852 1853 1854
(a) The owner of the debt shows by a preponderance of	1855



evidence that the compliance failure was not intentional and 1856  
resulted from a bona fide error notwithstanding the maintenance 1857  
of procedures reasonably adapted to avoid any such error. 1858

(b) Within sixty days after discovering the error, and 1859  
prior to the initiation of any action, the owner of the debt 1860  
notifies the debtor of the error and the manner in which the 1861  
owner of the debt intends to make full restitution to the 1862  
debtor. 1863

(c) The owner of the debt promptly makes reasonable 1864  
restitution to the debtor. 1865

(3) If, in the event of a compliance failure, the owner of 1866  
the debt does not meet the conditions set forth in division (D) 1867  
(2) of this section, a debtor injured by the error has a cause 1868  
of action to recover damages. Such an action shall not, however, 1869  
be maintained as a class action. 1870

**Sec. 2913.11.** (A) As used in this section: 1871

(1) "Check" includes any form of debit from a demand 1872  
deposit account, including, but not limited to any of the 1873  
following: 1874

(a) A check, bill of exchange, draft, order of withdrawal, 1875  
or similar negotiable or non-negotiable instrument; 1876

(b) An electronic check, electronic transaction, debit 1877  
card transaction, check card transaction, substitute check, web 1878  
check, or any form of automated clearing house transaction. 1879

(2) "Issue a check" means causing any form of debit from a 1880  
demand deposit account. 1881

(B) No person, with purpose to defraud, shall issue or 1882  
transfer or cause to be issued or transferred a check or other 1883

negotiable instrument, knowing that it will be dishonored or 1884  
knowing that a person has ordered or will order stop payment on 1885  
the check or other negotiable instrument. 1886

(C) For purposes of this section, a person who issues or 1887  
transfers a check or other negotiable instrument is presumed to 1888  
know that it will be dishonored if either of the following 1889  
occurs: 1890

(1) The drawer had no account with the drawee at the time 1891  
of issue or the stated date, whichever is later; 1892

(2) The check or other negotiable instrument was properly 1893  
refused payment for insufficient funds upon presentment within 1894  
thirty days after issue or the stated date, whichever is later, 1895  
and the liability of the drawer, indorser, or any party who may 1896  
be liable thereon is not discharged by payment or satisfaction 1897  
within ten days after receiving notice of dishonor. 1898

~~(D) For purposes of this section, a person who issues or 1899  
transfers a check, bill of exchange, or other draft is presumed 1900  
to have the purpose to defraud if the drawer fails to comply 1901  
with section 1349.16 of the Revised Code by doing any of the 1902  
following when opening a checking account intended for personal, 1903  
family, or household purposes at a financial institution: 1904~~

~~(1) Falsely stating that the drawer has not been issued a 1905  
valid driver's or commercial driver's license or identification 1906  
card issued under section 4507.50 of the Revised Code; 1907~~

~~(2) Furnishing such license or card, or another 1908  
identification document that contains false information; 1909~~

~~(3) Making a false statement with respect to the drawer's 1910  
current address or any additional relevant information 1911  
reasonably required by the financial institution. 1912~~

~~(E)~~—In determining the value of the payment for purposes 1913  
of division ~~(F)~~—(E) of this section, the court may aggregate all 1914  
checks and other negotiable instruments that the offender issued 1915  
or transferred or caused to be issued or transferred in 1916  
violation of division (A) of this section within a period of one 1917  
hundred eighty consecutive days. 1918

~~(F)~~—(E) Whoever violates this section is guilty of passing 1919  
bad checks. Except as otherwise provided in this division, 1920  
passing bad checks is a misdemeanor of the first degree. If the 1921  
check or checks or other negotiable instrument or instruments 1922  
are issued or transferred to a single vendor or single other 1923  
person for the payment of one thousand dollars or more but less 1924  
than seven thousand five hundred dollars or if the check or 1925  
checks or other negotiable instrument or instruments are issued 1926  
or transferred to multiple vendors or persons for the payment of 1927  
one thousand five hundred dollars or more but less than seven 1928  
thousand five hundred dollars, passing bad checks is a felony of 1929  
the fifth degree. If the check or checks or other negotiable 1930  
instrument or instruments are for the payment of seven thousand 1931  
five hundred dollars or more but less than one hundred fifty 1932  
thousand dollars, passing bad checks is a felony of the fourth 1933  
degree. If the check or checks or other negotiable instrument or 1934  
instruments are for the payment of one hundred fifty thousand 1935  
dollars or more, passing bad checks is a felony of the third 1936  
degree. 1937

**Sec. 4712.05.** (A) Each contract between the buyer and a 1938  
credit services organization for the purchase of the services of 1939  
the organization shall be in writing, dated and signed by the 1940  
buyer, and shall include all of the following: 1941

(1) A statement, in type that is boldfaced, capitalized, 1942

underlined, or otherwise conspicuously set out from surrounding 1943  
written material and that is in immediate proximity to the space 1944  
reserved for the signature of the buyer, as follows: 1945

"If you, the buyer, have been denied credit within the 1946  
last sixty days, you may obtain a free copy of the consumer 1947  
credit report from the consumer reporting agency. You also have 1948  
the right to dispute inaccurate information in a report. 1949

You may cancel this contract at any time before midnight 1950  
of the third business day after the date you signed it. See the 1951  
attached notice of cancellation form for an explanation of this 1952  
right." 1953

(2) The terms and conditions of payment, including the 1954  
total of all payments to be made by the buyer, whether to the 1955  
credit services organization or to another person; 1956

(3) A full and detailed description of the services to be 1957  
performed for the buyer by the credit services organization, 1958  
including all guarantees and all promises of full or partial 1959  
refunds, and the estimated length of time, not exceeding sixty 1960  
days or any shorter time period prescribed by the superintendent 1961  
of financial institutions, for performing the services~~r~~. The 1962  
performance of services under a contract to which all of the 1963  
following conditions apply is not subject to the time limit 1964  
identified in division (A) (3) of this section, but is subject to 1965  
a twelve-month limit: 1966

(a) The buyer agrees to make substantially equal periodic 1967  
payments at fixed time intervals for the services after they are 1968  
performed during the term of the contract. 1969

(b) The buyer may cancel the contract at any time without 1970  
penalty or obligation to pay for any services that have not yet 1971

<u>been rendered.</u>	1972
<u>(c) The contract solely provides for the ongoing</u>	1973
<u>performance of either of the following services:</u>	1974
<u>(i) Services described in division (C)(1)(a) of section</u>	1975
<u>4712.01 of the Revised Code or providing advice or assistance to</u>	1976
<u>a buyer in connection with such services;</u>	1977
<u>(ii) Services described in division (C)(1)(d) of section</u>	1978
<u>4712.01 of the Revised Code.</u>	1979
<u>(d) The buyer's explicit, affirmative, and documented</u>	1980
<u>assent is provided before a contract is renewed.</u>	1981
<u>(e) During the term of the contract period, the credit</u>	1982
<u>services organization reviews with the buyer the adverse credit</u>	1983
<u>information on the buyer's credit report.</u>	1984
(4) The address of the credit services organization's	1985
principal place of business and the name and address of its	1986
agent in this state authorized to receive service of process;	1987
(5) With respect to the previous calendar year or the time	1988
period during which the credit services organization has been in	1989
business, whichever is shorter, the percentage of the	1990
organization's customers for whom the organization has fully and	1991
completely performed the services the organization agreed to	1992
perform for the buyer.	1993
(B) The contract shall have attached two easily detachable	1994
copies of a notice of cancellation. The notice shall be in	1995
boldface type and in the following form:	1996
"Notice of Cancellation	1997
You may cancel this contract, without any penalty or	1998

obligation, within three business days after the date the contract is signed. 1999  
2000

To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or other written notice, to: 2001  
2002

\_\_\_\_\_ (Name of Seller) at \_\_\_\_\_ 2003  
(Address of Seller) (Place of Business) not later than midnight 2004  
\_\_\_\_\_ (Date) 2005

I hereby cancel this transaction. 2006

Dated: \_\_\_\_\_ 2007  
\_\_\_\_\_  
(Buyer's signature)" 2008

(C) The credit services organization, at the time of signing, shall give to the buyer a copy of the completed contract and all other documents the organization requires the buyer to sign. 2009  
2010  
2011  
2012

(D) No credit services organization shall breach a contract described in this section or fail to comply with any obligation arising from such a contract. 2013  
2014  
2015

(E) No credit services organization shall fail to comply with division (A), (B), or (C) of this section. 2016  
2017

**Section 2.** That existing sections 135.77, 135.774, 307.04, 1115.05, 1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 1322.07, 1322.09, 1322.10, 1322.12, 1322.15, 1322.29, 1322.30, 1322.32, 1322.34, 1322.43, 1322.50, 1322.52, 1345.01, 1349.72, 2913.11, and 4712.05 of the Revised Code are hereby repealed. 2018  
2019  
2020  
2021  
2022

**Section 3.** That sections 1322.24, 1322.25, and 1349.16 of the Revised Code are hereby repealed. 2023  
2024

**Section 4.** (A) As used in this section: 2025

(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.

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

(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.

(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:

(a) An executive order issued by the Governor;

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

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

(B) Subject to section 5715.19 of the Revised Code, an eligible person may request in a valuation complaint for tax year 2020, 2021, or 2022 that the assessment of true value in money of the property account for any reduction in true value due to a circumstance related to the COVID-19 pandemic or a state COVID-19 order that occurred in the tax year for which the complaint was filed, but after the tax lien date for that year.

(C) For any valuation complaint filed by an eligible person for tax year 2020, 2021, or 2022 that includes a request

described in division (B) of this section, the board of revision 2054  
shall consider evidence of diminished true value after the tax 2055  
lien date for the tax year for which the complaint was filed due 2056  
to any circumstances related to the COVID-19 pandemic or state 2057  
COVID-19 orders, and, if the board determines that this evidence 2058  
is satisfactory, shall adjust the property's true value in money 2059  
for that tax year to reflect that diminished valuation. 2060

(D) Notwithstanding division (A) (2) of section 5715.19 of 2061  
the Revised Code and except as otherwise provided in this 2062  
section, an eligible person may file a valuation complaint 2063  
authorized under division (B) of this section, regardless of 2064  
whether that eligible person filed any complaint under section 2065  
5715.19 of the Revised Code relative to that parcel for any 2066  
preceding tax year in the same interim period. Such a valuation 2067  
complaint may be filed only if the circumstances described in 2068  
division (B) of this section began to apply after the tax lien 2069  
date for the tax year for which that prior complaint was filed. 2070