As Introduced

136th General Assembly
Regular Session **H. B. No. 257**
2025-2026

Representatives Grim, Schmidt

Cosponsors: Representatives Brent, Brennan, Piccolantonio, McNally, Rader, Sigrist, Lett, Brownlee, Mohamed, Russo, Denson, Cockley, Somani, Johnson, Jarrells, Upchurch, Hall, D., Baker, Sims, Abdullahi, Synenberg, Miller, J., Robinson, Richardson, Robb Blasdel, Hall, T.

To amend sections 1343.01, 1343.03, 1349.01, 2716.02, 2716.03, and 4712.01 and to enact section 1349.54 of the Revised Code to limit the rate of interest on medical debt, to prohibit reporting medical debt to a consumer reporting agency, and to name this act the Ohio Medical Debt Fairness Act.

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

Section 1. That sections 1343.01, 1343.03, 1349.01, 2716.02, 2716.03, and 4712.01 be amended and section 1349.54 of the Revised Code be enacted to read as follows:

Sec. 1343.01. (A) The parties to a bond, bill, promissory note, or other instrument of writing for the forbearance or payment of money at any future time, may stipulate therein for the payment of interest upon the amount thereof at any rate not exceeding eight per cent per annum payable annually, except as authorized in division (B) of this section<u> or limited by division (C) of this section</u>.

(B) ~~Any~~ Subject to division (C) of this section, any party may agree to pay a rate of interest in excess of the maximum rate provided in division (A) of this section when:

(1) The original amount of the principal indebtedness stipulated in the bond, bill, promissory note, or other instrument of writing exceeds one hundred thousand dollars;

(2) The payment is to a broker or dealer registered under the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78A, as amended, for carrying a debit balance in an account for a customer if such debit balance is payable on demand and secured by stocks, bonds or other securities;

(3) The instrument evidences a loan secured by a mortgage or deed of trust on real estate where the loan has been approved, insured, guaranteed, purchased, or for which an offer or commitment to insure, guarantee, or purchase has been received, in whole or in part, by the federal government or any agency or instrumentality thereof, the federal national mortgage association, the federal home loan mortgage corporation, or the farmers home administration, all of which is authorized pursuant to the "National Housing Act," 12~~.~~ U.S.C. 1701; the "Serviceman's Readjustment Act," 38 U.S.C. 1801; the "Federal Home Loan Bank Act," 12 U.S.C. 1421; and the "Rural Housing Act," 42 U.S.C. 1471, amendments thereto, reenactments thereof, enactments parallel thereto, or in substitution therefor, or regulations issued thereunder; or by the state or any agency or instrumentality thereof authorized pursuant to Chapter 122. of the Revised Code, or rules issued thereunder.

(4) The instrument evidences a loan secured by a mortgage, deed of trust, or land installment contract on real estate which does not otherwise qualify for exemption from the provisions of

this section, except that such rate of interest shall not exceed eight per cent in excess of the discount rate on ninety-day commercial paper in effect at the federal reserve bank in the fourth federal reserve district at the time the mortgage, deed of trust, or land installment contract is executed.

(5) The instrument is payable on demand or in one installment and is not secured by household furnishings or other goods used for personal, family, or household purposes.

(6)(a) The loan is a business loan to a business association or partnership, a person owning and operating a business as a sole proprietor; any persons owning and operating a business as joint venturers, joint tenants, or tenants in common; any limited partnership; or any trustee owning or operating a business or whose beneficiaries own or operate a business, except that:

(i) Any loan which is secured by an assignment of an individual obligor's salary, wages, commissions, or other compensation for services or by ~~his~~ the individual obligor's household furniture or other goods used for ~~his~~ the individual obligor's personal, family, or household purposes shall be deemed not a loan within the meaning of division (B)(6) of this section;

(ii) Any loan which otherwise qualifies as a business loan within the meaning of division (B)(6) of this section shall not be deemed disqualified because of the inclusion, with other security consisting of business assets of any such obligor, of real estate occupied by an individual obligor solely as ~~his~~ the individual obligor's residence.

(b) As used in division (B)(6)(a) of this section, "business" means a commercial, agricultural, or industrial enterprise which is carried on for the purpose of investment or profit. "Business" does not mean the ownership or maintenance of real estate occupied by an individual obligor solely as ~~his~~ the individual obligor's residence.

(C)(1) As used in division (C) of this section, "incur" and "medical debt" have the same meanings as in section 1349.54 of the Revised Code.

(2) Notwithstanding any contrary provision of the Revised Code, the rate of interest drawn upon medical debt incurred on or after the effective date of this amendment shall not exceed three per cent per annum.

Sec. 1343.03. (A) In cases other than those provided for in sections 1343.01 and 1343.02 of the Revised Code, when money becomes due and payable upon any bond, bill, note, or other instrument of writing, upon any book account, upon any settlement between parties, upon all verbal contracts entered into, and upon all judgments, decrees, and orders of any judicial tribunal for the payment of money arising out of tortious conduct or a contract or other transaction, the creditor is entitled to interest at the rate per annum determined pursuant to section 5703.47 of the Revised Code, unless a written contract provides a different rate of interest in relation to the money that becomes due and payable, in which case the creditor is entitled to interest at the rate provided in that contract.

(B) Except as provided in divisions (C) ~~and~~ , (D), and (E) of this section and subject to section 2325.18 of the Revised Code, interest on a judgment, decree, or order for the payment of money rendered in a civil action based on tortious conduct or a contract or other transaction, including, but not limited to a civil action based on tortious conduct or a contract or other transaction that has been settled by agreement of the parties, shall be computed from the date the judgment, decree, or order is rendered to the date on which the money is paid and shall be at the rate determined pursuant to section 5703.47 of the Revised Code that is in effect on the date the judgment, decree, or order is rendered. That rate shall remain in effect until the judgment, decree, or order is satisfied.

(C)(1) If, upon motion of any party to a civil action that is based on tortious conduct, that has not been settled by agreement of the parties, and in which the court has rendered a judgment, decree, or order for the payment of money, the court determines at a hearing held subsequent to the verdict or decision in the action that the party required to pay the money failed to make a good faith effort to settle the case and that the party to whom the money is to be paid did not fail to make a good faith effort to settle the case, interest on the judgment, decree, or order shall be computed as follows:

(a) In an action in which the party required to pay the money has admitted liability in a pleading, from the date the cause of action accrued to the date on which the order, judgment, or decree was rendered;

(b) In an action in which the party required to pay the money engaged in the conduct resulting in liability with the deliberate purpose of causing harm to the party to whom the money is to be paid, from the date the cause of action accrued to the date on which the order, judgment, or decree was rendered;

(c) In all other actions, for the longer of the following periods:

(i) From the date on which the party to whom the money is to be paid gave the first notice described in division (C)(1)(c)(i) of this section to the date on which the judgment, order, or decree was rendered. The period described in division (C)(1)(c)(i) of this section shall apply only if the party to whom the money is to be paid made a reasonable attempt to determine if the party required to pay had insurance coverage for liability for the tortious conduct and gave to the party required to pay and to any identified insurer, as nearly simultaneously as practicable, written notice in person or by certified mail that the cause of action had accrued.

(ii) From the date on which the party to whom the money is to be paid filed the pleading on which the judgment, decree, or order was based to the date on which the judgment, decree, or order was rendered.

(2) No court shall award interest under division (C)(1) of this section on future damages, as defined in section 2323.56 of the Revised Code, that are found by the trier of fact.

(D) Division (B) of this section does not apply to a judgment, decree, or order rendered in a civil action based on tortious conduct or a contract or other transaction, and division (C) of this section does not apply to a judgment, decree, or order rendered in a civil action based on tortious conduct, if a different period for computing interest on it is specified by law, or if it is rendered in an action against the state in the court of claims, or in an action under Chapter 4123. of the Revised Code.

(E)(1) As used in division (E) of this section, "incur" and "medical debt" have the same meanings as in section 1349.54 of the Revised Code.

(2) The rate of interest on a judgment, decree, or order for the payment of a medical debt incurred on or after the effective date of this amendment shall not exceed three per cent per annum.

Sec. 1349.01. (A) As used in this section:

(1) "Consumer reporting agency" has the same meaning as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a.

(2) "Court" means the division of the court of common pleas having jurisdiction over actions for divorce, annulment, dissolution of marriage, legal separation, child support, or spousal support.

(3) "Health insurance coverage" means hospital, surgical, or medical expense coverage provided under any health insurance or health care policy, contract, or plan or any other health benefits arrangement.

(4) "Provider" has the same meaning as in section 3902.11 of the Revised Code.

(B) If, pursuant to an action for divorce, annulment, dissolution of marriage, or legal separation, the court determines that a party who is a resident of this state is responsible for obtaining health insurance coverage for the party's former spouse or children or if, pursuant to a child support order issued in accordance with sections 3119.29 to 3119.56 of the Revised Code, the court requires a party who is a resident of this state to obtain health insurance coverage for the children who are the subject of the child support order, and the party fails to obtain such coverage, no provider or collection agency shall collect or attempt to collect from the former spouse, children, or person responsible for the children, any reimbursement of any hospital, surgical, or medical expenses incurred by the provider for services rendered to the former spouse or children, which expenses would have been covered but for the failure of the party to obtain the coverage, if the former spouse, any of the children, or a person responsible for the children, provides the following to the provider or collection agency:

(1) A copy of the court order requiring the party to obtain health insurance coverage for the former spouse or children.

(2) Reasonable assistance in locating the party and obtaining information about the party's health insurance coverage.

(C) If the requirements of divisions (B)(1) and (2) of this section are not met, the provider or collection agency may collect the hospital, surgical, or medical expenses both from the former spouse or person responsible for the children and from the party who failed to obtain the coverage. If the requirements of divisions (B)(1) and (2) are met, the provider or collection agency may collect or attempt to collect the expenses only from the party.

A party required to obtain health insurance coverage for a former spouse or children who fails to obtain the coverage is liable to the provider for the hospital, surgical, or medical expenses incurred by the provider as a result of the failure to obtain the coverage. This section does not prohibit a former spouse or person responsible for the children from initiating an action to enforce the order requiring the party to obtain health insurance for the former spouse or children or to collect any amounts the former spouse or person responsible for the children pays for hospital, surgical, or medical expenses for which the party is responsible under the order requiring the party to obtain health insurance for the former spouse or children.

~~(D)(1) If the requirements of divisions (B)(1) and (2) of this section are met, both of the following restrictions shall apply:~~

~~(a) No collection agency or provider of hospital, surgical, or medical services may report to a consumer reporting agency, for inclusion in the credit file or credit report of the former spouse or person responsible for the children, any information relative to the nonpayment of expenses for the services incurred by the provider, if the nonpayment is the result of the failure of the party responsible for obtaining health insurance coverage to obtain health insurance coverage.~~

~~(b) No consumer reporting agency shall include in the credit file or credit report of the former spouse or person responsible for the children, any information relative to the nonpayment of any hospital, surgical, or medical expenses incurred by a provider as a result of the party's failure to obtain the coverage.~~

~~(2) If the requirements of divisions (B)(1) and (2) of this section are not met, both of the following provisions shall apply:~~

~~(a) A provider of hospital, surgical, or medical services, or a collection agency, may report to a consumer reporting agency, for inclusion in the credit file or credit report of the~~

~~former spouse or person responsible for the children, any information relative to the nonpayment of expenses for the services incurred by the provider, if the nonpayment is the result of the failure of the party responsible for obtaining health insurance coverage to obtain such coverage.~~

~~(b) A consumer reporting agency may include in the credit file or credit report of the former spouse or person responsible for the children, any information relative to the nonpayment of any hospital, surgical, or medical expenses incurred by the provider, if the nonpayment is the result of the failure of the party responsible for obtaining health insurance coverage to obtain such coverage.~~

~~(3)(a) A provider of hospital, surgical, or medical services, or a collection agency, may report to a consumer reporting agency, for inclusion in the credit file or credit report of that party, any information relative to the nonpayment of expenses for the services incurred by the provider, if the nonpayment is the result of the failure of the party responsible for obtaining health insurance coverage to obtain such coverage.~~

~~(b) A consumer reporting agency may include in the credit file or credit report of the party responsible for obtaining health insurance coverage, any information relative to the nonpayment of any hospital, surgical, or medical expenses incurred by a provider, if the nonpayment is the result of the failure of that party to obtain health insurance coverage.~~

~~(4) If any information described in division (D)(2) of this section is placed in the credit file or credit report of the former spouse or person responsible for the children, the consumer reporting agency shall remove the information from the credit file and credit report if the former spouse or person~~

~~responsible for the children provides the agency with the information required in divisions (B)(1) and (2) of this section. If the agency fails to remove the information from the credit file or credit report pursuant to the terms of the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C. 1681a, within a reasonable time after receiving the information required by divisions (B)(1) and (2) of this section, the former spouse may initiate an action to require the agency to remove the information.~~

~~If any information described in division (D)(3) of this section is placed in the party's credit file or credit report, the party has the burden of proving that the party is not responsible for obtaining the health insurance coverage or, if responsible, that the expenses incurred are not covered expenses. If the party meets that burden, the agency shall remove the information from the party's credit file and credit report immediately. If the agency fails to remove the information from the credit file or credit report immediately after the party meets the burden, the party may initiate an action to require the agency to remove the information.~~

Sec. 1349.54. (A) As used in this section and section 1349.541 of the Revised Code:

(1) "Collection agency" has the same meaning as in section 1319.12 of the Revised Code.

(2) "Consumer" means any person obligated or allegedly obligated to pay a medical debt.

(3) "Consumer reporting agency" means any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of

assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

(4) "Health care provider" has the same meaning as in section 3701.74 of the Revised Code.

(5) "Incur" means, with respect to medical debt, the date a health care provider or its designee first sends the consumer, patient guarantor, or third-party payer a bill for health care services, products, or devices.

(6) "Medical debt" means an obligation of a consumer to pay an amount for the receipt of health care services, products, or devices including hospital, surgical, and medical expenses, as those terms are used in section 1349.01 of the Revised Code.

(B)(1) No health care provider or collection agency shall report to a consumer reporting agency any information relative to the nonpayment of medical debt incurred on or after the effective date of this section for inclusion in a consumer's credit file or credit report.

(2) If a consumer believes that a health care provider or collection agency has reported the consumer's medical debt to a consumer reporting agency in violation of division (B)(1) of this section, the consumer may commence a civil action against the health care provider or collection agency.

(3) If the court holds that a violation occurred, the court shall order the medical debt or portion of the medical debt reported to a consumer reporting agency to be void. No health care provider or collection agency shall bill or otherwise seek to recover the medical debt from the consumer or any third-party payer, as defined in section 3901.38 of the

Revised Code, following such a holding.

(C)(1) No consumer reporting agency shall include in a consumer's credit file or credit report any information relative to the nonpayment of medical debt incurred on or after the effective date of this section.

(2) If such information is included in a consumer's credit file or credit report, the consumer reporting agency shall remove the information.

(3) If the consumer reporting agency fails to remove the information from the credit file or credit report pursuant to the terms of the "Fair Credit Reporting Act," 15 U.S.C. 1681a, within thirty days after discovering or receiving notice of the information, the consumer has a civil action to enforce this section.

(4) The court may require the consumer reporting agency to remove the information and award the consumer ten dollars in damages for each day following the initial thirty-day period that the violation persists.

Sec. 2716.02. (A) Any person seeking an order of garnishment of personal earnings, after obtaining a judgment, shall make the following demand in writing for the excess of the amount of the judgment over the amount of personal earnings that may be exempt from execution, garnishment, attachment, or sale to satisfy a judgment or order, or for so much of the excess as will satisfy the judgment. The demand shall be made after the judgment is obtained and at least fifteen days and not more than forty-five days before the order is sought by delivering it to the judgment debtor by personal service by the court, by sending it to the judgment debtor by certified mail, return receipt requested, or by sending it to the judgment debtor by regular mail evidenced by a properly completed and stamped certificate of mailing by regular mail, addressed to the judgment debtor's last known place of residence.

The demand shall be in substantially the following form:

"NOTICE OF COURT PROCEEDING TO COLLECT DEBT

Date of mailing or date of service by the court ______________

To: ______________________________

(Name of Judgment Debtor)

____

(Last Known Residence Address of Judgment Debtor)

You owe the undersigned _______________________ (Name of Judgment Creditor) $__________, including interest and court costs, for which a judgment was obtained against you or certified in the __________ court on __________, payment of which is hereby demanded.

If you do not do one of the three things listed below within fifteen days of the date of the mailing of this notice or of its service by the court, we will go to court, unless we are otherwise precluded by law from doing so, and ask that your employer be ordered to withhold money from your earnings until the judgment is paid in full or, if applicable, is paid to a certain extent and to pay the withheld money to the court in satisfaction of your debt. This is called garnishment of personal earnings.

It is to your advantage to avoid garnishment of personal earnings because the placing of the extra burden on your employer possibly could cause you to lose your job.

YOU CAN AVOID THE GARNISHMENT BY DOING ONE OF THESE THREE THINGS WITHIN THE FIFTEEN-DAY PERIOD:

(1) Pay to us the amount due;

(2) Complete the attached form entitled "Payment to Avoid Garnishment" and return it to us with the payment, if any, shown due on it; or

(3) Apply to your local municipal or county court or, if you are not a resident of Ohio, to the municipal or county court in whose jurisdiction your place of employment is located, for the appointment of a trustee to receive the part of your earnings that is not exempt from garnishment, and notify us that you have applied for the appointment of a trustee. You will be required to list your creditors, the amounts of their claims, and the amounts due on their claims, and the amount you then will pay to your trustee each payday will be divided among them until the debts are paid off. This can be to your advantage because in the meantime none of those creditors can garnish your wages.

You also may contact a budget and debt counseling service described in division ~~(D)~~ (E) of section 2716.03 of the Revised Code for the purpose of entering into an agreement for debt scheduling. There may not be enough time to set up an agreement for debt scheduling in order to avoid a garnishment of your wages based upon this demand for payment, but entering into an agreement for debt scheduling might protect you from future garnishments of your wages. Under an agreement for debt scheduling, you will have to regularly pay a portion of your income to the service until the debts subject to the agreement are paid off. This portion of your income will be paid by the service to your creditors who are owed debts subject to the agreement. This can be to your advantage because these creditors cannot garnish your wages while you make your payments to the service on time.

____

(Name of Judgment Creditor)

____

(Signature of Judgment Creditor or Judgment Creditor's Attorney)

____

____

____

(Address of Judgment Creditor)

PAYMENT TO AVOID GARNISHMENT

To: ______________________________

(Name of Judgment Creditor)

____

____

(Address of Judgment Creditor)

To avoid the garnishment of personal earnings of which you have given me notice, I enclose $ _______________ to apply toward my indebtedness to you. The amount of the payment was computed as follows:

1. Total amount of indebtedness demanded: (1) $__________

2. Enter the amount of your personal earnings, after deductions required by law, earned by you during the current pay period (that is, the pay period in which this demand is received by you): (2) $___________

3. (A) Enter your pay period (weekly, biweekly, semimonthly, monthly): (3)(A) __________

(B) Enter the date when your present pay period ends: (3)(B) __________

4. Enter an amount equal to 25% of the amount on line (2): (4) ______________

5. (A) The current federal minimum hourly wage is __________ (to be filled in by Judgment Creditor) (You should use the above figure to complete this portion of the form.) If you are paid weekly, enter thirty times the current federal minimum hourly wage; if paid biweekly, enter sixty times the current federal minimum hourly wage; if paid semimonthly, enter sixty-five times the current federal minimum hourly wage; if paid monthly, enter one hundred thirty times the current federal minimum hourly wage: (5)(A) ________

(B) Enter the amount by which the amount on line (2) exceeds the amount on line 5(A): (5)(B)__________

6. Enter the smallest of the amounts on line (1), (4), or 5(B). Send this amount to the judgment creditor along with this form after you have signed it: (6) $___________

I certify that the statements contained above are true to the best of my knowledge and belief.

____
(Signature of Judgment Debtor)

____

____

____
(Print Name and Residence Address of Judgment Debtor)

(To verify that the amount shown on line (2) is a true statement of your earnings, you must either have your employer certify below that the amount shown on line (2) is a true statement of your earnings or you may submit copies of your pay stubs for the two pay periods immediately prior to your receiving this notice.)

I certify that the amount shown on line (2) is a true statement of the judgment debtor's earnings.

____
(Print Name of Employer)

____
(Signature of Employer or Agent)

I certify that I have attached copies of my pay stubs for the two pay periods immediately prior to my receiving this notice.

____
(Signature of Judgment Debtor)"

(B) If a judgment debtor properly completes a payment to avoid garnishment and returns it with the required funds to the judgment creditor or the judgment creditor's attorney, the judgment creditor or the judgment creditor's attorney who issued the notice of court proceeding to collect debt may not issue another notice of court proceeding to collect debt to the judgment debtor until the expiration date of the judgment debtor's present pay period that is set forth by the judgment debtor and the judgment debtor's employer in the answer to (3)(B) in the payment to avoid garnishment.

(C) If an order of garnishment of personal earnings issued pursuant to this chapter has not been paid in full when it ceases to remain in effect because of the operation of division (C)(1) of section 2716.041 of the Revised Code, the garnishee's duties under the order of garnishment are complete with the filing of the final report and answer of the garnishee. The judgment creditor must institute new garnishment proceedings if the judgment creditor wants an additional garnishment.

Sec. 2716.03. (A) Subject to the limitation on the commencement of proceedings contained in division (B) of section 124.10 of the Revised Code, a proceeding in garnishment of personal earnings may be commenced after a judgment has been obtained by a judgment creditor by the filing of an affidavit in writing made by the judgment creditor or the judgment creditor's attorney setting forth all of the following:

(1) The name of the judgment debtor whose personal earnings the judgment creditor seeks to garnish;

(2) The name and address of the garnishee who may be an employer of the judgment debtor and who may have personal earnings of the judgment debtor;

(3) That the demand in writing, as required by section 2716.02 of the Revised Code, has been made;

(4) That the payment demanded in the notice required by section 2716.02 of the Revised Code has not been made, and a sufficient portion of the payment demanded has not been made to prevent the garnishment of personal earnings as described in section 2716.02 of the Revised Code;

(5) That the affiant has no knowledge of any application by the judgment debtor for the appointment of a trustee so as to preclude the garnishment of the judgment debtor's personal earnings;

(6) That the affiant has no knowledge that the debt to which the affidavit pertains is the subject of a debt scheduling agreement of a nature that precludes the garnishment of the personal earnings of the judgment debtor under division (B) of this section.

(B) No proceeding in garnishment of personal earnings shall be brought against a judgment debtor for the collection of a debt that is the subject of an agreement for debt scheduling between the judgment debtor and a budget and debt counseling service, unless any payment to be made by the judgment debtor, or by a budget and debt counseling service to the judgment creditor under the agreement for debt scheduling between the judgment debtor and the budget and debt counseling service, is due and unpaid for more than forty-five days after the date on which the payment became due, or unless the judgment creditor previously was notified by the service that the debt scheduling agreement between the judgment debtor and the service was terminated.

(C) Upon a court's issuance of an order of garnishment of personal earnings following a judgment creditor's filing of an affidavit under this section and compliance with section 2716.04 of the Revised Code, the garnishee and the judgment debtor shall be notified of the proceeding in garnishment of personal earnings in accordance with sections 2716.05 and 2716.06 of the Revised Code.

~~(D)~~ (D)(1) As used in division (D) of this section, "incur" and "medical debt" have the same meanings as in section 1349.54 of the Revised Code.

(2) No proceeding in garnishment of personal earnings shall be brought against a judgment debtor for the collection of a medical debt incurred on or after the effective date of this amendment.

(E) As used in this chapter:

(1) A "budget and debt counseling service" or "service" means a corporation organized under Chapter 1702. of the Revised Code for the purpose of counseling consumers with respect to their financial obligations and assisting them in dealing with their creditors.

(2) "Debt scheduling" means counseling and assistance provided to a consumer by a budget and debt counseling service under all of the following circumstances:

(a) The counseling and assistance is manifested in an agreement between the consumer and the service under which the consumer regularly pays that portion of the consumer's income to the service that has been determined not to be required for the maintenance of health or the essentials of life.

(b) The payments are made to the service until the debts of the consumer that are the subject of the agreement are fully retired.

(c) The service has sent written notice, by certified mail, return receipt requested, or by regular mail evidenced by a properly completed and stamped certificate of mailing by regular mail, to the creditors of the consumer that are disclosed by the consumer to the service. The notice shall contain all of the following:

(i) A statement of the consumer's intent to participate in debt scheduling;

(ii) A summary of the consumer's income, proposed itemized budget, schedule of creditors, and proposed debt retirement plan;

(iii) A statement of the particular creditor's duty to respond, in writing, to the service regarding the consumer's participation in debt scheduling within fifteen days after receiving the notice.

(d) The debts of the consumer that are the subject of the agreement for debt scheduling are determined as follows:

(i) Any debt owed to a creditor that was notified of the consumer's intent to participate is a subject of the agreement if the creditor responds to the service and enters into an agreement with the service, pursuant to which the creditor agrees not to attempt to collect the debts of the consumer as long as the consumer regularly pays to the service the amount previously agreed upon by the service and the consumer, and no payment to be made by the judgment debtor to the service or by the service to the creditor is due and unpaid for more than forty-five days after the date on which the payment became due, as long as the debt scheduling agreement between the consumer and the service has not been terminated, and as long as the service regularly pays to the creditor a mutually acceptable amount that is either the amount agreed upon by the service and the creditor on the date they entered into their original agreement or an amount agreed upon by both the service and the creditor on a date after the date of the original agreement.

(ii) Any debt owed to a creditor that was notified of the consumer's intent to participate is a subject of the agreement if the creditor does not respond to the service and state the creditor's objection, in writing, to the consumer's participation in debt scheduling within fifteen days after receiving notice of the consumer's intention to do so; however, no debt that is subject to a lien or security interest of any type, other than a judgment lien or execution lien, shall be a subject of the agreement unless the creditor specifically assents, in writing, to the debt being a subject of the agreement. The creditor shall be considered to have entered into an agreement of the type described in division ~~(D)(2)(d)(i)~~ (E)(2)(d)(i) of this section, and the amount to be regularly paid by the service to the creditor shall be an amount determined to be reasonable by the service or an amount agreed upon by both the service and the creditor on a date after the expiration of the fifteen-day period.

(iii) Any debt owed to a creditor that was not notified of the consumer's intent to participate, or a debt owed to a creditor that was notified of the consumer's intent to participate and that responded to the service and stated its objection, in writing, to the consumer's participation in debt scheduling within fifteen days after receiving notice of the consumer's intention to do so, is not a subject of the agreement.

(e) The service agrees that, if the consumer fails to make a payment under the agreement within forty-five days of its due date or if the agreement is terminated, the service will notify each creditor that is owed a debt that is subject to the agreement of the failure or termination by regular mail within two business days of the failure or termination, and the service provides that notice in accordance with the agreement.

Sec. 4712.01. As used in sections 4712.01 to 4712.14 of the Revised Code:

(A) "Buyer" means an individual who is solicited to purchase or who purchases the services of a credit services organization for purposes other than obtaining a business loan as described in division (B)(6) of section 1343.01 of the Revised Code.

(B) "Consumer reporting agency" has the same meaning as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended.

(C)(1) "Credit services organization" means any person that, in return for the payment of money or other valuable consideration readily convertible into money for the following services, sells, provides, or performs, or represents that the person can or will sell, provide, or perform, one or more of the following services:

(a) Improving a buyer's credit record, history, or rating;

(b) Obtaining an extension of credit by others for a buyer;

(c) Providing advice or assistance to a buyer in connection with division (C)(1)(a) or (b) of this section;

(d) Removing adverse credit information that is ~~accurate and not~~ inaccurate or obsolete from the buyer's credit record, history, or rating;

(e) Altering the buyer's identification to prevent the display of the buyer's credit record, history, or rating.

(2) "Credit services organization" does not include any of the following:

(a) A person that makes or collects loans, to the extent these activities are subject to licensure or registration by this state;

(b) A mortgage broker, as defined in section 1322.01 of the Revised Code, that holds a valid certificate of registration under Chapter 1322. of the Revised Code;

(c) A lender approved by the United States secretary of housing and urban development for participation in a mortgage insurance program under the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C.A. 1701, as amended;

(d) A bank, savings bank, or savings and loan association, or a subsidiary or an affiliate of a bank, savings bank, or savings and loan association. For purposes of division (C)(2)(d) of this section, "affiliate" has the same meaning as in division (A) of section 1101.01 of the Revised Code and "bank," as used in division (A) of section 1101.01 of the Revised Code, is deemed to include a savings bank or savings and loan association.

(e) A credit union organized and qualified under Chapter 1733. of the Revised Code or the "Federal Credit Union Act," 84

Stat. 994 (1970), 12 U.S.C.A. 1751, as amended;

(f) A budget and debt counseling service, as defined in division ~~(D)~~ (E) of section 2716.03 of the Revised Code, provided that the service is a nonprofit organization exempt from taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 501, as amended, and that the service is in compliance with Chapter 4710. of the Revised Code;

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

(h) A mortgage banker;

(i) Any political subdivision, or any governmental or other public entity, corporation, or agency, in or of the United States or any state of the United States;

(j) A college or university, or controlled entity of a college or university, as defined in section 1713.05 of the Revised Code;

(k) A motor vehicle dealer licensed pursuant to Chapter 4517. of the Revised Code acting within the scope and authority of that license or a motor vehicle auction owner licensed pursuant to Chapters 4517. and 4707. of the Revised Code acting within the scope and authority of that license;

(l) An attorney at law admitted to the practice of law in this state who offers, provides, or performs a legal service that is privileged by reason of the attorney-client relationship, provided that the service is not a service described in division (C)(1)(b) or (e) of this section.

(D) "Extension of credit" means the right to defer payment of debt, or to incur debt and defer its payment, offered or granted primarily for personal, family, or household purposes. "Extension of credit" does not include a mortgage.

(E) "Mortgage" means any indebtedness secured by a deed of trust, security deed, or other lien on real property.

(F) "Mortgage banker" means any person that makes, services, or buys and sells mortgage loans and is approved by the United States department of housing and urban development, the United States department of veterans affairs, the federal national mortgage association, or the federal home loan mortgage corporation.

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

Section 2. That existing sections 1343.01, 1343.03, 1349.01, 2716.02, 2716.03, and 4712.01 of the Revised Code are hereby repealed.

Section 3. This act shall be known as the Ohio Medical Debt Fairness Act.