

As Introduced

**136th General Assembly
Regular Session
2025-2026**

S. B. No. 269

Senator Lang

To amend sections 1321.02, 1321.07, and 1321.141 of
the Revised Code for the purpose of revising the
Small Loan Act.

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

Section 1. That sections 1321.02, 1321.07, and 1321.141 of
the Revised Code be amended to read as follows:

Sec. 1321.02. (A) No person shall engage in the business
of lending money, credit, or choses in action in amounts of five
thousand dollars or less, ~~or~~ and exact, contract for, or
receive, directly or indirectly, on or in connection with any
such loan, any interest and charges that in the aggregate are
greater than the interest and charges that the lender would be
permitted to charge for a loan of money if the lender were not a
licensee, without first having obtained a license from the
division of financial institutions under sections 1321.01 to
1321.19 of the Revised Code.

(B) Sections 1321.01 to 1321.19 of the Revised Code do not
apply to any person doing business under and as permitted by any
law of this state, another state, or the United States relating
to banks, savings banks, savings societies, trust companies,
credit unions, savings and loan associations substantially all

the business of which is confined to loans on real estate 21
mortgages and evidences of their own indebtedness; to 22
registrants conducting business pursuant to sections 1321.51 to 23
1321.60 of the Revised Code; to licensees conducting business 24
pursuant to sections 1321.62 to 1321.702 of the Revised Code; to 25
licensees conducting business pursuant to sections 1321.71 to 26
1321.83 of the Revised Code; to licensees doing business 27
pursuant to sections 1321.35 to 1321.48 of the Revised Code; to 28
registrants conducting business as mortgage lenders under 29
Chapter 1322. of the Revised Code; or to any entity who is 30
licensed pursuant to Title XXXIX of the Revised Code, who makes 31
advances or loans to any person who is licensed to sell 32
insurance pursuant to that Title, and who is authorized in 33
writing by that entity to sell insurance. 34

(C) Sections 1321.01 to 1321.19 of the Revised Code do not 35
apply to loans made or credit extended by entities exempt under 36
division (B) of this section or to a person that solicits, 37
arranges, finds, or brokers loans made or credit extended by 38
such exempt entities. 39

(D) No person engaged in the business of selling tangible 40
goods or services related thereto may receive or retain a 41
license under sections 1321.01 to 1321.19 of the Revised Code 42
for such place of business. 43

~~The first paragraph~~ (E) (1) Division (A) of this section 44
applies to any person, who by any device, subterfuge, or 45
pretense, charges, contracts for, or receives greater interest, 46
consideration, or charges than that authorized by this section_ 47
without a license for any ~~such~~ loan or use of money or for any 48
~~such~~ loan, use, or sale of credit, in the amount of five 49
thousand dollars or less, or who for a fee or any manner of 50

compensation arranges or offers to find or arrange for ~~another~~ a
licensee or a person that is required to be licensed under this
section to make any ~~such~~ loan, use, or sale of credit described
in division (A) of this section.

(2) This section does not preclude the acquiring, directly
or indirectly, by purchase or discount, of a bona fide
obligation for goods or services when such obligation is payable
directly to the person who provided the goods or services.

(F) Any contract of loan in the making or collection of
which an act is done by the lender that violates this section is
void and the lender has no right to collect, receive, or retain
any principal, interest, or charges.

Sec. 1321.07. (A) At least once each year the division of
financial institutions shall make an examination of the
business, loans, books, papers, and records of each licensee so
far as they pertain to the licensed business, and it may make
such an examination more frequently if it is necessary for the
proper administration of sections 1321.01 to 1321.19 of the
Revised Code.

For the purpose of discovering violations, the division
may at any time investigate the business and examine the books,
accounts, papers, and records used therein, of:

~~(A)~~ (1) Licensees;

~~(B)~~ (2) Other persons engaged in the business described in
division (A) of ~~section 1321.02~~ of the Revised Code or
participating in such business as principal, agent, broker, or
otherwise;

~~(C)~~ (3) Any person whom the division has reasonable cause
to believe has violated, is violating, or is about to violate

sections 1321.01 to 1321.19 of the Revised Code, whether or not 80
the person claims to act under such sections. For the purpose of 81
this section, any person who advertises, solicits, or holds self 82
out as willing to make, find, or arrange for ~~another~~ a licensee 83
or for a person that is required to be licensed under section 84
1321.02 of the Revised Code to make loan transactions in the 85
amount or of the value of five thousand dollars or less, is 86
presumed to be engaged in the business described in ~~the first~~ 87
~~paragraph~~ division (A) of section 1321.02 of the Revised Code. 88

(B) (1) For the purpose of this section, the division shall 89
have and be given free access to the offices and places of 90
business, files, safes, and vaults of all such persons, and may 91
require the attendance of, and examine under oath, any person 92
relative to such loans or such business or to the subject matter 93
of any examination, investigation, or hearing. The division may 94
require the attendance of such witnesses and the production of 95
such books, records, and papers, as may be required either by 96
the division or by any party to a hearing before the division, 97
and for that purpose may issue a subpoena for any witness or a 98
subpoena duces tecum, to compel the production of any books, 99
records, or papers, directed to the sheriff of the county where 100
such witness resides or is found, which shall be served and 101
returned in the same manner as a subpoena in criminal cases is 102
served and returned. 103

(2) The fees of the sheriff shall be the same as that 104
allowed in the court of common pleas in criminal cases. 105
Witnesses shall be paid the fees and mileage provided for under 106
section 119.094 of the Revised Code. Fees and mileage shall be 107
paid from the funds of the division. No witness subpoenaed at 108
the instance of parties other than the division is entitled to 109
compensation from the state for attendance or travel unless the 110

division certifies that the witness' testimony was material to 111
the subject matter of the hearing. 112

(C) If any person fails to file any statement or report, 113
or fails to obey any subpoena, or to give testimony, or to 114
answer questions, or to produce any books, records, documents, 115
accounts, or papers as required by the division under sections 116
1321.01 to 1321.19 of the Revised Code, any court of common 117
pleas, upon application made to it and upon proof being made of 118
such failure, may make an order awarding process of subpoena or 119
subpoena duces tecum out of the court for such witness to appear 120
and testify before the division, and may make an order that any 121
person give testimony and answer questions as required, and 122
produce books, records, documents, accounts, or papers as 123
required. Upon filing such order with the clerk of the court of 124
common pleas, the clerk shall, under the seal of the court, 125
issue process of subpoena to appear before the division at a 126
time and place named therein, and so from day to day until the 127
examination of such person is completed. The subpoena may 128
contain a direction that such witness bring to such examination 129
any books, records, documents, accounts, or papers therein 130
mentioned, and the clerk shall issue, under the seal of the 131
court, such other or further orders in reference to the 132
examination, appearance, and production of books, records, 133
documents, accounts, or papers as the court directs. If any 134
person so summoned by subpoena issued by the clerk fails to obey 135
the subpoena or to answer any directions therein, or to give 136
testimony, or to answer questions as required, or to produce any 137
books, records, documents, accounts, or papers as required, or 138
if any such person fails to obey any order, the court, on motion 139
supported by proof, may order an attachment for contempt to be 140
issued against any person charged with disobeying any order or 141

injunction issued out of the court of common pleas under 142
sections 1321.01 to 1321.19 of the Revised Code. If the person 143
so offending is brought before the court by virtue of such 144
attachment, and if upon a hearing such disobedience appears, the 145
court may order the offender to be committed and kept in close 146
custody until the further order of the court. 147

Sec. 1321.141. (A) A licensee shall not make a loan under 148
sections 1321.01 to 1321.19 of the Revised Code that meets 149
either of the following conditions: 150

(1) The amount of the loan is one thousand dollars or 151
less. 152

(2) The loan has a duration of one year or less. 153

(B) A licensee shall not engage in any act or practice to 154
evade the requirement of division (A) of this section, including 155
by assisting a borrower to obtain a loan from a licensee or a 156
person that is required to be licensed under section 1321.02 of 157
the Revised Code on terms that would be prohibited by ~~that~~ 158
~~division~~ division (A) of this section. 159

(C) No licensee shall fail to comply with this section. 160

Section 2. That existing sections 1321.02, 1321.07, and 161
1321.141 of the Revised Code are hereby repealed. 162

Section 3. Section 1321.02 of the Revised Code is 163
presented in this act as a composite of the section as amended 164
by both H.B. 199 and S.B. 24 of the 132nd General Assembly. The 165
General Assembly, applying the principle stated in division (B) 166
of section 1.52 of the Revised Code that amendments are to be 167
harmonized if reasonably capable of simultaneous operation, 168
finds that the composite is the resulting version of the section 169
in effect prior to the effective date of the section as 170

presented in this act.

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