

As Introduced

**136th General Assembly
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2025-2026**

S. B. No. 456

Senator Lang

To amend sections 1321.02, 1321.62, 1321.63, 1
1321.631, 1321.632, 1321.64, 1321.643, 1321.644, 2
1321.65, 1321.651, 1321.66, 1321.663, 1321.665, 3
1321.666, 1321.67, 1321.673, 1321.674, 1321.69, 4
1321.691, 1321.70, and 1321.701; to amend, for 5
the purpose of adopting a new section number as 6
indicated in parentheses, section 1321.702 7
(1321.703); and to enact new section 1321.702 of 8
the Revised Code to make various changes to the 9
consumer installment loan law. 10

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

Section 1. That sections 1321.02, 1321.62, 1321.63, 11
1321.631, 1321.632, 1321.64, 1321.643, 1321.644, 1321.65, 12
1321.651, 1321.66, 1321.663, 1321.665, 1321.666, 1321.67, 13
1321.673, 1321.674, 1321.69, 1321.691, 1321.70, and 1321.701 be 14
amended; section 1321.702 (1321.703) be amended for the purpose 15
of adopting a new section number as indicated in parentheses; 16
and new section 1321.702 of the Revised Code be enacted to read 17
as follows: 18

Sec. 1321.02. No person shall engage in the business of 19
lending money, credit, or choses in action in amounts of five 20
thousand dollars or less, or exact, contract for, or receive, 21

directly or indirectly, on or in connection with any such loan, 22
any interest and charges that in the aggregate are greater than 23
the interest and charges that the lender would be permitted to 24
charge for a loan of money if the lender were not a licensee, 25
without first having obtained a license from the division of 26
financial institutions under sections 1321.01 to 1321.19 of the 27
Revised Code. 28

Sections 1321.01 to 1321.19 of the Revised Code do not 29
apply to any person doing business under and as permitted by any 30
law of this state, another state, or the United States relating 31
to banks, savings banks, savings societies, trust companies, 32
credit unions, savings and loan associations substantially all 33
the business of which is confined to loans on real estate 34
mortgages and evidences of their own indebtedness; to 35
registrants conducting business pursuant to sections 1321.51 to 36
1321.60 of the Revised Code; to licensees conducting business 37
pursuant to sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised 38
Code; to licensees conducting business pursuant to sections 39
1321.71 to 1321.83 of the Revised Code; to licensees doing 40
business pursuant to sections 1321.35 to 1321.48 of the Revised 41
Code; to registrants conducting business as mortgage lenders 42
under Chapter 1322. of the Revised Code; or to any entity who is 43
licensed pursuant to Title XXXIX of the Revised Code, who makes 44
advances or loans to any person who is licensed to sell 45
insurance pursuant to that Title, and who is authorized in 46
writing by that entity to sell insurance. No person engaged in 47
the business of selling tangible goods or services related 48
thereto may receive or retain a license under sections 1321.01 49
to 1321.19 of the Revised Code for such place of business. 50

The first paragraph of this section applies to any person, 51
who by any device, subterfuge, or pretense, charges, contracts 52

for, or receives greater interest, consideration, or charges 53
than that authorized by this section for any such loan or use of 54
money or for any such loan, use, or sale of credit, or who for a 55
fee or any manner of compensation arranges or offers to find or 56
arrange for another person to make any such loan, use, or sale 57
of credit. This section does not preclude the acquiring, 58
directly or indirectly, by purchase or discount, of a bona fide 59
obligation for goods or services when such obligation is payable 60
directly to the person who provided the goods or services. 61

Any contract of loan in the making or collection of which 62
an act is done by the lender that violates this section is void 63
and the lender has no right to collect, receive, or retain any 64
principal, interest, or charges. 65

Sec. 1321.62. As used in sections 1321.62 to ~~1321.702~~ 66
1321.703 of the Revised Code: 67

(A) "Actuarial method" means the method of allocating 68
payments made on a loan between the principal amount and 69
interest whereby a payment is applied first to the accumulated 70
interest and the remainder to the unpaid principal amount. 71

(B) "Advertisement" and "advertising" mean all material 72
printed, published, displayed, distributed, or broadcast, and 73
all material displayed or distributed over the internet, 74
telephone, facsimile, or other electronic transmission, for the 75
purposes of obtaining applications for loans. 76

(C) "Affiliation" and "affiliated with" mean controlled by 77
or under common control with another person or enterprise either 78
directly or indirectly through one or more intermediaries. 79

(D) "Annual percentage rate" means the ratio of the 80
interest on a loan to the unpaid principal balances on the loan 81

for any period of time, expressed on an annual basis. 82

(E) "Applicable charge" means the amount of interest 83
attributable to each monthly installment period of the loan 84
contract, computed as if each installment period were one month 85
and any charge for extending the first installment period beyond 86
one month is ignored. In the case of loans originally scheduled 87
to be repaid in sixty-one months or less, "applicable charge" 88
for any installment period means that proportion of the total 89
interest contracted for, as the balance scheduled to be 90
outstanding during that period bears to the sum of all of the 91
periodic balances, all determined according to the payment 92
schedule originally contracted for. In all other cases, 93
"applicable charge" for any installment period is that which 94
would have been made for such period had the loan been made on 95
an interest-bearing basis, based upon the assumption that all 96
payments were made according to schedule. 97

(F) "Assets" means properties of value that are owned by 98
the applicant or licensee, including cash on hand and in 99
depository institutions, readily marketable securities, accounts 100
receivable less allowances for uncollectible accounts, and real 101
estate less liens and depreciation. "Assets" does not mean 102
office premises, leasehold improvements, office furniture, 103
fixtures, and equipment, or intangible assets. 104

(G) "Closed-end loan" means any extension of credit other 105
than an open-end loan. 106

(H) "Collecting" and "collected" means the servicing of a 107
loan or receipt of payments from a borrower for a loan made 108
pursuant to sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised 109
Code. 110

(I) "Consumer report" and "consumer reporting agency" have 111
the same meanings as in the "Fair Credit Reporting Act," 84 112
Stat. 1128, 15 U.S.C. 1681a, as amended. 113

(J) "Control person" means a person that, in the 114
determination of the superintendent of financial institutions, 115
has the authority to direct and control the operations of the 116
applicant. 117

(K) "Depository institution" has the same meaning as in 118
section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 119
12 U.S.C. 1813, and includes any credit union. 120

(L) "Direct mail" means a loan arranged via an application 121
through the mail or internet where the loan proceeds are 122
delivered through the mail or electronic transmission to the 123
benefit of a borrower. A loan is not made by "direct mail" if it 124
is facilitated by face-to-face, personal contact in this state 125
between the lender, lender's employee or agent, or lender's 126
attorney and the borrower or borrower's agent. 127

(M) "Federal banking agency" means the board of governors 128
of the federal reserve system, the comptroller of the currency, 129
the national credit union administration, and the federal 130
deposit insurance corporation. 131

(N) "Final entry on a loan" means, as to a particular 132
lender, the latter of the date the loan is paid in full, deemed 133
uncollectible, assigned to another licensee or exempt entity and 134
all records are transferred to the new lender, or discharged or 135
otherwise settled by an order terminating litigation governing 136
the loan transaction. 137

(O) "Interest" means all charges payable directly or 138
indirectly by a borrower to a licensee as a condition to a loan 139

or an application for a loan, however denominated, but does not 140
include default charges, deferment charges, insurance charges or 141
premiums, court costs, loan origination charges, check 142
collection charges, credit investigation charges, credit line 143
charges, points, or other fees and charges specifically 144
authorized by law. 145

(P) "Interest-bearing loan" means a loan in which the debt 146
is expressed as the principal amount and interest is computed, 147
charged, and collected on unpaid principal balances outstanding 148
from time to time. 149

(Q) "Instrument" means a personal check or authorization 150
to transfer or withdraw funds from an account that is signed by 151
the borrower and made payable to a person subject to sections 152
1321.62 to ~~1321.702~~1321.703 of the Revised Code. 153

(R) "License" means a license issued under sections 154
1321.62 to ~~1321.702~~1321.703 of the Revised Code. 155

(S) "Licensee" means any person that has been issued a 156
license. 157

(T) "Loan agreement" means one or more promises, 158
promissory notes, agreements, undertakings, security agreements, 159
or other documents or commitments, or any combination of these 160
documents or commitments, pursuant to which a licensee loans or 161
delays, or agrees to loan or delay, repayment of money, goods, 162
or anything of value, or otherwise extends credit or makes a 163
financial accommodation. 164

(U) "Net worth" means the excess of assets over 165
liabilities as determined by generally accepted accounting 166
principles. 167

(V) "NMLSR" means a multistate licensing system developed 168

and maintained by the conference of state bank supervisors and 169
the American association of residential mortgage regulators, or 170
their successor entities, for the licensing and registration of 171
loan originators, or any system established by the secretary of 172
housing and urban development pursuant to the "Secure and Fair 173
Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 174
12 U.S.C. 5101. 175

(W) "Open-end loan" means consumer credit extended by a 176
creditor under a plan to which all of the following conditions 177
apply: 178

(1) The creditor reasonably contemplates repeated 179
transactions. 180

(2) The creditor may impose a finance charge from time to 181
time on an outstanding unpaid balance. 182

(3) The amount of credit that may be extended to the 183
borrower during the term of the plan, up to any limit set by the 184
creditor, is generally made available to the extent that any 185
outstanding balance is repaid. 186

(X) "Person" means an individual, partnership, 187
association, trust, corporation, or any other legal entity. 188

(Y) "Precomputed loan" means a loan in which the debt is a 189
sum comprising the principal amount and the amount of interest 190
computed in advance on the assumption that all scheduled 191
payments will be made when due. 192

(Z) "Principal amount" means the amount of cash paid to, 193
or paid or payable for the account of, the borrower, and 194
includes any charge, fee, or expense that is financed by the 195
borrower at origination of the loan or during the term of the 196
loan. 197

(AA) "Refinance" means a loan the proceeds of which are 198
used in whole or in part to pay the unpaid balance of a prior 199
loan made by the same licensee or any employee or affiliate of 200
the licensee to the same borrower under sections 1321.62 to 201
~~1321.702~~1321.703 of the Revised Code. 202

(BB) "Residential mortgage loan" means any loan primarily 203
for personal, family, or household use that is secured by a 204
mortgage, deed of trust, or other equivalent consensual security 205
interest on a dwelling or on residential real estate upon which 206
is constructed or intended to be constructed a dwelling. For 207
purposes of this division, "dwelling" has the same meaning as in 208
the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602. 209

(CC) "State" in the context of referring to states in 210
addition to Ohio means any state of the United States, the 211
district of Columbia, any territory of the United States, Puerto 212
Rico, Guam, American Samoa, the trust territory of the Pacific 213
islands, the virgin islands, and the northern Mariana islands. 214

(DD) "Superintendent of financial institutions" includes 215
the deputy superintendent for consumer finance as provided in 216
section 1181.21 of the Revised Code. 217

Sec. 1321.63. (A) (1) No person shall do either of the 218
following without first having obtained a license from the 219
superintendent of financial institutions under sections 1321.62 220
to ~~1321.702~~1321.703 of the Revised Code: 221

(a) Engage in the business of lending money under sections 222
1321.62 to ~~1321.702~~1321.703 of the Revised Code; 223

(b) Contract for, or receive, directly or indirectly, on 224
or in connection with any such loan, any interest and charges 225
that in the aggregate are greater than the interest and charges 226

that the lender would be permitted to charge for a loan of money 227
if the lender were not a licensee. 228

(2) Division (A) (1) of this section applies to any person, 229
who by any device, subterfuge, or pretense, charges, contracts 230
for, or receives greater interest, consideration, or charges 231
than that authorized by this section for any such loan, or who 232
for a fee or any manner of compensation arranges or offers to 233
find or arrange for another person to make any such loan. 234

(B) This section does not preclude the acquiring, directly 235
or indirectly, by purchase or discount, of a bona fide 236
obligation for goods or services when such obligation is payable 237
directly to the person who provided the goods or services. 238

(C) Any contract of a loan in the making or collection of 239
which an act is done by the lender that violates this section is 240
void and the lender has no right to collect, receive, or retain 241
any principal, interest, or charges. 242

Sec. 1321.631. Sections 1321.62 to ~~1321.702~~ 1321.703 of 243
the Revised Code do not apply to any of the following: 244

(A) Any credit transaction with a loan term of less than 245
six months from the loan transaction date; 246

(B) Any credit transaction that does not require equal 247
monthly payments, unless either of the following applies: 248

(1) The credit transaction contains an interest rate that 249
is tied to a published and verifiable index and the contractual 250
rate of interest is adjusted in accordance with changes in that 251
index. 252

(2) The credit transaction provides for an extension of 253
the first monthly installment period pursuant to division (C) (2) 254

(a) or (D) (1) (a) of section 1321.68 of the Revised Code.	255
(C) Any credit transaction with an interest rate in excess of that provided for under section 1321.68 of the Revised Code;	256 257
(D) Any credit transaction secured by an interest in the covered borrower's residential mortgage loan, including a transaction to finance the purchase or initial construction of a dwelling, any refinance transaction, home equity loan or home equity line of credit, or reverse mortgage;	258 259 260 261 262
(E) Any credit transaction that originates as a result, directly or indirectly, of a referral from a person registered or acting as a credit services organization under sections 4712.01 to 4712.14 of the Revised Code;	263 264 265 266
(F) Any credit transaction made by a person licensed as a check-cashing business under sections 1315.21 to 1315.30 of the Revised Code;	267 268 269
(G) Any credit transaction made by a retail seller under Chapter 1317. of the Revised Code;	270 271
(H) Any credit transaction made by a person licensed or acting as a pawnbroker under Chapter 4727. of the Revised Code;	272 273
(I) Any credit transaction made by a person licensed under sections 1321.35 to 1321.48 of the Revised Code;	274 275
(J) Any credit transaction made by a collection agency pursuant to section 1319.12 of the Revised Code;	276 277
(K) Any credit transaction made by a premium finance company licensed under sections 1321.71 to 1321.83 of the Revised Code;	278 279 280
(L) Any credit transaction made by a person chartered and	281

lawfully doing business under the authority of any law of this	282
state, another state, or the United States as a bank, savings	283
bank, trust company, savings and loan association, or credit	284
union, or a subsidiary of any such entity, which subsidiary is	285
regulated by a federal banking agency and is owned and	286
controlled by such a depository institution;	287
(M) Any credit transaction made by a life, property, or	288
casualty insurance company licensed to do business in this state	289
or any entity licensed under Title XXXIX of the Revised Code	290
that makes advances or loans to any person who is licensed to	291
sell insurance pursuant to that title and who is authorized in	292
writing by that entity to sell insurance;	293
(N) Any licensee doing business under sections 1321.01 to	294
1321.19 of the Revised Code;	295
(O) Any registrant doing business under sections 1321.51	296
to 1321.60 of the Revised Code;	297
(P) Any person making a business loan described in	298
division (B) (6) of section 1343.01 of the Revised Code;	299
(Q) Any political subdivision, or any governmental or	300
other public entity, corporation, instrumentality, or agency, in	301
or of the United States or any state of the United States, or	302
any entity mentioned in division (B) (3) of section 1343.01 of	303
the Revised Code;	304
(R) Any college or university, or controlled entity of a	305
college or university, as those terms are defined in section	306
1713.05 of the Revised Code;	307
(S) Any person doing business under and as permitted by	308
any law of this state, another state, or the United States	309
relating to banks, savings banks, savings societies, trust	310

companies, credit unions, or savings and loan associations 311
substantially all the business of which is confined to loans on 312
real estate mortgages and evidences of their own indebtedness. 313

Sec. 1321.632. A licensee may engage in the business of 314
making loans provided the licensee does not do any of the 315
following: 316

(A) Assess an origination fee pursuant to section 1321.68 317
of the Revised Code more than three times in any twelve-month 318
period; 319

(B) Accept a dated instrument from the borrower as 320
security for a loan; 321

(C) Hold an instrument for a period of time prior to 322
negotiation or deposit of the instrument; 323

(D) Pay to a borrower, credit to a borrower's account, or 324
pay to another person on the borrower's behalf the amount of an 325
instrument, less interest, fees, or any other charges permitted 326
by section 1321.68 of the Revised Code; 327

(E) Refinance the loan during the first one hundred twenty 328
days of the loan term; 329

(F) Except for the deferment charge permitted by section 330
1321.68 of the Revised Code or in the case of a refinance, 331
charge or collect any fee, charge, or remuneration of any sort 332
for ~~renewing,~~ amending, or extending a loan beyond its original 333
term. 334

Sec. 1321.64. (A) An application for a license shall 335
contain an undertaking by the applicant to abide by those 336
sections. The application shall be in writing, under oath, and 337
in the form prescribed by the superintendent of financial 338

institutions, and shall contain any information that the 339
superintendent may require. Applicants that are foreign 340
corporations shall obtain and maintain a license pursuant to 341
Chapter 1703. of the Revised Code before a license is issued or 342
renewed. 343

(B) Upon the filing of the application and the payment by 344
the applicant of a nonrefundable investigation fee of two 345
hundred dollars, a nonrefundable annual registration fee of 346
three hundred dollars, and any additional fee required by the 347
NMLSR, the division of financial institutions shall investigate 348
the relevant facts. If the application involves investigation 349
outside this state, the applicant may be required by the 350
division to advance sufficient funds to pay any of the actual 351
expenses of the investigation when it appears that these 352
expenses will exceed two hundred dollars. An itemized statement 353
of any of these expenses which the applicant is required to pay 354
shall be furnished to the applicant by the division. A license 355
shall not be issued unless all the required fees have been 356
submitted to the division. 357

(C) (1) The investigation undertaken upon receipt of an 358
application shall include both a civil and criminal records 359
check of any control person. 360

(2) (a) Notwithstanding division (L) of section 121.08 of 361
the Revised Code, the superintendent shall obtain a criminal 362
records check on each control person and, as part of that 363
records check, request that criminal records information from 364
the federal bureau of investigation be obtained. To fulfill this 365
requirement, the superintendent shall do either of the 366
following: 367

(i) Request the superintendent of the bureau of criminal 368

identification and investigation, or a vendor approved by the 369
bureau, to conduct a criminal records check based on the control 370
person's fingerprints or, if the fingerprints are unreadable, 371
based on the control person's social security number, in 372
accordance with section 109.572 of the Revised Code; 373

(ii) Authorize the NMLSR to request a criminal records 374
check of the control person. 375

(b) Any fee required under division (C) (3) of section 376
109.572 of the Revised Code or by the NMLSR shall be paid by the 377
applicant. 378

(D) If an application for a license does not contain all 379
of the information required under division (A) of this section, 380
and if such information is not submitted to the division or to 381
the NMLSR within ninety days after the superintendent or the 382
NMLSR requests the information in writing, including by 383
electronic transmission or facsimile, the superintendent may 384
consider the application withdrawn. 385

(E) If the superintendent of financial institutions finds 386
that the financial responsibility, experience, and general 387
fitness of the applicant command the confidence of the public 388
and warrant the belief that the business will be operated 389
honestly and fairly in compliance with the purposes of sections 390
1321.62 to ~~1321.702~~1321.703 of the Revised Code and the rules 391
adopted thereunder, and that the applicant has the requisite net 392
worth and assets required under section 1321.65 of the Revised 393
Code, the superintendent shall issue a license to the applicant. 394
The license shall be valid until the thirty-first day of 395
December of the year in which it is issued. A person may be 396
licensed under both sections 1321.51 to 1321.60 and sections 397
1321.62 to ~~1321.702~~1321.703 of the Revised Code. 398

(F) If the superintendent finds that the applicant does 399
not meet the conditions set forth in this section, the 400
superintendent shall issue a notice of intent to deny the 401
application, and promptly notify the applicant of the denial, 402
the grounds for the denial, and the applicant's reasonable 403
opportunity to be heard on the action in accordance with Chapter 404
119. of the Revised Code. 405

(G) Notwithstanding any provision of this section to the 406
contrary, the superintendent shall issue a license in accordance 407
with Chapter 4796. of the Revised Code to an applicant if either 408
of the following applies: 409

(1) The applicant holds a license in another state. 410

(2) The applicant has satisfactory work experience, a 411
government certification, or a private certification as 412
described in that chapter as a consumer installment loan lender 413
in a state that does not issue that license. 414

Sec. 1321.643. (A) (1) Not more than one place of business 415
shall be maintained under the same license, but the 416
superintendent of financial institutions may issue additional 417
licenses to the same licensee upon compliance with sections 418
1321.62 to ~~1321.702~~1321.703 of the Revised Code. 419

(2) Each licensed place of business shall be located in a 420
state. 421

(B) (1) When a licensee wishes to change its place of 422
business, it shall give at least fifteen days prior written 423
notice of the change to the division of financial institutions. 424
The division shall provide a license for the new address without 425
cost. 426

(2) If a licensee changes its name, it shall give written 427

notice of the change to the division prior to making loans under 428
the new name. The division shall provide a license in the new 429
name without cost. 430

(C) Each current license shall be kept conspicuously 431
posted in each place of business of the licensee and is not 432
transferable or assignable. 433

Sec. 1321.644. No person engaged in the business of 434
selling tangible goods or services related to tangible goods may 435
receive or retain a license under sections 1321.62 to ~~1321.702~~ 436
1321.703 of the Revised Code for such place of business. 437

Sec. 1321.65. Each licensee that conducts business under 438
sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised Code shall 439
maintain both of the following: 440

(A) A net worth of at least fifty thousand dollars; 441

(B) For each license, assets of at least fifty thousand 442
dollars either in use or readily available for use in the 443
conduct of the business. 444

Sec. 1321.651. All of the following apply to advertising 445
for loans made under sections 1321.62 to ~~1321.702~~ 1321.703 of 446
the Revised Code: 447

(A) Every advertisement shall state and clearly indicate 448
the identity of the licensee and shall do so in such a manner 449
that prevents confusion with the name of any other unrelated 450
licensee. Licensees shall be identified by means of trade names, 451
service marks, or business names that are filed with the 452
division of financial institutions and the secretary of state. 453

(B) Advertising shall not be false, misleading, or 454
deceptive. False, misleading, or deceptive advertising includes, 455

but is not limited to, the following: 456

(1) Placing, or causing to be placed, any advertisement 457
indicating that special terms, reduced rates, guaranteed rates, 458
particular rates, or any other special feature of loans is 459
available unless the advertisement clearly states any 460
limitations that apply; 461

(2) Placing, or causing to be placed, any advertisement 462
containing a rate or special fee offer that is not a bona fide 463
available rate or fee. 464

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 465
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 466
for closed-end loans. 467

(D) A licensee shall not use loan advertisements that 468
provide only telephone or facsimile numbers or newspaper box 469
addresses and that do not clearly indicate the identity of the 470
licensee. 471

(E) A licensee shall not advertise that loans will be made 472
within a specified time after the loan application is received, 473
unless it is the general practice of the licensee to make loans 474
within the specified time. 475

(F) A licensee shall not advertise special terms, reduced 476
rates, reduced payments, or any other special feature of a loan 477
within a specified limited time, unless the advertisement 478
clearly states any limitations that apply to the offer. 479

(G) A licensee shall not advertise by the use of 480
unqualified superlatives, including, but not limited to, "lowest 481
rates," "lowest costs," "lowest payment plan," or "cheapest 482
loans," or by making offers that cannot be reasonably fulfilled. 483

(H) A licensee shall not advertise the words "new" or 484
"reduced," or words of similar import, in connection with rates, 485
costs, payments, or plans, for more than ninety days after the 486
rates, costs, payments, or plans have become effective. 487

(I) Any licensee specifying in any advertisement charges 488
on loans in dollars shall also state the length of time required 489
to repay the loans as well as the method of repayment, and 490
shall, when the rate of interest is stated, do so in a manner to 491
prevent misunderstanding. 492

(J) Any licensee advertising flat or average payments on 493
loans that include principal and interest shall specify the 494
number and frequency of payments required to repay the loans. 495
Whenever the amounts of periodic payments are advertised, the 496
amounts shall include all interest to the borrower, as well as 497
principal. The principal payments alone may be shown separately 498
provided the interest charges are also clearly stated with equal 499
prominence. 500

(K) A licensee shall not advertise rebates, rates, or 501
charges below the maximum lawful rate of interest that are 502
conditioned upon prompt payment unless the condition is clearly 503
indicated. 504

(L) A licensee shall not advertise either of the 505
following: 506

(1) Waiver of payments in the event of sickness or 507
disability or other contingency, without advertising that the 508
interest and other charges, if assessed, continue during the 509
waiver period; 510

(2) That the first payment on any loan may be made more 511
than thirty days after the date of loan closing, without 512

advertising that the interest and other charges, if assessed, 513
will accrue from the date of disbursement of the loan funds 514
until the first payment is due. 515

(M) A licensee shall not advertise for loans for illegal 516
purposes. 517

(N) A licensee shall not advertise the availability of 518
credit-related insurance without disclosing the charge, if any, 519
for the insurance. 520

(O) Each licensee shall maintain in each licensed office 521
or in a central location a file of all advertising for a period 522
of two years from the date disseminated. This requirement 523
includes newspaper, magazine, direct mailing, and facsimile 524
advertising and solicitations, roadside advertising, internet 525
advertising, and scripts of radio and television commercials. 526
The file shall be readily available for inspection by the 527
division at all times. Each licensee shall notify the division 528
in writing of the location of the file. Each licensee shall, 529
upon the request of the superintendent of financial 530
institutions, provide to the division any printed or electronic 531
advertising it has used regarding any business conducted under 532
sections 1321.62 to ~~1321.702~~1321.703 of the Revised Code. 533

Sec. 1321.66. (A) Records a licensee is required to 534
maintain shall be kept current and be available at a licensed 535
location at all times during normal business hours for review by 536
the superintendent. Records must be legible and maintained in a 537
type size that is clearly readable without magnification and in 538
conformity with any specific typeface or font size that may be 539
required by state or federal law. Except when otherwise provided 540
by federal or state law, records shall be maintained in English. 541
When records are allowed to be in a language other than English, 542

the licensee, at its expense, shall be responsible for providing 543
the superintendent with a full and accurate translation. For 544
purposes of this section, "current" means within thirty days 545
from the date of the occurrence of the event required to be 546
recorded. A licensee shall keep and preserve the following 547
records: 548

(1) A sortable electronic spreadsheet that discloses the 549
following fields of information: 550

- (a) Principal borrower's name; 551
- (b) Principal borrower's address or property address; 552
- (c) Loan or account number; 553
- (d) Type of the security for the loan; 554
- (e) Date of loan; 555
- (f) Amount financed; 556
- (g) Date finance charges begin to accrue; 557
- (h) Loan origination charge; 558
- (i) Itemization of all additional fees or charges; 559
- (j) Principal amount of the loan; 560
- (k) Scheduled or precomputed interest; 561
- (l) Number of payments; 562
- (m) Contractual rate of interest; 563
- (n) Federal annual percentage rate; 564
- (o) Payment amount; 565
- (p) Types and amounts of credit-related insurance; 566

(q) Default charge;	567
(r) Check collection charge;	568
(s) Any points charged to the borrower;	569
(t) Any charges for prepayment of the loan.	570
(2) Payment histories for each outstanding loan and each loan paid in full that shall disclose all of the following:	571 572
(a) Principal borrower's name;	573
(b) Loan or account number;	574
(c) A chronological entry of all debits, credits, payments, and charges received, assessed, or disbursed in connection with the loan, recorded thereon in an identifiable manner in order to show the actual date of receipt, assessment, or disbursement and the balance due on the loan or account.	575 576 577 578 579
(3) A file for each principal borrower. If there are multiple loan transactions with the same borrower, each loan transaction in the file shall have a unique loan or account number. The file shall contain copies of all of the following:	580 581 582 583
(a) All documents related to the loan transaction from origination through the final entry on the record;	584 585
(b) Copies of the complaints, court orders, settlements, and judgments relating to collection litigation;	586 587
(c) In cases of garnishment or attachment in collection litigation, copies of all notices served on employers and amounts collected;	588 589 590
(d) Copies of all repossession and foreclosure legal documents and other records, including bills for all expenses;	591 592

(e) In instances where the security foreclosed upon or repossessed is offered for private sale, not less than three bona fide written bids or appraisals in order to establish that the terms of the sale were commercially reasonable to the borrower;	593 594 595 596 597
(f) A copy of the death certificate and documentation of all funds received or paid pursuant to a credit life claim.	598 599
(4) A sortable electronic spreadsheet of all loans in collection litigation that shall include all of the following:	600 601
(a) Principal borrower's name;	602
(b) Loan or account number;	603
(c) Date litigation proceedings were initiated;	604
(d) Name of the court in which proceedings were initiated;	605
(e) Indication of whether a final judgment has been entered, and if so, all of the following:	606 607
(i) Date of judgment;	608
(ii) Amount of judgment;	609
(iii) The judgment rate of interest.	610
(5) A sortable electronic spreadsheet of all loans in repossession and foreclosure that shall include all of the following:	611 612 613
(a) Principal borrower's name;	614
(b) Loan or account number;	615
(c) Type of security foreclosed, attached, replevied, repossessed, or surrendered;	616 617

(d) Date of repossession or foreclosure;	618
(e) Date of sale of the security;	619
(f) Gross amount received from the sale of the security;	620
(g) The amount of money applied to the outstanding loan balance;	621 622
(h) Where the security is offered for private or public sale, evidence that the sale was consummated in compliance with the provisions of sections 1309.610, 1309.611, 1309.615, 1309.617, and 1309.624 of the Revised Code.	623 624 625 626
(6) A sortable electronic spreadsheet of all loans upon which a credit life claim has been paid by the insurer that shall include all of the following:	627 628 629
(a) Principal borrower's name;	630
(b) Loan or account number;	631
(c) Date of death;	632
(d) Total amount paid by the insurance claim;	633
(e) Amount applied to the principal borrower's account.	634
(7) General business records including, but not limited to, financial statements, check registers, bank statements, contracts with third-party vendors relating to lending services, policy and procedures manual, and training materials.	635 636 637 638
(8) All contracts or agreements relating to business relationships with businesses or individuals licensed by the division of financial institutions;	639 640 641
(9) A file of all advertisements;	642
(10) Histories of nonpublished indices used to establish	643

interest rates for variable rate loans, which shall be 644
maintained for two years from date of usage; 645

(11) Any other records the superintendent may from time to 646
time specify in writing. 647

(B) Where electronic records are required, a licensee may 648
retain paper records as well. Where electronic records are 649
required, the superintendent may, for good cause, allow a 650
licensee to retain paper records in lieu of the electronic 651
records required by this section. 652

(C) (1) A licensee shall keep and preserve records 653
pertaining to loans made under sections 1321.62 to ~~1321.702~~ 654
1321.703 of the Revised Code for at least two years after the 655
final entry on the record. The final entry on the record occurs 656
when the loan is paid in full, charged off as uncollectible, 657
sold, transferred or assigned to another, or discharged or 658
otherwise settled by a final order issued in litigation 659
governing the loan transaction. 660

(2) Notwithstanding division (C) (1) of this section, a 661
licensee shall keep and preserve records pertaining to 662
residential mortgage loans in accordance with 12 C.F.R. 663
1026.25(b) (3) as in effect on November 30, 2016. 664

(3) A licensee shall keep and preserve records pertaining 665
to an advertisement for at least two years after the date the 666
advertisement is published, broadcast, or disseminated. 667

(D) A licensee shall segregate the records pertaining to 668
business conducted pursuant to sections 1321.62 to ~~1321.702~~ 669
1321.703 of the Revised Code from all other business records. 670

(E) A licensee shall notify the superintendent via the 671
NMLSR of a change of location of its records pertaining to 672

business conducted pursuant to sections 1321.62 to ~~1321.702~~ 673
1321.703 of the Revised Code not later than five business days 674
after the change. 675

(F) Where a licensee maintains electronic records in 676
compliance with this section and those records are located 677
outside of this state, the licensee shall make the electronic 678
records available to the division of financial institutions upon 679
request, within the time frame provided by the division. The 680
electronic records may be uploaded to a secure server for the 681
purpose of the division conducting an examination of the 682
licensee. 683

(G) In the event electronic records, books, records, data, 684
and documents of a licensee are located outside of this state 685
and the superintendent determines that an in-person examination 686
is necessary, the licensee shall, upon the request of the 687
superintendent, pay in advance the estimated costs of the 688
examination of the licensee outside this state, including the 689
proportionate cost of the salaries of division of financial 690
institutions employees who conduct the examination. The 691
estimated costs of an out-of-state examination, as determined by 692
the superintendent, shall be deposited with the division of 693
financial institutions upon demand. After the actual costs of 694
the out-of-state examination have been determined, any funds in 695
the deposit account in excess of costs as itemized by the 696
division of financial institutions shall be returned to the 697
licensee. 698

(H) A licensee shall make copies of records kept pursuant 699
to divisions (A) (3) (b) and (c) of this section available upon 700
request within three business days. 701

(I) Any records maintained on an electronic storage media 702

- or system shall meet all of the following requirements: 703
- (1) The electronic storage media or system must preserve 704
the records in a nonrewritable, nonerasable format. 705
- (2) The electronic storage media or system must verify 706
automatically the quality and accuracy of the storage media 707
recording process. 708
- (3) The electronic storage media or system must serialize 709
the original and the duplicate units of storage media, and affix 710
a date and time for the required period of retention on both the 711
original and duplicate. 712
- (4) The electronic storage media or system must have the 713
capacity to readily download indices and records preserved on 714
the electronic storage media or system to any medium acceptable 715
to the superintendent. 716
- (5) Acceptable facilities and appropriate equipment must, 717
at all times during normal business hours, be available to the 718
superintendent for immediate, easily readable projection or 719
production of electronic storage media or system images and for 720
producing easily readable images. 721
- (6) Immediate facsimile enlargement must be available upon 722
the superintendent's request. 723
- (7) A duplicate copy of the electronic record stored on 724
any electronic media or system for the time required must be 725
stored separately from the "original" electronic record. 726
- (8) The electronic storage media or system must organize 727
and index accurately all information maintained on both the 728
original and duplicate storage media or system. 729
- (9) At all times, a licensee must be able to have indices 730

of the electronic records being stored available for examination	731
by the superintendent.	732
(10) Each index must also be duplicated and the duplicate	733
copies must be stored separately from the original copy of each	734
index.	735
(11) Original and duplicate indices must be preserved for	736
the time required for the indexed records.	737
(12) An audit system must be in place that does all of the	738
following:	739
(a) Provides for accountability regarding inputting of	740
records and inputting any changes made to every original and	741
duplicate record maintained and preserved;	742
(b) Requires the licensee, at all times, to have the	743
results of the audit system available for examination by the	744
superintendent;	745
(c) Preserves the results of the audit for the time	746
required for the audited records.	747
(13) All information necessary to access records and	748
indices stored on the electronic storage media or system, a copy	749
of the physical and logical file format of the electronic	750
storage media or system, the field format of all different	751
information types written on the electronic storage media or	752
system, together with the appropriate documentation and	753
information necessary to access records and indices must be	754
maintained, kept current, and provided promptly to the	755
superintendent upon request.	756
(14) No paper documents produced or reproduced by means of	757
an electronic storage media or system may be destroyed until the	758

conditions of division ~~(H)~~(I) of this section have been met with 759
regard to each paper document that is to be destroyed. 760

(15) At the request of the division: 761

(a) Records must be printed on paper for inspection or 762
examination without cost to the division within forty-eight 763
hours of the request. The superintendent may grant additional 764
time for good cause shown upon receipt of a request for 765
additional time from the licensee. 766

(b) The licensee shall provide any court documents in 767
addition to those described in division (A) (3) of this section. 768

~~(I)~~(J) In order to reduce the risk of consumer fraud and 769
related harms, including identity theft, licensees shall be 770
required to comply with section 216 of the "Fair and Accurate 771
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 772
15 U.S.C. 1681w as in effect on November 30, 2016, section 501 773
of the "Gramm Leach Bliley Act," 113 Stat. 1338 (1999) (amended 774
2010), 15 U.S.C. 6801 as in effect on November 30, 2016, and the 775
rules promulgated pursuant to those federal acts, including 16 776
C.F.R. Part 313 and 16 C.F.R. Part 682, as in effect November 777
30, 2016, pertaining to the maintenance, security, and disposal 778
of consumer information and records. 779

~~(J)~~(K) The division shall make or cause to be made an 780
examination of records pertaining to loans made under sections 781
1321.62 to ~~1321.702~~1321.703 of the Revised Code at least once 782
every twenty-four months for the purpose of determining whether 783
the licensee is complying with those sections and verifying the 784
licensee's annual report. 785

Sec. 1321.663. No person, in connection with any 786
examination or investigation conducted by the superintendent of 787

financial institutions under sections 1321.62 to ~~1321.702~~ 788
1321.703 of the Revised Code shall knowingly do any of the 789
following: 790

(A) Circumvent, interfere with, obstruct, or fail to 791
cooperate with the superintendent, including making a false or 792
misleading statement, failing to produce records, or 793
intimidating or suborning any witness; 794

(B) Withhold, abstract, remove, mutilate, destroy, or 795
secrete any books, records, computer records, or other 796
information; 797

(C) Tamper with, alter, or manufacture any evidence. 798

Sec. 1321.665. Before ceasing to conduct or discontinuing 799
business as a licensee, the licensee shall arrange for and be 800
responsible for the preservation of the books and records 801
required to be maintained and preserved under sections 1321.62 802
to ~~1321.702~~1321.703 of the Revised Code and shall notify the 803
division of financial institutions in writing of the exact 804
address where the books and records will be maintained during 805
the required period. 806

Sec. 1321.666. The superintendent of financial 807
institutions may suspend, revoke, or refuse to renew any license 808
issued by the superintendent under sections 1321.62 to ~~1321.702~~ 809
1321.703 of the Revised Code, or bring any other authorized 810
administrative enforcement action in accordance with section 811
1321.70 of the Revised Code, against any person for failure to 812
maintain records in accordance with section 1321.66 of the 813
Revised Code. 814

Sec. 1321.67. (A) For purposes of sections 1321.62 to 815
~~1321.702~~1321.703 of the Revised Code, a loan shall be 816

considered closed upon the signature of the obligor or obligors, 817
unless the loan contract is not executed by signature, in which 818
case the loan is considered closed upon disbursement of loan 819
funds. 820

(B) All loans made under sections 1321.62 to ~~1321.702~~ 821
1321.703 of the Revised Code by direct mail shall be made from a 822
place of business for which the licensee holds a valid license. 823

(C) Licensees have an ongoing duty to notify the division 824
of financial institutions of material changes in the information 825
contained in the application and exhibits, schedules, and other 826
documentation submitted in conjunction with the application, and 827
to report all changes or additions to information in the 828
application within thirty days of the change. Material changes 829
in the information include changes in affiliations, controlling 830
interest, officers, directors, criminal record, and any change 831
in net worth below the requirements set forth in section 1321.65 832
of the Revised Code. 833

(D) Each licensee shall do all of the following: 834

(1) Obtain the written consent of the borrower for any 835
purchase of insurance on property of the borrower other than 836
that which is used as security for the loan; 837

(2) Permit payment to be made in advance in any amount on 838
any contract at any time, but the licensee may apply the payment 839
first to interest and charges due up to the date of payment; 840

(3) Notify the borrower in writing of any interest rate 841
change at least thirty but not more than one hundred twenty days 842
prior to the effective date of the changes, provided that if the 843
interest rate is tied to a published and verifiable index and 844
the contractual rate of interest is adjusted within forty-five 845

days of change in the published index rate, the licensee shall 846
notify the borrower in writing of any interest rate change at 847
least thirty days prior to the effective date of the change. The 848
notice required under division (D) (3) of this section shall 849
include all of the following: 850

(a) A statement of the borrower's current interest rate 851
and corresponding monthly payment prior to the reset date; 852

(b) A good faith statement of the borrower's anticipated 853
future interest rate and corresponding monthly payment following 854
the reset date; 855

(c) A statement that notifies the borrower to contact the 856
licensee for workout options in the event that there is a 857
possible problem of repayment at the new interest rate and 858
monthly payment following the reset; 859

(d) A ~~toll-free~~ telephone number, based in the United 860
States, by which borrowers can discuss possible payment problems 861
and workout options; 862

(e) An explanation of the index or formula that is being 863
used to reset the interest rate and the source of that index or 864
formula. 865

(4) In the instance of a non-amortized or partially 866
amortized interest-bearing loan, provide the borrower with 867
written notice of maturity at least ninety but not more than one 868
hundred twenty days prior to the expected maturity date; 869

(5) Clearly indicate by prominently disclosing on, or in, 870
the loan documents, the federal or state statutory authority 871
pursuant to which the loan is made. This prominent disclosure 872
shall be provided on loans made: 873

(a) Solely in reliance on the provisions of sections 1321.62 to 1321.702 <u>1321.703</u> of the Revised Code;	874 875
(b) Partially in reliance on the provisions of sections 1321.62 to 1321.702 <u>1321.703</u> of the Revised Code; or	876 877
(c) In reliance on any combination of federal or state provisions that do not include sections 1321.62 to 1321.702 <u>1321.703</u> of the Revised Code.	878 879 880
(6) In providing any payment history requested by the borrower or by the division, provide a clear and accurate payment statement in a manner a reasonable borrower should understand that sets forth the dates and amounts due and owing and the dates and amounts received and paid.	881 882 883 884 885
(E) A licensee shall not be prohibited from holding other licenses or registrations issued by the division as long as the licensee is in compliance with section 1321.63 of the Revised Code and other applicable provisions of state and federal laws.	886 887 888 889
(F) A licensee is liable for payment of the annual assessment described in division (B) of section 1321.641 of the Revised Code on any loan made by the licensee that has been sold, transferred, or assigned to another person if servicing rights have been retained by the licensee.	890 891 892 893 894
Sec. 1321.673. No licensee shall conduct the business of making loans under sections 1321.62 to 1321.702 <u>1321.703</u> of the Revised Code in any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction with any other such business, if the superintendent of financial institutions finds, pursuant to a hearing conducted in accordance with Chapter 119. of the Revised Code, that the other business is of such a nature that the	895 896 897 898 899 900 901 902

conduct tends to conceal evasion of sections 1321.62 to ~~1321.702~~ 903
1321.703 of the Revised Code, and orders the licensee in writing 904
to desist from the conduct. 905

Sec. 1321.674. (A) Any person that willfully violates 906
section 1321.68 of the Revised Code shall forfeit to the 907
borrower the amount of interest paid by the borrower. The 908
maximum rate of interest applicable to any loan transaction that 909
does not comply with section 1321.68 of the Revised Code shall 910
be the rate that would be applicable in the absence of sections 911
1321.62 to ~~1321.702~~ 1321.703 of the Revised Code. 912

(B) Any extension of credit under sections 1321.62 to 913
~~1321.702~~ 1321.703 of the Revised Code shall include a notice in 914
at least ten point type at the bottom of the first page of any 915
loan agreement to read: "This loan is governed by, and made 916
pursuant to, the provisions of the Ohio Consumer Installment 917
Loan Act under R.C. 1321.62 - ~~1321.702~~ 1321.703." 918

Sec. 1321.69. (A) A licensee shall not permit any borrower 919
to be indebted for a loan made under sections 1321.62 to 920
~~1321.702~~ 1321.703 of the Revised Code at any time while the 921
borrower is also indebted to an affiliate or agent of the 922
licensee for a loan made under sections 1321.01 to 1321.19 or 923
sections 1321.51 to 1321.60 of the Revised Code for the purpose 924
or with the result of obtaining greater charges than otherwise 925
would be permitted by sections 1321.62 to ~~1321.702~~ 1321.703 of 926
the Revised Code. 927

(B) A licensee shall not induce or permit any person to 928
become obligated to the licensee under sections 1321.62 to 929
~~1321.702~~ 1321.703 of the Revised Code, directly or contingently, 930
or both, under more than one contract of loan at the same time 931
for the purpose or with the result of obtaining greater charges 932

than would otherwise be permitted by sections 1321.62 to 933
~~1321.702~~1321.703 of the Revised Code. 934

(C) A licensee shall not fail to provide information 935
regarding the amount required to pay in full a loan made under 936
sections 1321.62 to ~~1321.702~~1321.703 of the Revised Code within 937
five business days after the receipt of a written request from a 938
borrower or by another person designated in writing by the 939
borrower. 940

(D) A licensee shall not obtain a license through any 941
false or fraudulent representation of a material fact or any 942
omission of a material fact required by state or federal law, or 943
make any substantial misrepresentation in the application to 944
engage in lending under sections 1321.62 to ~~1321.702~~1321.703 of 945
the Revised Code. 946

(E) A licensee, in connection with the business of making 947
or offering to make a loan, shall not knowingly make false or 948
misleading statements of a material fact, omissions of 949
statements required by state or federal law, or false promises 950
regarding a material fact, through advertising or other means, 951
or knowingly engage in a continued course of misrepresentations. 952

(F) A licensee, or person making loans without a license 953
in violation of section 1321.63 of the Revised Code, shall not 954
knowingly engage in conduct, in connection with the business of 955
making or offering to make loans under sections 1321.62 to 956
~~1321.702~~1321.703 of the Revised Code, that constitutes 957
improper, fraudulent, or dishonest dealings. 958

(G) A licensee or applicant for a license shall not fail 959
to notify the division of financial institutions within thirty 960
days after having a license, or comparable authority, revoked in 961

any governmental jurisdiction. 962

(H) A licensee shall not knowingly make, propose, or 963
solicit fraudulent, false, or misleading statements on any loan 964
document or on any document related to a loan. For purposes of 965
this division, "fraudulent, false, or misleading statements" 966
does not include mathematical errors, inadvertent transposition 967
of numbers, typographical errors, or any other bona fide error. 968

(I) A licensee shall not knowingly instruct, solicit, 969
propose, or otherwise cause a borrower to sign in blank a loan- 970
related document in connection with a loan. 971

(J) A licensee shall not take any note or other promise to 972
pay that does not set forth the entire agreement made with the 973
borrower. 974

(K) A licensee shall not take any note or promise to pay 975
in which blanks are left to be filled in after execution. 976

(L) A licensee shall not charge or collect interest prior 977
to the date of disbursement of the loan funds to the borrower. 978

(M) A licensee shall not make a new loan for the purpose 979
of paying any part of the interest or principal due on an 980
existing loan with the same licensee unless the interest and 981
principal balance of the existing loan is paid in full from the 982
proceeds of the new loan. 983

(N) Notwithstanding any provision of sections 1321.62 to 984
~~1321.702~~1321.703 of the Revised Code to the contrary, no 985
licensee shall give, or advertise an offer to give, any article, 986
merchandise, reward-program benefit, or any other thing of 987
value, as inducement to a borrower or prospective borrower to 988
obtain a loan, unless the cost of the thing of value is absorbed 989
by the licensee as general overhead, rather than directly 990

charged to the borrower who received the thing of value.	991
Sec. 1321.691. (A) As used in this section, "remote	992
location" means the home of an employee or other location	993
selected by the employee that is not a licensed place of	994
business.	995
(B) Notwithstanding any provision of the Revised Code to	996
the contrary, nothing in sections 1321.62 to 1321.702 <u>1321.703</u>	997
of the Revised Code shall be construed to interfere with the	998
ability of a licensee's employee to work from a remote location,	999
provided the licensee does all of the following:	1000
(1) Ensures that in-person customer interactions are	1001
conducted only at a licensed place of business;	1002
(2) Maintains appropriate safeguards for licensee and	1003
consumer data, information, and records, including the use of	1004
secure virtual private networks where appropriate;	1005
(3) Employs appropriate risk-based monitoring and	1006
oversight processes of work performed from a remote location and	1007
maintains records of such work;	1008
(4) Ensures consumer information and records are not	1009
maintained at a remote location;	1010
(5) Ensures consumer and licensee information and records	1011
remain accessible and available for regulatory oversight and	1012
exams;	1013
(6) Provides appropriate employee training to keep all	1014
conversations about, and with, consumers conducted from a remote	1015
location confidential, as if conducted from a commercial	1016
location, and to ensure remote employees work in an environment	1017
conducive and appropriate to that confidentiality;	1018

(7) Keeps a record of all remote locations that are being used, in the form of city, state, and type of location, and makes a list of those locations available to the superintendent upon request.

Sec. 1321.70. (A) The division of financial institutions may, upon written notice to the licensee stating the contemplated action, the grounds for the action, and the licensee's reasonable opportunity to be heard on the action in accordance with Chapter 119. of the Revised Code, revoke, suspend, or refuse to renew any license issued under sections 1321.62 to ~~1321.702~~1321.703 of the Revised Code if it finds a violation of or failure to comply with any provision of sections 1321.62 to ~~1321.702~~1321.703 of the Revised Code or the rules adopted thereunder, any federal lending law, or any other law applicable to the business conducted under a license.

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

(C) The revocation, suspension, or refusal to renew shall not impair the obligation of any pre-existing lawful contract made under sections 1321.62 to ~~1321.702~~1321.703 of the Revised Code; provided, however, that a prior licensee shall make good faith efforts to promptly transfer the licensee's collection rights to another licensee or person exempt from licensing, or be subject to additional monetary fines and legal or administrative action by the division. Nothing in this division shall limit a court's ability to impose a cease-and-desist order preventing any further business or servicing activity.

(D) (1) The superintendent of financial institutions may

impose a fine for a violation of sections 1321.62 to ~~1321.702~~ 1049
1321.703 of the Revised Code committed by a licensee. All fines 1050
collected pursuant to this section shall be paid to the 1051
treasurer of state to the credit of the consumer finance fund 1052
created in section 1321.21 of the Revised Code. In determining 1053
the amount of a fine to be imposed pursuant to this division, 1054
the superintendent may consider all of the following to the 1055
extent it is known to the division: 1056

(a) The seriousness of the violation; 1057

(b) The licensee's good faith efforts to prevent the 1058
violation; 1059

(c) The licensee's history regarding violations and 1060
compliance with division orders; 1061

(d) The licensee's financial resources; 1062

(e) Any other matters the superintendent considers 1063
appropriate in enforcing sections 1321.62 to ~~1321.702~~ 1321.703 1064
of the Revised Code. 1065

(2) Monetary fines imposed under division (D) (1) of this 1066
section shall not exceed twenty-five thousand dollars. 1067

(E) The superintendent may investigate alleged violations 1068
of sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised Code, or 1069
the rules adopted thereunder, or complaints concerning any such 1070
violation. The superintendent may make application to the court 1071
of common pleas for an order enjoining any violation and, upon a 1072
showing by the superintendent that a person has committed, or is 1073
about to commit, a violation, the court shall grant an 1074
injunction, restraining order, or other appropriate relief. The 1075
superintendent, in making application to the court of common 1076
pleas for an order enjoining a person from acting as a licensee 1077

in violation of section 1321.63 of the Revised Code, may also 1078
seek and obtain civil penalties for that unlicensed conduct in 1079
an amount not to exceed five thousand dollars per violation. 1080

(F) In conducting an investigation pursuant to this 1081
section, the superintendent may compel, by subpoena, witnesses 1082
to testify in relation to any matter over which the 1083
superintendent has jurisdiction, and may require the production 1084
or photocopying of any book, record, or other document 1085
pertaining to such matter. If a person fails to file any 1086
statement or report, obey any subpoena, give testimony, produce 1087
any book, record, or other document as required by such a 1088
subpoena, or permit photocopying of any book, record, or other 1089
document subpoenaed, the court of common pleas of any county in 1090
this state, upon application made to it by the superintendent, 1091
shall compel obedience by attachment proceedings for contempt, 1092
as in the case of disobedience of the requirements of a subpoena 1093
issued from the court, or a refusal to testify therein. 1094

(G) If the superintendent determines that a person is 1095
engaged in, or is believed to be engaged in, activities that may 1096
constitute a violation of sections 1321.62 to ~~1321.702~~1321.703 1097
of the Revised Code, the superintendent may, after notice and a 1098
hearing conducted in accordance with Chapter 119. of the Revised 1099
Code, issue a cease-and-desist order. The superintendent, in 1100
taking administrative action to enjoin a person from acting as a 1101
licensee in violation of section 1321.63 of the Revised Code, 1102
may also seek and impose fines for those violations in an amount 1103
not to exceed five thousand dollars per violation. Such an order 1104
shall be enforceable in the court of common pleas. 1105

(H) The superintendent shall regularly report violations 1106
of sections 1321.62 to ~~1321.702~~1321.703 of the Revised Code, as 1107

well as enforcement actions and other relevant information, to 1108
the NMLSR. 1109

(I) (1) To protect the public interest, the superintendent 1110
may, without a prior hearing, do any of the following: 1111

(a) Suspend the license of a person who is convicted of or 1112
pleads guilty or nolo contendere to a criminal violation of 1113
sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised Code; 1114

(b) Suspend any licensee who violates section 1321.65 of 1115
the Revised Code; 1116

(c) Suspend any licensee who fails to comply with a 1117
request made by the superintendent under this section. 1118

(2) The superintendent may, in accordance with Chapter 1119
119. of the Revised Code, subsequently revoke any license 1120
suspended under division (I) (1) of this section. 1121

Sec. 1321.701. (A) The attorney general may directly bring 1122
an action to enjoin a violation of sections 1321.62 to ~~1321.702~~ 1123
1321.703 of the Revised Code with the same rights, privileges, 1124
and powers as those described in section 1345.06 of the Revised 1125
Code. The prosecuting attorney of the county in which the action 1126
may be brought may bring an action to enjoin a violation of 1127
sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised Code only 1128
if the prosecuting attorney first presents any evidence of the 1129
violation to the attorney general and, within a reasonable 1130
period of time, the attorney general has not agreed to bring the 1131
action. 1132

(B) These powers of the attorney general shall be in 1133
addition to any other applicable powers of the attorney general. 1134

Sec. 1321.702. (A) As used in this section, "bona fide" 1135

error" means an unintentional clerical, calculation, computer malfunction or programming, or printing error. 1136
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(B) A licensee shall not be held civilly liable in any action brought under this chapter or Chapter 1309., 1317., or 1345. of the Revised Code, and shall not be subject to any sanction by the superintendent of financial institutions, if all of the following conditions are met: 1138
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(1) The licensee shows by a preponderance of evidence that the compliance failure was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. 1143
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(2) Within sixty days after discovering the error, and prior to the initiation of any action by the superintendent or the receipt of written notice of the error from the borrower, the licensee notifies the superintendent and the borrower of the error and the manner in which the licensee intends to make full restitution to the borrower. 1147
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(3) The licensee promptly makes reasonable restitution to the borrower. 1153
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(C) In the event of a compliance failure, if the licensee does not meet the conditions set forth in division (B) of this section, a borrower injured by the error has a cause of action to recover damages. Such an action may not be maintained as a class action. 1155
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Sec. ~~1321.702~~ 1321.703. The superintendent of financial institutions may adopt, in accordance with Chapter 119. of the Revised Code, rules that are necessary for the enforcement of sections 1321.62 to ~~1321.702~~ 1321.703 of the Revised Code and that are consistent with those sections. Each rule shall contain 1160
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a reference to the section, division, or paragraph of the Revised Code to which it applies. The superintendent shall send by regular mail to each licensee a copy of each rule that is adopted pursuant to this section.

Section 2. That existing sections 1321.02, 1321.62, 1321.63, 1321.631, 1321.632, 1321.64, 1321.643, 1321.644, 1321.65, 1321.651, 1321.66, 1321.663, 1321.665, 1321.666, 1321.67, 1321.673, 1321.674, 1321.69, 1321.691, 1321.70, 1321.701, and 1321.702 of the Revised Code are hereby repealed.

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