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Sub. S. B. No. 24

Senator Terhar

Cosponsors: Senators Beagle, Hackett, Bacon, Coley, Eklund, Gardner, Hite, Hoagland, Hottinger, Huffman, Jordan, LaRose, Lehner, Manning, Peterson, Thomas, Wilson Representatives Dever, Arndt, Blessing, Brenner, Conditt, Ginter, Green, Hambley, Johnson, Koehler, Leland, Manning, Reineke, Rogers, Seitz, Sheehy, Smith, K., Smith, R., Stein, Sweeney, West, Young

A BILL

To amend sections 1321.02, 1321.53, and 1321.99 and
to enact sections 1321.62, 1321.63, 1321.631,
1321.632, 1321.64, 1321.641, 1321.642, 1321.643,
1321.644, 1321.65, 1321.651, 1321.66, 1321.661,
1321.662, 1321.663, 1321.664, 1321.665,
1321.666, 1321.667, 1321.67, 1321.671, 1321.672,
1321.673, 1321.674, 1321.68, 1321.681, 1321.69,
1321.70, 1321.701, and 1321.702 of the Revised
Code to create the Ohio Consumer Installment
Loan Act.

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

Section 1. That sections 1321.02, 1321.53, and 1321.99 be
amended and sections 1321.62, 1321.63, 1321.631, 1321.632,
1321.64, 1321.641, 1321.642, 1321.643, 1321.644, 1321.65,
1321.651, 1321.66, 1321.661, 1321.662, 1321.663, 1321.664,
1321.665, 1321.666, 1321.667, 1321.67, 1321.671, 1321.672,
1321.673, 1321.674, 1321.68, 1321.681, 1321.69, 1321.70,

1321.701, and 1321.702 of the Revised Code be enacted to read as follows: 17
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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 of the Revised Code; to 38
licensees conducting business pursuant to sections 1321.71 to 39
1321.83 of the Revised Code; to licensees doing business 40
pursuant to sections 1321.35 to 1321.48 of the Revised Code; or 41
to any entity who is licensed pursuant to Title XXXIX of the 42
Revised Code, who makes advances or loans to any person who is 43
licensed to sell insurance pursuant to that Title, and who is 44
authorized in writing by that entity to sell insurance. No 45
person engaged in the business of selling tangible goods or 46
services related thereto may receive or retain a license under 47

sections 1321.01 to 1321.19 of the Revised Code for such place 48
of business. 49

The first paragraph of this section applies to any person, 50
who by any device, subterfuge, or pretense, charges, contracts 51
for, or receives greater interest, consideration, or charges 52
than that authorized by this section for any such loan or use of 53
money or for any such loan, use, or sale of credit, or who for a 54
fee or any manner of compensation arranges or offers to find or 55
arrange for another person to make any such loan, use, or sale 56
of credit. This section does not preclude the acquiring, 57
directly or indirectly, by purchase or discount, of a bona fide 58
obligation for goods or services when such obligation is payable 59
directly to the person who provided the goods or services. 60

Any contract of loan in the making or collection of which 61
an act is done by the lender that violates this section is void 62
and the lender has no right to collect, receive, or retain any 63
principal, interest, or charges. 64

Sec. 1321.53. (A) (1) An application for a certificate of 65
registration under sections 1321.51 to 1321.60 of the Revised 66
Code shall contain an undertaking by the applicant to abide by 67
those sections. The application shall be in writing, under oath, 68
and in the form prescribed by the division of financial 69
institutions, and shall contain any information that the 70
division may require. Applicants that are foreign corporations 71
shall obtain and maintain a license pursuant to Chapter 1703. of 72
the Revised Code before a certificate is issued or renewed. 73

(2) Upon the filing of the application and the payment by 74
the applicant of a nonrefundable two-hundred-dollar 75
investigation fee, a nonrefundable three-hundred-dollar annual 76
registration fee, and any additional fee required by the 77

nationwide mortgage licensing system and registry, the division 78
shall investigate the relevant facts. If the application 79
involves investigation outside this state, the applicant may be 80
required by the division to advance sufficient funds to pay any 81
of the actual expenses of such investigation, when it appears 82
that these expenses will exceed two hundred dollars. An itemized 83
statement of any of these expenses which the applicant is 84
required to pay shall be furnished to the applicant by the 85
division. No certificate shall be issued unless all the required 86
fees have been submitted to the division. 87

(3) All applicants making loans secured by an interest in 88
real estate shall designate an employee or owner of the 89
applicant as the applicant's primary point of contact. While 90
acting as the primary point of contact, the employee or owner 91
shall not be employed by any other registrant or mortgage 92
broker. 93

(4) The investigation undertaken upon application shall 94
include both a civil and criminal records check of the applicant 95
including any individual whose identity is required to be 96
disclosed in the application. Where the applicant is a business 97
entity the superintendent shall have the authority to require a 98
civil and criminal background check of those persons that in the 99
determination of the superintendent have the authority to direct 100
and control the operations of the applicant. 101

(5) (a) Notwithstanding division (K) of section 121.08 of 102
the Revised Code, the superintendent of financial institutions 103
shall obtain a criminal history records check and, as part of 104
that records check, request that criminal record information 105
from the federal bureau of investigation be obtained. To fulfill 106
this requirement, the superintendent shall do either of the 107

following:	108
(i) Request the superintendent of the bureau of criminal	109
identification and investigation, or a vendor approved by the	110
bureau, to conduct a criminal records check based on the	111
applicant's fingerprints or, if the fingerprints are unreadable,	112
based on the applicant's social security number, in accordance	113
with section 109.572 of the Revised Code;	114
(ii) Authorize the nationwide mortgage licensing system	115
and registry to request a criminal history background check as	116
set forth in division (C) of section 1321.531 of the Revised	117
Code.	118
(b) Any fee required under division (C)(3) of section	119
109.572 of the Revised Code or by the nationwide mortgage	120
licensing system and registry shall be paid by the applicant.	121
(6) If an application for a certificate of registration	122
does not contain all of the information required under division	123
(A) of this section, and if such information is not submitted to	124
the division or to the nationwide mortgage licensing system and	125
registry within ninety days after the superintendent or the	126
nationwide mortgage licensing system and registry requests the	127
information in writing, including by electronic transmission or	128
facsimile, the superintendent may consider the application	129
withdrawn.	130
(7) If the division finds that the financial	131
responsibility, experience, character, and general fitness of	132
the applicant command the confidence of the public and warrant	133
the belief that the business will be operated honestly and	134
fairly in compliance with the purposes of sections 1321.51 to	135
1321.60 of the Revised Code and the rules adopted thereunder,	136

and that the applicant has the requisite bond or applicable net 137
worth and assets required by division (B) of this section, the 138
division shall thereupon issue a certificate of registration to 139
the applicant. The superintendent shall not use a credit score 140
as the sole basis for a registration denial. 141

(a) (i) Certificates of registration issued on or after 142
July 1, 2010, shall annually expire on the thirty-first day of 143
December, unless renewed by the filing of a renewal application 144
and payment of a three-hundred-dollar nonrefundable annual 145
registration fee, any assessment as determined by the 146
superintendent pursuant to division (A) (7) (a) (ii) of this 147
section, and any additional fee required by the nationwide 148
mortgage licensing system and registry, on or before the last 149
day of December of each year. No other fee or assessment shall 150
be required of a registrant by the state or any political 151
subdivision of this state. 152

(ii) If the renewal fees billed by the superintendent 153
pursuant to division (A) (7) (a) (i) of this section are less than 154
the estimated expenditures of the consumer finance section of 155
the division of financial institutions, as determined by the 156
superintendent, for the following fiscal year, the 157
superintendent may assess each registrant at a rate sufficient 158
to equal in the aggregate the difference between the renewal 159
fees billed and the estimated expenditures. Each registrant 160
shall pay the assessed amount to the superintendent prior to the 161
last day of June. In no case shall the assessment exceed ten 162
cents per each one hundred dollars of interest (excluding 163
charge-off recoveries), points, loan origination charges, and 164
credit line charges collected by that registrant during the 165
previous calendar year. If such an assessment is imposed, it 166
shall not be less than two hundred fifty dollars per registrant 167

and shall not exceed thirty thousand dollars less the total 168
renewal fees paid pursuant to division (A) (7) (a) (i) of this 169
section by each registrant. 170

(b) Registrants shall timely file renewal applications on 171
forms prescribed by the division and provide any further 172
information that the division may require. If a renewal 173
application does not contain all of the information required 174
under this section, and if that information is not submitted to 175
the division or to the nationwide mortgage licensing system and 176
registry within ninety days after the superintendent or the 177
nationwide mortgage licensing system and registry requests the 178
information in writing, including by electronic transmission or 179
facsimile, the superintendent may consider the application 180
withdrawn. 181

(c) Renewal shall not be granted if the applicant's 182
certificate of registration is subject to an order of 183
suspension, revocation, or an unpaid and past due fine imposed 184
by the superintendent. 185

(d) If the division finds the applicant does not meet the 186
conditions set forth in this section, it shall issue a notice of 187
intent to deny the application, and forthwith notify the 188
applicant of the denial, the grounds for the denial, and the 189
applicant's reasonable opportunity to be heard on the action in 190
accordance with Chapter 119. of the Revised Code. 191

(8) If there is a change of five per cent or more in the 192
ownership of a registrant, the division may make any 193
investigation necessary to determine whether any fact or 194
condition exists that, if it had existed at the time of the 195
original application for a certificate of registration, the fact 196
or condition would have warranted the division to deny the 197

application under division (A) (7) of this section. If such a 198
fact or condition is found, the division may, in accordance with 199
Chapter 119. of the Revised Code, revoke the registrant's 200
certificate. 201

(B) Each registrant that engages in lending under sections 202
1321.51 to 1321.60 of the Revised Code shall, if not otherwise 203
required to be bonded pursuant to section 1321.533 of the 204
Revised Code, maintain both of the following: 205

(1) A net worth of at least fifty thousand dollars; 206

(2) For each certificate of registration, assets of at 207
least fifty thousand dollars either in use or readily available 208
for use in the conduct of the business. 209

(C) Not more than one place of business shall be 210
maintained under the same certificate, but the division may 211
issue additional certificates to the same registrant upon 212
compliance with sections 1321.51 to 1321.60 of the Revised Code, 213
governing the issuance of a single certificate. No change in the 214
place of business of a registrant to a location outside the 215
original municipal corporation shall be permitted under the same 216
certificate without the approval of a new application, the 217
payment of the registration fee and, if required by the 218
superintendent, the payment of an investigation fee of two 219
hundred dollars. When a registrant wishes to change its place of 220
business within the same municipal corporation, it shall give 221
written notice of the change in advance to the division, which 222
shall provide a certificate for the new address without cost. If 223
a registrant changes its name, prior to making loans under the 224
new name it shall give written notice of the change to the 225
division, which shall provide a certificate in the new name 226
without cost. Sections 1321.51 to 1321.60 of the Revised Code do 227

not limit the loans of any registrant to residents of the 228
community in which the registrant's place of business is 229
situated. Each certificate shall be kept conspicuously posted in 230
the place of business of the registrant and is not transferable 231
or assignable. 232

(D) Sections 1321.51 to 1321.60 of the Revised Code do not 233
apply to any of the following: 234

(1) Entities chartered and lawfully doing business under 235
the authority of any law of this state, another state, or the 236
United States as a bank, savings bank, trust company, savings 237
and loan association, or credit union, or a subsidiary of any 238
such entity, which subsidiary is regulated by a federal banking 239
agency and is owned and controlled by such a depository 240
institution; 241

(2) Life, property, or casualty insurance companies 242
licensed to do business in this state; 243

(3) Any person that is a lender making a loan pursuant to 244
sections 1321.01 to 1321.19 or sections 1321.62 to 1321.701 of 245
the Revised Code or a business loan as described in division (B) 246
(6) of section 1343.01 of the Revised Code; 247

(4) Any political subdivision, or any governmental or 248
other public entity, corporation, instrumentality, or agency, in 249
or of the United States or any state of the United States, or 250
any entity described in division (B) (3) of section 1343.01 of 251
the Revised Code; 252

(5) A college or university, or controlled entity of a 253
college or university, as those terms are defined in section 254
1713.05 of the Revised Code; 255

(6) A credit union service organization, provided the 256

organization utilizes services provided by registered mortgage 257
loan originators or the organization complies with section 258
1321.522 of the Revised Code and holds a valid letter of 259
exemption issued by the superintendent. 260

(E) No person engaged in the business of selling tangible 261
goods or services related to tangible goods may receive or 262
retain a certificate under sections 1321.51 to 1321.60 of the 263
Revised Code for such place of business. 264

Sec. 1321.62. As used in sections 1321.62 to 1321.702 of 265
the Revised Code: 266

(A) "Actuarial method" means the method of allocating 267
payments made on a loan between the principal amount and 268
interest whereby a payment is applied first to the accumulated 269
interest and the remainder to the unpaid principal amount. 270

(B) "Advertisement" and "advertising" mean all material 271
printed, published, displayed, distributed, or broadcast, and 272
all material displayed or distributed over the internet, 273
telephone, facsimile, or other electronic transmission, for the 274
purposes of obtaining applications for loans. 275

(C) "Affiliation" and "affiliated with" mean controlled by 276
or under common control with another person or enterprise either 277
directly or indirectly through one or more intermediaries. 278

(D) "Annual percentage rate" means the ratio of the 279
interest on a loan to the unpaid principal balances on the loan 280
for any period of time, expressed on an annual basis. 281

(E) "Applicable charge" means the amount of interest 282
attributable to each monthly installment period of the loan 283
contract, computed as if each installment period were one month 284
and any charge for extending the first installment period beyond 285

one month is ignored. In the case of loans originally scheduled 286
to be repaid in sixty-one months or less, "applicable charge" 287
for any installment period means that proportion of the total 288
interest contracted for, as the balance scheduled to be 289
outstanding during that period bears to the sum of all of the 290
periodic balances, all determined according to the payment 291
schedule originally contracted for. In all other cases, 292
"applicable charge" for any installment period is that which 293
would have been made for such period had the loan been made on 294
an interest-bearing basis, based upon the assumption that all 295
payments were made according to schedule. 296

(F) "Assets" means properties of value that are owned by 297
the applicant or licensee, including cash on hand and in 298
depository institutions, readily marketable securities, accounts 299
receivable less allowances for uncollectible accounts, and real 300
estate less liens and depreciation. "Assets" does not mean 301
office premises, leasehold improvements, office furniture, 302
fixtures, and equipment, or intangible assets. 303

(G) "Closed-end loan" means any extension of credit other 304
than an open-end loan. 305

(H) "Collecting" and "collected" means the servicing of a 306
loan or receipt of payments from a borrower for a loan made 307
pursuant to sections 1321.62 to 1321.702 of the Revised Code. 308

(I) "Consumer report" and "consumer reporting agency" have 309
the same meanings as in the "Fair Credit Reporting Act," 84 310
Stat. 1128, 15 U.S.C. 1681a, as amended. 311

(J) "Control person" means a person that, in the 312
determination of the superintendent of financial institutions, 313
has the authority to direct and control the operations of the 314

applicant. 315

(K) "Depository institution" has the same meaning as in 316
section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 317
12 U.S.C. 1813, and includes any credit union. 318

(L) "Direct mail" means a loan arranged via an application 319
through the mail or internet where the loan proceeds are 320
delivered through the mail or electronic transmission to the 321
benefit of a borrower. A loan is not made by "direct mail" if it 322
is facilitated by face-to-face, personal contact in this state 323
between the lender, lender's employee or agent, or lender's 324
attorney and the borrower or borrower's agent. 325

(M) "Federal banking agency" means the board of governors 326
of the federal reserve system, the comptroller of the currency, 327
the national credit union administration, and the federal 328
deposit insurance corporation. 329

(N) "Final entry on a loan" means, as to a particular 330
lender, the latter of the date the loan is paid in full, deemed 331
uncollectible, assigned to another licensee or exempt entity and 332
all records are transferred to the new lender, or discharged or 333
otherwise settled by an order terminating litigation governing 334
the loan transaction. 335

(O) "Interest" means all charges payable directly or 336
indirectly by a borrower to a licensee as a condition to a loan 337
or an application for a loan, however denominated, but does not 338
include default charges, deferment charges, insurance charges or 339
premiums, court costs, loan origination charges, check 340
collection charges, credit investigation charges, credit line 341
charges, points, or other fees and charges specifically 342
authorized by law. 343

(P) "Interest-bearing loan" means a loan in which the debt 344
is expressed as the principal amount and interest is computed, 345
charged, and collected on unpaid principal balances outstanding 346
from time to time. 347

(Q) "Instrument" means a personal check or authorization 348
to transfer or withdraw funds from an account that is signed by 349
the borrower and made payable to a person subject to sections 350
1321.62 to 1321.702 of the Revised Code. 351

(R) "License" means a license issued under sections 352
1321.62 to 1321.702 of the Revised Code. 353

(S) "Licensee" means any person that has been issued a 354
license. 355

(T) "Loan agreement" means one or more promises, 356
promissory notes, agreements, undertakings, security agreements, 357
or other documents or commitments, or any combination of these 358
documents or commitments, pursuant to which a licensee loans or 359
delays, or agrees to loan or delay, repayment of money, goods, 360
or anything of value, or otherwise extends credit or makes a 361
financial accommodation. 362

(U) "Net worth" means the excess of assets over 363
liabilities as determined by generally accepted accounting 364
principles. 365

(V) "NMLSR" means a multistate licensing system developed 366
and maintained by the conference of state bank supervisors and 367
the American association of residential mortgage regulators, or 368
their successor entities, for the licensing and registration of 369
loan originators, or any system established by the secretary of 370
housing and urban development pursuant to the "Secure and Fair 371
Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 372

<u>12 U.S.C. 5101.</u>	373
<u>(W) "Open-end loan" means consumer credit extended by a</u>	374
<u>creditor under a plan to which all of the following conditions</u>	375
<u>apply:</u>	376
<u>(1) The creditor reasonably contemplates repeated</u>	377
<u>transactions.</u>	378
<u>(2) The creditor may impose a finance charge from time to</u>	379
<u>time on an outstanding unpaid balance.</u>	380
<u>(3) The amount of credit that may be extended to the</u>	381
<u>borrower during the term of the plan, up to any limit set by the</u>	382
<u>creditor, is generally made available to the extent that any</u>	383
<u>outstanding balance is repaid.</u>	384
<u>(X) "Person" means an individual, partnership,</u>	385
<u>association, trust, corporation, or any other legal entity.</u>	386
<u>(Y) "Precomputed loan" means a loan in which the debt is a</u>	387
<u>sum comprising the principal amount and the amount of interest</u>	388
<u>computed in advance on the assumption that all scheduled</u>	389
<u>payments will be made when due.</u>	390
<u>(Z) "Principal amount" means the amount of cash paid to,</u>	391
<u>or paid or payable for the account of, the borrower, and</u>	392
<u>includes any charge, fee, or expense that is financed by the</u>	393
<u>borrower at origination of the loan or during the term of the</u>	394
<u>loan.</u>	395
<u>(AA) "Refinance" means a loan the proceeds of which are</u>	396
<u>used in whole or in part to pay the unpaid balance of a prior</u>	397
<u>loan made by the same licensee or any employee or affiliate of</u>	398
<u>the licensee to the same borrower under sections 1321.62 to</u>	399
<u>1321.702 of the Revised Code.</u>	400

(BB) "Residential mortgage loan" means any loan primarily 401
for personal, family, or household use that is secured by a 402
mortgage, deed of trust, or other equivalent consensual security 403
interest on a dwelling or on residential real estate upon which 404
is constructed or intended to be constructed a dwelling. For 405
purposes of this division, "dwelling" has the same meaning as in 406
the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602. 407

(CC) "State" in the context of referring to states in 408
addition to Ohio means any state of the United States, the 409
district of Columbia, any territory of the United States, Puerto 410
Rico, Guam, American Samoa, the trust territory of the Pacific 411
islands, the virgin islands, and the northern Mariana islands. 412

(DD) "Superintendent of financial institutions" includes 413
the deputy superintendent for consumer finance as provided in 414
section 1181.21 of the Revised Code. 415

Sec. 1321.63. (A) (1) No person shall do either of the 416
following without first having obtained a license from the 417
superintendent of financial institutions under sections 1321.62 418
to 1321.702 of the Revised Code: 419

(a) Engage in the business of lending money under sections 420
1321.62 to 1321.702 of the Revised Code; 421

(b) Contract for, or receive, directly or indirectly, on 422
or in connection with any such loan, any interest and charges 423
that in the aggregate are greater than the interest and charges 424
that the lender would be permitted to charge for a loan of money 425
if the lender were not a licensee. 426

(2) Division (A) (1) of this section applies to any person, 427
who by any device, subterfuge, or pretense, charges, contracts 428
for, or receives greater interest, consideration, or charges 429

than that authorized by this section for any such loan, or who 430
for a fee or any manner of compensation arranges or offers to 431
find or arrange for another person to make any such loan. 432

(B) This section does not preclude the acquiring, directly 433
or indirectly, by purchase or discount, of a bona fide 434
obligation for goods or services when such obligation is payable 435
directly to the person who provided the goods or services. 436

(C) Any contract of a loan in the making or collection of 437
which an act is done by the lender that violates this section is 438
void and the lender has no right to collect, receive, or retain 439
any principal, interest, or charges. 440

Sec. 1321.631. Sections 1321.62 to 1321.702 of the Revised 441
Code do not apply to any of the following: 442

(A) Any credit transaction with a loan term of less than 443
six months from the loan transaction date; 444

(B) Any credit transaction that does not require equal 445
monthly payments, unless either of the following apply: 446

(1) The credit transaction contains an interest rate that 447
is tied to a published and verifiable index and the contractual 448
rate of interest is adjusted in accordance with changes in that 449
index. 450

(2) The credit transaction provides for an extension of 451
the first monthly installment period pursuant to division (C) (2) 452
(a) of section 1321.68 of the Revised Code. 453

(C) Any credit transaction with an interest rate in excess 454
of that provided for under section 1321.68 of the Revised Code; 455

(D) Any credit transaction secured by an interest in the 456
covered borrower's residential mortgage loan, including a 457

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; 458
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(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; 461
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(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; 465
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(G) Any credit transaction made by a retail seller under Chapter 1317. of the Revised Code; 468
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(H) Any credit transaction made by a person licensed or acting as a pawnbroker under Chapter 4727. of the Revised Code; 470
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(I) Any credit transaction made by a person licensed under sections 1321.35 to 1321.48 of the Revised Code; 472
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(J) Any credit transaction made by a collection agency pursuant to section 1319.12 of the Revised Code; 474
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(K) Any credit transaction made by a premium finance company licensed under sections 1321.71 to 1321.83 of the Revised Code; 476
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(L) Any credit transaction made by a person chartered and lawfully doing business under the authority of any law of this state, another state, or the United States as a bank, savings bank, trust company, savings and loan association, or credit union, or a subsidiary of any such entity, which subsidiary is regulated by a federal banking agency and is owned and controlled by such a depository institution; 479
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(M) Any credit transaction made by a life, property, or 486
casualty insurance company licensed to do business in this state 487
or any entity licensed under Title XXXIX of the Revised Code 488
that makes advances or loans to any person who is licensed to 489
sell insurance pursuant to that title and who is authorized in 490
writing by that entity to sell insurance; 491

(N) Any licensee doing business under sections 1321.01 to 492
1321.19 of the Revised Code; 493

(O) Any registrant doing business under sections 1321.51 494
to 1321.60 of the Revised Code; 495

(P) Any person making a business loan described in 496
division (B) (6) of section 1343.01 of the Revised Code; 497

(Q) Any political subdivision, or any governmental or 498
other public entity, corporation, instrumentality, or agency, in 499
or of the United States or any state of the United States, or 500
any entity mentioned in division (B) (3) of section 1343.01 of 501
the Revised Code; 502

(R) Any college or university, or controlled entity of a 503
college or university, as those terms are defined in section 504
1713.05 of the Revised Code; 505

(S) Any person doing business under and as permitted by 506
any law of this state, another state, or the United States 507
relating to banks, savings banks, savings societies, trust 508
companies, credit unions, or savings and loan associations 509
substantially all the business of which is confined to loans on 510
real estate mortgages and evidences of their own indebtedness. 511

Sec. 1321.632. A licensee may engage in the business of 512
making loans provided the licensee does not do any of the 513
following: 514

(A) Assess an origination fee pursuant to section 1321.68 515
of the Revised Code more than three times in any twelve-month 516
period; 517

(B) Accept a dated instrument from the borrower as 518
security for a loan; 519

(C) Hold an instrument for a period of time prior to 520
negotiation or deposit of the instrument; 521

(D) Pay to a borrower, credit to a borrower's account, or 522
pay to another person on the borrower's behalf the amount of an 523
instrument, less interest, fees, or any other charges permitted 524
by section 1321.68 of the Revised Code; 525

(E) Refinance the loan during the first one hundred twenty 526
days of the loan term; 527

(F) Except for the deferment charge permitted by section 528
1321.68 of the Revised Code, charge or collect any fee, charge, 529
or remuneration of any sort for renewing, amending, or extending 530
a loan beyond its original term. 531

Sec. 1321.64. (A) An application for a license shall 532
contain an undertaking by the applicant to abide by those 533
sections. The application shall be in writing, under oath, and 534
in the form prescribed by the superintendent of financial 535
institutions, and shall contain any information that the 536
superintendent may require. Applicants that are foreign 537
corporations shall obtain and maintain a license pursuant to 538
Chapter 1703. of the Revised Code before a license is issued or 539
renewed. 540

(B) Upon the filing of the application and the payment by 541
the applicant of a nonrefundable investigation fee of two 542
hundred dollars, a nonrefundable annual registration fee of 543

three hundred dollars, and any additional fee required by the 544
NMLSR, the division of financial institutions shall investigate 545
the relevant facts. If the application involves investigation 546
outside this state, the applicant may be required by the 547
division to advance sufficient funds to pay any of the actual 548
expenses of the investigation when it appears that these 549
expenses will exceed two hundred dollars. An itemized statement 550
of any of these expenses which the applicant is required to pay 551
shall be furnished to the applicant by the division. A license 552
shall not be issued unless all the required fees have been 553
submitted to the division. 554

(C) (1) The investigation undertaken upon receipt of an 555
application shall include both a civil and criminal records 556
check of any control person. 557

(2) (a) Notwithstanding division (K) of section 121.08 of 558
the Revised Code, the superintendent shall obtain a criminal 559
records check on each control person and, as part of that 560
records check, request that criminal records information from 561
the federal bureau of investigation be obtained. To fulfill this 562
requirement, the superintendent shall do either of the 563
following: 564

(i) Request the superintendent of the bureau of criminal 565
identification and investigation, or a vendor approved by the 566
bureau, to conduct a criminal records check based on the control 567
person's fingerprints or, if the fingerprints are unreadable, 568
based on the control person's social security number, in 569
accordance with section 109.572 of the Revised Code; 570

(ii) Authorize the NMLSR to request a criminal records 571
check of the control person. 572

(b) Any fee required under division (C) (3) of section 573
109.572 of the Revised Code or by the NMLSR shall be paid by the 574
applicant. 575

(D) If an application for a license does not contain all 576
of the information required under division (A) of this section, 577
and if such information is not submitted to the division or to 578
the NMLSR within ninety days after the superintendent or the 579
NMLSR requests the information in writing, including by 580
electronic transmission or facsimile, the superintendent may 581
consider the application withdrawn. 582

(E) If the superintendent of financial institutions finds 583
that the financial responsibility, experience, character, and 584
general fitness of the applicant command the confidence of the 585
public and warrant the belief that the business will be operated 586
honestly and fairly in compliance with the purposes of sections 587
1321.62 to 1321.702 of the Revised Code and the rules adopted 588
thereunder, and that the applicant has the requisite net worth 589
and assets required under section 1321.65 of the Revised Code, 590
the superintendent shall issue a license to the applicant. The 591
license shall be valid until the thirty-first day of December of 592
the year in which it is issued. A person may be licensed under 593
both sections 1321.51 to 1321.60 and sections 1321.62 to 594
1321.702 of the Revised Code. 595

(F) If the superintendent finds that the applicant does 596
not meet the conditions set forth in this section, the 597
superintendent shall issue a notice of intent to deny the 598
application, and promptly notify the applicant of the denial, 599
the grounds for the denial, and the applicant's reasonable 600
opportunity to be heard on the action in accordance with Chapter 601
119. of the Revised Code. 602

Sec. 1321.641. (A) A license issued under section 1321.64 603
of the Revised Code may be renewed annually on or before the 604
thirty-first day of December by submitting a renewal application 605
in the form prescribed by the superintendent of financial 606
institutions. The application shall be accompanied by a 607
nonrefundable renewal fee of three hundred dollars, any 608
assessment as determined by the superintendent pursuant to 609
division (B) of this section, and any additional fee required by 610
the NMLSR. A licensee shall not be required to pay any other fee 611
or assessment by the state or any political subdivision of the 612
state. 613

(B) If the amount of renewal fees collected by the 614
division of financial institutions is less than the estimated 615
expenditures of the consumer finance section of the division, as 616
determined by the superintendent, for the following fiscal year, 617
the superintendent may assess each licensee at a rate sufficient 618
to equal in the aggregate the difference between the renewal 619
fees collected and the estimated expenditures. Each licensee 620
shall pay the assessed amount to the superintendent prior to the 621
last day of June. In no event shall the assessment exceed ten 622
cents per each one hundred dollars of interest (excluding 623
charge-off recoveries), loan origination charges, and credit 624
line charges collected by that licensee during the previous 625
calendar year. If such an assessment is imposed, it shall not be 626
less than two hundred fifty dollars per licensee and shall not 627
exceed thirty thousand dollars less the total renewal fees paid 628
pursuant to division (A) of this section by each licensee. 629

(C) If a renewal application does not contain all of the 630
information required, and if that information is not submitted 631
to the division or to the NMLSR within ninety days after the 632
superintendent or the NMLSR requests the information in writing, 633

including by electronic transmission or facsimile, the 634
superintendent may consider the renewal application withdrawn. 635

(D) An applicant's license shall not be renewed if it is 636
subject to an order of suspension or an unpaid and past due fine 637
imposed by the superintendent. 638

Sec. 1321.642. (A) If there is a change of five per cent 639
or more in the ownership of a licensee, the division of 640
financial institutions may make any investigation necessary to 641
determine whether any fact or condition exists that, if it had 642
existed at the time of the original application for a license, 643
the fact or condition would have warranted the division to deny 644
the application under section 1321.64 of the Revised Code. 645

(B) A licensee shall give the superintendent of financial 646
institutions sixty days prior written notice before there is a 647
change of fifty per cent or more in the ownership of the 648
licensee. 649

Sec. 1321.643. (A) (1) Not more than one place of business 650
shall be maintained under the same license, but the 651
superintendent of financial institutions may issue additional 652
licenses to the same licensee upon compliance with sections 653
1321.62 to 1321.702 of the Revised Code. 654

(2) Each licensed place of business shall be located in a 655
state. 656

(B) (1) When a licensee wishes to change its place of 657
business, it shall give at least fifteen days prior written 658
notice of the change to the division of financial institutions. 659
The division shall provide a license for the new address without 660
cost. 661

(2) If a licensee changes its name, it shall give written 662

notice of the change to the division prior to making loans under 663
the new name. The division shall provide a license in the new 664
name without cost. 665

(C) Each current license shall be kept conspicuously 666
posted in each place of business of the licensee and is not 667
transferable or assignable. 668

Sec. 1321.644. No person engaged in the business of 669
selling tangible goods or services related to tangible goods may 670
receive or retain a license under sections 1321.62 to 1321.702 671
of the Revised Code for such place of business. 672

Sec. 1321.65. Each licensee that conducts business under 673
sections 1321.62 to 1321.702 of the Revised Code shall maintain 674
both of the following: 675

(A) A net worth of at least fifty thousand dollars; 676

(B) For each license, assets of at least fifty thousand 677
dollars either in use or readily available for use in the 678
conduct of the business. 679

Sec. 1321.651. All of the following apply to advertising 680
for loans made under sections 1321.62 to 1321.702 of the Revised 681
Code: 682

(A) Every advertisement shall state and clearly indicate 683
the identity of the licensee and shall do so in such a manner 684
that prevents confusion with the name of any other unrelated 685
licensee. Licensees shall be identified by means of trade names, 686
service marks, or business names that are filed with the 687
division of financial institutions and the secretary of state. 688

(B) Advertising shall not be false, misleading, or 689
deceptive. False, misleading, or deceptive advertising includes, 690

but is not limited to, the following: 691

(1) Placing, or causing to be placed, any advertisement 692
indicating that special terms, reduced rates, guaranteed rates, 693
particular rates, or any other special feature of loans is 694
available unless the advertisement clearly states any 695
limitations that apply; 696

(2) Placing, or causing to be placed, any advertisement 697
containing a rate or special fee offer that is not a bona fide 698
available rate or fee. 699

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 700
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 701
for closed-end loans. 702

(D) A licensee shall not use loan advertisements that 703
provide only telephone or facsimile numbers or newspaper box 704
addresses and that do not clearly indicate the identity of the 705
licensee. 706

(E) A licensee shall not advertise that loans will be made 707
within a specified time after the loan application is received, 708
unless it is the general practice of the licensee to make loans 709
within the specified time. 710

(F) A licensee shall not advertise special terms, reduced 711
rates, reduced payments, or any other special feature of a loan 712
within a specified limited time, unless the advertisement 713
clearly states any limitations that apply to the offer. 714

(G) A licensee shall not advertise by the use of 715
unqualified superlatives, including, but not limited to, "lowest 716
rates," "lowest costs," "lowest payment plan," or "cheapest 717
loans," or by making offers that cannot be reasonably fulfilled. 718

(H) A licensee shall not advertise the words "new" or "reduced," or words of similar import, in connection with rates, costs, payments, or plans, for more than ninety days after the rates, costs, payments, or plans have become effective. 719
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(I) Any licensee specifying in any advertisement charges on loans in dollars shall also state the length of time required to repay the loans as well as the method of repayment, and shall, when the rate of interest is stated, do so in a manner to prevent misunderstanding. 723
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(J) Any licensee advertising flat or average payments on loans that include principal and interest shall specify the number and frequency of payments required to repay the loans. Whenever the amounts of periodic payments are advertised, the amounts shall include all interest to the borrower, as well as principal. The principal payments alone may be shown separately provided the interest charges are also clearly stated with equal prominence. 728
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(K) A licensee shall not advertise rebates, rates, or charges below the maximum lawful rate of interest that are conditioned upon prompt payment unless the condition is clearly indicated. 736
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(L) A licensee shall not advertise either of the following: 740
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(1) Waiver of payments in the event of sickness or disability or other contingency, without advertising that the interest and other charges, if assessed, continue during the waiver period; 742
743
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(2) That the first payment on any loan may be made more than thirty days after the date of loan closing, without 746
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advertising that the interest and other charges, if assessed, 748
will accrue from the date of disbursement of the loan funds 749
until the first payment is due. 750

(M) A licensee shall not advertise for loans for illegal 751
purposes. 752

(N) A licensee shall not advertise the availability of 753
credit-related insurance without disclosing the charge, if any, 754
for the insurance. 755

(O) Each licensee shall maintain in each licensed office 756
or in a central location a file of all advertising for a period 757
of two years from the date disseminated. This requirement 758
includes newspaper, magazine, direct mailing, and facsimile 759
advertising and solicitations, roadside advertising, internet 760
advertising, and scripts of radio and television commercials. 761
The file shall be readily available for inspection by the 762
division at all times. Each licensee shall notify the division 763
in writing of the location of the file. Each licensee shall, 764
upon the request of the superintendent of financial 765
institutions, provide to the division any printed or electronic 766
advertising it has used regarding any business conducted under 767
sections 1321.62 to 1321.702 of the Revised Code. 768

Sec. 1321.66. (A) Records a licensee is required to 769
maintain shall be kept current and be available at a licensed 770
location at all times during normal business hours for review by 771
the superintendent. Records must be legible and maintained in a 772
type size that is clearly readable without magnification and in 773
conformity with any specific typeface or font size that may be 774
required by state or federal law. Except when otherwise provided 775
by federal or state law, records shall be maintained in English. 776
When records are allowed to be in a language other than English, 777

the licensee, at its expense, shall be responsible for providing 778
the superintendent with a full and accurate translation. For 779
purposes of this section, "current" means within thirty days 780
from the date of the occurrence of the event required to be 781
recorded. A licensee shall keep and preserve the following 782
records: 783

(1) A sortable electronic spreadsheet that discloses the 784
following fields of information: 785

(a) Principal borrower's name; 786

(b) Principal borrower's address or property address; 787

(c) Loan or account number; 788

(d) Type of the security for the loan; 789

(e) Date of loan; 790

(f) Amount financed; 791

(g) Date finance charges begin to accrue; 792

(h) Loan origination charge; 793

(i) Itemization of all additional fees or charges; 794

(j) Principal amount of the loan; 795

(k) Scheduled or precomputed interest; 796

(l) Number of payments; 797

(m) Contractual rate of interest; 798

(n) Federal annual percentage rate; 799

(o) Payment amount; 800

(p) Types and amounts of credit-related insurance; 801

<u>(q) Default charge;</u>	802
<u>(r) Check collection charge;</u>	803
<u>(s) Any points charged to the borrower;</u>	804
<u>(t) Any charges for prepayment of the loan.</u>	805
<u>(2) Payment histories for each outstanding loan and each loan paid in full that shall disclose all of the following:</u>	806 807
<u>(a) Principal borrower's name;</u>	808
<u>(b) Loan or account number;</u>	809
<u>(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.</u>	810 811 812 813 814
<u>(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:</u>	815 816 817 818
<u>(a) All documents related to the loan transaction from origination through the final entry on the record;</u>	819 820
<u>(b) Copies of the complaints, court orders, settlements, and judgments relating to collection litigation;</u>	821 822
<u>(c) In cases of garnishment or attachment in collection litigation, copies of all notices served on employers and amounts collected;</u>	823 824 825
<u>(d) Copies of all repossession and foreclosure legal documents and other records, including bills for all expenses;</u>	826 827

<u>(e) In instances where the security foreclosed upon or</u>	828
<u>repossessed is offered for private sale, not less than three</u>	829
<u>bona fide written bids or appraisals in order to establish that</u>	830
<u>the terms of the sale were commercially reasonable to the</u>	831
<u>borrower;</u>	832
<u>(f) A copy of the death certificate and documentation of</u>	833
<u>all funds received or paid pursuant to a credit life claim.</u>	834
<u>(4) A sortable electronic spreadsheet of all loans in</u>	835
<u>collection litigation that shall include all of the following:</u>	836
<u>(a) Principal borrower's name;</u>	837
<u>(b) Loan or account number;</u>	838
<u>(c) Date litigation proceedings were initiated;</u>	839
<u>(d) Name of the court in which proceedings were initiated;</u>	840
<u>(e) Indication of whether a final judgment has been</u>	841
<u>entered, and if so, all of the following:</u>	842
<u>(i) Date of judgment;</u>	843
<u>(ii) Amount of judgment;</u>	844
<u>(iii) The judgment rate of interest.</u>	845
<u>(5) A sortable electronic spreadsheet of all loans in</u>	846
<u>repossession and foreclosure that shall include all of the</u>	847
<u>following:</u>	848
<u>(a) Principal borrower's name;</u>	849
<u>(b) Loan or account number;</u>	850
<u>(c) Type of security foreclosed, attached, replevied,</u>	851
<u>repossessed, or surrendered;</u>	852

<u>(d) Date of repossession or foreclosure;</u>	853
<u>(e) Date of sale of the security;</u>	854
<u>(f) Gross amount received from the sale of the security;</u>	855
<u>(g) The amount of money applied to the outstanding loan balance;</u>	856 857
<u>(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.</u>	858 859 860 861
<u>(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:</u>	862 863 864
<u>(a) Principal borrower's name;</u>	865
<u>(b) Loan or account number;</u>	866
<u>(c) Date of death;</u>	867
<u>(d) Total amount paid by the insurance claim;</u>	868
<u>(e) Amount applied to the principal borrower's account.</u>	869
<u>(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.</u>	870 871 872 873
<u>(8) All contracts or agreements relating to business relationships with businesses or individuals licensed by the division of financial institutions;</u>	874 875 876
<u>(9) A file of all advertisements;</u>	877
<u>(10) Histories of nonpublished indices used to establish</u>	878

interest rates for variable rate loans, which shall be 879
maintained for two years from date of usage; 880

(11) Any other records the superintendent may from time to 881
time specify in writing. 882

(B) Where electronic records are required, a licensee may 883
retain paper records as well. Where electronic records are 884
required, the superintendent may, for good cause, allow a 885
licensee to retain paper records in lieu of the electronic 886
records required by this section. 887

(C) (1) A licensee shall keep and preserve records 888
pertaining to loans made under sections 1321.62 to 1321.702 of 889
the Revised Code for at least two years after the final entry on 890
the record. The final entry on the record occurs when the loan 891
is paid in full, charged off as uncollectible, sold, transferred 892
or assigned to another, or discharged or otherwise settled by a 893
final order issued in litigation governing the loan transaction. 894

(2) Notwithstanding division (C) (1) of this section, a 895
licensee shall keep and preserve records pertaining to 896
residential mortgage loans in accordance with 12 C.F.R. 897
1026.25(b) (3) as in effect on November 30, 2016. 898

(3) A licensee shall keep and preserve records pertaining 899
to an advertisement for at least two years after the date the 900
advertisement is published, broadcast, or disseminated. 901

(D) A licensee shall segregate the records pertaining to 902
business conducted pursuant to sections 1321.62 to 1321.702 of 903
the Revised Code from all other business records. 904

(E) A licensee shall notify the superintendent via the 905
NMLSR of a change of location of its records pertaining to 906
business conducted pursuant to sections 1321.62 to 1321.702 of 907

the Revised Code not later than five business days after the 908
change. 909

(F) Where a licensee maintains electronic records in 910
compliance with this section and those records are located 911
outside of this state, the licensee shall make the electronic 912
records available to the division of financial institutions upon 913
request, within the time frame provided by the division. The 914
electronic records may be uploaded to a secure server for the 915
purpose of the division conducting an examination of the 916
licensee. 917

(G) In the event electronic records, books, records, data, 918
and documents of a licensee are located outside of this state 919
and the superintendent determines that an in-person examination 920
is necessary, the licensee shall, upon the request of the 921
superintendent, pay in advance the estimated costs of the 922
examination of the licensee outside this state, including the 923
proportionate cost of the salaries of division of financial 924
institutions employees who conduct the examination. The 925
estimated costs of an out-of-state examination, as determined by 926
the superintendent, shall be deposited with the division of 927
financial institutions upon demand. After the actual costs of 928
the out-of-state examination have been determined, any funds in 929
the deposit account in excess of costs as itemized by the 930
division of financial institutions shall be returned to the 931
licensee. 932

(H) Any records maintained on an electronic storage media 933
or system shall meet all of the following requirements: 934

(1) The electronic storage media or system must preserve 935
the records in a nonrewritable, nonerasable format. 936

(2) The electronic storage media or system must verify automatically the quality and accuracy of the storage media recording process. 937
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(3) The electronic storage media or system must serialize the original and the duplicate units of storage media, and affix a date and time for the required period of retention on both the original and duplicate. 940
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(4) The electronic storage media or system must have the capacity to readily download indices and records preserved on the electronic storage media or system to any medium acceptable to the superintendent. 944
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(5) Acceptable facilities and appropriate equipment must, at all times during normal business hours, be available to the superintendent for immediate, easily readable projection or production of electronic storage media or system images and for producing easily readable images. 948
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(6) Immediate facsimile enlargement must be available upon the superintendent's request. 953
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(7) A duplicate copy of the electronic record stored on any electronic media or system for the time required must be stored separately from the "original" electronic record. 955
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(8) The electronic storage media or system must organize and index accurately all information maintained on both the original and duplicate storage media or system. 958
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(9) At all times, a licensee must be able to have indices of the electronic records being stored available for examination by the superintendent. 961
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(10) Each index must also be duplicated and the duplicate 964

copies must be stored separately from the original copy of each 965
index. 966

(11) Original and duplicate indices must be preserved for 967
the time required for the indexed records. 968

(12) An audit system must be in place that does all of the 969
following: 970

(a) Provides for accountability regarding inputting of 971
records and inputting any changes made to every original and 972
duplicate record maintained and preserved; 973

(b) Requires the licensee, at all times, to have the 974
results of the audit system available for examination by the 975
superintendent; 976

(c) Preserves the results of the audit for the time 977
required for the audited records. 978

(13) All information necessary to access records and 979
indices stored on the electronic storage media or system, a copy 980
of the physical and logical file format of the electronic 981
storage media or system, the field format of all different 982
information types written on the electronic storage media or 983
system, together with the appropriate documentation and 984
information necessary to access records and indices must be 985
maintained, kept current, and provided promptly to the 986
superintendent upon request. 987

(14) No paper documents produced or reproduced by means of 988
an electronic storage media or system may be destroyed until the 989
conditions of division (H) of this section have been met with 990
regard to each paper document that is to be destroyed. 991

(15) At the request of the division: 992

(a) Records must be printed on paper for inspection or 993
examination without cost to the division within forty-eight 994
hours of the request. The superintendent may grant additional 995
time for good cause shown upon receipt of a request for 996
additional time from the licensee. 997

(b) The licensee shall provide any court documents in 998
addition to those described in division (A) (3) of this section. 999

(I) In order to reduce the risk of consumer fraud and 1000
related harms, including identity theft, licensees shall be 1001
required to comply with section 216 of the "Fair and Accurate 1002
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 1003
15 U.S.C. 1681w as in effect on November 30, 2016, section 501 1004
of the "Gramm Leach Bliley Act," 113 Stat. 1338 (1999) (amended 1005
2010), 15 U.S.C. 6801 as in effect on November 30, 2016, and the 1006
rules promulgated pursuant to those federal acts, including 16 1007
C.F.R. Part 313 and 16 C.F.R. Part 682, as in effect November 1008
30, 2016, pertaining to the maintenance, security, and disposal 1009
of consumer information and records. 1010

(J) The division shall make or cause to be made an 1011
examination of records pertaining to loans made under sections 1012
1321.62 to 1321.702 of the Revised Code at least once every 1013
twenty-four months for the purpose of determining whether the 1014
licensee is complying with those sections and verifying the 1015
licensee's annual report. 1016

Sec. 1321.661. (A) Each licensee shall submit to the NMLSR 1017
call reports or other reports of condition, which reports shall 1018
be in such form and shall contain such information as the NMLSR 1019
may require. 1020

(B) (1) As required by the superintendent of financial 1021

institutions, each licensee shall file with the division of 1022
financial institutions an annual report under oath or 1023
affirmation, on forms supplied by the division, concerning the 1024
business and operation of the licensee for the preceding 1025
calendar year. 1026

(2) The superintendent shall annually publish an analysis 1027
of the information required under division (B)(1) of this 1028
section, but the individual reports shall not be public records 1029
and shall not be open to public inspection. 1030

Sec. 1321.662. (A)(1) The following information is 1031
confidential: 1032

(a) Examination information, and any information leading 1033
to or arising from an examination; 1034

(b) Investigation information, and any information arising 1035
from or leading to an investigation. 1036

(2) The information described in division (A)(1) of this 1037
section shall remain confidential for all purposes except when 1038
it is necessary for the superintendent of financial institutions 1039
to take official action regarding the affairs of a licensee, or 1040
in connection with criminal or civil proceedings to be initiated 1041
by a prosecuting attorney or the attorney general. This 1042
information may also be introduced into evidence or disclosed 1043
when and in the manner authorized by section 1181.25 of the 1044
Revised Code. 1045

(B) All application information, except social security 1046
numbers, employer identification numbers, financial account 1047
numbers, the identity of the institution where financial 1048
accounts are maintained, personal financial information, 1049
fingerprint cards and the information contained on such cards, 1050

and criminal background information, is a public record as 1051
defined in section 149.43 of the Revised Code. 1052

(C) This section does not prevent the division of 1053
financial institutions from releasing to or exchanging with 1054
other financial institution regulatory authorities information 1055
relating to licensees. For this purpose, a "financial 1056
institution regulatory authority" includes a regulator of a 1057
business activity in which a licensee is engaged, or has applied 1058
to engage in, to the extent that the regulator has jurisdiction 1059
over a licensee engaged in that business activity. A licensee is 1060
engaged in a business activity, and a regulator of that business 1061
activity has jurisdiction over the licensee, whether the 1062
licensee conducts the activity directly or a subsidiary or 1063
affiliate of the licensee conducts the activity. 1064

(D) (1) Any confidentiality or privilege arising under 1065
federal or state law with respect to any information or material 1066
provided to the NMLSR shall continue to apply to the information 1067
or material after the information or material has been provided 1068
to the NMLSR. The information and material so provided may be 1069
shared with all state and federal regulatory officials with 1070
oversight authority without the loss of confidentiality or 1071
privilege protections provided by federal law or the law of any 1072
state. Information or material described in division (D) (1) of 1073
this section to which confidentiality or privilege applies shall 1074
not be subject to any of the following: 1075

(a) Disclosure under any federal or state law governing 1076
disclosure to the public of information held by an officer or an 1077
agency of the federal government or of the respective state; 1078

(b) Subpoena or discovery, or admission into evidence, in 1079
any private civil action or administrative process, unless the 1080

person to whom such information or material pertains waives, in 1081
whole or in part and at the discretion of the person, any 1082
privilege held by the NMLSR with respect to that information or 1083
material. 1084

(2) The superintendent, in order to promote more effective 1085
regulation and reduce regulatory burden through supervisory 1086
information sharing, may enter into sharing arrangements with 1087
other governmental agencies, the conference of state bank 1088
supervisors, and the American association of residential 1089
mortgage regulators. 1090

(3) Any state law, including section 149.43 of the Revised 1091
Code, relating to the disclosure of confidential supervisory 1092
information or any information or material described in division 1093
(A) (1) or (D) (1) of this section that is inconsistent with this 1094
section shall be superseded by the requirements of this section. 1095

(E) This section does not prevent the division from 1096
releasing information relating to licensees to the attorney 1097
general, to the superintendent of insurance for purposes 1098
relating to the administration of Chapter 3953. of the Revised 1099
Code, to the commissioner of securities for purposes relating to 1100
the administration of Chapter 1707. of the Revised Code, or to 1101
local law enforcement agencies and local prosecutors. 1102
Information the division releases pursuant to this section 1103
remains confidential. 1104

(F) The superintendent of financial institutions shall, by 1105
rule adopted in accordance with Chapter 119. of the Revised 1106
Code, establish a process by which licensees may challenge 1107
information provided to the NMLSR by the superintendent. 1108

Sec. 1321.663. No person, in connection with any 1109

examination or investigation conducted by the superintendent of 1110
financial institutions under sections 1321.62 to 1321.702 of the 1111
Revised Code shall knowingly do any of the following: 1112

(A) Circumvent, interfere with, obstruct, or fail to 1113
cooperate with the superintendent, including making a false or 1114
misleading statement, failing to produce records, or 1115
intimidating or suborning any witness; 1116

(B) Withhold, abstract, remove, mutilate, destroy, or 1117
secrete any books, records, computer records, or other 1118
information; 1119

(C) Tamper with, alter, or manufacture any evidence. 1120

Sec. 1321.664. In order to reduce the risk of consumer 1121
fraud and related harms, including identity theft, licensees 1122
shall comply with the provisions of the "Fair and Accurate 1123
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 1124
15 U.S.C. 1681w, as in effect on November 30, 2016, the "Gramm 1125
Leach Bliley Act," 113 Stat. 1138 (1999) (amended 2010), 15 1126
U.S.C. 6801, as in effect on November 30, 2016, including those 1127
federal acts as amended from time to time and the rules 1128
promulgated pursuant to those federal acts, including 16 C.F.R. 1129
682, as in effect November 30, 2016, pertaining to the 1130
maintenance, security, and disposal of consumer information and 1131
records. 1132

Sec. 1321.665. Before ceasing to conduct or discontinuing 1133
business as a licensee, the licensee shall arrange for and be 1134
responsible for the preservation of the books and records 1135
required to be maintained and preserved under sections 1321.62 1136
to 1321.702 of the Revised Code and shall notify the division of 1137
financial institutions in writing of the exact address where the 1138

books and records will be maintained during the required period. 1139

Sec. 1321.666. The superintendent of financial 1140
institutions may suspend, revoke, or refuse to renew any license 1141
issued by the superintendent under sections 1321.62 to 1321.702 1142
of the Revised Code, or bring any other authorized 1143
administrative enforcement action in accordance with section 1144
1321.70 of the Revised Code, against any person for failure to 1145
maintain records in accordance with section 1321.66 of the 1146
Revised Code. 1147

Sec. 1321.667. (A) Except as otherwise provided in section 1148
9.02 of the Revised Code, any party, including a governmental 1149
authority, that requires or requests a licensee to assemble or 1150
provide a customer's financial records shall pay the licensee 1151
for all actual and necessary costs directly incurred in 1152
searching for, reproducing, or transporting those records 1153
according to the following schedule: 1154

(1) Reimbursement of search and processing costs shall be 1155
the total amount of personnel direct time incurred in locating 1156
and retrieving, reproducing, packaging, and preparing financial 1157
records for shipment. The rate for search and processing costs 1158
shall be eleven dollars per hour per person, computed on the 1159
basis of two dollars and seventy-five cents per quarter hour or 1160
fraction thereof, and shall be limited to the total amount of 1161
personnel time spent in locating and retrieving documents or 1162
information or reproducing or packaging and preparing documents 1163
for shipment where required or requested by a party. Specific 1164
salaries of such persons shall not be included in search costs. 1165
In addition, search and processing costs shall not include 1166
salaries, fees, or similar costs for analysis of material or for 1167
managerial or legal advice, expertise, research, or time spent 1168

for any of these activities. If itemized separately, search and 1169
processing costs may include the actual cost of extracting 1170
information stored by computer in the format in which it is 1171
normally produced, based on computer time and necessary 1172
supplies; however, personnel time for computer search may be 1173
paid for only at the rate specified in division (A)(1) of this 1174
section. 1175

(2) Reimbursement for reproduction costs shall be for 1176
costs incurred in making copies of documents required or 1177
requested. The rate for reproduction costs for making copies of 1178
required or requested documents shall be twenty-five cents for 1179
each page, including copies produced by reader or printer 1180
reproduction processes. Photographs, films, and other materials 1181
shall be reimbursed at actual cost. 1182

(3) Reimbursement for transportation costs shall be for 1183
necessary costs, directly incurred, to transport personnel to 1184
locate and retrieve the information required or requested and 1185
for necessary costs, directly incurred, solely by the need to 1186
convey the required or requested material to the place of 1187
examination. 1188

(B) A licensee shall not be entitled to reimbursement for 1189
costs incurred in assembling or providing the following records 1190
or information: 1191

(1) Any financial records provided as an incident to 1192
perfecting a security interest, proving a claim in bankruptcy, 1193
or otherwise collecting on a debt owing to the licensee; 1194

(2) Financial records that are not identified with or 1195
identifiable as being derived from the financial records of a 1196
particular customer. 1197

(C) Payment shall be made only for costs that are directly 1198
incurred, actual, and necessary. No payment shall be made until 1199
the licensee satisfactorily complies with the request or 1200
requirement, except that in the case where the request or 1201
requirement is withdrawn or revoked, the licensee shall be 1202
reimbursed for the actual and necessary costs directly incurred 1203
in assembling financial records required or requested to be 1204
produced prior to the time the party notifies the licensee that 1205
the request or requirement is withdrawn or revoked. No payment 1206
shall be made unless the licensee submits an itemized bill or 1207
invoice showing specific details concerning search and 1208
processing, reproduction, and transportation costs. Search and 1209
processing time shall be billed in fifteen-minute increments. 1210

(D) As used in this section: 1211

(1) "Costs directly incurred" means costs incurred solely 1212
and necessarily as a consequence of searching for, reproducing, 1213
or transporting books, papers, records, or other data, in order 1214
to comply with a request or requirement to produce a customer's 1215
financial records. The term does not include any allocation of 1216
fixed costs, such as overhead, equipment, and depreciation. If a 1217
licensee has financial records that are stored at an independent 1218
storage facility that charges a fee to search for, reproduce, or 1219
transport particular records requested, these costs shall be 1220
considered to be directly incurred by the licensee. 1221

(2) "Customer," "financial record," and "governmental 1222
authority" have the same meanings as in section 9.02 of the 1223
Revised Code. 1224

Sec. 1321.67. (A) For purposes of sections 1321.62 to 1225
1321.702 of the Revised Code, a loan shall be considered closed 1226
upon the signature of the obligor or obligors, unless the loan 1227

contract is not executed by signature, in which case the loan is 1228
considered closed upon disbursement of loan funds. 1229

(B) All loans made under sections 1321.62 to 1321.702 of 1230
the Revised Code by direct mail shall be made from a place of 1231
business for which the licensee holds a valid license. 1232

(C) Licensees have an ongoing duty to notify the division 1233
of financial institutions of material changes in the information 1234
contained in the application and exhibits, schedules, and other 1235
documentation submitted in conjunction with the application, and 1236
to report all changes or additions to information in the 1237
application within thirty days of the change. Material changes 1238
in the information include changes in affiliations, controlling 1239
interest, officers, directors, criminal record, and any change 1240
in net worth below the requirements set forth in section 1321.65 1241
of the Revised Code. 1242

(D) Each licensee shall do all of the following: 1243

(1) Obtain the written consent of the borrower for any 1244
purchase of insurance on property of the borrower other than 1245
that which is used as security for the loan; 1246

(2) Permit payment to be made in advance in any amount on 1247
any contract at any time, but the licensee may apply the payment 1248
first to interest and charges due up to the date of payment; 1249

(3) Notify the borrower in writing of any interest rate 1250
change at least thirty but not more than one hundred twenty days 1251
prior to the effective date of the changes, provided that if the 1252
interest rate is tied to a published and verifiable index and 1253
the contractual rate of interest is adjusted within forty-five 1254
days of change in the published index rate, the licensee shall 1255
notify the borrower in writing of any interest rate change at 1256

least thirty days prior to the effective date of the change. The 1257
notice required under division (D) (3) of this section shall 1258
include all of the following: 1259

(a) A statement of the borrower's current interest rate 1260
and corresponding monthly payment prior to the reset date; 1261

(b) A good faith statement of the borrower's anticipated 1262
future interest rate and corresponding monthly payment following 1263
the reset date; 1264

(c) A statement that notifies the borrower to contact the 1265
licensee for workout options in the event that there is a 1266
possible problem of repayment at the new interest rate and 1267
monthly payment following the reset; 1268

(d) A toll-free number by which borrowers can discuss 1269
possible payment problems and workout options; 1270

(e) An explanation of the index or formula that is being 1271
used to reset the interest rate and the source of that index or 1272
formula. 1273

(4) In the instance of a non-amortized or partially 1274
amortized interest-bearing loan, provide the borrower with 1275
written notice of maturity at least ninety but not more than one 1276
hundred twenty days prior to the expected maturity date; 1277

(5) Clearly indicate by prominently disclosing on, or in, 1278
the loan documents, the federal or state statutory authority 1279
pursuant to which the loan is made. This prominent disclosure 1280
shall be provided on loans made: 1281

(a) Solely in reliance on the provisions of sections 1282
1321.62 to 1321.702 of the Revised Code; 1283

(b) Partially in reliance on the provisions of sections 1284

1321.62 to 1321.702 of the Revised Code; or 1285

(c) In reliance on any combination of federal or state provisions that do not include sections 1321.62 to 1321.702 of the Revised Code. 1286
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(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. 1289
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(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. 1294
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(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. 1298
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Sec. 1321.671. (A) Upon repayment of the loan in full, the original note signed by any obligor or copy, photograph, or stored representation of the original note as retained in accordance with section 1321.66 of the Revised Code shall be plainly marked "paid" or "canceled" and the note or the reproduction of the note shall be returned to the obligor or, if there are two or more obligors, to one of them. 1303
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(B) If requested, the licensee shall give to the borrower a receipt for each payment made on account of any interest-bearing or precomputed loan. 1310
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Sec. 1321.672. (A) When, in connection with a loan, a 1313

licensee furnishes or places insurance written on behalf of the 1314
borrower at the borrower's expense, a policy or certificate of 1315
insurance properly executed shall be furnished to the borrower 1316
within fifteen days of the closing date of the loan. The policy 1317
or certificate shall state the name of the insurance company, 1318
the nature of the insurance, the extent of the coverage, the 1319
amount of the premium, and the effective and expiration dates of 1320
the policy. 1321

(B) If a licensee furnishes or places credit life 1322
insurance, credit accident and health insurance, or unemployment 1323
insurance on behalf of the borrower at the borrower's expense, 1324
the licensee shall give written notice to the borrower at the 1325
time the loan is made. The notice shall disclose the borrower's 1326
right to cancel the insurance within twenty-five days after the 1327
purchase of the insurance with a full refund of the premium or 1328
identifiable charge for the insurance. The notice shall further 1329
disclose that the cancellation may be effected upon the written 1330
request of the borrower together with the return of the policy 1331
or certificate of insurance to the licensee. 1332

(C) All insurance sold or obtained in connection with the 1333
making of a loan shall be governed by Title XXXIX of the Revised 1334
Code. 1335

(D) In any transaction in which the licensee furnishes or 1336
places insurance on behalf of the borrower at the borrower's 1337
expense, the licensee shall, prior to furnishing or placing the 1338
insurance, provide written disclosure to the borrower of the 1339
business relationship, beneficial ownership or affiliation, 1340
whether direct or indirect, between the licensee and the 1341
insurer. 1342

Sec. 1321.673. No licensee shall conduct the business of 1343

making loans under sections 1321.62 to 1321.702 of the Revised 1344
Code in any office, room, or place of business in which any 1345
other business is solicited or engaged in, or in association or 1346
conjunction with any other such business, if the superintendent 1347
of financial institutions finds, pursuant to a hearing conducted 1348
in accordance with Chapter 119. of the Revised Code, that the 1349
other business is of such a nature that the conduct tends to 1350
conceal evasion of sections 1321.62 to 1321.702 of the Revised 1351
Code, and orders the licensee in writing to desist from the 1352
conduct. 1353

Sec. 1321.674. (A) Any person that willfully violates 1354
section 1321.68 of the Revised Code shall forfeit to the 1355
borrower the amount of interest paid by the borrower. The 1356
maximum rate of interest applicable to any loan transaction that 1357
does not comply with section 1321.68 of the Revised Code shall 1358
be the rate that would be applicable in the absence of sections 1359
1321.62 to 1321.702 of the Revised Code. 1360

(B) Any extension of credit under sections 1321.62 to 1361
1321.702 of the Revised Code shall include a notice in at least 1362
ten point type at the bottom of the first page of any loan 1363
agreement to read: "This loan is governed by, and made pursuant 1364
to, the provisions of the Ohio Consumer Installment Loan Act 1365
under R.C. 1321.62 - 1321.702." 1366

Sec. 1321.68. (A) A licensee may contract for and receive 1367
interest, calculated according to the actuarial method, at a 1368
rate or rates not exceeding twenty-five per cent per year on the 1369
unpaid principal balances of the loan. Loans may be interest- 1370
bearing or precomputed. 1371

(B) For purposes of computation of time on interest- 1372
bearing and precomputed loans, including, but not limited to, 1373

the calculation of interest, a month is considered one-twelfth 1374
of a year, and a day is considered one three hundred sixty-fifth 1375
of a year when calculation is made for a fraction of a month. A 1376
year is as defined in section 1.44 of the Revised Code. A month 1377
is that period described in section 1.45 of the Revised Code. 1378
Alternatively, a licensee may consider a day as one three 1379
hundred sixtieth of a year and each month as having thirty days. 1380

(C) With respect to interest-bearing loans: 1381

(1) (a) Interest shall be computed on unpaid principal 1382
balances outstanding from time to time, for the time 1383
outstanding. 1384

(b) As an alternative to the method of computing interest 1385
set forth in division (C) (1) (a) of this section, a licensee may 1386
charge and collect interest for the first installment period 1387
based on elapsed time from the date of the loan to the first 1388
scheduled payment due date, and for each succeeding installment 1389
period from the scheduled payment due date to the next scheduled 1390
payment due date, regardless of the date or dates the payments 1391
are actually made. 1392

(c) Whether a licensee computes interest pursuant to 1393
division (C) (1) (a) or (b) of this section, each payment shall be 1394
applied first to unpaid charges, then to interest, and the 1395
remainder to the unpaid principal balance. However, if the 1396
amount of the payment is insufficient to pay the accumulated 1397
interest, the unpaid interest continues to accumulate to be paid 1398
from the proceeds of subsequent payments and is not added to the 1399
principal balance. 1400

(2) Interest shall not be compounded, collected, or paid 1401
in advance. However, both of the following apply: 1402

(a) Interest may be charged to extend the first monthly installment period by not more than fifteen days, and the interest charged for the extension may be added to the principal amount of the loan. 1403
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(b) If part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, the principal amount payable under the new loan contract may include any unpaid interest that has accrued. The resulting loan contract shall be deemed a new and separate loan transaction for purposes of this section. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in division (D) (3) of this section. 1407
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(D) With respect to precomputed loans: 1416

(1) Loans shall be repayable in monthly installments of principal and interest combined, except that: 1417
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(a) The first installment period may exceed one month by not more than fifteen days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days. 1419
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(b) Monthly installment payment dates may be omitted to accommodate borrowers with seasonal income. 1423
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(2) Payments may be applied to the combined total of principal and precomputed interest until maturity of the loan. A licensee may charge interest after the original or deferred maturity of a precomputed loan at the rate specified in division (A) of this section on all unpaid principal balances for the time outstanding. 1425
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(3) When any loan contract is paid in full by cash, 1431

renewal, refinancing, or a new loan, one month or more before 1432
the final installment due date, the licensee shall refund, or 1433
credit the borrower with, the total of the applicable charges 1434
for all fully unexpired installment periods, as originally 1435
scheduled or as deferred, that follow the day of prepayment. If 1436
the prepayment is made other than on a scheduled installment due 1437
date, the nearest scheduled installment due date shall be used 1438
in such computation. If the prepayment occurs prior to the first 1439
installment due date, the licensee may retain one-thirtieth of 1440
the applicable charge for a first installment period of one 1441
month for each day from date of loan to date of prepayment, and 1442
shall refund, or credit the borrower with, the balance of the 1443
total interest contracted for. If the maturity of the loan is 1444
accelerated for any reason and judgment is entered, the licensee 1445
shall credit the borrower with the same refund as if prepayment 1446
in full had been made on the date the judgment is entered. 1447

(4) If the parties agree in writing, either in the loan 1448
contract or in a subsequent agreement, to a deferment of wholly 1449
unpaid installments, a licensee may grant a deferment and may 1450
collect a deferment charge as provided in this section. A 1451
deferment postpones the scheduled due date of the earliest 1452
unpaid installment and all subsequent installments as originally 1453
scheduled, or as previously deferred, for a period equal to the 1454
deferment period. The deferment period is that period during 1455
which no installment is scheduled to be paid by reason of the 1456
deferment. The deferment charge for a one-month period may not 1457
exceed the applicable charge for the installment period 1458
immediately following the due date of the last undeferred 1459
installment. A proportionate charge may be made for deferment 1460
for periods of more or less than one month. A deferment charge 1461
is earned pro rata during the deferment period and is fully 1462

earned on the last day of the deferment period. If a loan is 1463
prepaid in full during a deferment period, the licensee shall 1464
make, or credit to the borrower, a refund of the unearned 1465
deferment charge in addition to any other refund or credit made 1466
for prepayment of the loan in full. 1467

(E) A licensee, at the request of the borrower, may 1468
obtain, on one or more borrowers, credit life insurance, credit 1469
accident and health insurance, and unemployment insurance. The 1470
premium or identifiable charge for the insurance may be included 1471
in the principal amount of the loan and may not exceed the 1472
premium rate filed by the insurer with the superintendent of 1473
insurance and not disapproved by the superintendent. If a 1474
licensee obtains the insurance at the request of the borrower, 1475
the borrower shall have the right to cancel the insurance for a 1476
period of twenty-five days after the loan is made. If the 1477
borrower chooses to cancel the insurance, the borrower shall 1478
give the licensee written notice of this choice and shall return 1479
all of the policies or certificates of insurance or notices of 1480
proposed insurance to the licensee during such period, and the 1481
full premium or identifiable charge for the insurance shall be 1482
refunded to the borrower by the licensee. If the borrower 1483
requests, in the notice to cancel the insurance, that this 1484
refund be applied to reduce the balance of a precomputed loan, 1485
the licensee shall credit the amount of the refund plus the 1486
amount of interest applicable to the refund to the loan balance. 1487
If the licensee obtains the insurance at the request of the 1488
borrower, the licensee shall not charge or collect interest on 1489
any insured amount that remains unpaid after the insured 1490
borrower's date of death. 1491

(F) A licensee may require the borrower to provide 1492
insurance or a loss payable endorsement covering reasonable 1493

risks of loss, damage, and destruction of property used as 1494
security for the loan and with the consent of the borrower such 1495
insurance may cover property of the borrower other than that 1496
which is security for the loan. The amount and term of required 1497
property insurance shall be reasonable in relation to the amount 1498
and term of the loan contract and the type and value of the 1499
security, and the insurance shall be procured in accordance with 1500
the insurance laws of this state. The purchase of this insurance 1501
through the licensee or an agent or broker designated by the 1502
licensee shall not be a condition precedent to the granting of 1503
the loan. If the borrower purchases the insurance from or 1504
through the licensee or from another source, the premium may be 1505
included in the principal amount of the loan. 1506

(G) (1) In addition to the interest and charges provided 1507
for by this section, no further or other amount, whether in the 1508
form of broker fees, placement fees, or any other fees 1509
whatsoever, shall be charged or received by the licensee, except 1510
that: 1511

(a) The licensee may charge and receive costs and 1512
disbursements in connection with any suit to collect a loan or 1513
any lawful activity to realize on a security interest after 1514
default, including reasonable attorney's fees incurred by the 1515
licensee as a result of the suit or activity and to which the 1516
licensee becomes entitled by law. 1517

(b) The licensee may include the following additional 1518
charges in the principal amount of the loan or collect the 1519
following additional charges at any time after the loan is made: 1520

(i) The amounts of fees authorized by law to record, file, 1521
or release security interests on a loan; 1522

(ii) Fees received from borrowers to record, file, or 1523
release a security interest on a loan for purposes either of 1524
purchasing insurance to insure the licensee against losses for 1525
failure to record or file or creating a self-insurance fund to 1526
reimburse the licensee against losses for failure to record or 1527
file; 1528

(iii) Fees for credit investigations not exceeding twenty- 1529
five dollars provided a licensee obtains a consumer report in 1530
connection with an application for a grant, extension, or other 1531
provision of credit to a consumer that is based in whole or in 1532
part on the consumer report. 1533

(2) Division (G) (1) of this section does not limit the 1534
rights of licensees to engage in other transactions with 1535
borrowers, provided the transactions are not a condition of the 1536
loan. 1537

(H) If the loan contract or security instrument contains 1538
covenants by the borrower to perform certain duties pertaining 1539
to insuring or preserving security and the licensee pursuant to 1540
the loan contract or security instrument pays for performance of 1541
the duties on behalf of the borrower, the licensee may add the 1542
amounts paid to the unpaid principal balance of the loan or 1543
collect them separately. A charge for interest may be made for 1544
sums advanced not exceeding the rate of interest permitted by 1545
division (A) of this section. Within a reasonable time after 1546
advancing a sum, the licensee shall notify the borrower in 1547
writing of the amount advanced, any interest charged with 1548
respect to the amount advanced, and any revised payment 1549
schedule, and shall include a brief description of the reason 1550
for the advance. 1551

(I) (1) In addition to any other permissible fees and 1552

charges, a licensee may charge and receive the following: 1553

(a) If the principal amount of the loan is five hundred 1554
dollars or less, loan origination charges not exceeding fifteen 1555
dollars; 1556

(b) If the principal amount of the loan is more than five 1557
hundred dollars but less than one thousand dollars, loan 1558
origination charges not exceeding thirty dollars; 1559

(c) If the principal amount of the loan is at least one 1560
thousand dollars but less than two thousand dollars, loan 1561
origination charges not exceeding one hundred dollars; 1562

(d) If the principal amount of the loan is at least two 1563
thousand dollars but less than five thousand dollars, loan 1564
origination charges not exceeding two hundred dollars; 1565

(e) If the principal amount of the loan is at least five 1566
thousand dollars, loan origination charges not exceeding the 1567
greater of two hundred fifty dollars or one per cent of the 1568
principal amount of the loan. 1569

(2) Loan origination charges may be paid by the borrower 1570
at the time of the loan or may be included in the principal 1571
amount of the loan. 1572

(J) A licensee may charge and receive check collection 1573
charges not greater than twenty dollars plus any amount passed 1574
on from other depository institutions for each check, negotiable 1575
order of withdrawal, share draft, or other negotiable instrument 1576
returned or dishonored for any reason. 1577

(K) If the loan contract so provides, a licensee may 1578
collect a default charge on any installment not paid in full 1579
within ten days after its due date. For this purpose, all 1580

installments are considered paid in the order in which they 1581
become due. Any amounts applied to an outstanding loan balance 1582
as a result of voluntary release of a security interest, sale of 1583
security on the loan, or cancellation of insurance shall be 1584
considered payments on the loan, unless the parties otherwise 1585
agree in writing at the time the amounts are applied. A licensee 1586
shall not collect more than one default charge per unpaid 1587
installment regardless of the number of months the installment 1588
remains fully unpaid. The amount of the default charge shall not 1589
exceed the greater of five per cent of the scheduled installment 1590
or fifteen dollars. 1591

Sec. 1321.681. (A) For open-end loans, "billing cycle" 1592
means the time interval between periodic billing dates. A 1593
billing cycle shall be considered monthly if the closing date of 1594
the cycle is the same date each month or does not vary by more 1595
than four days from such date. 1596

(B) A licensee may make open-end loans pursuant to an 1597
agreement between the licensee and the borrower whereby: 1598

(1) The licensee may permit the borrower to obtain 1599
advances of money from the licensee from time to time or the 1600
licensee may advance money on behalf of the borrower from time 1601
to time as directed by the borrower. 1602

(2) The amount of each advance and permitted interest, 1603
charges, and costs are debited to the borrower's account and 1604
payments and other credits are credited to the same account. 1605

(3) The interest and charges are computed on the unpaid 1606
balance or balances of the account from time to time. 1607

(4) The borrower has the privilege of paying the account 1608
in full at any time or, if the account is not in default, in 1609

installments of determinable amounts as provided in the 1610
agreement. 1611

(C) A licensee may contract for and receive interest for 1612
open-end loans at a rate or rates not exceeding twenty-eight per 1613
cent per year and may compute interest in each billing cycle by 1614
either of the following methods: 1615

(1) By multiplying the daily rate by the daily unpaid 1616
balance of the account, in which case the daily rate is 1617
determined by dividing the annual rate by three hundred sixty- 1618
five; 1619

(2) By multiplying the monthly rate by the average daily 1620
unpaid balance of the account in the billing cycle, in which 1621
case the average daily unpaid balance is the sum of all of the 1622
daily unpaid balances each day during the cycle divided by the 1623
number of days in the cycle. The monthly rate is determined by 1624
dividing the annual rate by twelve. 1625

(D) The billing cycle shall be monthly and the unpaid 1626
balance on any day shall be determined by adding to any balance 1627
unpaid as of the beginning of that day all advances and 1628
permitted interest, charges, and costs and deducting all 1629
payments and other credits made or received that day. 1630

(E) In addition to the interest permitted in division (C) 1631
of this section, a licensee may charge and receive or add to the 1632
unpaid balance any or all of the following: 1633

(1) All charges and costs authorized by divisions (E), 1634
(F), (G), (H), and (J) of section 1321.68 of the Revised Code; 1635

(2) An annual credit line charge, for the privilege of 1636
maintaining a line of credit, as follows: 1637

(a) For the first year: 1638

(i) If the original credit line is less than five thousand 1639
dollars, an amount not exceeding one hundred fifty dollars; 1640

(ii) If the original credit line is at least five thousand 1641
dollars, an amount not exceeding the greater of one per cent of 1642
the original credit line or two hundred fifty dollars. 1643

(b) For subsequent years, an amount not exceeding the 1644
greater of one-half per cent of the credit line on the 1645
anniversary date or fifty dollars. 1646

(3) A default charge on any required minimum payment not 1647
paid in full within ten days after its due date. For this 1648
purpose, all required minimum payments are considered paid in 1649
the order in which they become due. The amount of the default 1650
charge shall not exceed the greater of five per cent of the 1651
required minimum payment or twenty dollars. 1652

(F) The borrower at any time may pay all or any part of 1653
the unpaid balance on the account or, if the account is not in 1654
default, the borrower may pay the unpaid balance in installments 1655
subject to minimum payment requirements as determined by the 1656
licensee and set forth in the open-end loan agreement. 1657

(G) If credit life insurance or credit accident and health 1658
insurance is obtained by the licensee and if the insured dies or 1659
becomes disabled when there is an outstanding open-end loan 1660
indebtedness, the insurance shall be sufficient to pay the 1661
unpaid balance on the loan due on the date of the borrower's 1662
death in the case of credit life insurance or all minimum 1663
payments that become due on the loan during the covered period 1664
of disability in the case of credit accident and health 1665
insurance. The additional charge for credit life insurance, 1666

credit accident and health insurance, or unemployment insurance 1667
shall be calculated each billing cycle by applying the current 1668
monthly premium rate for the insurance, filed by the insurer 1669
with the superintendent of insurance and not disapproved by the 1670
superintendent, to the unpaid balances in the borrower's 1671
account, using one of the methods specified in division (C) of 1672
this section for the calculation of interest. No credit life 1673
insurance, credit accident and health insurance, or unemployment 1674
insurance written in connection with an open-end loan shall be 1675
canceled by the licensee because of delinquency of the borrower 1676
in making the required minimum payments on the loan unless one 1677
or more such payments is past due for a period of thirty days or 1678
more. The licensee shall advance to the insurer the amounts 1679
required to keep the insurance in force during such period, 1680
which amounts may be debited to the borrower's account. 1681

(H) Whenever there is no unpaid balance in an open-end 1682
loan account, the account may be terminated by written notice, 1683
by the borrower or the licensee, to the other party. 1684

Sec. 1321.69. (A) A licensee shall not permit any borrower 1685
to be indebted for a loan made under sections 1321.62 to 1686
1321.702 of the Revised Code at any time while the borrower is 1687
also indebted to an affiliate or agent of the licensee for a 1688
loan made under sections 1321.01 to 1321.19 or sections 1321.51 1689
to 1321.60 of the Revised Code for the purpose or with the 1690
result of obtaining greater charges than otherwise would be 1691
permitted by sections 1321.62 to 1321.702 of the Revised Code. 1692

(B) A licensee shall not induce or permit any person to 1693
become obligated to the licensee under sections 1321.62 to 1694
1321.702 of the Revised Code, directly or contingently, or both, 1695
under more than one contract of loan at the same time for the 1696

purpose or with the result of obtaining greater charges than 1697
would otherwise be permitted by sections 1321.62 to 1321.702 of 1698
the Revised Code. 1699

(C) A licensee shall not fail to provide information 1700
regarding the amount required to pay in full a loan made under 1701
sections 1321.62 to 1321.702 of the Revised Code within five 1702
business days after the receipt of a written request from a 1703
borrower or by another person designated in writing by the 1704
borrower. 1705

(D) A licensee shall not obtain a license through any 1706
false or fraudulent representation of a material fact or any 1707
omission of a material fact required by state or federal law, or 1708
make any substantial misrepresentation in the application to 1709
engage in lending under sections 1321.62 to 1321.702 of the 1710
Revised Code. 1711

(E) A licensee, in connection with the business of making 1712
or offering to make a loan, shall not knowingly make false or 1713
misleading statements of a material fact, omissions of 1714
statements required by state or federal law, or false promises 1715
regarding a material fact, through advertising or other means, 1716
or knowingly engage in a continued course of misrepresentations. 1717

(F) A licensee, or person making loans without a license 1718
in violation of section 1321.63 of the Revised Code, shall not 1719
knowingly engage in conduct, in connection with the business of 1720
making or offering to make loans under sections 1321.62 to 1721
1321.702 of the Revised Code, that constitutes improper, 1722
fraudulent, or dishonest dealings. 1723

(G) A licensee or applicant for a license shall not fail 1724
to notify the division of financial institutions within thirty 1725

days after having a license, or comparable authority, revoked in 1726
any governmental jurisdiction. 1727

(H) A licensee shall not knowingly make, propose, or 1728
solicit fraudulent, false, or misleading statements on any loan 1729
document or on any document related to a loan. For purposes of 1730
this division, "fraudulent, false, or misleading statements" 1731
does not include mathematical errors, inadvertent transposition 1732
of numbers, typographical errors, or any other bona fide error. 1733

(I) A licensee shall not knowingly instruct, solicit, 1734
propose, or otherwise cause a borrower to sign in blank a loan- 1735
related document in connection with a loan. 1736

(J) A licensee shall not take any note or other promise to 1737
pay that does not set forth the entire agreement made with the 1738
borrower. 1739

(K) A licensee shall not take any note or promise to pay 1740
in which blanks are left to be filled in after execution. 1741

(L) A licensee shall not charge or collect interest prior 1742
to the date of disbursement of the loan funds to the borrower. 1743

(M) A licensee shall not make a new loan for the purpose 1744
of paying any part of the interest or principal due on an 1745
existing loan with the same licensee unless the interest and 1746
principal balance of the existing loan is paid in full from the 1747
proceeds of the new loan. 1748

(N) Notwithstanding any provision of sections 1321.62 to 1749
1321.702 of the Revised Code to the contrary, no licensee shall 1750
give, or advertise an offer to give, any article, merchandise, 1751
reward-program benefit, or any other thing of value, as 1752
inducement to a borrower or prospective borrower to obtain a 1753
loan, unless the cost of the thing of value is absorbed by the 1754

licensee as general overhead, rather than directly charged to 1755
the borrower who received the thing of value. 1756

Sec. 1321.70. (A) The division of financial institutions 1757
may, upon written notice to the licensee stating the 1758
contemplated action, the grounds for the action, and the 1759
licensee's reasonable opportunity to be heard on the action in 1760
accordance with Chapter 119. of the Revised Code, revoke, 1761
suspend, or refuse to renew any license issued under sections 1762
1321.62 to 1321.702 of the Revised Code if it finds a violation 1763
of or failure to comply with any provision of sections 1321.62 1764
to 1321.702 of the Revised Code or the rules adopted thereunder, 1765
any federal lending law, or any other law applicable to the 1766
business conducted under a license. 1767

(B) In addition to, or in lieu of, any revocation, 1768
suspension, or denial, the division may impose a monetary fine 1769
after administrative hearing or in settlement of matters subject 1770
to claims under division (A) of this section. 1771

(C) The revocation, suspension, or refusal to renew shall 1772
not impair the obligation of any pre-existing lawful contract 1773
made under sections 1321.62 to 1321.702 of the Revised Code; 1774
provided, however, that a prior licensee shall make good faith 1775
efforts to promptly transfer the licensee's collection rights to 1776
another licensee or person exempt from licensing, or be subject 1777
to additional monetary fines and legal or administrative action 1778
by the division. Nothing in this division shall limit a court's 1779
ability to impose a cease-and-desist order preventing any 1780
further business or servicing activity. 1781

(D) (1) The superintendent of financial institutions may 1782
impose a fine for a violation of sections 1321.62 to 1321.702 of 1783
the Revised Code committed by a licensee. All fines collected 1784

pursuant to this section shall be paid to the treasurer of state 1785
to the credit of the consumer finance fund created in section 1786
1321.21 of the Revised Code. In determining the amount of a fine 1787
to be imposed pursuant to this division, the superintendent may 1788
consider all of the following to the extent it is known to the 1789
division: 1790

(a) The seriousness of the violation; 1791

(b) The licensee's good faith efforts to prevent the 1792
violation; 1793

(c) The licensee's history regarding violations and 1794
compliance with division orders; 1795

(d) The licensee's financial resources; 1796

(e) Any other matters the superintendent considers 1797
appropriate in enforcing sections 1321.62 to 1321.702 of the 1798
Revised Code. 1799

(2) Monetary fines imposed under division (D)(1) of this 1800
section shall not exceed twenty-five thousand dollars. 1801

(E) The superintendent may investigate alleged violations 1802
of sections 1321.62 to 1321.702 of the Revised Code, or the 1803
rules adopted thereunder, or complaints concerning any such 1804
violation. The superintendent may make application to the court 1805
of common pleas for an order enjoining any violation and, upon a 1806
showing by the superintendent that a person has committed, or is 1807
about to commit, a violation, the court shall grant an 1808
injunction, restraining order, or other appropriate relief. The 1809
superintendent, in making application to the court of common 1810
pleas for an order enjoining a person from acting as a licensee 1811
in violation of section 1321.63 of the Revised Code, may also 1812
seek and obtain civil penalties for that unlicensed conduct in 1813

an amount not to exceed five thousand dollars per violation. 1814

(F) In conducting an investigation pursuant to this 1815
section, the superintendent may compel, by subpoena, witnesses 1816
to testify in relation to any matter over which the 1817
superintendent has jurisdiction, and may require the production 1818
or photocopying of any book, record, or other document 1819
pertaining to such matter. If a person fails to file any 1820
statement or report, obey any subpoena, give testimony, produce 1821
any book, record, or other document as required by such a 1822
subpoena, or permit photocopying of any book, record, or other 1823
document subpoenaed, the court of common pleas of any county in 1824
this state, upon application made to it by the superintendent, 1825
shall compel obedience by attachment proceedings for contempt, 1826
as in the case of disobedience of the requirements of a subpoena 1827
issued from the court, or a refusal to testify therein. 1828

(G) If the superintendent determines that a person is 1829
engaged in, or is believed to be engaged in, activities that may 1830
constitute a violation of sections 1321.62 to 1321.702 of the 1831
Revised Code, the superintendent may, after notice and a hearing 1832
conducted in accordance with Chapter 119. of the Revised Code, 1833
issue a cease-and-desist order. The superintendent, in taking 1834
administrative action to enjoin a person from acting as a 1835
licensee in violation of section 1321.63 of the Revised Code, 1836
may also seek and impose fines for those violations in an amount 1837
not to exceed five thousand dollars per violation. Such an order 1838
shall be enforceable in the court of common pleas. 1839

(H) The superintendent shall regularly report violations 1840
of sections 1321.62 to 1321.702 of the Revised Code, as well as 1841
enforcement actions and other relevant information, to the 1842
NMLSR. 1843

(I) (1) To protect the public interest, the superintendent may, without a prior hearing, do any of the following: 1844
1845

(a) Suspend the license of a person who is convicted of or pleads guilty or nolo contendere to a criminal violation of sections 1321.62 to 1321.702 of the Revised Code; 1846
1847
1848

(b) Suspend any licensee who violates section 1321.65 of the Revised Code; 1849
1850

(c) Suspend any licensee who fails to comply with a request made by the superintendent under this section. 1851
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(2) The superintendent may, in accordance with Chapter 119. of the Revised Code, subsequently revoke any license suspended under division (I) (1) of this section. 1853
1854
1855

Sec. 1321.701. (A) The attorney general may directly bring an action to enjoin a violation of sections 1321.62 to 1321.702 of the Revised Code with the same rights, privileges, and powers as those described in section 1345.06 of the Revised Code. The prosecuting attorney of the county in which the action may be brought may bring an action to enjoin a violation of sections 1321.62 to 1321.702 of the Revised Code only if the prosecuting attorney first presents any evidence of the violation to the attorney general and, within a reasonable period of time, the attorney general has not agreed to bring the action. 1856
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(B) These powers of the attorney general shall be in addition to any other applicable powers of the attorney general. 1866
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Sec. 1321.702. 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 of the Revised Code and that are consistent with those sections. Each rule shall contain a 1868
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reference to the section, division, or paragraph of the Revised 1873
Code to which it applies. The superintendent shall send by 1874
regular mail to each licensee a copy of each rule that is 1875
adopted pursuant to this section. 1876

Sec. 1321.99. (A) Whoever violates section 1321.02 of the 1877
Revised Code is guilty of a felony of the fifth degree. 1878

(B) Whoever violates section 1321.13 of the Revised Code 1879
shall be fined not less than one hundred nor more than five 1880
hundred dollars or imprisoned not more than six months, or both. 1881

(C) Whoever violates section 1321.14 of the Revised Code 1882
shall be fined not less than fifty nor more than two hundred 1883
dollars for a first offense; for a second offense such person 1884
shall be fined not less than two hundred nor more than five 1885
hundred dollars and imprisoned for not more than six months. 1886

(D) Whoever willfully violates section 1321.57, 1321.58, 1887
division (A), (B), (C), or (D) of section 1321.59, 1321.591, or 1888
1321.60 of the Revised Code or whoever recklessly violates 1889
section 1321.651, 1321.68, 1321.681, or division (A), (B), (C), 1890
or (E) of section 1321.69 of the Revised Code is guilty of a 1891
minor misdemeanor and shall be fined not less than one nor more 1892
than five hundred dollars. 1893

(E) (1) Whoever violates section 1321.52 or division (I), 1894
(J), (K), (L), or (M) of section 1321.59, section 1321.63, or 1895
division (H), (I), or (K) of section 1321.69 of the Revised Code 1896
is guilty of a felony of the fifth degree. 1897

(2) A violation of section 1321.63 or division (K) of 1898
section 1321.69 of the Revised Code is a strict liability 1899
offense and section 2901.20 of the Revised Code does not apply. 1900

(F) Whoever violates division (A) of section 1321.73 of 1901

the Revised Code shall be fined not more than five hundred 1902
dollars or imprisoned not more than six months, or both. 1903

(G) Whoever violates section 1321.41 of the Revised Code 1904
is guilty of a misdemeanor of the first degree. 1905

(H) Whoever violates division (N) of section 1321.59 of 1906
the Revised Code is guilty of a felony of the fourth degree. 1907

(I) The imposition of fines pursuant to this section does 1908
not preclude the imposition of any administrative fines or civil 1909
penalties authorized under section 1321.54 or 1321.70 or any 1910
other section of the Revised Code. 1911

Section 2. That existing sections 1321.02, 1321.53, and 1912
1321.99 of the Revised Code are hereby repealed. 1913

Section 3. (A) Sections 1 and 2 of this act shall take 1914
effect on July 1, 2017. 1915

(B) Beginning on the effective date of this section, the 1916
Superintendent of Financial Institutions may take whatever 1917
actions the Superintendent considers necessary to ensure full 1918
compliance with this act by July 1, 2017, including the 1919
acceptance of applications for a license under sections 1321.62 1920
to 1321.702 of the Revised Code, as enacted by this act. 1921