

**As Reported by the Senate Insurance and Financial Institutions  
Committee**

**132nd General Assembly**

**Regular Session  
2017-2018**

**S. B. No. 24**

**Senator Terhar**

**Cosponsors: Senators Beagle, Hackett**

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**A BILL**

To amend section 1321.99 and to enact sections 1  
1321.62, 1321.63, 1321.631, 1321.632, 1321.64,  
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1321.641, 1321.642, 1321.643, 1321.644, 1321.65,  
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1321.651, 1321.66, 1321.661, 1321.662, 1321.663,  
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1321.664, 1321.665, 1321.666, 1321.667, 1321.67,  
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1321.671, 1321.672, 1321.673, 1321.674, 1321.68,  
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1321.681, 1321.69, 1321.70, 1321.701, and  
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1321.702 of the Revised Code to create the Ohio  
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Consumer Installment Loan Act. 9

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

**Section 1.** That section 1321.99 be amended and sections 10  
1321.62, 1321.63, 1321.631, 1321.632, 1321.64, 1321.641,  
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1321.642, 1321.643, 1321.644, 1321.65, 1321.651, 1321.66,  
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1321.661, 1321.662, 1321.663, 1321.664, 1321.665, 1321.666,  
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1321.667, 1321.67, 1321.671, 1321.672, 1321.673, 1321.674,  
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1321.68, 1321.681, 1321.69, 1321.70, 1321.701, and 1321.702 of  
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the Revised Code be enacted to read as follows: 16

**Sec. 1321.62.** As used in sections 1321.62 to 1321.702 of 17  
the Revised Code: 18

(A) "Actuarial method" means the method of allocating 19  
payments made on a loan between the principal amount and 20  
interest whereby a payment is applied first to the accumulated 21  
interest and the remainder to the unpaid principal amount. 22

(B) "Advertisement" and "advertising" mean all material 23  
printed, published, displayed, distributed, or broadcast, and 24  
all material displayed or distributed over the internet, 25  
telephone, facsimile, or other electronic transmission, for the 26  
purposes of obtaining applications for loans. 27

(C) "Affiliation" and "affiliated with" mean controlled by 28  
or under common control with another person or enterprise either 29  
directly or indirectly through one or more intermediaries. 30

(D) "Annual percentage rate" means the ratio of the 31  
interest on a loan to the unpaid principal balances on the loan 32  
for any period of time, expressed on an annual basis. 33

(E) "Applicable charge" means the amount of interest 34  
attributable to each monthly installment period of the loan 35  
contract, computed as if each installment period were one month 36  
and any charge for extending the first installment period beyond 37  
one month is ignored. In the case of loans originally scheduled 38  
to be repaid in sixty-one months or less, "applicable charge" 39  
for any installment period means that proportion of the total 40  
interest contracted for, as the balance scheduled to be 41  
outstanding during that period bears to the sum of all of the 42  
periodic balances, all determined according to the payment 43  
schedule originally contracted for. In all other cases, 44  
"applicable charge" for any installment period is that which 45  
would have been made for such period had the loan been made on 46  
an interest-bearing basis, based upon the assumption that all 47  
payments were made according to schedule. 48

(F) "Assets" means properties of value that are owned by 49  
the applicant or licensee, including cash on hand and in 50  
depository institutions, readily marketable securities, accounts 51  
receivable less allowances for uncollectible accounts, and real 52  
estate less liens and depreciation. "Assets" does not mean 53  
office premises, leasehold improvements, office furniture, 54  
fixtures, and equipment, or intangible assets. 55

(G) "Closed-end loan" means any extension of credit other 56  
than an open-end loan. 57

(H) "Collecting" and "collected" means the servicing of a 58  
loan or receipt of payments from a borrower for a loan made 59  
pursuant to sections 1321.62 to 1321.702 of the Revised Code. 60

(I) "Consumer report" and "consumer reporting agency" have 61  
the same meanings as in the "Fair Credit Reporting Act," 84 62  
Stat. 1128, 15 U.S.C. 1681a, as amended. 63

(J) "Control person" means a person that, in the 64  
determination of the superintendent of financial institutions, 65  
has the authority to direct and control the operations of the 66  
applicant. 67

(K) "Depository institution" has the same meaning as in 68  
section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 69  
12 U.S.C. 1813, and includes any credit union. 70

(L) "Direct mail" means a loan arranged via an application 71  
through the mail or internet where the loan proceeds are 72  
delivered through the mail or electronic transmission to the 73  
benefit of a borrower. A loan is not made by "direct mail" if it 74  
is facilitated by face-to-face, personal contact in this state 75  
between the lender, lender's employee or agent, or lender's 76  
attorney and the borrower or borrower's agent. 77

(M) "Federal banking agency" means the board of governors 78  
of the federal reserve system, the comptroller of the currency, 79  
the national credit union administration, and the federal 80  
deposit insurance corporation. 81

(N) "Final entry on a loan" means, as to a particular 82  
lender, the latter of the date the loan is paid in full, deemed 83  
uncollectible, assigned to another licensee or exempt entity and 84  
all records are transferred to the new lender, or discharged or 85  
otherwise settled by an order terminating litigation governing 86  
the loan transaction. 87

(O) "Interest" means all charges payable directly or 88  
indirectly by a borrower to a licensee as a condition to a loan 89  
or an application for a loan, however denominated, but does not 90  
include default charges, deferment charges, insurance charges or 91  
premiums, court costs, loan origination charges, check 92  
collection charges, credit investigation charges, credit line 93  
charges, points, or other fees and charges specifically 94  
authorized by law. 95

(P) "Interest-bearing loan" means a loan in which the debt 96  
is expressed as the principal amount and interest is computed, 97  
charged, and collected on unpaid principal balances outstanding 98  
from time to time. 99

(Q) "Instrument" means a personal check or authorization 100  
to transfer or withdraw funds from an account that is signed by 101  
the borrower and made payable to a person subject to sections 102  
1321.62 to 1321.702 of the Revised Code. 103

(R) "License" means a license issued under sections 104  
1321.62 to 1321.702 of the Revised Code. 105

(S) "Licensee" means any person that has been issued a 106

<u>license.</u>	107
<u>(T) "Net worth" means the excess of assets over</u>	108
<u>liabilities as determined by generally accepted accounting</u>	109
<u>principles.</u>	110
<u>(U) "NMLSR" means a multistate licensing system developed</u>	111
<u>and maintained by the conference of state bank supervisors and</u>	112
<u>the American association of residential mortgage regulators, or</u>	113
<u>their successor entities, for the licensing and registration of</u>	114
<u>loan originators, or any system established by the secretary of</u>	115
<u>housing and urban development pursuant to the "Secure and Fair</u>	116
<u>Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810,</u>	117
<u>12 U.S.C. 5101.</u>	118
<u>(V) "Open-end loan" means consumer credit extended by a</u>	119
<u>creditor under a plan to which all of the following conditions</u>	120
<u>apply:</u>	121
<u>(1) The creditor reasonably contemplates repeated</u>	122
<u>transactions.</u>	123
<u>(2) The creditor may impose a finance charge from time to</u>	124
<u>time on an outstanding unpaid balance.</u>	125
<u>(3) The amount of credit that may be extended to the</u>	126
<u>borrower during the term of the plan, up to any limit set by the</u>	127
<u>creditor, is generally made available to the extent that any</u>	128
<u>outstanding balance is repaid.</u>	129
<u>(W) "Person" means an individual, partnership,</u>	130
<u>association, trust, corporation, or any other legal entity.</u>	131
<u>(X) "Precomputed loan" means a loan in which the debt is a</u>	132
<u>sum comprising the principal amount and the amount of interest</u>	133
<u>computed in advance on the assumption that all scheduled</u>	134

payments will be made when due. 135

(Y) "Principal amount" means the amount of cash paid to, 136  
or paid or payable for the account of, the borrower, and 137  
includes any charge, fee, or expense that is financed by the 138  
borrower at origination of the loan or during the term of the 139  
loan. 140

(Z) "Refinance" means a loan the proceeds of which are 141  
used in whole or in part to pay the unpaid balance of a prior 142  
loan made by the same licensee or any employee or affiliate of 143  
the licensee to the same borrower under sections 1321.62 to 144  
1321.702 of the Revised Code. 145

(AA) "Residential mortgage loan" means any loan primarily 146  
for personal, family, or household use that is secured by a 147  
mortgage, deed of trust, or other equivalent consensual security 148  
interest on a dwelling or on residential real estate upon which 149  
is constructed or intended to be constructed a dwelling. For 150  
purposes of this division, "dwelling" has the same meaning as in 151  
the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602. 152

(BB) "State" in the context of referring to states in 153  
addition to Ohio means any state of the United States, the 154  
district of Columbia, any territory of the United States, Puerto 155  
Rico, Guam, American Samoa, the trust territory of the Pacific 156  
islands, the virgin islands, and the northern Mariana islands. 157

(CC) "Superintendent of financial institutions" includes 158  
the deputy superintendent for consumer finance as provided in 159  
section 1181.21 of the Revised Code. 160

**Sec. 1321.63.** (A) (1) No person shall do either of the 161  
following without first having obtained a license from the 162  
superintendent of financial institutions under sections 1321.62 163

<u>to 1321.702 of the Revised Code:</u>	164
<u>(a) Engage in the business of lending money under sections</u>	165
<u>1321.62 to 1321.702 of the Revised Code;</u>	166
<u>(b) Contract for, or receive, directly or indirectly, on</u>	167
<u>or in connection with any such loan, any interest and charges</u>	168
<u>that in the aggregate are greater than the interest and charges</u>	169
<u>that the lender would be permitted to charge for a loan of money</u>	170
<u>if the lender were not a licensee.</u>	171
<u>(2) Division (A) (1) of this section applies to any person,</u>	172
<u>who by any device, subterfuge, or pretense, charges, contracts</u>	173
<u>for, or receives greater interest, consideration, or charges</u>	174
<u>than that authorized by this section for any such loan, or who</u>	175
<u>for a fee or any manner of compensation arranges or offers to</u>	176
<u>find or arrange for another person to make any such loan.</u>	177
<u>(B) This section does not preclude the acquiring, directly</u>	178
<u>or indirectly, by purchase or discount, of a bona fide</u>	179
<u>obligation for goods or services when such obligation is payable</u>	180
<u>directly to the person who provided the goods or services.</u>	181
<u>(C) Any contract of a loan in the making or collection of</u>	182
<u>which an act is done by the lender that violates this section is</u>	183
<u>void and the lender has no right to collect, receive, or retain</u>	184
<u>any principal, interest, or charges.</u>	185
<u><b>Sec. 1321.631.</b> Sections 1321.62 to 1321.702 of the Revised</u>	186
<u>Code do not apply to any of the following:</u>	187
<u>(A) Any credit transaction with a loan term of less than</u>	188
<u>six months from the loan transaction date;</u>	189
<u>(B) Any credit transaction that does not require equal</u>	190
<u>monthly payments, unless either of the following apply:</u>	191

(1) The credit transaction contains an interest rate that 192  
is tied to a published and verifiable index and the contractual 193  
rate of interest is adjusted in accordance with changes in that 194  
index. 195

(2) The credit transaction provides for an extension of 196  
the first monthly installment period pursuant to division (C) (2) 197  
(a) of section 1321.68 of the Revised Code. 198

(C) Any credit transaction with an interest rate in excess 199  
of that provided for under section 1321.68 of the Revised Code; 200

(D) Any credit transaction secured by an interest in the 201  
covered borrower's residential mortgage loan, including a 202  
transaction to finance the purchase or initial construction of a 203  
dwelling, any refinance transaction, home equity loan or home 204  
equity line of credit, or reverse mortgage; 205

(E) Any credit transaction that is an exempt transaction 206  
for the purposes of Regulation Z under 15 U.S.C. 1601, other 207  
than a transaction exempt under 12 C.F.R. 1026.29, or otherwise 208  
is not subject to disclosure requirements under Regulation Z; 209

(F) Any credit transaction that originates as a result, 210  
directly or indirectly, of a referral from a person registered 211  
or acting as a credit services organization under sections 212  
4712.01 to 4712.14 of the Revised Code; 213

(G) Any credit transaction made by a person licensed as a 214  
check-cashing business under sections 1315.21 to 1315.30 of the 215  
Revised Code; 216

(H) Any credit transaction made by a retail seller under 217  
Chapter 1317. of the Revised Code; 218

(I) Any credit transaction made by a person licensed or 219



<u>acting as a pawnbroker under Chapter 4727. of the Revised Code;</u>	220
<u>(J) Any credit transaction made by a person licensed under sections 1321.35 to 1321.48 of the Revised Code;</u>	221
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<u>(K) Any credit transaction made by a collection agency pursuant to section 1319.12 of the Revised Code;</u>	223
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<u>(L) Any credit transaction made by a premium finance company licensed under sections 1321.71 to 1321.83 of the Revised Code;</u>	225
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<u>(M) 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;</u>	228
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<u>(N) Any credit transaction made by a life, property, or casualty insurance company licensed to do business in this state or any entity licensed under Title XXXIX of the Revised Code that makes advances or loans to any person who is licensed to sell insurance pursuant to that title and who is authorized in writing by that entity to sell insurance;</u>	235
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<u>(O) Any licensee doing business under sections 1321.01 to 1321.19 of the Revised Code;</u>	241
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<u>(P) Any registrant doing business under sections 1321.51 to 1321.60 of the Revised Code;</u>	243
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<u>(Q) Any person making a business loan described in division (B) (6) of section 1343.01 of the Revised Code;</u>	245
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<u>(R) Any political subdivision, or any governmental or</u>	247

other public entity, corporation, instrumentality, or agency, in 248  
or of the United States or any state of the United States, or 249  
any entity mentioned in division (B) (3) of section 1343.01 of 250  
the Revised Code; 251

(S) Any college or university, or controlled entity of a 252  
college or university, as those terms are defined in section 253  
1713.05 of the Revised Code; 254

(T) Any person doing business under and as permitted by 255  
any law of this state, another state, or the United States 256  
relating to banks, savings banks, savings societies, trust 257  
companies, credit unions, or savings and loan associations 258  
substantially all the business of which is confined to loans on 259  
real estate mortgages and evidences of their own indebtedness. 260

**Sec. 1321.632.** A licensee may engage in the business of 261  
making loans provided the licensee does not do any of the 262  
following: 263

(A) Assess an origination fee pursuant to section 1321.68 264  
of the Revised Code more than three times in any twelve-month 265  
period; 266

(B) Accept a dated instrument from the borrower as 267  
security for a loan; 268

(C) Hold an instrument for a period of time prior to 269  
negotiation or deposit of the instrument; 270

(D) Pay to a borrower, credit to a borrower's account, or 271  
pay to another person on the borrower's behalf the amount of an 272  
instrument, less interest, fees, or any other charges permitted 273  
by section 1321.68 of the Revised Code; 274

(E) Refinance the loan during the first one hundred twenty 275

<u>days of the loan term;</u>	276
<u>(F) Except for the deferment charge permitted by section</u>	277
<u>1321.68 of the Revised Code, charge or collect any fee, charge,</u>	278
<u>or remuneration of any sort for renewing, amending, or extending</u>	279
<u>a loan beyond its original term.</u>	280
<u><b>Sec. 1321.64.</b> (A) An application for a license shall</u>	281
<u>contain an undertaking by the applicant to abide by those</u>	282
<u>sections. The application shall be in writing, under oath, and</u>	283
<u>in the form prescribed by the superintendent of financial</u>	284
<u>institutions, and shall contain any information that the</u>	285
<u>superintendent may require. Applicants that are foreign</u>	286
<u>corporations shall obtain and maintain a license pursuant to</u>	287
<u>Chapter 1703. of the Revised Code before a license is issued or</u>	288
<u>renewed.</u>	289
<u>(B) Upon the filing of the application and the payment by</u>	290
<u>the applicant of a nonrefundable investigation fee of two</u>	291
<u>hundred dollars, a nonrefundable annual registration fee of</u>	292
<u>three hundred dollars, and any additional fee required by the</u>	293
<u>NMLSR, the division of financial institutions shall investigate</u>	294
<u>the relevant facts. If the application involves investigation</u>	295
<u>outside this state, the applicant may be required by the</u>	296
<u>division to advance sufficient funds to pay any of the actual</u>	297
<u>expenses of the investigation when it appears that these</u>	298
<u>expenses will exceed two hundred dollars. An itemized statement</u>	299
<u>of any of these expenses which the applicant is required to pay</u>	300
<u>shall be furnished to the applicant by the division. A license</u>	301
<u>shall not be issued unless all the required fees have been</u>	302
<u>submitted to the division.</u>	303
<u>(C) (1) The investigation undertaken upon receipt of an</u>	304
<u>application shall include both a civil and criminal records</u>	305

check of any control person. 306

(2) (a) Notwithstanding division (K) of section 121.08 of 307  
the Revised Code, the superintendent shall obtain a criminal 308  
records check on each control person and, as part of that 309  
records check, request that criminal records information from 310  
the federal bureau of investigation be obtained. To fulfill this 311  
requirement, the superintendent shall do either of the 312  
following: 313

(i) Request the superintendent of the bureau of criminal 314  
identification and investigation, or a vendor approved by the 315  
bureau, to conduct a criminal records check based on the control 316  
person's fingerprints or, if the fingerprints are unreadable, 317  
based on the control person's social security number, in 318  
accordance with section 109.572 of the Revised Code; 319

(ii) Authorize the NMLSR to request a criminal records 320  
check of the control person. 321

(b) Any fee required under division (C) (3) of section 322  
109.572 of the Revised Code or by the NMLSR shall be paid by the 323  
applicant. 324

(D) If an application for a license does not contain all 325  
of the information required under division (A) of this section, 326  
and if such information is not submitted to the division or to 327  
the NMLSR within ninety days after the superintendent or the 328  
NMLSR requests the information in writing, including by 329  
electronic transmission or facsimile, the superintendent may 330  
consider the application withdrawn. 331

(E) If the superintendent of financial institutions finds 332  
that the financial responsibility, experience, character, and 333  
general fitness of the applicant command the confidence of the 334

public and warrant the belief that the business will be operated 335  
honestly and fairly in compliance with the purposes of sections 336  
1321.62 to 1321.702 of the Revised Code and the rules adopted 337  
thereunder, and that the applicant has the requisite net worth 338  
and assets required under section 1321.65 of the Revised Code, 339  
the superintendent shall issue a license to the applicant. The 340  
license shall be valid until the thirty-first day of December of 341  
the year in which it is issued. A person may be licensed under 342  
both sections 1321.51 to 1321.60 and sections 1321.62 to 343  
1321.702 of the Revised Code. 344

(F) If the superintendent finds that the applicant does 345  
not meet the conditions set forth in this section, the 346  
superintendent shall issue a notice of intent to deny the 347  
application, and promptly notify the applicant of the denial, 348  
the grounds for the denial, and the applicant's reasonable 349  
opportunity to be heard on the action in accordance with Chapter 350  
119. of the Revised Code. 351

**Sec. 1321.641.** (A) A license issued under section 1321.64 352  
of the Revised Code may be renewed annually on or before the 353  
thirty-first day of December by submitting a renewal application 354  
in the form prescribed by the superintendent of financial 355  
institutions. The application shall be accompanied by a 356  
nonrefundable renewal fee of three hundred dollars, any 357  
assessment as determined by the superintendent pursuant to 358  
division (B) of this section, and any additional fee required by 359  
the NMLSR. A licensee shall not be required to pay any other fee 360  
or assessment by the state or any political subdivision of the 361  
state. 362

(B) If the amount of renewal fees collected by the 363  
division of financial institutions is less than the estimated 364

expenditures of the consumer finance section of the division, as 365  
determined by the superintendent, for the following fiscal year, 366  
the superintendent may assess each licensee at a rate sufficient 367  
to equal in the aggregate the difference between the renewal 368  
fees collected and the estimated expenditures. Each licensee 369  
shall pay the assessed amount to the superintendent prior to the 370  
last day of June. In no event shall the assessment exceed ten 371  
cents per each one hundred dollars of interest (excluding 372  
charge-off recoveries), loan origination charges, and credit 373  
line charges collected by that licensee during the previous 374  
calendar year. If such an assessment is imposed, it shall not be 375  
less than two hundred fifty dollars per licensee and shall not 376  
exceed thirty thousand dollars less the total renewal fees paid 377  
pursuant to division (A) of this section by each licensee. 378

(C) If a renewal application does not contain all of the 379  
information required, and if that information is not submitted 380  
to the division or to the NMLSR within ninety days after the 381  
superintendent or the NMLSR requests the information in writing, 382  
including by electronic transmission or facsimile, the 383  
superintendent may consider the renewal application withdrawn. 384

(D) An applicant's license shall not be renewed if it is 385  
subject to an order of suspension or an unpaid and past due fine 386  
imposed by the superintendent. 387

**Sec. 1321.642.** (A) If there is a change of five per cent 388  
or more in the ownership of a licensee, the division of 389  
financial institutions may make any investigation necessary to 390  
determine whether any fact or condition exists that, if it had 391  
existed at the time of the original application for a license, 392  
the fact or condition would have warranted the division to deny 393  
the application under section 1321.64 of the Revised Code. 394

(B) A licensee shall give the superintendent of financial institutions sixty days prior written notice before there is a change of fifty per cent or more in the ownership of the licensee. 395  
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**Sec. 1321.643.** (A) (1) Not more than one place of business shall be maintained under the same license, but the superintendent of financial institutions may issue additional licenses to the same licensee upon compliance with sections 1321.62 to 1321.702 of the Revised Code. 399  
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(2) Each licensed place of business shall be located in a state. 404  
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(B) (1) When a licensee wishes to change its place of business, it shall give at least fifteen days prior written notice of the change to the division of financial institutions. The division shall provide a license for the new address without cost. 406  
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(2) If a licensee changes its name, it shall give written notice of the change to the division prior to making loans under the new name. The division shall provide a license in the new name without cost. 411  
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(C) Each current license shall be kept conspicuously posted in each place of business of the licensee and is not transferable or assignable. 415  
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**Sec. 1321.644.** No person engaged in the business of selling tangible goods or services related to tangible goods may receive or retain a license under sections 1321.62 to 1321.702 of the Revised Code for such place of business. 418  
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**Sec. 1321.65.** Each licensee that conducts business under sections 1321.62 to 1321.702 of the Revised Code shall maintain 422  
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both of the following: 424

(A) A net worth of at least fifty thousand dollars; 425

(B) For each license, assets of at least fifty thousand 426  
dollars either in use or readily available for use in the 427  
conduct of the business. 428

Sec. 1321.651. All of the following apply to advertising 429  
for loans made under sections 1321.62 to 1321.702 of the Revised 430  
Code: 431

(A) Every advertisement shall state and clearly indicate 432  
the identity of the licensee and shall do so in such a manner 433  
that prevents confusion with the name of any other unrelated 434  
licensee. Licensees shall be identified by means of trade names, 435  
service marks, or business names that are filed with the 436  
division of financial institutions and the secretary of state. 437

(B) Advertising shall not be false, misleading, or 438  
deceptive. False, misleading, or deceptive advertising includes, 439  
but is not limited to, the following: 440

(1) Placing, or causing to be placed, any advertisement 441  
indicating that special terms, reduced rates, guaranteed rates, 442  
particular rates, or any other special feature of loans is 443  
available unless the advertisement clearly states any 444  
limitations that apply; 445

(2) Placing, or causing to be placed, any advertisement 446  
containing a rate or special fee offer that is not a bona fide 447  
available rate or fee. 448

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 449  
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 450  
for closed-end loans. 451



(D) A licensee shall not use loan advertisements that 452  
provide only telephone or facsimile numbers or newspaper box 453  
addresses and that do not clearly indicate the identity of the 454  
licensee. 455

(E) A licensee shall not advertise that loans will be made 456  
within a specified time after the loan application is received, 457  
unless it is the general practice of the licensee to make loans 458  
within the specified time. 459

(F) A licensee shall not advertise special terms, reduced 460  
rates, reduced payments, or any other special feature of a loan 461  
within a specified limited time, unless the advertisement 462  
clearly states any limitations that apply to the offer. 463

(G) A licensee shall not advertise by the use of 464  
unqualified superlatives, including, but not limited to, "lowest 465  
rates," "lowest costs," "lowest payment plan," or "cheapest 466  
loans," or by making offers that cannot be reasonably fulfilled. 467

(H) A licensee shall not advertise the words "new" or 468  
"reduced," or words of similar import, in connection with rates, 469  
costs, payments, or plans, for more than ninety days after the 470  
rates, costs, payments, or plans have become effective. 471

(I) Any licensee specifying in any advertisement charges 472  
on loans in dollars shall also state the length of time required 473  
to repay the loans as well as the method of repayment, and 474  
shall, when the rate of interest is stated, do so in a manner to 475  
prevent misunderstanding. 476

(J) Any licensee advertising flat or average payments on 477  
loans that include principal and interest shall specify the 478  
number and frequency of payments required to repay the loans. 479  
Whenever the amounts of periodic payments are advertised, the 480

amounts shall include all interest to the borrower, as well as 481  
principal. The principal payments alone may be shown separately 482  
provided the interest charges are also clearly stated with equal 483  
prominence. 484

(K) A licensee shall not advertise rebates, rates, or 485  
charges below the maximum lawful rate of interest that are 486  
conditioned upon prompt payment unless the condition is clearly 487  
indicated. 488

(L) A licensee shall not advertise either of the 489  
following: 490

(1) Waiver of payments in the event of sickness or 491  
disability or other contingency, without advertising that the 492  
interest and other charges, if assessed, continue during the 493  
waiver period; 494

(2) That the first payment on any loan may be made more 495  
than thirty days after the date of loan closing, without 496  
advertising that the interest and other charges, if assessed, 497  
will accrue from the date of disbursement of the loan funds 498  
until the first payment is due. 499

(M) A licensee shall not advertise for loans for illegal 500  
purposes. 501

(N) A licensee shall not advertise the availability of 502  
credit-related insurance without disclosing the charge, if any, 503  
for the insurance. 504

(O) Each licensee shall maintain in each licensed office 505  
or in a central location a file of all advertising for a period 506  
of two years from the date disseminated. This requirement 507  
includes newspaper, magazine, direct mailing, and facsimile 508  
advertising and solicitations, roadside advertising, internet 509

advertising, and scripts of radio and television commercials. 510  
The file shall be readily available for inspection by the 511  
division at all times. Each licensee shall notify the division 512  
in writing of the location of the file. Each licensee shall, 513  
upon the request of the superintendent of financial 514  
institutions, provide to the division any printed or electronic 515  
advertising it has used regarding any business conducted under 516  
sections 1321.62 to 1321.702 of the Revised Code. 517

**Sec. 1321.66.** (A) Records a licensee is required to 518  
maintain shall be kept current and be available at a licensed 519  
location at all times during normal business hours for review by 520  
the superintendent. Records must be legible and maintained in a 521  
type size that is clearly readable without magnification and in 522  
conformity with any specific typeface or font size that may be 523  
required by state or federal law. Except when otherwise provided 524  
by federal or state law, records shall be maintained in English. 525  
When records are allowed to be in a language other than English, 526  
the licensee, at its expense, shall be responsible for providing 527  
the superintendent with a full and accurate translation. For 528  
purposes of this section, "current" means within thirty days 529  
from the date of the occurrence of the event required to be 530  
recorded. A licensee shall keep and preserve the following 531  
records: 532

(1) A sortable electronic spreadsheet that discloses the 533  
following fields of information: 534

(a) Principal borrower's name; 535

(b) Principal borrower's address or property address; 536

(c) Loan or account number; 537

(d) Type of the security for the loan; 538

<u>(e) Date of loan;</u>	539
<u>(f) Amount financed;</u>	540
<u>(g) Date finance charges begin to accrue;</u>	541
<u>(h) Loan origination charge;</u>	542
<u>(i) Itemization of all additional fees or charges;</u>	543
<u>(j) Principal amount of the loan;</u>	544
<u>(k) Scheduled or precomputed interest;</u>	545
<u>(l) Number of payments;</u>	546
<u>(m) Contractual rate of interest;</u>	547
<u>(n) Federal annual percentage rate;</u>	548
<u>(o) Payment amount;</u>	549
<u>(p) Types and amounts of credit-related insurance;</u>	550
<u>(q) Default charge;</u>	551
<u>(r) Check collection charge;</u>	552
<u>(s) Any points charged to the borrower;</u>	553
<u>(t) Any charges for prepayment of the loan.</u>	554
<u>(2) Payment histories for each outstanding loan and each loan paid in full that shall disclose all of the following:</u>	555
<u>(a) Principal borrower's name;</u>	556
<u>(b) Loan or account number;</u>	557
<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,</u>	558
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<u>or disbursement and the balance due on the loan or account.</u>	563
<u>(3) A file for each principal borrower. If there are</u>	564
<u>multiple loan transactions with the same borrower, each loan</u>	565
<u>transaction in the file shall have a unique loan or account</u>	566
<u>number. The file shall contain copies of all of the following:</u>	567
<u>(a) All documents related to the loan transaction from</u>	568
<u>origination through the final entry on the record;</u>	569
<u>(b) Copies of the complaints, court orders, settlements,</u>	570
<u>and judgments relating to collection litigation;</u>	571
<u>(c) In cases of garnishment or attachment in collection</u>	572
<u>litigation, copies of all notices served on employers and</u>	573
<u>amounts collected;</u>	574
<u>(d) Copies of all repossession and foreclosure legal</u>	575
<u>documents and other records, including bills for all expenses;</u>	576
<u>(e) In instances where the security foreclosed upon or</u>	577
<u>repossessed is offered for private sale, not less than three</u>	578
<u>bona fide written bids or appraisals in order to establish that</u>	579
<u>the terms of the sale were commercially reasonable to the</u>	580
<u>borrower;</u>	581
<u>(f) A copy of the death certificate and documentation of</u>	582
<u>all funds received or paid pursuant to a credit life claim.</u>	583
<u>(4) A sortable electronic spreadsheet of all loans in</u>	584
<u>collection litigation that shall include all of the following:</u>	585
<u>(a) Principal borrower's name;</u>	586
<u>(b) Loan or account number;</u>	587
<u>(c) Date litigation proceedings were initiated;</u>	588
<u>(d) Name of the court in which proceedings were initiated;</u>	589

<u>(e) Indication of whether a final judgment has been entered, and if so, all of the following:</u>	590 591
<u>(i) Date of judgment;</u>	592
<u>(ii) Amount of judgment;</u>	593
<u>(iii) The judgment rate of interest.</u>	594
<u>(5) A sortable electronic spreadsheet of all loans in repossession and foreclosure that shall include all of the following:</u>	595 596 597
<u>(a) Principal borrower's name;</u>	598
<u>(b) Loan or account number;</u>	599
<u>(c) Type of security foreclosed, attached, replevied, repossessed, or surrendered;</u>	600 601
<u>(d) Date of repossession or foreclosure;</u>	602
<u>(e) Date of sale of the security;</u>	603
<u>(f) Gross amount received from the sale of the security;</u>	604
<u>(g) The amount of money applied to the outstanding loan balance;</u>	605 606
<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>	607 608 609 610
<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>	611 612 613
<u>(a) Principal borrower's name;</u>	614

<u>(b) Loan or account number;</u>	615
<u>(c) Date of death;</u>	616
<u>(d) Total amount paid by the insurance claim;</u>	617
<u>(e) Amount applied to the principal borrower's account.</u>	618
<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>	619 620 621 622
<u>(8) All contracts or agreements relating to business relationships with businesses or individuals licensed by the division of financial institutions;</u>	623 624 625
<u>(9) A file of all advertisements;</u>	626
<u>(10) Histories of nonpublished indices used to establish interest rates for variable rate loans, which shall be maintained for two years from date of usage;</u>	627 628 629
<u>(11) Any other records the superintendent may from time to time specify in writing.</u>	630 631
<u>(B) Where electronic records are required, a licensee may retain paper records as well. Where electronic records are required, the superintendent may, for good cause, allow a licensee to retain paper records in lieu of the electronic records required by this section.</u>	632 633 634 635 636
<u>(C) (1) A licensee shall keep and preserve records pertaining to loans made under sections 1321.62 to 1321.702 of the Revised Code for at least two years after the final entry on the record. The final entry on the record occurs when the loan is paid in full, charged off as uncollectable, sold, transferred</u>	637 638 639 640 641

or assigned to another, or discharged or otherwise settled by a 642  
final order issued in litigation governing the loan transaction. 643

(2) Notwithstanding division (C)(1) of this section, a 644  
licensee shall keep and preserve records pertaining to 645  
residential mortgage loans in accordance with 12 C.F.R. 646  
1026.25(b)(3) as in effect on November 30, 2016. 647

(3) A licensee shall keep and preserve records pertaining 648  
to an advertisement for at least two years after the date the 649  
advertisement is published, broadcast, or disseminated. 650

(D) A licensee shall segregate the records pertaining to 651  
business conducted pursuant to sections 1321.62 to 1321.702 of 652  
the Revised Code from all other business records. 653

(E) A licensee shall notify the superintendent via the 654  
NMLSR of a change of location of its records pertaining to 655  
business conducted pursuant to sections 1321.62 to 1321.702 of 656  
the Revised Code not later than five business days after the 657  
change. 658

(F) Where a licensee maintains electronic records in 659  
compliance with this section and those records are located 660  
outside of this state, the licensee shall make the electronic 661  
records available to the division of financial institutions upon 662  
request, within the time frame provided by the division. The 663  
electronic records may be uploaded to a secure server for the 664  
purpose of the division conducting an examination of the 665  
licensee. 666

(G) In the event electronic records, books, records, data, 667  
and documents of a licensee are located outside of this state 668  
and the superintendent determines that an in-person examination 669  
is necessary, the licensee shall, upon the request of the 670



superintendent, pay in advance the estimated costs of the 671  
examination of the licensee outside this state, including the 672  
proportionate cost of the salaries of division of financial 673  
institutions employees who conduct the examination. The 674  
estimated costs of an out-of-state examination, as determined by 675  
the superintendent, shall be deposited with the division of 676  
financial institutions upon demand. After the actual costs of 677  
the out-of-state examination have been determined, any funds in 678  
the deposit account in excess of costs as itemized by the 679  
division of financial institutions shall be returned to the 680  
licensee. 681

(H) Any records maintained on an electronic storage media 682  
or system shall meet all of the following requirements: 683

(1) The electronic storage media or system must preserve 684  
the records in a nonrewritable, nonerasable format. 685

(2) The electronic storage media or system must verify 686  
automatically the quality and accuracy of the storage media 687  
recording process. 688

(3) The electronic storage media or system must serialize 689  
the original and the duplicate units of storage media, and affix 690  
a date and time for the required period of retention on both the 691  
original and duplicate. 692

(4) The electronic storage media or system must have the 693  
capacity to readily download indices and records preserved on 694  
the electronic storage media or system to any medium acceptable 695  
to the superintendent. 696

(5) Acceptable facilities and appropriate equipment must, 697  
at all times during normal business hours, be available to the 698  
superintendent for immediate, easily readable projection or 699

<u>production of electronic storage media or system images and for</u>	700
<u>producing easily readable images.</u>	701
<u>(6) Immediate facsimile enlargement must be available upon</u>	702
<u>the superintendent's request.</u>	703
<u>(7) A duplicate copy of the electronic record stored on</u>	704
<u>any electronic media or system for the time required must be</u>	705
<u>stored separately from the "original" electronic record.</u>	706
<u>(8) The electronic storage media or system must organize</u>	707
<u>and index accurately all information maintained on both the</u>	708
<u>original and duplicate storage media or system.</u>	709
<u>(9) At all times, a licensee must be able to have indices</u>	710
<u>of the electronic records being stored available for examination</u>	711
<u>by the superintendent.</u>	712
<u>(10) Each index must also be duplicated and the duplicate</u>	713
<u>copies must be stored separately from the original copy of each</u>	714
<u>index.</u>	715
<u>(11) Original and duplicate indices must be preserved for</u>	716
<u>the time required for the indexed records.</u>	717
<u>(12) An audit system must be in place that does all of the</u>	718
<u>following:</u>	719
<u>(a) Provides for accountability regarding inputting of</u>	720
<u>records and inputting any changes made to every original and</u>	721
<u>duplicate record maintained and preserved;</u>	722
<u>(b) Requires the licensee, at all times, to have the</u>	723
<u>results of the audit system available for examination by the</u>	724
<u>superintendent;</u>	725
<u>(c) Preserves the results of the audit for the time</u>	726

required for the audited records. 727

(13) All information necessary to access records and indices stored on the electronic storage media or system, a copy of the physical and logical file format of the electronic storage media or system, the field format of all different information types written on the electronic storage media or system, together with the appropriate documentation and information necessary to access records and indices must be maintained, kept current, and provided promptly to the superintendent upon request. 728  
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(14) No paper documents produced or reproduced by means of an electronic storage media or system may be destroyed until the conditions of division (H) of this section have been met with regard to each paper document that is to be destroyed. 737  
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(15) At the request of the division: 741

(a) Records must be printed on paper for inspection or examination without cost to the division within forty-eight hours of the request. The superintendent may grant additional time for good cause shown upon receipt of a request for additional time from the licensee. 742  
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(b) The licensee shall provide any court documents in addition to those described in division (A) (3) of this section. 747  
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(I) In order to reduce the risk of consumer fraud and related harms, including identity theft, licensees shall be required to comply with section 216 of the "Fair and Accurate Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 15 U.S.C. 1681w as in effect on November 30, 2016, section 501 of the "Gramm Leach Bliley Act," 113 Stat. 1338 (1999) (amended 2010), 15 U.S.C. 6801 as in effect on November 30, 2016, and the 749  
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rules promulgated pursuant to those federal acts, including 16 756  
C.F.R. Part 313 and 16 C.F.R. Part 682, as in effect November 757  
30, 2016, pertaining to the maintenance, security, and disposal 758  
of consumer information and records. 759

(J) The division shall make or cause to be made an 760  
examination of records pertaining to loans made under sections 761  
1321.62 to 1321.702 of the Revised Code at least once every 762  
twenty-four months for the purpose of determining whether the 763  
licensee is complying with those sections and verifying the 764  
licensee's annual report. 765

**Sec. 1321.661.** (A) Each licensee shall submit to the NMLSR 766  
call reports or other reports of condition, which reports shall 767  
be in such form and shall contain such information as the NMLSR 768  
may require. 769

(B) (1) As required by the superintendent of financial 770  
institutions, each licensee shall file with the division of 771  
financial institutions an annual report under oath or 772  
affirmation, on forms supplied by the division, concerning the 773  
business and operation of the licensee for the preceding 774  
calendar year. 775

(2) The superintendent shall annually publish an analysis 776  
of the information required under division (B) (1) of this 777  
section, but the individual reports shall not be public records 778  
and shall not be open to public inspection. 779

**Sec. 1321.662.** (A) (1) The following information is 780  
confidential: 781

(a) Examination information, and any information leading 782  
to or arising from an examination; 783

(b) Investigation information, and any information arising 784

from or leading to an investigation. 785

(2) The information described in division (A)(1) of this 786  
section shall remain confidential for all purposes except when 787  
it is necessary for the superintendent of financial institutions 788  
to take official action regarding the affairs of a licensee, or 789  
in connection with criminal or civil proceedings to be initiated 790  
by a prosecuting attorney or the attorney general. This 791  
information may also be introduced into evidence or disclosed 792  
when and in the manner authorized by section 1181.25 of the 793  
Revised Code. 794

(B) All application information, except social security 795  
numbers, employer identification numbers, financial account 796  
numbers, the identity of the institution where financial 797  
accounts are maintained, personal financial information, 798  
fingerprint cards and the information contained on such cards, 799  
and criminal background information, is a public record as 800  
defined in section 149.43 of the Revised Code. 801

(C) This section does not prevent the division of 802  
financial institutions from releasing to or exchanging with 803  
other financial institution regulatory authorities information 804  
relating to licensees. For this purpose, a "financial 805  
institution regulatory authority" includes a regulator of a 806  
business activity in which a licensee is engaged, or has applied 807  
to engage in, to the extent that the regulator has jurisdiction 808  
over a licensee engaged in that business activity. A licensee is 809  
engaged in a business activity, and a regulator of that business 810  
activity has jurisdiction over the licensee, whether the 811  
licensee conducts the activity directly or a subsidiary or 812  
affiliate of the licensee conducts the activity. 813

(D)(1) Any confidentiality or privilege arising under 814

federal or state law with respect to any information or material 815  
provided to the NMLSR shall continue to apply to the information 816  
or material after the information or material has been provided 817  
to the NMLSR. The information and material so provided may be 818  
shared with all state and federal regulatory officials with 819  
oversight authority without the loss of confidentiality or 820  
privilege protections provided by federal law or the law of any 821  
state. Information or material described in division (D)(1) of 822  
this section to which confidentiality or privilege applies shall 823  
not be subject to any of the following: 824

(a) Disclosure under any federal or state law governing 825  
disclosure to the public of information held by an officer or an 826  
agency of the federal government or of the respective state; 827

(b) Subpoena or discovery, or admission into evidence, in 828  
any private civil action or administrative process, unless the 829  
person to whom such information or material pertains waives, in 830  
whole or in part and at the discretion of the person, any 831  
privilege held by the NMLSR with respect to that information or 832  
material. 833

(2) The superintendent, in order to promote more effective 834  
regulation and reduce regulatory burden through supervisory 835  
information sharing, may enter into sharing arrangements with 836  
other governmental agencies, the conference of state bank 837  
supervisors, and the American association of residential 838  
mortgage regulators. 839

(3) Any state law, including section 149.43 of the Revised 840  
Code, relating to the disclosure of confidential supervisory 841  
information or any information or material described in division 842  
(A)(1) or (D)(1) of this section that is inconsistent with this 843  
section shall be superseded by the requirements of this section. 844

(E) This section does not prevent the division from 845  
releasing information relating to licensees to the attorney 846  
general, to the superintendent of insurance for purposes 847  
relating to the administration of Chapter 3953. of the Revised 848  
Code, to the commissioner of securities for purposes relating to 849  
the administration of Chapter 1707. of the Revised Code, or to 850  
local law enforcement agencies and local prosecutors. 851  
Information the division releases pursuant to this section 852  
remains confidential. 853

(F) The superintendent of financial institutions shall, by 854  
rule adopted in accordance with Chapter 119. of the Revised 855  
Code, establish a process by which licensees may challenge 856  
information provided to the NMLSR by the superintendent. 857

**Sec. 1321.663.** No person, in connection with any 858  
examination or investigation conducted by the superintendent of 859  
financial institutions under sections 1321.62 to 1321.702 of the 860  
Revised Code shall knowingly do any of the following: 861

(A) Circumvent, interfere with, obstruct, or fail to 862  
cooperate with the superintendent, including making a false or 863  
misleading statement, failing to produce records, or 864  
intimidating or suborning any witness; 865

(B) Withhold, abstract, remove, mutilate, destroy, or 866  
secrete any books, records, computer records, or other 867  
information; 868

(C) Tamper with, alter, or manufacture any evidence. 869

**Sec. 1321.664.** In order to reduce the risk of consumer 870  
fraud and related harms, including identity theft, licensees 871  
shall comply with the provisions of the "Fair and Accurate 872  
Credit Transactions Act of 2003," 117 Stat. 1952 (amended 2010), 873

15 U.S.C. 1681w, as in effect on November 30, 2016, the "Gramm 874  
Leach Bliley Act," 113 Stat. 1138 (1999) (amended 2010), 15 875  
U.S.C. 6801, as in effect on November 30, 2016, including those 876  
federal acts as amended from time to time and the rules 877  
promulgated pursuant to those federal acts, including 16 C.F.R. 878  
682, as in effect November 30, 2016, pertaining to the 879  
maintenance, security, and disposal of consumer information and 880  
records. 881

**Sec. 1321.665.** Before ceasing to conduct or discontinuing 882  
business as a licensee, the licensee shall arrange for and be 883  
responsible for the preservation of the books and records 884  
required to be maintained and preserved under sections 1321.62 885  
to 1321.702 of the Revised Code and shall notify the division of 886  
financial institutions in writing of the exact address where the 887  
books and records will be maintained during the required period. 888

**Sec. 1321.666.** The superintendent of financial 889  
institutions may suspend, revoke, or refuse to renew any license 890  
issued by the superintendent under sections 1321.62 to 1321.702 891  
of the Revised Code, or bring any other authorized 892  
administrative enforcement action in accordance with section 893  
1321.70 of the Revised Code, against any person for failure to 894  
maintain records in accordance with section 1321.66 of the 895  
Revised Code. 896

**Sec. 1321.667.** (A) Except as otherwise provided in section 897  
9.02 of the Revised Code, any party, including a governmental 898  
authority, that requires or requests a licensee to assemble or 899  
provide a customer's financial records shall pay the licensee 900  
for all actual and necessary costs directly incurred in 901  
searching for, reproducing, or transporting those records 902  
according to the following schedule: 903



(1) Reimbursement of search and processing costs shall be 904  
the total amount of personnel direct time incurred in locating 905  
and retrieving, reproducing, packaging, and preparing financial 906  
records for shipment. The rate for search and processing costs 907  
shall be eleven dollars per hour per person, computed on the 908  
basis of two dollars and seventy-five cents per quarter hour or 909  
fraction thereof, and shall be limited to the total amount of 910  
personnel time spent in locating and retrieving documents or 911  
information or reproducing or packaging and preparing documents 912  
for shipment where required or requested by a party. Specific 913  
salaries of such persons shall not be included in search costs. 914  
In addition, search and processing costs shall not include 915  
salaries, fees, or similar costs for analysis of material or for 916  
managerial or legal advice, expertise, research, or time spent 917  
for any of these activities. If itemized separately, search and 918  
processing costs may include the actual cost of extracting 919  
information stored by computer in the format in which it is 920  
normally produced, based on computer time and necessary 921  
supplies; however, personnel time for computer search may be 922  
paid for only at the rate specified in division (A)(1) of this 923  
section. 924

(2) Reimbursement for reproduction costs shall be for 925  
costs incurred in making copies of documents required or 926  
requested. The rate for reproduction costs for making copies of 927  
required or requested documents shall be twenty-five cents for 928  
each page, including copies produced by reader or printer 929  
reproduction processes. Photographs, films, and other materials 930  
shall be reimbursed at actual cost. 931

(3) Reimbursement for transportation costs shall be for 932  
necessary costs, directly incurred, to transport personnel to 933  
locate and retrieve the information required or requested and 934

for necessary costs, directly incurred, solely by the need to 935  
convey the required or requested material to the place of 936  
examination. 937

(B) A licensee shall not be entitled to reimbursement for 938  
costs incurred in assembling or providing the following records 939  
or information: 940

(1) Any financial records provided as an incident to 941  
perfecting a security interest, proving a claim in bankruptcy, 942  
or otherwise collecting on a debt owing to the licensee; 943

(2) Financial records that are not identified with or 944  
identifiable as being derived from the financial records of a 945  
particular customer. 946

(C) Payment shall be made only for costs that are directly 947  
incurred, actual, and necessary. No payment shall be made until 948  
the licensee satisfactorily complies with the request or 949  
requirement, except that in the case where the request or 950  
requirement is withdrawn or revoked, the licensee shall be 951  
reimbursed for the actual and necessary costs directly incurred 952  
in assembling financial records required or requested to be 953  
produced prior to the time the party notifies the licensee that 954  
the request or requirement is withdrawn or revoked. No payment 955  
shall be made unless the licensee submits an itemized bill or 956  
invoice showing specific details concerning search and 957  
processing, reproduction, and transportation costs. Search and 958  
processing time shall be billed in fifteen-minute increments. 959

(D) As used in this section: 960

(1) "Costs directly incurred" means costs incurred solely 961  
and necessarily as a consequence of searching for, reproducing, 962  
or transporting books, papers, records, or other data, in order 963

to comply with a request or requirement to produce a customer's 964  
financial records. The term does not include any allocation of 965  
fixed costs, such as overhead, equipment, and depreciation. If a 966  
licensee has financial records that are stored at an independent 967  
storage facility that charges a fee to search for, reproduce, or 968  
transport particular records requested, these costs shall be 969  
considered to be directly incurred by the licensee. 970

(2) "Customer," "financial record," and "governmental 971  
authority" have the same meanings as in section 9.02 of the 972  
Revised Code. 973

**Sec. 1321.67.** (A) For purposes of sections 1321.62 to 974  
1321.702 of the Revised Code, a loan shall be considered closed 975  
upon the signature of the obligor or obligors, unless the loan 976  
contract is not executed by signature, in which case the loan is 977  
considered closed upon disbursement of loan funds. 978

(B) All loans made under sections 1321.62 to 1321.702 of 979  
the Revised Code by direct mail shall be made from a place of 980  
business for which the licensee holds a valid license. 981

(C) Licensees have an ongoing duty to notify the division 982  
of financial institutions of material changes in the information 983  
contained in the application and exhibits, schedules, and other 984  
documentation submitted in conjunction with the application, and 985  
to report all changes or additions to information in the 986  
application within thirty days of the change. Material changes 987  
in the information include changes in affiliations, controlling 988  
interest, officers, directors, criminal record, and any change 989  
in net worth below the requirements set forth in section 1321.65 990  
of the Revised Code. 991

(D) Each licensee shall do all of the following: 992

<u>(1) Obtain the written consent of the borrower for any</u>	993
<u>purchase of insurance on property of the borrower other than</u>	994
<u>that which is used as security for the loan;</u>	995
<u>(2) Permit payment to be made in advance in any amount on</u>	996
<u>any contract at any time, but the licensee may apply the payment</u>	997
<u>first to interest and charges due up to the date of payment;</u>	998
<u>(3) Notify the borrower in writing of any interest rate</u>	999
<u>change at least thirty but not more than one hundred twenty days</u>	1000
<u>prior to the effective date of the changes, provided that if the</u>	1001
<u>interest rate is tied to a published and verifiable index and</u>	1002
<u>the contractual rate of interest is adjusted within forty-five</u>	1003
<u>days of change in the published index rate, the licensee shall</u>	1004
<u>notify the borrower in writing of any interest rate change at</u>	1005
<u>least thirty days prior to the effective date of the change. The</u>	1006
<u>notice required under division (D) (3) of this section shall</u>	1007
<u>include all of the following:</u>	1008
<u>(a) A statement of the borrower's current interest rate</u>	1009
<u>and corresponding monthly payment prior to the reset date;</u>	1010
<u>(b) A good faith statement of the borrower's anticipated</u>	1011
<u>future interest rate and corresponding monthly payment following</u>	1012
<u>the reset date;</u>	1013
<u>(c) A statement that notifies the borrower to contact the</u>	1014
<u>licensee for workout options in the event that there is a</u>	1015
<u>possible problem of repayment at the new interest rate and</u>	1016
<u>monthly payment following the reset;</u>	1017
<u>(d) A toll-free number by which borrowers can discuss</u>	1018
<u>possible payment problems and workout options;</u>	1019
<u>(e) An explanation of the index or formula that is being</u>	1020
<u>used to reset the interest rate and the source of that index or</u>	1021

<u>formula.</u>	1022
<u>(4) In the instance of a non-amortized or partially</u>	1023
<u>amortized interest-bearing loan, provide the borrower with</u>	1024
<u>written notice of maturity at least ninety but not more than one</u>	1025
<u>hundred twenty days prior to the expected maturity date;</u>	1026
<u>(5) Clearly indicate by prominently disclosing on, or in,</u>	1027
<u>the loan documents, the federal or state statutory authority</u>	1028
<u>pursuant to which the loan is made. This prominent disclosure</u>	1029
<u>shall be provided on loans made:</u>	1030
<u>(a) Solely in reliance on the provisions of sections</u>	1031
<u>1321.62 to 1321.702 of the Revised Code;</u>	1032
<u>(b) Partially in reliance on the provisions of sections</u>	1033
<u>1321.62 to 1321.702 of the Revised Code; or</u>	1034
<u>(c) In reliance on any combination of federal or state</u>	1035
<u>provisions that do not include sections 1321.62 to 1321.702 of</u>	1036
<u>the Revised Code.</u>	1037
<u>(6) In providing any payment history requested by the</u>	1038
<u>borrower or by the division, provide a clear and accurate</u>	1039
<u>payment statement in a manner a reasonable borrower should</u>	1040
<u>understand that sets forth the dates and amounts due and owing</u>	1041
<u>and the dates and amounts received and paid.</u>	1042
<u>(E) A licensee shall not be prohibited from holding other</u>	1043
<u>licenses or registrations issued by the division as long as the</u>	1044
<u>licensee is in compliance with section 1321.63 of the Revised</u>	1045
<u>Code and other applicable provisions of state and federal laws.</u>	1046
<u>(F) A licensee is liable for payment of the annual</u>	1047
<u>assessment described in division (B) of section 1321.641 of the</u>	1048
<u>Revised Code on any loan made by the licensee that has been</u>	1049

sold, transferred, or assigned to another person if servicing 1050  
rights have been retained by the licensee. 1051

Sec. 1321.671. (A) Upon repayment of the loan in full, the 1052  
original note signed by any obligor or copy, photograph, or 1053  
stored representation of the original note as retained in 1054  
accordance with section 1321.66 of the Revised Code shall be 1055  
plainly marked "paid" or "canceled" and the note or the 1056  
reproduction of the note shall be returned to the obligor or, if 1057  
there are two or more obligors, to one of them. 1058

(B) If requested, the licensee shall give to the borrower 1059  
a receipt for each payment made on account of any interest- 1060  
bearing or precomputed loan. 1061

Sec. 1321.672. (A) When, in connection with a loan, a 1062  
licensee furnishes or places insurance written on behalf of the 1063  
borrower at the borrower's expense, a policy or certificate of 1064  
insurance properly executed shall be furnished to the borrower 1065  
within fifteen days of the closing date of the loan. The policy 1066  
or certificate shall state the name of the insurance company, 1067  
the nature of the insurance, the extent of the coverage, the 1068  
amount of the premium, and the effective and expiration dates of 1069  
the policy. 1070

(B) If a licensee furnishes or places credit life 1071  
insurance, credit accident and health insurance, or unemployment 1072  
insurance on behalf of the borrower at the borrower's expense, 1073  
the licensee shall give written notice to the borrower at the 1074  
time the loan is made. The notice shall disclose the borrower's 1075  
right to cancel the insurance within twenty-five days after the 1076  
purchase of the insurance with a full refund of the premium or 1077  
identifiable charge for the insurance. The notice shall further 1078  
disclose that the cancellation may be effected upon the written 1079

request of the borrower together with the return of the policy 1080  
or certificate of insurance to the licensee. 1081

(C) All insurance sold or obtained in connection with the 1082  
making of a loan shall be governed by Title XXXIX of the Revised 1083  
Code. 1084

(D) In any transaction in which the licensee furnishes or 1085  
places insurance on behalf of the borrower at the borrower's 1086  
expense, the licensee shall, prior to furnishing or placing the 1087  
insurance, provide written disclosure to the borrower of the 1088  
business relationship, beneficial ownership or affiliation, 1089  
whether direct or indirect, between the licensee and the 1090  
insurer. 1091

Sec. 1321.673. No licensee shall conduct the business of 1092  
making loans under sections 1321.62 to 1321.702 of the Revised 1093  
Code in any office, room, or place of business in which any 1094  
other business is solicited or engaged in, or in association or 1095  
conjunction with any other such business, if the superintendent 1096  
of financial institutions finds, pursuant to a hearing conducted 1097  
in accordance with Chapter 119. of the Revised Code, that the 1098  
other business is of such a nature that the conduct tends to 1099  
conceal evasion of sections 1321.62 to 1321.702 of the Revised 1100  
Code, and orders the licensee in writing to desist from the 1101  
conduct. 1102

Sec. 1321.674. Any person that willfully violates section 1103  
1321.68 of the Revised Code shall forfeit to the borrower the 1104  
amount of interest paid by the borrower. The maximum rate of 1105  
interest applicable to any loan transaction that does not comply 1106  
with section 1321.68 of the Revised Code shall be the rate that 1107  
would be applicable in the absence of sections 1321.62 to 1108  
1321.702 of the Revised Code. 1109

Sec. 1321.68. (A) A licensee may contract for and receive 1110  
interest, calculated according to the actuarial method, at a 1111  
rate or rates not exceeding twenty-five per cent per year on the 1112  
unpaid principal balances of the loan. Loans may be interest- 1113  
bearing or precomputed. 1114

(B) For purposes of computation of time on interest- 1115  
bearing and precomputed loans, including, but not limited to, 1116  
the calculation of interest, a month is considered one-twelfth 1117  
of a year, and a day is considered one three hundred sixty-fifth 1118  
of a year when calculation is made for a fraction of a month. A 1119  
year is as defined in section 1.44 of the Revised Code. A month 1120  
is that period described in section 1.45 of the Revised Code. 1121  
Alternatively, a licensee may consider a day as one three 1122  
hundred sixtieth of a year and each month as having thirty days. 1123

(C) With respect to interest-bearing loans: 1124

(1) (a) Interest shall be computed on unpaid principal 1125  
balances outstanding from time to time, for the time 1126  
outstanding. 1127

(b) As an alternative to the method of computing interest 1128  
set forth in division (C) (1) (a) of this section, a licensee may 1129  
charge and collect interest for the first installment period 1130  
based on elapsed time from the date of the loan to the first 1131  
scheduled payment due date, and for each succeeding installment 1132  
period from the scheduled payment due date to the next scheduled 1133  
payment due date, regardless of the date or dates the payments 1134  
are actually made. 1135

(c) Whether a licensee computes interest pursuant to 1136  
division (C) (1) (a) or (b) of this section, each payment shall be 1137  
applied first to unpaid charges, then to interest, and the 1138



remainder to the unpaid principal balance. However, if the 1139  
amount of the payment is insufficient to pay the accumulated 1140  
interest, the unpaid interest continues to accumulate to be paid 1141  
from the proceeds of subsequent payments and is not added to the 1142  
principal balance. 1143

(2) Interest shall not be compounded, collected, or paid 1144  
in advance. However, both of the following apply: 1145

(a) Interest may be charged to extend the first monthly 1146  
installment period by not more than fifteen days, and the 1147  
interest charged for the extension may be added to the principal 1148  
amount of the loan. 1149

(b) If part or all of the consideration for a new loan 1150  
contract is the unpaid principal balance of a prior loan, the 1151  
principal amount payable under the new loan contract may include 1152  
any unpaid interest that has accrued. The resulting loan 1153  
contract shall be deemed a new and separate loan transaction for 1154  
purposes of this section. The unpaid principal balance of a 1155  
precomputed loan is the balance due after refund or credit of 1156  
unearned interest as provided in division (D) (3) of this 1157  
section. 1158

(D) With respect to precomputed loans: 1159

(1) Loans shall be repayable in monthly installments of 1160  
principal and interest combined, except that: 1161

(a) The first installment period may exceed one month by 1162  
not more than fifteen days, and the first installment payment 1163  
amount may be larger than the remaining payments by the amount 1164  
of interest charged for the extra days. 1165

(b) Monthly installment payment dates may be omitted to 1166  
accommodate borrowers with seasonal income. 1167

(2) Payments may be applied to the combined total of 1168  
principal and precomputed interest until maturity of the loan. A 1169  
licensee may charge interest after the original or deferred 1170  
maturity of a precomputed loan at the rate specified in division 1171  
(A) of this section on all unpaid principal balances for the 1172  
time outstanding. 1173

(3) When any loan contract is paid in full by cash, 1174  
renewal, refinancing, or a new loan, one month or more before 1175  
the final installment due date, the licensee shall refund, or 1176  
credit the borrower with, the total of the applicable charges 1177  
for all fully unexpired installment periods, as originally 1178  
scheduled or as deferred, that follow the day of prepayment. If 1179  
the prepayment is made other than on a scheduled installment due 1180  
date, the nearest scheduled installment due date shall be used 1181  
in such computation. If the prepayment occurs prior to the first 1182  
installment due date, the licensee may retain one-thirtieth of 1183  
the applicable charge for a first installment period of one 1184  
month for each day from date of loan to date of prepayment, and 1185  
shall refund, or credit the borrower with, the balance of the 1186  
total interest contracted for. If the maturity of the loan is 1187  
accelerated for any reason and judgment is entered, the licensee 1188  
shall credit the borrower with the same refund as if prepayment 1189  
in full had been made on the date the judgment is entered. 1190

(4) If the parties agree in writing, either in the loan 1191  
contract or in a subsequent agreement, to a deferment of wholly 1192  
unpaid installments, a licensee may grant a deferment and may 1193  
collect a deferment charge as provided in this section. A 1194  
deferment postpones the scheduled due date of the earliest 1195  
unpaid installment and all subsequent installments as originally 1196  
scheduled, or as previously deferred, for a period equal to the 1197  
deferment period. The deferment period is that period during 1198

which no installment is scheduled to be paid by reason of the 1199  
deferment. The deferment charge for a one-month period may not 1200  
exceed the applicable charge for the installment period 1201  
immediately following the due date of the last undeferred 1202  
installment. A proportionate charge may be made for deferment 1203  
for periods of more or less than one month. A deferment charge 1204  
is earned pro rata during the deferment period and is fully 1205  
earned on the last day of the deferment period. If a loan is 1206  
prepaid in full during a deferment period, the licensee shall 1207  
make, or credit to the borrower, a refund of the unearned 1208  
deferment charge in addition to any other refund or credit made 1209  
for prepayment of the loan in full. 1210

(E) A licensee, at the request of the borrower, may 1211  
obtain, on one or more borrowers, credit life insurance, credit 1212  
accident and health insurance, and unemployment insurance. The 1213  
premium or identifiable charge for the insurance may be included 1214  
in the principal amount of the loan and may not exceed the 1215  
premium rate filed by the insurer with the superintendent of 1216  
insurance and not disapproved by the superintendent. If a 1217  
licensee obtains the insurance at the request of the borrower, 1218  
the borrower shall have the right to cancel the insurance for a 1219  
period of twenty-five days after the loan is made. If the 1220  
borrower chooses to cancel the insurance, the borrower shall 1221  
give the licensee written notice of this choice and shall return 1222  
all of the policies or certificates of insurance or notices of 1223  
proposed insurance to the licensee during such period, and the 1224  
full premium or identifiable charge for the insurance shall be 1225  
refunded to the borrower by the licensee. If the borrower 1226  
requests, in the notice to cancel the insurance, that this 1227  
refund be applied to reduce the balance of a precomputed loan, 1228  
the licensee shall credit the amount of the refund plus the 1229

amount of interest applicable to the refund to the loan balance. 1230  
If the licensee obtains the insurance at the request of the 1231  
borrower, the licensee shall not charge or collect interest on 1232  
any insured amount that remains unpaid after the insured 1233  
borrower's date of death. 1234

(F) A licensee may require the borrower to provide 1235  
insurance or a loss payable endorsement covering reasonable 1236  
risks of loss, damage, and destruction of property used as 1237  
security for the loan and with the consent of the borrower such 1238  
insurance may cover property of the borrower other than that 1239  
which is security for the loan. The amount and term of required 1240  
property insurance shall be reasonable in relation to the amount 1241  
and term of the loan contract and the type and value of the 1242  
security, and the insurance shall be procured in accordance with 1243  
the insurance laws of this state. The purchase of this insurance 1244  
through the licensee or an agent or broker designated by the 1245  
licensee shall not be a condition precedent to the granting of 1246  
the loan. If the borrower purchases the insurance from or 1247  
through the licensee or from another source, the premium may be 1248  
included in the principal amount of the loan. 1249

(G)(1) In addition to the interest and charges provided 1250  
for by this section, no further or other amount, whether in the 1251  
form of broker fees, placement fees, or any other fees 1252  
whatsoever, shall be charged or received by the licensee, except 1253  
that: 1254

(a) The licensee may charge and receive costs and 1255  
disbursements in connection with any suit to collect a loan or 1256  
any lawful activity to realize on a security interest after 1257  
default, including reasonable attorney's fees incurred by the 1258  
licensee as a result of the suit or activity and to which the 1259

<u>licensee becomes entitled by law.</u>	1260
<u>(b) The licensee may include the following additional</u>	1261
<u>charges in the principal amount of the loan or collect the</u>	1262
<u>following additional charges at any time after the loan is made:</u>	1263
<u>(i) The amounts of fees authorized by law to record, file,</u>	1264
<u>or release security interests on a loan;</u>	1265
<u>(ii) Fees received from borrowers to record, file, or</u>	1266
<u>release a security interest on a loan for purposes either of</u>	1267
<u>purchasing insurance to insure the licensee against losses for</u>	1268
<u>failure to record or file or creating a self-insurance fund to</u>	1269
<u>reimburse the licensee against losses for failure to record or</u>	1270
<u>file;</u>	1271
<u>(iii) Fees for credit investigations not exceeding twenty-</u>	1272
<u>five dollars provided a licensee obtains a consumer report in</u>	1273
<u>connection with an application for a grant, extension, or other</u>	1274
<u>provision of credit to a consumer that is based in whole or in</u>	1275
<u>part on the consumer report.</u>	1276
<u>(2) Division (G)(1) of this section does not limit the</u>	1277
<u>rights of licensees to engage in other transactions with</u>	1278
<u>borrowers, provided the transactions are not a condition of the</u>	1279
<u>loan.</u>	1280
<u>(H) If the loan contract or security instrument contains</u>	1281
<u>covenants by the borrower to perform certain duties pertaining</u>	1282
<u>to insuring or preserving security and the licensee pursuant to</u>	1283
<u>the loan contract or security instrument pays for performance of</u>	1284
<u>the duties on behalf of the borrower, the licensee may add the</u>	1285
<u>amounts paid to the unpaid principal balance of the loan or</u>	1286
<u>collect them separately. A charge for interest may be made for</u>	1287
<u>sums advanced not exceeding the rate of interest permitted by</u>	1288

division (A) of this section. Within a reasonable time after 1289  
advancing a sum, the licensee shall notify the borrower in 1290  
writing of the amount advanced, any interest charged with 1291  
respect to the amount advanced, and any revised payment 1292  
schedule, and shall include a brief description of the reason 1293  
for the advance. 1294

(I) (1) In addition to any other permissible fees and 1295  
charges, a licensee may charge and receive the following: 1296

(a) If the principal amount of the loan is five hundred 1297  
dollars or less, loan origination charges not exceeding fifteen 1298  
dollars; 1299

(b) If the principal amount of the loan is more than five 1300  
hundred dollars but less than one thousand dollars, loan 1301  
origination charges not exceeding thirty dollars; 1302

(c) If the principal amount of the loan is at least one 1303  
thousand dollars but less than two thousand dollars, loan 1304  
origination charges not exceeding one hundred dollars; 1305

(d) If the principal amount of the loan is at least two 1306  
thousand dollars but less than five thousand dollars, loan 1307  
origination charges not exceeding two hundred dollars; 1308

(e) If the principal amount of the loan is at least five 1309  
thousand dollars, loan origination charges not exceeding the 1310  
greater of two hundred fifty dollars or one per cent of the 1311  
principal amount of the loan. 1312

(2) Loan origination charges may be paid by the borrower 1313  
at the time of the loan or may be included in the principal 1314  
amount of the loan. 1315

(J) A licensee may charge and receive check collection 1316

charges not greater than twenty dollars plus any amount passed 1317  
on from other depository institutions for each check, negotiable 1318  
order of withdrawal, share draft, or other negotiable instrument 1319  
returned or dishonored for any reason. 1320

(K) If the loan contract so provides, a licensee may 1321  
collect a default charge on any installment not paid in full 1322  
within ten days after its due date. For this purpose, all 1323  
installments are considered paid in the order in which they 1324  
become due. Any amounts applied to an outstanding loan balance 1325  
as a result of voluntary release of a security interest, sale of 1326  
security on the loan, or cancellation of insurance shall be 1327  
considered payments on the loan, unless the parties otherwise 1328  
agree in writing at the time the amounts are applied. A licensee 1329  
shall not collect more than one default charge per unpaid 1330  
installment regardless of the number of months the installment 1331  
remains fully unpaid. The amount of the default charge shall not 1332  
exceed the greater of five per cent of the scheduled installment 1333  
or fifteen dollars. 1334

**Sec. 1321.681.** (A) For open-end loans, "billing cycle" 1335  
means the time interval between periodic billing dates. A 1336  
billing cycle shall be considered monthly if the closing date of 1337  
the cycle is the same date each month or does not vary by more 1338  
than four days from such date. 1339

(B) A licensee may make open-end loans pursuant to an 1340  
agreement between the licensee and the borrower whereby: 1341

(1) The licensee may permit the borrower to obtain 1342  
advances of money from the licensee from time to time or the 1343  
licensee may advance money on behalf of the borrower from time 1344  
to time as directed by the borrower. 1345

(2) The amount of each advance and permitted interest, charges, and costs are debited to the borrower's account and payments and other credits are credited to the same account. 1346  
1347  
1348

(3) The interest and charges are computed on the unpaid balance or balances of the account from time to time. 1349  
1350

(4) The borrower has the privilege of paying the account in full at any time or, if the account is not in default, in installments of determinable amounts as provided in the agreement. 1351  
1352  
1353  
1354

(C) A licensee may contract for and receive interest for open-end loans at a rate or rates not exceeding twenty-eight per cent per year and may compute interest in each billing cycle by either of the following methods: 1355  
1356  
1357  
1358

(1) By multiplying the daily rate by the daily unpaid balance of the account, in which case the daily rate is determined by dividing the annual rate by three hundred sixty-five; 1359  
1360  
1361  
1362

(2) By multiplying the monthly rate by the average daily unpaid balance of the account in the billing cycle, in which case the average daily unpaid balance is the sum of all of the daily unpaid balances each day during the cycle divided by the number of days in the cycle. The monthly rate is determined by dividing the annual rate by twelve. 1363  
1364  
1365  
1366  
1367  
1368

(D) The billing cycle shall be monthly and the unpaid balance on any day shall be determined by adding to any balance unpaid as of the beginning of that day all advances and permitted interest, charges, and costs and deducting all payments and other credits made or received that day. 1369  
1370  
1371  
1372  
1373

(E) In addition to the interest permitted in division (C) 1374



of this section, a licensee may charge and receive or add to the 1375  
unpaid balance any or all of the following: 1376

(1) All charges and costs authorized by divisions (E), 1377  
(F), (G), (H), and (J) of section 1321.68 of the Revised Code; 1378

(2) An annual credit line charge, for the privilege of 1379  
maintaining a line of credit, as follows: 1380

(a) For the first year: 1381

(i) If the original credit line is less than five thousand 1382  
dollars, an amount not exceeding one hundred fifty dollars; 1383

(ii) If the original credit line is at least five thousand 1384  
dollars, an amount not exceeding the greater of one per cent of 1385  
the original credit line or two hundred fifty dollars. 1386

(b) For subsequent years, an amount not exceeding the 1387  
greater of one-half per cent of the credit line on the 1388  
anniversary date or fifty dollars. 1389

(3) A default charge on any required minimum payment not 1390  
paid in full within ten days after its due date. For this 1391  
purpose, all required minimum payments are considered paid in 1392  
the order in which they become due. The amount of the default 1393  
charge shall not exceed the greater of five per cent of the 1394  
required minimum payment or twenty dollars. 1395

(F) The borrower at any time may pay all or any part of 1396  
the unpaid balance on the account or, if the account is not in 1397  
default, the borrower may pay the unpaid balance in installments 1398  
subject to minimum payment requirements as determined by the 1399  
licensee and set forth in the open-end loan agreement. 1400

(G) If credit life insurance or credit accident and health 1401  
insurance is obtained by the licensee and if the insured dies or 1402

becomes disabled when there is an outstanding open-end loan 1403  
indebtedness, the insurance shall be sufficient to pay the 1404  
unpaid balance on the loan due on the date of the borrower's 1405  
death in the case of credit life insurance or all minimum 1406  
payments that become due on the loan during the covered period 1407  
of disability in the case of credit accident and health 1408  
insurance. The additional charge for credit life insurance, 1409  
credit accident and health insurance, or unemployment insurance 1410  
shall be calculated each billing cycle by applying the current 1411  
monthly premium rate for the insurance, filed by the insurer 1412  
with the superintendent of insurance and not disapproved by the 1413  
superintendent, to the unpaid balances in the borrower's 1414  
account, using one of the methods specified in division (C) of 1415  
this section for the calculation of interest. No credit life 1416  
insurance, credit accident and health insurance, or unemployment 1417  
insurance written in connection with an open-end loan shall be 1418  
canceled by the licensee because of delinquency of the borrower 1419  
in making the required minimum payments on the loan unless one 1420  
or more such payments is past due for a period of thirty days or 1421  
more. The licensee shall advance to the insurer the amounts 1422  
required to keep the insurance in force during such period, 1423  
which amounts may be debited to the borrower's account. 1424

(H) Whenever there is no unpaid balance in an open-end 1425  
loan account, the account may be terminated by written notice, 1426  
by the borrower or the licensee, to the other party. 1427

**Sec. 1321.69.** (A) A licensee shall not permit any borrower 1428  
to be indebted for a loan made under sections 1321.62 to 1429  
1321.702 of the Revised Code at any time while the borrower is 1430  
also indebted to an affiliate or agent of the licensee for a 1431  
loan made under sections 1321.01 to 1321.19 or sections 1321.51 1432  
to 1321.60 of the Revised Code for the purpose or with the 1433

result of obtaining greater charges than otherwise would be 1434  
permitted by sections 1321.62 to 1321.702 of the Revised Code. 1435

(B) A licensee shall not induce or permit any person to 1436  
become obligated to the licensee under sections 1321.62 to 1437  
1321.702 of the Revised Code, directly or contingently, or both, 1438  
under more than one contract of loan at the same time for the 1439  
purpose or with the result of obtaining greater charges than 1440  
would otherwise be permitted by sections 1321.62 to 1321.702 of 1441  
the Revised Code. 1442

(C) A licensee shall not fail to provide information 1443  
regarding the amount required to pay in full a loan made under 1444  
sections 1321.62 to 1321.702 of the Revised Code within five 1445  
business days after the receipt of a written request from a 1446  
borrower or by another person designated in writing by the 1447  
borrower. 1448

(D) A licensee shall not obtain a license through any 1449  
false or fraudulent representation of a material fact or any 1450  
omission of a material fact required by state or federal law, or 1451  
make any substantial misrepresentation in the application to 1452  
engage in lending under sections 1321.62 to 1321.702 of the 1453  
Revised Code. 1454

(E) A licensee, in connection with the business of making 1455  
or offering to make a loan, shall not knowingly make false or 1456  
misleading statements of a material fact, omissions of 1457  
statements required by state or federal law, or false promises 1458  
regarding a material fact, through advertising or other means, 1459  
or knowingly engage in a continued course of misrepresentations. 1460

(F) A licensee, or person making loans without a license 1461  
in violation of section 1321.63 of the Revised Code, shall not 1462

knowingly engage in conduct, in connection with the business of 1463  
making or offering to make loans under sections 1321.62 to 1464  
1321.702 of the Revised Code, that constitutes improper, 1465  
fraudulent, or dishonest dealings. 1466

(G) A licensee or applicant for a license shall not fail 1467  
to notify the division of financial institutions within thirty 1468  
days after having a license, or comparable authority, revoked in 1469  
any governmental jurisdiction. 1470

(H) A licensee shall not knowingly make, propose, or 1471  
solicit fraudulent, false, or misleading statements on any loan 1472  
document or on any document related to a loan. For purposes of 1473  
this division, "fraudulent, false, or misleading statements" 1474  
does not include mathematical errors, inadvertent transposition 1475  
of numbers, typographical errors, or any other bona fide error. 1476

(I) A licensee shall not knowingly instruct, solicit, 1477  
propose, or otherwise cause a borrower to sign in blank a loan- 1478  
related document in connection with a loan. 1479

(J) A licensee shall not take any note or other promise to 1480  
pay that does not set forth the entire agreement made with the 1481  
borrower. 1482

(K) A licensee shall not take any note or promise to pay 1483  
in which blanks are left to be filled in after execution. 1484

(L) A licensee shall not charge or collect interest prior 1485  
to the date of disbursement of the loan funds to the borrower. 1486

(M) A licensee shall not make a new loan for the purpose 1487  
of paying any part of the interest or principal due on an 1488  
existing loan with the same licensee unless the interest and 1489  
principal balance of the existing loan is paid in full from the 1490  
proceeds of the new loan. 1491

(N) Notwithstanding any provision of sections 1321.62 to 1321.702 of the Revised Code to the contrary, no licensee shall give, or advertise an offer to give, any article, merchandise, reward-program benefit, or any other thing of value, as inducement to a borrower or prospective borrower to obtain a loan, unless the cost of the thing of value is absorbed by the licensee as general overhead, rather than directly charged to the borrower who received the thing of value.

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

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

(C) The revocation, suspension, or refusal to renew shall not impair the obligation of any pre-existing lawful contract made under sections 1321.62 to 1321.702 of the Revised Code; provided, however, that a prior licensee shall make good faith efforts to promptly transfer the licensee's collection rights to another licensee or person exempt from licensing, or be subject to additional monetary fines and legal or administrative action

by the division. Nothing in this division shall limit a court's 1522  
ability to impose a cease-and-desist order preventing any 1523  
further business or servicing activity. 1524

(D)(1) The superintendent of financial institutions may 1525  
impose a fine for a violation of sections 1321.62 to 1321.702 of 1526  
the Revised Code committed by a licensee. All fines collected 1527  
pursuant to this section shall be paid to the treasurer of state 1528  
to the credit of the consumer finance fund created in section 1529  
1321.21 of the Revised Code. In determining the amount of a fine 1530  
to be imposed pursuant to this division, the superintendent may 1531  
consider all of the following to the extent it is known to the 1532  
division: 1533

(a) The seriousness of the violation; 1534

(b) The licensee's good faith efforts to prevent the 1535  
violation; 1536

(c) The licensee's history regarding violations and 1537  
compliance with division orders; 1538

(d) The licensee's financial resources; 1539

(e) Any other matters the superintendent considers 1540  
appropriate in enforcing sections 1321.62 to 1321.702 of the 1541  
Revised Code. 1542

(2) Monetary fines imposed under division (D)(1) of this 1543  
section shall not exceed twenty-five thousand dollars. 1544

(E) The superintendent may investigate alleged violations 1545  
of sections 1321.62 to 1321.702 of the Revised Code, or the 1546  
rules adopted thereunder, or complaints concerning any such 1547  
violation. The superintendent may make application to the court 1548  
of common pleas for an order enjoining any violation and, upon a 1549

showing by the superintendent that a person has committed, or is 1550  
about to commit, a violation, the court shall grant an 1551  
injunction, restraining order, or other appropriate relief. The 1552  
superintendent, in making application to the court of common 1553  
pleas for an order enjoining a person from acting as a licensee 1554  
in violation of section 1321.63 of the Revised Code, may also 1555  
seek and obtain civil penalties for that unlicensed conduct in 1556  
an amount not to exceed five thousand dollars per violation. 1557

(F) In conducting an investigation pursuant to this 1558  
section, the superintendent may compel, by subpoena, witnesses 1559  
to testify in relation to any matter over which the 1560  
superintendent has jurisdiction, and may require the production 1561  
or photocopying of any book, record, or other document 1562  
pertaining to such matter. If a person fails to file any 1563  
statement or report, obey any subpoena, give testimony, produce 1564  
any book, record, or other document as required by such a 1565  
subpoena, or permit photocopying of any book, record, or other 1566  
document subpoenaed, the court of common pleas of any county in 1567  
this state, upon application made to it by the superintendent, 1568  
shall compel obedience by attachment proceedings for contempt, 1569  
as in the case of disobedience of the requirements of a subpoena 1570  
issued from the court, or a refusal to testify therein. 1571

(G) If the superintendent determines that a person is 1572  
engaged in, or is believed to be engaged in, activities that may 1573  
constitute a violation of sections 1321.62 to 1321.702 of the 1574  
Revised Code, the superintendent may, after notice and a hearing 1575  
conducted in accordance with Chapter 119. of the Revised Code, 1576  
issue a cease-and-desist order. The superintendent, in taking 1577  
administrative action to enjoin a person from acting as a 1578  
licensee in violation of section 1321.63 of the Revised Code, 1579  
may also seek and impose fines for those violations in an amount 1580

not to exceed five thousand dollars per violation. Such an order 1581  
shall be enforceable in the court of common pleas. 1582

(H) The superintendent shall regularly report violations 1583  
of sections 1321.62 to 1321.702 of the Revised Code, as well as 1584  
enforcement actions and other relevant information, to the 1585  
NMLSR. 1586

(I) (1) To protect the public interest, the superintendent 1587  
may, without a prior hearing, do any of the following: 1588

(a) Suspend the license of a person who is convicted of or 1589  
pleads guilty or nolo contendere to a criminal violation of 1590  
sections 1321.62 to 1321.702 of the Revised Code; 1591

(b) Suspend any licensee who violates section 1321.65 of 1592  
the Revised Code; 1593

(c) Suspend any licensee who fails to comply with a 1594  
request made by the superintendent under this section. 1595

(2) The superintendent may, in accordance with Chapter 1596  
119. of the Revised Code, subsequently revoke any license 1597  
suspended under division (I) (1) of this section. 1598

**Sec. 1321.701.** (A) The attorney general may directly bring 1599  
an action to enjoin a violation of sections 1321.62 to 1321.702 1600  
of the Revised Code with the same rights, privileges, and powers 1601  
as those described in section 1345.06 of the Revised Code. The 1602  
prosecuting attorney of the county in which the action may be 1603  
brought may bring an action to enjoin a violation of sections 1604  
1321.62 to 1321.702 of the Revised Code only if the prosecuting 1605  
attorney first presents any evidence of the violation to the 1606  
attorney general and, within a reasonable period of time, the 1607  
attorney general has not agreed to bring the action. 1608



(B) These powers of the attorney general shall be in 1609  
addition to any other applicable powers of the attorney general. 1610

**Sec. 1321.702.** The superintendent of financial 1611  
institutions may adopt, in accordance with Chapter 119. of the 1612  
Revised Code, rules that are necessary for the enforcement of 1613  
sections 1321.62 to 1321.702 of the Revised Code and that are 1614  
consistent with those sections. Each rule shall contain a 1615  
reference to the section, division, or paragraph of the Revised 1616  
Code to which it applies. The superintendent shall send by 1617  
regular mail to each licensee a copy of each rule that is 1618  
adopted pursuant to this section. 1619

**Sec. 1321.99.** (A) Whoever violates section 1321.02 of the 1620  
Revised Code is guilty of a felony of the fifth degree. 1621

(B) Whoever violates section 1321.13 of the Revised Code 1622  
shall be fined not less than one hundred nor more than five 1623  
hundred dollars or imprisoned not more than six months, or both. 1624

(C) Whoever violates section 1321.14 of the Revised Code 1625  
shall be fined not less than fifty nor more than two hundred 1626  
dollars for a first offense; for a second offense such person 1627  
shall be fined not less than two hundred nor more than five 1628  
hundred dollars and imprisoned for not more than six months. 1629

(D) Whoever willfully violates section 1321.57, 1321.58, 1630  
division (A), (B), (C), or (D) of section 1321.59, 1321.591, or 1631  
1321.60 of the Revised Code or whoever recklessly violates 1632  
section 1321.651, 1321.68, 1321.681, or division (A), (B), (C), 1633  
or (E) of section 1321.69 of the Revised Code is guilty of a 1634  
minor misdemeanor and shall be fined not less than one nor more 1635  
than five hundred dollars. 1636

(E) (1) Whoever violates section 1321.52 or division (I), 1637

(J), (K), (L), or (M) of section 1321.59, section 1321.63, or 1638  
division (H), (I), or (K) of section 1321.69 of the Revised Code 1639  
is guilty of a felony of the fifth degree. 1640

(2) A violation of section 1321.63 or division (K) of 1641  
section 1321.69 of the Revised Code is a strict liability 1642  
offense and section 2901.20 of the Revised Code does not apply. 1643

(F) Whoever violates division (A) of section 1321.73 of 1644  
the Revised Code shall be fined not more than five hundred 1645  
dollars or imprisoned not more than six months, or both. 1646

(G) Whoever violates section 1321.41 of the Revised Code 1647  
is guilty of a misdemeanor of the first degree. 1648

(H) Whoever violates division (N) of section 1321.59 of 1649  
the Revised Code is guilty of a felony of the fourth degree. 1650

(I) The imposition of fines pursuant to this section does 1651  
not preclude the imposition of any administrative fines or civil 1652  
penalties authorized under section 1321.54 or 1321.70 or any 1653  
other section of the Revised Code. 1654

**Section 2.** That existing section 1321.99 of the Revised 1655  
Code is hereby repealed. 1656

**Section 3.** (A) Sections 1 and 2 of this act shall take 1657  
effect on July 1, 2017. 1658

(B) Beginning on the effective date of this section, the 1659  
Superintendent of Financial Institutions may take whatever 1660  
actions the Superintendent considers necessary to ensure full 1661  
compliance with this act by July 1, 2017, including the 1662  
acceptance of applications for a license under sections 1321.62 1663  
to 1321.702 of the Revised Code, as enacted by this act. 1664