

**As Passed by the Senate**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**Sub. H. B. No. 38**

**Representative Hillyer**

**Cosponsors: Representatives Cross, Hood, Miller, J., Riedel, Weinstein, Boyd, Carruthers, Crossman, Denson, Edwards, Galonski, Ghanbari, Hambley, Holmes, A., Ingram, Lanese, Leland, Lightbody, Miranda, Reineke, Robinson, Roemer, Rogers, Seitz, Sheehy, Stein, Strahorn, Swearingen, West**

**Senators Hackett, Antonio, Blessing, Brenner, Craig, Kunze, Lehner, O'Brien, Thomas, Williams, Wilson**

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**A BILL**

To amend sections 135.77, 135.774, 307.04, 1115.05, 1  
1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 2  
1322.07, 1322.09, 1322.10, 1322.12, 1322.15, 3  
1322.29, 1322.30, 1322.32, 1322.34, 1322.43, 4  
1322.50, 1322.52, 1345.01, 1349.72, 2913.11, and 5  
4712.05; to enact section 1319.17; and to repeal 6  
sections 1322.24, 1322.25, and 1349.16 of the 7  
Revised Code relating to commercial credit 8  
reports, the Business Linked Deposit Program, 9  
the General Loan Law, the Ohio Banking Law, the 10  
Consumer Installment Loan Act, the Residential 11  
Mortgage Loan Law, utility supply contract 12  
duration, and COVID-19-related property tax 13  
valuation complaints. 14

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

**Section 1.** That sections 135.77, 135.774, 307.04, 1115.05, 15

1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 1322.07, 1322.09, 16  
1322.10, 1322.12, 1322.15, 1322.29, 1322.30, 1322.32, 1322.34, 17  
1322.43, 1322.50, 1322.52, 1345.01, 1349.72, 2913.11, and 18  
4712.05 be amended and section 1319.17 of the Revised Code be 19  
enacted to read as follows: 20

**Sec. 135.77.** As used in sections 135.77 to 135.774 of the 21  
Revised Code: 22

(A) "Business linked deposit" means ~~share certificates~~ 23  
~~issued by an eligible lending institution that are purchased by~~ 24  
~~the treasurer of state in accordance with sections 135.772 to~~ 25  
~~135.774 of the Revised Code.~~a certificate of deposit or other 26  
financial institution instrument placed by the treasurer of 27  
state with an eligible lending institution at a rate below 28  
current market rates, as determined and calculated by the 29  
treasurer of state, provided the institution agrees to lend the 30  
value of such deposit, according to the deposit agreement 31  
provided in section 135.773 of the Revised Code, to eligible 32  
small businesses at a rate that reflects an equal percentage 33  
rate reduction below the present borrowing rate applicable to 34  
each specific business at the time of the deposit of state funds 35  
in the institution. 36

(B) "Eligible lending institution" means a federal credit 37  
union, a foreign credit union licensed pursuant to section 38  
1733.39 of the Revised Code, or a credit union as defined in 39  
section 1733.01 of the Revised Code, located in this state. 40

(C) "Eligible small business" means any person that has 41  
all of the following characteristics: 42

(1) Is domiciled in this state; 43

(2) Maintains offices and operating facilities exclusively 44

in this state and transacts business in this state; 45

(3) Employs fewer than one hundred fifty employees, the 46  
majority of whom are residents of this state; 47

(4) Is organized for profit; 48

(5) Is able to save or create one full-time job or two 49  
part-time jobs in this state for every fifty thousand dollars 50  
borrowed. 51

(D) "Full-time job" means a job with regular hours of 52  
service totaling at least forty hours per week or any other 53  
standard of service accepted as full-time by the employee's 54  
employer. 55

(E) "Loan" means a contractual agreement under which an 56  
eligible lending institution agrees to lend money in the form of 57  
an upfront lump sum, a line of credit, or any other reasonable 58  
arrangement approved by the treasurer of state. 59

(F) "Part-time job" means a job with regular hours of 60  
service totaling fewer than forty hours per week or any other 61  
standard of service accepted as part-time by the employee's 62  
employer. 63

**Sec. 135.774.** (A) Upon the placement of a business linked 64  
deposit with an eligible lending institution, such institution 65  
is required to lend such funds to each approved eligible small 66  
business listed in the linked deposit loan package required by 67  
section 135.772 of the Revised Code and in accordance with the 68  
deposit agreement required by section 135.773 of the Revised 69  
Code. ~~The loan shall be at a rate that reflects the following~~ 70  
~~percentage rate reduction below the present borrowing rate~~ 71  
~~applicable to each eligible small business.~~ 72

~~(1) Three per cent if the present borrowing rate is  
greater than five per cent;~~ 73  
74

~~(2) Two and one tenth per cent if the present borrowing  
rate is equal to or less than five per cent.~~ 75  
76

~~A certification of compliance with this section in the  
form and manner as prescribed by the treasurer of state shall be  
required of the eligible lending institution.~~ 77  
78  
79

(B) The treasurer of state shall take any and all steps 80  
necessary to implement the business linked deposit program and 81  
monitor compliance of eligible lending institutions and eligible 82  
small businesses, including the development of guidelines as 83  
necessary. 84

(C) The state and the treasurer of state are not liable to 85  
any eligible lending institution in any manner for payment of 86  
the principal or interest on the loan to an eligible small 87  
business. Any delay in payments or default on the part of an 88  
eligible small business does not in any manner affect the 89  
deposit agreement between the eligible lending institution and 90  
the treasurer of state. 91

**Sec. 307.04.** The board of county commissioners may, at any 92  
time before or after the completion of any county building, 93  
award contracts for supplying such building with light, heat, or 94  
power for any period of time not exceeding ten years, except a 95  
contract entered into under section 9.48 of the Revised Code may 96  
exceed ten years. Sections 5705.41 and 5705.44 of the Revised 97  
Code shall not apply to any such contracts. 98

**Sec. 1115.05.** (A) As used in this section: 99

(1) "Acquire" or "acquisition" means any of the following 100  
transactions or actions: 101

(a) A merger or consolidation with, or purchase of assets 102  
from, a bank holding company that has acquired an Ohio bank; 103

(b) The acquisition of the direct or indirect ownership or 104  
control of voting shares of an Ohio bank if, after the 105  
acquisition, the acquiring bank holding company will directly or 106  
indirectly own or control the Ohio bank, unless the 107  
superintendent of financial institutions determines, in the 108  
superintendent's discretion, due to the nature of the 109  
acquisition, it should not be subject to the limitations of this 110  
section; 111

(c) The merger or consolidation of an Ohio bank with, or 112  
the transfer of assets from an Ohio bank to, another bank, 113  
whether previously existing or chartered for the purpose of the 114  
transaction; 115

(d) Any other action that results in the direct or 116  
indirect control of an Ohio bank. 117

(2) "Ohio bank" means a state bank or a national bank 118  
whose principal place of business is in this state. 119

(B) Subject to division (C) of this section, a bank ~~or,~~ 120  
bank holding company, federal savings association, or savings 121  
and loan holding company whose principal place of business is in 122  
this state or any other state may charter or otherwise acquire 123  
an Ohio bank, and a bank may acquire banking offices in this 124  
state by merger or consolidation with or transfer of assets and 125  
liabilities from a bank, savings bank, or savings association 126  
that has offices in this state, if, upon consummation of the 127  
acquisition, both of the following will apply: 128

(1) The acquiring bank ~~with, or the acquiring,~~ bank 129  
holding company ~~through,~~ federal savings association, or savings 130

and loan holding company, with or through its affiliate banks, 131  
savings banks, and savings associations, does not control more 132  
than ten per cent of the total deposits of banks, savings banks, 133  
and savings associations in the United States, and either of the 134  
following applies: 135

(a) The acquiring bank ~~with, or the,~~ acquiring bank 136  
holding company ~~through,~~ federal savings association, or savings 137  
and loan holding company, with or through its affiliate banks, 138  
savings banks, and savings associations, does not control more 139  
than thirty per cent of the total deposits of banks, savings 140  
banks, and savings associations in this state. 141

(b) The acquiring bank ~~with, or the,~~ acquiring bank 142  
holding company ~~through,~~ federal savings association, or savings 143  
and loan holding company, with or through its affiliate banks, 144  
savings banks, and savings associations, controls more than 145  
thirty per cent of the total deposits of banks, savings banks, 146  
and savings associations in this state, and the superintendent 147  
approved the acquisition after determining the anticompetitive 148  
effects of the acquisition were clearly outweighed in the public 149  
interest by the probable effect of the transaction. 150

(2) Except in the case of a foreign bank subject to 151  
Chapter 1119. of the Revised Code or a bank that by the terms of 152  
its articles of incorporation or association is not permitted to 153  
solicit or accept deposits other than trust funds, the Ohio bank 154  
or any bank that has banking offices in this state will be an 155  
insured bank as defined in section 3(h) of the "Federal Deposit 156  
Insurance Act," 92 Stat. 614 (1978), 12 U.S.C.A. 1813(h). 157

(C) (1) Any bank holding company proposing to charter a 158  
state bank under this section shall comply with Chapter 1113. or 159  
1114. of the Revised Code and any rules adopted to implement 160

that chapter. 161

(2) If, after the proposed acquisition, the acquiring bank 162  
or bank holding company will control an existing state bank the 163  
acquiring bank or bank holding company did not control before 164  
the acquisition, and the acquisition does not include the merger 165  
or consolidation of the existing state bank with another bank, 166  
the acquiring bank or bank holding company shall comply with 167  
section 1115.06 of the Revised Code and any rules adopted to 168  
implement that section. 169

(3) If the proposed acquisition will be accomplished by 170  
means of a merger or consolidation with a state bank and the 171  
resulting bank of the merger or consolidation will be a state 172  
bank, the state bank shall comply with section 1115.11 of the 173  
Revised Code and any rules adopted to implement that section. 174

(4) If the proposed acquisition will be accomplished by 175  
means of a transfer of assets and liabilities to a state bank, 176  
the state bank shall comply with section 1115.14 of the Revised 177  
Code and any rules adopted to implement that section. 178

(5) If the proposed acquisition will be accomplished by 179  
forming a bank to which the bank to be acquired will transfer 180  
assets and liabilities, or with which the bank to be acquired 181  
will be merged or consolidated and the resulting bank will be a 182  
state bank, the acquiring bank holding company shall comply with 183  
section 1115.23 of the Revised Code and any rules adopted to 184  
implement that section. 185

**Sec. 1319.17.** (A) As used in this section: 186

(1) "Business" means a sole proprietorship, partnership, 187  
corporation, limited liability company, or other commercial 188  
entity, whether for profit or not for profit. 189

(2) "Commercial credit report" means any report provided 190  
to a business for a legitimate business purpose, relating to the 191  
financial status or payment habits of a business that is the 192  
subject of the report. "Commercial credit report" does not 193  
include any of the following: 194

(a) A report prepared for commercial insurance 195  
underwriting, claims, or auditing purposes; 196

(b) A report containing information related to 197  
transactions or experiences between the subject and the person 198  
making the report; 199

(c) An authorization or approval of a specific extension 200  
of credit directly or indirectly by the issuer of a credit card 201  
or similar device; 202

(d) Any report in which a person that has been requested 203  
by a third party to make a specific extension of credit directly 204  
or indirectly to the subject conveys its decision with respect 205  
to that request. 206

(3) "Commercial credit reporting agency" means any person 207  
or entity that regularly engages in the practice of compiling 208  
and maintaining commercial credit reports on a business 209  
operating in this state for the purpose of providing commercial 210  
credit reports and, for monetary fees, dues, or on a cooperative 211  
nonprofit basis, provides such commercial credit reports on a 212  
business operating in this state to third parties. 213

"Commercial credit reporting agency" does not include a 214  
person or entity that does not maintain a database of commercial 215  
credit reports from which new commercial credit reports are 216  
produced. 217

(4) "Subject" means the business operating in this state 218



about which a commercial credit report has been compiled. 219

(B) Upon the request of a representative of the subject of 220  
a commercial credit report, a commercial credit reporting agency 221  
shall provide the subject's commercial credit report. The report 222  
shall be provided to the subject at a cost not greater than what 223  
is charged to third parties and may be printed or in electronic 224  
form. The report shall be in a format routinely made available 225  
to third parties. A commercial credit reporting agency may 226  
protect the identity of sources of information to be used in 227  
commercial credit reports. 228

(C) Within thirty days after receipt of a commercial 229  
credit report, a representative of the subject of the report may 230  
file with the commercial credit reporting agency a written 231  
summary statement identifying each particular statement in the 232  
report that the subject of the report believes contains an 233  
inaccurate statement of fact and indicating the nature of the 234  
disagreement with the statement. Within thirty days after 235  
receipt of a subject's summary statement of disagreement, the 236  
commercial credit reporting agency at no cost to the subject 237  
shall do either of the following: 238

(1) Delete the disputed statement of fact from the report 239  
and, thereafter, block any repeat reporting of that disputed 240  
statement unless its accuracy has been verified; 241

(2) Include in the report a notice of the subject's 242  
assertion that the statement of fact is inaccurate. 243

(D) Nothing in this section shall be construed to provide 244  
a private right of action, including a class action, with 245  
respect to any act or practice regulated under this section. 246

**Sec. 1321.52.** (A) (1) A registrant may make loans, other 247

than a residential mortgage loan as defined in section 1322.01 248  
of the Revised Code, on terms and conditions provided by 249  
sections 1321.51 to 1321.60 of the Revised Code. 250

(2) Each person issued a certificate of registration is 251  
subject to all the rules prescribed under sections 1321.51 to 252  
1321.60 of the Revised Code. 253

(B) (1) All loans made to persons who at the time are 254  
residents of this state are considered as made within this state 255  
and subject to the laws of this state, regardless of any 256  
statement in the contract or note to the contrary, except if the 257  
loan is for the purpose of purchasing goods acquired by the 258  
borrower when the borrower is outside of this state, the loan 259  
may be governed by the laws of the other state. 260

(2) Nothing in division (B) (1) of this section prevents a 261  
choice of law or requires registration of persons outside of 262  
this state in a transaction involving the solicitation of 263  
residents of this state to obtain non-real estate secured loans 264  
that require the borrowers to physically visit a lender's out- 265  
of-state office to apply for and obtain the disbursement of loan 266  
funds. 267

(C) A registrant may make unsecured loans and loans 268  
secured by other than residential real estate or a dwelling as 269  
those terms are defined in section 1322.01 of the Revised Code. 270

(D) For the purpose of registering persons under and 271  
requiring compliance with sections 1321.51 to 1321.60 of the 272  
Revised Code, the superintendent may do any of the following: 273

(1) Require any person registered under or applying for 274  
registration under these sections to do both of the following: 275

(a) Utilize the national multistate licensing system for 276

<u>application, renewal, amendment, or surrender of a license or</u>	277
<u>for any other activity as the superintendent may require;</u>	278
<u>(b) Pay all applicable charges to utilize the national</u>	279
<u>multistate licensing system.</u>	280
<u>(2) Establish requirements as necessary for the use of the</u>	281
<u>national multistate licensing system to meet the purposes of</u>	282
<u>these sections, including:</u>	283
<u>(a) Background checks for:</u>	284
<u>(i) Criminal history through fingerprint or other</u>	285
<u>databases;</u>	286
<u>(ii) Civil or administrative records;</u>	287
<u>(iii) Credit history;</u>	288
<u>(iv) Any other information considered necessary by the</u>	289
<u>national multistate licensing system or the superintendent.</u>	290
<u>(b) The payment of fees to apply for or renew licenses</u>	291
<u>through the multistate licensing system;</u>	292
<u>(c) The setting or resetting of renewal or reporting</u>	293
<u>dates;</u>	294
<u>(d) Requirements for amending or surrendering a license or</u>	295
<u>any other such activities as the superintendent considers</u>	296
<u>necessary for participation in the national multistate licensing</u>	297
<u>system.</u>	298
<b>Sec. 1321.68.</b> (A) A licensee may contract for and receive	299
interest, calculated according to the actuarial method, at a	300
rate or rates not exceeding twenty-five per cent per year on the	301
unpaid principal balances of the loan. Loans may be interest-	302
bearing or precomputed.	303

(B) For purposes of computation of time on interest- 304  
bearing and precomputed loans, including, but not limited to, 305  
the calculation of interest, a month is considered one-twelfth 306  
of a year, and a day is considered one three hundred sixty-fifth 307  
of a year when calculation is made for a fraction of a month. A 308  
year is as defined in section 1.44 of the Revised Code. A month 309  
is that period described in section 1.45 of the Revised Code. 310  
Alternatively, a licensee may consider a day as one three 311  
hundred sixtieth of a year and each month as having thirty days. 312

(C) With respect to interest-bearing loans: 313

(1) (a) Interest shall be computed on unpaid principal 314  
balances outstanding from time to time, for the time 315  
outstanding. 316

(b) As an alternative to the method of computing interest 317  
set forth in division (C) (1) (a) of this section, a licensee may 318  
charge and collect interest for the first installment period 319  
based on elapsed time from the date of the loan to the first 320  
scheduled payment due date, and for each succeeding installment 321  
period from the scheduled payment due date to the next scheduled 322  
payment due date, regardless of the date or dates the payments 323  
are actually made. 324

(c) Whether a licensee computes interest pursuant to 325  
division (C) (1) (a) or (b) of this section, each payment shall be 326  
applied first to unpaid charges, then to interest, and the 327  
remainder to the unpaid principal balance. However, if the 328  
amount of the payment is insufficient to pay the accumulated 329  
interest, the unpaid interest continues to accumulate to be paid 330  
from the proceeds of subsequent payments and is not added to the 331  
principal balance. 332

(2) Interest shall not be compounded, collected, or paid 333  
in advance. However, both of the following apply: 334

(a) Interest may be charged to extend the first monthly 335  
installment period by not more than fifteen days, and the 336  
interest charged for the extension may be added to the principal 337  
amount of the loan. 338

(b) If part or all of the consideration for a new loan 339  
contract is the unpaid principal balance of a prior loan, the 340  
principal amount payable under the new loan contract may include 341  
any unpaid interest that has accrued. The resulting loan 342  
contract shall be deemed a new and separate loan transaction for 343  
purposes of this section. The unpaid principal balance of a 344  
precomputed loan is the balance due after refund or credit of 345  
unearned interest as provided in division (D) (3) of this 346  
section. 347

(D) With respect to precomputed loans: 348

(1) Loans shall be repayable in monthly installments of 349  
principal and interest combined, except that: 350

(a) The first installment period may exceed one month by 351  
not more than fifteen days, and the first installment payment 352  
amount may be larger than the remaining payments by the amount 353  
of interest charged for the extra days. 354

(b) Monthly installment payment dates may be omitted to 355  
accommodate borrowers with seasonal income. 356

(2) Payments may be applied to the combined total of 357  
principal and precomputed interest until maturity of the loan. A 358  
licensee may charge interest after the original or deferred 359  
maturity of a precomputed loan at the rate specified in division 360  
(A) of this section on all unpaid principal balances for the 361

time outstanding. 362

(3) When any loan contract is paid in full by cash, 363  
renewal, refinancing, or a new loan, one month or more before 364  
the final installment due date, the licensee shall refund, or 365  
credit the borrower with, the total of the applicable charges 366  
for all fully unexpired installment periods, as originally 367  
scheduled or as deferred, that follow the day of prepayment. If 368  
the prepayment is made other than on a scheduled installment due 369  
date, the nearest scheduled installment due date shall be used 370  
in such computation. If the prepayment occurs prior to the first 371  
installment due date, the licensee may retain one-thirtieth of 372  
the applicable charge for a first installment period of one 373  
month for each day from date of loan to date of prepayment, and 374  
shall refund, or credit the borrower with, the balance of the 375  
total interest contracted for. If the maturity of the loan is 376  
accelerated for any reason and judgment is entered, the licensee 377  
shall credit the borrower with the same refund as if prepayment 378  
in full had been made on the date the judgment is entered. 379

(4) If the parties agree in writing, either in the loan 380  
contract or in a subsequent agreement, to a deferment of wholly 381  
unpaid installments, a licensee may grant a deferment and may 382  
collect a deferment charge as provided in this section. A 383  
deferment postpones the scheduled due date of the earliest 384  
unpaid installment and all subsequent installments as originally 385  
scheduled, or as previously deferred, for a period equal to the 386  
deferment period. The deferment period is that period during 387  
which no installment is scheduled to be paid by reason of the 388  
deferment. The deferment charge for a one-month period may not 389  
exceed the applicable charge for the installment period 390  
immediately following the due date of the last undeferred 391  
installment. A proportionate charge may be made for deferment 392

for periods of more or less than one month. A deferment charge 393  
is earned pro rata during the deferment period and is fully 394  
earned on the last day of the deferment period. If a loan is 395  
prepaid in full during a deferment period, the licensee shall 396  
make, or credit to the borrower, a refund of the unearned 397  
deferment charge in addition to any other refund or credit made 398  
for prepayment of the loan in full. 399

(E) A licensee, at the request of the borrower, may 400  
obtain, on one or more borrowers, credit life insurance, credit 401  
accident and health insurance, and unemployment insurance. The 402  
premium or identifiable charge for the insurance may be included 403  
in the principal amount of the loan and may not exceed the 404  
premium rate filed by the insurer with the superintendent of 405  
insurance and not disapproved by the superintendent. If a 406  
licensee obtains the insurance at the request of the borrower, 407  
the borrower shall have the right to cancel the insurance for a 408  
period of twenty-five days after the loan is made. If the 409  
borrower chooses to cancel the insurance, the borrower shall 410  
give the licensee written notice of this choice and shall return 411  
all of the policies or certificates of insurance or notices of 412  
proposed insurance to the licensee during such period, and the 413  
full premium or identifiable charge for the insurance shall be 414  
refunded to the borrower by the licensee. If the borrower 415  
requests, in the notice to cancel the insurance, that this 416  
refund be applied to reduce the balance of a precomputed loan, 417  
the licensee shall credit the amount of the refund plus the 418  
amount of interest applicable to the refund to the loan balance. 419  
If the licensee obtains the insurance at the request of the 420  
borrower, the licensee shall not charge or collect interest on 421  
any insured amount that remains unpaid after the insured 422  
borrower's date of death. 423

(F) A licensee may require the borrower to provide 424  
insurance or a loss payable endorsement covering reasonable 425  
risks of loss, damage, and destruction of property used as 426  
security for the loan and with the consent of the borrower such 427  
insurance may cover property of the borrower other than that 428  
which is security for the loan. The amount and term of required 429  
property insurance shall be reasonable in relation to the amount 430  
and term of the loan contract and the type and value of the 431  
security, and the insurance shall be procured in accordance with 432  
the insurance laws of this state. The purchase of this insurance 433  
through the licensee or an agent or broker designated by the 434  
licensee shall not be a condition precedent to the granting of 435  
the loan. If the borrower purchases the insurance from or 436  
through the licensee or from another source, the premium may be 437  
included in the principal amount of the loan. 438

(G) (1) In addition to the interest and charges provided 439  
for by this section, no further or other amount, whether in the 440  
form of broker fees, placement fees, or any other fees 441  
whatsoever, shall be charged or received by the licensee, except 442  
that: 443

(a) The licensee may charge and receive costs and 444  
disbursements in connection with any suit to collect a loan or 445  
any lawful activity to realize on a security interest after 446  
default, including reasonable attorney's fees incurred by the 447  
licensee as a result of the suit or activity and to which the 448  
licensee becomes entitled by law. 449

(b) The licensee may include the following additional 450  
charges in the principal amount of the loan or collect the 451  
following additional charges at any time after the loan is made: 452

(i) The amounts of fees authorized by law to record, file, 453



or release security interests on a loan; 454

(ii) Fees received from borrowers to record, file, or 455  
release a security interest on a loan for purposes either of 456  
purchasing insurance to insure the licensee against losses for 457  
failure to record or file or creating a self-insurance fund to 458  
reimburse the licensee against losses for failure to record or 459  
file; 460

(iii) Fees for credit investigations not exceeding twenty- 461  
five dollars provided a licensee obtains a consumer report in 462  
connection with an application for a grant, extension, or other 463  
provision of credit to a consumer that is based in whole or in 464  
part on the consumer report. 465

(2) Division (G)(1) of this section does not limit the 466  
rights of licensees to engage in other transactions with 467  
borrowers, provided the transactions are not a condition of the 468  
loan. As used in this division, a transaction shall not be 469  
considered a "condition of the loan" if it meets both of the 470  
following conditions: 471

(a) It is not required for the extension of the credit. 472

(b) It is a charge that is not considered a "finance 473  
charge" pursuant to 12 C.F.R. 1026.4. 474

(H) If the loan contract or security instrument contains 475  
covenants by the borrower to perform certain duties pertaining 476  
to insuring or preserving security and the licensee pursuant to 477  
the loan contract or security instrument pays for performance of 478  
the duties on behalf of the borrower, the licensee may add the 479  
amounts paid to the unpaid principal balance of the loan or 480  
collect them separately. A charge for interest may be made for 481  
sums advanced not exceeding the rate of interest permitted by 482

division (A) of this section. Within a reasonable time after 483  
advancing a sum, the licensee shall notify the borrower in 484  
writing of the amount advanced, any interest charged with 485  
respect to the amount advanced, and any revised payment 486  
schedule, and shall include a brief description of the reason 487  
for the advance. 488

(I) (1) In addition to any other permissible fees and 489  
charges, a licensee may charge and receive the following: 490

(a) If the principal amount of the loan is five hundred 491  
dollars or less, loan origination charges not exceeding fifteen 492  
dollars; 493

(b) If the principal amount of the loan is more than five 494  
hundred dollars but less than one thousand dollars, loan 495  
origination charges not exceeding thirty dollars; 496

(c) If the principal amount of the loan is at least one 497  
thousand dollars but less than two thousand dollars, loan 498  
origination charges not exceeding one hundred dollars; 499

(d) If the principal amount of the loan is at least two 500  
thousand dollars but less than five thousand dollars, loan 501  
origination charges not exceeding two hundred dollars; 502

(e) If the principal amount of the loan is at least five 503  
thousand dollars, loan origination charges not exceeding the 504  
greater of two hundred fifty dollars or one per cent of the 505  
principal amount of the loan. 506

(2) Loan origination charges may be paid by the borrower 507  
at the time of the loan or may be included in the principal 508  
amount of the loan. 509

(J) A licensee may charge and receive check collection 510

charges not greater than twenty dollars plus any amount passed 511  
on from other depository institutions for each check, negotiable 512  
order of withdrawal, share draft, or other negotiable instrument 513  
returned or dishonored for any reason. 514

(K) If the loan contract so provides, a licensee may 515  
collect a default charge on any installment not paid in full 516  
within ten days after its due date. For this purpose, all 517  
installments are considered paid in the order in which they 518  
become due. Any amounts applied to an outstanding loan balance 519  
as a result of voluntary release of a security interest, sale of 520  
security on the loan, or cancellation of insurance shall be 521  
considered payments on the loan, unless the parties otherwise 522  
agree in writing at the time the amounts are applied. A licensee 523  
shall not collect more than one default charge per unpaid 524  
installment regardless of the number of months the installment 525  
remains fully unpaid. The amount of the default charge shall not 526  
exceed the greater of five per cent of the scheduled installment 527  
or fifteen dollars. 528

**Sec. 1322.01.** As used in this chapter: 529

(A) "Administrative or clerical tasks" mean the receipt, 530  
collection, and distribution of information common for the 531  
processing or underwriting of a loan in the mortgage industry, 532  
~~without performing any analysis of the information, and~~ 533  
communication with a consumer to obtain information necessary 534  
for the processing or underwriting of a residential mortgage 535  
loan, to the extent the communication does not include offering 536  
or negotiating loan rates or terms or counseling borrows about 537  
residential mortgage loan rates or terms. 538

(B) "Advertising" means a commercial message in any medium 539  
that promotes, either directly or indirectly, a residential 540

mortgage lending transaction.	541
(C) "Application" has the same meaning as in 12 C.F.R. 1026.2(a)(3).	542 543
(D) "Approved education course" means any course approved by the nationwide mortgage licensing system and registry.	544 545
(E) "Approved test provider" means any test provider approved by the nationwide mortgage licensing system and registry.	546 547 548
(F) <u>"Bona fide nonprofit organization" means an organization that meets all of the following:</u>	549 550
<u>(1) Has the status of a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended;</u>	551 552 553
<u>(2) Promotes affordable housing or provides homeownership education or similar services;</u>	554 555
<u>(3) Conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes;</u>	556 557
<u>(4) Receives funding and revenue and charges fees in a manner that does not incentivize it or its employees to act other than in the best interests of its clients;</u>	558 559 560
<u>(5) Compensates its employees in a manner that does not incentivize employees to act other than in the best interests of its clients;</u>	561 562 563
<u>(6) Provides, or identifies for the borrower, residential mortgage loans with terms favorable to the borrower and comparable to mortgage loans and housing assistance provided under government housing assistance programs;</u>	564 565 566 567

(7) Has obtained a valid letter of exemption from the 568  
superintendent of financial institutions. 569

(G) "Borrower" means a person seeking a residential 570  
mortgage loan or an obligor on a residential mortgage loan. 571

~~(G)~~(H) "Branch office" means a location at which a 572  
licensee conducts business other than a registrant's principal 573  
place of business, if at least one of the following applies to 574  
the location: 575

(1) The address of the location appears on business cards, 576  
stationery, or advertising used by the registrant; 577

(2) The registrant's name or advertising at the location 578  
suggests that mortgage transactions are made at the location; 579

(3) The location is held out to the public as a licensee's 580  
place of business due to the actions of an employee or 581  
independent contractor of the registrant; or 582

(4) The location within this state is controlled directly 583  
or indirectly by the registrant. 584

~~(H)~~(I) "Buyer" means an individual who is solicited to 585  
purchase or who purchases the services of a mortgage loan 586  
originator for purposes of obtaining a residential mortgage 587  
loan. "Buyer" includes an individual whose mortgage loan is 588  
serviced by a mortgage servicer. 589

~~(I)~~(J) "Consumer reporting agency" has the same meaning 590  
as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 591  
U.S.C.A. 1681a, as amended. 592

~~(J)~~(K) "Control" means the power, directly or indirectly, 593  
to direct the management or policies of an entity, whether 594  
through ownership of securities, by contract, or otherwise. A 595

person is presumed to control an entity if that person: 596

(1) Is a director, general partner, or executive officer 597  
or is an individual that occupies a similar position or performs 598  
a similar function; 599

(2) Directly or indirectly has the right to vote five per 600  
cent or more of a class of a voting security or has the power to 601  
sell or direct the sale of five per cent or more of a class of 602  
voting securities; 603

(3) In the case of a limited liability company, is a 604  
managing member; or 605

(4) In the case of a partnership, has the right to receive 606  
upon dissolution or has contributed five per cent or more of the 607  
capital. 608

~~(K)~~(L) "Depository institution" has the same meaning as 609  
in section 3 of the "Federal Deposit Insurance Act," 12 U.S.C. 610  
1813(c), and also includes any credit union. 611

~~(I)~~(M) "Dwelling" has the same meaning as in 15 U.S.C. 612  
1602(w). "Dwelling" includes a single condominium unit, 613  
cooperative unit, mobile home, and trailer, if it is used as a 614  
residence, whether or not that structure is attached to real 615  
property. 616

~~(M)~~(N) "Employee" means an individual for whom a mortgage 617  
broker ~~or~~, mortgage lender, or mortgage servicer, in addition to 618  
providing a wage or salary, pays social security and 619  
unemployment taxes, provides workers' compensation coverage, and 620  
withholds local, state, and federal income taxes. "Employee" 621  
also includes any individual who acts as a mortgage loan 622  
originator or operations manager of a registrant, but for whom 623  
the registrant is prevented by law from making income tax 624

withholdings. 625

~~(N)~~ (O) "Entity" means a business organization, including 626  
a sole proprietorship. 627

~~(O)~~ (P) "Expungement" means a court-ordered process that 628  
involves the destruction of documentation related to past 629  
arrests and convictions. 630

~~(P)~~ (Q) "Federal banking agency" means the board of 631  
governors of the federal reserve system, the comptroller of the 632  
currency, the national credit union administration, or the 633  
federal deposit insurance corporation. 634

~~(Q)~~ (R) "Immediate family" means an individual's spouse, 635  
child, stepchild, parent, stepparent, grandparent, grandchild, 636  
brother, sister, parent-in-law, brother-in-law, or sister-in- 637  
law. 638

~~(R)~~ (S) "Independent contractor" means an individual who 639  
performs duties for another person and is not subject to that 640  
person's supervision or control. 641

~~(S)~~ (T) "Individual" means a natural person. 642

~~(T)~~ (U) "Licensee" means any individual who has been 643  
issued a mortgage loan originator license under this chapter. 644

~~(U)~~ (V) "Loan commitment" means a statement transmitted in 645  
writing or electronically by a mortgage lender setting forth the 646  
terms and conditions upon which the mortgage lender is willing 647  
to make a particular residential mortgage loan to a particular 648  
borrower. 649

~~(V)~~ (W) "Loan processor or underwriter" means an 650  
individual who, with respect to the origination of a residential 651  
mortgage loan, performs ~~administrative or clerical tasks as an~~ 652

~~employee at the direction of and subject to the supervision of a~~ 653  
~~mortgage lender or mortgage broker. For purposes of this~~ 654  
~~division, "origination of a residential mortgage loan" means all~~ 655  
~~activities related to a residential mortgage loan, from the~~ 656  
~~taking of a loan application through the completion of all~~ 657  
~~required loan closing documents and the funding of the loan any~~ 658  
~~of the following activities at the direction or subject to the~~ 659  
~~supervision of a licensed mortgage loan originator or registered~~ 660  
~~mortgage loan originator:~~ 661

(1) Receiving, collecting, distributing, or analyzing 662  
information common for the processing or underwriting of a 663  
residential mortgage loan; 664

(2) Communicating with a borrower to obtain the 665  
information necessary for the processing or underwriting of a 666  
loan, to the extent the communication does not include offering 667  
or negotiating loan rates or terms or counseling borrowers about 668  
residential mortgage loan rates or terms. 669

~~(W)~~(X) "Mortgage" means the consensual interest in real 670  
property located in this state, including improvements to that 671  
property, securing a debt evidence by a mortgage, trust 672  
indenture, deed of trust, or other lien on real property. 673

~~(X)~~(Y) "Mortgage broker" means an entity that for 674  
compensation or gain, or in the expectation of compensation or 675  
gain, obtains, attempts to obtain, or assists in obtaining a 676  
residential mortgage loan for a borrower from a mortgage lender 677  
~~in return for consideration or in anticipation of consideration.~~ 678  
For purposes of this division, "attempting to obtain or 679  
assisting in obtaining" a residential mortgage loan includes 680  
referring a borrower to a mortgage lender, soliciting or 681  
offering to solicit a mortgage loan on behalf of a borrower, or 682



negotiating or offering to negotiate the terms or conditions of 683  
a mortgage loan with a mortgage lender on behalf of a borrower. 684

~~(Y)~~ (Z) "Mortgage lender" means an entity that for 685  
compensation or gain, or in the expectation of compensation or 686  
gain consummates a residential mortgage loan, advances funds, 687  
offers to advance funds, or commits to advancing funds for a 688  
~~residential mortgage loan applicant~~borrower. 689

~~(Z)~~ (1) ~~(AA)~~ (1) "Mortgage loan originator" means an 690  
individual who for compensation or gain, or in the expectation 691  
of compensation or gain, does any of the following: 692

(a) Takes a residential mortgage loan application; 693

(b) Assists or offers to assist a buyer in obtaining or 694  
applying to obtain a residential mortgage loan by, among other 695  
things, advising on loan terms, including rates, fees, and other 696  
costs; 697

(c) Offers or negotiates terms of a residential mortgage 698  
loan; 699

(d) Issues or offers to issue a commitment for a 700  
residential mortgage loan to a buyer. 701

(2) "Mortgage loan originator" does not include any of the 702  
following: 703

(a) An individual who performs purely administrative or 704  
clerical tasks on behalf of a mortgage loan originator; 705

(b) A person licensed under Chapter 4735. of the Revised 706  
Code, or under the similar law of another state, who performs 707  
only real estate brokerage activities permitted by that license, 708  
provided the person is not compensated by a mortgage lender, 709  
mortgage broker, mortgage loan originator, or by any agent 710

thereof; 711

(c) A person solely involved in extensions of credit 712  
relating to timeshare plans, as that term is defined in 11 713  
U.S.C. 101; 714

(d) An employee of a mortgage lender or mortgage broker 715  
who acts solely as a loan processor or underwriter and who does 716  
not represent to the public, through advertising or other means 717  
of communicating, including the use of business cards, 718  
stationery, brochures, signs, rate lists, or other promotional 719  
items, that the employee can or will perform any of the 720  
activities of a mortgage loan originator; 721

(e) A licensed attorney who negotiates the terms of a 722  
residential mortgage loan on behalf of a client as an ancillary 723  
matter to the attorney's representation of the client, unless 724  
the attorney is compensated by a mortgage lender, a mortgage 725  
broker, or another mortgage loan originator, or by any agent 726  
thereof; 727

(f) Any person engaged in the retail sale of manufactured 728  
homes, mobile homes, or industrialized units, including a 729  
manufactured home park operator, as defined in section 4781.01 730  
of the Revised Code if, in connection with financing those 731  
retail sales, the person ~~only assists the borrower by providing~~ 732  
~~or transmitting the loan application and does not do any of the~~ 733  
following: 734

(i) Offer or negotiate the residential mortgage loan rates 735  
or terms; 736

(ii) ~~Provide any counseling with borrowers about~~ 737  
~~residential mortgage loan rates or terms~~ Fail to give a borrower 738  
written disclosure of any corporate affiliation the person has 739

with any lender, or fail to refer a borrower to at least one 740  
unaffiliated lender if the person recommends a lender with which 741  
the person has a corporate affiliation; 742

(iii) Receive any ~~payment compensation or fee gain~~ from 743  
any company or individual for assisting the borrower obtain or 744  
apply for financing to purchase the manufactured home, mobile 745  
home, or industrialized unit; 746

~~(iv) Assist the borrower in completing a residential~~ 747  
~~mortgage loan application.~~ 748

(g) An individual employed by a bona fide nonprofit 749  
organization ~~that is recognized as tax exempt under 26 U.S.C.~~ 750  
~~501(c)(3) and whose primary activity is the construction,~~ 751  
~~remodeling, or rehabilitation of homes for use by low income~~ 752  
~~families, provided that the nonprofit organization makes no~~ 753  
~~profit mortgage loans or mortgage loans at zero per cent~~ 754  
~~interest to low income families and no fees accrue directly to~~ 755  
~~the nonprofit organization or individual employed by the~~ 756  
~~nonprofit organization from those mortgage loans and that the~~ 757  
~~United States department of housing and urban development does~~ 758  
~~not deny this exemption.~~ acting within the scope of employment 759  
with respect to residential mortgage loans with terms that are 760  
favorable to the borrower; 761

(h) An employee of a loan processing or underwriting 762  
company that provides loan processing or underwriting services 763  
to one or more mortgage lenders or mortgage brokers under a 764  
contract between the loan processing or underwriting company and 765  
the mortgage lenders or mortgage brokers, provided the employee 766  
performs only clerical or support duties and performs those 767  
duties only at the direction of and subject to the supervision 768  
and instruction of a licensed mortgage loan originator employee 769

of the same loan processing and underwriting company, and 770  
provided that the loan processing and underwriting company has 771  
obtained a letter of exemption provided for in a rule adopted by 772  
the superintendent of financial institutions. 773

~~(AA)~~(BB) "Mortgage servicer" means an entity a person 774  
that, for compensation or gain for itself or on behalf of the 775  
holder of a residential mortgage loan, holds the servicing 776  
rights for more than five residential mortgage loans, records 777  
mortgage payments on its books for more than five residential 778  
mortgage loans, or performs other functions to carry out the 779  
residential mortgage holder's obligations or rights under the 780  
mortgage agreement for more than five residential mortgage loans 781  
including, when applicable, the receipt of funds from the 782  
mortgagor to be held in escrow for payment of real estate taxes 783  
and insurance premiums and the distribution of such funds to the 784  
taxing authority and insurance company. 785

~~(BB)~~(CC) "Nationwide mortgage licensing system and 786  
registry" means a licensing system developed and maintained by 787  
the conference of state bank supervisors and the American 788  
association of residential mortgage regulators, or their 789  
successor entities, for the licensing and registration of 790  
persons providing non-depository financial services. 791

~~(CC)~~(DD) "Nontraditional mortgage product" means any 792  
mortgage product other than a thirty-year fixed rate mortgage. 793

~~(DD)~~(EE) "Person" means an individual, sole 794  
proprietorship, corporation, company, limited liability company, 795  
partnership, limited liability partnership, trust, or 796  
association. 797

~~(EE)~~(FF) "Real estate brokerage activity" means any 798

activity that involves offering or providing real estate 799  
brokerage services to the public, including all of the 800  
following: 801

(1) Acting as a real estate salesperson or real estate 802  
broker for a buyer, seller, lessor, or lessee of real property; 803

(2) Bringing together parties interested in the sale, 804  
purchase, lease, rental, or exchange of real property; 805

(3) Negotiating, on behalf of any party, any portion of a 806  
contract relating to the sale, purchase, lease, rental, or 807  
exchange of real property, other than in connection with 808  
providing financing for any such transaction; 809

(4) Engaging in any activity for which a person engaged in 810  
that activity is required to be licensed as a real estate 811  
salesperson or real estate broker under the law of this state; 812

(5) Offering to engage in any activity, or to act in any 813  
capacity, described in division ~~(EE)~~(FF) of this section. 814

~~(FF)~~(GG) "Registered mortgage loan originator" means an 815  
individual to whom both of the following apply: 816

(1) The individual is a mortgage loan originator and an 817  
employee of a depository institution, a subsidiary that is owned 818  
and controlled by a depository institution and regulated by a 819  
federal banking agency, or an institution regulated by the farm 820  
credit administration. 821

(2) The individual is registered with, and maintains a 822  
unique identifier through, the nationwide mortgage licensing 823  
system and registry. 824

~~(GG)~~(HH) "Registrant" means any person that has been 825  
issued a certificate of registration under this chapter. 826

~~(HH)~~-(II) "Residential mortgage loan" means any loan that 827  
meets both of the following requirements: 828

(1) It is primarily for personal, family, or household use 829  
and is secured by a mortgage, deed of trust, or other equivalent 830  
consensual security interest on a dwelling or on residential 831  
real estate ~~located in Ohio.~~ 832

(2) It is provided and secured by a first lien holder 833  
secured creditor or by a ~~second~~ subordinate lien holder secured 834  
creditor. 835

~~(II)~~-(JJ) "Residential real estate" means any real 836  
property located in this state upon which is constructed a 837  
dwelling or upon which a dwelling is intended to be built within 838  
a two-year period, subject to 24 C.F.R. 3500.5(b)(4). For 839  
purposes of this division, a borrower's intent to build a 840  
dwelling within a two-year period is presumed unless the 841  
borrower has submitted a written, signed statement to the 842  
contrary. 843

~~(JJ)~~-(KK) "Superintendent of financial institutions" 844  
includes the deputy superintendent for consumer finance as 845  
provided in section 1181.21 of the Revised Code. 846

~~(KK)~~-(LL) "Transaction of business as a mortgage lender, 847  
mortgage servicer, or mortgage broker in this state" means 848  
originating, brokering, or servicing five or more residential 849  
mortgage loans in any twelve-month period in any of the 850  
following circumstances: 851

(1) For any resident in this state; 852

(2) For any property in this state; 853

(3) By a person who is physically located in this state 854

even if the property in question is in another state. 855

(MM) "Unique identifier" means a number or other 856  
identifier assigned by protocols established by the nationwide 857  
mortgage licensing system and registry. 858

**Sec. 1322.02.** The superintendent of financial institutions 859  
may, by rule, amend the definition of mortgage loan originator, 860  
mortgage broker, ~~or mortgage lender,~~ mortgage servicer, or any 861  
other definition in section 1322.01 of the Revised Code, or the 862  
criteria for an entity to obtain a letter of exemption ~~under~~ 863  
~~division (B) (1) of section 1322.05 of the Revised Code,~~ or a 864  
registration or license, under this chapter, if the 865  
superintendent finds that the change is necessary to remain 866  
consistent with the purposes intended by the policy and 867  
provisions of the "Secure and Fair Enforcement for Mortgage 868  
Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101. 869

Rules authorized by this section shall be adopted in 870  
accordance with Chapter 119. of the Revised Code. 871

**Sec. 1322.04.** This chapter does not apply to any of the 872  
following: 873

(A) Any entity chartered and lawfully doing business under 874  
the authority of any law of this state, another state, or the 875  
United States as a bank, savings bank, trust company, savings 876  
and loan association, or credit union, or a subsidiary of any 877  
such entity, which subsidiary is regulated by a federal banking 878  
agency and is owned and controlled by a depository institution; 879

(B) A consumer reporting agency that is in substantial 880  
compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 881  
15 U.S.C. 1681a, as amended; 882

(C) Any political subdivision, or any governmental or 883

other public entity, corporation, instrumentality, or agency, in 884  
or of the United States or any state; 885

(D) A college or university, or controlled entity of a 886  
college or university, as those terms are defined in section 887  
1713.05 of the Revised Code; 888

(E) Any entity created solely for the purpose of 889  
securitizing loans secured by an interest in real estate, 890  
~~provide~~provided the entity does not service the loans. As used 891  
in this division, "securitizing" means the packaging and sale of 892  
mortgage loans as a unit for sale as investment securities, but 893  
only to the extent of those activities. 894

(F) Any person engaged in the retail sale of manufactured 895  
homes, mobile homes, or industrialized units, including a 896  
manufactured home park operator, as defined in section 4781.01 897  
of the Revised Code, if, in connection with obtaining financing 898  
by others for those retail sales, the person ~~only assists the~~ 899  
~~borrower by providing or transmitting the loan application and~~ 900  
does not do any of the following: 901

(1) Offer or negotiate the residential mortgage loan rates 902  
or terms; 903

(2) ~~Provide any counseling with borrowers about~~ 904  
~~residential mortgage loan rates or terms.~~ Fail to give a borrower 905  
written disclosure of any corporate affiliation the person has 906  
with any lender, or fail to refer a borrower to at least one 907  
unaffiliated lender if the person recommends a lender with which 908  
the person has a corporate affiliation; 909

(3) Receive any ~~payment~~compensation or ~~fee~~gain from any 910  
company or individual for assisting the borrower to obtain or 911  
apply for financing to purchase the manufactured home, mobile 912



home, or industrialized unit	913
<del>(4) Assist the borrower in completing the residential mortgage loan application.</del>	914 915
<del>(G) A bona fide nonprofit organization that is recognized as tax exempt under 26 U.S.C. 501(c)(3) and whose primary activity is the construction, remodeling, or rehabilitation of homes for use by low income families, provided that the organization makes no profit mortgage loans or mortgage loans at zero per cent interest to low income families and no fees accrue directly to the organization from those mortgage loans and that the United States department of housing and urban development does not deny this exemption;</del>	916 917 918 919 920 921 922 923 924
(H) A credit union service organization, provided that the organization utilizes services provided by registered mortgage loan originators or that it holds a valid letter of exemption issued by the superintendent of financial institutions under division (B) (1) of section 1322.05 of the Revised Code.	925 926 927 928 929
(I) A depository institution not otherwise required to be licensed under this chapter that voluntarily makes a filing on the nationwide mortgage licensing system and registry as an exempt entity for the purpose of licensing loan originators exclusively associated with the institution and that holds a valid letter of exemption issued by the superintendent pursuant to division (B) (1) of section 1322.05 of the Revised Code.	930 931 932 933 934 935 936
<b>Sec. 1322.07.</b> (A) <u>(1)</u> No person, on the person's own behalf or on behalf of any other person, shall <del>act</del> <u>engage in the transaction of business</u> as a mortgage lender, mortgage servicer, or mortgage broker <u>in this state</u> without first having obtained a certificate of registration from the superintendent of financial	937 938 939 940 941

institutions for the principal office and every branch office to 942  
be maintained by the person for the transaction of business as a 943  
mortgage lender, mortgage servicer, or mortgage broker in this 944  
state. ~~A~~ 945

(2) A registrant shall maintain an office location for the 946  
transaction of business as a mortgage lender, mortgage servicer, 947  
or mortgage broker in ~~this any state of the United States.~~ 948  
Registrants are not required to maintain a physical location in 949  
this state. 950

(B) (1) No individual shall act as a mortgage loan 951  
originator without first having obtained a license from the 952  
superintendent. A mortgage loan originator shall be employed by 953  
or associated with a ~~mortgage lender, mortgage broker,~~ 954  
registrant or entity holding a valid letter of exemption under 955  
division (B) (1) of section 1322.05 of the Revised Code~~this~~ 956  
chapter, but shall not be employed by or associated with more 957  
than one registrant or entity holding a valid letter of 958  
exemption under ~~division (B) (1) of section 1322.05 of the~~ 959  
~~Revised Code~~ this chapter at any one time. 960

(2) An individual acting under the individual's authority 961  
as a registered mortgage loan originator shall not be required 962  
to be licensed under division (B) (1) of this section. 963

~~(3) An individual who holds a valid temporary mortgage~~ 964  
~~loan originator license issued pursuant to section 1322.24 of~~ 965  
~~the Revised Code may engage in the business of a mortgage loan~~ 966  
~~originator in accordance with this chapter during the term of~~ 967  
~~the temporary license.~~ 968

**Sec. 1322.09.** (A) (1) An application for a certificate of 969  
registration shall be in writing, under oath, and in a form 970

prescribed by the superintendent of financial institutions that 971  
complies with the requirements of the nationwide mortgage 972  
licensing system and registry. The application shall be 973  
accompanied by a nonrefundable application fee of five hundred 974  
dollars for each location of an office to be maintained by the 975  
applicant in accordance with division (A) of section 1322.07 of 976  
the Revised Code and any additional fee required by the 977  
nationwide mortgage licensing system and registry. 978

(2) The application shall include the names and addresses 979  
of the owners, officers, or partners having control of the 980  
applicant, including all of the following: 981

(a) In the case of a sole proprietor, the name and address 982  
of the sole proprietor; 983

(b) In the case of a partnership, the name and address of 984  
each partner; 985

(c) In the case of a corporation, the name and address of 986  
each shareholder owning five per cent or more of the 987  
corporation; 988

(d) In the case of any other entity, the name and address 989  
of any person that owns five per cent or more of any entity that 990  
will transact business under the certificate of registration. 991

(3) In addition to any information required by this 992  
section, an applicant shall furnish to the superintendent any 993  
reasonable information the superintendent may require. 994

(B) Upon the filing of the application and payment of the 995  
nonrefundable application fee and any fee required by the 996  
nationwide mortgage licensing system and registry, the 997  
superintendent shall investigate the applicant and any 998  
individual whose identity is required to be disclosed in the 999

application. As part of that investigation, the superintendent 1000  
shall conduct a civil records check. 1001

If, in order to issue a certificate of registration to an 1002  
applicant, additional investigation by the superintendent 1003  
outside this state is necessary, the superintendent may require 1004  
the applicant to advance sufficient funds to pay the actual 1005  
expenses of the investigation, if it appears that these expenses 1006  
will exceed five hundred dollars. The superintendent shall 1007  
provide the applicant with an itemized statement of the actual 1008  
expenses that the applicant is required to pay. 1009

(C) In connection with applying for a certificate of 1010  
registration, the applicant shall furnish to the nationwide 1011  
mortgage licensing system and registry information concerning 1012  
the applicant's identity, including all of the following for the 1013  
applicant and any individual with control of the applicant: 1014

(1) The applicant's fingerprints for submission to the 1015  
federal bureau of investigation, and any other governmental 1016  
agency or entity authorized to receive such information, for 1017  
purposes of a state, national, and international criminal 1018  
history background check; 1019

(2) Personal history and experience in a form prescribed 1020  
by the nationwide mortgage licensing system and registry, along 1021  
with authorization for the superintendent and the nationwide 1022  
mortgage licensing system and registry to obtain both of the 1023  
following: 1024

(a) An independent credit report from a consumer reporting 1025  
agency; 1026

(b) Information related to any administrative, civil, or 1027  
criminal findings by any governmental jurisdiction. 1028

(D) The superintendent shall pay all funds advanced and 1029  
application and renewal fees and penalties the superintendent 1030  
receives pursuant to this section and section 1322.10 of the 1031  
Revised Code to the treasurer of state to the credit of the 1032  
consumer finance fund created in section 1321.21 of the Revised 1033  
Code. 1034

(E) If an application for a certificate of registration 1035  
does not contain all of the information required under this 1036  
section, and if that information is not submitted to the 1037  
superintendent or to the nationwide mortgage licensing system 1038  
and registry within ninety days after the superintendent or the 1039  
nationwide mortgage licensing system and registry requests the 1040  
information in writing, including by electronic transmission or 1041  
facsimile, the superintendent may consider the application 1042  
withdrawn. 1043

(F) A certificate of registration and the authority 1044  
granted under that certificate is not transferable or assignable 1045  
and cannot be franchised by contract or any other means. 1046

(G) (1) The superintendent may establish relationships or 1047  
enter into contracts with the nationwide mortgage licensing 1048  
system and registry, or any entities designated by it, to 1049  
collect and maintain records and process transaction fees or 1050  
other fees related to mortgage lender, mortgage servicer, or 1051  
mortgage broker certificates of registration or the persons 1052  
associated with a mortgage lender, mortgage servicer, or 1053  
mortgage broker. 1054

(2) For purposes of this section and to reduce the points 1055  
of contact that the federal bureau of investigation may have to 1056  
maintain, the division of financial institutions may use the 1057  
nationwide mortgage licensing system and registry as a 1058

channeling agent for requesting information from and 1059  
distributing information to the United States department of 1060  
justice or other governmental agencies. 1061

(3) For purposes of this section and to reduce the points 1062  
of contact that the division may have to maintain, the division 1063  
may use the nationwide mortgage licensing system and registry as 1064  
a channeling agent for requesting information from and 1065  
distributing information to any source as determined by the 1066  
division. 1067

**Sec. 1322.10.** (A) Upon the conclusion of the investigation 1068  
required under division (B) of section 1322.09 of the Revised 1069  
Code, the superintendent of financial institutions shall issue a 1070  
certificate of registration to the applicant if the 1071  
superintendent finds that the following conditions are met: 1072

(1) The application is accompanied by the application fee 1073  
and any fee required by the nationwide mortgage licensing system 1074  
and registry. 1075

(a) If a check or other draft instrument is returned to 1076  
the superintendent for insufficient funds, the superintendent 1077  
shall notify the applicant by certified mail, return receipt 1078  
requested, that the application will be withdrawn unless the 1079  
applicant, within thirty days after receipt of the notice, 1080  
submits the application fee and a one-hundred-dollar penalty to 1081  
the superintendent. If the applicant does not submit the 1082  
application fee and penalty within that time period, or if any 1083  
check or other draft instrument used to pay the fee or penalty 1084  
is returned to the superintendent for insufficient funds, the 1085  
application shall be withdrawn. 1086

(b) If a check or other draft instrument is returned to 1087

the superintendent for insufficient funds after the certificate 1088  
of registration has been issued, the superintendent shall notify 1089  
the registrant by certified mail, return receipt requested, that 1090  
the certificate of registration issued in reliance on the check 1091  
or other draft instrument will be canceled unless the 1092  
registrant, within thirty days after receipt of the notice, 1093  
submits the application fee and a one-hundred-dollar penalty to 1094  
the superintendent. If the registrant does not submit the 1095  
application fee and penalty within that time period, or if any 1096  
check or other draft instrument used to pay the fee or penalty 1097  
is returned to the superintendent for insufficient funds, the 1098  
certificate of registration shall be canceled immediately 1099  
without a hearing, and the registrant shall cease activity as a 1100  
mortgage broker, mortgage lender, or mortgage servicer. 1101

(2) If the application is for a location that is a 1102  
residence, evidence that the use of the residence to transact 1103  
business as a mortgage lender ~~or,~~ mortgage broker, or mortgage 1104  
servicer is not prohibited. 1105

(3) The applicant maintains all necessary filings and 1106  
approvals required by the secretary of state. 1107

(4) The applicant complies with the surety bond 1108  
requirements of section 1322.32 of the Revised Code. 1109

(5) The applicant has not made a material misstatement of 1110  
fact or material omission of fact in the application. 1111

(6) Neither the applicant nor any person whose identity is 1112  
required to be disclosed on an application for a certificate of 1113  
registration has had such a certificate of registration or 1114  
mortgage loan originator license, or any comparable authority, 1115  
revoked in any governmental jurisdiction or has pleaded guilty 1116

or nolo contendere to or been convicted of any of the following 1117  
in a domestic, foreign, or military court: 1118

(a) During the seven-year period immediately preceding the 1119  
date of application for the certificate of registration, a 1120  
misdemeanor involving theft or any felony; 1121

(b) At any time prior to the date the application for the 1122  
certificate of registration is approved, a felony involving an 1123  
act of fraud, dishonesty, a breach of trust, theft, or money 1124  
laundering. 1125

(7) The applicant's operations manager successfully 1126  
completed the examination required by section 1322.27 of the 1127  
Revised Code. 1128

(8) The applicant's financial responsibility, experience, 1129  
character, and general fitness command the confidence of the 1130  
public and warrant the belief that the business will be operated 1131  
honestly, fairly, and efficiently in compliance with the 1132  
purposes of this chapter and the rules adopted thereunder. The 1133  
superintendent shall not use a credit score or a bankruptcy as 1134  
the sole basis for registration denial. 1135

(B) For purposes of determining whether an applicant that 1136  
is a partnership, corporation, or other business entity or 1137  
association has met the conditions set forth in divisions (A) (6) 1138  
and (8) of this section, the superintendent shall determine 1139  
which partners, shareholders, or persons named in the 1140  
application must meet those conditions. This determination shall 1141  
be based on the extent and nature of the partner's, 1142  
shareholder's, or person's ownership interest in the 1143  
partnership, corporation, or other business entity or 1144  
association that is the applicant and on whether the person is 1145



in a position to direct, control, or adversely influence the 1146  
operations of the applicant. 1147

(C) The certificate of registration issued pursuant to 1148  
division (A) of this section may be renewed annually on or 1149  
before the thirty-first day of December if the superintendent 1150  
finds that all of the following conditions are met: 1151

(1) The renewal application is accompanied by a 1152  
nonrefundable renewal fee of five hundred dollars for each 1153  
location of an office to be maintained by the applicant in 1154  
accordance with division (A) of section 1322.07 of the Revised 1155  
Code and any fee required by the nationwide mortgage licensing 1156  
system and registry. If a check or other draft instrument is 1157  
returned to the superintendent for insufficient funds, the 1158  
superintendent shall notify the registrant by certified mail, 1159  
return receipt requested, that the certificate of registration 1160  
renewed in reliance on the check or other draft instrument will 1161  
be canceled unless the registrant, within thirty days after 1162  
receipt of the notice, submits the renewal fee and a one- 1163  
hundred-dollar penalty to the superintendent. If the registrant 1164  
does not submit the renewal fee and penalty within that time 1165  
period, or if any check or other draft instrument used to pay 1166  
the fee or penalty is returned to the superintendent for 1167  
insufficient funds, the certificate of registration shall be 1168  
canceled immediately without a hearing and the registrant shall 1169  
cease activity as a mortgage broker, mortgage lender, or 1170  
mortgage servicer. 1171

~~(2) The operations manager designated under section~~ 1172  
~~1322.12 of the Revised Code has completed at least eight hours~~ 1173  
~~of continuing education as required under section 1322.28 of the~~ 1174  
~~Revised Code.~~ 1175

~~(3)~~—The applicant meets the conditions set forth in 1176  
divisions (A) (2) to (8) of this section. 1177

~~(4)~~ (3) The applicant's certificate of registration is not 1178  
subject to an order of suspension or an unpaid and past due fine 1179  
imposed by the superintendent. 1180

(D) (1) Subject to division (D) (2) of this section, if a 1181  
renewal fee or additional fee required by the nationwide 1182  
mortgage licensing system and registry is received by the 1183  
superintendent after the thirty-first day of December, the 1184  
certificate of registration shall not be considered renewed, and 1185  
the applicant shall cease activity as a mortgage lender ~~or,~~ 1186  
mortgage broker, or mortgage servicer. 1187

(2) Division (D) (1) of this section shall not apply if the 1188  
applicant, not later than forty-five days after the renewal 1189  
deadline, submits the renewal fee or additional fee and a one- 1190  
hundred-dollar penalty to the superintendent. 1191

(E) Certificates of registration issued under this chapter 1192  
annually expire on the thirty-first day of December. 1193

(F) The pardon or expungement of a conviction shall not be 1194  
considered a conviction for purposes of this section. When 1195  
determining the eligibility of an applicant, the superintendent 1196  
may consider the underlying crime, facts, or circumstances 1197  
connected with a pardoned or expunged conviction. 1198

**Sec. 1322.12.** (A) Each registrant or entity holding a 1199  
valid letter of exemption under division (B) (1) of section 1200  
1322.05 of the Revised Code shall designate an employee or owner 1201  
of that registrant's business as the operations manager. The 1202  
operations manager shall be responsible for the management, 1203  
supervision, and control of a particular ~~location~~ registrant. 1204

(B) To be eligible for such a designation, an employee or 1205  
owner shall have at least three years of experience in the 1206  
residential mortgage and lending field including experience as a 1207  
mortgage loan originator or, registered mortgage loan 1208  
originator, or other experience related to the business of 1209  
residential mortgage lending that the superintendent determines 1210  
is sufficient. While acting as the operations manager, the 1211  
employee or owner shall be licensed as a mortgage loan 1212  
originator under this chapter and shall not be employed by any 1213  
other mortgage lender ~~or, mortgage broker, or mortgage servicer.~~ 1214  
~~This paragraph shall not apply to the designated operations~~ 1215  
~~manager of an entity registered exclusively as a mortgage~~ 1216  
~~servicer.~~ 1217

(C) If the person designated as the operations manager 1218  
pursuant to this section ceases to be the operations manager, 1219  
the registrant shall do all of the following: 1220

(1) Within ninety days after the person ceases to be the 1221  
operations manager, designate another person as the operations 1222  
manager; 1223

(2) Within ten days after the designation described in 1224  
division (C)(1) of this section, notify the superintendent in 1225  
writing of the new designation; 1226

(3) Submit any additional information that the 1227  
superintendent requires to establish that the newly designated 1228  
operations manager meets the requirements set forth in this 1229  
section. 1230

(D) The registrant shall cease operations if it is without 1231  
an operations manager approved by the superintendent for more 1232  
than one hundred eighty days unless otherwise authorized in 1233

writing by the superintendent due to exigent circumstances. 1234

**Sec. 1322.15.** No person shall acquire, sell, transfer, or 1235  
hypothecate any interest in a registrant, or an entity holding a 1236  
letter of exemption issued under this chapter, or an applicant 1237  
for a certificate of registration under this chapter in order to 1238  
obfuscate or conceal the true ownership or control of the 1239  
registrant, exemption holder, or applicant. 1240

**Sec. 1322.29.** (A) A registrant or entity holding a valid 1241  
letter of exemption under division (B) (1) of section 1322.05 of 1242  
the Revised Code shall supervise all business of a mortgage loan 1243  
originator conducted at the principal office, any branch office, 1244  
or other location used by the individual mortgage loan 1245  
originator. 1246

(B) If a mortgage loan originator's employment or 1247  
association is terminated for any reason, the licensee may 1248  
request the transfer of the license to another ~~mortgage lender~~ 1249  
~~or mortgage broker~~ registrant by submitting a transfer 1250  
application, along with a fifteen-dollar fee and any fee 1251  
required by the national mortgage licensing system and registry, 1252  
to the superintendent of financial institutions or may request 1253  
the superintendent in writing to hold the license in escrow. Any 1254  
licensee whose license is held in escrow shall cease activity as 1255  
a mortgage loan originator. A licensee whose license is held in 1256  
escrow shall be required to apply for renewal annually and to 1257  
comply with the annual continuing education requirement. 1258

(C) A registrant may employ or be associated with a 1259  
mortgage loan originator on a temporary basis pending the 1260  
transfer of the mortgage loan originator's license to the 1261  
registrant, if the registrant receives written confirmation from 1262  
the superintendent that the mortgage loan originator is licensed 1263

under this chapter. 1264

(D) Notwithstanding divisions (A) to (C) of this section, 1265  
if a licensee is employed by or associated with a person or 1266  
entity holding a valid letter of exemption under division (B) (1) 1267  
of section 1322.05 of the Revised Code, ~~all of the following~~ 1268  
~~apply:~~ 1269

~~(1) The licensee shall maintain and display a copy of the~~ 1270  
~~mortgage loan originator license at the office where the~~ 1271  
~~licensee principally transacts business.~~ 1272

~~(2) If and if~~ the mortgage loan originator's employment or 1273  
association is terminated, the mortgage loan originator shall 1274  
notify the superintendent within five business days after 1275  
termination. The licensee may request the transfer of the 1276  
license to another person or entity holding a valid letter of 1277  
exemption under division (B) (1) of section 1322.05 of the 1278  
Revised Code by submitting a transfer application, along with a 1279  
fifteen-dollar fee and any fee required by the national mortgage 1280  
licensing system and registry, to the superintendent or may 1281  
request the superintendent in writing to hold the license in 1282  
escrow. A licensee whose license is held in escrow shall cease 1283  
activity as a mortgage loan originator. A licensee whose license 1284  
is held in escrow shall be required to apply for renewal 1285  
annually and to comply with the annual continuing education 1286  
requirement. 1287

(E) A licensee may seek to be employed by or associated 1288  
with a registrant or a person or entity holding a valid letter 1289  
of exemption under division (B) (1) of section 1322.05 of the 1290  
Revised Code, if the ~~mortgage lender, mortgage broker, or person~~ 1291  
~~or entity registrant~~ receives written confirmation from the 1292  
superintendent that the mortgage loan originator is licensed 1293

under this chapter. 1294

**Sec. 1322.30.** A registrant or entity holding a letter of 1295  
exemption under this chapter may contract for and receive 1296  
interest at any rate or rates agreed upon or consented to by the 1297  
parties to the ~~dwelling secured loan or~~ residential mortgage 1298  
loan, but not exceeding an annual percentage rate of twenty-five 1299  
per cent. 1300

**Sec. 1322.32.** (A) (1) No registrant shall conduct business 1301  
in this state, unless the registrant has obtained and maintains 1302  
in effect at all times a corporate surety bond issued by a 1303  
bonding company or insurance company authorized to do business 1304  
in this state. The bond shall be in favor of the superintendent 1305  
of financial institutions and in the penal sum of one-half per 1306  
cent of the aggregate loan amount of residential mortgage loans 1307  
originated in the immediately preceding calendar year, but not 1308  
exceeding one hundred fifty thousand dollars. Under no 1309  
circumstances, however, shall the bond for mortgage lenders and 1310  
mortgage brokers be less than fifty thousand dollars and an 1311  
additional penal sum of ten thousand dollars for each location, 1312  
in excess of one, at which the registrant conducts business. The 1313  
bond amount for registrants that engage exclusively in the 1314  
business of mortgage servicing shall be a minimum of one hundred 1315  
fifty thousand dollars. The term of the bond shall coincide with 1316  
the term of registration. A copy of the bond shall be filed with 1317  
the superintendent. The bond shall be for the exclusive benefit 1318  
of any buyer injured by a violation by an employee of the 1319  
registrant, mortgage loan originator employed by or associated 1320  
with the registrant, or registrant of any provision of this 1321  
chapter or any rule adopted thereunder. The aggregate liability 1322  
of the corporate surety for any and all breaches of the 1323  
conditions of the bond shall not exceed the penal sum of the 1324

bond. 1325

(2) (a) No licensee who is employed by or associated with a 1326  
person or entity holding a valid letter of exemption under 1327  
division (B) (1) of section 1322.05 of the Revised Code shall 1328  
conduct business in this state, unless either the licensee or 1329  
the person or entity on the licensee's behalf has obtained and 1330  
maintains in effect at all times a corporate surety bond issued 1331  
by a bonding company or insurance company authorized to do 1332  
business in this state. The bond shall be in favor of the 1333  
superintendent of financial institutions and in the penal sum of 1334  
one-half per cent of the aggregate loan amount of residential 1335  
mortgage loans originated in the immediately preceding calendar 1336  
year, but not exceeding one hundred thousand dollars. Under no 1337  
circumstances, however, shall the bond be less than fifty 1338  
thousand dollars. The term of the bond shall coincide with the 1339  
term of licensure. A copy of the bond shall be filed with the 1340  
superintendent. The bond shall be for the exclusive benefit of 1341  
any buyer injured by a violation by the licensee of any 1342  
provision of this chapter or any rule adopted thereunder. The 1343  
aggregate liability of the corporate surety for any and all 1344  
breaches of the conditions of the bond shall not exceed the 1345  
penal sum of the bond. 1346

(b) Licensees covered by a corporate surety bond obtained 1347  
by a registrant, or by a person or entity holding a valid letter 1348  
of exemption under division (B) (1) of section 1322.05 of the 1349  
Revised Code, they are employed by or associated with shall not 1350  
be required to obtain an individual bond. 1351

(B) (1) (a) The registrant shall give notice to the 1352  
superintendent by certified mail of any action that is brought 1353  
by a buyer against the registrant, mortgage loan originator, or 1354

employee alleging injury by a violation of any provision of this 1355  
chapter or any rule adopted thereunder, and of any judgment that 1356  
is entered against the registrant, mortgage loan originator, or 1357  
employee by a buyer injured by a violation of any provision of 1358  
this chapter or any rule adopted thereunder. The notice shall 1359  
provide details sufficient to identify the action or judgment, 1360  
and shall be filed with the superintendent within ten days after 1361  
the commencement of the action or notice to the registrant of 1362  
entry of a judgment. 1363

(b) The licensee shall give notice to the superintendent 1364  
by certified mail of any action that is brought by a buyer 1365  
against the licensee alleging injury by a violation of any 1366  
provision of this chapter or any rule adopted thereunder, and of 1367  
any judgment that is entered against the licensee by a buyer 1368  
injured by a violation of any provision of this chapter or any 1369  
rule adopted thereunder. The notice shall provide details 1370  
sufficient to identify the action or judgment, and shall be 1371  
filed with the superintendent within ten days after the 1372  
commencement of the action or notice to the licensee of entry of 1373  
a judgment. A person or entity holding a valid letter of 1374  
exemption under division (B) (1) of section 1322.05 of the 1375  
Revised Code that secures bonding for the licensees employed by 1376  
or associated with the person or entity shall report such 1377  
actions or judgments in the same manner as is required of 1378  
registrants. 1379

(2) A corporate surety, within ten days after it pays any 1380  
claim or judgment, shall give notice to the superintendent by 1381  
certified mail of the payment, with details sufficient to 1382  
identify the person and the claim or judgment paid. 1383

(C) Whenever the penal sum of the corporate surety bond is 1384



reduced by one or more recoveries or payments, the registrant or 1385  
licensee shall furnish a new or additional bond under this 1386  
section, so that the total or aggregate penal sum of the bond or 1387  
bonds equals the sum required by this section, or shall furnish 1388  
an endorsement executed by the corporate surety reinstating the 1389  
bond to the required penal sum of it. 1390

(D) The liability of the corporate surety on the bond to 1391  
the superintendent and to any buyer injured by a violation of 1392  
any provision of this chapter or any rule adopted thereunder 1393  
shall not be affected in any way by any misrepresentation, 1394  
breach of warranty, or failure to pay the premium, by any act or 1395  
omission upon the part of the registrant or licensee, by the 1396  
insolvency or bankruptcy of the registrant or licensee, or by 1397  
the insolvency of the registrant's or licensee's estate. The 1398  
liability for any act or omission that occurs during the term of 1399  
the corporate surety bond shall be maintained and in effect for 1400  
at least two years after the date on which the corporate surety 1401  
bond is terminated or canceled. 1402

(E) The corporate surety bond shall not be canceled by the 1403  
registrant, the licensee, or the corporate surety except upon 1404  
notice to the superintendent by certified mail, return receipt 1405  
requested. The cancellation shall not be effective prior to 1406  
thirty days after the superintendent receives the notice. 1407

(F) No registrant or licensee employed by or associated 1408  
with a person or entity holding a valid letter of exemption 1409  
under division (B)(1) of section 1322.05 of the Revised Code 1410  
shall fail to comply with this section. Any registrant or 1411  
licensee that fails to comply with this section shall cease all 1412  
mortgage lender, mortgage broker, mortgage servicer, or mortgage 1413  
loan originator activity in this state until the registrant or 1414

licensee complies with this section. 1415

**Sec. 1322.34.** (A) As often as the superintendent of 1416  
financial institutions considers it necessary, the 1417  
superintendent may examine the ~~registrant's or licensee's~~ 1418  
~~records~~ records of a registrant or licensee or holder of a 1419  
letter of exemption issued under this chapter, including all 1420  
records created or processed by a licensee, pertaining to 1421  
business transacted pursuant to this chapter. 1422

(B) A registrant or licensee shall maintain records 1423  
pertaining to business transacted pursuant to this chapter for 1424  
four years. For purposes of this division, "registrant or 1425  
licensee" includes any person whose certificate of registration 1426  
or license is cancelled, surrendered, or revoked or who 1427  
otherwise ceases to engage in business as a mortgage lender, 1428  
mortgage servicer, mortgage broker, or mortgage loan originator. 1429

No registrant or licensee shall fail to comply with this 1430  
division. 1431

(C) Each registrant, licensee, and entity holding a valid 1432  
letter of exemption ~~under division (B) (1) of section 1322.05 of~~ 1433  
~~the Revised Code~~ issued under this chapter shall submit to the 1434  
nationwide mortgage licensing system and registry call reports 1435  
or other reports of condition, which reports shall be in such 1436  
form and shall contain such information as the nationwide 1437  
mortgage licensing system and registry may require. Each 1438  
registrant and entity holding a valid letter of exemption under 1439  
~~division (B) (1) of section 1322.05 of the Revised Code~~ this 1440  
chapter shall ensure that all residential mortgage loans that 1441  
are consummated as a result of a mortgage loan originator's loan 1442  
origination activities or serviced by the registrant or entity 1443  
holding a valid exemption are included in the report of 1444

condition submitted to the nationwide mortgage licensing system 1445  
and registry. 1446

(D) Any document or record that is required to be signed 1447  
and that is filed in this state as an electronic record through 1448  
the nationwide mortgage licensing system and registry, and any 1449  
other electronic record filed through the nationwide mortgage 1450  
licensing system and registry, shall be considered a valid 1451  
original document upon reproduction to paper form by the 1452  
division of financial institutions. 1453

(E) In the event electronic records, books, records, data, 1454  
and documents of a registrant or holder of a letter of exemption 1455  
issued under this chapter are located outside of this state and 1456  
the superintendent determines that an in-person examination is 1457  
necessary, the registrant or holder of a letter of exemption 1458  
shall, upon the request of the superintendent, pay the estimated 1459  
costs of the examination, including the proportionate cost of 1460  
the salaries of division of financial institutions employees who 1461  
conduct the examination. 1462

**Sec. 1322.43.** (A) No registrant and entity holding a valid 1463  
letter of exemption under ~~division (B) (1) of section 1322.05 of~~ 1464  
~~the Revised Code~~ this chapter, through its operations manager or 1465  
otherwise, shall fail to do either of the following: 1466

~~(A)~~ (1) Reasonably supervise a mortgage loan originator or 1467  
any other person associated with the registrant or entity; 1468

~~(B)~~ (2) Establish reasonable procedures designed to avoid 1469  
violations of any provision of this chapter or the rules adopted 1470  
under this chapter, or violations of applicable state and 1471  
federal consumer and lending laws or rules, by mortgage loan 1472  
originators or any other person associated with the registrant 1473

<u>or entity.</u>	1474
<u>(B) No registrant or entity holding a letter of exemption</u>	1475
<u>issued under this chapter shall:</u>	1476
<u>(1) Receive, directly or indirectly, a premium on the fees</u>	1477
<u>charged for services performed by a bona fide third party;</u>	1478
<u>(2) Pay or receive, directly or indirectly, a referral fee</u>	1479
<u>or kickback of any kind to or from a bona fide third party or</u>	1480
<u>other party with a related interest in the transaction,</u>	1481
<u>including a home improvement builder, real estate developer, or</u>	1482
<u>real estate broker or agent, for the referral of business.</u>	1483
<b>Sec. 1322.50.</b> (A) After notice and opportunity for a	1484
hearing conducted in accordance with Chapter 119. of the Revised	1485
Code, the superintendent of financial institutions may do the	1486
following:	1487
(1) Suspend, revoke, or refuse to issue or renew a	1488
certificate of registration <del>or,</del> <u>license, or letter of exemption</u>	1489
if the superintendent finds any of the following:	1490
(a) A violation of or failure to comply with any provision	1491
of this chapter or the rules adopted under this chapter, federal	1492
lending law, or any other law applicable to the business	1493
conducted under a certificate of registration or license;	1494
(b) A conviction of or guilty or nolo contendere plea to a	1495
felony in a domestic, foreign, or military court;	1496
(c) A conviction of or guilty or nolo contendere plea to	1497
any criminal offense involving theft, receiving stolen property,	1498
embezzlement, forgery, fraud, passing bad checks, money	1499
laundering, breach of trust, dishonesty, or drug trafficking, or	1500
any criminal offense involving money or securities, in a	1501

domestic, foreign, or military court;	1502
(d) The revocation of a certificate of registration or mortgage loan originator license, or any comparable authority, in any governmental jurisdiction.	1503 1504 1505
(2) Impose a fine of not more than one thousand dollars, for each day a violation of a law or rule is committed, repeated, or continued. If the registrant, <u>letter of exemption holder</u> , or licensee engages in a pattern of repeated violations of a law or rule, the superintendent may impose a fine of not more than two thousand dollars for each day the violation is committed, repeated, or continued. All fines collected pursuant to this division shall be paid to the treasurer of state to the credit of the consumer finance fund created in section 1321.21 of the Revised Code. In determining the amount of a fine to be imposed pursuant to this division, the superintendent may consider all of the following, to the extent known by the division of financial institutions:	1506 1507 1508 1509 1510 1511 1512 1513 1514 1515 1516 1517 1518
(a) The seriousness of the violation;	1519
(b) The registrant's or licensee's good faith efforts to prevent the violation;	1520 1521
(c) The registrant's or licensee's history regarding violations and compliance with division orders;	1522 1523
(d) The registrant's or licensee's financial resources;	1524
(e) Any other matters the superintendent considers appropriate in enforcing this chapter.	1525 1526
(B) The superintendent may investigate alleged violations of this chapter or the rules adopted under this chapter or complaints concerning any violation.	1527 1528 1529

(1) The superintendent may make application to the court 1530  
of common pleas for an order enjoining any violation and, upon a 1531  
showing by the superintendent that a person has committed or is 1532  
about to commit that violation, the court shall grant an 1533  
injunction, restraining order, or other appropriate relief. 1534

(2) The superintendent may make application to the court 1535  
of common pleas for an order enjoining any person from acting as 1536  
a mortgage lender, mortgage servicer, mortgage broker, 1537  
registrant, mortgage loan originator, or licensee in violation 1538  
of division (A) or (B) of section 1322.07 of the Revised Code, 1539  
and may seek and obtain civil penalties for unregistered or 1540  
unlicensed conduct of not more than five thousand dollars per 1541  
violation. 1542

(C) In conducting any investigation pursuant to this 1543  
section, the superintendent may compel, by subpoena, witnesses 1544  
to testify in relation to any matter over which the 1545  
superintendent has jurisdiction and may require the production 1546  
of any book, record, or other document pertaining to that 1547  
matter. If a person fails to file any statement or report, obey 1548  
any subpoena, give testimony, produce any book, record, or other 1549  
document as required by a subpoena, or permit photocopying of 1550  
any book, record, or other document subpoenaed, the court of 1551  
common pleas of any county in this state, upon application made 1552  
to it by the superintendent, shall compel obedience by 1553  
attachment proceedings for contempt, as in the case of 1554  
disobedience of the requirements of a subpoena issued from the 1555  
court or a refusal to testify therein. 1556

(D) If the superintendent determines that a person is 1557  
engaged in or is believed to be engaged in activities that may 1558  
constitute a violation of this chapter or any rule adopted 1559

thereunder, the superintendent, after notice and a hearing 1560  
conducted in accordance with Chapter 119. of the Revised Code, 1561  
may issue a cease and desist order. If the administrative action 1562  
is to enjoin a person from acting as a mortgage lender, mortgage 1563  
servicer, mortgage broker, or mortgage loan originator in 1564  
violation of division (A) or (B) of section 1322.07 of the 1565  
Revised Code, the superintendent may seek and impose fines for 1566  
that conduct in an amount not to exceed five thousand dollars 1567  
per violation. Such an order shall be enforceable in the court 1568  
of common pleas. 1569

(E) If the superintendent revokes a certificate of 1570  
registration, letter of exemption, or mortgage loan originator 1571  
license, the revocation shall be permanent and with prejudice. 1572

(F) (1) To protect the public interest, the superintendent 1573  
may, without a prior hearing, do any of the following: 1574

(a) Suspend the certificate of registration, letter of 1575  
exemption, or mortgage loan originator license of a registrant 1576  
or licensee who is convicted of or pleads guilty or nolo 1577  
contendere to a criminal violation of any provision of this 1578  
chapter or any criminal offense described in division (A) (1) (b) 1579  
or (c) of this section; 1580

(b) Suspend the certificate of registration of a 1581  
registrant who violates division (F) of section 1322.32 of the 1582  
Revised Code; 1583

(c) Suspend the certificate of registration or mortgage 1584  
loan originator license of a registrant or licensee who fails to 1585  
comply with a request made by the superintendent under section 1586  
1322.09 or 1322.20 of the Revised Code to inspect qualifying 1587  
education transcripts located at the registrant's or licensee's 1588

place of business. 1589

(2) The superintendent may, in accordance with Chapter 1590  
119. of the Revised Code, subsequently revoke any registration 1591  
or license suspended under division (F)(1) of this section. 1592

(G) The imposition of fines under this section does not 1593  
preclude any penalty imposed under section 1322.99 of the 1594  
Revised Code. 1595

**Sec. 1322.52.** (A)(1) A buyer injured by a violation of 1596  
section 1322.07, 1322.40, or 1322.46 of the Revised Code may 1597  
bring an action for recovery of damages. 1598

(2) Damages awarded under division (A)(1) of this section 1599  
shall not be less than all compensation paid directly and 1600  
indirectly to a registrant or mortgage loan originator from any 1601  
source, plus reasonable attorney's fees and court costs. 1602

(3) The buyer may be awarded punitive damages. 1603

(B)(1) The superintendent of financial institutions or a 1604  
buyer may directly bring an action to enjoin a violation of any 1605  
provision of this chapter. The attorney general may directly 1606  
bring an action to enjoin a violation of any provision of this 1607  
chapter with the same rights, privileges, and powers as those 1608  
described in section 1345.06 of the Revised Code. The 1609  
prosecuting attorney of the county in which the action may be 1610  
brought may bring an action to enjoin a violation of any 1611  
provision of this chapter only if the prosecuting attorney first 1612  
presents any evidence of the violation to the attorney general 1613  
and, within a reasonable period of time, the attorney general 1614  
has not agreed to bring the action. 1615

(2) The superintendent may initiate criminal proceedings 1616  
under this chapter by presenting any evidence of criminal 1617



violation to the prosecuting attorney of the county in which the 1618  
offense may be prosecuted. If the prosecuting attorney does not 1619  
prosecute the violations, or at the request of the prosecuting 1620  
attorney, the superintendent shall present any evidence of 1621  
criminal violations to the attorney general, who may proceed in 1622  
the prosecution with all the rights, privileges, and powers 1623  
conferred by law on prosecuting attorneys, including the power 1624  
to appear before grand juries and to interrogate witnesses 1625  
before such grand juries. These powers of the attorney general 1626  
shall be in addition to any other applicable powers of the 1627  
attorney general. 1628

(3) The prosecuting attorney of the county in which an 1629  
alleged offense may be prosecuted may initiate criminal 1630  
proceedings under this chapter. 1631

(4) In order to initiate criminal proceedings under this 1632  
chapter, the attorney general shall first present any evidence 1633  
of criminal violations to the prosecuting attorney of the county 1634  
in which the alleged offense may be prosecuted. If, within a 1635  
reasonable period of time, the prosecuting attorney has not 1636  
agreed to prosecute the violations, the attorney general may 1637  
proceed in the prosecution with all the rights, privileges, and 1638  
powers described in division (B)(2) of this section. 1639

(5) When a judgment under this section becomes final, the 1640  
clerk of court shall mail a copy of the judgment, including 1641  
supporting opinions, to the superintendent. 1642

(C) The remedies provided by this section are in addition 1643  
to any other remedy provided by law. 1644

(D) In any proceeding or action brought under this 1645  
chapter, the burden of proving an exemption under those sections 1646

is on the person claiming the benefit of the exemption. 1647

(E) No person shall be deemed to violate any provision of 1648  
this chapter with respect to any act taken or omission made in 1649  
reliance on a written notice, written interpretation, or written 1650  
report from the superintendent, unless there is a subsequent 1651  
amendment to that written notice, written interpretation, 1652  
written report from the superintendent, or those provisions, or 1653  
rules promulgated thereunder, that affects the superintendent's 1654  
notice, interpretation, or report. 1655

(F) Upon disbursement of mortgage loan proceeds to or on 1656  
behalf of the buyer, the registrant that assisted the buyer to 1657  
obtain the mortgage loan is deemed to have completed the 1658  
performance of the registrant's services for the buyer and owes 1659  
no additional duties or obligations to the buyer with respect to 1660  
the mortgage loan. However, nothing in this division shall be 1661  
construed to limit or preclude the civil or criminal liability 1662  
of a registrant for failing to comply with this chapter or any 1663  
rule adopted under this chapter, for failing to comply with any 1664  
provision of or duty arising under an agreement with a buyer or 1665  
lender under this chapter, or for violating any other provision 1666  
of state or federal law. 1667

(G) A buyer injured by a violation of any of the sections 1668  
specified in division (A) (1) of this section is precluded from 1669  
recovering any damages, plus reasonable attorney's fees and 1670  
costs, if the buyer has also recovered any damages in a cause of 1671  
action initiated under section 1322.45 of the Revised Code and 1672  
the recovery of damages for a violation of any of the sections 1673  
specified in division (A) (1) of this section is based on the 1674  
same acts or circumstances as the basis for recovery of damages 1675  
in section 1322.45 of the Revised Code. 1676

**Sec. 1345.01.** As used in sections 1345.01 to 1345.13 of 1677  
the Revised Code: 1678

(A) "Consumer transaction" means a sale, lease, 1679  
assignment, award by chance, or other transfer of an item of 1680  
goods, a service, a franchise, or an intangible, to an 1681  
individual for purposes that are primarily personal, family, or 1682  
household, or solicitation to supply any of these things. 1683  
"Consumer transaction" does not include transactions between 1684  
persons, defined in sections 4905.03 and 5725.01 of the Revised 1685  
Code, and their customers, except for transactions involving a 1686  
loan made pursuant to sections 1321.35 to 1321.48 of the Revised 1687  
Code and transactions in connection with residential mortgages 1688  
between loan officers, mortgage brokers, or nonbank mortgage 1689  
lenders and their customers; transactions involving a home 1690  
construction service contract as defined in section 4722.01 of 1691  
the Revised Code; transactions between certified public 1692  
accountants or public accountants and their clients; 1693  
transactions between attorneys, physicians, or dentists and 1694  
their clients or patients; and transactions between 1695  
veterinarians and their patients that pertain to medical 1696  
treatment but not ancillary services. 1697

(B) "Person" includes an individual, corporation, 1698  
government, governmental subdivision or agency, business trust, 1699  
estate, trust, partnership, association, cooperative, or other 1700  
legal entity. 1701

(C) "Supplier" means a seller, lessor, assignor, 1702  
franchisor, or other person engaged in the business of effecting 1703  
or soliciting consumer transactions, whether or not the person 1704  
deals directly with the consumer. If the consumer transaction is 1705  
in connection with a residential mortgage, "supplier" does not 1706

include an assignee or purchaser of the loan for value, except 1707  
as otherwise provided in section 1345.091 of the Revised Code. 1708  
For purposes of this division, in a consumer transaction in 1709  
connection with a residential mortgage, "seller" means a loan 1710  
officer, mortgage broker, or nonbank mortgage lender. 1711

(D) "Consumer" means a person who engages in a consumer 1712  
transaction with a supplier. 1713

(E) "Knowledge" means actual awareness, but such actual 1714  
awareness may be inferred where objective manifestations 1715  
indicate that the individual involved acted with such awareness. 1716

(F) "Natural gas service" means the sale of natural gas, 1717  
exclusive of any distribution or ancillary service. 1718

(G) "Public telecommunications service" means the 1719  
transmission by electromagnetic or other means, other than by a 1720  
telephone company as defined in section 4927.01 of the Revised 1721  
Code, of signs, signals, writings, images, sounds, messages, or 1722  
data originating in this state regardless of actual call 1723  
routing. "Public telecommunications service" excludes a system, 1724  
including its construction, maintenance, or operation, for the 1725  
provision of telecommunications service, or any portion of such 1726  
service, by any entity for the sole and exclusive use of that 1727  
entity, its parent, a subsidiary, or an affiliated entity, and 1728  
not for resale, directly or indirectly; the provision of 1729  
terminal equipment used to originate telecommunications service; 1730  
broadcast transmission by radio, television, or satellite 1731  
broadcast stations regulated by the federal government; or cable 1732  
television service. 1733

(H) (1) "Loan officer" means an individual who for 1734  
compensation or gain, or in anticipation of compensation or 1735

gain, takes or offers to take a residential mortgage loan 1736  
application; assists or offers to assist a buyer in obtaining or 1737  
applying to obtain a residential mortgage loan by, among other 1738  
things, advising on loan terms, including rates, fees, and other 1739  
costs; offers or negotiates terms of a residential mortgage 1740  
loan; or issues or offers to issue a commitment for a 1741  
residential mortgage loan. "Loan officer" also includes a 1742  
mortgage loan originator as defined in ~~division (Z)~~ of section 1743  
1322.01 of the Revised Code. 1744

(2) "Loan officer" does not include an employee of a bank, 1745  
savings bank, savings and loan association, credit union, or 1746  
credit union service organization organized under the laws of 1747  
this state, another state, or the United States; an employee of 1748  
a subsidiary of such a bank, savings bank, savings and loan 1749  
association, or credit union; or an employee of an affiliate 1750  
that (a) controls, is controlled by, or is under common control 1751  
with, such a bank, savings bank, savings and loan association, 1752  
or credit union and (b) is subject to examination, supervision, 1753  
and regulation, including with respect to the affiliate's 1754  
compliance with applicable consumer protection requirements, by 1755  
the board of governors of the federal reserve system, the 1756  
comptroller of the currency, the office of thrift supervision, 1757  
the federal deposit insurance corporation, or the national 1758  
credit union administration. 1759

(I) "Residential mortgage" or "mortgage" means an 1760  
obligation to pay a sum of money evidenced by a note and secured 1761  
by a lien upon real property located within this state 1762  
containing two or fewer residential units or on which two or 1763  
fewer residential units are to be constructed and includes such 1764  
an obligation on a residential condominium or cooperative unit. 1765

(J) (1) "Mortgage broker" means any of the following: 1766

(a) A person that holds that person out as being able to 1767  
assist a buyer in obtaining a mortgage and charges or receives 1768  
from either the buyer or lender money or other valuable 1769  
consideration readily convertible into money for providing this 1770  
assistance; 1771

(b) A person that solicits financial and mortgage 1772  
information from the public, provides that information to a 1773  
mortgage broker or a person that makes residential mortgage 1774  
loans, and charges or receives from either of them money or 1775  
other valuable consideration readily convertible into money for 1776  
providing the information; 1777

(c) A person engaged in table-funding or warehouse-lending 1778  
mortgage loans that are residential mortgage loans. 1779

(2) "Mortgage broker" does not include a bank, savings 1780  
bank, savings and loan association, credit union, or credit 1781  
union service organization organized under the laws of this 1782  
state, another state, or the United States; a subsidiary of such 1783  
a bank, savings bank, savings and loan association, or credit 1784  
union; an affiliate that (a) controls, is controlled by, or is 1785  
under common control with, such a bank, savings bank, savings 1786  
and loan association, or credit union and (b) is subject to 1787  
examination, supervision, and regulation, including with respect 1788  
to the affiliate's compliance with applicable consumer 1789  
protection requirements, by the board of governors of the 1790  
federal reserve system, the comptroller of the currency, the 1791  
office of thrift supervision, the federal deposit insurance 1792  
corporation, or the national credit union administration; or an 1793  
employee of any such entity. 1794

(K) "Nonbank mortgage lender" means any person that 1795  
engages in a consumer transaction in connection with a 1796  
residential mortgage, except for a bank, savings bank, savings 1797  
and loan association, credit union, or credit union service 1798  
organization organized under the laws of this state, another 1799  
state, or the United States; a subsidiary of such a bank, 1800  
savings bank, savings and loan association, or credit union; or 1801  
an affiliate that (1) controls, is controlled by, or is under 1802  
common control with, such a bank, savings bank, savings and loan 1803  
association, or credit union and (2) is subject to examination, 1804  
supervision, and regulation, including with respect to the 1805  
affiliate's compliance with applicable consumer protection 1806  
requirements, by the board of governors of the federal reserve 1807  
system, the comptroller of the currency, the office of thrift 1808  
supervision, the federal deposit insurance corporation, or the 1809  
national credit union administration. 1810

(L) For purposes of divisions (H), (J), and (K) of this 1811  
section: 1812

(1) "Control" of another entity means ownership, control, 1813  
or power to vote twenty-five per cent or more of the outstanding 1814  
shares of any class of voting securities of the other entity, 1815  
directly or indirectly or acting through one or more other 1816  
persons. 1817

(2) "Credit union service organization" means a CUSO as 1818  
defined in 12 C.F.R. 702.2. 1819

**Sec. 1349.72.** (A) ~~Before~~ Not less than thirty days prior 1820  
to a person collecting ~~filing a foreclosure action to collect on~~ 1821  
a debt secured by residential real property ~~collects or attempts~~ 1822  
~~to collect any part of the debt,~~ the person shall first send a 1823  
written notice as described in division (B) of this section via 1824

United States mail to the residential address of the debtor, if 1825  
both of the following apply: 1826

(1) The debt is ~~a second secured by a mortgage or junior~~ 1827  
lien on the debtor's residential real property that is not in 1828  
the first mortgage position. 1829

(2) The debt has either been accelerated or is in default 1830  
in accordance with the terms set forth in the promissory note. 1831

(B) The written notice may be included on, or accompany, 1832  
any other communication, and shall be printed in at least 1833  
twelve-point type and ~~state~~ include the following: 1834

(1) The name and contact information of the person 1835  
collecting the debt; 1836

(2) ~~The~~ A statement of the amount of the debt; 1837

(3) A statement that the debtor has a right to engage an 1838  
attorney; 1839

(4) A statement that the debtor may qualify for debt 1840  
relief under Chapter 7 or 13 of the United States Bankruptcy 1841  
Code, 11 U.S.C. Chapter 7 or 13, as amended; 1842

(5) A statement that a debtor that qualifies under Chapter 1843  
13 of the United States Bankruptcy Code may be able to protect 1844  
their residential real property from foreclosure. 1845

(C) Upon written request of the debtor, the owner of the 1846  
debt shall provide a copy of the note and the loan history to 1847  
the debtor. 1848

(D) (1) As used in this division, ~~7~~: 1849

(a) "bona fide error" means an unintentional 1850  
clerical, calculation, computer malfunction or programming, or 1851



printing error. 1852

(b) "Restitution" means either of the following: 1853

(i) A waiver of all fees, costs, or expenses proximately 1854  
associated with the failure to provide the notice to the debtor; 1855

or 1856

(ii) Actual damages. 1857

(2) Any owner of debt subject to divisions (A), (B), and 1858  
(C) of this section shall not be held civilly liable in any 1859  
action, if all of the following are met: 1860

(a) The owner of the debt shows by a preponderance of 1861  
evidence that the compliance failure was not intentional and 1862  
resulted from a bona fide error notwithstanding the maintenance 1863  
of procedures reasonably adapted to avoid any such error. 1864

(b) Within sixty days after discovering the error, and 1865  
prior to the initiation of any action, the owner of the debt 1866  
notifies the debtor of the error and the manner in which the 1867  
owner of the debt intends to make full restitution to the 1868  
debtor. 1869

(c) The owner of the debt promptly makes reasonable 1870  
restitution to the debtor. 1871

(3) If, in the event of a compliance failure, the owner of 1872  
the debt does not meet the conditions set forth in division (D) 1873  
(2) of this section, a debtor injured by the error has a cause 1874  
of action to recover damages. Such an action shall not, however, 1875  
be maintained as a class action. 1876

**Sec. 2913.11.** (A) As used in this section: 1877

(1) "Check" includes any form of debit from a demand 1878

deposit account, including, but not limited to any of the 1879  
following: 1880

(a) A check, bill of exchange, draft, order of withdrawal, 1881  
or similar negotiable or non-negotiable instrument; 1882

(b) An electronic check, electronic transaction, debit 1883  
card transaction, check card transaction, substitute check, web 1884  
check, or any form of automated clearing house transaction. 1885

(2) "Issue a check" means causing any form of debit from a 1886  
demand deposit account. 1887

(B) No person, with purpose to defraud, shall issue or 1888  
transfer or cause to be issued or transferred a check or other 1889  
negotiable instrument, knowing that it will be dishonored or 1890  
knowing that a person has ordered or will order stop payment on 1891  
the check or other negotiable instrument. 1892

(C) For purposes of this section, a person who issues or 1893  
transfers a check or other negotiable instrument is presumed to 1894  
know that it will be dishonored if either of the following 1895  
occurs: 1896

(1) The drawer had no account with the drawee at the time 1897  
of issue or the stated date, whichever is later; 1898

(2) The check or other negotiable instrument was properly 1899  
refused payment for insufficient funds upon presentment within 1900  
thirty days after issue or the stated date, whichever is later, 1901  
and the liability of the drawer, indorser, or any party who may 1902  
be liable thereon is not discharged by payment or satisfaction 1903  
within ten days after receiving notice of dishonor. 1904

~~(D) For purposes of this section, a person who issues or 1905  
transfers a check, bill of exchange, or other draft is presumed 1906~~

~~to have the purpose to defraud if the drawer fails to comply~~ 1907  
~~with section 1349.16 of the Revised Code by doing any of the~~ 1908  
~~following when opening a checking account intended for personal,~~ 1909  
~~family, or household purposes at a financial institution:~~ 1910

~~(1) Falsely stating that the drawer has not been issued a~~ 1911  
~~valid driver's or commercial driver's license or identification~~ 1912  
~~card issued under section 4507.50 of the Revised Code;~~ 1913

~~(2) Furnishing such license or card, or another~~ 1914  
~~identification document that contains false information;~~ 1915

~~(3) Making a false statement with respect to the drawer's~~ 1916  
~~current address or any additional relevant information~~ 1917  
~~reasonably required by the financial institution.~~ 1918

~~(E)~~ In determining the value of the payment for purposes 1919  
of division ~~(F)~~ (E) of this section, the court may aggregate all 1920  
checks and other negotiable instruments that the offender issued 1921  
or transferred or caused to be issued or transferred in 1922  
violation of division (A) of this section within a period of one 1923  
hundred eighty consecutive days. 1924

~~(F)~~ (E) Whoever violates this section is guilty of passing 1925  
bad checks. Except as otherwise provided in this division, 1926  
passing bad checks is a misdemeanor of the first degree. If the 1927  
check or checks or other negotiable instrument or instruments 1928  
are issued or transferred to a single vendor or single other 1929  
person for the payment of one thousand dollars or more but less 1930  
than seven thousand five hundred dollars or if the check or 1931  
checks or other negotiable instrument or instruments are issued 1932  
or transferred to multiple vendors or persons for the payment of 1933  
one thousand five hundred dollars or more but less than seven 1934  
thousand five hundred dollars, passing bad checks is a felony of 1935

the fifth degree. If the check or checks or other negotiable instrument or instruments are for the payment of seven thousand five hundred dollars or more but less than one hundred fifty thousand dollars, passing bad checks is a felony of the fourth degree. If the check or checks or other negotiable instrument or instruments are for the payment of one hundred fifty thousand dollars or more, passing bad checks is a felony of the third degree.

**Sec. 4712.05.** (A) Each contract between the buyer and a credit services organization for the purchase of the services of the organization shall be in writing, dated and signed by the buyer, and shall include all of the following:

(1) A statement, in type that is boldfaced, capitalized, underlined, or otherwise conspicuously set out from surrounding written material and that is in immediate proximity to the space reserved for the signature of the buyer, as follows:

"If you, the buyer, have been denied credit within the last sixty days, you may obtain a free copy of the consumer credit report from the consumer reporting agency. You also have the right to dispute inaccurate information in a report.

You may cancel this contract at any time before midnight of the third business day after the date you signed it. See the attached notice of cancellation form for an explanation of this right."

(2) The terms and conditions of payment, including the total of all payments to be made by the buyer, whether to the credit services organization or to another person;

(3) A full and detailed description of the services to be performed for the buyer by the credit services organization,

including all guarantees and all promises of full or partial 1965  
refunds, and the estimated length of time, not exceeding sixty 1966  
days or any shorter time period prescribed by the superintendent 1967  
of financial institutions, for performing the services<sup>7</sup>. The 1968  
performance of services under a contract to which all of the 1969  
following conditions apply is not subject to the time limit 1970  
identified in division (A) (3) of this section, but is subject to 1971  
a twelve-month limit: 1972

(a) The buyer agrees to make substantially equal periodic 1973  
payments at fixed time intervals for the services after they are 1974  
performed during the term of the contract. 1975

(b) The buyer may cancel the contract at any time without 1976  
penalty or obligation to pay for any services that have not yet 1977  
been rendered. 1978

(c) The contract solely provides for the ongoing 1979  
performance of either of the following services: 1980

(i) Services described in division (C) (1) (a) of section 1981  
4712.01 of the Revised Code or providing advice or assistance to 1982  
a buyer in connection with such services; 1983

(ii) Services described in division (C) (1) (d) of section 1984  
4712.01 of the Revised Code. 1985

(d) The buyer's explicit, affirmative, and documented 1986  
assent is provided before a contract is renewed. 1987

(e) During the term of the contract period, the credit 1988  
services organization reviews with the buyer the adverse credit 1989  
information on the buyer's credit report. 1990

(4) The address of the credit services organization's 1991  
principal place of business and the name and address of its 1992

agent in this state authorized to receive service of process; 1993

(5) With respect to the previous calendar year or the time 1994  
period during which the credit services organization has been in 1995  
business, whichever is shorter, the percentage of the 1996  
organization's customers for whom the organization has fully and 1997  
completely performed the services the organization agreed to 1998  
perform for the buyer. 1999

(B) The contract shall have attached two easily detachable 2000  
copies of a notice of cancellation. The notice shall be in 2001  
boldface type and in the following form: 2002

"Notice of Cancellation 2003

You may cancel this contract, without any penalty or 2004  
obligation, within three business days after the date the 2005  
contract is signed. 2006

To cancel this contract, mail or deliver a signed, dated 2007  
copy of this cancellation notice, or other written notice, to: 2008

\_\_\_\_\_ (Name of Seller) at \_\_\_\_\_ 2009  
(Address of Seller) (Place of Business) not later than midnight 2010  
\_\_\_\_\_ (Date) 2011

I hereby cancel this transaction. 2012

Dated: \_\_\_\_\_ 2013  
\_\_\_\_\_  
(Buyer's signature)" 2014

(C) The credit services organization, at the time of 2015  
signing, shall give to the buyer a copy of the completed 2016  
contract and all other documents the organization requires the 2017  
buyer to sign. 2018

(D) No credit services organization shall breach a 2019

contract described in this section or fail to comply with any 2020  
obligation arising from such a contract. 2021

(E) No credit services organization shall fail to comply 2022  
with division (A), (B), or (C) of this section. 2023

**Section 2.** That existing sections 135.77, 135.774, 307.04, 2024  
1115.05, 1321.52, 1321.68, 1322.01, 1322.02, 1322.04, 1322.07, 2025  
1322.09, 1322.10, 1322.12, 1322.15, 1322.29, 1322.30, 1322.32, 2026  
1322.34, 1322.43, 1322.50, 1322.52, 1345.01, 1349.72, 2913.11, 2027  
and 4712.05 of the Revised Code are hereby repealed. 2028

**Section 3.** That sections 1322.24, 1322.25, and 1349.16 of 2029  
the Revised Code are hereby repealed. 2030

**Section 4.** (A) As used in this section: 2031

(1) "Valuation complaint" means a complaint filed under 2032  
section 5715.19 of the Revised Code against a determination 2033  
described in division (A)(1)(d) or (e) of that section, a 2034  
complaint filed in response to such a complaint under division 2035  
(B) of that section, or a complaint filed under section 5715.13 2036  
of the Revised Code. 2037

(2) "Interim period" has the same meaning as in division 2038  
(A)(2) of section 5715.19 of the Revised Code. 2039

(3) "Eligible person" means any person, board, or officer 2040  
authorized to file a complaint under division (A)(1) of section 2041  
5715.19 of the Revised Code. 2042

(4) "State COVID-19 order" means any of the following, 2043  
issued on or after March 9, 2020, as the result of or in 2044  
response to the COVID-19 pandemic: 2045

(a) An executive order issued by the Governor; 2046

(b) An order issued by the Director of Health under 2047  
section 3701.13 of the Revised Code; 2048

(c) Any other order authorized by the Revised Code issued 2049  
by another state official or state agency. 2050

(B) Subject to section 5715.19 of the Revised Code, an 2051  
eligible person may request in a valuation complaint for tax 2052  
year 2020, 2021, or 2022 that the assessment of true value in 2053  
money of the property account for any reduction in true value 2054  
due to a circumstance related to the COVID-19 pandemic or a 2055  
state COVID-19 order that occurred in the tax year for which the 2056  
complaint was filed, but after the tax lien date for that year. 2057

(C) For any valuation complaint filed by an eligible 2058  
person for tax year 2020, 2021, or 2022 that includes a request 2059  
described in division (B) of this section, the board of revision 2060  
shall consider evidence of diminished true value after the tax 2061  
lien date for the tax year for which the complaint was filed due 2062  
to any circumstances related to the COVID-19 pandemic or state 2063  
COVID-19 orders, and, if the board determines that this evidence 2064  
is satisfactory, shall adjust the property's true value in money 2065  
for that tax year to reflect that diminished valuation. 2066

(D) Notwithstanding division (A) (2) of section 5715.19 of 2067  
the Revised Code and except as otherwise provided in this 2068  
section, an eligible person may file a valuation complaint 2069  
authorized under division (B) of this section, regardless of 2070  
whether that eligible person filed any complaint under section 2071  
5715.19 of the Revised Code relative to that parcel for any 2072  
preceding tax year in the same interim period. Such a valuation 2073  
complaint may be filed only if the circumstances described in 2074  
division (B) of this section began to apply after the tax lien 2075  
date for the tax year for which that prior complaint was filed. 2076