

**As Introduced**

**131st General Assembly  
Regular Session  
2015-2016**

**S. B. No. 355**

**Senator Peterson**

**A BILL**

To enact sections 1321.62, 1321.63, 1321.631, 1  
1321.632, 1321.64, 1321.641, 1321.642, 1321.643, 2  
1321.644, 1321.65, 1321.651, 1321.66, 1321.661, 3  
1321.662, 1321.663, 1321.664, 1321.665, 4  
1321.666, 1321.667, 1321.668, 1321.669, 1321.67, 5  
1321.671, 1321.672, 1321.673, 1321.674, 1321.68, 6  
1321.681, 1321.69, 1321.70, 1321.701, and 7  
1321.702 of the Revised Code to create the Ohio 8  
Consumer Installment Loan Act. 9

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

**Section 1.** That sections 1321.62, 1321.63, 1321.631, 10  
1321.632, 1321.64, 1321.641, 1321.642, 1321.643, 1321.644, 11  
1321.65, 1321.651, 1321.66, 1321.661, 1321.662, 1321.663, 12  
1321.664, 1321.665, 1321.666, 1321.667, 1321.668, 1321.669, 13  
1321.67, 1321.671, 1321.672, 1321.673, 1321.674, 1321.68, 14  
1321.681, 1321.69, 1321.70, 1321.701, and 1321.702 of the Revised 15  
Code be enacted to read as follows: 16

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

(A) "Actuarial method" means the method of allocating 19

payments made on a loan between the principal amount and 20  
interest whereby a payment is applied first to the accumulated 21  
interest and the remainder to the unpaid principal amount. 22

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

payments will be made when due. 135

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

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

(AA) "Residential mortgage" means any credit transaction 146  
secured by an interest in the covered borrower's dwelling, 147  
including a transaction to finance the purchase or initial 148  
construction of a dwelling, any refinance transaction, home 149  
equity loan or home equity line of credit, or reverse mortgage. 150

(BB) "State" in the context of referring to states in 151  
addition to Ohio means any state of the United States, the 152  
district of Columbia, any territory of the United States, Puerto 153  
Rico, Guam, American Samoa, the trust territory of the Pacific 154  
islands, the virgin islands, and the northern Mariana islands. 155

(CC) "Superintendent of financial institutions" includes 156  
the deputy superintendent for consumer finance as provided in 157  
section 1181.21 of the Revised Code. 158

**Sec. 1321.63.** (A) (1) Subject to section 1321.631 of the 159  
Revised Code, no person shall do either of the following without 160  
first having obtained a license from the superintendent of 161  
financial institutions under sections 1321.62 to 1321.702 of the 162  
Revised Code: 163

<u>(a) Engage in the business of lending money;</u>	164
<u>(b) Contract for, or receive, directly or indirectly, on</u>	165
<u>or in connection with any such loan, any interest and charges</u>	166
<u>that in the aggregate are greater than the interest and charges</u>	167
<u>that the lender would be permitted to charge for a loan of money</u>	168
<u>if the lender were not a licensee.</u>	169
<u>(2) Division (A) (1) of this section applies to any person,</u>	170
<u>who by any device, subterfuge, or pretense, charges, contracts</u>	171
<u>for, or receives greater interest, consideration, or charges</u>	172
<u>than that authorized by this section for any such loan, or who</u>	173
<u>for a fee or any manner of compensation arranges or offers to</u>	174
<u>find or arrange for another person to make any such loan.</u>	175
<u>(B) This section does not preclude the acquiring, directly</u>	176
<u>or indirectly, by purchase or discount, of a bona fide</u>	177
<u>obligation for goods or services when such obligation is payable</u>	178
<u>directly to the person who provided the goods or services.</u>	179
<u>(C) Any contract of a loan in the making or collection of</u>	180
<u>which an act is done by the lender that violates this section is</u>	181
<u>void and the lender has no right to collect, receive, or retain</u>	182
<u>any principal, interest, or charges.</u>	183
<b><u>Sec. 1321.631. Sections 1321.62 to 1321.702 of the Revised</u></b>	184
<b><u>Code do not apply to any of the following:</u></b>	185
<u>(A) Any credit transaction made without a license issued</u>	186
<u>under sections 1321.62 to 1321.702 of the Revised Code;</u>	187
<u>(B) Any credit transaction with a loan term of less than</u>	188
<u>six months from the loan transaction date;</u>	189
<u>(C) Any credit transaction that does not require equal</u>	190
<u>monthly payments;</u>	191

<u>(D) Any credit transaction with an interest rate in excess</u>	192
<u>of that provided for under section 1321.68 of the Revised Code;</u>	193
<u>(E) Any credit transaction secured by an interest in the</u>	194
<u>covered borrower's dwelling, including a transaction to finance</u>	195
<u>the purchase or initial construction of a dwelling, any</u>	196
<u>refinance transaction, home equity loan or home equity line of</u>	197
<u>credit, or reverse mortgage;</u>	198
<u>(F) Any credit transaction that is an exempt transaction</u>	199
<u>for the purposes of Regulation Z under 15 U.S.C. 1601, other</u>	200
<u>than a transaction exempt under 12 C.F.R. 1026.29, or otherwise</u>	201
<u>is not subject to disclosure requirements under Regulation Z;</u>	202
<u>(G) Any credit transaction that originates as a result,</u>	203
<u>directly or indirectly, of a referral from a person registered</u>	204
<u>or acting as a credit services organization under sections</u>	205
<u>4712.01 to 4712.14 of the Revised Code;</u>	206
<u>(H) Any credit transaction made by a person licensed as a</u>	207
<u>check-cashing business under sections 1315.21 to 1315.30 of the</u>	208
<u>Revised Code;</u>	209
<u>(I) Any credit transaction made by a retail seller under</u>	210
<u>Chapter 1317. of the Revised Code;</u>	211
<u>(J) Any credit transaction made by a person licensed or</u>	212
<u>acting as a pawnbroker under Chapter 4727. of the Revised Code;</u>	213
<u>(K) Any credit transaction made by a person licensed under</u>	214
<u>sections 1321.35 to 1321.48 of the Revised Code;</u>	215
<u>(L) Any credit transaction made by a collection agency</u>	216
<u>pursuant to section 1319.12 of the Revised Code;</u>	217
<u>(M) Any credit transaction made by a premium finance</u>	218
<u>company licensed under sections 1321.71 to 1321.83 of the</u>	219



<u>Revised Code;</u>	220
<u>(N) Any credit transaction made by a person chartered and</u>	221
<u>lawfully doing business under the authority of any law of this</u>	222
<u>state, another state, or the United States as a bank, savings</u>	223
<u>bank, trust company, savings and loan association, or credit</u>	224
<u>union, or a subsidiary of any such entity, which subsidiary is</u>	225
<u>regulated by a federal banking agency and is owned and</u>	226
<u>controlled by such a depository institution;</u>	227
<u>(O) Any credit transaction made by a life, property, or</u>	228
<u>casualty insurance company licensed to do business in this state</u>	229
<u>or any entity licensed under Title XXXIX of the Revised Code</u>	230
<u>that makes advances or loans to any person who is licensed to</u>	231
<u>sell insurance pursuant to that title and who is authorized in</u>	232
<u>writing by that entity to sell insurance;</u>	233
<u>(P) Any licensee doing business under sections 1321.01 to</u>	234
<u>1321.19 of the Revised Code;</u>	235
<u>(Q) Any person making a business loan described in</u>	236
<u>division (B)(6) of section 1343.01 of the Revised Code;</u>	237
<u>(R) Any political subdivision, or any governmental or</u>	238
<u>other public entity, corporation, instrumentality, or agency, in</u>	239
<u>or of the United States or any state of the United States, or</u>	240
<u>any entity mentioned in division (B)(3) of section 1343.01 of</u>	241
<u>the Revised Code;</u>	242
<u>(S) Any college or university, or controlled entity of a</u>	243
<u>college or university, as those terms are defined in section</u>	244
<u>1713.05 of the Revised Code;</u>	245
<u>(T) Any person doing business under and as permitted by</u>	246
<u>any law of this state, another state, or the United States</u>	247
<u>relating to banks, savings banks, savings societies, trust</u>	248

companies, credit unions, or savings and loan associations 249  
substantially all the business of which is confined to loans on 250  
real estate mortgages and evidences of their own indebtedness. 251

**Sec. 1321.632.** A licensee may engage in the business of 252  
making loans provided the licensee does not do any of the 253  
following: 254

(A) Assess an origination fee pursuant to section 1321.68 255  
of the Revised Code more than three times in any twelve-month 256  
period; 257

(B) Accept a dated instrument from the borrower as 258  
security for a loan; 259

(C) Hold an instrument for a period of time prior to 260  
negotiation or deposit of the instrument; 261

(D) Pay to a borrower, credit to a borrower's account, or 262  
pay to another person on the borrower's behalf the amount of an 263  
instrument, less interest, fees, or any other charges permitted 264  
by section 1321.68 of the Revised Code; 265

(E) Refinance the loan during the first one hundred twenty 266  
days of the loan term; 267

(F) Except for the deferment charge permitted by section 268  
1321.68 of the Revised Code, charge or collect any fee, charge, 269  
or remuneration of any sort for renewing, amending, or extending 270  
a loan beyond its original term. 271

**Sec. 1321.64.** (A) An application for a license shall 272  
contain an undertaking by the applicant to abide by those 273  
sections. The application shall be in writing, under oath, and 274  
in the form prescribed by the superintendent of financial 275  
institutions, and shall contain any information that the 276

superintendent may require. Applicants that are foreign 277  
corporations shall obtain and maintain a license pursuant to 278  
Chapter 1703. of the Revised Code before a license is issued or 279  
renewed. 280

(B) Upon the filing of the application and the payment by 281  
the applicant of a nonrefundable investigation fee of two 282  
hundred dollars, a nonrefundable annual registration fee of 283  
three hundred dollars, and any additional fee required by the 284  
NMLSR, the division of financial institutions shall investigate 285  
the relevant facts. If the application involves investigation 286  
outside this state, the applicant may be required by the 287  
division to advance sufficient funds to pay any of the actual 288  
expenses of the investigation when it appears that these 289  
expenses will exceed two hundred dollars. An itemized statement 290  
of any of these expenses which the applicant is required to pay 291  
shall be furnished to the applicant by the division. A license 292  
shall not be issued unless all the required fees have been 293  
submitted to the division. 294

(C) (1) The investigation undertaken upon receipt of an 295  
application shall include both a civil and criminal records 296  
check of any control person. 297

(2) (a) Notwithstanding division (K) of section 121.08 of 298  
the Revised Code, the superintendent shall obtain a criminal 299  
records check on each control person and, as part of that 300  
records check, request that criminal records information from 301  
the federal bureau of investigation be obtained. To fulfill this 302  
requirement, the superintendent shall do either of the 303  
following: 304

(i) Request the superintendent of the bureau of criminal 305  
identification and investigation, or a vendor approved by the 306

bureau, to conduct a criminal records check based on the control 307  
person's fingerprints or, if the fingerprints are unreadable, 308  
based on the control person's social security number, in 309  
accordance with section 109.572 of the Revised Code; 310

(ii) Authorize the NMLSR to request a criminal records 311  
check of the control person. 312

(b) Any fee required under division (C)(3) of section 313  
109.572 of the Revised Code or by the NMLSR shall be paid by the 314  
applicant. 315

(D) If an application for a license does not contain all 316  
of the information required under division (A) of this section, 317  
and if such information is not submitted to the division or to 318  
the NMLSR within ninety days after the superintendent or the 319  
NMLSR requests the information in writing, including by 320  
electronic transmission or facsimile, the superintendent may 321  
consider the application withdrawn. 322

(E) If the superintendent of financial institutions finds 323  
that the financial responsibility, experience, character, and 324  
general fitness of the applicant command the confidence of the 325  
public and warrant the belief that the business will be operated 326  
honestly and fairly in compliance with the purposes of sections 327  
1321.62 to 1321.702 of the Revised Code and the rules adopted 328  
thereunder, and that the applicant has the requisite net worth 329  
and assets required under section 1321.65 of the Revised Code, 330  
the superintendent shall issue a license to the applicant. The 331  
license shall be valid for one year. 332

(F) If the superintendent finds that the applicant does 333  
not meet the conditions set forth in this section, the 334  
superintendent shall issue a notice of intent to deny the 335

application, and promptly notify the applicant of the denial, 336  
the grounds for the denial, and the applicant's reasonable 337  
opportunity to be heard on the action in accordance with Chapter 338  
119. of the Revised Code. 339

**Sec. 1321.641.** (A) A license issued under section 1321.64 340  
of the Revised Code may be renewed annually on or before the 341  
thirty-first day of December by submitting a renewal application 342  
in the form prescribed by the superintendent of financial 343  
institutions. The application shall be accompanied by a 344  
nonrefundable renewal fee of three hundred dollars, any 345  
assessment as determined by the superintendent pursuant to 346  
division (B) of this section, and any additional fee required by 347  
the NMLSR. A licensee shall not be required to pay any other fee 348  
or assessment by the state or any political subdivision of the 349  
state. 350

(B) If the amount of renewal fees collected by the 351  
division of financial institutions is less than the estimated 352  
expenditures of the consumer finance section of the division, as 353  
determined by the superintendent, for the following fiscal year, 354  
the superintendent may assess each licensee at a rate sufficient 355  
to equal in the aggregate the difference between the renewal 356  
fees collected and the estimated expenditures. Each licensee 357  
shall pay the assessed amount to the superintendent prior to the 358  
last day of June. In no event shall the assessment exceed ten 359  
cents per each one hundred dollars of interest, excluding 360  
charge-off recoveries, loan origination charges, and credit line 361  
charges collected by that licensee during the previous calendar 362  
year. If such an assessment is imposed, it shall not be less 363  
than two hundred fifty dollars per licensee and shall not exceed 364  
thirty thousand dollars less the total renewal fees paid 365  
pursuant to division (A) of this section by each licensee. 366

(C) If a renewal application does not contain all of the 367  
information required, and if that information is not submitted 368  
to the division or to the NMLSR within ninety days after the 369  
superintendent or the NMLSR requests the information in writing, 370  
including by electronic transmission or facsimile, the 371  
superintendent may consider the renewal application withdrawn. 372

(D) An applicant's license shall not be renewed if it is 373  
subject to an order of suspension, revocation, or an unpaid and 374  
past due fine imposed by the superintendent. 375

**Sec. 1321.642.** (A) If there is a change of five per cent 376  
or more in the ownership of a licensee, the division of 377  
financial institutions may make any investigation necessary to 378  
determine whether any fact or condition exists that, if it had 379  
existed at the time of the original application for a license, 380  
the fact or condition would have warranted the division to deny 381  
the application under section 1321.64 of the Revised Code. 382

(B) If there is a change of fifty per cent or more in the 383  
ownership of a licensee, the licensee shall notify the division 384  
within fifteen calendar days, and the superintendent of 385  
financial institutions shall issue a provisional license that 386  
remains in effect for the lesser of six months after the date of 387  
receiving such notification, or until the division concludes any 388  
investigation necessary to determine whether any fact or 389  
condition exists that, if it had existed at the time of the 390  
original application for a license, the fact or condition would 391  
have warranted the division to deny the application under 392  
section 1321.64 of the Revised Code, at which time the 393  
superintendent shall either issue an amended license or revoke 394  
the license. 395

**Sec. 1321.643.** (A) (1) Not more than one place of business 396

shall be maintained under the same license, but the 397  
superintendent of financial institutions may issue additional 398  
licenses to the same licensee upon compliance with sections 399  
1321.62 to 1321.702 of the Revised Code. 400

(2) Each licensed place of business shall be located in a 401  
state. 402

(B) (1) When a licensee wishes to change its place of 403  
business, it shall give written notice of the change in advance 404  
to the division of financial institutions. The division shall 405  
provide a license for the new address without cost. 406

(2) If a licensee changes its name, it shall give written 407  
notice of the change to the division prior to making loans under 408  
the new name. The division shall provide a license in the new 409  
name without cost. 410

(C) Each license shall be kept conspicuously posted in the 411  
place of business of the licensee and is not transferable or 412  
assignable. 413

**Sec. 1321.644.** No person engaged in the business of 414  
selling tangible goods or services related to tangible goods may 415  
receive or retain a license under sections 1321.62 to 1321.702 416  
of the Revised Code for such place of business. 417

**Sec. 1321.65.** Each licensee that conducts business under 418  
sections 1321.62 to 1321.702 of the Revised Code shall maintain 419  
both of the following: 420

(A) A net worth of at least fifty thousand dollars; 421

(B) For each license, assets of at least fifty thousand 422  
dollars either in use or readily available for use in the 423  
conduct of the business. 424

Sec. 1321.651. All of the following apply to advertising 425  
for loans made under sections 1321.62 to 1321.702 of the Revised 426  
Code: 427

(A) Every advertisement shall state and clearly indicate 428  
the identity of the licensee and shall do so in such a manner 429  
that prevents confusion with the name of any other unrelated 430  
licensee. Licensees shall be identified by means of trade names, 431  
service marks, or business names that are filed with the 432  
division of financial institutions and the secretary of state. 433

(B) Advertising shall not be false, misleading, or 434  
deceptive. False, misleading, or deceptive advertising includes, 435  
but is not limited to, the following: 436

(1) Placing, or causing to be placed, any advertisement 437  
indicating that special terms, reduced rates, guaranteed rates, 438  
particular rates, or any other special feature of loans is 439  
available unless the advertisement clearly states any 440  
limitations that apply; 441

(2) Placing, or causing to be placed, any advertisement 442  
containing a rate or special fee offer that is not a bona fide 443  
available rate or fee. 444

(C) A licensee shall comply with 12 C.F.R. 1026.16, as 445  
amended, for open-end loans, or 12 C.F.R. 1026.24, as amended, 446  
for closed-end loans. 447

(D) A licensee shall not use loan advertisements that 448  
provide only telephone or facsimile numbers or newspaper box 449  
addresses and that do not clearly indicate the identity of the 450  
licensee. 451

(E) A licensee shall not advertise that loans will be made 452  
within a specified time after the loan application is received, 453



unless it is the general practice of the licensee to make loans 454  
within the specified time. 455

(F) A licensee shall not advertise special terms, reduced 456  
rates, reduced payments, or any other special feature of a loan 457  
within a specified limited time, unless the advertisement 458  
clearly states any limitations that apply to the offer. 459

(G) A licensee shall not advertise by the use of 460  
unqualified superlatives, including, but not limited to, "lowest 461  
rates," "lowest costs," "lowest payment plan," or "cheapest 462  
loans," or by making offers that cannot be reasonably fulfilled. 463

(H) A licensee shall not advertise the words "new" or 464  
"reduced," or words of similar import, in connection with rates, 465  
costs, payments, or plans, for more than ninety days after the 466  
rates, costs, payments, or plans have become effective. 467

(I) Any licensee specifying in any advertisement charges 468  
on loans in dollars shall also state the length of time required 469  
to repay the loans as well as the method of repayment, and 470  
shall, when the rate of interest is stated, do so in a manner to 471  
prevent misunderstanding. 472

(J) Any licensee advertising flat or average payments on 473  
loans that include principal and interest shall specify the 474  
number and frequency of payments required to repay the loans. 475  
Whenever the amounts of periodic payments are advertised, the 476  
amounts shall include all interest to the borrower, as well as 477  
principal. The principal payments alone may be shown separately 478  
provided the interest charges are also clearly stated with equal 479  
prominence. 480

(K) A licensee shall not advertise rebates, rates, or 481  
charges below the maximum lawful rate of interest that are 482

conditioned upon prompt payment unless the condition is clearly 483  
indicated. 484

(L) A licensee shall not advertise either of the 485  
following: 486

(1) Waiver of payments in the event of sickness or 487  
disability or other contingency, without advertising that the 488  
interest and other charges, if assessed, continue during the 489  
waiver period; 490

(2) That the first payment on any loan may be made more 491  
than thirty days after the date of loan closing, without 492  
advertising that the interest and other charges, if assessed, 493  
will accrue from the date of disbursement of the loan funds 494  
until the first payment is due. 495

(M) A licensee shall not advertise for loans for illegal 496  
purposes. 497

(N) A licensee shall not advertise the availability of 498  
credit-related insurance without disclosing the charge, if any, 499  
for the insurance. 500

(O) Each licensee shall maintain in each licensed office 501  
or in a central location a records file of all advertising for a 502  
period of three years from the date disseminated. This 503  
requirement includes newspaper, magazine, direct mailing, and 504  
facsimile advertising and solicitations, roadside advertising, 505  
internet advertising, and scripts of radio and television 506  
commercials. A record or other file shall be readily available 507  
for inspection by the division at all times. Each licensee shall 508  
notify the division in writing of the location of the record or 509  
file. Each licensee shall, upon the request of the 510  
superintendent of financial institutions, provide to the 511

division any printed or electronic advertising it has used 512  
regarding any business conducted under sections 1321.62 to 513  
1321.702 of the Revised Code. The text of the advertising shall 514  
be maintained by the licensee for three years from the date of 515  
usage. 516

**Sec. 1321.66.** (A) Each licensee shall keep records 517  
pertaining to loans made under sections 1321.62 to 1321.702 of 518  
the Revised Code. Such records shall be segregated from records 519  
pertaining to transactions that are not subject to those 520  
sections of the Revised Code. 521

(B) Records pertaining to business conducted pursuant to 522  
sections 1321.62 to 1321.702 of the Revised Code may be 523  
maintained in their original paper form or, if all of the 524  
following conditions apply, on an electronic storage media or 525  
system: 526

(1) The electronic storage media or system preserves the 527  
records in a nonrewritable, nonerasable format. 528

(2) The electronic storage media or system verifies 529  
automatically the quality and accuracy of the storage media 530  
recording process. 531

(3) The electronic storage media or system serializes the 532  
original and the duplicate units of storage media, and affixes a 533  
date and time for the required period of retention on both the 534  
original and duplicate. 535

(4) The electronic storage media or system must have the 536  
capacity to readily download indices and records preserved on 537  
the electronic storage media or system to any medium acceptable 538  
to the superintendent of financial institutions. 539

(5) Acceptable facilities and appropriate equipment are, 540

at all times during normal business hours, available to the 541  
superintendent for immediate, easily readable projection or 542  
production of electronic storage media or system images and for 543  
producing easily readable images. 544

(6) Immediate facsimile enlargement is available upon the 545  
superintendent's request. 546

(7) A duplicate copy of the electronic record stored on 547  
any electronic media or system for the time required is stored 548  
separately from the original electronic record. 549

(8) The electronic storage media or system organizes and 550  
indexes accurately all information maintained on both the 551  
original and duplicate storage media or system. 552

(9) At all times, indices of the electronic records being 553  
stored are available for examination by the superintendent. 554

(10) Each index is duplicated and the duplicate copies are 555  
stored separately from the original copy of each index. 556

(11) Original and duplicate indices are preserved for the 557  
time required for the indexed records. 558

(12) An audit system is in place providing for 559  
accountability regarding inputting of records and inputting of 560  
any changes made to every original and duplicate record 561  
maintained and preserved. 562

(13) At all times, the results of the audit system are 563  
available for examination by the superintendent. 564

(14) The audit results are preserved for the time required 565  
for the audited records. 566

(15) All information necessary to access records and 567

indices stored on the electronic storage media or system, a copy 568  
of the physical and logical file format of the electronic 569  
storage media or system, the field format of all different 570  
information types written on the electronic storage media or 571  
system, together with the appropriate documentation and 572  
information necessary to access records and indices, are 573  
maintained, kept current, and provided promptly to the 574  
superintendent, upon request. 575

(16) Paper documents produced or reproduced by means of an 576  
electronic storage media or system are not destroyed until the 577  
conditions set forth in division (B) of this section have been 578  
met with regard to each paper document that is to be destroyed. 579

(17) At the request of the division of financial 580  
institutions, the records will be printed on paper for 581  
inspection or examination without cost to the division within 582  
seventy-two hours after the request or, upon receipt of a 583  
request for additional time from the licensee, by any additional 584  
time the superintendent may grant for good cause shown. 585

(C) Each licensee shall preserve records pertaining to 586  
loans made under sections 1321.62 to 1321.702 of the Revised 587  
Code for at least three years after making the final entry on 588  
the records. 589

**Sec. 1321.661.** (A) All records required to be maintained 590  
by a licensee shall be kept current and shall be available at 591  
all times during normal business hours for review by the 592  
division of financial institutions. Records shall be legible and 593  
maintained in a type size that is clearly readable without 594  
magnification, and in conformity with any specific typeface or 595  
font size that may be required by state or federal law. Except 596  
where otherwise provided by federal or state law, records shall 597

be maintained in English. When records are allowed to be in a 598  
language other than English, the licensee, at its expense, shall 599  
be responsible for providing the division with a full and 600  
accurate translation. For purposes of record keeping, "current" 601  
means within thirty business days from the date of the 602  
occurrence of the event required to be recorded. 603

(B) The division shall make or cause to be made an 604  
examination of records pertaining to loans made under sections 605  
1321.62 to 1321.702 of the Revised Code at least once every 606  
twenty-four months for the purpose of determining whether the 607  
licensee is complying with those sections and verifying the 608  
licensee's annual report. 609

(C) (1) A licensee may designate a primary location at 610  
which all records required to be maintained under sections 611  
1321.62 to 1321.702 of the Revised Code may be accessed and 612  
reviewed by the division by providing notice to the 613  
superintendent of financial institutions at any time. 614

(2) The following records for all loans made under 615  
sections 1321.62 to 1321.702 of the Revised Code shall be 616  
maintained at either the licensed premises or any other location 617  
approved in advance in writing by the superintendent: 618

(a) Copies of loan statements, which shall be maintained 619  
in one file, in chronological order, and kept available for 620  
examination. Loan statements shall disclose all of the following 621  
information: 622

(i) The principal borrower's name; 623

(ii) The account number; 624

(iii) The date of the loan; 625

<u>(iv) An itemization of the charges for all credit-related</u>	626
<u>insurances provided pursuant to section 1321.68 of the Revised</u>	627
<u>Code;</u>	628
<u>(v) The type of security.</u>	629
<u>(b) A ledger record, which shall be kept for each</u>	630
<u>outstanding loan and loan paid in full within the last two</u>	631
<u>years. The ledger record shall disclose the following</u>	632
<u>information, if applicable:</u>	633
<u>(i) Account number;</u>	634
<u>(ii) Principal borrower's name and residence address;</u>	635
<u>(iii) Date of the loan;</u>	636
<u>(iv) Date finance charges begin to accrue;</u>	637
<u>(v) Contractual rate of loan interest;</u>	638
<u>(vi) Federal annual percentage rate;</u>	639
<u>(vii) Loan origination charge;</u>	640
<u>(viii) Original principal amount;</u>	641
<u>(ix) Scheduled or precomputed interest;</u>	642
<u>(x) Total of payments;</u>	643
<u>(xi) Type of security;</u>	644
<u>(xii) Terms of repayment;</u>	645
<u>(xiii) Types and amounts of credit-related insurance;</u>	646
<u>(xiv) Unit default charge;</u>	647
<u>(xv) Chronological entry of all debits, credits, payments,</u>	648
<u>and charges received, assessed, or disbursed in connection with</u>	649

the loan, recorded in an identifiable manner that shows the 650  
actual date of receipt, the assessment or disbursement, and the 651  
balance due on the account; 652

(xvi) The amount of points charged to the borrower. 653

(c) All loan agreements, notes, disclosure forms, closing 654  
statements, security agreements, and other documents signed by 655  
the obligors and taken in connection with loans made, which 656  
shall be identified by the loan number and maintained in a 657  
separate file for each borrower. 658

(d) The cash receipt and disbursement record, which shall 659  
include the account number and name of the principal borrowers, 660  
all transactions involving either the receipt or disbursement of 661  
money on the account of borrowers, and the actual date of the 662  
transaction. 663

(e) An alphabetical index of all borrowers, co-makers, 664  
guarantors, and other obligors identified by account number. 665

(f) A litigation record that records all loans in 666  
litigation, which shall be maintained for at least two years 667  
after the final entry has been made on the loan, kept current, 668  
and include all of the following information: 669

(i) Loan number and name of principal borrower; 670

(ii) Date litigation proceedings were initiated, the date 671  
and amount of the judgment, and the judgment rate of interest; 672

(iii) All original litigation records and documents, 673  
including pleadings, court orders, judgments, and documentation 674  
of all court costs paid by the borrower to or through the 675  
licensee, or copies thereof, which shall be maintained in the 676  
file of original papers; 677



(iv) In cases of garnishment or attachment, all notices served on employers, or copies thereof, and the amounts collected, which shall be maintained in the file of original loan papers. 678  
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(g) A repossession record that records all loans in repossession, which shall be maintained for at least two years after the final entry has been made on the loan, kept current, and include all of the following information: 682  
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(i) Loan number and name of principal borrower; 686

(ii) Type of security attached, replevied, repossessed, or surrendered; 687  
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(iii) Date of repossession, date of sale of the security, the gross amount received from the sale of the security, the expenses deducted from the sale of the security, and the amount of money applied to the outstanding loan balance; 689  
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(iv) All original repossession legal documents and other records, including bills for all expenses or copies thereof, which shall be maintained in the file of original loan papers; 693  
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(v) In instances where the security is offered for private sale, not less than three bona fide written bids or appraisals in order to establish that the terms of sale were fair to the borrower and, where the security is offered for private or public sale, evidence that the sale was consummated in compliance with sections 1309.610, 1309.611, 1309.615, 1309.617, and 1309.624 of the Revised Code. 696  
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(h) A credit life claims record, which shall cover all loans upon which a credit life claim has been paid by the insurer, be maintained for at least two years after the final entry has been made on the loan, be kept current, and include 703  
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all of the following information: 707

(i) Loan number and name of principal borrower; 708

(ii) Date of death and certified copy of the death 709  
certificate or a copy thereof; 710

(iii) Name and address of second beneficiary, if any; 711

(iv) Copies of all checks received or paid pertaining to a 712  
credit life claim. 713

(i) Histories of nonpublished indices used to establish 714  
interest rates for variable rate loans, which shall be 715  
maintained for two years from the date of usage and be available 716  
for review by the division. 717

(j) Due bills, receipts, invoices, or other evidence, 718  
which shall be maintained in the file of loan papers for any 719  
amount in excess of twenty dollars paid by the borrower to or 720  
through the licensee for any dishonored check, negotiable order 721  
of withdrawal, share draft, or any other negotiable instrument. 722

**Sec. 1321.662.** (A) Each licensee shall submit to the NMLSR 723  
call reports or other reports of condition, which reports shall 724  
be in such form and shall contain such information as the NMLSR 725  
may require. 726

(B) (1) As required by the superintendent of financial 727  
institutions, each licensee shall file with the division of 728  
financial institutions an annual report under oath or 729  
affirmation, on forms supplied by the division, concerning the 730  
business and operation of the licensee for the preceding 731  
calendar year. 732

(2) The superintendent shall annually publish an analysis 733  
of the information required under division (B) (1) of this 734

section, but the individual reports shall not be public records 735  
and shall not be open to public inspection. 736

Sec. 1321.663. (A)(1) The following information is 737  
confidential: 738

(a) Examination information, and any information leading 739  
to or arising from an examination; 740

(b) Investigation information, and any information arising 741  
from or leading to an investigation. 742

(2) The information described in division (A)(1) of this 743  
section shall remain confidential for all purposes except when 744  
it is necessary for the superintendent of financial institutions 745  
to take official action regarding the affairs of a licensee, or 746  
in connection with criminal or civil proceedings to be initiated 747  
by a prosecuting attorney or the attorney general. This 748  
information may also be introduced into evidence or disclosed 749  
when and in the manner authorized by section 1181.25 of the 750  
Revised Code. 751

(B) All application information, except social security 752  
numbers, employer identification numbers, financial account 753  
numbers, the identity of the institution where financial 754  
accounts are maintained, personal financial information, 755  
fingerprint cards and the information contained on such cards, 756  
and criminal background information, is a public record as 757  
defined in section 149.43 of the Revised Code. 758

(C) This section does not prevent the division of 759  
financial institutions from releasing to or exchanging with 760  
other financial institution regulatory authorities information 761  
relating to licensees. For this purpose, a "financial 762  
institution regulatory authority" includes a regulator of a 763

business activity in which a licensee is engaged, or has applied 764  
to engage in, to the extent that the regulator has jurisdiction 765  
over a licensee engaged in that business activity. A licensee is 766  
engaged in a business activity, and a regulator of that business 767  
activity has jurisdiction over the licensee, whether the 768  
licensee conducts the activity directly or a subsidiary or 769  
affiliate of the licensee conducts the activity. 770

(D) (1) Any confidentiality or privilege arising under 771  
federal or state law with respect to any information or material 772  
provided to the NMLSR shall continue to apply to the information 773  
or material after the information or material has been provided 774  
to the NMLSR. The information and material so provided may be 775  
shared with all state and federal regulatory officials with 776  
oversight authority without the loss of confidentiality or 777  
privilege protections provided by federal law or the law of any 778  
state. Information or material described in division (D) (1) of 779  
this section to which confidentiality or privilege applies shall 780  
not be subject to any of the following: 781

(a) Disclosure under any federal or state law governing 782  
disclosure to the public of information held by an officer or an 783  
agency of the federal government or of the respective state; 784

(b) Subpoena or discovery, or admission into evidence, in 785  
any private civil action or administrative process, unless the 786  
person to whom such information or material pertains waives, in 787  
whole or in part and at the discretion of the person, any 788  
privilege held by the NMLSR with respect to that information or 789  
material. 790

(2) The superintendent, in order to promote more effective 791  
regulation and reduce regulatory burden through supervisory 792  
information sharing, may enter into sharing arrangements with 793

other governmental agencies, the conference of state bank 794  
supervisors, and the American association of residential 795  
mortgage regulators. 796

(3) Any state law, including section 149.43 of the Revised 797  
Code, relating to the disclosure of confidential supervisory 798  
information or any information or material described in division 799  
(A) (1) or (D) (1) of this section that is inconsistent with this 800  
section shall be superseded by the requirements of this section. 801

(E) This section does not prevent the division from 802  
releasing information relating to licensees to the attorney 803  
general, to the superintendent of insurance for purposes 804  
relating to the administration of Chapter 3953. of the Revised 805  
Code, to the commissioner of securities for purposes relating to 806  
the administration of Chapter 1707. of the Revised Code, or to 807  
local law enforcement agencies and local prosecutors. 808  
Information the division releases pursuant to this section 809  
remains confidential. 810

(F) The superintendent of financial institutions shall, by 811  
rule adopted in accordance with Chapter 119. of the Revised 812  
Code, establish a process by which licensees may challenge 813  
information provided to the NMLSR by the superintendent. 814

**Sec. 1321.664.** No person, in connection with any 815  
examination or investigation conducted by the superintendent of 816  
financial institutions under sections 1321.62 to 1321.702 of the 817  
Revised Code shall knowingly do any of the following: 818

(A) Circumvent, interfere with, obstruct, or fail to 819  
cooperate with the superintendent, including making a false or 820  
misleading statement, failing to produce records, or 821  
intimidating or suborning any witness; 822

(B) Withhold, abstract, remove, mutilate, destroy, or 823  
secrete any books, records, computer records, or other 824  
information; 825

(C) Tamper with, alter, or manufacture any evidence. 826

**Sec. 1321.665.** In order to reduce the risk of consumer 827  
fraud and related harms, including identity theft, licensees 828  
shall comply with the provisions of the "Fair and Accurate 829  
Credit Transactions Act of 2003," 117 Stat. 1952, 15 U.S.C. 830  
1681w, as in effect on January 1, 2008, the "Gramm Leach Bliley 831  
Act," 113 Stat. 1138 (1999), 15 U.S.C. 6801, as in effect on 832  
January 1, 2008, and the rules promulgated pursuant to those 833  
federal acts, including 16 C.F.R. 682, as in effect January 1, 834  
2008, pertaining to the maintenance, security, and disposal of 835  
consumer information and records. 836

**Sec. 1321.666.** Before ceasing to conduct or discontinuing 837  
business as a licensee, the licensee shall arrange for and be 838  
responsible for the preservation of the books and records 839  
required to be maintained and preserved under sections 1321.62 840  
to 1321.702 of the Revised Code and shall notify the division of 841  
financial institutions in writing of the exact address where the 842  
books and records will be maintained during the required period. 843

**Sec. 1321.667.** The superintendent of financial 844  
institutions may suspend, revoke, or refuse to renew any license 845  
issued by the superintendent under sections 1321.62 to 1321.702 846  
of the Revised Code, or bring any other authorized 847  
administrative enforcement action in accordance with section 848  
1321.70 of the Revised Code, against any person for failure to 849  
maintain records in accordance with sections 1321.66 and 850  
1321.661 of the Revised Code. 851

Sec. 1321.668. (A) Except as otherwise provided in section 852  
9.02 of the Revised Code, any party, including a governmental 853  
authority, that requires or requests a licensee to assemble or 854  
provide a customer's financial records shall pay the licensee 855  
for all actual and necessary costs directly incurred in 856  
searching for, reproducing, or transporting those records 857  
according to the following schedule: 858

(1) Reimbursement of search and processing costs shall be 859  
the total amount of personnel direct time incurred in locating 860  
and retrieving, reproducing, packaging, and preparing financial 861  
records for shipment. The rate for search and processing costs 862  
shall be eleven dollars per hour per person, computed on the 863  
basis of two dollars and seventy-five cents per quarter hour or 864  
fraction thereof, and shall be limited to the total amount of 865  
personnel time spent in locating and retrieving documents or 866  
information or reproducing or packaging and preparing documents 867  
for shipment where required or requested by a party. Specific 868  
salaries of such persons shall not be included in search costs. 869  
In addition, search and processing costs shall not include 870  
salaries, fees, or similar costs for analysis of material or for 871  
managerial or legal advice, expertise, research, or time spent 872  
for any of these activities. If itemized separately, search and 873  
processing costs may include the actual cost of extracting 874  
information stored by computer in the format in which it is 875  
normally produced, based on computer time and necessary 876  
supplies; however, personnel time for computer search may be 877  
paid for only at the rate specified in division (A)(1) of this 878  
section. 879

(2) Reimbursement for reproduction costs shall be for 880  
costs incurred in making copies of documents required or 881  
requested. The rate for reproduction costs for making copies of 882

required or requested documents shall be twenty-five cents for 883  
each page, including copies produced by reader or printer 884  
reproduction processes. Photographs, films, and other materials 885  
shall be reimbursed at actual cost. 886

(3) Reimbursement for transportation costs shall be for 887  
necessary costs, directly incurred, to transport personnel to 888  
locate and retrieve the information required or requested and 889  
for necessary costs, directly incurred, solely by the need to 890  
convey the required or requested material to the place of 891  
examination. 892

(B) A licensee shall not be entitled to reimbursement for 893  
costs incurred in assembling or providing the following records 894  
or information: 895

(1) Any financial records provided as an incident to 896  
perfecting a security interest, proving a claim in bankruptcy, 897  
or otherwise collecting on a debt owing to the licensee; 898

(2) Financial records that are not identified with or 899  
identifiable as being derived from the financial records of a 900  
particular customer. 901

(C) Payment shall be made only for costs that are directly 902  
incurred, actual, and necessary. No payment shall be made until 903  
the licensee satisfactorily complies with the request or 904  
requirement, except that in the case where the request or 905  
requirement is withdrawn or revoked, the licensee shall be 906  
reimbursed for the actual and necessary costs directly incurred 907  
in assembling financial records required or requested to be 908  
produced prior to the time the party notifies the licensee that 909  
the request or requirement is withdrawn or revoked. No payment 910  
shall be made unless the licensee submits an itemized bill or 911



invoice showing specific details concerning search and 912  
processing, reproduction, and transportation costs. Search and 913  
processing time shall be billed in fifteen-minute increments. 914

(D) As used in this section: 915

(1) "Costs directly incurred" means costs incurred solely 916  
and necessarily as a consequence of searching for, reproducing, 917  
or transporting books, papers, records, or other data, in order 918  
to comply with a request or requirement to produce a customer's 919  
financial records. The term does not include any allocation of 920  
fixed costs, such as overhead, equipment, and depreciation. If a 921  
licensee has financial records that are stored at an independent 922  
storage facility that charges a fee to search for, reproduce, or 923  
transport particular records requested, these costs shall be 924  
considered to be directly incurred by the licensee. 925

(2) "Customer," "financial record," and "governmental 926  
authority" have the same meanings as in section 9.02 of the 927  
Revised Code. 928

**Sec. 1321.669.** (A) In the event books, records, data, and 929  
documents of a licensee are located outside this state, the 930  
division of financial institutions shall issue a records request 931  
to the licensee requesting any books, records, data, and 932  
documents the division may require to conduct its examination, 933  
and providing a date by which the records requested must be 934  
provided. The licensee may provide any requested records using 935  
such methods and medium as the licensee chooses, including, but 936  
not limited to the transmission of electronic records as defined 937  
in section 1306.01 of the Revised Code. The licensee shall 938  
reimburse the division for any expenses the division may incur 939  
in assembling, printing, or otherwise reproducing the materials 940  
provided for under this division. 941

(B) In the event a licensee is unable or unwilling to 942  
provide books, records, data, and documents located outside this 943  
state to the division pursuant to division (A) of this section, 944  
the division may require the licensee to pay in advance the 945  
estimated costs of the examination of the licensee outside the 946  
state, including the proportionate cost of the salaries of 947  
division employees who conduct the examination. The licensee 948  
shall deposit the estimated costs of an out-of-state 949  
examination, as determined by the superintendent of financial 950  
institutions, with the division upon demand. After the actual 951  
costs of the out-of-state examination have been determined, any 952  
funds in the deposit account in excess of costs as itemized by 953  
the division shall be returned to the licensee. 954

**Sec. 1321.67.** (A) For purposes of sections 1321.62 to 955  
1321.702 of the Revised Code, a loan shall be considered closed 956  
upon the signature of the obligor or obligors, unless the loan 957  
contract is not executed by signature, in which case the loan is 958  
considered closed upon disbursement of loan funds. 959

(B) All loans made under sections 1321.62 to 1321.702 of 960  
the Revised Code by direct mail shall be made from a place of 961  
business for which the licensee holds a valid license. 962

(C) Licensees have an ongoing duty to notify the division 963  
of financial institutions of material changes in the information 964  
contained in the application and exhibits, schedules, and other 965  
documentation submitted in conjunction with the application, and 966  
to report all changes or additions to information in the 967  
application within thirty days of the change. Material changes 968  
in the information include changes in affiliations, controlling 969  
interest, officers, directors, criminal record, and any change 970  
in net worth below the requirements set forth in section 1321.65 971

of the Revised Code. 972

(D) Each licensee shall do all of the following: 973

(1) Obtain the written consent of the borrower for any 974  
purchase of insurance on property of the borrower other than 975  
that which is used as security for the loan; 976

(2) Permit payment to be made in advance in any amount on 977  
any contract at any time, but the licensee may apply the payment 978  
first to interest and charges due up to the date of payment; 979

(3) Notify the borrower in writing of any interest rate 980  
change at least thirty but not more than one hundred twenty days 981  
prior to the effective date of the changes, provided that if the 982  
interest rate is tied to a published and verifiable index and 983  
the contractual rate of interest is adjusted within forty-five 984  
days of change in the published index rate, the licensee shall 985  
notify the borrower in writing of any interest rate change at 986  
least thirty days prior to the effective date of the change. The 987  
notice required under division (D)(3) of this section shall 988  
include all of the following: 989

(a) A statement of the borrower's current interest rate 990  
and corresponding monthly payment prior to the reset date; 991

(b) A good faith statement of the borrower's anticipated 992  
future interest rate and corresponding monthly payment following 993  
the reset date; 994

(c) A statement that notifies the borrower to contact the 995  
licensee for workout options in the event that there is a 996  
possible problem of repayment at the new interest rate and 997  
monthly payment following the reset; 998

(d) A toll-free number by which borrowers can discuss 999

possible payment problems and workout options; 1000

(e) An explanation of the index or formula that is being used to reset the interest rate and the source of that index or formula. 1001  
1002  
1003

(4) In the instance of a non-amortized or partially amortized interest-bearing loan, provide the borrower with written notice of maturity at least ninety but not more than one hundred twenty days prior to the expected maturity date; 1004  
1005  
1006  
1007

(5) Clearly indicate by prominently disclosing on, or in, the loan documents, the federal or state statutory authority pursuant to which the loan is made. This prominent disclosure shall be provided on loans made: 1008  
1009  
1010  
1011

(a) Solely in reliance on the provisions of sections 1321.62 to 1321.702 of the Revised Code; 1012  
1013

(b) Partially in reliance on the provisions of sections 1321.62 to 1321.702 of the Revised Code; or 1014  
1015

(c) In reliance on any combination of federal or state provisions that do not include sections 1321.62 to 1321.702 of the Revised Code. 1016  
1017  
1018

(6) In providing any payment history requested by the borrower or by the division, provide a clear and accurate payment statement in a manner a reasonable borrower should understand that sets forth the dates and amounts due and owing and the dates and amounts received and paid. 1019  
1020  
1021  
1022  
1023

(E) A licensee shall not be prohibited from holding other licenses or registrations issued by the division as long as the licensee is in compliance with section 1321.63 of the Revised Code and other applicable provisions of state and federal laws. 1024  
1025  
1026  
1027

(F) A licensee is liable for payment of the annual 1028  
assessment described in division (B) of section 1321.641 of the 1029  
Revised Code on any loan made by the licensee that has been 1030  
sold, transferred, or assigned to another person if servicing 1031  
rights have been retained by the licensee. 1032

**Sec. 1321.671.** (A) Upon repayment of the loan in full, the 1033  
original note signed by any obligor or copy, photograph, or 1034  
stored representation of the original note as retained in 1035  
accordance with sections 1321.66 and 1321.661 of the Revised 1036  
Code shall be plainly marked "paid" or "canceled" and the note 1037  
or the reproduction of the note shall be returned to the obligor 1038  
or, if there are two or more obligors, to one of them. 1039

(B) If requested, the licensee shall give to the borrower 1040  
a receipt for each payment made on account of any interest- 1041  
bearing or precomputed loan. 1042

**Sec. 1321.672.** (A) When, in connection with a loan, a 1043  
licensee furnishes or places insurance written on behalf of the 1044  
borrower at the borrower's expense, a policy or certificate of 1045  
insurance properly executed shall be furnished to the borrower 1046  
within fifteen days of the closing date of the loan. The policy 1047  
or certificate shall state the name of the insurance company, 1048  
the nature of the insurance, the extent of the coverage, the 1049  
amount of the premium, and the effective and expiration dates of 1050  
the policy. 1051

(B) If a licensee furnishes or places credit life 1052  
insurance, credit accident and health insurance, or unemployment 1053  
insurance on behalf of the borrower at the borrower's expense, 1054  
the licensee shall give written notice to the borrower at the 1055  
time the loan is made. The notice shall disclose the borrower's 1056  
right to cancel the insurance within twenty-five days after the 1057

purchase of the insurance with a full refund of the premium or 1058  
identifiable charge for the insurance. The notice shall further 1059  
disclose that the cancellation may be effected upon the written 1060  
request of the borrower together with the return of the policy 1061  
or certificate of insurance to the licensee. 1062

(C) All insurance sold or obtained in connection with the 1063  
making of a loan shall be governed by Title XXXIX of the Revised 1064  
Code. 1065

(D) In any transaction in which the licensee furnishes or 1066  
places insurance on behalf of the borrower at the borrower's 1067  
expense, the licensee shall, prior to furnishing or placing the 1068  
insurance, provide written disclosure to the borrower of the 1069  
business relationship, beneficial ownership or affiliation, 1070  
whether direct or indirect, between the licensee and the 1071  
insurer. 1072

**Sec. 1321.673.** No licensee shall conduct the business of 1073  
making loans under sections 1321.62 to 1321.702 of the Revised 1074  
Code in any office, room, or place of business in which any 1075  
other business is solicited or engaged in, or in association or 1076  
conjunction with any other such business, if the superintendent 1077  
of financial institutions finds, pursuant to a hearing conducted 1078  
in accordance with Chapter 119. of the Revised Code, that the 1079  
other business is of such a nature that the conduct tends to 1080  
conceal evasion of sections 1321.62 to 1321.702 of the Revised 1081  
Code, and orders the licensee in writing to desist from the 1082  
conduct. 1083

**Sec. 1321.674.** Any person that willfully violates section 1084  
1321.68 of the Revised Code shall forfeit to the borrower the 1085  
amount of interest paid by the borrower. The maximum rate of 1086  
interest applicable to any loan transaction that does not comply 1087

with section 1321.68 of the Revised Code shall be the rate that 1088  
would be applicable in the absence of sections 1321.62 to 1089  
1321.702 of the Revised Code. 1090

**Sec. 1321.68.** (A) A licensee may contract for and receive 1091  
interest, calculated according to the actuarial method, at a 1092  
rate or rates not exceeding twenty-five per cent per year on the 1093  
unpaid principal balances of the loan. Loans may be interest- 1094  
bearing or precomputed. 1095

(B) For purposes of computation of time on interest- 1096  
bearing and precomputed loans, including, but not limited to, 1097  
the calculation of interest, a month is considered one-twelfth 1098  
of a year, and a day is considered one three hundred sixty-fifth 1099  
of a year when calculation is made for a fraction of a month. A 1100  
year is as defined in section 1.44 of the Revised Code. A month 1101  
is that period described in section 1.45 of the Revised Code. 1102  
Alternatively, a licensee may consider a day as one three 1103  
hundred sixtieth of a year and each month as having thirty days. 1104

(C) With respect to interest-bearing loans: 1105

(1) (a) Interest shall be computed on unpaid principal 1106  
balances outstanding from time to time, for the time 1107  
outstanding. 1108

(b) As an alternative to the method of computing interest 1109  
set forth in division (C) (1) (a) of this section, a licensee may 1110  
charge and collect interest for the first installment period 1111  
based on elapsed time from the date of the loan to the first 1112  
scheduled payment due date, and for each succeeding installment 1113  
period from the scheduled payment due date to the next scheduled 1114  
payment due date, regardless of the date or dates the payments 1115  
are actually made. 1116

(c) Whether a licensee computes interest pursuant to 1117  
division (C) (1) (a) or (b) of this section, each payment shall be 1118  
applied first to unpaid charges, then to interest, and the 1119  
remainder to the unpaid principal balance. However, if the 1120  
amount of the payment is insufficient to pay the accumulated 1121  
interest, the unpaid interest continues to accumulate to be paid 1122  
from the proceeds of subsequent payments and is not added to the 1123  
principal balance. 1124

(2) Interest shall not be compounded, collected, or paid 1125  
in advance. However, both of the following apply: 1126

(a) Interest may be charged to extend the first monthly 1127  
installment period by not more than fifteen days, and the 1128  
interest charged for the extension may be added to the principal 1129  
amount of the loan. 1130

(b) If part or all of the consideration for a new loan 1131  
contract is the unpaid principal balance of a prior loan, the 1132  
principal amount payable under the new loan contract may include 1133  
any unpaid interest that has accrued. The resulting loan 1134  
contract shall be deemed a new and separate loan transaction for 1135  
purposes of this section. The unpaid principal balance of a 1136  
precomputed loan is the balance due after refund or credit of 1137  
unearned interest as provided in division (D) (3) of this 1138  
section. 1139

(D) With respect to precomputed loans: 1140

(1) Loans shall be repayable in monthly installments of 1141  
principal and interest combined, except that: 1142

(a) The first installment period may exceed one month by 1143  
not more than fifteen days, and the first installment payment 1144  
amount may be larger than the remaining payments by the amount 1145



of interest charged for the extra days; 1146

(b) Monthly installment payment dates may be omitted to 1147  
accommodate borrowers with seasonal income. 1148

(2) Payments may be applied to the combined total of 1149  
principal and precomputed interest until maturity of the loan. A 1150  
licensee may charge interest after the original or deferred 1151  
maturity of a precomputed loan at the rate specified in division 1152  
(A) of this section on all unpaid principal balances for the 1153  
time outstanding. 1154

(3) When any loan contract is paid in full by cash, 1155  
renewal, refinancing, or a new loan, one month or more before 1156  
the final installment due date, the licensee shall refund, or 1157  
credit the borrower with, the total of the applicable charges 1158  
for all fully unexpired installment periods, as originally 1159  
scheduled or as deferred, that follow the day of prepayment. If 1160  
the prepayment is made other than on a scheduled installment due 1161  
date, the nearest scheduled installment due date shall be used 1162  
in such computation. If the prepayment occurs prior to the first 1163  
installment due date, the licensee may retain one-thirtieth of 1164  
the applicable charge for a first installment period of one 1165  
month for each day from date of loan to date of prepayment, and 1166  
shall refund, or credit the borrower with, the balance of the 1167  
total interest contracted for. If the maturity of the loan is 1168  
accelerated for any reason and judgment is entered, the licensee 1169  
shall credit the borrower with the same refund as if prepayment 1170  
in full had been made on the date the judgment is entered. 1171

(4) If the parties agree in writing, either in the loan 1172  
contract or in a subsequent agreement, to a deferment of wholly 1173  
unpaid installments, a licensee may grant a deferment and may 1174  
collect a deferment charge as provided in this section. A 1175

deferment postpones the scheduled due date of the earliest 1176  
unpaid installment and all subsequent installments as originally 1177  
scheduled, or as previously deferred, for a period equal to the 1178  
deferment period. The deferment period is that period during 1179  
which no installment is scheduled to be paid by reason of the 1180  
deferment. The deferment charge for a one-month period may not 1181  
exceed the applicable charge for the installment period 1182  
immediately following the due date of the last undeferred 1183  
installment. A proportionate charge may be made for deferment 1184  
for periods of more or less than one month. A deferment charge 1185  
is earned pro rata during the deferment period and is fully 1186  
earned on the last day of the deferment period. If a loan is 1187  
prepaid in full during a deferment period, the licensee shall 1188  
make, or credit to the borrower, a refund of the unearned 1189  
deferment charge in addition to any other refund or credit made 1190  
for prepayment of the loan in full. 1191

(E) A licensee, at the request of the borrower, may 1192  
obtain, on one or more borrowers, credit life insurance, credit 1193  
accident and health insurance, and unemployment insurance. The 1194  
premium or identifiable charge for the insurance may be included 1195  
in the principal amount of the loan and may not exceed the 1196  
premium rate filed by the insurer with the superintendent of 1197  
insurance and not disapproved by the superintendent. If a 1198  
licensee obtains the insurance at the request of the borrower, 1199  
the borrower shall have the right to cancel the insurance for a 1200  
period of twenty-five days after the loan is made. If the 1201  
borrower chooses to cancel the insurance, the borrower shall 1202  
give the licensee written notice of this choice and shall return 1203  
all of the policies or certificates of insurance or notices of 1204  
proposed insurance to the licensee during such period, and the 1205  
full premium or identifiable charge for the insurance shall be 1206

refunded to the borrower by the licensee. If the borrower 1207  
requests, in the notice to cancel the insurance, that this 1208  
refund be applied to reduce the balance of a precomputed loan, 1209  
the licensee shall credit the amount of the refund plus the 1210  
amount of interest applicable to the refund to the loan balance. 1211  
If the licensee obtains the insurance at the request of the 1212  
borrower, the licensee shall not charge or collect interest on 1213  
any insured amount that remains unpaid after the insured 1214  
borrower's date of death. 1215

(F) A licensee may require the borrower to provide 1216  
insurance or a loss payable endorsement covering reasonable 1217  
risks of loss, damage, and destruction of property used as 1218  
security for the loan and with the consent of the borrower such 1219  
insurance may cover property of the borrower other than that 1220  
which is security for the loan. The amount and term of required 1221  
property insurance shall be reasonable in relation to the amount 1222  
and term of the loan contract and the type and value of the 1223  
security, and the insurance shall be procured in accordance with 1224  
the insurance laws of this state. The purchase of this insurance 1225  
through the licensee or an agent or broker designated by the 1226  
licensee shall not be a condition precedent to the granting of 1227  
the loan. If the borrower purchases the insurance from or 1228  
through the licensee or from another source, the premium may be 1229  
included in the principal amount of the loan. 1230

(G) (1) In addition to the interest and charges provided 1231  
for by this section, no further or other amount, whether in the 1232  
form of broker fees, placement fees, or any other fees 1233  
whatsoever, shall be charged or received by the licensee, except 1234  
that: 1235

(a) The licensee may charge and receive costs and 1236

disbursements in connection with any suit to collect a loan or 1237  
any lawful activity to realize on a security interest after 1238  
default, including reasonable attorney's fees incurred by the 1239  
licensee as a result of the suit or activity and to which the 1240  
licensee becomes entitled by law. 1241

(b) The licensee may include the following additional 1242  
charges in the principal amount of the loan or collect the 1243  
following additional charges at any time after the loan is made: 1244

(i) The amounts of fees authorized by law to record, file, 1245  
or release security interests on a loan; 1246

(ii) Fees received from borrowers to record, file, or 1247  
release a security interest on a loan for purposes either of 1248  
purchasing insurance to insure the licensee against losses for 1249  
failure to record or file or creating a self-insurance fund to 1250  
reimburse the licensee against losses for failure to record or 1251  
file; 1252

(iii) Fees for credit investigations not exceeding twenty- 1253  
five dollars provided a licensee obtains a consumer report in 1254  
connection with an application for a grant, extension, or other 1255  
provision of credit to a consumer that is based in whole or in 1256  
part on the consumer report. 1257

(2) Division (G) (1) of this section does not limit the 1258  
rights of licensees to engage in other transactions with 1259  
borrowers, provided the transactions are not a condition of the 1260  
loan. 1261

(H) If the loan contract or security instrument contains 1262  
covenants by the borrower to perform certain duties pertaining 1263  
to insuring or preserving security and the licensee pursuant to 1264  
the loan contract or security instrument pays for performance of 1265

the duties on behalf of the borrower, the licensee may add the 1266  
amounts paid to the unpaid principal balance of the loan or 1267  
collect them separately. A charge for interest may be made for 1268  
sums advanced not exceeding the rate of interest permitted by 1269  
division (A) of this section. Within a reasonable time after 1270  
advancing a sum, the licensee shall notify the borrower in 1271  
writing of the amount advanced, any interest charged with 1272  
respect to the amount advanced, and any revised payment 1273  
schedule, and shall include a brief description of the reason 1274  
for the advance. 1275

(I) (1) In addition to any other permissible fees and 1276  
charges, a licensee may charge and receive the following: 1277

(a) If the principal amount of the loan is five hundred 1278  
dollars or less, loan origination charges not exceeding fifteen 1279  
dollars; 1280

(b) If the principal amount of the loan is more than five 1281  
hundred dollars but less than one thousand dollars, loan 1282  
origination charges not exceeding thirty dollars; 1283

(c) If the principal amount of the loan is at least one 1284  
thousand dollars but less than two thousand dollars, loan 1285  
origination charges not exceeding one hundred dollars; 1286

(d) If the principal amount of the loan is at least two 1287  
thousand dollars but less than five thousand dollars, loan 1288  
origination charges not exceeding two hundred dollars; 1289

(e) If the principal amount of the loan is at least five 1290  
thousand dollars, loan origination charges not exceeding the 1291  
greater of two hundred fifty dollars or one per cent of the 1292  
principal amount of the loan. 1293

(2) Loan origination charges may be paid by the borrower 1294

at the time of the loan or may be included in the principal 1295  
amount of the loan. 1296

(J) A licensee may charge and receive check collection 1297  
charges not greater than twenty dollars plus any amount passed 1298  
on from other depository institutions for each check, negotiable 1299  
order of withdrawal, share draft, or other negotiable instrument 1300  
returned or dishonored for any reason. 1301

(K) If the loan contract so provides, a licensee may 1302  
collect a default charge on any installment not paid in full 1303  
within ten days after its due date. For this purpose, all 1304  
installments are considered paid in the order in which they 1305  
become due. Any amounts applied to an outstanding loan balance 1306  
as a result of voluntary release of a security interest, sale of 1307  
security on the loan, or cancellation of insurance shall be 1308  
considered payments on the loan, unless the parties otherwise 1309  
agree in writing at the time the amounts are applied. A licensee 1310  
shall not collect more than one default charge per unpaid 1311  
installment regardless of the number of months the installment 1312  
remains fully unpaid. The amount of the default charge shall not 1313  
exceed the greater of five per cent of the scheduled installment 1314  
or fifteen dollars. 1315

**Sec. 1321.681.** (A) For open-end loans, "billing cycle" 1316  
means the time interval between periodic billing dates. A 1317  
billing cycle shall be considered monthly if the closing date of 1318  
the cycle is the same date each month or does not vary by more 1319  
than four days from such date. 1320

(B) A licensee may make open-end loans pursuant to an 1321  
agreement between the licensee and the borrower whereby: 1322

(1) The licensee may permit the borrower to obtain 1323

advances of money from the licensee from time to time or the 1324  
licensee may advance money on behalf of the borrower from time 1325  
to time as directed by the borrower. 1326

(2) The amount of each advance and permitted interest, 1327  
charges, and costs are debited to the borrower's account and 1328  
payments and other credits are credited to the same account. 1329

(3) The interest and charges are computed on the unpaid 1330  
balance or balances of the account from time to time. 1331

(4) The borrower has the privilege of paying the account 1332  
in full at any time or, if the account is not in default, in 1333  
installments of determinable amounts as provided in the 1334  
agreement. 1335

(C) A licensee may contract for and receive interest for 1336  
open-end loans at a rate or rates not exceeding twenty-eight per 1337  
cent per year and may compute interest in each billing cycle by 1338  
either of the following methods: 1339

(1) By multiplying the daily rate by the daily unpaid 1340  
balance of the account, in which case the daily rate is 1341  
determined by dividing the annual rate by three hundred sixty- 1342  
five; 1343

(2) By multiplying the monthly rate by the average daily 1344  
unpaid balance of the account in the billing cycle, in which 1345  
case the average daily unpaid balance is the sum of all of the 1346  
daily unpaid balances each day during the cycle divided by the 1347  
number of days in the cycle. The monthly rate is determined by 1348  
dividing the annual rate by twelve. 1349

(D) The billing cycle shall be monthly and the unpaid 1350  
balance on any day shall be determined by adding to any balance 1351  
unpaid as of the beginning of that day all advances and 1352

permitted interest, charges, and costs and deducting all 1353  
payments and other credits made or received that day. 1354

(E) In addition to the interest permitted in division (C) 1355  
of this section, a licensee may charge and receive or add to the 1356  
unpaid balance any or all of the following: 1357

(1) All charges and costs authorized by divisions (E), 1358  
(F), (G), (H), and (J) of section 1321.68 of the Revised Code; 1359

(2) An annual credit line charge, for the privilege of 1360  
maintaining a line of credit, as follows: 1361

(a) For the first year: 1362

(i) If the original credit line is less than five thousand 1363  
dollars, an amount not exceeding one hundred fifty dollars; 1364

(ii) If the original credit line is at least five thousand 1365  
dollars, an amount not exceeding the greater of one per cent of 1366  
the original credit line or two hundred fifty dollars. 1367

(b) For subsequent years, an amount not exceeding the 1368  
greater of one-half per cent of the credit line on the 1369  
anniversary date or fifty dollars. 1370

(3) A default charge on any required minimum payment not 1371  
paid in full within ten days after its due date. For this 1372  
purpose, all required minimum payments are considered paid in 1373  
the order in which they become due. The amount of the default 1374  
charge shall not exceed the greater of five per cent of the 1375  
required minimum payment or twenty dollars. 1376

(F) The borrower at any time may pay all or any part of 1377  
the unpaid balance on the account or, if the account is not in 1378  
default, the borrower may pay the unpaid balance in installments 1379  
subject to minimum payment requirements as determined by the 1380



licensee and set forth in the open-end loan agreement. 1381

(G) If credit life insurance or credit accident and health 1382  
insurance is obtained by the licensee and if the insured dies or 1383  
becomes disabled when there is an outstanding open-end loan 1384  
indebtedness, the insurance shall be sufficient to pay the 1385  
unpaid balance on the loan due on the date of the borrower's 1386  
death in the case of credit life insurance or all minimum 1387  
payments that become due on the loan during the covered period 1388  
of disability in the case of credit accident and health 1389  
insurance. The additional charge for credit life insurance, 1390  
credit accident and health insurance, or unemployment insurance 1391  
shall be calculated each billing cycle by applying the current 1392  
monthly premium rate for the insurance, filed by the insurer 1393  
with the superintendent of insurance and not disapproved by the 1394  
superintendent, to the unpaid balances in the borrower's 1395  
account, using one of the methods specified in division (C) of 1396  
this section for the calculation of interest. No credit life 1397  
insurance, credit accident and health insurance, or unemployment 1398  
insurance written in connection with an open-end loan shall be 1399  
canceled by the licensee because of delinquency of the borrower 1400  
in making the required minimum payments on the loan unless one 1401  
or more such payments is past due for a period of thirty days or 1402  
more. The licensee shall advance to the insurer the amounts 1403  
required to keep the insurance in force during such period, 1404  
which amounts may be debited to the borrower's account. 1405

(H) Whenever there is no unpaid balance in an open-end 1406  
loan account, the account may be terminated by written notice, 1407  
by the borrower or the licensee, to the other party. 1408

**Sec. 1321.69.** (A) A licensee shall not permit any borrower 1409  
to be indebted for a loan made under sections 1321.62 to 1410

1321.702 of the Revised Code at any time while the borrower is 1411  
also indebted to an affiliate or agent of the licensee for a 1412  
loan made under sections 1321.01 to 1321.19 or sections 1321.51 1413  
to 1321.60 of the Revised Code for the purpose or with the 1414  
result of obtaining greater charges than otherwise would be 1415  
permitted by sections 1321.62 to 1321.702 of the Revised Code. 1416

(B) A licensee shall not induce or permit any person to 1417  
become obligated to the licensee under sections 1321.62 to 1418  
1321.702 of the Revised Code, directly or contingently, or both, 1419  
under more than one contract of loan at the same time for the 1420  
purpose or with the result of obtaining greater charges than 1421  
would otherwise be permitted by sections 1321.62 to 1321.702 of 1422  
the Revised Code. 1423

(C) A licensee shall not fail to provide information 1424  
regarding the amount required to pay in full a loan made under 1425  
sections 1321.62 to 1321.702 of the Revised Code within five 1426  
business days after the receipt of a written request from a 1427  
borrower or by another person designated in writing by the 1428  
borrower. 1429

(D) A licensee shall not obtain a license through any 1430  
false or fraudulent representation of a material fact or any 1431  
omission of a material fact required by state or federal law, or 1432  
make any substantial misrepresentation in the application to 1433  
engage in lending under sections 1321.62 to 1321.702 of the 1434  
Revised Code. 1435

(E) A licensee, in connection with the business of making 1436  
or offering to make a loan, shall not knowingly make false or 1437  
misleading statements of a material fact, omissions of 1438  
statements required by state or federal law, or false promises 1439  
regarding a material fact, through advertising or other means, 1440

or knowingly engage in a continued course of misrepresentations. 1441

(F) A licensee, or person making loans without a license 1442  
in violation of section 1321.63 of the Revised Code, shall not 1443  
knowingly engage in conduct, in connection with the business of 1444  
making or offering to make loans under sections 1321.62 to 1445  
1321.702 of the Revised Code, that constitutes improper, 1446  
fraudulent, or dishonest dealings. 1447

(G) A licensee or applicant for a license shall not fail 1448  
to notify the division of financial institutions within thirty 1449  
days after having a license, or comparable authority, revoked in 1450  
any governmental jurisdiction. 1451

(H) A licensee shall not knowingly make, propose, or 1452  
solicit fraudulent, false, or misleading statements on any loan 1453  
document or on any document related to a loan. For purposes of 1454  
this division, "fraudulent, false, or misleading statements" 1455  
does not include mathematical errors, inadvertent transposition 1456  
of numbers, typographical errors, or any other bona fide error. 1457

(I) A licensee shall not knowingly instruct, solicit, 1458  
propose, or otherwise cause a borrower to sign in blank a loan- 1459  
related document in connection with a loan. 1460

(J) A licensee shall not take any note or other promise to 1461  
pay that does not set forth the entire agreement made with the 1462  
borrower. 1463

(K) A licensee shall not take any note or promise to pay 1464  
in which blanks are left to be filled in after execution. 1465

(L) A licensee shall not charge or collect interest prior 1466  
to the date of disbursement of the loan funds to the borrower. 1467

(M) A licensee shall not make a new loan for the purpose 1468

of paying any part of the interest or principal due on an 1469  
existing loan with the same licensee unless the interest and 1470  
principal balance of the existing loan is paid in full from the 1471  
proceeds of the new loan. 1472

(N) Notwithstanding any provision of sections 1321.62 to 1473  
1321.702 of the Revised Code to the contrary, no licensee shall 1474  
give, or advertise an offer to give, any article, merchandise, 1475  
reward-program benefit, or any other thing of value, as 1476  
inducement to a borrower or prospective borrower to obtain a 1477  
loan, unless the cost of the thing of value is absorbed by the 1478  
licensee as general overhead, rather than directly charged to 1479  
the borrower who received the thing of value. 1480

**Sec. 1321.70.** (A) The division of financial institutions 1481  
may, upon written notice to the licensee stating the 1482  
contemplated action, the grounds for the action, and the 1483  
licensee's reasonable opportunity to be heard on the action in 1484  
accordance with Chapter 119. of the Revised Code, revoke, 1485  
suspend, or refuse to renew any license issued under sections 1486  
1321.62 to 1321.702 of the Revised Code if it finds a violation 1487  
of or failure to comply with any provision of sections 1321.62 1488  
to 1321.702 of the Revised Code or the rules adopted thereunder, 1489  
any federal lending law, or any other law applicable to the 1490  
business conducted under a license. 1491

(B) In addition to, or in lieu of, any revocation, 1492  
suspension, or denial, the division may impose a monetary fine 1493  
after administrative hearing or in settlement of matters subject 1494  
to claims under division (A) of this section. 1495

(C) The revocation, suspension, or refusal to renew shall 1496  
not impair the obligation of any pre-existing lawful contract 1497  
made under sections 1321.62 to 1321.702 of the Revised Code; 1498

provided, however, that a prior licensee shall make good faith 1499  
efforts to promptly transfer the licensee's collection rights to 1500  
another licensee or person exempt from licensing, or be subject 1501  
to additional monetary fines and legal or administrative action 1502  
by the division. Nothing in this division shall limit a court's 1503  
ability to impose a cease-and-desist order preventing any 1504  
further business or servicing activity. 1505

(D) (1) The superintendent of financial institutions may 1506  
impose a fine for a violation of sections 1321.62 to 1321.702 of 1507  
the Revised Code committed by a licensee. All fines collected 1508  
pursuant to this section shall be paid to the treasurer of state 1509  
to the credit of the consumer finance fund created in section 1510  
1321.21 of the Revised Code. In determining the amount of a fine 1511  
to be imposed pursuant to this division, the superintendent may 1512  
consider all of the following to the extent it is known to the 1513  
division: 1514

(a) The seriousness of the violation; 1515

(b) The licensee's good faith efforts to prevent the 1516  
violation; 1517

(c) The licensee's history regarding violations and 1518  
compliance with division orders; 1519

(d) The licensee's financial resources; 1520

(e) Any other matters the superintendent considers 1521  
appropriate in enforcing sections 1321.62 to 1321.702 of the 1522  
Revised Code. 1523

(2) Monetary fines imposed under division (D) (1) of this 1524  
section shall not exceed twenty-five thousand dollars. 1525

(E) The superintendent may investigate alleged violations 1526

of sections 1321.62 to 1321.702 of the Revised Code, or the 1527  
rules adopted thereunder, or complaints concerning any such 1528  
violation. The superintendent may make application to the court 1529  
of common pleas for an order enjoining any violation and, upon a 1530  
showing by the superintendent that a person has committed, or is 1531  
about to commit, a violation, the court shall grant an 1532  
injunction, restraining order, or other appropriate relief. The 1533  
superintendent, in making application to the court of common 1534  
pleas for an order enjoining a person from acting as a licensee 1535  
in violation of section 1321.63 of the Revised Code, may also 1536  
seek and obtain civil penalties for that unlicensed conduct in 1537  
an amount not to exceed five thousand dollars per violation. 1538

(F) In conducting an investigation pursuant to this 1539  
section, the superintendent may compel, by subpoena, witnesses 1540  
to testify in relation to any matter over which the 1541  
superintendent has jurisdiction, and may require the production 1542  
or photocopying of any book, record, or other document 1543  
pertaining to such matter. If a person fails to file any 1544  
statement or report, obey any subpoena, give testimony, produce 1545  
any book, record, or other document as required by such a 1546  
subpoena, or permit photocopying of any book, record, or other 1547  
document subpoenaed, the court of common pleas of any county in 1548  
this state, upon application made to it by the superintendent, 1549  
shall compel obedience by attachment proceedings for contempt, 1550  
as in the case of disobedience of the requirements of a subpoena 1551  
issued from the court, or a refusal to testify therein. 1552

(G) If the superintendent determines that a person is 1553  
engaged in, or is believed to be engaged in, activities that may 1554  
constitute a violation of sections 1321.62 to 1321.702 of the 1555  
Revised Code, the superintendent may, after notice and a hearing 1556  
conducted in accordance with Chapter 119. of the Revised Code, 1557

issue a cease-and-desist order. The superintendent, in taking 1558  
administrative action to enjoin a person from acting as a 1559  
licensee in violation of section 1321.63 of the Revised Code, 1560  
may also seek and impose fines for those violations in an amount 1561  
not to exceed five thousand dollars per violation. Such an order 1562  
shall be enforceable in the court of common pleas. 1563

(H) The superintendent shall regularly report violations 1564  
of sections 1321.62 to 1321.702 of the Revised Code, as well as 1565  
enforcement actions and other relevant information, to the 1566  
NMLSR. 1567

(I) (1) To protect the public interest, the superintendent 1568  
may, without a prior hearing, do either of the following: 1569

(a) Suspend any licensee who violates section 1321.65 of 1570  
the Revised Code; 1571

(b) Suspend any licensee who fails to comply with a 1572  
request made by the superintendent under this section. 1573

(2) The superintendent may, in accordance with Chapter 1574  
119. of the Revised Code, subsequently revoke any license 1575  
suspended under division (I) (1) of this section. 1576

**Sec. 1321.701.** (A) The attorney general may directly bring 1577  
an action to enjoin a violation of sections 1321.62 to 1321.702 1578  
of the Revised Code with the same rights, privileges, and powers 1579  
as those described in section 1345.06 of the Revised Code. The 1580  
prosecuting attorney of the county in which the action may be 1581  
brought may bring an action to enjoin a violation of sections 1582  
1321.62 to 1321.702 of the Revised Code only if the prosecuting 1583  
attorney first presents any evidence of the violation to the 1584  
attorney general and, within a reasonable period of time, the 1585  
attorney general has not agreed to bring the action. 1586

(B) These powers of the attorney general shall be in 1587  
addition to any other applicable powers of the attorney general. 1588

Sec. 1321.702. The superintendent of financial 1589  
institutions may adopt, in accordance with Chapter 119. of the 1590  
Revised Code, rules that are necessary for the enforcement of 1591  
sections 1321.62 to 1321.702 of the Revised Code and that are 1592  
consistent with those sections. Each rule shall contain a 1593  
reference to the section, division, or paragraph of the Revised 1594  
Code to which it applies. The superintendent shall send by 1595  
regular mail to each licensee a copy of each rule that is 1596  
adopted pursuant to this section. 1597

**Section 2.** (A) Section 1 of this act shall take effect on 1598  
July 1, 2017. 1599

(B) Beginning on the effective date of this section, the 1600  
Superintendent of Financial Institutions may take whatever 1601  
actions the Superintendent considers necessary to ensure full 1602  
compliance with this act by July 1, 2017, including the 1603  
acceptance of applications for a license under sections 1321.62 1604  
to 1321.702 of the Revised Code, as enacted by this act. 1605