

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

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Sub. H. B. No. 38

Representative Hillyer

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

Senator Hackett

A BILL

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

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

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

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

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

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

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

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

(1) Is domiciled in this state; 43

(2) Maintains offices and operating facilities exclusively 44

in this state and transacts business in this state; 45

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

(4) Is organized for profit; 48

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

that chapter. 161

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

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

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

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

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

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

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

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

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

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

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

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

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

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

about which a commercial credit report has been compiled. 219

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Utilize the national multistate licensing system for 276

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

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

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

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

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

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

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

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

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

(D) With respect to precomputed loans: 348

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

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

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

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

time outstanding. 362

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

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

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

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

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

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

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

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

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

or release security interests on a loan; 454

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1322.01. As used in this chapter: 529

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

withholdings. 625

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Takes a residential mortgage loan application; 693

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

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

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

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

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

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

thereof; 711

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) For any resident in this state; 852

(2) For any property in this state; 853

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

home, or industrialized unit, 913

~~(4) Assist the borrower in completing the residential~~ 914
~~mortgage loan application.~~ 915

~~(G) A bona fide nonprofit organization that is recognized~~ 916
~~as tax exempt under 26 U.S.C. 501(c)(3) and whose primary~~ 917
~~activity is the construction, remodeling, or rehabilitation of~~ 918
~~homes for use by low income families, provided that the~~ 919
~~organization makes no profit mortgage loans or mortgage loans at~~ 920
~~zero per cent interest to low income families and no fees accrue~~ 921
~~directly to the organization from those mortgage loans and that~~ 922
~~the United States department of housing and urban development~~ 923
~~does not deny this exemption;~~ 924

(H) A credit union service organization, provided that the 925
organization utilizes services provided by registered mortgage 926
loan originators or that it holds a valid letter of exemption 927
issued by the superintendent of financial institutions under 928
division (B) (1) of section 1322.05 of the Revised Code. 929

(I) A depository institution not otherwise required to be 930
licensed under this chapter that voluntarily makes a filing on 931
the nationwide mortgage licensing system and registry as an 932
exempt entity for the purpose of licensing loan originators 933
exclusively associated with the institution and that holds a 934
valid letter of exemption issued by the superintendent pursuant 935
to division (B) (1) of section 1322.05 of the Revised Code. 936

Sec. 1322.07. (A) (1) No person, on the person's own behalf 937
or on behalf of any other person, shall ~~act engage in the~~ 938
transaction of business as a mortgage lender, mortgage servicer, 939
or mortgage broker in this state without first having obtained a 940
certificate of registration from the superintendent of financial 941

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

writing by the superintendent due to exigent circumstances. 1234

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

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

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

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

under this chapter. 1264

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

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

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

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

under this chapter. 1294

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

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

bond. 1325

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

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

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

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

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

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

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

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

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

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

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

licensee complies with this section. 1415

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

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

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

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

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

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

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

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

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

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

or entity. 1474

(B) No registrant or entity holding a letter of exemption 1475
issued under this chapter shall: 1476

(1) Receive, directly or indirectly, a premium on the fees 1477
charged for services performed by a bona fide third party; 1478

(2) Pay or receive, directly or indirectly, a referral fee 1479
or kickback of any kind to or from a bona fide third party or 1480
other party with a related interest in the transaction, 1481
including a home improvement builder, real estate developer, or 1482
real estate broker or agent, for the referral of business. 1483

Sec. 1322.50. (A) After notice and opportunity for a 1484
hearing conducted in accordance with Chapter 119. of the Revised 1485
Code, the superintendent of financial institutions may do the 1486
following: 1487

(1) Suspend, revoke, or refuse to issue or renew a 1488
certificate of registration ~~or,~~ license, or letter of exemption 1489
if the superintendent finds any of the following: 1490

(a) A violation of or failure to comply with any provision 1491
of this chapter or the rules adopted under this chapter, federal 1492
lending law, or any other law applicable to the business 1493
conducted under a certificate of registration or license; 1494

(b) A conviction of or guilty or nolo contendere plea to a 1495
felony in a domestic, foreign, or military court; 1496

(c) A conviction of or guilty or nolo contendere plea to 1497
any criminal offense involving theft, receiving stolen property, 1498
embezzlement, forgery, fraud, passing bad checks, money 1499
laundering, breach of trust, dishonesty, or drug trafficking, or 1500
any criminal offense involving money or securities, in a 1501

domestic, foreign, or military court; 1502

(d) The revocation of a certificate of registration or 1503
mortgage loan originator license, or any comparable authority, 1504
in any governmental jurisdiction. 1505

(2) Impose a fine of not more than one thousand dollars, 1506
for each day a violation of a law or rule is committed, 1507
repeated, or continued. If the registrant, letter of exemption 1508
holder, or licensee engages in a pattern of repeated violations 1509
of a law or rule, the superintendent may impose a fine of not 1510
more than two thousand dollars for each day the violation is 1511
committed, repeated, or continued. All fines collected pursuant 1512
to this division shall be paid to the treasurer of state to the 1513
credit of the consumer finance fund created in section 1321.21 1514
of the Revised Code. In determining the amount of a fine to be 1515
imposed pursuant to this division, the superintendent may 1516
consider all of the following, to the extent known by the 1517
division of financial institutions: 1518

(a) The seriousness of the violation; 1519

(b) The registrant's or licensee's good faith efforts to 1520
prevent the violation; 1521

(c) The registrant's or licensee's history regarding 1522
violations and compliance with division orders; 1523

(d) The registrant's or licensee's financial resources; 1524

(e) Any other matters the superintendent considers 1525
appropriate in enforcing this chapter. 1526

(B) The superintendent may investigate alleged violations 1527
of this chapter or the rules adopted under this chapter or 1528
complaints concerning any violation. 1529

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

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

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

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

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

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

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

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

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

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

place of business. 1589

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

printing error. 1852

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

(i) A waiver of all fees, costs, or expenses proximately 1854
associated with the failure to provide the notice to the debtor; 1855
or 1856

(ii) Actual damages. 1857

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Notice of Cancellation 2003

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

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

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

I hereby cancel this transaction. 2012

Dated: _____ 2013

(Buyer's signature)" 2014

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

(D) No credit services organization shall breach a 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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