



Ohio Revised Code

Section 1109.20 Interest and finance charge rates.

Effective: March 20, 2019

Legislation: House Bill 489 - 132nd General Assembly

(A) A bank may contract for and receive interest or finance charges at any rate or rates agreed upon or consented to by the parties to the loan contract, extension of credit, or revolving credit agreement, but not exceeding an annual percentage rate of twenty-five per cent. In addition, a bank may charge, collect, and receive, as interest, other fees and charges that are agreed upon by the bank and the borrower, including, but not limited to, periodic membership fees, cash advance fees, charges for exceeding a designated credit limit, charges for late payments, charges for the return of a dishonored check or other payment instrument, guarantee fees, origination fees, processing fees, application fees, and prepayment fees. Any fees and charges charged, collected, or received by a bank in accordance with this division shall not be included in the computation of the annual percentage rate or the rates of interest or finance charges for purposes of applying the twenty-five per cent limitation.

The computation of the loan balance on which interest and finance charges are assessed and the method of compounding interest on the balance shall be as agreed upon by the bank and the borrower.

(B) For the purposes of section 85 of the "National Bank Act," 48 Stat. 191 (1933), 12 U.S.C.A. 85, and section 521 of the "Depository Institutions Deregulation and Monetary Control Act of 1980," 94 Stat. 132, 12 U.S.C.A. 1831d, both of the following apply:

(1) All the interest and finance charges and other fees and charges authorized under division (A) of this section are deemed to be interest and may be charged, collected, and received as interest by a bank.

(2) All terms, conditions, and other provisions authorized by this section and other provisions contained in any agreement with the borrower, including, but not limited to, terms, conditions, and other provisions relating to the method of determining the balance upon which interest or finance charges are applied, time periods within which fees and charges may be avoided, reasons for default and rights to cure any default, rights to accelerate payments, account cancellation, choice of law, and



change-in-terms requirements, are deemed to be material to the determination of the interest rate.

(C) Any agreement between a bank and a borrower, wherever the borrower's place of residence, shall be governed solely by the laws of this state and federal law, unless otherwise provided for in the agreement.

(D) Subject to any requirements under applicable federal law, a bank and a borrower may specify in their agreement any terms and conditions for modifying or amending the agreement.

(E) The charging, collection, or receipt of the interest and finance charges, and other fees and charges authorized under this section are deemed not to violate any provision of the Revised Code that prescribes, regulates, or limits any fee, charge, rate of interest, or finance charges.