



Ohio Revised Code

Section 1321.69 Consumer installment loan licensee prohibitions.

Effective: September 12, 2017

Legislation: Senate Bill 24 - 132nd General Assembly

(A) A licensee shall not permit any borrower to be indebted for a loan made under sections 1321.62 to 1321.702 of the Revised Code at any time while the borrower is also indebted to an affiliate or agent of the licensee for a loan made under sections 1321.01 to 1321.19 or sections 1321.51 to 1321.60 of the Revised Code for the purpose or with the result of obtaining greater charges than otherwise would be permitted by sections 1321.62 to 1321.702 of the Revised Code.

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

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

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

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

(F) A licensee, or person making loans without a license in violation of section 1321.63 of the Revised Code, shall not knowingly engage in conduct, in connection with the business of making or



offering to make loans under sections 1321.62 to 1321.702 of the Revised Code, that constitutes improper, fraudulent, or dishonest dealings.

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

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

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

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

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

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

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

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