



## Ohio Revised Code

### Section 1733.25 Loans - interest.

Effective: September 1, 2008

Legislation: House Bill 545 - 127th General Assembly

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(A) A credit union may make loans or other extensions of credit to members for provident and productive purposes as authorized by law, including rules adopted by the superintendent of credit unions; the articles; and the regulations; and subject to policies adopted by the credit committee and approved by the board of directors.

(B) Upon the approval of the board of directors, a credit union may make loans or other extensions of credit to other credit unions, provided that loans or other extensions of credit made to other credit unions need not have the approval of the board of directors on a per case basis. The total of all such loans or other extensions of credit, including the aggregate of all money paid into any trust established by one or more credit unions for the purpose of making loans or other extensions of credit to other credit unions, shall not exceed twenty-five per cent of the shares and undivided earnings of the lending credit union, except that this percentage limitation does not apply to corporate credit unions.

(C) The interest on any loan or other extension of credit made by a credit union shall not exceed one and one-half per cent per month on unpaid balances. Such interest may accrue and be chargeable upon a monthly basis, and may be computed upon the unpaid balance of the loan or other extension of credit as of the end of the previous calendar month.

Such interest may be accrued and charged by any technique approved by the superintendent so long as the effective interest rate on any loan or other extension of credit does not exceed the amount permitted to be charged by the computation authorized in this division.

(D) A credit union may accept security in such form and under rules as shall be set forth in the articles, the regulations, or established by the credit committee and approved by the board of directors.

(E)(1) The credit union shall have a lien on the membership share, shares, deposits, and accumulated



dividends and interest of a member in an individual, joint, trust, or payable on death account for any obligation owed to the credit union by that member or for any loan co-signed or guaranteed by the member or account holder; provided, however, that a credit union shall not have a lien upon the funds in an individual retirement account or an account established pursuant to the Internal Revenue Code of the United States.

(2) A credit union may refuse to allow withdrawals from any share or deposit account by a member while the member has any outstanding obligation to the credit union.

(F)(1) Subject to division (F)(2) of this section and any restrictions or requirements established by the superintendent, in connection with any loan or extension of credit, a credit union may enter into a debt suspension agreement or debt cancellation contract with the borrower or borrowers.

(2) A credit union shall not offer or finance, directly or indirectly, a debt suspension agreement or debt cancellation contract requiring a lump sum, single payment for the agreement or contract payable at the outset of the agreement or contract, if the debt subject to the agreement or contract is secured by one to four family, residential real property.

(3) For purposes of division (F) of this section, "debt cancellation contract" and "debt suspension agreement" have the same meanings as in 12 C.F.R. part 37.