



## Ohio Administrative Code Rule 1301:8-2-12 Prohibitions.

Effective: July 1, 2008

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(A) No small loan licensee shall take any note or other promise to pay that does not set forth the entire agreement made with the borrower.

(B) No small loan licensee shall charge or collect interest prior to the date of disbursement of the loan funds to the borrower.

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

(D) A small loan licensee shall not collect more than one default charge per unpaid installment regardless of the number of months the installment remains fully unpaid.

(E) No lender regulated or licensed in another state under a loan law similar in principle to sections 1321.01 to 1321.19 of the Revised Code operating under the provision of section 1321.17 of the Revised Code shall close loans in Ohio, by face-to-face, personal contact in this state between the lender, employee, agent or attorney of the lender and the borrower or borrower's agent without first obtaining a license to conduct business under sections 1321.01 to 1321.19 of the Revised Code. For purposes of this rule, a bona fide third party title agency, notary, insured depository, or attorney which is suggested as part of a list of three or more recommended but not required closing providers, shall not be considered an agent of the lender. Nothing in this rule shall prohibit a qualified out of state lender from creating a list of disapproved vendors, nor shall persons selected by the borrower only to witness the borrower's signature in compliance with a list be considered an agent of the lender.

(F) Loans made pursuant to sections 1321.01 to 1321.19 of the Revised Code shall not be sold, transferred or assigned to or collected by persons other than a small loan licensee pursuant to sections 1321.01 to 1321.19 of the Revised Code or an exempt entity described in section 1321.02 of



the Revised Code that is properly conducting business under and as permitted by any law or authority referred to in that section. The small loan licensee is liable for payment of the annual assessment described in section 1321.20 of the Revised Code on any loan made by the small loan licensee which has been sold, transferred, or assigned to another person if servicing rights have been retained by the small loan licensee.