



Ohio Administrative Code

Rule 1301:8-7-38 Error resolution procedures.

Effective: September 19, 2025

(A) A mortgage servicer will comply with this rule for any written notice from the borrower that asserts an error and that includes the name of the borrower, information that enables the mortgage servicer to identify the borrower's residential mortgage loan account, and the error the borrower believes has occurred. A notice on a payment coupon or other payment form supplied by the mortgage servicer need not be treated by the mortgage servicer as a notice of error. A qualified written request that asserts an error relating to the servicing of a residential mortgage loan is a notice of error for purposes of this rule, and a mortgage servicer will comply with all requirements applicable to a notice of error with respect to such qualified written request.

(B) As used in this rule, "error" means any of the following:

(1) Failure to accept a payment that conforms to the mortgage servicer's written requirements for the borrower to follow in making payments;

(2) Failure to apply an accepted payment to principal, interest, escrow, or other charges under the terms of the residential mortgage loan and applicable law;

(3) Failure to credit a payment to a borrower's mortgage loan account as of the date of receipt in violation of paragraph (Q) of rule 1301:8-7-16 of the Administrative Code;

(4) Failure to pay taxes, insurance premiums, or other charges, including charges that the borrower and mortgage servicer have voluntarily agreed that the mortgage servicer should collect and pay, in a timely manner as required by paragraph (A) of rule 1301:8-7-37 of the Administrative Code, or to refund an escrow account balance as required by paragraph (B) of rule 1301:8-7-37 of the Administrative Code;

(5) Imposition of a fee or charge that the mortgage servicer lacks a reasonable basis to impose upon the borrower;



(6) Failure to provide an accurate payoff balance amount not more than seven business days following a borrower's request, or, if unable to do so within seven business days because a residential mortgage loan is in bankruptcy or foreclosure, because the residential mortgage loan is a reverse mortgage, or because of natural disasters or other similar circumstances, then within a reasonable time;

(7) Failure to transfer accurately and timely information relating to the servicing of a borrower's residential mortgage loan account to a transferee mortgage servicer;

(8) Any other error relating to the servicing of a borrower's residential mortgage loan.

(C) A mortgage servicer may, by written notice provided to a borrower, establish an address that a borrower must use to submit a notice of error in accordance with the procedures in this rule. The notice will include a statement that the borrower must use the established address to assert an error. If a mortgage servicer designates a specific address for receiving notices of error, the mortgage servicer will designate the same address for receiving information requests pursuant to paragraph (B) of rule 1301:8-7-39 of the Administrative Code. A mortgage servicer will provide a written notice to a borrower before any change in the address used for receiving a notice of error. A mortgage servicer that designates an address for receipt of notices of error will post the designated address on any web site maintained by the mortgage servicer if the web site lists any contact address for the mortgage servicer.

(D) Within five business days of a mortgage servicer receiving a notice of error from a borrower, the mortgage servicer will provide to the borrower a written response acknowledging receipt of the notice of error.

(E)

(1)

(a) Except as provided in paragraphs (F) and (G) of this rule, a mortgage servicer will respond to a notice of error by doing either of the following:



- (i) Correcting the errors identified by the borrower and providing the borrower with a written notification of the correction, the effective date of the correction, and contact information, including a telephone number, for further assistance;
 - (ii) Conducting a reasonable investigation and providing the borrower with a written notification that includes a statement that the mortgage servicer has determined that no error occurred, a statement of the reason or reasons for this determination, a statement of the borrower's right to request documents relied upon by the mortgage servicer in reaching its determination, information regarding how the borrower can request such documents, and contact information, including a telephone number, for further assistance.
- (b) If during a reasonable investigation of a notice of error, a mortgage servicer concludes that errors occurred other than, or in addition to, the error or errors alleged by the borrower, the mortgage servicer will correct all such additional errors and provide the borrower with a written notification that describes the errors the mortgage servicer identified, the action taken to correct the errors, the effective date of the correction, and contact information, including a telephone number, for further assistance.
- (2) A mortgage servicer may request supporting documentation from a borrower in connection with the investigation of an asserted error, but will not do either of the following:
- (a) Require a borrower to provide such information as a condition of investigating an asserted error;
 - (b) Determine that no error occurred because the borrower failed to provide any requested information without conducting a reasonable investigation pursuant to paragraph (E)(1)(a)(ii) of this rule.
- (3)
- (a) A mortgage servicer will comply with paragraph (E)(1) of this rule within the following time periods:



(i) Not later than seven business days after the mortgage servicer receives the notice of error for errors asserted under paragraph (B)(6) of this rule;

(ii) For all other asserted errors, not later than thirty business days after the mortgage servicer receives the applicable notice of error.

(iii) For all other asserted errors, not later than thirty business days after the mortgage servicer receives the applicable notice of error.

(b) For asserted errors governed by the time limit set forth in paragraph (E)(3)(a)(ii) of this rule, a mortgage servicer may extend the time period for responding by an additional fifteen business days if, before the end of the thirty-day period, the mortgage servicer notifies the borrower of the extension and the reasons for the extension in writing. A mortgage servicer will not extend the time period for responding to errors asserted under paragraph (B)(6) of this rule.

(4) A mortgage servicer will provide to the borrower, at no charge, copies of documents and information relied upon by the mortgage servicer in making its determination that no error occurred within fifteen business days of receiving the borrower's request for such documents. A mortgage servicer is not required to provide documents relied upon that constitute confidential, proprietary, or privileged information. If a mortgage servicer withholds documents relied upon because it has determined that such documents constitute confidential, proprietary, or privileged information, the mortgage servicer will notify the borrower of its determination in writing within fifteen business days of receipt of the borrower's request for such documents.

(5) In its response to a request for documentation under paragraph (E)(4) of this rule, a mortgage servicer may omit location and contact information and personal financial information, other than information about the terms, status, and payment history of the residential mortgage loan, if either of the following applies:

(a) The information pertains to a potential or confirmed successor in interest who is not the requester;

(b) The requester is a confirmed successor in interest and the information pertains to any borrower



who is not the requester.

(F) A mortgage servicer is not required to comply with paragraphs (D) and (E) of this rule if the mortgage servicer corrects all errors asserted by the borrower and notifies the borrower of that correction in writing within five business days of receiving the notice of error

(G)

(1) A mortgage servicer is not required to comply with paragraphs (D), (E), or (I) of this rule if the mortgage servicer reasonably determines that any of the following apply:

(a) The asserted error is substantially the same as an error previously asserted by the borrower for which the mortgage servicer has previously complied with its obligation to respond pursuant to paragraphs (D) and (E) of this rule, unless the borrower provides new and material information to support the asserted error. As used in this paragraph, "new and material information" means information that was not reviewed by the mortgage servicer in connection with investigating a prior notice of the same error and is reasonably likely to change the mortgage servicer's prior determination about the error.

(b) The notice of error is overbroad. A notice of error is overbroad if the mortgage servicer cannot reasonably determine from the notice of error the specific error that the borrower asserts has occurred on a borrower's account. To the extent a mortgage servicer can reasonably identify a valid assertion of an error in a notice of error that is otherwise overbroad, the mortgage servicer will comply with paragraphs (D), (E) and (I) of this rule with respect to that asserted error.

(c) A notice of error is delivered to the mortgage servicer more than one year after either of the following events:

(i) Servicing for the residential mortgage loan that is the subject of the asserted error was transferred from the mortgage servicer receiving the notice of error to a transferee mortgage servicer;

(ii) The residential mortgage loan is discharged.



(2) If a mortgage servicer determines that, pursuant to this paragraph (G), the mortgage servicer is not required to comply with paragraphs (D), (E), and (I) of this rule, the mortgage servicer will notify the borrower of its determination in writing not later than five business days after making such determination. The notice to the borrower will set forth the basis under paragraph (G)(1) of this rule upon which the mortgage servicer has made such determination.

(H) A mortgage servicer will not charge a fee, or require a borrower to make any payment that may be owed on a borrower's account, as a condition of responding to a notice of error.

(I)

(1) After receipt of a notice of error, a mortgage servicer will not, for sixty days, furnish adverse information to any consumer reporting agency regarding any payment that is the subject of the notice of error.

(2) Nothing in this rule limits or restricts a mortgage lender or mortgage servicer from pursuing any remedy it has under applicable law, including initiating foreclosure or proceeding with a foreclosure sale.