



Ohio Revised Code

Section 135.85 Lending institution - duties upon placement of housing linked deposit.

Effective: September 29, 2013

Legislation: House Bill 59 - 130th General Assembly

(A) Upon placement of a housing linked deposit with an eligible lending institution pursuant to division (B) of section 135.84 of the Revised Code, the eligible lending institution shall do both of the following:

(1) Enter into a deposit agreement with the treasurer of state that includes all of the following:

(a) Any requirements necessary to carry out the purposes of sections 135.81 to 135.87 of the Revised Code;

(b) Provisions for any certificate of deposit or other financial institution instrument meeting the requirements described in division (B) of this section and placed for any maturity considered appropriate by the treasurer of state but not exceeding five years;

(c) A specification of the period of time in which the eligible lending institution is to provide the reduced interest rate to an approved applicant.

(2) Lend funds as provided in division (C) of this section and in accordance with the deposit agreement described in this section to each eligible housing linked deposit participant approved by the treasurer of state pursuant to division (A) of section 135.84 of the Revised Code.

(B) Both of the following apply to any certificate of deposit or other financial institution instrument described in division (A)(1)(b) of this section:

(1) The certificate of deposit or other financial institution instrument shall not be renewed upon final maturity.

(2) Interest shall be paid at the times and in the manner prescribed by the treasurer of state.



(C) The loan described in division (A)(2) of this section shall be at a fixed rate of up to three hundred basis points below the present borrowing rate that would apply to the eligible housing linked deposit participant in the absence of approval to participate in the programs described in division (B) of section 135.82 of the Revised Code.

(D) A certificate of compliance with this section in the form and manner prescribed by the treasurer of state shall be provided by the eligible lending institution.

(E)(1) Any delay in payments or default on the part of the eligible housing linked deposit participant does not in any manner affect the deposit agreement between the eligible lending institution and the treasurer of state.

(2) If an eligible lending institution changes the terms of a loan to an eligible housing linked deposit participant because of a delay in payments or default, the housing linked deposit amount shall be returned to the treasurer of state by the eligible lending institution. In which case, the deposit amount plus interest and without early withdrawal penalties shall be returned in a timely manner as prescribed by the treasurer of state.

(F) An eligible lending institution shall comply fully with sections 135.81 to 135.87 of the Revised Code.