



Ohio Revised Code

Section 1317.01 Retail installment sale definitions.

Effective: April 14, 2006

Legislation: House Bill 81 - 126th General Assembly

As used in this chapter:

(A) "Retail installment sale" includes every retail installment contract to sell specific goods, every consumer transaction in which the cash price may be paid in installments over a period of time, and every retail sale of specific goods to any person in which the cash price may be paid in installments over a period of time. "Retail installment sale" does not include a lease-purchase agreement as defined in division (F) of section 1351.01 of the Revised Code nor a layaway arrangement as defined in division (S) of this section.

(B) "Person" includes an individual, corporation, trust, partnership of two or more persons having a joint or common interest, and any other association.

(C)(1) "Goods" means all things, including specially manufactured goods but not including the money in which the price is to be paid or things in action, that satisfy both of the following:

(a) They are movable at the time of identification for sale or identification to the contract for sale;

(b) They are purchased primarily for personal, family, or household purposes.

(2) Nothing in division (C)(1) of this section shall be construed to exempt transactions involving items purchased for other than primarily personal, family, or household purposes from sections 2905.21 to 2905.24 of the Revised Code.

(D) "Specific goods" means goods, including related services, identified and agreed upon at the time a contract to sell or a sale is made.

(E) "Retail" means to dispose of specific goods to, or to acquire specific goods by, a person for use other than for purposes of resale.



(F) "Buyer" means a person that buys or agrees to buy goods or any legal successor in interest of such person.

(G) "Retail buyer" means a buyer that is a party to a retail installment sale, or any legal successor in interest of such person.

(H) "Seller" means a person who sells or agrees to sell goods.

(I) "Retail seller" means a seller that is a party to a retail installment sale.

(J) "Holder of the retail installment contract" means any person to which the money owed by the retail buyer on the retail installment contract has been paid.

(K) "Cash price" means the price measured in dollars, agreed upon in good faith by the parties as the price at which the specific goods which are the subject matter of any retail installment sale would be sold if such sale were a sale for cash to be paid upon delivery instead of a retail installment sale. "Cash price" may include sales taxes.

(L) "Retail installment contract" means any written instrument that is executed in connection with any retail installment sale and is required by section 1317.02 of the Revised Code or is authorized by section 1317.03 of the Revised Code, and includes all such instruments executed in connection with any retail installment sale.

(M) "Contract for sale" and "sale" have the same meanings as in section 1302.01 of the Revised Code; and "security agreement" has the same meaning as in section 1309.102 of the Revised Code.

(N) "Finance charge" means the amount that the retail buyer pays or contracts to pay the retail seller for the privilege of paying the principal balance in installments over a period of time. Any advancement in the cash price ordinarily charged by the retail seller is a finance charge when a retail installment sale is made.

(O) "Service charge" means the amount that the retail buyer pays or contracts to pay the retail seller



for the privilege of paying the principal balance in installments over a period of time in addition to the finance charge for the same privilege.

(P) "Consumer transaction" means a sale, lease, assignment, or other transfer of an item of goods, or a service, except those transactions between persons, defined in sections 4905.03 and 5725.01 of the Revised Code, and their customers, or between attorneys or physicians and their clients or patients, to an individual for purposes that are primarily personal, family, or household. For the purposes of this chapter only, a "consumer transaction" does not include a lease-purchase agreement.

(Q) "Purchase money loan" means a cash advance that is received by a consumer from a creditor in return for a finance charge within the meaning of the "Truth in Lending Act," 82 Stat. 146 (1968), 15 U.S.C.A. 1601 and regulation Z thereunder, which is applied in whole or substantial part to a consumer transaction with a seller, that either:

- (1) Cooperates with the creditor to channel consumers to the creditor on a continuing basis;
- (2) Is affiliated with the creditor by common control, contract, or business arrangement.

If a credit card issued by a bank, savings and loan association, savings bank, or credit union is used by a consumer in a particular consumer transaction, the bank, savings and loan association, savings bank, or credit union is not a creditor, within the meaning of this division, with respect to the particular consumer transaction.

(R) "Dealer" and "motor vehicle" have the same meanings as in section 4501.01 of the Revised Code.

(S)(1) "Layaway arrangement" means a contract for sale at retail, other than one involving the sale of a motor vehicle by a dealer, in which the buyer agrees to buy and the seller agrees to sell specific goods at a future time and both of the following apply:

- (a) Until such future time, the seller agrees to retain possession of but remove the specific goods from its retail inventory and not offer the specific goods for sale to other persons or promises the availability thereof at the agreed time of delivery;



(b) The buyer agrees to pay the seller the layaway price, in whole or in part, by deposit, down payment, part payment, periodically or in installments or otherwise prior to delivery of the specific goods.

(2) A layaway arrangement does not include interest or equivalent financing charges. If a contract of sale is a layaway arrangement, it is not a retail installment sale, and it is not a contract subject to Chapter 1309. or sections 1351.02 to 1351.09 or 1317.02 to 1317.16 of the Revised Code.

(T) "Layaway price" means the price at which the specific goods that are the subject of a layaway arrangement are offered for sale at retail by the seller if such sale were a sale for cash to be paid in full upon delivery on the date the layaway arrangement was entered into instead of pursuant to a layaway arrangement. Layaway price may include sales taxes.