



Ohio Revised Code

Section 1317.06 Finance charge - rates - service charge - contract for payment of delinquent charges.

Effective: September 30, 2025

Legislation: House Bill 96

(A) A retail seller at the time of making any retail installment sale may charge and contract for the payment of a finance charge by the retail buyer and collect and receive the same, which shall not exceed the greater of the following:

(1) A base finance charge at the rate of eight dollars per one hundred dollars per year on the principal balance of the retail installment contract. On retail installment contracts providing for principal balances less than, nor not in multiples of one hundred dollars, or for installment payments extending for a period less than or greater than one year, said finance charge shall be computed proportionately. In addition to the base finance charge, the retail seller may charge and contract for a service charge of fifty cents per month for the first fifty dollar unit or fraction thereof, of the principal balance for each month of the term of the installment contract; and an additional service charge of twenty-five cents per month for each of the next five fifty dollar units or fraction thereof, of the principal balance for each month of the term of the installment contract. This paragraph applies only to retail installment contracts with a principal balance of seven hundred dollars or less.

(2) A pre-computed base finance charge not in excess of the amount obtained by applying the rate of one and one-half per cent per month to the unpaid portion of the unpaid principal balance determined to be outstanding from time to time according to the terms and schedule of payments of the retail installment contract executed in connection with such retail installment sale.

Such base finance charge and service charges may be computed on a basis of a full month for any fractional period in excess of ten days. For a fractional period of a month not in excess of ten days, there shall be no base finance charge or service charge.

Sections 1317.01 to 1317.11 of the Revised Code do not apply to any sale in which the base finance and service charge does not exceed the sum of fifteen dollars.



(B) Every retail seller may, at the time of making any retail installment sale, contract for the payment by the retail buyer of lawful delinquent charges as follows:

(1) No charges shall be made for delinquent payments less than ten days late.

(2) Five cents for each dollar for a delinquent payment that is more than ten days late may be charged, but in no event shall a delinquent charge for any one installment exceed three dollars.

A provision for the payment of interest on any installment not paid in full on or before its scheduled due date at a rate not to exceed one and one-half per cent interest per month is not a delinquent charge and is expressly authorized.

(C)(1) No retail installment contract arising out of a consumer transaction and requiring the payment of the charges authorized by this section shall be executed unless the combined total of the cash price and all finance charges and service charges is required to be paid according to one of the following:

(a) A schedule of substantially equal consecutive installments, except where the contract contains a provision allowing the buyer to refinance the contract under terms no less favorable than those of the original contract after making the refund credit required by section 1317.09 of the Revised Code;

(b) A schedule of periodic installments in which no scheduled installment is more than fifty per cent greater than any other scheduled installment, except where the contract contains a provision allowing the buyer to refinance the contract under terms not less favorable than those of the original contract after making the refund credit required by section 1317.09 of the Revised Code.

(2) No seller shall, pursuant to any provision in a retail installment contract arising out of a consumer transaction, accelerate any payments on account of a default in the making of an installment payment that has not continued for at least thirty days. Division (C) of this section does not apply to the extent that the payment schedule is adjusted to the seasonal or irregular income of the buyer.