



Ohio Revised Code

Section 1321.14 Duties of small loan licensee; prohibited acts.

Effective: October 4, 1996

Legislation: Senate Bill 293, House Bill 495 - 121st General Assembly

Licensees under section 1321.01 of the Revised Code shall:

(A) At the time any interest-bearing or precomputed loan is made, deliver to the borrower or, if there are two or more borrowers, to one of them, a statement in the English language disclosing in clear and distinct terms the amount and date of the loan, a schedule of payments or a description thereof, the type of the security, if any, for the loan, the name and address of the licensed office and of each borrower, and the agreed rate of interest, or in lieu thereof, a copy of the instrument evidencing the debt signed by the borrower;

(B) For each payment made on account of any such interest-bearing or precomputed loan, give to the person making it a receipt if requested;

(C) Permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply the payment first to all interest and charges due up to the date of the payment;

(D) Upon repayment of the loan in full, mark plainly every obligation signed by any obligor, or a copy of the signed obligation, "paid" or "canceled" and return it and any pledge to the borrower or, if there are two or more borrowers, to one of them; provided that a continuing obligation in whole or in part is not repayment in full thereof.

No licensee shall take any note or promise to pay in which blanks are left to be filled in after execution.

Any licensee or other person who willfully violates section 1321.13 of the Revised Code shall forfeit to the borrower twice the amount of interest contracted for. The maximum rate of interest applicable to any loan transaction that does not comply with all provisions of section 1321.13 of the Revised Code shall be the rate that would be applicable in the absence of sections 1321.01 to 1321.19 of the Revised Code.



No licensee shall pledge or hypothecate any note or security given by any borrower except with a person residing or maintaining a place of business in this state or with a bank authorized to transact business in this state, under an agreement permitting the division of financial institutions to examine the papers so hypothecated.

The tender by the borrower, or at the borrower's request, of an amount equal to the unpaid balance less the required rebate on a precomputed loan shall be accepted by the licensee in full payment of the loan obligation.

A licensee shall not, directly or indirectly, make any payment, or cause to be made any payment, whether in cash or otherwise, to a dealer in tangible goods or services, or to a retail seller as defined in section 1317.01 of the Revised Code, in connection with the making of a loan to a customer, patron, or other person who has done, or is doing, business with the dealer in tangible goods or services, or the retail seller. This section does not prohibit bona fide advertising practices involving only the borrowers.

The Legislative Service Commission presents the text of this section as a composite of the section as amended by multiple acts of the General Assembly. This presentation recognizes the principle stated in R.C. 1.52(B) that amendments are to be harmonized if reasonably capable of simultaneous operation.