



Ohio Revised Code

Section 1321.62 Consumer Installment Loan Act definitions.

Effective: September 12, 2017

Legislation: Senate Bill 24 - 132nd General Assembly

As used in sections 1321.62 to 1321.702 of the Revised Code:

- (A) "Actuarial method" means the method of allocating payments made on a loan between the principal amount and interest whereby a payment is applied first to the accumulated interest and the remainder to the unpaid principal amount.
- (B) "Advertisement" and "advertising" mean all material printed, published, displayed, distributed, or broadcast, and all material displayed or distributed over the internet, telephone, facsimile, or other electronic transmission, for the purposes of obtaining applications for loans.
- (C) "Affiliation" and "affiliated with" mean controlled by or under common control with another person or enterprise either directly or indirectly through one or more intermediaries.
- (D) "Annual percentage rate" means the ratio of the interest on a loan to the unpaid principal balances on the loan for any period of time, expressed on an annual basis.
- (E) "Applicable charge" means the amount of interest attributable to each monthly installment period of the loan contract, computed as if each installment period were one month and any charge for extending the first installment period beyond one month is ignored. In the case of loans originally scheduled to be repaid in sixty-one months or less, "applicable charge" for any installment period means that proportion of the total interest contracted for, as the balance scheduled to be outstanding during that period bears to the sum of all of the periodic balances, all determined according to the payment schedule originally contracted for. In all other cases, "applicable charge" for any installment period is that which would have been made for such period had the loan been made on an interest-bearing basis, based upon the assumption that all payments were made according to schedule.
- (F) "Assets" means properties of value that are owned by the applicant or licensee, including cash on hand and in depository institutions, readily marketable securities, accounts receivable less



allowances for uncollectible accounts, and real estate less liens and depreciation. "Assets" does not mean office premises, leasehold improvements, office furniture, fixtures, and equipment, or intangible assets.

(G) "Closed-end loan" means any extension of credit other than an open-end loan.

(H) "Collecting" and "collected" means the servicing of a loan or receipt of payments from a borrower for a loan made pursuant to sections 1321.62 to 1321.702 of the Revised Code.

(I) "Consumer report" and "consumer reporting agency" have the same meanings as in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C. 1681a, as amended.

(J) "Control person" means a person that, in the determination of the superintendent of financial institutions, has the authority to direct and control the operations of the applicant.

(K) "Depository institution" has the same meaning as in section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 12 U.S.C. 1813, and includes any credit union.

(L) "Direct mail" means a loan arranged via an application through the mail or internet where the loan proceeds are delivered through the mail or electronic transmission to the benefit of a borrower. A loan is not made by "direct mail" if it is facilitated by face-to-face, personal contact in this state between the lender, lender's employee or agent, or lender's attorney and the borrower or borrower's agent.

(M) "Federal banking agency" means the board of governors of the federal reserve system, the comptroller of the currency, the national credit union administration, and the federal deposit insurance corporation.

(N) "Final entry on a loan" means, as to a particular lender, the latter of the date the loan is paid in full, deemed uncollectible, assigned to another licensee or exempt entity and all records are transferred to the new lender, or discharged or otherwise settled by an order terminating litigation governing the loan transaction.



(O) "Interest" means all charges payable directly or indirectly by a borrower to a licensee as a condition to a loan or an application for a loan, however denominated, but does not include default charges, deferment charges, insurance charges or premiums, court costs, loan origination charges, check collection charges, credit investigation charges, credit line charges, points, or other fees and charges specifically authorized by law.

(P) "Interest-bearing loan" means a loan in which the debt is expressed as the principal amount and interest is computed, charged, and collected on unpaid principal balances outstanding from time to time.

(Q) "Instrument" means a personal check or authorization to transfer or withdraw funds from an account that is signed by the borrower and made payable to a person subject to sections 1321.62 to 1321.702 of the Revised Code.

(R) "License" means a license issued under sections 1321.62 to 1321.702 of the Revised Code.

(S) "Licensee" means any person that has been issued a license.

(T) "Loan agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, or other documents or commitments, or any combination of these documents or commitments, pursuant to which a licensee loans or delays, or agrees to loan or delay, repayment of money, goods, or anything of value, or otherwise extends credit or makes a financial accommodation.

(U) "Net worth" means the excess of assets over liabilities as determined by generally accepted accounting principles.

(V) "NMLSR" means a multistate licensing system developed and maintained by the conference of state bank supervisors and the American association of residential mortgage regulators, or their successor entities, for the licensing and registration of loan originators, or any system established by the secretary of housing and urban development pursuant to the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008," 122 Stat. 2810, 12 U.S.C. 5101.



(W) "Open-end loan" means consumer credit extended by a creditor under a plan to which all of the following conditions apply:

(1) The creditor reasonably contemplates repeated transactions.

(2) The creditor may impose a finance charge from time to time on an outstanding unpaid balance.

(3) The amount of credit that may be extended to the borrower during the term of the plan, up to any limit set by the creditor, is generally made available to the extent that any outstanding balance is repaid.

(X) "Person" means an individual, partnership, association, trust, corporation, or any other legal entity.

(Y) "Precomputed loan" means a loan in which the debt is a sum comprising the principal amount and the amount of interest computed in advance on the assumption that all scheduled payments will be made when due.

(Z) "Principal amount" means the amount of cash paid to, or paid or payable for the account of, the borrower, and includes any charge, fee, or expense that is financed by the borrower at origination of the loan or during the term of the loan.

(AA) "Refinance" means a loan the proceeds of which are used in whole or in part to pay the unpaid balance of a prior loan made by the same licensee or any employee or affiliate of the licensee to the same borrower under sections 1321.62 to 1321.702 of the Revised Code.

(BB) "Residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or on residential real estate upon which is constructed or intended to be constructed a dwelling. For purposes of this division, "dwelling" has the same meaning as in the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1602.

(CC) "State" in the context of referring to states in addition to Ohio means any state of the United



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States, the district of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the trust territory of the Pacific islands, the virgin islands, and the northern Mariana islands.

(DD) "Superintendent of financial institutions" includes the deputy superintendent for consumer finance as provided in section 1181.21 of the Revised Code.