



Ohio Revised Code

Section 1321.67 Closing of loans; duties of licensee.

Effective: September 12, 2017

Legislation: Senate Bill 24 - 132nd General Assembly

(A) For purposes of sections 1321.62 to 1321.702 of the Revised Code, a loan shall be considered closed upon the signature of the obligor or obligors, unless the loan contract is not executed by signature, in which case the loan is considered closed upon disbursement of loan funds.

(B) All loans made under sections 1321.62 to 1321.702 of the Revised Code by direct mail shall be made from a place of business for which the licensee holds a valid license.

(C) Licensees have an ongoing duty to notify the division of financial institutions of material changes in the information contained in the application and exhibits, schedules, and other documentation submitted in conjunction with the application, and to report all changes or additions to information in the application within thirty days of the change. Material changes in the information include changes in affiliations, controlling interest, officers, directors, criminal record, and any change in net worth below the requirements set forth in section 1321.65 of the Revised Code.

(D) Each licensee shall do all of the following:

(1) Obtain the written consent of the borrower for any purchase of insurance on property of the borrower other than that which is used as security for the loan;

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

(3) Notify the borrower in writing of any interest rate change at least thirty but not more than one hundred twenty days prior to the effective date of the changes, provided that if the interest rate is tied to a published and verifiable index and the contractual rate of interest is adjusted within forty-five days of change in the published index rate, the licensee shall notify the borrower in writing of any interest rate change at least thirty days prior to the effective date of the change. The notice required



under division (D)(3) of this section shall include all of the following:

- (a) A statement of the borrower's current interest rate and corresponding monthly payment prior to the reset date;
 - (b) A good faith statement of the borrower's anticipated future interest rate and corresponding monthly payment following the reset date;
 - (c) A statement that notifies the borrower to contact the licensee for workout options in the event that there is a possible problem of repayment at the new interest rate and monthly payment following the reset;
 - (d) A toll-free number by which borrowers can discuss possible payment problems and workout options;
 - (e) An explanation of the index or formula that is being used to reset the interest rate and the source of that index or formula.
- (4) In the instance of a non-amortized or partially amortized interest-bearing loan, provide the borrower with written notice of maturity at least ninety but not more than one hundred twenty days prior to the expected maturity date;
- (5) Clearly indicate by prominently disclosing on, or in, the loan documents, the federal or state statutory authority pursuant to which the loan is made. This prominent disclosure shall be provided on loans made:
- (a) Solely in reliance on the provisions of sections 1321.62 to 1321.702 of the Revised Code;
 - (b) Partially in reliance on the provisions of sections 1321.62 to 1321.702 of the Revised Code; or
 - (c) In reliance on any combination of federal or state provisions that do not include sections 1321.62 to 1321.702 of the Revised Code.



(6) In providing any payment history requested by the borrower or by the division, provide a clear and accurate payment statement in a manner a reasonable borrower should understand that sets forth the dates and amounts due and owing and the dates and amounts received and paid.

(E) A licensee shall not be prohibited from holding other licenses or registrations issued by the division as long as the licensee is in compliance with section 1321.63 of the Revised Code and other applicable provisions of state and federal laws.

(F) A licensee is liable for payment of the annual assessment described in division (B) of section 1321.641 of the Revised Code on any loan made by the licensee that has been sold, transferred, or assigned to another person if servicing rights have been retained by the licensee.