



Ohio Revised Code

Section 1321.39 Short-term loan requirements and restrictions.

Effective: October 29, 2018

Legislation: House Bill 123 - 132nd General Assembly

A licensee may engage in the business of making loans provided that each loan meets all of the following conditions:

(A) The total amount of the loan does not exceed one thousand dollars.

(B)(1) Subject to division (B)(2) of this section, the minimum duration of the loan is ninety-one days and the maximum duration of the loan is one year.

(2) The minimum duration of the loan may be less than ninety-one days if the total monthly payment on the loan does not exceed an amount that is six per cent of the borrower's verified gross monthly income or seven per cent of the borrower's verified net monthly income, whichever is greater.

(C) The loan is made pursuant to a written loan contract that sets forth the terms and conditions of the loan. A copy of the loan contract shall be provided to the borrower. The loan contract shall disclose in a clear and concise manner all of the following:

(1) The total amount of fees and charges the borrower will be required to pay in connection with the loan pursuant to the loan contract;

(2) The total amount of each payment, when each payment is due, and the total number of payments that the borrower will be required to make under the loan contract;

(3) A statement, printed in boldface type of the minimum size of ten points, as follows:

"WARNING: The cost of this loan is higher than the average cost charged by financial institutions, such as banks or credit unions, on substantially similar loans. A financial institution may be able to offer you a similar loan at a lower cost."

(4) A statement, printed in a minimum font size of ten points, which informs the borrower that



complaints regarding the loan or lender may be submitted to the department of commerce division of financial institutions and includes the correct telephone number and mailing address for the department;

(5) Any disclosures required under the "Truth in Lending Act," 82 Stat. 146 (1974), 15 U.S.C. 1601, et seq.;

(6) The annual percentage rate;

(7) A statement, printed in a minimum font size of ten points, as follows: "You have the right to rescind or cancel this loan by returning the originally contracted loan amount by five p.m. of the third business day immediately following the day you enter into this contract."

(8) A statement, printed in a minimum font size of ten points, as follows: "Electronic payment is optional. You have the right to revoke or remove your authorization for electronic payment at any time."

(D) The loan is a precomputed loan and is payable in substantially equal installments consisting of principal, fees, and interest combined. For purposes of this division, "precomputed loan" means a loan in which the debt is a sum comprising the principal amount and the amount of fees and interest computed in advance on the assumption that all scheduled payments will be made when due.

(E) The loan may be rescinded or canceled on or before five p.m. of the third business day immediately following the day of the loan transaction upon the borrower returning the originally contracted loan amount.