Ohio Administrative Code

Rule 109:4-3-20 Refinancing a low rate mortgage.

Effective: January 7, 2007

For purposes of division (B)(4) of section 1345.031 of the Revised Code:

(A) "The current yield on United States treasury securities with a comparable maturity" means the yield as reported by the Federal Reserve on the fifteenth day of the month immediately preceding the month in which the application for the extension of credit is obtained by the supplier, for a United States treasury security with a maturity period equal to that of the consumer's existing loan, or for the United States treasury security with the closest shorter maturity period in the event there is no treasury security of an equal maturity period.

(B) "Discounted introductory rate" means an interest rate that, by the terms of the mortgage loan agreement, will increase at the expiration of the introductory time period or by the occurrence of a specific triggering event to a specific higher interest rate but does not include any mortgage loan agreement where the specific higher interest rate is not known or determinable with certainty at the time of execution of the mortgage loan.

(C) "A rate that automatically steps up over time" means an interest rate that, by terms of the mortgage loan agreement, will increase at known time intervals to a higher specific interest rate but does not include any mortgage loan agreement where the specific higher interest rate is not known or determinable with certainty at the time of the execution of the mortgage loan.

(D) "The fully indexed rate" means the higher interest rate that will be imposed after the expiration of the introductory time period or by the occurrence of a specific triggering event for a mortgage loan agreement in which the current interest rate is a discounted or less than fully amortized interest rate.

(E) "The fully stepped-up rate" means the highest interest rate that will be imposed after all automatic increases have occurred for a mortgage loan agreement in which the current interest rate is a rate that will automatically step-up over time.