



Ohio Administrative Code

Rule 1301:8-2-07 General provisions for small loan licensees.

Effective: [November 28, 2022](#)

(A) Except in the cases of loans made by direct mail, loans where the additional signature of a spouse, co-signor or guarantor is necessary or loans where one or more of the obligors is ill or disabled, no loan agreements, security agreements or other documents or papers involved with the making or renewing of a loan shall be signed by any obligor anywhere other than the licensed premises. In the instances when the additional signature of a spouse, co-signor or guarantor is necessary or when one or more of the obligors is ill or disabled, the signature may be obtained at an address other than that licensed, but in no case may the signature be obtained by any person other than an obligor or an employee of the licensee.

(B) For purposes of sections 1321.01 to 1321.19 of the Revised Code, a loan is 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.

(C) All loans made pursuant to sections 1321.01 to 1321.19 of the Revised Code, if made by direct mail as defined in this chapter, shall be made from a duly licensed location.

(D) Small loan 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 net worth. This notice may be delivered electronically.

(E) The small loan licensee shall notify the borrower:

(1) 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 small loan licensee shall notify the borrower in writing of any interest rate change at least thirty days prior to the effective date of the change.

(2) In the instance of a non-amortized or partially amortized interest-bearing loan, of maturity at least ninety but not more than one hundred twenty days prior to the expected maturity date.

(F) The small loan licensee shall obtain written consent of the borrower for any purchase of insurance on property other than that which is used as security for the loan.

(G) Small loan licensees shall clearly indicate by prominently disclosing on, or in, the loan documents, the federal or state statutory authority pursuant to which a loan is made. For purposes of this chapter, small loan licensees shall be required to provide this prominent disclosure on loans made:

(1) Solely in reliance on the provisions of sections 1321.01 to 1321.19 of the Revised Code;

(2) Partially in reliance on the provisions of sections 1321.01 to 1321.19 of the Revised Code; or

(3) In reliance on any combination of federal or state provisions that do not include sections 1321.01 to 1321.19 of the Revised Code.

(H) A small loan licensee is not prohibited from holding other licenses or registrations issued by the division of financial institutions as long as the small loan licensee is in compliance with sections 1321.12 and 1321.59 of the Revised Code and other applicable provisions of state and federal law.