



Ohio Revised Code

Section 1321.39 Short-term loan requirements and restrictions.

Effective: September 1, 2008

Legislation: House Bill 545 - 127th General Assembly

A licensee under sections 1321.35 to 1321.48 of the Revised Code 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 five hundred dollars.

- (B) The duration of the loan, as specified in the loan contract required under division (C) of this section, is not less than thirty-one days.

- (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 on substantially similar loans."

 - (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 rate of interest contracted for under the loan contract as an annual percentage rate based on the sum of the principal of the loan and the loan origination fee, check collection charge, and all other fees or charges contracted for under the loan contract.

(D) The loan contract includes a provision that offers the borrower an optional extended payment plan that may be invoked by the borrower at any time before the maturity date of the loan. To invoke the extended payment plan, the borrower shall return to the office where the loan was made and sign an amendment to the original loan agreement reflecting the extended terms of the loan. The extended payment plan shall allow the borrower to repay the balance by not less than sixty days from the original maturity date. No additional fees or charges may be applied to the loan upon the borrower entering the extended payment plan. The person originating the loan for the licensee shall identify verbally to the borrower the contract provision regarding the extended payment plan, and the borrower shall verify that the provision has been identified by initialing the contract adjacent to the provision.