



Ohio Revised Code

Section 1321.46 Verification of borrower's income before making short-term loan.

Effective: September 1, 2008

Legislation: House Bill 545 - 127th General Assembly

(A) If more than four hundred persons are licensed under sections 1321.35 to 1321.48 of the Revised Code at any point after September 1, 2009, the superintendent of financial institutions shall develop and make a statewide common database, as implemented by the superintendent, accessible at all times to persons licensed under sections 1321.35 to 1321.48 of the Revised Code and to the superintendent through an internet connection. Licensees shall use the database to determine if a borrower is eligible for a loan. Licensees shall submit the required data in a format as the superintendent prescribes by rule, and verify eligibility before entering into each loan transaction.

(B) If a statewide common database is developed pursuant to division (A) of this section, the superintendent shall adopt rules to administer and enforce this section and to ensure that the database is used by licensees in accordance with this section, including:

(1) A rule requiring that data are retained in the database only as required to ensure licensee compliance with this section;

(2) A rule requiring that identifying borrower information is deleted from the database on a regular and routine basis, twelve months after the transaction is closed;

(3) A rule authorizing the archiving of deleted data, should the superintendent determine that archiving is necessary for the enforcement of this section;

(4) A rule prohibiting the database from ranking the credit worthiness of a borrower and limiting the database so that it may only be used to determine a borrower's eligibility or ineligibility for a loan based on the provisions of this chapter;

(5) A rule requiring that data collected pursuant to this section be used only as prescribed in this



section and for no other purpose;

(6) A rule authorizing the database operator to impose a per transaction fee to be paid by the licensee for data required to be submitted;

(7) A rule prohibiting the database operator from including, in the database, the social security number of any borrower.

(C) The database operator, whether the superintendent or a third party selected by the superintendent pursuant to Chapter 125. of the Revised Code, shall do all of the following:

(1) Establish and maintain a process for responding to transaction verification requests due to technical difficulties with the database that prevent the licensee from accessing the database through the internet;

(2) Provide accurate and secure receipt, transmission, and storage of borrower data;

(3) Designate a transaction as closed within one business day of receiving notification from a licensee;

(4) Take all reasonable measures to ensure the confidentiality of the database and to prevent identity theft.

(D) A licensee may rely on the information contained in the database as accurate and is not subject to any administrative penalty or civil liability as a result of relying on inaccurate information contained in the database.

(E) With respect to the database prescribed in division (A) of this section, any information submitted for incorporation into the database, information in the database itself, or archived information as maintained by the superintendent pursuant to this section is not a public record under section 149.43 of the Revised Code.

(F) If approved by the superintendent, the database operator may impose a per transaction fee for the



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actual costs of entering, accessing, and maintaining data in the database. The fee shall be payable to the database operator in a manner prescribed by the superintendent. A licensee may not charge a customer all or part of the fee.