

**As Introduced**

**127th General Assembly  
Regular Session  
2007-2008**

**H. B. No. 362**

**Representative Hite**

**Cosponsors: Representatives Koziura, Huffman, Wagoner, Daniels,  
Stebelton, Gerberry, Fessler, Stewart, J., DeGeeter, Coley, Hottinger, Book,  
Batchelder**

—

**A B I L L**

To amend sections 1321.01, 1321.57, 1321.58, and 1  
1321.99 of the Revised Code to authorize 2  
additional charges under the Consumer Finance Law 3  
and to prohibit an automated valuation model 4  
provider from reporting a predetermined property 5  
valuation. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 1321.01, 1321.57, 1321.58, and 7  
1321.99 of the Revised Code be amended to read as follows: 8

**Sec. 1321.01.** (A) As used in sections 1321.01 to 1321.19 of 9  
the Revised Code: 10

(1) "Person" includes individuals, partnerships, 11  
associations, trusts, corporations, and all other legal entities. 12

(2) "License" means a license issued under sections 1321.01 13  
to 1321.19 of the Revised Code to make loans at a single place of 14  
business. 15

(3) "Licensee" means a person to whom one or more licenses 16

have been issued. 17

(4) "Principal amount" means the amount of cash paid to, or 18  
paid or payable for the account of, the borrower. 19

(5) "Interest" means all charges payable directly or 20  
indirectly by a borrower to a licensee as a condition to a loan or 21  
an application for a loan, however denominated, but does not 22  
include default charges, deferment charges, insurance charges or 23  
premiums, court costs, loan origination charges, check collection 24  
charges, credit line charges, credit report charges, or other fees 25  
and charges specifically authorized by law. 26

(6) "Interest-bearing loan" means a loan in which the debt is 27  
expressed as the principal amount and interest is computed, 28  
charged, and collected on unpaid principal balances outstanding 29  
from time to time. 30

(7) "Precomputed loan" means a loan in which the debt is a 31  
sum comprising the principal amount and the amount of interest 32  
computed in advance on the assumption that all scheduled payments 33  
will be made when due. 34

(8) "Actuarial method" means the method of allocating 35  
payments made on a loan between the principal amount and interest 36  
whereby a payment is applied first to the accumulated interest and 37  
the remainder to the unpaid principal amount. 38

(9) "Applicable charge" means the amount of interest 39  
attributable to each monthly installment period of the loan 40  
contract. The applicable charge is computed as if each installment 41  
period were one month and any charge for extending the first 42  
installment period beyond one month is ignored. In the case of 43  
loans originally scheduled to be repaid in sixty-one months or 44  
less, the applicable charge for any installment period is that 45  
proportion of the total interest contracted for, as the balance 46  
scheduled to be outstanding during that period bears to the sum of 47

all of the periodic balances, all determined according to the 48  
payment schedule originally contracted for. In all other cases, 49  
the applicable charge for any installment period is that which 50  
would have been made for such period had the loan been made on an 51  
interest-bearing basis at the single rate provided in division (A) 52  
of section 1321.13 of the Revised Code, based upon the assumption 53  
that all payments were made according to schedule. 54

(10) "Annual percentage rate" means the ratio of the interest 55  
on a loan to the unpaid principal balances on the loan for any 56  
period of time, expressed on an annual basis. 57

(11) "Refinancing" means a loan the proceeds of which are 58  
used in whole or in part to pay the unpaid balance of a prior loan 59  
made by the same licensee to the same borrower under sections 60  
1321.01 to 1321.19 of the Revised Code. 61

(12) "Superintendent of financial institutions" includes the 62  
deputy superintendent for consumer finance as provided in section 63  
1181.21 of the Revised Code. 64

(13) "Property valuation fee" means the fee paid for an 65  
estimated market value as determined by an automated valuation 66  
model. 67

(14) "Automated valuation model" means an automated system 68  
that is used to derive a property value through the use of 69  
publicly available property records and various analytic 70  
methodologies such as comparable sales prices, home 71  
characteristics, and historical home price appreciations. 72

(B) The division of financial institutions is responsible for 73  
the administration of sections 1321.01 to 1321.19 of the Revised 74  
Code. Neither the superintendent of the division, nor any deputy, 75  
assistant, clerk, examiner, or other person employed by the 76  
division to assist in the administration of such sections shall be 77  
interested, directly or indirectly, in the business licensed under 78

the sections and any person so interested or who becomes so 79  
interested shall not be eligible to hold or retain any such 80  
position. 81

**Sec. 1321.57.** (A) Notwithstanding any other provisions of the 82  
Revised Code, a registrant may contract for and receive interest, 83  
calculated according to the actuarial method, at a rate or rates 84  
not exceeding twenty-one per cent per year on the unpaid principal 85  
balances of the loan. Loans may be interest-bearing or 86  
precomputed. 87

(B) For purposes of computation of time on interest-bearing 88  
and precomputed loans, including, but not limited to, the 89  
calculation of interest, a month is considered one-twelfth of a 90  
year, and a day is considered one three hundred sixty-fifth of a 91  
year when calculation is made for a fraction of a month. A year is 92  
as defined in section 1.44 of the Revised Code. A month is that 93  
period described in section 1.45 of the Revised Code. 94  
Alternatively, a registrant may consider a day as one three 95  
hundred sixtieth of a year and each month as having thirty days. 96

(C) With respect to interest-bearing loans: 97

(1)(a) Interest shall be computed on unpaid principal 98  
balances outstanding from time to time, for the time outstanding. 99

(b) As an alternative to the method of computing interest set 100  
forth in division (C)(1)(a) of this section, a registrant may 101  
charge and collect interest for the first installment period based 102  
on elapsed time from the date of the loan to the first scheduled 103  
payment due date, and for each succeeding installment period from 104  
the scheduled payment due date to the next scheduled payment due 105  
date, regardless of the date or dates the payments are actually 106  
made. 107

(c) Whether a registrant computes interest pursuant to 108

division (C)(1)(a) or (b) of this section, each payment shall be 109  
applied first to unpaid charges, then to interest, and the 110  
remainder to the unpaid principal balance. However, if the amount 111  
of the payment is insufficient to pay the accumulated interest, 112  
the unpaid interest continues to accumulate to be paid from the 113  
proceeds of subsequent payments and is not added to the principal 114  
balance. 115

(2) Interest shall not be compounded, collected, or paid in 116  
advance. However, both of the following apply: 117

(a) Interest may be charged to extend the first monthly 118  
installment period by not more than fifteen days, and the interest 119  
charged for the extension may be added to the principal amount of 120  
the loan. 121

(b) If part or all of the consideration for a new loan 122  
contract is the unpaid principal balance of a prior loan, the 123  
principal amount payable under the new loan contract may include 124  
any unpaid interest that has accrued. The resulting loan contract 125  
shall be deemed a new and separate loan transaction for purposes 126  
of this section. The unpaid principal balance of a precomputed 127  
loan is the balance due after refund or credit of unearned 128  
interest as provided in division (D)(3) of this section. 129

(D) With respect to precomputed loans: 130

(1) Loans shall be repayable in monthly installments of 131  
principal and interest combined, except that the first installment 132  
period may exceed one month by not more than fifteen days, and the 133  
first installment payment amount may be larger than the remaining 134  
payments by the amount of interest charged for the extra days; and 135  
provided further that monthly installment payment dates may be 136  
omitted to accommodate borrowers with seasonal income. 137

(2) Payments may be applied to the combined total of 138  
principal and precomputed interest until maturity of the loan. A 139

registrant may charge interest after the original or deferred 140  
maturity of a precomputed loan at the rate specified in division 141  
(A) of this section on all unpaid principal balances for the time 142  
outstanding. 143

(3) When any loan contract is paid in full by cash, renewal, 144  
refinancing, or a new loan, one month or more before the final 145  
installment due date, the registrant shall refund, or credit the 146  
borrower with, the total of the applicable charges for all fully 147  
unexpired installment periods, as originally scheduled or as 148  
deferred, that follow the day of prepayment. If the prepayment is 149  
made other than on a scheduled installment due date, the nearest 150  
scheduled installment due date shall be used in such computation. 151  
If the prepayment occurs prior to the first installment due date, 152  
the registrant may retain one-thirtieth of the applicable charge 153  
for a first installment period of one month for each day from date 154  
of loan to date of prepayment, and shall refund, or credit the 155  
borrower with, the balance of the total interest contracted for. 156  
If the maturity of the loan is accelerated for any reason and 157  
judgment is entered, the registrant shall credit the borrower with 158  
the same refund as if prepayment in full had been made on the date 159  
the judgment is entered. 160

(4) If the parties agree in writing, either in the loan 161  
contract or in a subsequent agreement, to a deferment of wholly 162  
unpaid installments, a registrant may grant a deferment and may 163  
collect a deferment charge as provided in this section. A 164  
deferment postpones the scheduled due date of the earliest unpaid 165  
installment and all subsequent installments as originally 166  
scheduled, or as previously deferred, for a period equal to the 167  
deferment period. The deferment period is that period during which 168  
no installment is scheduled to be paid by reason of the deferment. 169  
The deferment charge for a one-month period may not exceed the 170  
applicable charge for the installment period immediately following 171

the due date of the last undeferred installment. A proportionate 172  
charge may be made for deferment for periods of more or less than 173  
one month. A deferment charge is earned pro rata during the 174  
deferment period and is fully earned on the last day of the 175  
deferment period. If a loan is prepaid in full during a deferment 176  
period, the registrant shall make, or credit to the borrower, a 177  
refund of the unearned deferment charge in addition to any other 178  
refund or credit made for prepayment of the loan in full. 179

(E) A registrant, at the request of the borrower, may obtain, 180  
on one or more borrowers, credit life insurance, credit accident 181  
and health insurance, and unemployment insurance. The premium or 182  
identifiable charge for the insurance may be included in the 183  
principal amount of the loan and may not exceed the premium rate 184  
filed by the insurer with the superintendent of insurance and not 185  
disapproved by the superintendent. If a registrant obtains the 186  
insurance at the request of the borrower, the borrower shall have 187  
the right to cancel the insurance for a period of twenty-five days 188  
after the loan is made. If the borrower chooses to cancel the 189  
insurance, the borrower shall give the registrant written notice 190  
of this choice and shall return all of the policies or 191  
certificates of insurance or notices of proposed insurance to the 192  
registrant during such period, and the full premium or 193  
identifiable charge for the insurance shall be refunded to the 194  
borrower by the registrant. If the borrower requests, in the 195  
notice to cancel the insurance, that this refund be applied to 196  
reduce the balance of a precomputed loan, the registrant shall 197  
credit the amount of the refund plus the amount of interest 198  
applicable to the refund to the loan balance. 199

If the registrant obtains the insurance at the request of the 200  
borrower, the registrant shall not charge or collect interest on 201  
any insured amount that remains unpaid after the insured 202  
borrower's date of death. 203

(F) A registrant may require the borrower to provide 204  
insurance or a loss payable endorsement covering reasonable risks 205  
of loss, damage, and destruction of property used as security for 206  
the loan and with the consent of the borrower such insurance may 207  
cover property other than that which is security for the loan. The 208  
amount and term of required property insurance shall be reasonable 209  
in relation to the amount and term of the loan contract and the 210  
type and value of the security, and the insurance shall be 211  
procured in accordance with the insurance laws of this state. The 212  
purchase of this insurance through the registrant or an agent or 213  
broker designated by the registrant shall not be a condition 214  
precedent to the granting of the loan. If the borrower purchases 215  
the insurance from or through the registrant or from another 216  
source, the premium may be included in the principal amount of the 217  
loan. 218

(G) On loans secured by an interest in real estate, all of 219  
the following apply: 220

(1) A registrant may charge and receive up to two points, and 221  
a prepayment penalty not in excess of one per cent of the original 222  
principal amount of the loan. Points may be paid by the borrower 223  
at the time of the loan or may be included in the principal amount 224  
of the loan. On a refinancing, a registrant may not charge under 225  
division (G)(1) of this section either of the following: 226

(a) Points on the portion of the principal amount that is 227  
applied to the unpaid principal amount of the refinanced loan, if 228  
the refinancing occurs within one year after the date of the 229  
refinanced loan on which points were charged; 230

(b) A prepayment penalty. 231

(2) As an alternative to the prepayment penalty described in 232  
division (G)(1) of this section, a registrant may contract for, 233  
charge, and receive the prepayment penalty described in division 234



(G)(2) of this section for the prepayment of a loan prior to two 235  
years after the date the loan contract is executed. This 236  
prepayment penalty shall not exceed two per cent of the original 237  
principal amount of the loan if the loan is paid in full prior to 238  
one year after the date the loan contract is executed. The penalty 239  
shall not exceed one per cent of the original principal amount of 240  
the loan if the loan is paid in full at any time from one year, 241  
but prior to two years, after the date the loan contract is 242  
executed. A registrant shall not charge or receive a prepayment 243  
penalty under division (G)(2) of this section if any of the 244  
following applies: 245

(a) The loan is a refinancing by the same registrant or a 246  
registrant to whom the loan has been assigned; 247

(b) The loan is paid in full as a result of the sale of the 248  
real estate that secures the loan; 249

(c) The loan is paid in full with the proceeds of an 250  
insurance claim against an insurance policy that insures the life 251  
of the borrower or an insurance policy that covers loss, damage, 252  
or destruction of the real estate that secures the loan. 253

(3) Division (G) of this section is not a limitation on 254  
discount points or other charges for purposes of section 501(b)(4) 255  
of the "Depository Institutions Deregulation and Monetary Control 256  
Act of 1980," 94 Stat. 161, 12 U.S.C.A. 1735f-7 note. 257

(H)(1) In addition to the interest and charges provided for 258  
by this section, no further or other amount, whether in the form 259  
of broker fees, placement fees, or any other fees whatsoever, 260  
shall be charged or received by the registrant, except costs and 261  
disbursements in connection with any suit to collect a loan or any 262  
lawful activity to realize on a security interest or mortgage 263  
after default, including reasonable attorney fees incurred by the 264  
registrant as a result of the suit or activity and to which the 265

registrant becomes entitled by law, and except the following 266  
additional charges which may be included in the principal amount 267  
of the loan or collected at any time after the loan is made: 268

(a) The amounts of fees authorized by law to record, file, or 269  
release security interests and mortgages on a loan; 270

(b) With respect to a loan secured by an interest in real 271  
estate, the following closing costs, if they are bona fide, 272  
reasonable in amount, and not for the purpose of circumvention or 273  
evasion of this section: 274

(i) Fees or premiums for title examination, abstract of 275  
title, title insurance, surveys, title endorsements, title 276  
binders, title commitments, home inspections, or pest inspections; 277  
settlement or closing costs; courier fees; and any federally 278  
mandated flood plain certification fee; 279

(ii) If not paid to the registrant, an employee of the 280  
registrant, or a person related to the registrant, fees for 281  
preparation of a mortgage, settlement statement, or other 282  
documents, fees for notarizing mortgages and other documents, 283  
appraisal fees, and fees for any federally mandated inspection of 284  
home improvement work financed by a second mortgage loan and 285  
subject to division (H)(3) of this section, property valuation 286  
fees not to exceed seventy-five dollars; 287

(c) Fees for credit investigations not exceeding ten dollars. 288

(2) Division (H)(1) of this section does not limit the rights 289  
of registrants to engage in other transactions with borrowers, 290  
provided the transactions are not a condition of the loan. 291

(3)(a) A registrant shall not charge a property valuation fee 292  
and an appraisal fee for the same property in a single 293  
transaction. If a property valuation fee has been paid, an 294  
appraisal fee minus the amount that has been paid by the borrower 295  
for the property valuation fee may be charged for an appraisal for 296

the same real property. A registrant shall provide the borrower 297  
with a copy of the automated valuation model result upon request 298  
from the borrower, provided the borrower has paid for any 299  
authorized property valuation fee. The automated valuation model 300  
result provided to the borrower shall include the following 301  
statement: "An automated valuation model is not an appraisal. It 302  
is a computerized property valuation system that is used to derive 303  
a real property value." 304

(b) No automated valuation model provider shall accept a 305  
property valuation assignment from a person registered under 306  
sections 1321.51 to 1321.60 of the Revised Code when the 307  
assignment is contingent upon the automated valuation model 308  
provider reporting a predetermined property valuation, or when the 309  
fee to be paid to the automated valuation model provider is 310  
contingent upon the property valuation reached or upon the 311  
consequences resulting from the property valuation assignment. 312

(c) Nothing in this section authorizes the use of an 313  
automated valuation model result in lieu of an appraisal that is 314  
required under state or federal law. 315

(I) If the loan contract or security instrument contains 316  
covenants by the borrower to perform certain duties pertaining to 317  
insuring or preserving security and the registrant pursuant to the 318  
loan contract or security instrument pays for performance of the 319  
duties on behalf of the borrower, the registrant may add the 320  
amounts paid to the unpaid principal balance of the loan or 321  
collect them separately. A charge for interest may be made for 322  
sums advanced not exceeding the rate of interest permitted by 323  
division (A) of this section. Within a reasonable time after 324  
advancing a sum, the registrant shall notify the borrower in 325  
writing of the amount advanced, any interest charged with respect 326  
to the amount advanced, any revised payment schedule, and shall 327  
include a brief description of the reason for the advance. 328

(J)(1) In addition to points authorized under division (G) of 329  
this section, a registrant may charge and receive the following: 330

(a) With respect to secured loans: if the principal amount of 331  
the loan is less than five hundred dollars, loan origination 332  
charges not exceeding fifteen dollars; if the principal amount of 333  
the loan is at least five hundred dollars but less than one 334  
thousand dollars, loan origination charges not exceeding thirty 335  
dollars; if the principal amount of the loan is at least one 336  
thousand dollars but less than two thousand dollars, loan 337  
origination charges not exceeding one hundred dollars; if the 338  
principal amount of the loan is at least two thousand dollars but 339  
less than five thousand dollars, loan origination charges not 340  
exceeding two hundred dollars; and if the principal amount of the 341  
loan is at least five thousand dollars, loan origination charges 342  
not exceeding the greater of two hundred fifty dollars or one per 343  
cent of the principal amount of the loan. 344

(b) With respect to unsecured loans: if the principal amount 345  
of the loan is less than five hundred dollars, loan origination 346  
charges not exceeding fifteen dollars; if the principal amount of 347  
the loan is at least five hundred dollars but less than one 348  
thousand dollars, loan origination charges not exceeding thirty 349  
dollars; if the principal amount of the loan is at least one 350  
thousand dollars but less than five thousand dollars, loan 351  
origination charges not exceeding one hundred dollars; and if the 352  
principal amount of the loan is at least five thousand dollars, 353  
loan origination charges not exceeding the greater of two hundred 354  
fifty dollars or one per cent of the principal amount of the loan. 355

(2) If a refinancing occurs within ninety days after the date 356  
of the refinanced loan, a registrant may not impose loan 357  
origination charges on the portion of the principal amount that is 358  
applied to the unpaid principal amount of the refinanced loan. 359

(3) Loan origination charges may be paid by the borrower at 360

the time of the loan or may be included in the principal amount of 361  
the loan. 362

(K) A registrant may charge and receive check collection 363  
charges not greater than twenty dollars plus any amount passed on 364  
from other financial institutions for each check, negotiable order 365  
of withdrawal, share draft, or other negotiable instrument 366  
returned or dishonored for any reason. 367

(L) If the loan contract so provides, a registrant may 368  
collect a default charge on any installment not paid in full 369  
within ten days after its due date. For this purpose, all 370  
installments are considered paid in the order in which they become 371  
due. Any amounts applied to an outstanding loan balance as a 372  
result of voluntary release of a security interest, sale of 373  
security on the loan, or cancellation of insurance shall be 374  
considered payments on the loan, unless the parties otherwise 375  
agree in writing at the time the amounts are applied. The amount 376  
of the default charge shall not exceed the greater of five per 377  
cent of the scheduled installment or fifteen dollars. 378

(M) A registrant may charge and receive a processing fee of 379  
not more than ten dollars when a borrower makes a payment by 380  
authorizing the registrant to initiate a check, or otherwise 381  
process a payment, from the borrower's checking account using 382  
automated clearing house procedures or similar means. The 383  
borrower's authorization may be given orally or in writing, 384  
including by electronic means. 385

**Sec. 1321.58.** (A) A registrant may make open-end loans 386  
pursuant to an agreement between the registrant and the borrower 387  
whereby: 388

(1) The registrant may permit the borrower to obtain advances 389  
of money from the registrant from time to time or the registrant 390  
may advance money on behalf of the borrower from time to time as 391

directed by the borrower. 392

(2) The amount of each advance and permitted interest, 393  
charges, and costs are debited to the borrower's account and 394  
payments and other credits are credited to the same account. 395

(3) The interest and charges are computed on the unpaid 396  
balance or balances of the account from time to time. 397

(4) The borrower has the privilege of paying the account in 398  
full at any time or, if the account is not in default, in 399  
installments of determinable amounts as provided in the agreement. 400

For open-end loans, "billing cycle" means the time interval 401  
between periodic billing dates. A billing cycle shall be 402  
considered monthly if the closing date of the cycle is the same 403  
date each month or does not vary by more than four days from such 404  
date. 405

(B) Notwithstanding any other provisions of the Revised Code, 406  
a registrant may contract for and receive interest for open-end 407  
loans at a rate or rates not exceeding twenty-one per cent per 408  
year and may compute interest in each billing cycle by either of 409  
the following methods: 410

(1) By multiplying the daily rate by the daily unpaid balance 411  
of the account, in which case the daily rate is determined by 412  
dividing the annual rate by three hundred sixty-five; 413

(2) By multiplying the monthly rate by the average daily 414  
unpaid balance of the account in the billing cycle, in which case 415  
the average daily unpaid balance is the sum of all of the daily 416  
unpaid balances each day during the cycle divided by the number of 417  
days in the cycle. The monthly rate is determined by dividing the 418  
annual rate by twelve. 419

The billing cycle shall be monthly and the unpaid balance on 420  
any day shall be determined by adding to any balance unpaid as of 421

the beginning of that day all advances and permitted interest, 422  
charges, and costs and deducting all payments and other credits 423  
made or received that day. 424

(C) In addition to the interest permitted in division (B) of 425  
this section, a registrant may charge and receive or add to the 426  
unpaid balance any or all of the following: 427

(1) All charges and costs authorized by divisions (E), (F), 428  
(G), (H), (I), ~~and~~ (K), and (M) of section 1321.57 of the Revised 429  
Code; 430

(2) An annual credit line charge, for the privilege of 431  
maintaining a line of credit, as follows: 432

(a) For the first year: 433

(i) If the original credit line is less than five thousand 434  
dollars, an amount not exceeding one hundred fifty dollars; 435

(ii) If the original credit line is at least five thousand 436  
dollars, an amount not exceeding the greater of one per cent of 437  
the original credit line or two hundred fifty dollars. 438

(b) For subsequent years an amount not exceeding the greater 439  
of one-half per cent of the credit line on the anniversary date or 440  
fifty dollars. 441

(3) A default charge on any required minimum payment not paid 442  
in full within ten days after its due date. For this purpose, all 443  
required minimum payments are considered paid in the order in 444  
which they become due. The amount of the default charge shall not 445  
exceed the greater of five per cent of the required minimum 446  
payment or fifteen dollars. 447

(4) An over-the-credit limit charge of not more than 448  
twenty-five dollars when the borrower obtains advances of money 449  
during a billing cycle that exceed the borrower's designated 450  
credit line. The charge shall not be applied more than once per 451

billing cycle. 452

(D) The borrower at any time may pay all or any part of the 453  
unpaid balance on the account or, if the account is not in 454  
default, the borrower may pay the unpaid balance in installments 455  
subject to minimum payment requirements as determined by the 456  
registrant and set forth in the open-end loan agreement. 457

(E) If credit life insurance or credit accident and health 458  
insurance is obtained by the registrant and if the insured dies or 459  
becomes disabled when there is an outstanding open-end loan 460  
indebtedness, the insurance shall be sufficient to pay the unpaid 461  
balance on the loan due on the date of the borrower's death in the 462  
case of credit life insurance or all minimum payments that become 463  
due on the loan during the covered period of disability in the 464  
case of credit accident and health insurance. The additional 465  
charge for credit life insurance, credit accident and health 466  
insurance, or unemployment insurance shall be calculated each 467  
billing cycle by applying the current monthly premium rate for the 468  
insurance, filed by the insurer with the superintendent of 469  
insurance and not disapproved by the superintendent, to the unpaid 470  
balances in the borrower's account, using one of the methods 471  
specified in division (B) of this section for the calculation of 472  
interest. No credit life insurance, credit accident and health 473  
insurance, or unemployment insurance written in connection with an 474  
open-end loan shall be canceled by the registrant because of 475  
delinquency of the borrower in making the required minimum 476  
payments on the loan unless one or more such payments is past due 477  
for a period of thirty days or more. The registrant shall advance 478  
to the insurer the amounts required to keep the insurance in force 479  
during such period, which amounts may be debited to the borrower's 480  
account. 481

(F) Whenever there is no unpaid balance in an open-end loan 482  
account, the account may be terminated by written notice, by the 483



borrower or the registrant, to the other party. If a registrant 484  
has taken a mortgage on real property to secure the open-end loan, 485  
the registrant shall deliver, within thirty days following 486  
termination of the account, a release of the mortgage to the 487  
borrower. If a registrant has taken a security interest in 488  
personal property to secure the open-end loan, the registrant 489  
shall release the security interest and terminate any financing 490  
statement in accordance with section 1309.513 of the Revised Code. 491

**Sec. 1321.99.** (A) Whoever violates section 1321.02 of the 492  
Revised Code is guilty of a felony of the fifth degree. 493

(B) Whoever violates section 1321.13 of the Revised Code 494  
shall be fined not less than one hundred nor more than five 495  
hundred dollars or imprisoned not more than six months, or both. 496

(C) Whoever violates section 1321.14 of the Revised Code 497  
shall be fined not less than fifty nor more than two hundred 498  
dollars for a first offense; for a second offense such person 499  
shall be fined not less than two hundred nor more than five 500  
hundred dollars and imprisoned for not more than six months. 501

(D) Whoever willfully violates section 1321.57, 1321.58, 502  
1321.59, or 1321.60 of the Revised Code shall be fined not less 503  
than one nor more than five hundred dollars, except that whoever 504  
violates division (H)(3)(b) of section 1321.57 of the Revised Code 505  
is guilty of a misdemeanor of the first degree. 506

(E) Whoever violates section 1321.52 of the Revised Code is 507  
guilty of a felony of the fifth degree. 508

(F) Whoever violates division (A) of section 1321.73 of the 509  
Revised Code shall be fined not more than five hundred dollars or 510  
imprisoned not more than six months, or both. 511

**Section 2.** That existing sections 1321.01, 1321.57, 1321.58, 512  
and 1321.99 of the Revised Code are hereby repealed. 513