

As Introduced

**128th General Assembly
Regular Session
2009-2010**

H. B. No. 590

Representative Koziura

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A BILL

To enact sections 1315.41, 1315.42, and 1315.43 of
the Revised Code to require that certain
disclosures be made to consumers who apply for a
refund anticipation loan.

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

Section 1. That sections 1315.41, 1315.42, and 1315.43 of the
Revised Code be enacted to read as follows:

Sec. 1315.41. As used in sections 1315.41 and 1315.42 of the
Revised Code:

(A) "Consumer" means a natural person who, singly or jointly
with another consumer, is solicited for, applies for, or receives
the proceeds of a refund anticipation loan.

(B) "Refund anticipation loan" means a loan secured by or to
be repaid, directly or indirectly, from the proceeds of a
consumer's income tax refund or tax credits.

(C) "Refund anticipation loan fee" means the charges, fees,
or other consideration charged or imposed directly or indirectly
for a refund anticipation loan. The term includes any charge, fee,
or other consideration for a deposit account, if a deposit account
is used for receipt of the consumer's income tax refund or tax

credits to repay the amount owed on the refund anticipation loan. 20
It does not include any charge, fee, or other consideration 21
usually charged or imposed in the ordinary course of business for 22
tax return preparation and for electronic filing of tax returns, 23
if the same charges, fees, or other consideration in the same 24
amount are charged to customers who do not receive refund 25
anticipation loans. 26

(D) "Refund anticipation loan interest rate" means the 27
interest rate for a refund anticipation loan calculated by 28
dividing the total amount of refund anticipation loan fees by the 29
loan amount, which loan amount is minus any loan fees; then 30
dividing by the number of days in the loan term; then multiplying 31
by three hundred sixty-five and expressing the product as a 32
percentage. 33

Sec. 1315.42. Each person that, individually or in 34
conjunction or cooperation with another person, solicits, 35
processes, receives, or accepts an application or agreement for a 36
refund anticipation loan shall do all of the following: 37

(A)(1) Prominently display the fee schedule described in 38
divisions (A)(2) and (3) of this section in each place of business 39
where the person solicits, processes, receives, or accepts an 40
application or agreement for a refund anticipation loan. 41

(2) The fee schedule shall show the current fees for refund 42
anticipation loans and electronic filing of a consumer's tax 43
return, and shall include both of the following: 44

(a) Examples of refund anticipation loan interest rates for 45
refund anticipation loans of two hundred dollars, five hundred 46
dollars, one thousand dollars, one thousand five hundred dollars, 47
two thousand dollars, and five thousand dollars. 48

(b) In one-inch letters, the following notice: 49

"NOTICE CONCERNING REFUND ANTICIPATION LOANS 50

When you take out a refund anticipation loan, you are 51
borrowing money against your tax refund or tax credits. If the 52
amount of your tax refund or tax credits is less than expected, 53
you still must repay the entire amount of the loan. If the receipt 54
of your tax refund or tax credits is delayed, you may have to pay 55
additional costs. YOU CAN GET YOUR TAX REFUND OR TAX CREDITS IN 56
ABOUT TEN DAYS WITHOUT GETTING A LOAN. You can have your tax 57
return filed electronically and the amount deposited directly into 58
your own bank account without obtaining a loan or paying fees for 59
an extra product." 60

(3) The fee schedule shall be displayed in not less than 61
twenty-eight-point type on a document measuring not less than 62
sixteen inches by twenty inches. 63

(B)(1) At the time a consumer applies for a refund 64
anticipation loan, disclose all of the following to the consumer 65
on a form separate from the application and in fourteen-point 66
type: 67

(a) The fee for the refund anticipation loan; 68

(b) The fee for electronic filing of a tax return; 69

(c) The time within which the proceeds of the refund 70
anticipation loan will be paid to the consumer if the loan is 71
approved. 72

(2) The disclosure shall be in English and, if other than 73
English, the language in which the refund anticipation loan is 74
negotiated. 75

(C) Prior to the consummation of a refund anticipation loan, 76
provide to the consumer applicant a copy of the completed loan 77
application and agreement, which shall disclose both of the 78
following: 79

(1) In fourteen-point type, the refund anticipation loan 80
interest rate; 81

(2) In eighteen-point type, the following notice: 82

"NOTICE 83

This is a loan. This loan is borrowing money against your tax 84
refund or tax credits. If the amount of your tax refund or tax 85
credits is less than expected, you must still repay the entire 86
amount of the loan. If the receipt of your tax refund or tax 87
credits is delayed, you may have to pay additional costs. YOU CAN 88
GET YOUR TAX REFUND OR TAX CREDITS IN ABOUT 10 DAYS WITHOUT 89
GETTING THIS LOAN. You can have your tax return filed 90
electronically and the amount deposited directly into your own 91
bank account without obtaining a loan or other paid product." 92

(D) Ensure that the disclosures required under divisions (B) 93
and (C) of this section are initialed by the consumer applicant. 94

Sec. 1315.43. (A) No person shall fail to comply with section 95
1315.42 of the Revised Code. 96

(B) Whoever violates division (A) of this section shall be 97
fined fifty dollars for a first offense and one hundred dollars 98
for any subsequent offense. 99