

As Introduced

**130th General Assembly
Regular Session
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H. B. No. 682

Representatives Pillich, Lundy

**Cosponsors: Representatives Antonio, Ashford, Barborak, Sheehy, Fedor,
Hagan, R.**

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A B I L L

To enact sections 1321.90 to 1321.94 of the Revised Code relative to the extension of consumer credit to members and veterans of the U.S. armed forces, including the reserves, or of the national guard, and to members of their immediate families.

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

Section 1. That sections 1321.90, 1321.91, 1321.92, 1321.93, and 1321.94 of the Revised Code be enacted to read as follows:

Sec. 1321.90. As used in sections 1321.90 to 1321.94 of the Revised Code:

(A) "Consumer credit" means credit offered or extended to a covered borrower primarily for personal, family, or household purposes. "Consumer credit" does not include any of the following:

(1) Any credit transaction secured by an interest in the covered borrower's dwelling, including a transaction to finance the purchase or initial construction of a dwelling, any refinance transaction, home equity loan or line of credit, or reverse mortgage;

(2) Any credit transaction that is expressly intended to

finance the purchase of a motor vehicle when the credit is secured 19
by the vehicle being purchased; 20

(3) Any credit transaction that is expressly intended to 21
finance the purchase of personal property when the credit is 22
secured by the property being purchased. 23

(B) "Covered borrower" means a person who is a member or 24
veteran of the armed forces of the United States, including 25
reserve components thereof, or of the national guard, and any 26
member of the person's immediate family as defined in section 27
102.01 of the Revised Code. 28

(C) "Creditor" means a person that is engaged in the business 29
of extending consumer credit or an assignee of such a person with 30
respect to any consumer credit extended. "Creditor" does not 31
include a national or state-chartered bank, savings bank, savings 32
and loan association, or credit union. 33

Sec. 1321.91. With respect to any extension of consumer 34
credit to a covered borrower, a creditor shall provide to the 35
borrower a written disclosure form containing all of the following 36
before the borrower becomes obligated on the transaction: 37

(A) The rate of interest applicable to the extension of 38
credit as an annual percentage rate; 39

(B) The total amount of fees and charges the borrower will be 40
required to pay in connection with the extension of credit; 41

(C) A statement, printed in boldface type of the minimum size 42
of ten points, as follows: "WARNING: The cost of this loan is 43
higher than the average cost charged by financial institutions on 44
substantially similar loans." 45

Sec. 1321.92. Notwithstanding any other provision of the 46
Revised Code to the contrary, a creditor may charge, collect, and 47

receive only the following fees and charges in connection with an 48
extension of consumer credit to a covered borrower: 49

(A) Interest calculated in compliance with 15 U.S.C. 1606, 50
and not exceeding an annual percentage rate of twenty-eight per 51
cent; 52

(B) Damages, costs, and disbursements to which the creditor 53
may become entitled to by law in connection with any civil action 54
to collect a loan after default. 55

Sec. 1321.93. A creditor shall not extend consumer credit to 56
a covered borrower if any of the following applies: 57

(A) The borrower is required to waive the borrower's right to 58
legal recourse under any otherwise applicable provision of state 59
or federal law, including any provision of the "Servicemembers 60
Civil Relief Act," 117 Stat. 2835, 50 U.S.C. App. 501. 61

(B) The creditor requires the borrower to submit to 62
arbitration or imposes onerous legal notice provisions in the case 63
of a dispute. 64

(C) The creditor demands unreasonable notice from the 65
borrower as a condition for legal action. 66

(D) The creditor uses a check or other method of access to a 67
deposit, savings, or other financial account maintained by the 68
borrower. 69

(E) The creditor knows there is no reasonable probability of 70
payment of the obligation by the borrower. 71

(F) The borrower has received two extensions of consumer 72
credit from a creditor within the immediately preceding sixty-day 73
period. 74

Sec. 1321.94. The superintendent of financial institutions 75

shall, in accordance with Chapter 119. of the Revised Code, adopt 76
any rules necessary to implement and enforce sections 1321.90 to 77
1321.93 of the Revised Code, including a rule setting forth the 78
maximum amount a covered borrower may be indebted to creditors. 79