



For Immediate Release
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NOTICE OF PUBLIC HEARING

Ohio Department of Commerce Division of Financial Institutions General Loan Law Rules

Pursuant to sections 119.03 and 1321.54(A) of the Ohio Revised Code, notice is hereby given that the Ohio Department of Commerce, Division of Financial Institutions intends to amend rules under Ohio Administrative Code Chapter 1301:8-3 Division of Financial Institutions: Second Mortgage Loan Act. The proposed rules are summarized as follows:

1301:8-3-03 Definitions (*Amend*) This rule contains definitions of terms used in the General Loan Law and its corresponding rules. The amendments include the deletion of two definitions that apply only to mortgage lending, which as a result of recent legislation is no longer permitted under this act. The remaining amendment is a deletion of the definition of "condition of a loan", as the underlying statute sufficiently addresses this concept.

1301:8-3-04 Recordkeeping (*New*) This rule details the types of records that a General Loan Law registrant is required to maintain. The rule is being amended to better address electronic records and other changes in technology. Additional records pertaining to General Loan Law loans are being specified in order to ensure compliance with the act. For registrant records being maintained out-of-state, the rule is being amended to allow for the electronic upload of documents and to clarify the process for out-of-state exams.

1301:8-3-04 Recordkeeping (*Rescind*) This rule details the types of records that a General Loan Law registrant is required to maintain. The rule is being rescinded and replaced with a

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new rule as a result of recent legislation and for purposes of modernization.

1301:8-3-06 Out-of-state examination (*Rescind*) The rule sets forth the process for when it's necessary for the Division to examine the out-of-state location of a registrant. The rule is being rescinded, as its content is being consolidated into OAC 1301:8-3-04.

1301:8-3-07 General provisions for registrants (*Amend*) This rule sets forth requirements generally applicable to loans made pursuant to the General Loan Law, including those pertaining to the making, originating, closing or collecting of loans. It addresses the permissible locations where loans can be originated and closed, when loans are considered to be closed, and requires registrants to notify the Division of if there is a material change in the information contained in the registrant's application. The rule also sets forth disclosures the registrant must make, and procedures to be followed in cases of default. Additionally, the rule allows for mediation if a loan modification is being considered. As a result of recent legislation, those portions of the rule pertaining to mortgage loans are being eliminated.

1301:8-3-10 Annual report (*Rescind*) The rule was intended to clarify the types of information required to be submitted with a General Loan Law registrant's annual report required under R.C. 1321.55. However, that statute has subsequently been amended to include this same language, and, thus, it is now redundant and can be rescinded.

1301:8-3-12 Prohibitions (*Amend*) The rule sets forth several important consumer protections necessary to guard against loan fraud and other harmful and abusive lending practices. One of those provisions pertains only to mortgage loans, and it is therefore being eliminated as a result of recent legislation.

1301:8-3-23 Interpretation (*Rescind*) This rule clarifies the purposes for which funds received pursuant to former R.C. 1321.57(H)(1)(a) may be used by registrants. The underlying statutory provision has been eliminated as a result of recent legislation, and therefore the rule is being rescinded.

1301:8-3-24 Points and prepayment penalties on real estate loans (*Rescind*) The rule

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clarifies some restrictions pertaining prepayment penalties and points on loans made under the General Loan Law. The rule is being rescinded due to recent legislation.

1301:8-3-25 Temporary mortgage loan originator license application (*Rescind*) The rule clarifies the process pertaining to an application for a temporary mortgage loan originator license. The rule is being rescinded due to recent legislation.

The Department will conduct a public hearing on the proposed rule changes on Thursday March 12, 2020 at 2:00 p.m. at the offices of the Division of Financial Institutions, 77 South High Street, 21st Floor, Columbus, Ohio 43215.

Copies of the proposed rules are available on the following Department of Commerce webpage:

<http://com.ohio.gov/ProposedRules.aspx>, and at the following Register of Ohio webpage:

www.registerofohio.state.oh.us/. A person can also obtain the proposed rules by contacting the

Division at the aforementioned address or by calling the Division at (614) 644-7541.

At the public hearing, any person affected by the proposed actions may appear and be heard in person, by the person's attorney, or both, may present the person's position, arguments, or contentions, orally or in writing, offer and examine witnesses, and present evidence tending to show that the proposed rule, amendments, or rules to be rescinded, if adopted and effectuated, will be unreasonable or unlawful.

Any person who wishes to present his or her position, arguments, or contentions in writing may do so by mailing his or her written comments to the Ohio Department of Commerce, Division of Financial Institutions, at the aforementioned address. Written comments may also be submitted at the hearing.

The Division of Financial Institutions is part of the Ohio Department of Commerce. The department is Ohio's chief regulatory agency, focused on promoting prosperity and protecting what matters most to Ohioans. We ensure businesses follow the laws that help them create jobs and keep Ohioans safe. To learn more about what we do, visit our website at com.ohio.gov.

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