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OHIO LEGISLATIVE SERVICE COMMISSION

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Synopsis of Senate Committee Amendments

(This synopsis does not address amendments that may have been adopted on the Senate Floor.)

H.B. 38 of the 133rd General Assembly

Senate Insurance and Financial Institutions

Nick Thomas, Research Analyst

The Senate Committee clarified the As Passed by the House provision limiting the existing definition of “mortgage servicer” under the Residential Mortgage Lending Act (RMLA) to a person that services more than five mortgage loans by expressly exempting from that Act entities making fewer than five residential mortgage loans annually.

The Senate Committee adopted provisions as described below:

Residential Mortgage Lending Act

- Clarifies and revises several exemptions to the mortgage loan originator license requirements, including persons who perform only administrative and clerical tasks and certain actions relating to the sale of manufactured homes, mobile homes, and industrialized units at retail.
- Repeals the temporary mortgage loan originator license.
- Requires the registration applicant to provide to the Nationwide Mortgage Licensing System and Registry certain identity information for any individual with control of the applicant.
- Removes the continuing education requirement for operations managers of any entity seeking to renew their certificate of registration.
- Clarifies the application of certain requirements in the RMLA to exempt entities.
- Requires, when the documents of a registrant or exempt entity are held out of state and an in-person examination is necessary, the registrant or exempt entity to pay the estimated costs of the examination.
- Prohibits registrants and exempt entities from receiving a premium on the fees charged for services performed by a third party and from paying or receiving a referral fee or kickback.

- Alters the minimum bond requirements for registrants, from \$50,000 for all registrants to \$50,000 for mortgage lenders and mortgage brokers and \$150,000 for registrants engaging solely in mortgage servicing.
- Amends definitions and standardizes terms in the RMLA.
- Expands the authority of the Superintendent of Financial Institutions to amend definitions, from specified definitions to any definition found in the RMLA.
- Authorizes the Superintendent to alter the requirements for registration and licensure under the RMLA.

Consumer Installment Loan Act

- Revises the conditions by which a transaction between a Consumer Installment Loan Act licensee and a borrower is considered to not be a condition of the consumer installment loan.

Utility supply contracts

- Exempts utility supply contracts entered into under a joint purchasing program from the 10-year maximum period for such contracts.

Credit services organization contracts

- Replaces the 60-day limit on the performance of certain credit service organization contracts with a 12-month limit if certain criteria are met.

Business linked deposits

- Changes specific interest rate requirements for loans made to small businesses by credit unions from specific percentage rates to a more general standard of being below market rates, parallel to the requirement for linked deposit loans to small businesses by banks.

Acquisition and charter of Ohio banks

- Expands the types of financial entities authorized to charter or acquire an Ohio bank, from only banks and bank holding companies under existing law to also include federal savings associations and savings and loan holding companies.

COVID-19-related property tax valuation complaints

- Authorizes a county board of revision, pursuant to a special valuation complaint filed for tax year 2020, 2021, or 2022, to reduce a property's value to the extent warranted due to circumstances related to the COVID-19 pandemic or state COVID-19 orders.
- Waives the rule barring multiple valuation complaints from being filed in the same triennial valuation period for these specially authorized COVID-19-related complaints.