



OHIO LEGISLATIVE SERVICE COMMISSION

Sub. Bill Comparative Synopsis

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H.B. 598

131st General Assembly

(H. Financial Institutions, Housing, and Urban Development)

This table summarizes how the latest substitute version of the bill differs from the As Introduced version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Topic	H.B. 598 (As Introduced)	Sub. Version (L-131- 2584-3)
Maintaining records		
Records to be kept	Generally requires the licensee to maintain records in the following categories for three years, except where indicated otherwise:	Generally requires the licensee to maintain records in the following categories for two years, as a searchable electronic spreadsheet where indicated. The information to be maintained is largely the same, although the categories differ.
	<ul style="list-style-type: none"> • Loan statements; • Ledger record (two years); 	<ul style="list-style-type: none"> • Spreadsheet of all borrowers containing specified information;
	<ul style="list-style-type: none"> • Index of all obligors; • Loan documents; 	<ul style="list-style-type: none"> • File for each principal borrower;
	<ul style="list-style-type: none"> • Cash receipt and disbursement record; 	<ul style="list-style-type: none"> • Payment history of each outstanding loan and each loan paid in full;

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	<ul style="list-style-type: none"> Litigation record (two years); 	<ul style="list-style-type: none"> Spreadsheet of all loans in collection litigation;
	<ul style="list-style-type: none"> Repossession record (two years); 	<ul style="list-style-type: none"> Spreadsheet of all loans in repossession and foreclosure;
	<ul style="list-style-type: none"> Credit life claims record; 	<ul style="list-style-type: none"> Spreadsheet of all loans upon which a credit life claim has been paid;
	<ul style="list-style-type: none"> Histories of nonpublished indices relating to variable rate loans; 	<ul style="list-style-type: none"> Same;
	<ul style="list-style-type: none"> Costs related to dishonored checks; 	<ul style="list-style-type: none"> General business records and contracts;
	<ul style="list-style-type: none"> Advertising text (three years) (<i>R.C. 1321.651(O), 1321.66(A) and (C), and 1321.661(C)(2)</i>). 	<ul style="list-style-type: none"> Records relating to an advertisement (two years); File of all advertising (three years);
		<ul style="list-style-type: none"> Other records the Superintendent may require (<i>R.C. 1321.651(O) and 1321.66(A) and (C)(3)</i>).
Duration of duty to maintain mortgage loan records	No provision.	Requires licensee to preserve residential mortgage loan records in accordance with federal law (<i>R.C. 1321.66(C)(2)</i>).
Location of records	Allows a licensee to designate a primary location for the records required to be maintained can be accessed and reviewed by the Division of Financial Institutions (Division) by providing notice to the Superintendent of Financial Institutions (Superintendent) at any time (<i>R.C. 1321.661(C)(1)</i>).	No provision.
	Permits records to be kept in a licensed location or any other location approved in advance in writing by the Superintendent (<i>R.C. 1321.661(C)(1)</i>).	Similar, except information may only be kept at a licensed location (<i>R.C. 1321.66(A)</i>).

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	No provision.	Requires a licensee to notify the Superintendent via NMLSR of a change in location of its records related to the Consumer Installment Loan Act (CILA) in no more than five business days after the change <i>(R.C. 1321.66(E))</i> .
Form of record - electronic or paper	Requires records pertaining to CILA business to be kept in their original paper form or, if certain criteria apply, on an electronic storage media or system <i>(R.C. 1321.66(B))</i> .	Similar electronic storage requirements. Requires certain records to be kept in electronic form. Allows a licensee to additionally maintain paper versions of records required to be kept in electronic form. Permits the Superintendent to allow a licensee to retain paper records in lieu of electronic records. <i>(R.C. 1321.66(A), (B), and (H).)</i>
Examination of records		
Providing records for an examination	<p>Allows the licensee to provide requested records using any method the licensee chooses including transmission of electronic records.</p> <p>Requires the licensee to reimburse the Division for any expenses incurred in assembling, printing or otherwise reproducing the materials <i>(R.C. 1321.669)</i>.</p>	<p>Allows electronic records to be uploaded to a secure server for purposes of conducting an examination <i>(R.C. 1321.66(F))</i>.</p> <p>Permits the Superintendent to require the licensee to pay in advance the estimated costs of an in-person examination <i>(R.C. 1321.66(G))</i>.</p>
Printing records for examination or inspection	Prints records at the request of the Division within 72 hours of the request <i>(R.C. 1321.66(C))</i> .	Similar, but requires printing within 48 hours of the request <i>(R.C. 1321.66(H)(15))</i> .
Fraudulent activity	No provision.	Requiring licensees to comply with the Fair and Accurate Credit Transactions Act of 2003 and the Gramm Leach Bliley Act to reduce the risk of consumer fraud and related harms <i>(R.C. 1321.66(I))</i> .

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Licensure		
License requirement	<p>Prohibits a person from doing either of the following without first obtaining a CILA license:</p> <p>(1) Engage in the business of lending money;</p> <p>(2) Contract for any interest and charges that in the aggregate are greater than what the lender would be permitted to charge if the lender did not have a license (<i>R.C. 1321.63</i>).</p>	<p>Same.</p> <p>Similar, except narrows the prohibition to only engaging in the business of lending money under the CILA.</p> <p>Same (<i>R.C. 1321.63</i>).</p>
Exclusions from CILA	<p>Excludes from the CILA any credit transaction made without a CILA license (<i>R.C. 1321.63(A)(1) and 1321.631(A)</i>).</p> <p>Excludes from the CILA any credit transaction that does not require equal monthly payments from the CILA (<i>R.C. 1321.631(C)</i>).</p> <p>No provision.</p> <p>Same (<i>R.C. 1321.68(C)(2)(a)</i>).</p> <p>Excludes from the CILA any credit transaction secured by an interest in the covered borrower's</p>	<p>No provision.</p> <p>Similar, but permits a transaction under the CILA to include both of the following:</p> <p>(1) A credit transaction that contains an interest rate that is tied to a published and verifiable index and the contractual rate of interest is adjusted in accordance with changes in that index;</p> <p>(2) A credit transaction that provides for an extension of the first monthly installment period as permitted under the bill (<i>R.C. 1321.631(B) and 1321.68(C)(2)(a)</i>).</p> <p>Excludes from the CILA any credit transaction secured by an interest in the covered borrower's</p>

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	dwelling (R.C. 1321.631(E)).	residential mortgage loan (R.C. 1321.631(D)).
	No provision.	Excludes from the CILA any registrant doing business under the Mortgage Loan Law (R.C. 1321.631(P)).
License duration	Makes license valid for one year (R.C. 1321.64).	Makes each license expire on December 31 (R.C. 1321.64).
License renewal	Prohibits a CILA license from being renewed if it is subject to an order of suspension, <i>revocation</i> , or an unpaid and past due fine imposed by the Superintendent (R.C. 1321.641(D)).	Removes revocation (R.C. 1321.641(D)).
Notice of change in licensee ownership	Requires a licensee to notify the Division within 15 days if there is a change of 50% or more in ownership of the licensee. Requires the Superintendent to issue a provisional license for the lesser of six months or the time it takes the Division to conclude an investigation to determine if there are any facts that would warrant denial of a license application (R.C. 1321.642).	Requires the licensee to notify the Superintendent via a written notice 60 days prior to a change of 50% or more in ownership (R.C. 1321.642). No provision.
Notice of change in licensee place of business	Requires a licensee to notify the Division written notice in advance when the licensee wishes to change its place of business (R.C. 1321.643).	Requires the notice to be provided at least 15 days in advance (R.C. 1321.643).
Licensure under the Mortgage Loan Law	No provision.	Allows people to be licensed under both the Mortgage Loan Law and the CILA (R.C. 1321.64(E)).

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Superintendent authority regarding criminal violations	No provision.	Permits the Superintendent in order to protect the public interest, to, without prior hearing, suspend the license of a person who is convicted of or pleads guilty to a criminal violation under CILA (<i>R.C. 1321.70(l)(1)(a)</i>).
Penalties	No provision.	<p>Makes a violation of the following CILA prohibitions a minor misdemeanor (up to \$500 fine):</p> <ul style="list-style-type: none"> • The prohibition against licensees allowing borrowers to be indebted for a loan under the CILA at the same time the borrower is indebted to an affiliate or agent of the licensee under another loan law to obtain excess charges (<i>R.C. 1321.69(A)</i>); • The prohibition against licensees inducing or permitting a person to become obligated to the licensee under more than one loan contract to obtain excess charges (<i>R.C. 1321.69(B)</i>); • The prohibition against a licensee failing to provide information regarding payment of a loan in full within five days of receiving a written request from borrower (<i>R.C. 1321.69(C)</i>); • The prohibition against false, misleading, or deceptive advertising practices (for greater detail, see <i>Advertising</i> in the analysis of L-131-2793-1) (<i>R.C. 1321.651 and 1321.69(E)</i>); • The prohibition relating to how interest may be computed as well as to restrictions on licensees in regards to making loans under CILA (for greater

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		<p>detail, see <i>Licensee restrictions and Interest and Charges</i> in the analysis of L-131-2793-1) (R.C. 1321.68);</p> <ul style="list-style-type: none"> • The prohibitions relating to interest and charges in an open-end loan and relating to cancelling insurance for open-end loans due to delinquency, (for greater detail, see <i>Open-end loans</i> in the analysis of L-131-2793-1) (R.C. 1321.681). <p>Makes a violation of the following CILA prohibitions a fifth degree felony and a strict liability offense:</p> <ul style="list-style-type: none"> • The prohibition against engaging in certain loan business without a CILA license (R.C. 1321.63); • The prohibition against making, proposing, or soliciting false or misleading statements on loan-related documents (R.C. 1321.69(H)). • The prohibition against signing blank loan documents (for greater detail, see <i>Prohibited acts</i> in the analysis of L-131-2793-1) (R.C. 1321.69(I) and (K)). <p>(R.C. 1321.99.)</p>
Definitions	Defines "residential mortgage" as 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 home equity line of credit, or reverse mortgage (R.C. 1321.62(AA)).	No provision.

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	No provision.	Defines "residential mortgage loan" as any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or on residential real estate upon which is constructed or intended to be constructed a dwelling. For purposes of this definition, "dwelling" has the same meaning as in the federal "Truth in Lending Act," (R.C. 1321.62(AA)).

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