



## ENFORCEMENT OF MORTGAGE LOAN ACT AND SMALL LOAN ACT LOAN AGREEMENTS IN OHIO COURTS

It has come to our attention that some courts in Ohio, particularly in northern Ohio, are raising various issues regarding the enforceability of loan agreements written under the Ohio Mortgage Loan Act or Small Loan Act.

These issues have included:

- Can unsecured loans be made under the Mortgage Loan Act?
- Can single installment loans be made under these Acts?
- Is the 25% state rate violated when the federal APR is over 25%?
- Can the 25% rate be continued after default or after judgment?

It is very important to the industry that we not let adverse decisions and lines of case develop on these and other issues. If an adverse decision occurs, we should appeal it and get it properly briefed. We can help you ensure that your collection attorneys have the tools/arguments necessary to respond to these challenges. □

✧ *Darrell Dreher, Elizabeth Anstaett and Kathleen Caress*

Darrell L. Dreher  
[ddreher@dltlaw.com](mailto:ddreher@dltlaw.com)

Judith M. Scheiderer  
[jscheiderer@dltlaw.com](mailto:jscheiderer@dltlaw.com)

Elizabeth L. Anstaett  
[eanstaett@dltlaw.com](mailto:eanstaett@dltlaw.com)

Charles V. Gall  
[cgall@dltlaw.com](mailto:cgall@dltlaw.com)

Susan L. Ostrander  
[sostrander@dltlaw.com](mailto:sostrander@dltlaw.com)

### DREHER TOMKIES SCHEIDERER LLP

2750 Huntington Center

41 S. High Street

Columbus, Ohio 43215

Telephone: (614) 628-8000 Facsimile: (614) 628-1600

[WWW.DLTLAW.COM](http://WWW.DLTLAW.COM)

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Michael C. Tomkies  
[mtomkies@dltlaw.com](mailto:mtomkies@dltlaw.com)

Margaret M. Stolar  
[mstolar@dltlaw.com](mailto:mstolar@dltlaw.com)

Robin R. De Leo  
[robin@dreher-la.com](mailto:robin@dreher-la.com)

Vanessa A. Nelson  
[vnelson@dltlaw.com](mailto:vnelson@dltlaw.com)

Kathleen L. Caress  
[kcaress@dltlaw.com](mailto:kcaress@dltlaw.com)