



January 7, 2019

CHANGES ENACTED IN OHIO FINANCIAL SERVICES LAW, INCLUDING MORTGAGE SERVICER LICENSING

The Ohio General Assembly enacted Ohio H.B. 489 that makes various changes to Ohio law governing banks, credit unions and mortgage servicers. The bill revises various provisions of Ohio law relating to banks and credit unions, including with respect to:

- The frequency of examinations by the Superintendent of Financial Institutions
- The reporting and correction of bona fide errors

The bill makes additional revisions to the governance of Ohio credit unions.

With respect to mortgage loans made under the Ohio Banking Code the bill amends Section 1109.20 to remove a cross reference to the restriction on discount points and prepayments in Section 1343.011, making these provisions no longer applicable to banks.

The bill amends Section 1101.05 to allow for a private right to action under the provisions of the Banking Code relating to revolving loan agreements (Section 1109.18) and allowable interest rates and fees (Section 1109.20).

The bill amends Section 1322.07 of the Residential Mortgage Lending Act (RMLA) to require mortgage servicers to obtain a certificate of registration under the RMLA and comply with most provisions of the RMLA. The RMLA does not apply to state and federally chartered depository institutions among other listed exempt entities set forth in the RMLA.

The bill enacts new Section 1349.72 imposing new requirements on persons collecting debts in default secured by a second mortgage or junior lien on residential real property.

The bill specifies that H.B.489 is to be known as the "Ohio Financial Institutions Reform Act" and Sections 1321.51 to 1321.60 of the Ohio Revised Code, formerly known as the Ohio Mortgage Loan Act, is to be known as the "General Loan Law."

The bill was signed by the Governor on December 19, 2018 and will take effect March 20, 2019.

Please contact us with any questions.

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