



January 7, 2019

OHIO LOAN AMOUNT FOR PREPAYMENT PENALTY PROHIBITION ADJUSTED

The Ohio civil interest statute provides that no penalty may be charged for the prepayment or refinancing of a residential mortgage obligation of less than \$75,000 that is made or arranged by a mortgage broker, loan officer or non-bank mortgage lender and that is secured by a mortgage on a borrower's real estate that is a first lien on the real estate. The loan amount limit is to be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index (CPI). Based on the CPI, effective January 1, 2019 the loan amount is revised to \$91,466.

The Ohio Consumer Sales Practices Act, applicable to non-bank mortgage lenders, incorporates the civil interest limit on prepayment penalties. □

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