



OHIO A.G. RELEASES NEW MORTGAGE INFORMATIONAL DOCUMENT

The Ohio Attorney General released a new mortgage lending Informational Document that must be provided in connection with mortgage applications. The new document contains loan amount limitations for prepayment penalties for 2018. Ohio law requires that the attorney general inform consumers and suppliers, which includes nonbank mortgage lenders, mortgage brokers and certain types of loan officers, on a continuing basis of acts or practices that violate the Ohio Consumer Sales Practices Act by publishing an informational document describing acts and practices in connection with residential mortgages that are unfair, deceptive or unconscionable, and by making that information available on the attorney general's official web site. Ohio Rev. Code § 1345.05(A)(4). The regulations provide that a supplier who takes a consumer's mortgage loan application must provide the required "Informational Document" to the applicant and obtain a signed acknowledgement that the applicant received the Informational Document. Ohio Admin. Code 109:4-3-29.

The new Informational Document can be found at:

http://www.ohioattorneygeneral.gov/Files/Forms/Forms-for-Business-and-Nonprofit/Required-Mortgage-Loan-Disclosure-Forms/2011-12-21_OhioHomebuyersProtectionActInformationa

The other Ohio Attorney General required mortgage disclosure forms, including the Acknowledgment of Receipt of Home Mortgage Loan Informational Document, can be found at:

<http://www.ohioattorneygeneral.gov/Files/Forms/Forms-for-Business-and-Nonprofit/Required-Mortgage-Loan-Disclosure-Forms>

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OHIO DFI RELEASES 2018 MORTGAGE PREPAYMENT PENALTY LOAN AMOUNT ADJUSTMENT

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 adjusted annually on January 1 by the annual percentage change in the Consumer Price Index (CPI). Based on the CPI, effective January 1, 2018 the loan amount is increased to \$89,261.

The Ohio Mortgage Loan Act incorporates the civil interest statute limit on prepayment penalties into the MLA prepayment penalty provision. Section 1109.20 of the Ohio Banking Code incorporates the same prepayment penalty limitation into the rate and fee authority applicable to Ohio chartered banks.

Contact us with questions about these or other Ohio required disclosures. ☐

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