



May 24, 2021

OHIO GENERAL ASSEMBLY PASSES OHIO H.B. No. 133 PERTAINING TO FINANCIAL SERVICES AND OTHER MATTERS

Ohio H.B. No. 133 has been passed by the Ohio General Assembly and will now be sent to the Governor. The bill addresses topics ranging from property tax valuation to acquisition and charter of Ohio banks to consumer lending. We have summarized the most relevant items related to financial services below.

Commercial Credit Reports

- Requires a commercial credit reporting agency to provide a credit report to the business that is the subject of the report at a no greater cost than what is charged to third parties (upon request by a representative of the subject of the report).
- Establishes a procedure for resolving disputed statements of fact.

Debt Collection- Written Notice to Debtor

- Modifies the existing requirement that a person collecting on certain debts secured by residential real property send a written notice to the debtor.

Residential Mortgage Lending Act

- Repeals the temporary mortgage loan originator license.
- Repeals the existing requirement that a mortgage lender, servicer or broker maintain an office location in Ohio and instead requires the office to be located in any U.S. state.
- Allows an operations manager to be an operations manager for more than one location.
- Adds a new definition of "bona fide nonprofit organization."
- Adds a definition of transacting business as a mortgager lender, servicer or broker in this state that refers to originating, brokering or servicing five or more residential mortgage loans in a 12 month period (i) for property located in Ohio, (ii) for a resident of Ohio or (iii) by a person physically located in Ohio.
- Adds a minimum bond amount for registrants engaged exclusively in mortgage servicing of \$150,000.
- Makes various other changes to the Residential Mortgage Lending Act.

General Loan Law

- Allows the Superintendent of Financial Institutions to require applicants or registrants under the General Loan Law to use the NMLS for registration, renewals and other reporting requirements.

Consumer Installment Loan Act

- Amends the conditions by which a transition between a Consumer Installment Loan Act licensee and a borrower is considered to not be a "condition of" the consumer installment loan.

Credit Services Organization Contracts

- Replaces the 60 day limit on the performance of certain credit service organization contracts with a 12 month limit if certain criteria are met.

Most provisions of the new law, including all the provisions summarized above, will become effective 90 days after the bill is signed by the Governor and filed with the Ohio Secretary of State. Please contact us if you have questions on any of the amendments to Ohio law in H.B. No.133.

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