

# Financial Institutions and Consumer Finance

## H.B. 133

**Primary Sponsor:** Rep. Hillyer

**Effective date:** Emergency: amendment of R.C. 2305.117 (regarding legal malpractice claims) effective June 2, 2022; all other provisions effective September 1, 2021

### Commercial credit reports

- Requires a commercial credit reporting agency to provide a credit report to a business that is the subject of the report, when requested by a representative, at no greater cost than what is charged to third parties.
- Establishes a procedure through which such a business may dispute a statement on the report.

### Debt collection – written notice to debtor

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

### Residential Mortgage Lending Act (RMLA)

- Specifies that only a mortgage lender, broker, servicer (collectively, registrant), or originator making more than five residential mortgage loans annually is subject to the RMLA.
- Clarifies and revises several exemptions to the mortgage loan originator license requirements.
- Repeals the temporary mortgage loan originator license.
- Eliminates the 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.
- Requires a mortgage lender, servicer, or broker application to include the names and addresses of the owners, officers, or partners having control of the applicant.
- Requires the applicant to provide the identity information for any individual with control of the applicant.
- Authorizes the Superintendent of Financial Institutions to alter the requirements for any registration and license under the RMLA.
- Permits an operations manager to be the operations manager for more than one location.
- Permits the Superintendent to consider other experiences related to the business of residential mortgage lending that the Superintendent determines is sufficient to qualify as an operations manager to a registrant or entity that holds a valid letter of exemption.

- Removes the continuing education requirement for operations managers of entities seeking to renew their certificate of registration.
- Establishes procedures a registrant must follow when the operations manager ceases to be the operations manager.
- Requires a registrant to cease operations if it is without an operations manager approved by the Superintendent for more than 180 days, unless authorized in writing by the Superintendent.
- Eliminates the requirement that a mortgage loan originator maintain and display a copy of a license at the office where the originator principally transacts business, if the originator is employed by or associated with a person or entity holding a valid letter of exemption.
- Clarifies the application of certain RMLA requirements to exempt entities.
- Requires, when the documents of a registrant or exempt entity are held out of state and an in-person examination is necessary, the registrant or exempt entity must pay the estimated costs of the examination.
- Prohibits registrants and exempt entities from receiving a premium on the fees charged for services performed by a third party and from paying or receiving a referral fee or kickback.
- Alters the minimum bond requirements for registrants, from \$50,000 for all registrants to \$50,000 for mortgage lenders and mortgage brokers and \$150,000 for registrants engaging solely in mortgage servicing.
- Amends definitions and standardizes terms in the RMLA.
- Expands the authority of the Superintendent to amend definitions in the RMLA.
- Authorizes the Superintendent to alter the requirements for registration and licensure under the RMLA.

### **General Loan Law**

- Permits the Superintendent to require applicants or registrants under the General Loan Law to use the National Multistate Licensing System for registration and compliance of the General Loan Law.

### **Consumer Installment Loan Act**

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

### **Personal checking account information**

- Eliminates requirements that (1) a financial institution require a person opening a personal checking account to provide the financial institution specified identifying

information and (2) a person that issues or prints a check, print on the check the date on which the checking account was opened.

### **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.

### **Business linked deposits**

- Changes specific interest rate requirements for loans made to small businesses by credit unions from specific percentage rates to a more general standard of being below market rates.

### **Acquisition and charter of Ohio banks**

- Expands the types of financial entities authorized to charter or acquire an Ohio bank, from only banks and bank holding companies to banks, bank holding companies, federal savings associations, and savings and loan holding companies.

### **Legal malpractice claims relating to opinions of title**

- Establishes that the statute of limitations for legal malpractice claims relating to an opinion of title issued prior to June 16, 2021, is one year after the cause of action accrued without regard to when the alleged basis of the claim occurred.

## **S.B. 115**

**Primary Sponsor:** Sen. Schuring

**Effective date:** March 2, 2022

- Gives a public depository participating in the Ohio Pooled Collateral Program two business days to pledge additional securities to satisfy the minimum collateral requirement if the value of its existing pledged securities falls below that minimum.
- Exempts a public depositor, treasurer, or the public depositor's or treasurer's bonders or surety from liability for the loss of funds due to a public depository's failure to maintain sufficient pledged collateral.