

1301:8-5-08

Payments on a pawn loan.

(A) As used in section 4727.06 of the Revised Code and this rule:

(1) "Month" means the monthly pawn cycle. The monthly period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month.

(2) "Fraction of a month" does not include the first day of the monthly pawn cycle.

(B) If the principal balance of a pawn loan is reduced, the interest computation for the month in which the principal reduction occurs shall be based upon the principal amount existing at the close of business on the first day of the month in which the principal balance is reduced.

(C) A licensee shall not accept interest and storage payments for the month in which the payment is made nor for any subsequent months. The pawnbroker may, however, assess a full month's interest and storage charge for any fraction of a month that exists at the time the loan is redeemed.

(D) Money received from a pledgor making a payment pursuant to section 4727.06 of the Revised Code shall be applied first to any legally collectible unpaid interest, storage charges, and mailing notice charges earned by the licensee, and then to the principal.

(E) A pawn loan shall not be refinanced. A licensee shall not redeem a pawn loan on behalf of a pledgor. A licensee shall not require or accept a pro-rata payment on any interest or any other charges.

(F) A licensee shall not establish a new pawn date for a pawn loan when any payment on the loan is made but no redemption occurs. As used in Chapter 4727. of the Revised Code and this chapter, "redemption" means payment in full of a pawn loan coupled with the return of the pledged property to the original pledgor or other person redeeming the pledge.

(G) If a pawn account is not paid in full, or the interest and storage charges due on a pawn account are not paid, on or before the thirtieth day from the date the forfeiture warning notice was mailed pursuant to division (A) of section 4727.11 of the Revised Code, the pledged property shall be forfeited to the licensee on the day after that thirtieth day. For purposes of calculating thirty days, the day of the mailing shall not be counted. However, if the thirtieth day falls on a day that the licensee is not open for business, the thirtieth day shall be deemed to be the first subsequent full day that the licensee is open for business.

Effective:

R.C. 119.032 review dates:

Certification

Date

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