

Notice of Public Hearing

Ohio Department of Commerce Division of Financial Institutions Consumer Finance – Short-Term Loan Act

At 10:00 a.m. on Tuesday, July 14, 2009, the Ohio Division of Financial Institutions will hold a public hearing regarding the Division's intent to promulgate new rules in the Ohio Administrative Code relating to the Short-Term Loan Act. The hearing will be held in the 21st Floor Conference Room located at 77 South High Street, Columbus, Ohio 43215. A summary of the proposed rules follow:

Proposed New Rules

1301:8-11-01, Definitions and general provisions. The new rule defines “net worth,” “senior officer” and “theft” in a manner substantively consistent with rules relating to other licensees under the Division's authority.

1301:8-11-02, Recordkeeping requirements. The new rule sets forth recordkeeping requirements substantially similar to that presently required for small loan act licensees, including a ledger record of outstanding loans, a chronological record of loan statements, an alphabetical listing of borrowers, and a litigation journal. In addition, the rule clarifies the responsibilities of licensee to maintain records in a secure manner after going out of business in conformity with federal laws (i.e., The Fair and Accurate Credit Transaction Act of 2003 and the Gramm-Leach-Bliley Act.)

1301:8-11-03, Advertising. The new rule sets recordkeeping requirements for advertising for a two year period, consistent with other Ohio regulated lender laws. In addition, it prohibits false advertising and requires the use of the business' license number in advertisements.

1301:8-11-04, Licensing. The new rule sets forth the requirement that licensees cannot transfer or assign their license, and requires notification to the Division of a licensee's change to its business office location.

1301:8-11-05, Short-term license renewal; issuance of renewal license; expiration. The new rule sets forth the date the license expires, the date for submitting a renewal application, the non-refundability of application fees; the requirement to update application information; and the withdrawal of renewal applications.

1301:8-11-06, Surety bond. The new rule sets forth the need to continuously maintain the bond, requires the bond follow the format set by the Division, set time limits for claims against the bond and contains other provisions which substantially follow the bonding requirements and process for mortgage brokers.

Copies of the proposed rule filing may be obtained by contacting the Ohio Division of Financial Institutions at the above address or by calling Allyson Porter at (614) 644-7487. Copies of this filing may also be obtained from the Division's internet homepage located at www.com.state.oh.us/dfi or the Register of Ohio website at www.registerofohio.state.oh.us