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Yosef Schiff, Attorney

SUMMARY

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 an 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 (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 registration 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 (CILA) 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.

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DETAILED ANALYSIS

Commercial credit reports

Provide copy to subject of report

The act addresses “commercial credit reports” by requiring a commercial credit reporting agency to provide a credit report to a business, when requested, at a cost that is not more than what is charged to third parties. And the act establishes procedures for a business to dispute a statement on the report that the business believes is inaccurate. “**Commercial credit reports**” are reports provided by a commercial credit reporting agency to a business for a legitimate business purpose, relating to the financial status or payment habits of a business.

Under federal law, the Fair Credit Reporting Act (FCRA) provides a method in which consumers can dispute errors on their consumer credit reports, however, commercial credit reports are not covered under these provisions of the FCRA.¹

A “**commercial credit reporting agency**” is a person or entity that regularly engages in the practice of compiling and maintaining commercial credit reports on a business operating in Ohio for the purpose of providing commercial credit reports and, for monetary fees, dues, or on a cooperative nonprofit basis, provides commercial credit reports on a business operating in Ohio to third parties. The term includes only persons and entities that maintain a database of commercial credit reports from which new commercial credit reports are produced.²

The act excludes the following from the requirements that apply to commercial credit reports:

1. A report prepared for commercial insurance underwriting, claims, or auditing purposes;
2. A report containing information related to transactions or experiences between the business that is the subject of the report and the person making the report;
3. An authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;
4. Any report in which a person that has been requested by a third party to make a specific extension of credit directly or indirectly to the subject of the report conveys its decision with respect to that request.³

Under the act, a commercial credit reporting agency – if requested by a business that is the subject of the commercial credit report – must provide the report to the business at no greater cost than what is charged to third parties. The report must be in the format routinely made available to third parties, and the credit reporting agency is allowed to protect the identity of the sources of information in the report.⁴

Disputed information

If the business that is the subject of the report believes the report contains an inaccurate statement of fact, it may – within 30 days after receipt of the report – file with the agency a written summary identifying each inaccurate statement of fact and indicating the

¹ R.C. 1319.17(A)(2), (B), and (C); 15 United States Code (U.S.C.) 1681 *et seq.*; and “40 years of Experience with the Fair Credit Reporting Act, An FTC Report with Summary of Interpretations,” Federal Trade Commission, July 2011, <https://www.ftc.gov/sites/default/files/documents/reports/40-years-experience-fair-credit-reporting-act-ftc-staff-report-summary-interpretations/110720fcra-report.pdf>, page 21.

² R.C. 1319.17(A)(3).

³ R.C. 1319.17(A)(2) to (4).

⁴ R.C. 1319.17(B).

nature of its disagreement with the statement. The agency has 30 days from receipt of the summary to do either of the following at no cost to the business:

1. Delete the disputed statement of fact from the report and, thereafter, block any repeat reporting of that disputed statement unless its accuracy has been verified;
2. Include in the report a notice of the business's assertion that the statement of fact is inaccurate.⁵

Civil action

The act explicitly states that any violation of the act's provisions regarding commercial credit reports does not provide a private right of action, including a class action. Therefore, it is unclear how these provisions are to be enforced.⁶

Debt collection – written notice to debtor

The act makes a few changes to a law related to debt collecting. Prior law required a person collecting a defaulted debt secured by a second mortgage or a junior lien on the debtor's residential real property to send a written notice to the debtor with specified information relating to the loan and the debtor's right to legal representation and possible qualification for bankruptcy.

First, the act changes when the notice must be sent. Instead of requiring the notice to be sent before a collection is attempted, the act requires the notice to be sent to the debtor 30 days prior to filing a foreclosure action.

Second, the act revises the type of debt that will trigger the notice requirement. Under the act, the debt must be secured by a mortgage lien on the property that is not in the first mortgage position and the debt has either been accelerated or is in default in accordance with the terms set forth in the promissory note.

In addition, the act expressly permits the notice to be included on or accompany any other communication with the debtor.

Lastly, the act clarifies how the owner of the debt can remedy an unintentional failure to comply with the notice requirement. Under continuing law, unchanged by the act, if the owner of the debt fails to comply with the notice requirement, the owner of the debt can have immunity from civil liability if the owner takes certain steps to remedy the error, including providing the debtor restitution for the error. Prior law did not define "restitution." The act adds a definition for "restitution" as either (1) a waiver of all fees, costs, or expenses proximately associated with the failure to provide the notice to the debtor, or (2) actual damages.⁷

⁵ R.C. 1319.17(C).

⁶ R.C. 1319.17(D).

⁷ R.C. 1349.72.

Ohio Residential Mortgage Lending Act

The act makes several changes to the Ohio Residential Mortgage Lending Act (RMLA). Generally, the act makes changes throughout the RMLA so the law is applied consistently to all registrants (lenders, brokers, and servicers) in the registration process and other registration requirements.

Application of RMLA

Minimum number of loans

The Ohio Residential Mortgage Lending Act (RMLA) regulates nondepository lending secured by residential real estate. The RMLA continues to require the registration of residential mortgage lenders, brokers, and servicers (registrants), and the licensure of residential mortgage loan originators through the Department of Commerce's Division of Financial Institutions. The act specifies that only a mortgage lender, broker, servicer, or originator making more than five residential mortgage loans annually is subject to the RMLA. In other words, those making fewer than five mortgage loans annually are exempt from the RMLA. The act defines "**transaction of business as a mortgage lender, mortgage servicer, or mortgage broker in this state**" to mean originating, brokering, or servicing five or more residential mortgage loans in any 12-month period in any of the following circumstances:

1. For any Ohio resident;
2. For any property in Ohio;
3. By a person who is physically located in Ohio even if the property in question is in another state.⁸

Bona fide nonprofit organizations and employees

Under continuing law, the RMLA does not apply to bona fide nonprofit organizations. The act revises what it considers to be such an organization.

Bona fide nonprofit organization	
Prior law	The act
<p>The organization is a bona fide nonprofit organization if all of the following apply:</p> <ul style="list-style-type: none"> ▪ It is tax exempt under 26 U.S.C. 501(c)(3) and that the U.S. Department of Housing and Urban Development does not deny this exemption. 	<p>The organization is a bona fide nonprofit organization if all of the following apply:</p> <ul style="list-style-type: none"> ▪ It is tax-exempt organization under 26 U.S.C. 501(c)(3). ▪ It promotes affordable housing or provides homeownership education or similar services.

⁸ R.C. 1322.01(BB) and (LL) and 1322.07.

Bona fide nonprofit organization

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Its primary activity is the construction, remodeling, or rehabilitation of homes for use by low-income families. ▪ The organization makes no-profit mortgage loans or mortgage loans at 0% interest to low-income families and no fees accrue directly to the organization from those mortgage loans. | <ul style="list-style-type: none"> ▪ It conducts its activities in a manner that serves public or charitable purposes, rather than commercial purposes. ▪ It receives funding and revenue and charges fees in a manner that does not incentivize it or its employees to act other than in the best interests of its clients. ▪ It compensates its employees in a manner that does not incentivize employees to act other than in the best interests of its clients. ▪ It provides, or identifies for the borrower, residential mortgage loans with terms favorable to the borrower and comparable to mortgage loans and housing assistance provided under government housing assistance programs. ▪ It has obtained a valid letter of exemption from the Superintendent of Financial Institutions. |
|--|---|

Similarly, under continuing law, an individual employed by a nonprofit organization is not considered a mortgage loan originator. The act revises this exemption by (1) requiring the organization to be a *bona fide* nonprofit organization, (2) revising what constitutes a nonprofit organization as described above, and (3) requiring the individual to be acting within the scope of employment with respect to residential mortgage loans with terms that are favorable to the borrower.⁹

Employees performing clerical tasks

The act clarifies and revises several exemptions to the mortgage loan originator license requirements. Under continuing law, revised in part by the act, a mortgage loan originator license is not required for an individual who performs purely administrative or clerical tasks on behalf of a mortgage loan origination. The act revises the meaning of “administrative or clerical tasks.” Under prior law, the term meant the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry, without performing any analysis of the information, and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage. The act

⁹ R.C. 1322.01(F) and (AA)(2)(g), and 1322.04(G).

largely keeps this definition, but (1) removes the requirement that no information analysis be performed and (2) adds that the license is not required to the extent the communication does not include offering or negotiating loan rates or terms or counseling borrowers about residential mortgage loan rates or terms.

The act also adds that certain employees of loan processing or underwriting companies are not required to obtain a mortgage loan originator license. The employees are exempt if they provide loan processing or underwriting services to mortgage lenders or mortgage brokers, provided the employee performs only clerical or support duties and performs those duties only at the direction of and subject to the supervision and instruction of a licensed mortgage loan originator employee of the same loan processing and underwriting company, and provided that the loan processing and underwriting company has obtained a letter of exemption from the Superintendent.¹⁰

Manufactured homes

Finally, the act revises the manufactured home exemption. Continuing law exempts a person involved in the retail sale of manufactured homes, mobile homes, and industrialized units from the registration and licensure requirement under the RMLA if certain conditions are met. The act revises the conditions under which such a person may be exempt under the RMLA:

- The act expressly includes a manufactured home park operator as a person who may obtain an exemption under this provision.
- Under prior law, in order to qualify for the exemption under the RMLA, the person (1) could not provide counseling to borrowers about residential mortgage loan rates or terms and (2) could not assist borrowers in completing loan applications. The act removes these conditions.
- In addition, the act adds a requirement that the person must provide borrowers a written disclosure of any corporate affiliation the person has with lenders. If the person does recommend an affiliated lender, the person must also recommend at least one unaffiliated lender.¹¹

Repeal of temporary loan originator license

The act eliminates temporary mortgage loan originator licenses. The temporary licenses were generally available for individuals licensed in other jurisdictions who wished to temporarily be licensed in Ohio under the RMLA before meeting all the Ohio licensure requirements.¹²

¹⁰ R.C. 1322.01(A) and (W) and (AA)(2)(a) and (h).

¹¹ R.C. 1322.01(AA)(2)(f) and 1322.04.

¹² R.C. 1322.07(B)(3) and R.C. 1322.24 and 1322.25, repealed.

Office location

The act 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.¹³

Registration and licensure

The act requires that an application for a mortgage lender, servicer, or broker registration under the RMLA include the names and addresses of the owners, officers, or partners having control of the applicant. This includes the name and address of any applicable sole proprietor or partner. In the case of a corporation, the application must include the name and address of each shareholder owning 5% or more of the corporation. And in case of any other entity, the application must include the name and address of any person that owns 5% or more of any entity that will transact business under the registration. In addition, the act requires the applicant to provide the Superintendent any reasonable information the Superintendent requires.¹⁴

Continuing law authorizes the Superintendent to alter the requirements for any letter of exemption under the RMLA; the act expands this authority to include altering the requirements for any registration and license under the RMLA.¹⁵

Operations manager

Under continuing law, each registrant of an entity holding a valid letter of exemption under the RMLA must designate an operations manager.

Under prior law, an operations manager was responsible for the management, supervision, and control of a particular location; the act expands this authority to apply to a particular registrant. Consequently, only one operations manager is required if there is a main office and one or more branch offices.

Under continuing law, unchanged by the act, an operations manager to a registrant or entity that holds a valid letter of exemption under the RMLA must have three years of experience as a mortgage loan originator. The act requires that this experience be generally in the residential mortgage and lending field, including experience as a mortgage loan originator, and the act authorizes the Superintendent to consider other experience related to the business of residential mortgage lending that the Superintendent determines is sufficient.

The act eliminates the requirement that the operations manager complete eight hours of continuing education in order for the registrant to qualify for an annual registration renewal.

The act also establishes procedures a registrant must follow when the person designated as the operations manager ceases to be the operations manager. Within 90 days

¹³ R.C. 1322.07(A)(2).

¹⁴ R.C. 1322.09(A)(2) and (3).

¹⁵ R.C. 1322.02.

after the person ceases to be the operations manager, another person must be designated as the operations manager. The Superintendent must be notified in writing within ten days of the new designation.

The registrant must cease operations if it is without an operations manager approved by the Superintendent for more than 180 days, unless otherwise authorized in writing by the Superintendent due to exigent circumstances.¹⁶

Registration application

Under continuing law, the registration for a mortgage lender, broker, or servicer requires the applicant to provide to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity. The act adds that the applicant must also provide the identity information for any individual with control of the applicant.¹⁷

License display

The act eliminates the requirement that a mortgage loan originator maintain and display a copy of the license at the office where the mortgage loan originator principally transacts business if the mortgage loan originator is employed by a or associated with a person or entity holding a valid letter of exemption.¹⁸

Exempt entities

Obfuscation of ownership

The act clarifies the application of certain requirements in the RMLA to exempt entities. Continuing law prohibits a person from acquiring, selling, transferring, or hypothecating any interest in a registrant or an applicant for a certificate of registration under the RMLA in order to obfuscate or conceal the true ownership or control of the registrant or applicant. The act adds that this prohibition also applies to anyone acquiring, selling, transferring, or hypothecating any interest in an entity holding a letter of exemption issued under the RMLA in order to obfuscate or conceal the true ownership or control of the holder.¹⁹

Interest

A registrant under continuing law may contract for and receive interest of an annual percentage rate of up to 25%. The act explicitly states that this provision also applies to an entity holding a letter of exemption under the RMLA.²⁰

¹⁶ R.C. 1322.10 and 1322.12.

¹⁷ R.C. 1322.09(C).

¹⁸ R.C. 1322.29(D).

¹⁹ R.C. 1322.15.

²⁰ R.C. 1322.30.

Superintendent's enforcement authority

The act subjects exempt entities to the Superintendent's continuing records examination and enforcement provisions.²¹

Cost of out-of-state records examination

The act adds a requirement in situations in which the electronic records, books, records, data, and documents of a registrant or holder of a letter of exemption issued under the RMLA are located outside of Ohio and the Superintendent determines that an in-person examination is necessary. In this situation, the registrant or holder of a letter of exemption must, upon the request of the Superintendent, pay the estimated costs of the examination, including the proportionate cost of the salaries of Division of Financial Institutions employees who conduct the examination.²²

Fees and kickbacks

The act 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. More specifically, a registrant or entity holding a letter of exemption cannot do either of the following:

1. Receive, directly or indirectly, a premium on the fees charged for services performed by a bona fide third party;
2. Pay or receive, directly or indirectly, a referral fee or kickback of any kind to or from a bona fide third party or other party with a related interest in the transaction, including a home improvement builder, real estate developer, or real estate broker or agent, for the referral of business.²³

Surety bond

Under prior law, a registrant had to obtain and maintain in effect at all times a corporate surety bond issued by a bonding company or insurance company for at least \$50,000 and an additional penal sum of \$10,000 for each additional location the registrant conducts business. The act 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.²⁴

Definitions and terminology

The act amends definitions and standardizes terms in RMLA. As noted above, the act makes changes throughout the RMLA so the law is applied consistently to all registrants

²¹ R.C. 1322.34(A) and 1322.50.

²² R.C. 1322.34(E).

²³ R.C. 1322.43(B).

²⁴ R.C. 1322.32.

(lenders, brokers, and servicers) in the registration process and other registration requirements. In addition, it expands the authority of the Superintendent to amend definitions under the RMLA. Under continuing law, the Superintendent is authorized to amend the definition for a mortgage loan originator, mortgage broker, or mortgage lender. The act expands this authority to the definition of a mortgage servicer and any other definition found in the RMLA.²⁵

In addition, the act modifies the definition of “**residential mortgage loan**” by eliminating the requirement that the real estate be located in Ohio. In addition, instead of requiring the loan to be secured by a first or second lien holder secured creditor, it requires it to be secured by a first lien holder or subordinate lien holder secured creditor.²⁶

Lastly, the act modifies the definition of “**loan processor or underwriter**” to mean an individual who, with respect to the origination of a residential mortgage loan and under the direction of or subject to the supervision of a mortgage loan originator (1) receives, collects, distributes, or analyzes information common for the processing or underwriting a residential mortgage loan, or (2) communicates with a borrower to obtain the information necessary for the processing or underwriting of a loan, to the extent the communication does not include the offering or negotiation of loan rates or terms or counseling borrowers about loan rates or terms.²⁷

General Loan Law

The act authorizes the Superintendent of Financial Institutions to require applicants or registrants under the General Loan Law to use the National Multistate Licensing System (NMLS) for registration and compliance of the General Loan Law, including for the purposes of the application, renewal, fees, and surrender of a license. The Superintendent can also require applicants or registrants to pay any applicable fee to the NMLS.²⁸

Consumer Installment Loan Act

The Ohio Consumer Installment Loan Act (CILA) regulates consumer installment loans and lenders. CILA restricts the interest and charges a CILA licensee is authorized to charge a borrower. Continuing law specifies that these restrictions do not limit the rights of licensees to engage in other transactions with borrowers, provided the transactions are not a condition of the loan. The act specifies that a transaction is not considered a condition of the loan if (1) it is not required for the extension of the credit and (2) it is a charge that is not considered a “finance charge” under the federal Truth in Lending Act.²⁹

²⁵ R.C. 1322.02.

²⁶ R.C. 1322.01(II).

²⁷ R.C. 1322.01(W).

²⁸ R.C. 1321.52(D).

²⁹ R.C. 1321.68(G)(2).

Personal checking account information

The act eliminates a requirement that a financial institution require a person opening a personal checking account to provide the financial institution specified identifying information, such as a driver's license. It also eliminates the requirement that every person that issues or prints checks for use with a checking account print the date on which the checking account was opened on the face of each check.³⁰

Credit services organization contracts

Under continuing law, revised in part by the act, a credit services organization must provide all services to a buyer within the time specified in the contract, which cannot exceed 60 days or a shorter period set by the Superintendent of Financial Institutions.

A credit services organization is prohibited from receiving consideration for its services unless the services are performed within this agreed-to time period. This prohibition can be enforced by (1) the injured buyer suing the credit services organization for damages, including punitive damages, (2) the Division of Financial Institutions, the Attorney General, or the buyer seeking an injunction against the credit services organization, (3) the Division suspending or revoking the credit services organization's registration, and (4) the Division requesting the county prosecutor to initiate criminal proceedings. The violation also is considered an unfair or deceptive act under the Consumer Sales Practices Act.

The act extends this required performance period to 12 months for services under a contract to which all of the following conditions apply:

- The buyer agrees to substantially equal periodic payments at fixed time intervals for the services after they are performed during the term of the contract.
- The buyer may cancel the contract at any time without penalty or obligation to pay for any services that have not yet been rendered.
- The contract solely provides for the ongoing performance of either of the following services:
 - Improving the buyer's credit record, history, or rating, or providing advice or assistance to a buyer in connection with such a service;
 - Removing adverse credit information that is accurate and not obsolete from the buyer's credit record, history, or rating.
- The buyer's explicit, affirmative, and documented assent is provided before a contract is renewed.

³⁰ R.C. 1349.16, repealed, and a conforming change in R.C. 2913.11.

- During the term of the contract period, the credit services organization reviews with the buyer the adverse credit information on the buyer's credit report.³¹

“**Credit services organization**” means any person that, in return for the payment of money or other valuable consideration readily convertible into money for the following services, sells, provides, or performs, or represents that the person can or will sell, provide, or perform, one or more of the following services:

- Improving a buyer's credit record, history, or rating;
- Obtaining an extension of credit by others for a buyer;
- Providing advice or assistance to a buyer in connection with the above two types of services;
- Removing adverse credit information that is accurate and not obsolete from the buyer's credit record, history, or rating;
- Altering the buyer's identification to prevent the display of the buyer's credit record, history, or rating.³²

“**Buyer**” means an individual who is solicited to purchase or who purchases the services of a credit services organization for purposes other than obtaining certain types of business loans.³³

Business linked deposits

The act 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. Continuing law provides for a program under which an eligible small business (a person that is domiciled in Ohio, maintains offices and operating facilities exclusively in Ohio, transacts business in Ohio, employs fewer than 150 employees the majority of whom are Ohio residents, is organized for profit, and can save or create one full-time job or two part-time jobs in Ohio for every \$50,000 borrowed) may obtain a low-rate loan from an eligible lending institution (an Ohio-chartered, federal, or foreign credit union located in Ohio).

Under prior law, in order to lower the interest rate, the lender was required to enter into an agreement with the state under which the state purchased share certificates from the credit union lender, agreeing to accept a below-market rate of return on those certificates. Because the lender was paying a lower rate to the state, it could therefore lend at a lower rate to the small business.

³¹ R.C. 4712.05 and R.C. 4712.01, 4712.03, 4712.07(A), 4712.10, 4712.11, and 4712.12, not in the act.

³² R.C. 4712.01, not in the act.

³³ R.C. 4712.01 and 1343.01(B)(6), not in the act.

Prior law required the loan to be at a rate that reflected the following percentage rate reduction below the present borrowing rate applicable to each eligible small business:

- 3% if the present borrowing rate is greater than 5%; or
- 2.1% if the present rate is equal to or less than 5%.

Prior law further required a certification of compliance with this requirement to be submitted by the eligible lending institution to the Treasurer of State.

Rather than the purchase of credit union share certificates, the act requires a certificate of deposit or other financial institution instrument be placed by the Treasurer of State with the eligible lending institution at a rate below current market rates, as determined and calculated by the Treasurer of State. In addition, the institution must agree to lend the value of the deposit to eligible small businesses at a rate that reflects an equal percentage rate reduction below the present borrowing rate applicable to each specific business at the time of the deposit of state funds in the institution. (This standard for loans parallels the standard for loans made under the Linked Installment Program under R.C. 135.61 to 135.67.) Finally, the act removes the requirement that the lender submit a certification of compliance.³⁴

Acquisition and charter of Ohio banks

Continuing law allows a bank or bank holding company whose principal place of business is in Ohio or any other state to charter or acquire an Ohio bank if certain criteria are met. The act expands the entities authorized to charter or acquire an Ohio bank to also include a federal savings association and a savings and loan holding company.³⁵

“Bank” means an entity that solicits, receives, or accepts money or its equivalent for deposit as a business. “Bank” includes a state bank or any entity doing business as a bank, savings bank, or savings association under authority granted by the federal Office of the Comptroller of the Currency or the former federal Office of Thrift Supervision, the appropriate bank regulatory authority of another state of the United States, or the appropriate bank regulatory authority of another country, but does not include a credit union.³⁶

“Bank holding company” means any company that has control over any bank or over any company that is or becomes a bank holding company by virtue of the federal Bank Holding Company Act of 1956.³⁷

³⁴ R.C. 135.77 and 135.774.

³⁵ R.C. 1115.05(B).

³⁶ R.C. 1101.01, not in the act.

³⁷ R.C. 1101.01, not in the act, and 12 U.S.C. 1841.

“**Federal savings association**” means a federal savings and loan association or a federal savings bank doing business under authority granted by the Office of the Comptroller of the Currency or the former Office of Thrift Supervision.³⁸

“**Savings and loan holding company**” means any company that directly or indirectly controls a savings association or that controls any other company that is a savings and loan holding company.³⁹

Legal malpractice claims relating to opinions of title

The act makes a change to a provision that is a part of the newly enacted [S.B. 13 of the 134th General Assembly](#), which took effect June 16, 2021. This act, H.B. 133, makes an exception to the four-year statute of repose for legal malpractice claims established in S.B. 13. The exception provides that in a situation where there is a legal malpractice claim relating to opinions of title that have been issued prior to June 16, 2021, the statute of limitation is one year after the cause of action accrued without regard to when the alleged basis of the claim occurred.⁴⁰

HISTORY

Action	Date
Introduced	02-17-21
Reported, H. Financial Institutions	03-16-21
Passed House (97-0)	03-17-21
Reported, S. Financial Institutions & Technology	05-11-21
Passed Senate (32-0)	05-12-21
House concurred in Senate amendments (97-0)	05-19-21

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³⁸ R.C. 1101.01, not in the act.

³⁹ R.C. 1101.01, not in the act, and 12 U.S.C. 1467a.

⁴⁰ R.C. 2305.117 and Section 5.