

High Cost Loans

SB 185 lowers the current trigger for high cost covered loans from 8% to 5% for points and fees and retains the federal definition of “points and fees”.

THE FOLLOWING ACTS ARE SPECIFICALLY PROHIBITED BY BROKERS UNDER SB 185

Providing an interest rate after default that is higher than the interest rate before default.

Providing loans which are based predominately on the equity of the home’s value without regard to the consumer’s ability to repay.

Making a loan when the creditor has the right to demand repayment of the outstanding balance in advance of the maturity date.

Replacing or consolidating a zero interest rate or a low interest rate loan-made by governmental or non-profit lender with another loan unless the holder of the loan receives housing counseling and presents certification from a certified governmental agency.

Telling the consumer to ignore lender’s or supplier’s written information.

Recommending a consumer to default on a mortgage or any consumer transaction or revolving credit loan agreement.

Charging a late fee more than once on a single late payment.

Failing to disclose to the consumer that the consumer is not required to complete the transaction.

Arranging for a loan under which more than two periodic payments are consolidated and paid in advance from the loan proceeds.

Knowingly attempting to influence or corrupt the independent judgment of an appraiser.

Financing credit, life, or disability insurance, except for insurance premiums calculated and paid on a monthly basis.

Knowingly engaging in the act of flipping (refinancing a mortgage loan when the new loan does not result in a reasonable, tangible net benefit to the consumer)

Knowingly taking advantage of the inability of the consumer to reasonably protect the consumer’s interest because of any known physical or mental infirmities or illiteracy.

Entering into a transaction knowing there was no reasonable probability of payment by the consumer.

Attempting to enforce a prepayment penalty not authorized by Ohio Rev. Code §1343.011

Engaging in an act deemed unconscionable by rules established by the Attorney General.



Implementing Ohio’s New Anti Predatory Lending Law

A Pocket Guide to Ohio’s New Anti Predatory Lending Law-Homebuyers’ Protection Act