

## REFERENDUM PETITION

Number 06/25

County Franklin

Issued to Ababa Deresse

Date of Issuance June 7, 2008

**To the Secretary of State and Attorney General of Ohio:** Pursuant to Ohio Revised Code § 3519.01(B), the undersigned electors of the State of Ohio, numbering in excess of one thousand, hereby submit to each of you the full text of Substitute House Bill Number 545 of the 127<sup>th</sup> General Assembly (the "Act") and a summary of the same.

**To be submitted to the electors for their approval or rejection.**

### TITLE

A referendum petition on the repeal of Ohio's Check-Cashing Lender Law, the establishment of Ohio's Short-Term Lender Law, and amendments to Ohio's Lending laws passed by the 127<sup>th</sup> General Assembly as Substitute House Bill No 545 on May 20, 2008, and signed by the Governor and filed with the Secretary of the State on June 2, 2008

### SUMMARY

Substitute House Bill 545 repeals Ohio's current Check-Cashing Lender Law and enacts the Short-Term Lender Law to regulate the making of certain short-term loans, as follows:

- Short-term lenders must comply with various licensure requirements. License applications may be denied due to certain criminal convictions, adverse judgments, or employment of felons for lending activities
- Short-term lenders may be sued for damages when they violate required duties and standards of care. Short-term lenders who violate the Short-Term Lender Law also may be subject to administrative fines, criminal prosecutions, and injunctions to prohibit conduct.
- Short-term lenders must retain separate books and records for at least two years, and must file an annual report with the Division of Financial Institutions. The Superintendent of Financial Institutions must inspect the books and records of a Short-term lender at least once each year.
- The Short-Term Lender Law regulates the terms and conditions that may be used for short-term loans, including the imposition of caps on permissible loan fees and interest rates. Short-term lenders are prohibited from making loans in certain situations. For example, the Law limits an individual to obtaining no more than four (4) loans in one year. Short-term lenders are also prohibited from engaging in specified activities such as false advertising and illegal debt collection practices.
- The Superintendent of Financial Institutions will either administer a statewide loan database containing personal information relating to individuals who obtain short-term loans, or an equivalent program.
- House Bill 545 also:

- Establishes a short-term installment loan linked deposit program, in which certain financial institutions may agree to accept State funding for the purpose of making short-term loans to Ohio borrowers;
- Prohibits credit unions from making short-term loans to their members;
- Expands the existing Consumer Finance Education Board, and gives the Board additional powers and responsibilities; and
- Establishes the Financial Literacy Education Fund for the purpose of supporting consumer education programs on financial matters.

CERTIFICATION OF ATTORNEY GENERAL  
(to be obtained after initial circulation)

COMMITTEE TO REPRESENT THE PETITIONERS

The following persons are designated as a committee to represent the petitioners in all matters relating to this petition or its circulation:

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