

ORC Ann. 1349.26

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§ 1349.26 Creditor disclosures concerning covered loans.

(A) A creditor shall provide, for each covered loan, both of the following disclosures. The disclosures shall be in conspicuous type size and be in substantially the following form:

- (1) “You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application.”
- (2) “If you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan.”

(B) In addition to the disclosures required under division (A) of this section, a creditor shall disclose, for each covered loan, either of the following:

- (1) In the case of a credit transaction with a fixed rate of interest, the annual percentage rate, the amount of the regular monthly payment, and the amount of any balloon payment;
- (2) In the case of any other credit transaction, the annual percentage rate of the loan, the amount of the regular monthly payment, a statement that the interest rate and monthly payment may increase, and the amount of the maximum monthly payment, based on the maximum interest rate allowed pursuant to 12 U.S.C.A. 3806.

(C) With respect to any mortgage that is refinanced on or after October 1, 2002, the creditor shall also disclose the total amount the consumer will borrow, as reflected by the face amount of the note. If the amount borrowed includes premiums or other charges for optional credit insurance or debt-cancellation coverage, that fact shall be stated, grouped together with the disclosure of the amount borrowed. The disclosure of the amount borrowed shall be treated as accurate if it is not more than one hundred dollars above or below the amount required to be disclosed.

(D)

(1) Subject to division (D)(2) of this section, each creditor shall provide the disclosures required under this section not less than three business days prior to consummation of the transaction. After providing those disclosures, a creditor shall not change the terms of the extension of credit if such changes make the disclosures inaccurate, unless new disclosures are provided in accordance with this section. A creditor may provide such new disclosures by telephone, if both of the following requirements are met:

- (a) The change is initiated by the consumer.

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(b) At the consummation of the loan transaction, the creditor provides to the consumer the new disclosures in writing and the creditor and consumer certify in writing that, not later than three days prior to the date of consummation of the transaction, the new disclosures were provided by telephone.

(2) A consumer may, after receiving the disclosures required under this section, modify or waive the three-day waiting period between delivery of those disclosures and consummation of the loan transaction, if the consumer determines that the extension of credit is needed to meet a bona fide personal financial emergency. To modify or waive the right, the consumer shall give the creditor a dated written statement that describes the emergency, specifically modifies or waives the waiting period, and bears the signature of all of the consumers entitled to the waiting period.

(E) Compliance with sections 226.31(c)(1) and 226.32(c) of Title 12 of the Code of Federal Regulations, as amended, shall be deemed compliance with this section.

History

149 v H 386. Eff 5-24-2002.

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