

\*\*\* DRAFT - NOT YET FILED \*\*\*

1301:8-2-05

**Advertising.**

(A) The following advertising requirements shall be observed by all small loan licensees:

- (1) The words "advertisement" and "advertising," as used in sections 1321.01 to 1321.19 of the Revised Code and this chapter, shall include all material printed, published, displayed, distributed or broadcast for the purpose of obtaining applications for loans. Materials displayed or distributed over the internet, telephone, facsimile, or other electronic transmission for the purposes of obtaining applications for loans are considered advertising for purposes of this rule.
- (2) A small loan licensee shall not advertise that loans will be made at any place other than that named in the small loan license. Every advertisement shall state and clearly indicate the identity of the small loan licensee and shall do so in a manner that prevents confusion with the name of any other unrelated small loan licensee.
- (3) A small loan licensee shall not use loan advertisements, such as providing only telephone or facsimile number or newspaper box address, that do not clearly indicate the identity of the small loan licensee.
- (4) A small loan licensee shall not advertise that loans shall be made within a specified time after the loan application is received, unless it is the general practice of the small loan licensee to make loans within the specified time.
- (5) A small loan licensee shall not advertise special terms, reduced rates, reduced payments, or any other special feature of a loan within a specified limited time, unless the advertisement clearly states any limitations that apply to the offer.
- (6) A small loan licensee shall not advertise by the use of unqualified superlatives, including but not limited to "lowest rates," "lowest costs," "lowest payment plan," or "cheapest loans," or by making offers which cannot be reasonably fulfilled.
- (7) A small loan licensee shall not advertise the words "new" or "reduced," or words of similar import, in connection with rates, costs, payments or plans, for more than ninety days after the rates, costs, payments or plans shall have become effective.

- (8) Any small loan licensee specifying in any advertisement charges on loans in dollars shall also state the length of time required to repay the loans as well as the method of repayment, and shall, when the rate of interest is stated, do so in a manner to prevent misunderstanding.
- (9) Any small loan licensee advertising flat or average payments on loans which include principal and interest shall specify the number and frequency of payments required to repay the loans. Whenever the amounts of periodic payments are advertised, the amounts must include all interest to the borrower, as well as principal. However, the principal payments alone may be shown separately, provided the interest charges are also clearly stated with equal prominence.
- (10) A small loan licensee shall not advertise rebates, rates, or charges below the maximum lawful rate of interest which are conditioned upon prompt payment unless the condition is clearly indicated.
- (11) A small loan licensee shall not advertise:
  - (a) Waiver of payments in the event of sickness or disability or other contingency, without advertising that the interest and other charges, if assessed, continue during the waiver period.
  - (b) That the first payment on any loan may be made more than thirty days after the date of loan closing, without advertising that the interest and other charges, if assessed, will accrue from the date of disbursement of the loan funds until the first payment is due.
- (12) A small loan licensee shall not advertise loans for illegal purposes.
- (13) A small loan licensee shall not advertise specific amounts of loans to be made on designated makes and models of automobiles unless it is also stated that the amounts so specified are only the average loan values and are subject to the actual condition of the automobiles.
- (14) A small loan licensee shall not give, or advertise an offer to give, any article or merchandise or anything of value, other than a reduction in interest, as an inducement to a borrower to make a loan.
- (15) A small loan licensee shall not advertise the availability of credit-related insurance without disclosing the charge, if any, for the insurance.

- (B) Every small loan licensee shall maintain in each licensed office or in a central location, approved by the superintendent of financial institutions a record or file of all advertising, including newspaper, magazine, direct mailing, facsimile advertising and solicitations, roadside advertising, internet and scripts of radio and television commercials, for a period of two years from the date disseminated. A record or other file shall be readily available for inspection by the division of financial institutions at all times. Every small loan licensee shall notify the division of financial institutions in writing of the location of the record or file. Upon request of the superintendent, all small loan licensees shall provide the division with copies of any printed or electronic advertising used regarding any business conducted under sections 1321.01 to 1321.19 of the Revised Code. Text of advertising shall be maintained by the small loan licensee for two years from the date of usage.

Five Year Review (FYR) Dates:

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Certification

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Date

Promulgated Under:	119.03
Statutory Authority:	1321.10
Rule Amplifies:	1321.07, 1321.09, 1321.11
Prior Effective Dates:	2/1/1986, 11/13/1997, 7/1/2008