

**PREPAYMENT PENALTY ADJUSTMENT
BASED ON THE ANNUAL PERCENTAGE CHANGE IN THE CONSUMER
PRICE INDEX (CPI)**

**Revised Code 1343.011(C) (2) (b)
Effective January 1, 2009**

Revised Code 1343.011(C) (2) (a) provides that no penalty may be charged for the prepayment or refinancing of a residential mortgage obligation of less than \$75,000 that is made or arranged by a mortgage broker, loan officer, or non-bank mortgage lender, as those terms are defined in section 1345.01 of the Revised Code, and that is secured by a mortgage on a borrower's real estate that is a first lien on the real estate.

Revised Code 1343.011(C) (2) (b) states that the loan amount limit is to be adjusted annually on January 1st by the annual percentage change in the Consumer Price Index for all urban consumers, Midwest Region, all items, (CPI) as reported on June 1st of the year preceding the adjustment.

During the period of June 1, 2007 to June 1, 2008 the CPI increased by 4.87%. As a result, effective January 1, 2009, no penalties may be imposed on prepayment or refinancing of a residential mortgage loan of less than \$81,170.