



STATE OF OHIO
ATTORNEY GENERAL'S OFFICE

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June 19, 2008

VIA FIRST CLASS MAIL

Stephen J. Schaller
3055 Socialville-Foster Road
Maineville, Ohio 45039

Robert M. Grieser
6315 Moore Rd.
Delaware, Ohio 43015

Bridgette C. Roman
8825 Dunsinane Drive
Dublin, Ohio 43017

Re: Proposed Initiated Referendum to Repeal Substitute House Bill 545

Dear Committee Members:

In accordance with the provisions of Section 3519.01(B)(3) of the Ohio Revised Code, a written petition proposing to repeal Substitute House Bill 545, was submitted for my examination on June 9, 2008. Pursuant to Ohio Revised Code Section 3519.01(B)(3), my duty is to opine whether the submitted summary of Substitute House Bill 545 is a fair and truthful statement of the measure to be referred. Accordingly, this office does not comment on the merits of the proposed referendum.

After reviewing your submission, I am unable to certify your summary as a fair and truthful statement of the measure to be referred. While this is not necessarily an exhaustive list, I am refusing to certify your summary language for the following reasons:

The three topics covered in the fourth bullet point summarize far too briefly the most fundamental changes brought about by the bill. This bullet paragraph covers half of the bill. The combination of three distinct substantive areas in one bullet point, while at the same time selecting the less important examples of the bill, results in a misleading of the reader as to the most important aspects of the bill. For example, the first sentence of the fourth bullet point (. . . "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") should state that the interest rates for such loans are capped at 28%. Otherwise, the most fundamental change that HB 545 brought about is not stated for the potential petition-signer. The same bullet point notes as an example that the law prohibits more than four loans per year but omits other more important provisions in the same section of the bill. The section that includes the four loan provision prohibits a licensee from, among other things: collecting treble damages; making a loan to a borrower who already has a loan with the lender or who terminated a loan with the lender on the same day, if such loan

means the borrower pays a total amount more than \$500.00 or more than 25% of the borrower's gross monthly salary; making a short-term loan in order to retire any other short-term loan; accepting collateral; charging for prepayment of a loan; recommending a higher loan amount than requested by the borrower; making a loan to a borrower that has received two loans within the previous ninety days from any licensee, or four loans in the calendar year from any licensee; engaging in any deceptive trade practices; and offering incentives.

The fifth bullet point incorrectly states the responsibilities of the Superintendent of Financial Institutions relative to a statewide database. In addition, the term "personal information" is not used in the bill, and is particularly inflammatory and unfair because it is not accompanied by the information that the database is not a public record.

The seventh bullet point incorrectly describes the financial transaction between the Treasurer of State and eligible financial institutions in the short-term installment loan linked deposit program established by the bill.

The eighth bullet point is also misleading to the petition-signer because it drastically overstates the effect of HB 545 on credit union loans. House Bill 545 did repeal certain provisions of previous law under which credit unions could make loans, but the types of loans currently made by credit unions are governed by other state and federal law and will not be restricted by HB 545.

Therefore, I am unable to certify the summary as fair and truthful.

Sincerely,

A handwritten signature in black ink that reads "Nancy H. Rogers". The signature is written in a cursive style with a large, prominent "N" and "R".

NANCY H. ROGERS
Attorney General

SCM:rnc

cc: Chief Elections Counsel, Secretary of State