

Mr. HARSHA. I should like to have comparable information on Ohio which you have presented on Arizona.

Mr. JENNINGS. I think that I can get it for you from some of the references I have. They say maximum loans—wait a minute—the maximum time, no special provisions, interest charges, interest rates allowed by law. And they have a footnote here which I do not have with me, so that I cannot give you that information now.

(The information requested follows:)

REFERENCES ARE TO OHIO REVISED CODE, AS AMENDED
SELECTED LAW PROVISIONS

Sec. 1343.01. Maximum rate. The parties to a bond, bill, promissory note, or other instrument of writing for the forbearance of payment of money at any future time, may stipulate therein for the payment of interest upon the amount thereof at any rate not exceeding eight per cent per annum payable annually.

Sec. 1343.02. Rate upon judgments on instruments containing stipulation. Upon all judgments, decrees, or orders, rendered on any bond, bill, note, or other instrument of writing containing stipulations for the payment of interest in accordance with section 1343.01 of the Revised Code, interest shall be computed until payment is made at the rate specified in such instrument.

Sec. 1343.03. Interest when rate not stipulated. In cases other than those provided for in sections 1343.01 and 1343.02 of the Revised Code, when money becomes due and payable upon any bond, bill, note or other instrument of writing, upon any book account, or settlement between parties, upon all verbal contracts entered into, and upon all judgments, decrees, and orders of any judicial tribunal for the payment of money arising out of a contract, or other transaction, the creditor is entitled to interest at the rate of six per cent per annum, and no more.

Sec. 1343.04. Usurious interest. Payments of money or property made by way of usurious interest, whether made in advance or not, as to the excess of interest above the rate allowed by law at the time of making the contract, shall be taken to be payments made on account of principal; and judgment shall be rendered for no more than the balance found due, after deducting the excess of interest so paid.

Sec. 1701.68. Usury. No domestic or foreign corporation, or anyone on its behalf, shall interpose the defense or make the claim of usury in any proceeding upon or with reference to any obligation of such corporation; nor shall any corporate note, bond, or other evidence of indebtedness, mortgage, pledge, or deed of trust, be set aside, impaired, or adjudged invalid by reason of anything contained in laws prohibiting usury or regulating interest rates.

FOOTNOTES

Any special plan bank which contracts with its depositors for the receipt of deposits which are not payable unconditionally upon demand or at a fixed time may discount interest at the rate allowed by law on loans made in reliance for repayment on the character and earning capacity of the borrower and may require the borrower as security for the loan to make periodic deposits, with or without allowing interest on the deposits and with or without additional security. The transaction is not usurious. (Sec. 1107.26, as added by Laws 1967, S.B. No. 97, approved September 8, 1967, effective January 1, 1968.)

DECISIONS—OPINIONS

.361 Discount of paper.—The claim that a secured note was usurious and that at the time of making the agreement the mortgagor was not correctly informed as to the payment terms was rejected by the court since by making a number of payments, the mortgagor ratified the terms of the agreement, and as between the dealer and the finance company, the transaction bore the outward form of a sale or negotiation of the note. As long as this was true there could be no usury, as there had been no loan of money and no charge for the use of money. Bills and notes, like other property, may be bought and sold, and a discount at any rate is not usurious.—*Battle v. Patsy Auto Sales, Inc.* Ohio Ct. App. 1951) 99 N. E. 2d 812.