



## Department of Commerce

Division of Financial Institutions

John R. Kasich, Governor  
Jacqueline T. Williams, Director

### **LOAN 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, 2017**

No penalties may be imposed on prepayment or refinancing of a residential mortgage loan of less than \$88,503, effective January 1, 2017.

Revised Code 1343.011(C) (2) (a), effective as of January 1, 2007, states 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.

Further, Revised Code 1343.011(C) (2) (b) states that the loan amount limit is to be adjusted annually on January 1<sup>st</sup> by the annual percentage change in the Consumer Price Index (CPI) for all urban consumers, Midwest Region, all items, the Consumer Price Index as reported on June 1<sup>st</sup> of the year preceding the adjustment. During the period of June 1, 2015 to June 1, 2016 the CPI increased by 0.8329%.