

**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, 2010**

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 1<sup>st</sup> by the annual percentage change in the Consumer Price Index for all urban consumers, Midwest Region, all items, (CPI) as reported on June 1<sup>st</sup> of the year preceding the adjustment.

During the period of June 1, 2008 to June 1, 2009 the CPI decreased by 1.73%. As a result, effective January 1, 2010, no penalties may be imposed on prepayment or refinancing of a residential mortgage loan of less than \$79,765.