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## Committee approves new rules on predatory lending

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Jim Siegel

The legislative Joint Committee on Agency Rule Review yesterday approved attorney general rules designed to implement a law cracking down on predatory lending.

Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio and a key advocate for the new law, said that for him, only one major concern remained.

He said it's unclear that the rules require lenders to consider a borrower's ability to pay the higher rate when completing a loan that starts with a low interest rate but rises sharply after two years.

But Shaun Petersen, chief of the attorney general's Consumer Protection Section, said he intends to require lenders to consider the higher rate when determining ability to pay.

"We think they are included," he said of the so-called 2/28 loans. "We went to great lengths to include them the best we can."

Faith said that if Petersen says that's his intent, then he's OK with the rules.

The law, which takes effect Jan. 1, will put brokers and nonbank lenders under the Consumer Sales Practices Act, giving borrowers and the attorney general more power to sue deceptive brokers and lenders.

Advocates remain worried that lawmakers could weaken the law with a provision under discussion this week that would limit damages that could be collected under the Sales Practices Act.

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