



Tim Williams
Executive Director, Ohio Manufactured Homes Association
House Financial Institutions, Housing and Urban Development Committee
House Bill 67 Proponent Testimony
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Chairman Dever, Vice Chair Sprague, Ranking Member Smith and members of the committee, I am Tim Williams, Executive Director of the Ohio Manufactured Homes Association. Since 1947 the Ohio Manufactured Homes Association (OMHA) has represented all segments of the factory built homes industry including manufactured homes communities (MHC) that provide affordable housing for 900,000 Ohioans.

I am providing testimony in support of House Bill 67. Our association is made up of manufacturers, dealers and park operators, suppliers, lenders and insurance providers, all of whom are business people that receive commercial loan instruments. We are concerned that these loans could be called without notice and without default. If a loan is called via a cognovit note it can have repercussions for many aspects of our industry. For a manufacturer, they may not have the resources to repay the loan in full as they may be waiting on payments for homes under construction and later delivered to a dealer or homebuyer. This could cause a closure of a factory and a

homebuyer to be left with an incomplete home product. If a dealer has a loan called, they could be forced to lay off the workforce and liquidate home stock. Finally, and most importantly, if a loan is called through this mechanism for a manufactured home community owner/operator it could cause the foreclosure and possibly closure of the park. In this instance, there could be multiple consequences. The park is bought by another entity and homes/tenants remain in the MHC, the tenants who rent the home and lot are forced to leave or most tragically, the tenant who owns the home and rents the lot must spend thousands to move the home from the MHC because of the closure.

Based on the sub bill that is before the committee (-6), OMHA supports the revisions that have been made to allow a borrower to request a hearing to prove they are not in default on a loan and to narrow the terms of when a cognovit note may be utilized. As an industry, we do not want to protect companies and operators that are not current with their loans and allow their communities to fall in to disrepair; this only hurts the image of the industry and most importantly the tenants. Therefore, we believe this bill provides protection for solid businesses that are good actors trying to provide a good service at a reasonable price. OMHA believes this is a common-sense and equitable solution to the problem.

Mr. Chairman and members of the committee, we appreciate the efforts of Representative Young on House Bill 67 and urge your support of this measure.