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## CATHERINE INGRAM

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State Representative  
32<sup>nd</sup> House District

***Sponsor Testimony – House Bill 244***  
***House Commerce & Labor Committee***  
***June 12, 2019***

Chairwoman Manning, Vice Chair Dean, Ranking Member Lepore-Hagan and members of the House Commerce and Labor Committee. Thank you for affording me the opportunity to provide sponsor testimony on House Bill 244.

House Bill 244 modifies provisions of the Ohio Credit Services Organization Act by lengthening the contractual time limit for some contracts between consumers and credit repair companies from 60 days to one year. This modification would help consumers get their credit repaired in a more realistic time frame without having their credit repair services interrupted while they wait for their contract to be renewed.

It is important to note that changes to the law contained in HB 244 would not apply to all of the credit service organizations that are regulated under chapter 4712. Instead, the one year contractual limit would only be available to certain credit repair companies. The existing 60-day contractual limit would continue to apply to those credit service organizations that try to obtain credit for consumers and those organizations that contract to alter a consumer's identification to prevent the display of the consumer's credit record, history, or rating.

Furthermore, only credit repair companies that provide additional consumer protections would be able to enter into contracts during the longer, 1-year contractual period. Those organizations would need to: Permit their customers to terminate their credit repair contracts at any time and have no future financial obligation to pay fees; Review all adverse credit report information with the consumer; Refrain from renewing credit repair contracts unless the consumer provides explicit, affirmative and documented assent to the contract being renewed.

After HB 244 becomes law, it is important for you to know that consumers would continue to be protected by numerous provisions not only in Ohio law, but also by the safeguards contained in the federal Credit Repair Organizations Act (CROA) that was passed in 1996. Such safeguards include: A prohibition from accepting fees in advance of performing services; Requiring contracts to contain a statement of rights as well as full and detailed descriptions of the services to be provided; Requiring that the consumer receive an estimated date when the contractual services will be completed; Requiring the company to obtain a surety bond; and Ensuring that a statutory agent is appointed in Ohio.

These provisions of law have been in place for decades and will continue to protect consumers from bad actors.

Madam Chair and members of this committee, I hope you will join me and Representative Hillyer in supporting HB 244. Thank you again for allowing me to provide testimony and at this time, I would be happy to answer any questions.