



**Senate Insurance and Financial Institutions Committee
Opponent Testimony on Senate Bill 112
Chairman Bob Hackett
September 1, 2020**

Chairman Hackett, Vice Chairman Hottinger, Ranking Member Craig, and members of the Senate Insurance and Financial Institutions Committee, thank you for the opportunity to appear before you today in opposition to Senate Bill 112. My name is Bob Whitehouse and I am the CEO of Eagle Financial Services. I am also a Past President of the Ohio Financial Services Association, the state trade association for consumer installment lenders.

My company, Eagle Finance, has been in operation for more than twenty years and currently serves customers in a three-state region – Ohio, Kentucky, and Indiana. We have 80 branch locations in those states, 33 of which are in Ohio. We make consumer installment loans – both secured and unsecured – to our customers with average loan terms ranging from 12 to 36 months and average loan amounts ranging from \$1000-\$5,000. When receiving a loan from us, our customers express a wide variety of needs from vehicle repair to medical expenses, and the COVID-19 pandemic has expanded even more the need for our loans.

Senate Bill 112, relating to debt adjusting, is of great concern to the Ohio Financial Services Association (OFSA)¹. If enacted, the bill will directly affect our businesses and our customers by opening the door to even more “debt adjusters” charging significant fees to distressed borrowers, without providing any value not already accessible for free through direct negotiation with the creditor.

I would like to talk about my experiences with debt settlement companies today. Based on my twenty-six years of experience, it is typical for debt adjusters to instruct borrowers to stop making payments to their creditors and to halt all communication with their creditors – actions which further harm our customers’ credit situations. Communication between creditors and their customers is critical; by their nature, for-profit settlement companies sever those valuable lines of communication.

We stand ready and able to work directly with our consumers in the unfortunate event of hardship. We respectfully ask you to oppose this bill and ensure proper protections remain in place for the residents of Ohio and for creditors such as us who do business in Ohio.

¹ Founded in 1915, the Ohio Financial Services Association (OFSA) is the Ohio trade association for the consumer credit industry, protecting access to credit and consumer choice. OFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, and retail sales finance. OFSA members do not provide payday or vehicle title loans.