

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**H. B. No. 303**

**Representatives Dever, McColley**

**Cosponsors: Representatives Antani, Barnes, Burkley, Butler, Conditt, Cupp,  
Hambley, Koehler, Perales, Sprague, Sweeney, Smith, K.**

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**A BILL**

To enact sections 5315.01, 5315.02, 5315.03,  
5315.04, and 5315.05 of the Revised Code to  
create the D.O.L.L.A.R. Deed Program.

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**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 5315.01, 5315.02, 5315.03,  
5315.04, and 5315.05 of the Revised Code be enacted to read as  
follows:

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**Sec. 5315.01.** (A) As used in this chapter:

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(1) "Borrower" means the person who receives a mortgage  
from a lender. "Borrower" includes the original borrower's  
successor in interest.

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(2) "Deed in lieu of foreclosure" means a transaction in  
which a borrower, after default on a mortgage loan borrowed on  
real property, conveys to the holder of the mortgage note by  
deed title to the real property pledged as security for the  
indebtedness.

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(3) "Lender" means the holder in due course of a mortgage  
or an agent on behalf of the holder, regardless of whether the

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holder in due course is the entity that issued the mortgage. 18

(4) "Mortgage" means an obligation to pay a sum of money 19  
evidenced by a note and secured by a lien imposed on real 20  
property. 21

(B) There is hereby created the D.O.L.L.A.R. deed program 22  
to be administered by the Ohio housing finance agency. The 23  
program shall provide a loss mitigation alternative for 24  
borrowers who are in default on a mortgage encumbering a parcel 25  
of real property. 26

**Sec. 5315.02.** The Ohio housing finance agency shall adopt 27  
in rule all of the following: 28

(A) Eligibility requirements for the D.O.L.L.A.R. deed 29  
program. These requirements shall specify that to qualify, an 30  
applicant need not be eligible for another mortgage loss 31  
mitigation alternative or program. 32

(B) A standard form by which a person may apply to 33  
participate in the program; 34

(C) A model for the deed in lieu of foreclosure described 35  
in division (A) (1) of section 5315.04 of the Revised Code; 36

(D) A model for the repurchase or refinance agreement 37  
described in division (A) (2) of section 5315.04 of the Revised 38  
Code; 39

(E) A model for the lease agreement described in division 40  
(A) (3) of section 5315.04 of the Revised Code; 41

(F) Levels of homeowner's insurance that may be the basis 42  
for determining rent under division (A) (3) of section 5315.04 of 43  
the Revised Code; 44

(G) Any other rules necessary to implement this chapter. 45

**Sec. 5315.03.** (A) An applicant to the D.O.L.L.A.R. deed 46  
program shall submit both of the following to the loss 47  
mitigation department of the holder in due course of the 48  
mortgage that is in default: 49

(1) The application form adopted by the Ohio housing 50  
finance agency pursuant to section 5315.02 of the Revised Code; 51

(2) A request for modification and affidavit form 52  
developed under the federal housing authority's home affordable 53  
modification program. 54

(B) To qualify for the program, the applicant's front-end 55  
and back-end debt-to-income ratios must fall below the current 56  
ratios set by the federal housing authority under the home 57  
affordable modification program at the time the application is 58  
submitted to the agency. 59

(C) The lender shall respond to the applicant in writing 60  
not later than thirty days after the date the lender receives 61  
the application. 62

**Sec. 5315.04.** (A) If a lender approves a borrower 63  
applicant to the D.O.L.L.A.R. deed program, the borrower and 64  
lender shall execute all of the following: 65

(1) A deed in lieu of foreclosure that transfers to the 66  
lender all of the borrower's right to the real property that is 67  
the subject of the mortgage. 68

The deed shall include estoppel language specifying that 69  
the mortgage and title to the real property are not merged and 70  
that the lender retains its lien position and its right to 71  
foreclose on any junior lienholders after the transfer. 72

(2) An agreement under which the borrower may repurchase 73  
or refinance the real property that is the subject of the 74  
mortgage at a specified price until the termination of the lease 75  
described in division (A) (3) of this section. 76

(3) An individual or master lease agreement whereby the 77  
lender leases to the borrower the real property that is the 78  
subject of the mortgage in default. 79

(a) The lease term shall be for the shorter of the period 80  
of time necessary for the borrower to be approved for financing 81  
or other mortgage assistance by the federal housing 82  
administration or two years. 83

(b) The rent shall be on a monthly basis and shall be one- 84  
twelfth of an amount that shall be not less than the sum of all 85  
of the following annualized items with respect to the real 86  
property: 87

(i) Real property taxes; 88

(ii) Homeowner's insurance premiums for homeowner's 89  
insurance in an amount that is in accordance with rules adopted 90  
by the Ohio housing finance agency; 91

(iii) Any homeowner's association or condominium dues. 92

(c) If the parties enter into a master lease agreement 93  
whereby the borrower-lessee is permitted to sublease the real 94  
property, the lender shall file a copy of the lease agreement 95  
with the county recorder of the county in which the real 96  
property is located. 97

(B) The documents required under division (A) of this 98  
section shall be provided to the borrower at least ten business 99  
days before the documents are signed by both parties. 100

(C) If the borrower does not repurchase or refinance the property within the time permitted under the repurchase or refinance agreement, the right to repurchase or refinance terminates. The right to repurchase or refinance may be renewed by mutual agreement between the borrower and lender. 101  
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(D) If a borrower conveys to a lender a deed of the type described in division (A) (1) of this section, and the borrower and lender enter into a repurchase or refinancing agreement of the type described in division (A) (2) of this section and a lease agreement of the type described in division (A) (3) of this section, the lender's mortgage is not extinguished and does not merge with the borrower's interest conveyed. 106  
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**Sec. 5315.05.** (A) A borrower and a lender who are party to a lease agreement under division (A) (3) of section 5315.04 of the Revised Code are governed by Chapter 5321. of the Revised Code. 113  
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(1) The borrower-lessee is responsible for all of the obligations of a tenant under section 5321.05 of the Revised Code as well as the duties under divisions (A) (1) to (6) of section 5321.04 of the Revised Code. 117  
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(2) Divisions (A) (1) to (6) of section 5321.04 of the Revised Code do not apply to a lender-lessor participating in the D.O.L.L.A.R. deed program in accordance with this chapter. 121  
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(B) A borrower-lessee who fails to meet the terms of a lease agreement executed pursuant to this chapter forfeits the borrower's right to repurchase or refinance the real property under division (B) of section 5315.04 of the Revised Code and is subject to a forcible entry and detainer action under section 5321.03 and Chapter 1923. of the Revised Code. 124  
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