

**As Passed by the House**

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**Sub. H. B. No. 303**

**Representatives Dever, McColley**

**Cosponsors: Representatives Antani, Barnes, Burkley, Butler, Conditt, Cupp, Hambley, Koehler, Perales, Sprague, Sweeney, Smith, K., Terhar, Kuhns, Brown, Amstutz, Anielski, Arndt, Baker, Blessing, Bocchieri, Boyd, Buchy, Craig, Driehaus, Duffey, Fedor, Ginter, Green, Hackett, Henne, Leland, Lepore-Hagan, Manning, O'Brien, M., O'Brien, S., Patterson, Phillips, Reece, Reineke, Retherford, Rogers, Ruhl, Ryan, Schuring, Sheehy, Stinziano, Thompson, Speaker Rosenberger**

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**A BILL**

To enact sections 5315.01, 5315.02, 5315.03, 1  
5315.04, and 5315.05 of the Revised Code to 2  
create the D.O.L.L.A.R. Deed Program. 3

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

**Section 1.** That sections 5315.01, 5315.02, 5315.03, 4  
5315.04, and 5315.05 of the Revised Code be enacted to read as 5  
follows: 6

**Sec. 5315.01.** (A) As used in this chapter: 7

(1) "Borrower" means the person who receives a mortgage 8  
from a lender. "Borrower" includes the original borrower's 9  
successor in interest. 10

(2) "Deed in lieu of foreclosure" means a transaction in 11  
which a borrower, after default on a mortgage loan borrowed on 12  
real property, conveys to the holder of the mortgage note by 13  
deed title to the real property pledged as security for the 14

indebtedness. 15

(3) "Home affordable modification program" means the home 16  
affordable modification program established by the United States 17  
departments of the treasury and housing and urban development 18  
pursuant to 12 U.S.C. 5219. 19

(4) "Lender" means the holder in due course of a mortgage 20  
or an agent on behalf of the holder, regardless of whether the 21  
holder in due course is the entity that issued the mortgage. 22

(5) "Mortgage" means an obligation to pay a sum of money 23  
evidenced by a note and secured by a lien imposed on real 24  
property. 25

(B) There is hereby created the D.O.L.L.A.R. deed program. 26  
The program shall provide a loss mitigation alternative for 27  
borrowers who are in default on a mortgage encumbering a parcel 28  
of real property. 29

**Sec. 5315.02.** To assist in the establishment of the 30  
D.O.L.L.A.R. deed program, the Ohio housing finance agency shall 31  
adopt in rule all of the following: 32

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

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

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

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

(E) Any other rules necessary to implement this chapter. 42

**Sec. 5315.03.** (A) An applicant to the D.O.L.L.A.R. deed 43  
program shall submit both of the following to the loss 44  
mitigation department of the holder in due course of the 45  
mortgage that is in default: 46

(1) An application form as set forth in section 5315.02 of 47  
the Revised Code; 48

(2) A request for modification and affidavit form 49  
developed under the home affordable modification program. 50

(B) To qualify for the program, both of the following 51  
shall apply: 52

(1) The applicant need not be eligible for another 53  
mortgage loss mitigation alternative or program. 54

(2) The applicant's front-end and back-end debt-to-income 55  
ratios must fall below the current ratios set for the home 56  
affordable modification program at the time the application is 57  
submitted to the lender. 58

(C) The lender shall respond to the applicant in writing 59  
not later than thirty days after the date the lender receives 60  
the application. 61

**Sec. 5315.04.** (A) If a lender approves a borrower 62  
applicant to the D.O.L.L.A.R. deed program, the borrower and 63  
lender shall execute all of the following: 64

(1) A deed in lieu of foreclosure that transfers to the 65  
lender all of the borrower's right to the real property that is 66  
the subject of the mortgage; 67

The deed shall include estoppel language specifying that 68

the mortgage and title to the real property are not merged and 69  
that the lender retains its lien position and its right to 70  
foreclose on any junior lienholders after the transfer. 71

(2) An agreement under which the borrower may repurchase 72  
or refinance the real property that is the subject of the 73  
mortgage at a specified price until the termination of the lease 74  
described in division (A) (3) of this section; 75

(3) An individual or master lease agreement whereby the 76  
lender leases to the borrower the real property that is the 77  
subject of the mortgage in default; 78

(a) The lease term shall be for the shorter of the period 79  
of time necessary for the borrower to be approved for financing 80  
or other mortgage assistance by the federal housing 81  
administration or two years. 82

(b) The rent shall be on a monthly basis and shall be one- 83  
twelfth of an amount that shall be not less than the sum of all 84  
of the following annualized items with respect to the real 85  
property: 86

(i) Real property taxes; 87

(ii) Homeowner's insurance premiums for homeowner's 88  
insurance, which shall reflect the market rate for homeowner's 89  
insurance based on the market value of the real property; 90

(iii) Any homeowner's association or condominium dues. 91

(c) If the parties enter into a master lease agreement 92  
whereby the borrower-lessee is permitted to sublease the real 93  
property, the lender shall file a copy of the lease agreement 94  
with the county recorder of the county in which the real 95  
property is located. 96

(B) The documents required under division (A) of this section shall be provided to the borrower at least ten business days before the documents are signed by both parties. 97  
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(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. 100  
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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. 105  
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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. 112  
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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. 116  
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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. 120  
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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 123  
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<u>under division (B) of section 5315.04 of the Revised Code and is</u>	126
<u>subject to a forcible entry and detainer action under section</u>	127
<u>5321.03 and Chapter 1923. of the Revised Code.</u>	128