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*Exclusively Increasing the Value of Independent Financial Institutions Since 1974*

March 12, 2018

Representative Louis W. Blessing, III  
Chairman  
Government Accountability and Oversight Committee  
77 S. High St  
13th Floor  
Columbus, OH 43215

Dear Chairman Blessing,

My name is Robert L. Palmer. I am the President and Chief Executive Officer of the Community Bankers Association of Ohio. I am writing to you, exclusively representing Ohio's 173 community banks, approximately 150 of them being state-chartered, in support of HB 489 as introduced in the House on January 30, 2018.

The language in the bill that draws our support and will benefit all state-chartered community banks in Ohio includes

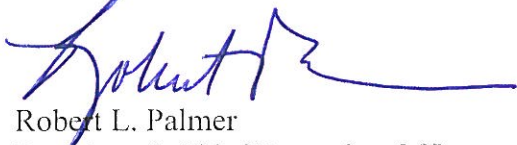
- Extending the frequency of examinations by the Superintendent of Financial Institutions from an 18-month to 24-month cycle for the highest rated state-chartered depository institutions with <\$10B in assets unless the Superintendent deems otherwise.
- The "self-reporting" and correction of bona fide errors language will allow financial institutions to rectify errors without fear of retribution provided that the error was unintentional and they notify the Division of Financial Institutions and the consumer within 60 days of discovering the error. The financial institution will be required to prove reasonable restitution efforts. If they provide sufficient proof, then the institution will be held harmless by the regulator. If the financial institution fails to meet these conditions, then the consumer has a cause of action to recover damages but not as a class action.
- Starting in 2019 there will be a reduction in the Ohio Financial Institutions Tax (FIT) for highly capitalized financial institutions. Only those institutions that have primary capital levels more than 14%, which greatly reduces the risk to the Federal Deposit Insurance Fund in the event of failure, will benefit by eliminating the requirement to pay the tax on capital held above the 14% level. Those financial institutions holding less than 14% capital will see no change.
- Provides for data analytics to be conducted on **publicly available information** for state-chartered financial institutions regulated by the Superintendent.
- Protects consumers by prohibiting a person to act as a mortgage servicer without first obtaining a certificate of registration under the Ohio Residential Mortgage Lending Act

(RMLA) and makes a violation of this prohibition a fifth-degree felony, strict liability offense.

- Exempts from the mortgage servicer registration requirement all entities exempt from the RMLA, including any state or federally chartered depository institution.
- Permits the Superintendent to enforce the RMLA against registered mortgage servicers and subjects mortgage servicers to the same penalties as mortgage brokers and mortgage lenders.
- Provides a qualified immunity from civil liability to a person collecting a debt if the person makes a "bona fide error" and takes certain steps after the error is made to correct same.

Should you or members of the committee wish to discuss any of this further, please direct your questions/comments to my attention.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert L. Palmer", with a long horizontal flourish extending to the right.

Robert L. Palmer  
President & Chief Executive Officer