

**Representatives Don Jones and Gary Scherer**  
**House Bill 423 Sponsor Testimony**  
**House Financial Institutions Committee**  
**November 17, 2020**

Chairman Jordan, Vice Chairman Hillyer, Ranking Member Crossman and members of the committee, we are here to present House Bill 423, which seeks to revise the law regarding how manufactured homes are financed.

House Bill 423 amends the Ohio Residential Mortgage Lending Act by exempting manufactured home retail sellers, their employees and manufactured home park operators from state licensing requirements, as long as they do not originate loans, provide financing, or receive any compensation or gain that depends on the financing of a manufactured home.

The federal Economic Growth, Regulatory Relief, and Consumer Protection Act (the EGRRC Act) was signed into law on May 24, 2018. The EGRRC Act amended the federal Truth in Lending Act to clarify that manufactured home retail sellers and their employees are not considered loan originators simply because they answer questions about how financing works and help customers understand the loan application process.

The EGRRC Act also ensures that manufactured home retail sellers and their employees are not subject to licensing and compliance requirements clearly intended to only apply to lenders who provide financing, originate loans, or negotiate loan terms. However, the EGRRC Act does not allow, tolerate, or result in financial compensation or steering because the law:

1. Prohibits retail sellers from negotiating loan terms with the lender or the borrower;
2. Prohibits retail sellers from receiving any compensation or gain related to the loan; and
3. Requires disclosure of any corporate affiliation between a retail seller and any lender, and if there is an affiliation, requires that the retail seller provide consumers with the name and contact information of at least one unaffiliated lender.

The federal law did not affect the Ohio Residential Mortgage Lending Act, but it is critical that laws at the state level are amended in accordance with these federal changes to ensure that consumers continue to have access to safe, affordable financing options, while also having access to the information they need to make an informed financial decision.

Passing this bill would mirror federal law and exempt Ohio manufactured home retail sellers and their employees from the requirement that they would also comply with state loan originator licensing requirements removing an overly burdensome duty because manufactured home retail sellers do not originate loans, provide financing, or negotiate loan terms.

Mr. Chairman and members of the House Financial Institutions Committee, House Bill 423 is a pro-business and regulation reduction bill with goals matching those of other bills that as a chamber we are considering to streamline business operations. House Bill 423 was brought to us by the Ohio Manufactured Homes Association and also has the support of the Association of Manufactured Homes Residents of Ohio.

We appreciate the opportunity to speak to House Bill 423. We will answer any questions you may have.