



**Tim Williams, Executive Director
Ohio Manufactured Homes Association
House Bill 38 Amendment request
Senate Insurance and Financial Institutions Committee
November 10, 2020**

Chairman Hackett, Vice Chairman Hottinger, Ranking Member Craig and members of the committee, I am Tim Williams, Executive Director of the Ohio Manufactured Homes Association. Since 1947 the Ohio Manufactured Homes Association (OMHA) has represented all segments of the manufactured housing industry including manufactured homes communities (MHC) that provide affordable housing. Over 900,000 Ohioans live in manufactured homes.

I am presenting a concept for your consideration as an amendment to House Bill 38. With the last committee proceedings and the committee's consideration of a possible amendment that is being sought regarding numerous changes to the Residential Mortgage Law, on behalf of my members I am asking for similar consideration for manufactured home retailers and an adjustment to the law regarding how manufactured homes retailers communicate financial information to potential homebuyers.

OMHA is seeking to amend the Ohio Residential Mortgage Loan Law Act by exempting manufactured home retail sellers, their employees and manufactured home park operators from certain 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 amendment 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 thus removing an overly burdensome duty because manufactured home retail sellers do not originate loans, provide financing, or negotiate loan terms.

The economic and homeowner climate created by the General Assembly, especially in our industry, was substantial until the pandemic hit. As we emerge economically from the pandemic and possibly facing more waves of the virus, our retail members need all the opportunities at their disposal to assist potential buyers in getting into their homes, especially as a home is considered a critical tool to keeping your family safe and distanced from others.

Mr. Chairman and members of the Senate Insurance and Financial Institutions Committee, this amendment is a pro-business/pro-consumer and regulation reduction bill with goals matching those of other bills that as a chamber you are considering to streamline business operations.

I appreciate the opportunity to speak to the possible amendment. I will answer any questions you may have.