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TESTIMONY IN OPPOSITION OF Sub. H.B. 251

Good morning Senator Eklund, Ranking Member Thomas and members of the Committee.

My name is Brian Flick and I am here as the Ohio State Chair of the National Association of Consumer Advocates and a private attorney with DannLaw to register my opposition to one provision of HB 251.

As we all know, the COVID-19 pandemic is wreaking havoc on our state and nation. The steps taken to stop the spread of the deadly virus, while necessary, have cratered our economy. As a result, more than 1.1 million Ohioans have been forced to file for unemployment—an historically high figure that far exceeds the devastation caused by the “Great Recession” of 2008. And while Governor DeWine, Dr. Amy Acton, and other leaders are cautiously loosening the restrictions that forced thousands of businesses to close, the effect of this crisis will be felt well into the future.

In response to the crisis, the U.S. House, Senate, and the Trump administration crafted and passed legislation that extends financial lifelines to businesses and individuals. So far, trillions of dollars have been appropriated in three separate aid packages, with promises of more to come. Fortunately, along with dollars, those packages include some relief for American families struggling to make mortgage and student loan payments. Unfortunately, Congress and the Administration failed to protect consumers from debt collectors who remain free to harass and harangue borrowers whose lives are being torn apart by the crisis.

That was a mistake. And it’s a mistake language in HB 251 will exacerbate at a time when the members of the General Assembly should be doing everything in their power to help their constituents. The offending language, which is encompassed in the last sentence of proposed Ohio Revised Code Section 2305.0?(C). effectively eliminates the entire statute of limitations for consumer debts.

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This change in the law was unwarranted when HB 251 was introduced and passed in the House *before* coronavirus descended on Ohio. There is simply no justification for allowing it to remain in the bill now.

If this one sentence is not removed, millions of Ohioans unable to pay credit card or other bills because their jobs have been vaporized by COVID-19 will continue to suffer the consequences of the pandemic long after the economy has recovered. That is simply wrong.

Under current law, the statute of limitations for consumer debts runs from the date of the default, generally 30 days after the last payment has been made. This is a set moment in time that is clear to both the creditor and the borrower. The shorter statute proposed in HB 251 preserves that clarity, gives creditors ample time to decide whether to sue a consumer, and ensures that consumers understand their exposure and risk of liability. While weighted against consumers—a longer discussion we will hopefully have at another time—Ohio’s current system is relatively equitable.

The one offending sentence in HB 251 destroys that equity by giving creditors total and totally arbitrary control over the statute of limitations. It is ironic that a bill designed to shorten the statute of limitations in order to benefit business contains a provision that stretches the statute of limitations that impacts middle and working class Ohioans virtually into perpetuity. I believe I can safely say this is no time for that type of irony.

I urge you to apply the same type of reasoning to the consumer debt provision of the bill that the Chamber of Commerce and other proponents of HB 251 have used to urge its passage: predictability that will enable businesses to make capital investments, expand, and raise employee wages. As shocking as this may be, I agree with the Chamber. Predictability and finality are good for business and perhaps have never been needed more than during a time when uncertainty rules.

But I would assert that consumers ravaged by the pandemic deserve the same type of predictability as they attempt to rebuild their lives. Amending HB 251 to delete the last sentence of Ohio Revised Code Section 2305.07(C) will both preserve the original intent of the legislation, maintain the relatively equitable relationship between creditors and debtors that now exists,



while ensuring that Ohio consumers are not forced to bear yet another staggering burden as they struggle to cope with the COVID-19 crisis.

Chairman Eklund, Ranking Member Thomas and members of the Committee, thank you for giving me the opportunity to appear before you. I'll be happy to answer any questions you may have.

Thank you.

A handwritten signature in black ink that reads 'Brian D. Flick'.

Brian D. Flick
Attorney-at-Law

Ohio State Chair, National Association of Consumer Advocates