

**OHIO CREDITOR'S ATTORNEYS ASSOCIATION  
A STATE-WIDE ASSOCIATION FOR ATTORNEYS  
PRACTICING IN THE AREA OF  
CREDITOR'S RIGHTS**

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**Ohio Creditor's Attorneys Association  
Proponent Testimony on Substitute House Bill 251  
Senate Judiciary Committee  
Yale R. Levy, Legislative Liaison  
Ohio Creditor's Attorneys Association**

Good morning, Chairman Eklund, Vice Chair Manning, Ranking Minority Member Thomas and members of the Senate Judiciary Committee. On behalf of the Ohio Creditor's Attorneys Association ("OCAA"), I appear before you today in support of Substitute House Bill 251. OCAA is a voluntary bar association for attorneys devoted to the practice of creditor's rights law throughout the state of Ohio. Members recognize the role of credit in the economy and work ethically to recover funds for their clients, while treating those in default with dignity and respect, and complying with all regulatory standards.

Joining OCAA in support of this bill and my testimony are Unifund CCR, LLC, the Receivables Management Association International, and the National Creditors Bar Association, all of which previously testified in support of this bill.

We believe that Sub HB 251 represents a fair and reasonable compromise on Ohio's statute of limitations for written and non-written contracts, and clarifies the General Assembly's original intent during tort reform as to Ohio's borrowing statute. We respectfully urge this Committee and the Senate to pass this bill, but with one amendment to the last sentence of proposed Ohio Revised Code § 2305.07(C). That sentence defines when a cause of action on a consumer account begins to accrue for purposes of measuring when the proposed limitations period begins to run.

The current language reads:

**For purposes of this division, a cause of action accrues after the consumer's account is closed, settled to a single liability, and following the last pertinent entry of the account.**

Attorneys offered testimony last week on behalf of the consumer bar, asserting that this sentence extends the statute of limitations indefinitely by giving creditors control over the events upon which a cause of action accrues.

While that is debatable, we agree that it is best to eliminate uncertainty. However, simply deleting the sentence as proposed, and failing to define accrual at all, leaves uncertainty sure to create significant litigation over when a cause of action accrues.

The accrual sentence at issue was included in the original draft of the bill to address the uncertainty as to when a cause of action accrues on a credit card debt claim. The Ohio Supreme Court left this question unresolved by the plurality decision in *Taylor v. First Resolution Invest. Corp.*, 2016-Ohio-3444, 148 Ohio St. 3d 627, 72 N.E.3d 573, *cert. denied*, 137 S. Ct. 398 (2016). The current language in the bill adopted the clarifying approach set forth in Justice Kennedy's concurring opinion in *Taylor*, which mirrors the approach of both Indiana and California. *Taylor*, 2016-Ohio-3444 at ¶¶ 109-121.

Nonetheless, to eliminate any debate and address the concerns of creditors and consumers alike, we propose the committee consider the following amendment, deleting the current concluding sentence in 2305.07 (C), and adding language to line 69 as follows:

**For purposes of this division, a cause of action on a consumer account accrues on the date of the last charge or payment by, or on behalf of, the consumer, as provided in the parties' agreement, or the date on which the account was charged-off, whichever is later.**

This clear and simple language triggers accrual upon events completely outside of creditors' control. The consumer controls the date of last charge or payment on an account, and federal law defines exactly when an account must be charged off. Beginning accrual at the latest of these events ensures that the consumer has sufficient time to cure any non-payment, while also making clear the point at which a consumer does not intend to pay. This language should satisfy concerns on all sides.

I am most grateful for this opportunity to address this amendment with you today. We very much appreciate the work of Representatives Hillyer and Lang and Majority Floor Leader Seitz for their efforts on this bill, and respectfully ask that you and the members of the Senate Judiciary Committee adopt Sub HB 251 with the language proposed above. Thank you for very much your time and consideration.