



OHIO MORTGAGE BANKERS ASSOCIATION

May 16, 2022

Chairman Jordan, Vice Chair Ferguson, Ranking Member Crossman, and members of the House Financial Institutions Committee, my name is Jay Pascoe and I am the Executive Director and Chief Operating Officer for the Ohio Mortgage Bankers Association (OMBA). OMBA is a statewide trade association representing the real estate finance industry here in Ohio whose members are independent mortgage bankers, banks, credit unions and industry partners. Thank you for allowing me to present testimony in support of Senate Bill 264. This legislation will allow mortgage loan originators and independent mortgage bankers to work remotely in certain places other than their licensed location.

Two and a half years ago, I was moving from Washington D.C. to Ohio, after taking over as executive director of OMBA, right as the pandemic was forcing business and all of us to make changes in our lives. None of us realized how much change it would require or how we as individuals or the businesses and companies we work for would need to adapt to continue to operate. Entire industries simply shut down, because they were deemed “non-essential” but others, like the mortgage banking industry were forced into a new reality which conflicted with all the regulatory requirement we normally operated under. The requirements for licensed staff to work from a licensed location, such as a branch office, simply put were no longer an option.

Temporary permission to allow licensed staff to work from other than a licensed location, in essence their homes, or “no action” letters, were issued. This required the mortgage companies to completely alter their operations and to do so in a way which protected the privacy and personal data of our customers. This regulatory flexibility allowed the real estate finance industry, a vital engine of the Ohio economy and the Nation, to continue serving consumers not only during a time of crisis, but also when mortgage lending dramatically increased.

Ohio mortgage lenders and servicers successfully implemented the temporary provisions granted often with little or no advance notice but did so with no significant impact to the homebuyer or data/privacy breaches.



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SB 264 would make many of these regulatory actions, which have required continuous extensions, permanent and give the real estate finance industry the necessary guidance to face the future with certainty.

We are living in an electronic world and the pandemic has certainly pushed the norms of how companies conduct business. Today, we conduct business in our home offices, our cars, at coffee shops – just about anywhere you can get Wi-Fi service. SB 264 clarifies that a mortgage lender, broker, or servicer do not need to conduct business in a licensed location only.

I might add, as I am in the process right now in purchasing a new home, how vital the ability of our lender to be able to answer quickly our questions at a moment's notice which allowed us to be ready to move on a home of choice in such a highly competitive market. Without this flexibility many potential homeowners would be shut out of the market all together.

It is important to note this flexibility helps employees with the vital need to maintain work/life balance. According to a study by the Families and Work Institute, workforce flexibility - which includes the ability to work from a home office - is linked to higher morale and job satisfaction and greater employee productivity. A win/win.

Mortgage bankers, like all businesses, need some certainties to balance flexibility with critical business needs and investments in the company. With all the lessons learned from the pandemic, it is important for the industry and policymakers to work together to make these flexibilities permanent and help provide that certainty.

Mr. Chairman, I thank you for the opportunity to testify in support of SB 264 and am happy to answer any questions.