



**Tim Williams, Executive Director
Ohio Manufactured Homes Association
Senate Bill 62 proponent testimony
Senate Financial Institutions and Technology Committee
March 16, 2021**

Chairman Wilson, Vice Chairman Hottinger, Ranking Member Maharath 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 that is included in Senate Bill 62. Senate Bill 62 makes numerous changes to the Residential Mortgage Law and 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.

Making this change 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.

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

We applaud Senator Hackett for his efforts and ask for the committee's passage of Senate Bill 62.