

Good Morning Chairman Wilson, Vice Chair Hottinger and Ranking Member Mararath. I am the managing partner of DannLaw a consumer protection law firm with offices in Cleveland, Columbus and Cincinnati and the Founding Partner of Advocate Attorneys LP a Washington DC based law firm which is focused on training and mobilizing consumer protection lawyers throughout the country. As Ohio Attorney General and in private practice I have been representing victims of predatory lending and deceptive business practices for more than 30 years including the poorest among us who have been sucked into a devastating cycle of repeat borrowing. This debt trap results in their paying astronomical interest rates on small amounts of money over months and years with consequences ranging from having to file bankruptcy, loss of employment because these loans often result in borrowers losing their vehicles which may be the only way to work and by keeping striving working class Ohioans from achieving the American dream.

I am most concerned about the provision that will change the definition and the responsibilities of holders of second position mortgages and judgment liens who seek to foreclose on homeowners, often homeowners who are current on their first mortgage. We have represented thousands of Ohio families in foreclosure. In 2018 this body enacted reforms and created protections for Ohio homeowners from unscrupulous activity by mortgage loan servicers and subordinate lien holders. The increase in property values, that this bill in part addresses has resulted in an increase in the number of second mortgage lenders and lien holders who seek to foreclose on properties even when a borrower is current on their first mortgage. Essentially these lenders, who will not recover a dime if a foreclosure is completed use the fear of a borrower losing their home to extract a payment from them.

The reform in the prior legislation was to require such lienholders to provide borrowers with more than 30 days written notice advising them of all of their legal rights to protect themselves in defense of such a collection action, including the ability to file bankruptcy to strip subordinate liens from their property under certain circumstances. The language included in this bill would weaken that protection and remove the requirement for holders of judgment liens greatly limiting the number of borrowers who would be entitled to the important notice. There are other tweaks to this statute that we can support but distinguishing between consensual lenders and lienholders is a distinction without a difference.

In 2018 this body, including many of the Representatives on this committee stepped up to pass one of the best Payday Lending laws in this country. That statute has been upheld and enforced by courts and has provided meaningful protections for working class and middle class Ohioans who were being exploited by small, non underwritten

loans that would cycle thousands of dollars in profits out of their pockets on loans of only a few hundred dollars.

This accomplishment showed the best of the Ohio General Assembly. This body demonstrated the ability to put aside the desires of a monied special interest and prevent the exploitation of literally thousands of financially vulnerable Ohioans.

The same can be said of the work of this body and of Congress and two presidents of different parties to create a network of protections and a financial safety net for the most financially vulnerable among us during the ongoing pandemic. This bill, in part, continues that admirable effort by making sure that property taxes don't artificially surge during this difficult time.

If the bill had stopped there, I'd be here in support. But predatory lenders have not stopped working to find loopholes in other Ohio laws to extract profits from the misery of Ohioans who work hard only to earn wages that leave them and their families living below the poverty line and without funds for a car repair, a field trip for their child or medical emergency.

The testimony of Kalitha Williams from Policy Matters Ohio provides more detail on the problems the door that this bill opens up to additional and excessive fees in other kinds of student loans. .

It is early in this session and there is ample time to more carefully vet what appear to be several add on provisions in this bill that can and should be considered on their own merits. Without removal of those provisions I urge you to consider voting no on SB 62