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To: Ohio Senate Financial Institutions and Technology Committee
Date: March 15, 2022
Subject: SB 264 - Allowing Mortgage Business to be Conducted at Remote Locations

Chairperson Wilson, Vice Chairperson Hottinger, Ranking Member Maharath, and members of the Ohio Senate Financial Institutions and Technology Committee, thank you for the opportunity to provide testimony today on behalf of Zillow in support of SB 264, which would modernize and simplify Ohio mortgage lending statutes and allow licensed mortgage lending companies to conduct mortgage business at remote locations.

Zillow is reimagining real estate to make it easier for consumers to unlock life's next chapter. As the most visited real estate website in the United States, Zillow and its affiliates offer customers an on-demand experience for selling, buying, renting, or financing with transparency and ease. As part of our efforts to reimagine real estate and make it easier for consumers to finance their next home, Zillow is proud to operate Zillow Home Loans (ZHL), which employs a large number of licensed mortgage loan personnel in the state of Ohio.

As a starting point for today's testimony, we would like to commend Senator Brenner for taking the initiative to modernize and simplify how the mortgage business is regulated in the state of Ohio. Technology and consumer expectations have evolved over the last few years and this evolution has only been accelerated during the pandemic. By adopting the provisions of SB 264, the state of Ohio will take major steps to modernize and simplify the regulation of the mortgage business.

Prior to the pandemic, most state statutes and regulations, enacted in many cases decades ago, generally required licensed mortgage company personnel to work from licensed branch offices. Throughout the pandemic, the mortgage lending industry was forced to adapt our operations to facilitate remote work so that we could continue to deliver critically important financial services to the public.

The mortgage lending industry stepped up to the challenge and, during the pandemic, millions of middle class American families and first-time home buyers have been able to take advantage of the lowest mortgage interest rates in American history to purchase and refinance their homes. This result is in large measure due to the mortgage lending industry being able to continue to function efficiently throughout the pandemic, aided by the common sense regulatory flexibility provided by mortgage regulators.

The actions taken by mortgage lending companies and regulators during the pandemic have proven that the mortgage business can operate in this new paradigm, where regulated mortgage lending companies can efficiently serve consumers through remote work while respecting all necessary consumer protection rules and regulatory safeguards. Having made significant financial investments in recent years to support remote work, mortgage lending companies now have the resources, policies, and procedures in place to interact with consumers and manage regulatory compliance remotely.

SB 264 recognizes this evolution by allowing licensed personnel to conduct mortgage business from remote work locations. Importantly, these proposed changes do not weaken the state's vitally important statutes and regulations that protect consumers or impede the ability of regulators to examine and supervise the operations of mortgage lending companies.

In closing, we would respectfully request that the members of the committee help modernize and simplify Ohio mortgage lending statutes and allow licensed mortgage lending companies to conduct mortgage business at remote locations by passing SB 264. Thank you for the opportunity to provide written comments on this very important issue.