



216-452-1026
Direct Telephone

Marc E. Dann
MDann@DannLaw.com
Email

216-373-0536
Fax

December 3, 2024

Chairman LaRe, Vice Chairman Pizzulli, Ranking Member Dell'Aquila, and Members of the House Financial Institutions Committee:

I'm Marc Dann. Both as Ohio Attorney General and in private practice I've dedicated my career to protecting consumers from financial predators including non-bank lenders. At my firm DannLaw we have represented hundreds of working and middle class Ohioans who have been buried in inescapable consumer debt.

On behalf of the National Association of Consumer Advocates (NACA) and all Ohio Consumers I previously offered testimony in opposition to HB 182.

After working with the Bill's sponsor and other interested parties I testify today to suggest that the bill would be greatly improved by replacing the proposed Bona Fide Error provisions of the bill with the Bona Fide Error provisions that are contained in the Federal Fair Debt Collection Practices Act.

While I don't think any Bona Fide Error language is necessary at all it is critical that if this committee chooses to pass the bill that the language be amended to mirror the more widely understood and tested language from the FDCPA. This is particularly important because as I pointed out in my prior testimony almost all of the CILA contracts in Ohio and nationally have arbitration clauses that keep disputes from being resolved in the courts and keep the results of those arbitrations confidential. What that means is that the new language proposed will not be interpreted in written legal decisions that can guide future arbitrators. The result will be that each arbitrator will be determining the meaning of the provision for each case, almost ensuring inconsistent application for different consumers and delivering potentially unpredictable results for lenders.



By embracing the FDCPA language arbitrators will have the benefits of decades of case law deciding its meaning. This makes the legal outcomes more predictable to borrowers and lenders alike, encouraging settlements of disputes and avoiding litigation and inconsistent results.

Another improvement to the bill that is potentially before you today is to limit the proposed changes to the addition of legal fees to legal fees awarded by a court and making clear that interest rates on judgments would be limited to the statutory interest on judgments impacting all other judgments in Ohio.

If this committee agrees with the sponsor and other interested parties that increasing the allowable interest rate is a fair and reasonable change then making the other changes to the bill that I have previously discussed will maintain and enhance certain protections for consumers.

Let's remember that everyone in this room is a consumer, including the members of the committee, your staff, the lobbyists who are promoting this bill and each and every one of your constituents. While we still see the changes in the bill as unnecessary this committee could protect Ohio Consumers by making the amendments which may be offered today.

I'm happy to answer any questions you might have.