

Tim Lile

Auctioneer/Asset Advisor
Private Selling Officer
(937)689-1846
Tim@OhioSheriffSales.com



S. B. 25

Witness Testimony

Tim Lile ~ Private Selling Officer - Ohio Sheriff Sales, LLC

~ Greeting

My testimony today will focus on 3 key elements of the proposed amendment under consideration:

- 1) Newsprint Ad Requirement
- 2) Appraisals
- 3) Private Selling Officer Fee Cap

When I received the assignment from my office to appear here today, my first step was to complete the Witness Testimony Form. Immediately, I was halted when asked to disclose whether I am a Proponent, Opponent or Interested Party. When the process of drafting this amendment began many months ago, I and my colleagues were decidedly Proponents.

Sheriff appraisals were going to be eliminated and the “Appraised Value” was going to be based on the Auditor’s most recent valuation. This was going to eliminate a 21 day time-lag. Furthermore, it would reduce the total costs assessed to the borrower.

Newsprint ads were going to go away - another time-saver and another reduction in costs assessed to the borrower.

~~~~

Then we reviewed, this so called, amendment. Then we reviewed it again and we reviewed it again. We had to look at it numerous times because we couldn’t believe what we were reading.

This amendment is so far from the previous version, that it feels more like a reversal than an amendment. In fact, it appears to be a classic Bait & Switch.

Newsprint ads aren’t eliminated. Appraisals aren’t eliminated. In fact, both of these requirements are made more convoluted and subjective than in the original Bill drafted into law in 2016 and mostly to the detriment of the Borrowers being foreclosed upon.

On top of these two major reversals, this “amendment” proposes to cap the Private Selling Officer fee at 5%. Our business model has been a 10% Buyer’s Premium for nearly 25 years. Imagine waking up tomorrow to find out that your State Government just reduced your income by 50%.

**Tim Lile**

Auctioneer/Asset Advisor  
Private Selling Officer  
(937)689-1846  
Tim@OhioSheriffSales.com



Committee Members - imagine waking up tomorrow to learn that your constituents have voted to reduce your salary by 50%.

What happened over the past few months that caused such a drastic change of direction in this bill?

I have stated that these changes negatively impact the Borrowers in these cases. I will briefly address how each one of these significant shifts damage foreclosure case Defendants.

**Newsprint Ads:**

In the previous version of this proposed amendment, newsprint ads would no longer be required. In our experience a very small percentage of buyers actually come to the Auction as a result of reading a legal notice in a newspaper.

~ Anecdotal Example: Run all 3 ads prior to inserting on website.

Our firm has paid anywhere from \$75 to \$350 for the required 3 week run of a legal ad. These payments are then taxable as costs in the action thereby reducing the Borrower's recovery if the sale price exceeds the amount due or increases the Deficiency amount still owed if the property sells below the balance due. Why are we further punishing the Borrower who is already facing a daunting situation.

I acknowledge that this amendment attempts to control these costs by setting the maximum fee for a legal ad at \$50. Who is going to tell the newspapers?

And, if the PSO can't find a newspaper in the subject County who will publish 3 week's of ads for \$50, then you don't have to do it, just publish it on your website. Why not just eliminate this burdensome process and give the Borrower some consideration by eliminating this pointless cost.

Our Social Media marketing efforts and use of a Multiple Listing System are much more effective. Our Auctions are online. That is where the marketing efforts should be focused. The issue of Notice is already addressed by the Service requirements through the Courts.

**Appraisals:**

In the previous version of this Bill, appraisals were going to be uniformly set at the County Auditor's most recent valuation with the minimum bid set at 2/3rds of that figure. Short of eliminating the appraisal requirement altogether and moving forward with a no minimum bid Auction, this seemed like a sensible adjustment.

**Tim Lile**

Auctioneer/Asset Advisor  
Private Selling Officer  
(937)689-1846  
Tim@OhioSheriffSales.com



This would have eliminated the 21 day (or more) lag time awaiting the Sheriff's appraisals. Additionally, this would eliminate the expense of the appraisals which again, penalizes the Borrower as appraisals are taxed as costs in the action.

Not only are appraisals NOT eliminated in today's version of the bill, but the PSO must seek out and hire (3) Real Estate Licensees who also own property in the subject County to provide these "Appraisals." Once we receive them, this Amendment:

"Requires the Sheriff or private selling officer set the value at one of the following:

- ~ The average of the three appraisals;
- ~ The median of the three appraisals;
- ~ Any One of the Three appraisals;
- ~ The County auditor's most recent value..."

Just pick one. Based on what? This becomes extremely subjective and should not be left so open-ended. Why not just stick to the previous version of this legislation and go with the auditor's most recent value rather than forcing the borrower, who is already struggling financially, to pay for this exercise in futility.

**Private Selling Officer Cap:**

Our firm's standard practice is utilizing a 10% Buyer's Premium and has been long before the PSO came into existence in 2016. We utilized it back in the days of Special Master sales. There are other companies who utilize a different model. A very large company based out of California comes to mind. They work on a volume-based model with significant national contracts. That is their model.

Reducing our fee from 10% to 5% would be devastating to our company and other smaller firms based in Ohio. This change would likely result in that large company based in California consuming all others and eventually establishing a monopoly in our State.

The lending institutions who utilize our services, are well aware they have the freedom to take their business to a firm that uses a 5% premium - but they don't. They don't because we pride ourselves on communication and they like that. They don't because we make the extra effort to ensure we communicate with the buyer and keep them on board through the lengthy Confirmation process. They don't because we have nurtured our relationships over the past 20+ years and they appreciate that.

**Tim Lile**

Auctioneer/Asset Advisor  
Private Selling Officer  
(937)689-1846  
Tim@OhioSheriffSales.com



They don't because 10% is not always 10%.

**Example:**

Sheriff Appraised Value: \$150,000

Minimum Bid: \$100,000

Lender Credit Bid: \$110,000

High Bid at Auction: \$106,000

Buyer's Premium: \$10,600

Sale Price: \$116,600

Ohio Sheriff Sales accepts reduced PSO Fee of \$6,600

\$4,000 of the Buyer's Premium is added to Lender Proceeds satisfying their required \$110,000

Property is sold to third party and goes back into the hands of the community rather than sitting empty and deteriorating.

5% Buyer's Premium would not give us this flexibility.

~ Closing

Tim Lile

Private Selling Officer

Ohio Sheriff Sales

