



Senator George Lang
Senate Bill 256
Sponsor Testimony
Senate Financial Institutions, Insurance, and Technology
Committee
March 3rd, 2026

Chair Wilson, Ranking Member Craig, and members of the Financial Institutions, Insurance, and Technology Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 256.

In today's economy, American consumers have a record amount of debt. For credit cards alone, the debt per American reached a record of \$6,735 in 2025, while the average overall debt per American is \$104,755.

Ohioans are no different. Families who are trying to get out from underneath a pile of debt are often trapped by high interest rates and have multiple credit cards and loans to juggle just to stay afloat.

Senate Bill 256 aims to regulate one option for these struggling families: debt settlement providers.

Ohio's Debt Adjusters Act (ORC 4710) was enacted decades ago and reflects a marketplace that looks very different from today's financial environment. The statute was built around traditional nonprofit credit counseling and does not account for the modern debt resolution model that has operated under federal regulation since 2010.

Because of that disconnect, Ohio's framework is not aligned with federal standards or with most neighboring states, including Pennsylvania, Kentucky, Indiana, and Michigan.

At its core, Senate Bill 256 updates Ohio law to reflect how debt settlement is regulated today. It authorizes providers that comply with federal law to operate in the state and places them under the supervision of the Division of Financial Institutions through licensing, bonding, auditing, and enforcement requirements.

Under existing federal rules, debt settlement companies cannot collect a fee from a consumer until a settlement has been reached, the consumer accepts it, and the first payment is made.

It is also important to clarify what this bill does **not authorize**. Debt settlement **is not a lending product**. It does not extend new credit or impose interest charges. Debt settlement focuses on reducing existing unsecured balances for consumers already facing financial distress.

Simply put, Senate Bill 256 brings Ohio law into alignment with existing federal safeguards while providing families with a structured and regulated path toward financial stability.

Thank you, Chairman Wilson and members of the committee for the opportunity to present sponsor testimony on Senate Bill 256, and I would be happy to answer any questions.