



OHIO MORTGAGE BANKERS ASSOCIATION

Chairman Manning, Vice Chair Reynolds, Committee Members,

My name is Jay Pascoe, I am the Executive Director and COO for the Ohio Mortgage Bankers Association (OMBA). OMBA is a statewide trade group representing the real estate finance industry. Our members consist of independent mortgage banking companies, banks, and credit unions, and the vendors who serve their needs. Our members employ thousands of individuals in the state of Ohio. Thank you for the opportunity to share my perspective on this proposed legislation to prohibit post-employment agreements. I strongly urge you to reconsider this measure, as it could have significant unintended consequences that harm both businesses and employees.

Post-employment agreements, such as non-compete and non-solicitation clauses, are critical tools that support innovation, protect intellectual property, and foster fair competition in the marketplace. These agreements ensure that businesses can invest in the training and professional growth of their employees without fear of losing key talent or sensitive information to competitors.

Another advantage is that these agreements enable the parties – on both sides of the desk – to describe the position and the expectations of employment in explicit details. If the contract allows the employee to only ask for a raise once a year, then both parties fully understand that boundary. Having the freedom to incorporate these kinds of provisions on post-employment expectations in a contract negotiation is important since it will allow the parties to negotiate with one another until they, together, reach a compromise or the offer of employment or the acceptance of the offer can be withdrawn before either party is impacted in a negative way.

One other advantage to having an employment agreement is that it can be used to establish a favorable work relationship for the potential employee. For instance, employers tend to believe that having an employment agreement in place provides the employee with a clear set of objectives and structure in the workplace, whereas for an employee it can demonstrate job security and offers a sense of employment stability.

By barring these agreements, we risk undermining the very foundation of trust and investment in employee development.

While it is important to prevent the abuse of restrictive agreements, an outright prohibition is not the answer. Instead, we can work toward balanced legislation that limits the scope and duration of post-employment agreements, ensuring they are fair and reasonable. This approach would protect employees' rights to pursue new opportunities while still allowing businesses to safeguard their interests.

Moreover, this legislation could have a chilling effect on small and medium-sized businesses that rely on post-employment agreements to compete with larger corporations. Without these protections, smaller businesses may struggle to attract the investments and partnerships needed to grow, harming local economies and innovation.

Let us aim for a solution that respects the rights of employees while preserving the ability of businesses to thrive. Thank you for considering this testimony.

Sincerely,
Jay Pascoe
Executive Director and COO, Ohio Mortgage Bankers Association

PO BOX 340314 Columbus, OH 43235 www.ohiomba.org