



**Proponent Testimony on Senate Bill 13
Ohio Senate Judiciary Committee**

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Good afternoon, Chairman Manning, Vice Chair McColley, Ranking Member Thomas and members of the Senate Judiciary Committee. On behalf of Unifund CCR, LLC and the Receivables Management Association International, we appear before you today in support of Senate Bill 13. We believe that the bill represents a fair and reasonable compromise which provides a statute of limitations that aligns more closely with other states and clarifies the application of Ohio's borrowing statute to contract and similar actions. We respectfully urge this Committee and the Senate to pass this bill as written.

Our employer, Unifund CCR, LLC, is an Ohio business that employs approximately 100 people, all but a few of whom reside within the Greater Cincinnati area. Since Unifund's founding in 1986, it has been a leader in the acquisition and management of defaulted consumer debt throughout the United States, including Ohio. We are also an active RMAI member.

RMAI is a nonprofit trade association that represents more than 570 companies that support the purchase, sale, and collection of performing and nonperforming receivables on the secondary market. RMAI member companies work in a variety of financial services fields, including debt buying companies, collection agencies, law firms, originating creditors, international members, and industry-related product and service providers.

Senate Bill 13 aims to shorten the statute of limitations on written and oral contracts from eight and six years, respectively, to a six-year statute of limitations for written contracts and a four-year statute of limitations for oral contracts.

Unifund and RMAI support this bill, which includes:

- 1) Language explicitly stating that credit card accounts and claims for an account stated fall under a six-year statute of limitations;

- 2) Language clearly defining when a claim accrues for purposes of starting the limitations period, based on events entirely within a consumer's own control, and not the control of the entity seeking to collect the account;
- 3) Clarification that the borrowing statute set forth in Ohio Revised Code 2305.03(B) does not apply to contract actions, whether written or oral, consistent with legislative history;
- 4) A prohibition against consumer collectors seeking the benefit of both a longer Ohio statute of limitations and a post-charge-off or post-default interest rate permitted under the laws of another state that would exceed Ohio's usury limit.

These changes to current law will simplify questions relating to the statute of limitations greatly. The changes provide a fair, clear, and definitive time in which to bring suit on a consumer debt, eliminating significant uncertainty for consumers and those seeking to collect valid debts. The changes should eliminate much unnecessary litigation caused by current uncertainty, as reflected by the Ohio Supreme Court's plurality decision in *Taylor v. First Resolution Invest. Corp.*, 148 Ohio St. 3d 627, 2016-Ohio-3444.

Unifund and RMAI appreciate the opportunity to appear before you today. We also offer our appreciation to Senator Lang for sponsoring the bill and working with us to create what we believe is an excellent compromise for all parties. We respectfully ask that you and the members of the Senate Judiciary Committee adopt SB 13 in its current form. Thank you for your time and consideration.