



January 26, 2021

Re: Memorandum of Support Senate Bill No. 13 (Senator Lang)

Dear Chairman Manning, Vice Chairman McColley, Ranking Member Thomas, and Members of the Senate Judiciary Committee:

On behalf of Encore Capital Group, Inc. and its subsidiary Midland Credit Management, Inc. (collectively, “Encore”), I respectfully submit this letter of support for Senate Bill No. 13 (“SB 13”).

By way of background, Encore is a publicly traded company that is the largest purchaser of charged off credit card debt in the nation. We’ve provided over 60 years of service to Ohio consumers, and in 2020 helped over 1.2 million Ohioans find their way to financial independence, forgiving over \$7.1 million dollars in debt by way of discounted payment plans.

I appreciate the significant work Senator Lang did last session on similar legislation, House Bill No. 251. That legislation was the result of two years of collaboration between stakeholders to create much-needed clarification on the application of Ohio’s various statutes of limitations, including the borrowing statute. SB 13 now provides the same important clarification.

The revised section 2305.07(C) addresses existing uncertainty as to when a cause of action accrues on a credit card debt claim. The bill also adds Sections 2305.03(C) and (D) to provide a prospective limitation on certain contract and related actions so a plaintiff cannot seek both the benefit of a longer statute of limitations under Ohio law while also seeking a rate of interest under the law of another state higher than what Ohio law allows.

This bill will ensure that litigants have certainty regarding the applicable limitations period for a cause of action, know how to calculate when the cause of action accrues, and understand the application of the borrowing statute. Clarifying these fundamental aspects of the law will create a level playing field for all parties in litigation. SB 13’s clarification will also significantly lessen costly litigation over this subject matter, which litigation benefits neither Ohio consumers nor the companies working with those consumers.

We urge the Committee to vote in favor of passage of SB 13.

Very truly yours,

A handwritten signature in blue ink that reads 'Kimberly A. Klemenok'.

Kimberly Klemenok