

Representative Kris Jordan
Chair, House Financial Institutions Committee
Ohio House of Representatives
77 S. High St., 11th Floor
Columbus, Ohio 43215
Delivered via email: Ben.Weber@OhioHouse.gov



December 6, 2021

The Honorable Chairman Jordan,

The OBL is the foremost trade association for the Ohio banking industry – and is Ohio’s only organization focused on meeting the needs of *all banks and thrifts* in the Buckeye State. The non-profit association is comprised of 170 FDIC-insured financial institutions including commercial banks, savings banks, and savings and loan associations ranging in size from just over \$14 million in assets to more than \$3.5 trillion and employing over 60,000 Ohioans.

On behalf of our members, I write to you in support of substitute House Bill 348. HB 348 modernizes Ohio’s unclaimed funds process to incorporate technology, allow businesses to more easily comply with the law, and allow individuals to find and recover their money easier. The bill starts by creating a clear delineation that amounts below \$25 do not constitute an unclaimed fund for reporting purposes and do not need to be sent to the state. These de minimis amounts cause a significant reporting and compliance burden for many businesses and banks when the amounts are relatively small. This change does not mean that the individual is not owed the money if he or she asks the business for it. It simply means that it will not go through the unclaimed funds process.

The bill also recognizes the significant role that preauthorized recurring transactions play in today’s financial relationships. The bill clarifies that recurring credit and debit transfers, including automated clearing house (ACH) transfers, on an account constitute ongoing activity on the account. In the banking industry, there has been an increase in individuals creating single-purpose accounts to pay a specific bill. A “set it and forget it” account so to speak. Typically, this has been seen where an individual receives money from a court settlement, inheritance, or other avenue and wants to use it to pay a mortgage or other bill. After five years, if the individual has not taken any other action on the account, the account becomes dormant and any money in the account must be sent to the state. Our members have seen this happen to numerous customers who then only find out about it when the customer receives a past-due notice on the bill the account was being used to pay.

HB 348 makes a number of other positive changes as well. It provides greater clarity on the treatment of certificate deposits (CDs). It streamlines the process for collecting funds under \$5,000 to get money back in the hands of the rightful owners. The bill creates certainty for businesses by establishing a ten-year statute of limitations for the Director to commence an action against a business where, currently, there is no statute of limitations at all. Lastly, the bill puts fairer penalties in place for compliance issues.

We appreciate all the hard work Representative Merrin has put into crafting House Bill 348 and his willingness to work with OBL and accept feedback on the legislation. We urge your support of HB 348. Please feel free to contact me if you have any questions regarding our position at dboyd@ohiobankersleague.com or (614) 340-7608.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Boyd". The signature is fluid and cursive, with the first name "D." and the last name "Boyd" clearly distinguishable.

Don Boyd
VP, State Government Relations & General Counsel
Direct: (614) 340-7608
Email: dboyd@ohiobankersleague.com