

To: House Financial Institutions Committee, Chairman Jeff LaRe
From: Ryan Black, OneMain Financial
Date: May 21, 2024
RE: Proponent Testimony on HB 182

Chairman LaRe, Vice Chairman Pizzulli, Ranking Member Dell'Aquila, and members of the Committee,

My name is Ryan Black and I serve as Vice President/Director of Government Relations for OneMain Financial and as President of the OFSA. OneMain Financial is a community-based, licensed lender that proudly serves the financial needs of over 107,000 Ohioans. OneMain has 72 branches in Ohio, employing more than 250 team members. Nationally, we offer personal installment loans in 44 states, from around 1300 locations.

On behalf of OneMain, we thank you for the opportunity to offer support HB 182. Lending laws have been modernizing across the nation to allow more people safe access to responsible and affordable loans, while bringing these laws into the 21st century. In addition to the bill's other provisions, a new 36% maximum rate will help expand access to affordable local credit for Ohioans without sacrificing any of the consumer protections that are essential to a healthy credit market. The changes in this bill will allow a new tier of borrowers to receive loan offers from in-state lenders like OneMain.

We offer our customers fixed-rate installment loans that are fully underwritten, and use verified income and debt as well as household expenses to calculate a borrower's ability-to-repay. This approach is why more than 90% of our customers are successful in repaying their loans.

HB 182 is essential to meeting the credit needs of more Ohioans. American households are strapped - 57% have less than \$1000 in savings and 62% live paycheck-to-paycheck (even 45% of those earning more than \$100,000 live paycheck-to-paycheck). The large majority of Ohioans who apply for a loan with us are not approved; however, in other states, some of those same borrowers would qualify for a OneMain loan.

Even if denied by one lender, demand for credit does not go away – this means Ohioans must turn to unregulated, illegal, or higher cost alternatives. Demand shifts to online, out-of-state lenders who largely operate outside the scope of Ohio law. These loans are more expensive

(often exceeding 36% and even exceeding 100%) and have higher default rates. Indeed, the number of Ohioans turning to these products has grown more than threefold since 2017. In just the last two years, nearly a quarter million Ohioans took out billions of dollars in online loans, from a group of only 15 online lenders.

What happens if you pass HB 182? Lenders like OneMain would make more loans available to Ohioans, at rates often better than what they are offered online today. Customers would have more choices in satisfying their financial needs. Importantly, these new loans would be under an Ohio regulatory scheme fully subject to Ohio law and regulation. Most of all, however, it will empower families and provide options for better financial capability, resilience, and mobility in the state.

I appreciate your time and consideration of this bill. I am happy to answer questions at the appropriate time.

Respectfully,

Ryan Black