

**Proponent Testimony on SB 25**

**Before the**

**Senate Judiciary Committee**

**March 29, 2023**

Chairman Manning, Vice Chair Reynolds, Ranking member Hicks-Hudson and members of the Senate Judiciary Committee. Thank you for the opportunity to provide proponent testimony on **SB 25**.

My name is Richard Kruse. I'm a full time real estate auctioneer based in Columbus, OH and have been involved in foreclosure auctions throughout the United States since 1997. In Ohio alone, I have conducted over 1500 Private Selling Officer transactions since 2018.

I am here in support of **SB 25** for a number of reasons.

As mentioned, every county in Ohio has foreclosure problem similar to many states in our country. Pre-covid we saw a steady stream of properties moving through the foreclosure process. In March of 2020 foreclosures were halted across the country with the moratorium. That moratorium has now been lifted and the foreclosure process has started moving again, however a backlog remains.

As we get back to a more normal foreclosure universe our communities can, and should, benefit from a more professional and efficient process. 2018 brought about the start of Private Selling Officer transactions in Ohio and, over the last 5 years, we have learned a lot more about how to streamline the transactions and improve upon it.

Every one of our bank clients, as well as most of the judges who appoint us, want to know three things. One, how does your work benefit the debtor. Two, how does this benefit the community and three, how long will this take.

The answer to these questions is fully entwined.

The more efficiently we can move through the process, the shorter period of time the process takes. Every day we can cut off the process saves another day of tax accrual and interest accrual. Additionally a more efficient process moves properties that are often neglected or abandoned into the hands of owners who will repair and maintain them. It gets money back to the counties faster and gets new families into communities faster.

The data also shows that the private sector is increasing the sales prices bringing a higher dollar amount to the creditors as well as the defendant.

Other testimony has pointed out what many of the goals of foreclosure reform are, so I'd prefer to outline how we can create greater efficiencies which will, in turn, add benefit to our communities.

1. Adjusting judicial discretion on PSO appointment takes these files off the Courts plate. Not only does this cut down on time, it also allows the Courts to focus on more pressing items.
2. We can cut additional time and create more efficiencies by removing the requirement of freeholder appraisal. The appraisal currently adds time and cost to the sale and, from a practical standpoint, there is no reasonable way to determine an accurate value standing on the street looking at the front door.
3. Removing the requirement to place ads in the publication of general circulation in the County is yet another way to decrease time and costs. While some ad can cost as low as \$150 a week, many are in excess of \$1000 a week. Unfortunately, nobody reads them. Print publication has been so irrelevant to our business that we stopped using print advertising years ago and focus solely on electronic media.

In conclusion, I am in agreement with others here today that the use of PSOs in all 88 counties create positive changes to Ohio's foreclosure process. Added efficiencies remove a burden on the Courts, cut expenses of sale and shorten timelines. These changes will ultimately benefit our communities as a whole and bring more money to the parties in the foreclosure case.

Mr. Chairman and members of the committee, thank you for the opportunity to provide proponent testimony on **SB 25**. I would be happy to answer any questions.