



May 5, 2020

Hon. Bob Hackett, Chair
Senate Insurance and Financial Institutions Committee
Ohio Senate
Columbus, OH 43215

Dear Chairman Hackett,

I hope this letter finds you healthy and safe during this unprecedented public health crisis, which has seen many millions of Ohio workers laid off, furloughed or enduring significantly reduced incomes.

Though the economic impact of Governor Mike DeWine's stay at home order has not yet been fully felt, one thing is clear: many Ohioans are reeling financially amidst the most challenging economic crisis since the Great Depression. While some creditors are working with their customers to defer payments during this period, this voluntary, goodwill gesture alone is not a panacea. A significant number of Ohio consumers will require more than an extension on their payment terms to address their unsecured debt as a result of the financial hardship that COVID-19 has created.

Ohioans facing financial hardship will need improved and expanded options to enable them to address their debt burdens. Currently, Ohio law provides only two options for those Ohio consumers who cannot manage their unsecured debts: personal bankruptcy, which is a last resort for those consumers in the most dire financial positions; and, if they have the means, working with a credit counselor, which merely extends the length of time a consumer has to repay the entire balance of what they owe to their creditors. While both options are viable for certain consumers, SB 112, sponsored by Sen. John Eklund, would give Ohioans who may not qualify for either bankruptcy or credit counseling another option to tackle their debt burden: debt settlement.

The American Fair Credit Council (AFCC) greatly appreciates your efforts to ensure a fair and honest debate on the merits of SB 112 over the last year and a half. As you will recall, a chief argument against the legislation – that providing debt settlement constitutes the Unauthorized Practice of Law in the state of Ohio – has recently been definitively resolved in favor of debt settlement by the Ohio Supreme Court. Moreover, a macroeconomic impact study conducted prior to the outbreak of COVID-19 concluded that enactment of SB 112 would save Ohioans approximately \$70 million annually and would support almost 2,100 jobs across the state.



Unfortunately, it is fair to assume that, as a result of the impact of the virus, this data now significantly understates the net benefit debt settlement would provide to Ohio consumers.

As the Senate contemplates a legislative package aimed to restart the state's economy and to provide Ohio consumers with meaningful assistance that will better equip them to manage the financial difficulty they will experience in the months ahead, I respectfully urge Senate leaders to consider debt settlement for inclusion in the legislation. SB 112 has had five hearings before the Senate Insurance and Financial Institutions Committee over the last year, which has allowed the committee to conduct its due diligence on the legislation. More importantly, debt settlement is a vital tool already available to the vast majority of Americans across the country who are experiencing a financial hardship and need assistance addressing their unsecured debt burdens.

Thank you once again for your stewardship of SB 112, and for your ongoing attention to this matter.

Best Regards,

A handwritten signature in black ink, appearing to read "Steve Boms", with a long horizontal line extending to the right.

Steve Boms
On Behalf of the American Fair Credit Council

Cc: Senate President Larry Obhof
Sen. John Eklund