OHIO LEGISLATIVE SERVICE COMMISSION

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| H.B. 423
133rd General Assembly	Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Jones and Scherer

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SUMMARY

■ Revises the conditions under which a person may sell manufactured homes, mobile homes, and industrialized units at retail without compliance with the Ohio Residential Mortgage Lending Act.

DETAILED ANALYSIS

The Ohio Residential Mortgage Lending Act (RMLA)[1] regulates lending by nondepository institutions for loans secured by residential real estate. The RMLA requires mortgage lenders and mortgage brokers to register and mortgage loan originators to obtain a license through the Department of Commerce Division of Financial Institutions. Existing law exempts a person involved in the retail sale of manufactured homes, mobile homes, and industrialized units from the registration and licensure requirement under the RMLA if certain conditions are met. The bill revises the conditions under which such a person, including a manufactured home park operator, may be exempt under the RMLA.

Under existing law, in order to qualify for the exemption under the RMLA, the person cannot provide counseling to borrowers about residential mortgage loan rates or terms and cannot assist borrowers in completing loan applications. The bill removes these conditions.

In addition, the bill adds a requirement that the person must provide borrowers a written disclosure of any corporate affiliation the person has with lenders. If the person does recommend an affiliated lender, the person must also recommend at least one unaffiliated lender. Existing law also prohibits the person from receiving any payment or fee for assisting a

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[1] R.C. Chapter 1322.

borrower in obtaining financing. The bill allows compensation or gain that does not exceed that received in a comparable cash transaction.[2]

HISTORY

Action	Date
Introduced	11-26-19

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[2] R.C. 1322.01 and 1322.04.