

**MEMORANDUM**

TO: Jacqueline Mallett, Ohio Department of Commerce
FROM: Paula Steele, Regulatory Policy Advocate
DATE: March 13, 2014
RE: **CSI Review – Home Ownership Counseling Services (OAC 1301:8-10-01 and 1301:8-10-02)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of two rules – one amended¹ and one rescinded rule – being proposed under the five-year review required by ORC 119.032 by the Ohio Department of Commerce Division of Financial Institutions. The amended rule addresses criteria for home ownership counseling services and the rescinded rule pertains to an electronic database of enforcement actions by the Attorney General's Office. The proposed rules were submitted to the CSI Office on February 26, 2014 with the comment period ending on March 12, 2014. No comments were received during that time.

Rule 1301:8-10-02 is being rescinded because it is duplicative of Ohio statute and deemed not necessary by the Division. Rule 1301:8-10-01 is being amended to provide clarity and to respond to stakeholder suggestions. According to its BIA, the Department engaged in an appropriate level of outreach to stakeholders impacted by the proposed rules. Stakeholders were concerned about potential conflicts of interest for counselors who provide counseling and also originate loans. Therefore, the proposed amendment prohibits a prepurchase counselor from acting as a mortgage

¹ One of the existing rules is being amended by more than 50 percent, therefore the Legislative Service Commission requires that the existing rule be rescinded and replaced by a new rule that has the same rule number.

broker and prepurchase counselor in the same transaction.

After reviewing the proposed rules and the associated BIA, the CSI Office has determined that the rule satisfactorily meets the standards espoused by the CSI Office, and the purpose of the rule justifies the adverse impact identified in the BIA.

Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Department should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.