



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Anna Firestone, Division of Financial Institutions, Ohio Department of Commerce

FROM: Emily Groseclose, Senior Policy and Business Advocate

DATE: February 14, 2020

RE: **CSI Review – Criteria for Qualifying to Provide Counseling Services (OAC 1301:8-10-01)**

On behalf of Lt. Governor Jon Husted, 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 contains one no-change rule submitted by the Ohio Department of Commerce (Department) as part of the statutorily required five-year review process. The rule package was submitted to the CSI office on January 3, 2020, and the public comment period was held open through January 10, 2020. No comments were received during this time. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI office on January 3, 2020.

The rule establishes criteria that entities must meet to be authorized to provide pre-purchase counseling services to customers and imposes a conflict of interest prohibition. The Department is not proposing any changes to the rule.

As part of early stakeholder outreach, the Department solicited feedback from multiple financial and credit companies, industry associations, and consumer advocacy groups. The Department did

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not receive any comments during early stakeholder outreach, and no comments were received during the CSI public comment period.

The rule impacts credit counseling companies that wish to provide pre-purchase counseling services required by ORC 1349.27. The rule requires prior authorization to engage in pre-purchase counseling. The Department stated that the adverse impact is the time it takes a company to determine if it meets the criteria outlined in the rule, which it opined would be negligible. CSI also noted that adverse impacts created by the rule include the expenditures of time and financial resources necessary to meet the criteria outlined in the rule to become authorized to provide these services. The Department asserted that the regulations are necessary for consumer protection.

Recommendations

For the reasons described above, the CSI office has no recommendations on this rule package.

Conclusion

Based on its review of the proposed rule package, the CSI office recommends that the Ohio Department of Commerce should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.