



Common Sense Initiative

Mike DeWine, *Governor*
Jon Husted, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: John Coady, Ohio Department of Commerce

FROM: Caleb White, Business Advocate

DATE: December 9, 2024

RE: CSI Review – Credit Union, 2023 5YR (OAC 1301:9-1-02 and 1301:9-2-34)

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 Department as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule and one rescinded rule proposed by the Ohio Department of Commerce (Department) as a part of the statutory five-year review process. This rule package was submitted to the CSI Office on October 24, 2024, and the public comment period was held open through November 7, 2024. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on October 24, 2024.

Ohio Administrative Code (OAC) 1301:9-1-02 establishes requirements for the Department related to providing notice regarding the adoption, amendment or rescission of rules for credit unions. This rule is to be rescinded as it is duplicative of statute. OAC 1301:9-2-34 requires credit unions to report information to the Department regarding certain real estate owned. This rule is amended to update a statutory reference.

During early stakeholder outreach, the Department emailed the proposed rules to the Ohio Credit Union League (OCUL) and American Share Insurance in October of 2023 and requested their feedback. The Department then distributed the rules to all Ohio chartered credit unions on November 9, 2023, requesting additional feedback. In response to this outreach, the Department received written comments from the OCUL on behalf of its members. The Department addressed the comments of

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the OCUL and has met with the OCUL on multiple occasions to further discuss the feedback resulting from this outreach. No comments were received during the CSI public comment period.

The business community impacted by the rules includes all state-chartered credit unions in Ohio. The adverse impact created by the rules is the time required to create and submit an annual report on certain types of real estate owned. The Department states that the adverse impacts to business are justified to maintain the safety and soundness of Ohio chartered credit unions and the financial system overall.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Department should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.