



# Ohio Legislative Service Commission

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## Synopsis of Senate Committee Amendments\*

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### **Sub. H.B. 303**

131st General Assembly  
(S. Financial Institutions)

#### **To whom the applicant must apply**

Requires an applicant to the D.O.L.L.A.R. Deed Program (Program) to submit specified documents to the loss mitigation department of the "lender," rather than the "holder in due course" of the mortgage that is in default.

#### **Eligibility requirements**

Additionally requires the Program applicant to occupy the residence.

#### **Instruments to be executed if the lender approves the application**

##### **Deed in lieu of foreclosure**

Adds that the deed in lieu of foreclosure is an absolute conveyance and, upon delivery of the deed, the borrower conveys all of its right, title, and interest in the real property, including any rights of redemption.

Requires a notarized estoppel affidavit (rather than "estoppel language") be included in the deed that affirms that:

- (1) The mortgage and title are not merged (similar to the House-passed version of the bill);
- (2) The lender retains its lien position and its right to foreclose on any junior lienholders (similar to the House-passed version of the bill);
- (3) The transfer is an absolute conveyance of title to the real property, free and clear of any rights of redemption;
- (4) The transfer is the free act of the borrower;
- (5) The transfer is made for valuable consideration.

\* This synopsis does not address amendments that may have been adopted on the Senate Floor.

## **Lease with option to purchase**

Replaces the repurchase agreement and the lease agreement with a "lease with option to purchase agreement."

Clarifies that the lease term begins running on the date of the lease with option to purchase agreement.

Removes provisions allowing the borrower-lessee to sublease the real property and requires the applicant borrower to occupy the residence.

Requires renewals of option to purchase agreements to be in writing and specifies that a renewal is not effective until it is recorded.

Requires that all deeds in lieu of foreclosure, leases with option to purchase agreements, and all renewals and termination of such leases relating to the Program be recorded in the real property records office of the county recorder where the real property is located.

## **Voluntary status of program**

States that lenders are not required to participate in the Program.

## **Lease with option to purchase agreements**

Adds that a borrower-lessee who fails to meet the terms of a lease with option to purchase agreement forfeits the right of possession or occupancy, in addition to the existing provisions extinguishing the option to purchase and subjecting borrower-lessee to an eviction action.

## **Definitions**

Revises the definitions of "borrower," "deed in lieu of foreclosure," "lender," and "mortgage."

## **Rules the Ohio Housing Finance Authority must adopt**

Requires the Ohio Housing Finance Authority to adopt by rule a model for lease with option to purchase agreements.