



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 303 of the 131st G.A.

**Date:** May 23, 2016

**Status:** As Passed by the Senate

**Sponsor:** Reps. Dever and McColley

**Local Impact Statement Procedure Required:** No

**Contents:** Establishes the D.O.L.L.A.R. Deed Program

### State Fiscal Highlights

- The Ohio Housing Finance Agency may incur minimal costs for assisting in the development of, and adopting rules for, the D.O.L.L.A.R. Deed Program.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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### Detailed Fiscal Analysis

The bill establishes the D.O.L.L.A.R. Deed Program, a foreclosure alternative for a borrower who is in default on a mortgage. Under the program, a borrower and mortgage lender may enter into an agreement where the borrower transfers all of his or her right, title, and interest in the real property to the lender in a deed in lieu of foreclosure. The lender then rents the property back to the borrower for a specified time pursuant to a lease with option to purchase agreement. During the life of the lease agreement, the borrower could repurchase or refinance the property pursuant to an agreement executed between the borrower and the lender. Please see the LSC Bill Analysis for more details on the program's operation.

The bill requires the Ohio Housing Finance Agency (OHFA) to assist in the development of the program and to adopt rules that establish the following: (1) a model application form, (2) models for the deed, which will act as the deed in lieu of foreclosure, and lease with option to purchase agreement required under the program, and (3) any other rules necessary to implement the program. OHFA may incur a minimal increase in administrative costs for performing these duties.