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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 638  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. West and Davis

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### SUMMARY

- Prohibits a creditor or debt collector from charging a consumer a late fee, fine, or penalty relating to a late payment on a debt when the bill is sent via the U.S. postal service and it is not delivered to the consumer within seven days of the date stated on the bill.
- Declares an emergency.

### DETAILED ANALYSIS

The bill prohibits a creditor or debt collector from charging a consumer a late fee, fine, or penalty relating to a late payment on a debt owed by the consumer when the bill is sent via U.S. postal service and it is not delivered to the consumer within seven days of the date stated on the bill. This prohibition only applies to mail sent during the covered period, which starts on the bill's effective date and ends 30 days after the state's COVID-19 emergency orders have been lifted (see **COMMENT**).

If there is a late payment by a consumer, the creditor or debt collector must assume a delay in the U.S. postal service is the cause of a late payment, if the bill was sent by the U.S. postal service during the covered period. Any attempt by a creditor or a debt collector to charge a consumer a late fee, fine, or penalty related to a debt is void if the bill is sent via U.S. postal service and it is not delivered to the consumer within seven days of the date stated on the bill.<sup>1</sup>

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<sup>1</sup> Section 1 of the bill.

## COMMENT

“Covered period” in the bill is defined as the period beginning on the bill’s effective date and ending 30 days after the end of the period of emergency declared by Executive Order 2020- 01D, issued on March 9, 2020. Since this period of emergency has ended, the covered period has passed; if enacted as drafted, the bill would have no effect.<sup>2</sup>

## HISTORY

Action	Date
Introduced	05-02-22

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<sup>2</sup> [Rescinding Executive Order 2020-01D and Ending the Declared State of Emergency](#), which is available at the Ohio coronavirus website: [coronavirus.ohio.gov](https://coronavirus.ohio.gov).