74th OREGON LEGISLATIVE ASSEMBLY - 2007 Regular Session **MEASURE:** **HB 2204-A**
STAFF MEASURE SUMMARY **CARRIER:** **Rep. Galizio**
House Committee on Consumer Protection

REVENUE: No revenue impact
FISCAL: No fiscal impact

Action:		Do Pass as Amended and Be Printed Engrossed
Vote:		6 - 1 - 0
	Yeas:	Bonamici, Galizio, Nelson, Riley, Smith P., Holvey
	Nays:	Gilliam
	Exc.:	0
Prepared By:		Steve Dixon, Administrator
Meeting Dates:		1/19, 1/31

WHAT THE MEASURE DOES: Limits maximum rate of interest on title loans to 36%. Limits origination fees, collection fees, and loan terms for title lenders. Prohibits charges beyond interest, origination fees, dishonored checks and insufficient funds fees. Limits renewals and frequency on title loans. Prohibits recovery of statutory damages and attorney fees from consumer for dishonored checks.

ISSUES DISCUSSED:
- Effects of title loans on low-income consumers.
- Effect of legislation the title loan industry in Oregon and consumers.
- Changes in loan origination fee loan origination fee limit and seven day waiting period between loans.
- Effect of interest rates on consumer debt.
- The use of databases for the purpose of ensuring compliance by the title loan industry.

EFFECT OF COMMITTEE AMENDMENT: Adopted amendment conforms language relating to seven day rollover of title loans to match seven day waiting period provided for by SB 1105 of the 2006 special session.

BACKGROUND: House Bill 2204-A will conform the regulation of title lenders to existing regulation of payday lenders provided for in SB 1105 of the 2006 Special Session. Limits interest charged by title lenders to 36% annual percentage rate and allows a maximum one time origination fee of $10 per $100. Furthermore, House Bill 2204-A requires a title loan to have a minimum term of 31 days and a lender may only renew a title loan twice. This measure also prohibits title lender from making a new loan within 7 days of the expiration of the previous title loan. The bill has an emergency clause, effective on July 1, 2007 – the date SB 1105 takes effect.