74th OREGON LEGISLATIVE ASSEMBLY - 2007 Regular Session **MEASURE:** **HB 2204 B**
STAFF MEASURE SUMMARY **CARRIER:** **Sen. Prozanski**
Senate Committee on Commerce

REVENUE: No revenue impact
FISCAL: No fiscal impact

Action:		Do Pass as Amended and Be Printed Engrossed
Vote:		4 - 1 - 0
	Yeas:	Avakian, Gordly, Monroe, Prozanski
	Nays:	Beyer
	Exc.:	0
Prepared By:		Anna Braun, Administrator
Meeting Dates:		3/21, 5/23

WHAT THE MEASURE DOES: Limits maximum rate of interest on title loans to 36 percent per annum. Allows a $10 origination fee for each $100 of amount loaned. Prohibits loans for less than a 31 day term. Prohibits more than two rollovers . Prohibits making loans within seven days of a previous loan. Limits fees for dishonored checks to $20. Declares an emergency, effective date July 1, 2007.

ISSUES DISCUSSED:
- Viability of title loan business with regulation
- Consumer debt

EFFECT OF COMMITTEE AMENDMENT: Adds sale-leaseback arrangements to the definition of title loans. Effective date July 1, 2007.

BACKGROUND: Title loans are short term loans secured by the title of the borrower's vehicle. Currently, there is no limit on rate of interest or fees title lenders may charge. HB 2204-B mirrors the regulation of title lenders to SB 1105 of the 2006 Special Session which regulated payday lenders.

Specifically, HB 2204-B limits interest charged by title lenders to 36 percent per annum and allows a maximum one time origination fee of $10 per $100. In addition, HB 2204-B 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 seven 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.