OSPIRG
Standing Up
To Powerful Interests

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TO: House Committee on Business & Labor
FR: Charlie Fisher, State Director, Oregon State Public Interest Research Group (OSPIRG)
RE: Support of HB 2089

OSPIRG is a statewide, citizen-based organization that represents thousands of Oregonians.

OSPIRG supports HB 2089, which would align payday lending regulations in Oregon with the intent of previous legislation passed in a bi-partisan fashion that required lenders to wait at least seven days after a previous payday loan is paid before making another high interest loan and that capped fees associated with payday loans.

We supported borrower protections on payday lenders when it was originally passed because of the cycle of debt that payday loans often create for low-income Oregonians. According to a survey we did of payday loans before that law was passed a decade ago, the average APR for a payday loan was 521%, and when you counted flat fees, could approach or even exceed 1000%. Luckily, though still very high, interest rates that high are now illegal in Oregon. However, more still needs to be done to protect consumers.

A recent study found that one-quarter of those with payday loans in Oregon actually had more than one payday loan at a time, suggesting lenders are in fact getting around the previously-passed 7-day cooling off period between loans. What this means is borrowers may never have the ability to get out of the cycle of debt and end up paying hundreds of dollars in interest and fees just because of one initial payday loan. HB 2089 is a common-sense fix to this problem.

Please support HB 2089.