OSPIRG
Standing Up To Powerful Interests
1536 SE 11th Ave., Ste. A | Portland, OR 97214
www.ospirg.org (503) 231-4181 (ph)
info@ospirg.org (503) 231-4007 (fx)

March 13, 2019

TO: House Committee on Business & Labor
FR: Charlie Fisher, State Director, Oregon State Public Interest Research Group (OSPIRG)
RE: Support of HB 2089 & Opposition to -3 Amendment

OSPIRG supports HB 2089 as-is with no amendments.

Current law already allows payday lenders to charge up to a 154% annual percentage rate. A recent report published in January found even with these protections, 1/3 of the low-income surveyed families had a payday loan they couldn't pay without having to re-borrow.[1] This means, even with current regulations, there are still a significant amount of borrowers who are stuck in a cycle of debt, which hampers asset-building and economic opportunity in communities that are struggling to gain financial stability. Ultimately, borrowers end up paying hundreds of dollars in interest and fees just because of one initial payday loan.

The goal of HB 2089 is clear: closing a loophole being exploited by payday lenders that runs counter to legislative intent. It should not be used to weaken consumer protections for borrowers.

We urge you to pass HB 2089 without amendment.

[1] Low-Income Oregonians Report Heavy Debt Levels with Long-Term Consequences; Stop the Debt Trap Alliance of Oregon; January 2019.