



April 22, 2019

Senate Committee on Judiciary  
900 Court Street NE  
Salem, Oregon 97301

Chair Prozanski, Vice-Chair Thatcher and Members of the Committee:

NEDCO and Willamette Neighborhood Housing Services are two nonprofit community development and counseling agencies that merged as of January 1<sup>st</sup>. We provide financial and asset building education and counseling programs across four offices that serve residents in Lane, Linn, Benton, Lincoln, Marion and Clackamas counties.

Many of the clients who access our services have received payday loans, and the financial strain of those loans are often time the catalyst for why they come into our offices. Payday loans severely hamper low and moderate income Oregonians from gaining financial stability. The majority of our clients who have taken out payday loans face insurmountable repayment terms, forcing them to take out additional payday loans in order to repay. We also see clients who have been advised by these lenders that breaking up the needed amount into multiple smaller loans will make repayment easier. This debt stacking ripples into massive consequences for our clients, trapping them into a debt cycle that, despite their hard work to gain financial stability, can take years to overcome. The system fails hardworking Oregonians.

In addition to our financial counseling services, we have an affiliate Community Development Financial Institution that provides an alternative to the predatory, payday market through safe, affordable access to consumer and small business loans. We offer consumer loans at a \$15 origination fee and interest rates between 9-12%, far below what is already allowable in Oregon. We know that the steps to originate a loan are the same, and it does not change if the loan is for \$100, \$1,000 or \$10,000. Our consumer loan program pencils, it is not an income-driver nor is it a loss for us, it breaks even. We understand the need for quick access to funds to help our community members through turbulent times and are committed to providing a product that supports them without trapping them in a cycle of debt.

We believe that HB 2089 will provide the needed protections for Oregon families struggling to gain financial stability and urge your support.

Thank you for all that you do to support hardworking Oregonians.

Sincerely,

Karen Saxe

Director of Asset Building Programs

NEDCO and Willamette Neighborhood Housing Services

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