HACIENDA
COMMUNITY DEVELOPMENT CORP.

04.22.2019

House Business and Labor
Oregon State Capitol
900 Court Street
Salem Oregon 9730

Chair Prozanski, Vice-Chair Thatcher and members of the Senate Judiciary Committee:

- The CFPB just announced last week their intent to roll back a 2017 rule on payday loans, requiring lenders to ensure a borrower could repay a loan without having to default on other expenses or repeatedly re-borrow.
- It is now up to the State of Oregon to step up and protect its own citizens from predatory payday lending, and ensure they do not get trapped in to a cycle of debt with little hope of escaping.

We support HB 2089 as drafted and urge your support.

- HB 2089 simply clarifies language that we thought existed 10 years ago when we passed the first payday law to protect low-income Oregonians – Payday lenders must provide a seven-day "cool-off" period. They must wait at least seven days after a previous payday loan is paid before making another triple-digit interest rate loan.
- A recent report published last month by the Stop the Debt Trap Alliance of Oregon found that 1/3 of the low-income surveyed families had a payday loan they couldn't pay without having to re-borrow.
- Research shows that most payday lending revenue, about 75%, comes from borrowers trapped in a cycle of debt which is very difficult to escape.

As an organization that champions asset building, economic development and growth opportunities for fellow Oregoninans, we thank you for your ongoing service and support.

Sincerely,

Dr. Ernesto Fonseca, PhD
Chief Executive Officer