

April 24, 2019

Senate Judiciary Committee  
Oregon State Capitol  
900 Court Street NE  
Salem, Oregon, 97301

Chair Prozanski, Vice Chair, Vice Thatcher, Members of the Senate Committee on Judiciary,

For the record, my name is William Miller and I have the unique privilege of representing Stop the Debt Trap Alliance (STDTA). I'm testifying on behalf of House Bill 2089 which will better serve communities who experience financial hardship. STDTA is comprised of many non-profit agencies who serve communities in need. Often times, the ones who experience severe forms of hardship.

In 2017, STDTA published a report after conducting a debt survey of low-income families in Oregon. The results were staggering. Of those surveyed, we found that payday loan debt was one of the top financial priorities. The survey showed that a quarter of the survey takers had taken a payday loan within the past year, a third of them couldn't pay the loan back without having to re-borrow, and a quarter of them had more than one payday loan at a time.

In 2007, the Oregon legislature passed consumer protection legislation in order to safeguard against predatory lenders in our state. The legislation passed required a seven-day cooling off period prior to making another triple-digit interest rate loan. Taking out more than one payday loan at a time should have been illegal under the 2007 law, however, lenders found a loophole and used it to their advantage. Fortunately, HB 2089 is the solution to this growing problem, it would close a 10-year loophole in the current law by prohibiting lenders from stacking loans. The bill, as introduced would greatly improve the lives of all Oregonians, but would particularly help more of our low-income communities who seek to be financially stable.

If we continue to allow these predatory measures to take place, the vulnerable borrowers who make use of these loans will continue to be trapped in the cycle of debt, further deepening the financial crisis and poverty issues that our communities are facing.

I thank you for your time and attention to this growing issue,

Thank you,



William Miller  
Government Affairs