



House Committee on Emergency Management, General Government, and Veterans

Oregon State Capitol
900 Court St. NE
Salem, Oregon 97301

February 16, 2023

Chair Grayber and Members of the Committee,

The Oregon Financial Services Association is a trade association for the consumer credit industry, founded in 1937 to promote safe, ethical lending to responsible, informed borrowers and to improve and protect consumer access to credit.

OFSA writes in opposition to House Bill 2763, establishing a State Public Bank Task Force. The concept of public banking is not new. It has been unsuccessfully considered numerous times by the Oregon legislature in previous decades, and further study is not necessary now.

While proponents point to the Bank of North Dakota as a model, that entity was established more than a century ago because of a lack of banking services in North Dakota. A lack of such services does not exist in Oregon.

Rather, Oregon’s rich ecosystem of banks, credit unions, non-bank lenders, public/private partnerships, and community development financial institutions provide extensive banking services and loans throughout the state. These institutions have access to funding that is leveraged to provide billions of dollars of credit in Oregon annually.

For example, many non-bank lenders, like OFSA members, consistently provide qualified consumers with reliable, traditional installment loans that are accessible and affordable, giving borrowers a tried-and-tested mechanism to safely manage their household credit. OFSA members serve consumers of all economic backgrounds, including under-banked consumers in large and small communities throughout the state.

In addition to direct lending, there are numerous organizations and public/private partnerships that provide or leverage additional credit, including Business Oregon, federal organizations like the Small Business Administration and the Department of Agriculture, and community development financial institutions like Craft3, MESO, and other non-profits.

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With all of these existing organizations and mechanisms in place, the focus should be on supporting their efforts rather than further elongating discussions of a state-owned model that would duplicate, and could threaten access to, services already provided by existing private institutions.

Now is not the time to spend scarce taxpayer resources studying creation of an unnecessary new public entity. We urge you to vote no on HB 2763.

Sincerely,

/s/ Lee Holzman

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