

March 7th, 2023

Chair Paul Holvey  
Vice Chairs Elmer and Sosa  
House Committee on Business and Labor  
900 Court St NE, H-283  
Salem, OR 97301

**Re: Support for House Bill 2008**

Dear Chair Holvey, Vice Chairs Elmer and Sosa, and Members of the Committee:

Thank you for the opportunity to submit testimony today. We are Nathan Teske and Itzel Hernandez Spehar, Bienestar's Executive Director and Director of Policy and Advocacy, respectively. Bienestar's mission is to build housing, hope, and community for the well-being of Latinx, immigrants, and all families in need.

Bienestar strongly supports House Bill 2008, the Family Financial Protection Act of Oregon. By modernizing and expanding Oregon laws, the Act provides a realistic pathway for families to recover following unexpected financial hardship rather than being pushed further into debt and poverty.

Oregonians are contending with rising inflation and increasing costs of living. These pressures stretch budgets thin and force families to take on debt to cover essentials, including medical care, housing, and food costs. When financial hardship hits, Oregon's laws are too outdated and flawed to protect people.

Medical debt is the primary reason creditors contact people. Other everyday non-loan expenses that are commonly pursued by creditors include unpaid utility bills and phone and internet bills. 44.3% of Oregonians reported that it is "very difficult" or "somewhat difficult" in a typical month to cover expenses and pay all bills. The United States has normalized going into debt for basic needs (e.g., health care and education) that could alternatively be publicly funded. Oregonians need a realistic pathway out of debt and poverty, HB 2008 places specific protections on our most vulnerable communities who are in pursuit of that very same goal.

Key provisions of HB 2008 will:

- Protect a living wage from wage seizure by raising the minimum protected wage amount to \$1,000 per week – just below the earnings threshold of what HUD considers a “low-income” family in Oregon.<sup>1</sup>
- Protect access to housing by updating the housing exemption from \$40,000 to the median home value, and by leaving a minimum of \$12,000 in bank accounts so that people can continue to pay their rent. This ensures that our debt collection laws uphold our efforts to ensure Oregonians are housed.
- Protect the ability to work by ensuring that a functioning car and work tools are shielded from seizure.
- Fix a loophole that prevents consumers from challenging debt falsely attributed to them or for the wrong amount.
- Provide consumers with the same window of time to pursue legal action for an unlawful collection practice as collectors currently have to pursue a debt.
- Remove barriers to justice by ending consumer liability for pushing back against unlawful debt collections. The current law puts consumers at extreme financial risk for trying to end unlawful debt collection practices. The bill would update our language to be consistent with other consumer protection statutes that ensure consumers can bring good faith cases without extreme risk.

Through common-sense modernizations to Oregon's consumer protection and debt collection laws, HB 2008, The Family Financial Protection Act of Oregon, will provide much needed safeguards for the economic well-being of Oregonian consumers by protecting their ability to continue working, maintain housing, keep food on the table, and fight unfair debt proceedings.

We urge your support of HB 2008. Thank you for the opportunity to submit testimony and your service to Oregon communities

Sincerely,

Nathan Teske, Executive Director

Itzel Hernandez Spehar, Director of Policy and Advocacy

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<sup>1</sup> Low-income family of four in Oregon has a 2022 [HUD earning limit](#) of \$72,650 in Oregon.