



Center for Responsible Lending

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:

The Center for Responsible Lending (“CRL”) urges your support of House Bill 2008, the Family Financial Protection Act of Oregon. By modernizing and expanding Oregon’s debt collection laws, the Act provides a realistic pathway for families to recover following unexpected financial hardship, rather than being pushed further into debt and poverty.

CRL is a non-profit, non-partisan policy and research organization dedicated to building family wealth through the elimination of predatory lending and debt collection practices that push families further into poverty. CRL is affiliated with Self-Help Credit Union, a national community development financial institution that provides access to safe, affordable financial services to low-income communities and borrowers.

Oregonians are contending with rising inflation and increasing costs of living. These pressures are stretching budgets thin and forcing 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 When financial hardship hits, Oregon’s laws are too outdated and flawed to protect people. To take just one clear example, Oregon law currently protects only \$254 a week in take home pay from wage garnishment. It goes almost without saying that this is not nearly enough for anyone to live on, let alone families facing rapid increases in the cost of living.

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.
- 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 do not undermine 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.

302 West Main Street
Durham, NC 27701

Tel: 919.313.8500
Fax: 919.313.8595

910 17th Street NW, Suite 500
Washington, DC 20006-2610

Tel: 202.349.1850
Fax: 202.289.9009

1970 Broadway, Suite 350
Oakland, CA 94612

Tel: 510.379.5500
Fax: 510.893.9300

www.responsiblelending.org

- 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,

Andrew Kushner
Policy Counsel, Center for Responsible Lending