

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:

My name is Nansi Lopez, Policy Director at Centro Cultural. On behalf of Centro Cultural, we urge your support of House Bill 2008, the Family Financial Protection Act of Oregon. By modernizing and expanding Oregon laws, this Act provides a realistic pathway for families to recover following unexpected financial hardship rather than being pushed further into debt and poverty.

Centro Cultural is the oldest and longest-serving Latino culturally-specific organization in the state of Oregon. Centro was founded 50 years ago by 14 migrant families who believed in creating a vibrant and cohesive society, shared, valued and open for community members from different ethnicities and backgrounds. Since then, Centro serves as a safe place for our local Latino community, low-income migrant farmworkers, immigrant refugee communities, and all who come to our doors. Our mission is to be a home for Latino cultures, serving the needs of our diverse community by promoting personal growth and empowerment. With the main purpose of creating lasting change for families of color and low-income individuals, stimulating systems change, and working with key stakeholders to reduce barriers and provide essential resources and services for the families we serve. Since our founders decided to begin this journey in 1972, Centro has continued to grow to ensure our community members thrive, working with regional, state, county, and city-wide agencies to advocate for more resources and equitable systems change to support communities of color. Centro's roster of programs seeks to disrupt systemic oppression and racism while converting our clients into agents of change.

Centro has refocused some of our efforts toward upstream work. This shift ensures that our organization is doing the necessary work to create systems change for our communities. Centro's Policy Department works on upstream issues like criminal justice, consumer justice, economic opportunity, housing laws, and more. Part of the work of the Policy Department is convening the Latino Policy Council (LPC), a coalition of Latino leaders organized to advocate and demand change from local governments.

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.

This is a racial justice issue. In Oregon, communities of color experience double the rate of debt in collections (35%) than white communities (16%). Borrowers of color experience the most acute impacts because creditors disproportionately pursue them. Creditors call borrowers of color nearly twice as frequently as White borrowers, despite similar rates of default and late payments.

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 leaving a minimum of \$12,000 in bank accounts so 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,  
Nansi Lopez,  
Policy Director at Centro Cultural

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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.