



Andrea Meyer, Director of Government Relations  
**Testimony in support of HB 2008 with Amendments**  
House Committee on Rules  
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AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With over 500,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families, with a focus on health security, financial stability and personal fulfillment. This includes educating and protecting older Oregonians against fraud and supporting legislation that advances important consumer protections.

AARP supports HB 2008, the Family Financial Protection Act of Oregon with amendments. This bill provides a pathway for families to recover following unexpected financial hardship rather than being pushed further into debt and poverty.

I want to focus our comments on the effect of debt on older Oregonians. Nationwide, the percentage of debt for older Americans continues to increase. Debt burden has real effects on the financial resilience of older Oregonians and their ability to retire, retain their homes and provide basic level of care and services.

Increased debt for older Americans includes medical debt and even student loan debt. In fact, older people are the fastest growing group of student debtors (either their own or tied to supporting the education of their children or grandchildren).

Regardless of the source, families reaching retirement or are newly retired are more likely to have higher levels of debt than past generations, placing themselves at risk of running short of money in retirement.

In order to make ends meet, older Americans often make trade-offs that may save money in the short-term but can have harmful effects on their long-term health and finances. The National Council on Aging surveyed aging network professionals who encounter adults managing debt.<sup>1</sup> Their report was rather stunning:

- 23.4% regularly encounter seniors forgoing needed home or vehicle repairs
- 14.9% regularly encounter seniors cutting pills
- 14.9% regularly encounter seniors avoiding social engagements
- 14.5% regularly encounter seniors skipping medical appointments
- 14.5% regularly encounter seniors missing rent or mortgage payments
- 13.7% regularly encounter seniors skipping meals

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<sup>1</sup> <https://www.ncoa.org/article/get-the-facts-on-senior-debt>

HB 2008 provides common sense protections for Oregonians, especially as they contend with rising inflation and increased costs of living. HB 2008 updates Oregon debt collection law in a number of ways but we will highlight a few:

**Homestead Exemption.**

As amended, the bill would protect 100% of the real market value up to \$800,000 if a consumer is over 65 years of age. This is a meaningful improvement from current law. Unfortunately, most Oregonians do not have adequate retirement funds and must access the limited resources they have to provide basic support. The effects of debt on older Oregonians can be devastating. And when their housing is at risk we know that has real-world consequences. More than 50% of Oregonians experiencing homelessness and facing evictions are older adults. For many their major, if not only, source is in their home. This provision will allow older Oregonians to access and manage their home equity to support their basic living needs.

**Updating Debt Collection Provisions.**

Debt collection is the most common type of civil case. Studies show that consumers who have attorneys are more likely to win their case or reach a mutually agreeable settlement, yet fewer than 10% of consumers have such representation compared with nearly all plaintiffs. Debt collection lawsuits exact a heavy toll on consumers, including accrued interest and court fees, garnishment of wages, a ban on accounts, and seizure of personal property

HB 2008 with amendments provides some modest reforms to help consumers. It would extend the statute of limitations from the current law of 1 year to 3 years from the time of discovery (with a limitation that it be no longer than 6 years from injury). It also increases the penalty for unlawful debt collection practices from the current law of \$200 to \$1000, mirroring the same amount under the federal law which was instituted 46 years ago.

Because of these and other important updates to provide protection to all Oregonians, including older Oregonians, AARP urges this committee to adopt the amendments and pass HB 2008.

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