



Oregon Women's Rights Coalition

SB 1595-Updating and Improving Oregon's Debt Collection Laws-

The Family Financial Protection Act -Support with Amendment

Chair Taylor, Vice-Chair Bonham and members of the committee

The Oregon Women's Rights Commission supports SB 1595 as it will be amended. We urge you to support this bill which updates and improves Oregon's debt collection laws.

Many people have debt they incurred following a medical emergency either personally or affecting a family member.

Oregon's debt collection laws are out of date.

Under current Oregon law a debtor can only shield \$40,000 of a home's value from collection. SB 1595 proposes \$150,000 for a single person and \$300,000 for couple would be shielded. That is still a modest amount with today's home prices.

By 2027, the amount exempted from wage garnishment will increase to the value of Oregon's standard minimum wage per week. This would be a change from \$284 per week or 75% of net wages whichever is lower.

The proposed legislation will also prevent debt collectors from wiping out someone's bank account. Oregonians would be able to maintain the first \$2500 to pay for basic needs while paying off debt.

Oregonians will have longer to file a complaint against a debt collector as the legislation would allow three years rather than the current one year. It would also make it a violation of law to attempt to collect a debt when the collector should have known the debt does not exist.

Awarding legal fees and costs should be done by the courts at trial or on appeal when a consumer prevails and not make them pay for the creditor's attorney fees unless they bring a frivolous claim. This would follow the federal debt collection practices.

Please update and modernize the debt collection practices that Oregonians face.

Marcia Kelley

Public Policy Advocate

***Email: [owrcadvocacy@gmail.com](mailto:owrcadvocacy@gmail.com) PO Box 957. Clackamas OR 97051***