

February 5, 2024

Chair Taylor, Vice Chair Bonham, and Members of the Senate Committee on Labor and Business

Re: Senate Bill 1595 – Consumer Protections, Support

Chair Taylor, Vice Chair Bonham, and Members of the Committee. For the record, my name is William Miller, and I serve as the Executive Director of the NAYA Action Fund. The NAYA Action Fund provides tools to shape public policy, cultivate leadership, and elect champions for issues impacting Native people. Our vision of systemic change is youth-centered, family-driven, and elder guided. I write to express our strong support for Senate Bill 1595, which serves as a crucial step toward addressing the economic challenges Oregon families face in the wake of unexpected financial hardships. We believe that SB 1595 provides a realistic pathway for families to recover without falling deeper into debt and poverty, consequently fostering economic stability, and mitigating racial inequalities within Oregon.

Oregon's current consumer protection and debt statutes are outdated and flawed, leaving families vulnerable to economic hardship and unfair debt proceedings. As the cost of living continues to rise in our state, an increasing number of families are forced to take on debt to cover essentials like medical care, housing, and food. The statistics speak for themselves: 16% of Oregonians have debt in collections, and the median collections is \$1,563.

Consumer Debt in Oregon:

- 27% of Oregonians report debt collectors attempting to collect payment for a debt that wasn't theirs.
- Faced with a \$400 emergency expense, more than half of Oregonians would either find it challenging to pay the bill (28%) or would need to borrow money or go into debt (26%).
- Communities of color experience almost double the rate of debt collections (28%) compared to white communities (16%).

SB 1595 introduces comprehensive and much-needed reforms to Oregon's consumer protection and debt collection laws, addressing the systemic issues exacerbating economic and racial inequities. The bill:

1. **Protects a Living Wage:** SB 1595 raises the amount protected from wage seizure to the standard minimum wage by 2027, ensuring that workers have enough to cover basic needs and avoid destitution.

2. **Protects a Minimum Amount in a Bank Account:** The bill safeguards up to \$2,500 in a bank account, allowing individuals to preserve the ability to pay rent and maintain essential utilities during debt repayment.
3. **Provides Clear Protection for Consumers Sued Over an Unowed Debt:** SB 1595 fixes a loophole in the current law, allowing consumers to challenge debt attributed to the wrong person or incorrect amounts.
4. **Increases the Minimum Penalty for Unfair Debt Collection Practices:** The bill enhances the minimum penalty to \$1,000, acting as a more effective deterrent to bad actors in the debt collection industry.
5. **Extends the Statute of Limitations:** SB 1595 extends the timeframe for consumers to seek justice to three years from the time of the violation, aligning it with the six-year timeframe debt collectors have to pursue a debt.

SB 1595 is a comprehensive and forward-thinking solution that addresses the urgent needs of Oregonians facing financial difficulties. The NAYA Action Fund urges the Oregon Legislature to support and pass SB 1595, which would take a significant step toward promoting economic justice, protecting vulnerable communities, and building a more equitable future for all Oregonians.

Thank you,



William Miller
Executive Director