



CONSUMER ALLIANCE
of Oregon

*From The Desk of
Representative
Courtney Neuron*

Vote YES on House Bill 2561– Opt Oregon Out of Predatory Interest Rates

We urge your YES vote on HB 2561 to close a loophole that allows predatory online lenders to evade Oregon’s 36% interest rate cap and charge consumers exorbitant rates of 160% or more.

- Oregon caps consumer loan interest at 36% for loans under \$50,000, but a loophole in a federal banking law (DIDMCA Section 521) lets online lenders bypass this by partnering with out-of-state banks, exposing consumers to triple-digit interest rates and financial harm.
- According to the Department of Consumer and Business Services, over the past three years, at least two nonbank consumer finance licensees have partnered with out-of-state, state-chartered banks to issue installment loans exceeding our state's 36% cap, totaling over \$37 million in loans.
- Many mainstream lenders agree that loans exceeding 36% APR are irresponsible. Oregon lawmakers have a critical opportunity to opt out of federal provisions that permit predatory lenders to sidestep our state’s interest rate limits. When DIDMCA was enacted in 1980, online lending did not exist—making this an outdated policy that now facilitates exploitative lending schemes.
- HB 2561 will restore Oregon’s authority to enforce its lending laws, strengthen consumer protections, and prevent harmful high-cost loans from targeting our communities. We urge your support for this essential reform.

ORGANIZATIONS IN SUPPORT OF HB 2561

