



House Committee on Commerce & Consumer Protection

Testimony in Support of HB 2561

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AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50+ to choose how they live as they age. AARP Oregon advocates on issues important to our more than 500,000 Oregon members with a focus on health security, financial resilience and livable communities.

AARP Oregon is pleased to testify in support of HB 2561. Financial security for older Oregonians is a priority issue for AARP Oregon. We want to add our voice here in support of strong protections against predatory lending loans that harm individuals and families.

A key provision of this bill would opt Oregon out of Section 521 of federal banking law, the Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA). Right now DIDMCA allows state-chartered banks to export their interest limits to other states, often through online lenders. This loophole means that Oregonians are entering into loans with interest rates of 160% or more - much higher than Oregon's 36% cap, the consumer loan rate that *Oregon* decided was appropriate for *Oregonians*.

As we age, financial stability becomes increasingly critical. Many older adults live on fixed incomes, relying on Social Security, pensions, and savings that must last throughout their retirement years. Unfortunately, high-interest consumer loans can quickly erode these limited resources, leading to a cycle of debt that is difficult, if not impossible, to escape. Older adults are particularly vulnerable to the detrimental effects of high-interest loans for several reasons:

Fixed Incomes: Many older adults do not have the flexibility to increase their income to manage rising debt payments. This makes it challenging to keep up with high-interest rates, leading to mounting debt.

Health Care Costs: As people age, health care expenses often increase. High-interest debt can divert funds away from essential medical care, jeopardizing the health and well-being of older adults.

Cognitive Decline: Aging can bring about cognitive challenges that make it harder to manage complex financial products. High-interest loans with confusing terms can be particularly harmful to those experiencing cognitive decline.

Limited Time for Recovery: Unlike younger individuals, older adults have less time to recover from financial setbacks. High-interest debt can deplete their savings, leaving them with few options for financial recovery.

On behalf of our members, we urge you to pass HB 2561.