



February 3, 2025

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne and House Committee on Commerce and Consumer Protection

Re: House Bill 3178– Auto Financing, Support

Dear Chair Sosa, Vice Chairs Chaichi and Osborne, and Members of the Committee. For the record, my name is Cree Bort and I'm a member of the Cheyenne River Sioux Tribe and have the pleasure of serving as the Advocacy and Policy Organizer for NAYA Action Fund, a Native-led organization that builds political power and advances advocacy for Native communities in Oregon and Washington.

I am writing today about House Bill 3178, which addresses significant issues faced by consumers when purchasing a used car from dealerships in Oregon. For some, owning a car has become a vital necessity to navigate daily life whether it's taking your child to the doctor, grocery shopping, or driving yourself to work.

Now imagine this scenario you're on your way to one of these essential activities, and you get a call informing you that the interest rate on the car you purchased just a week ago has increased, altering your monthly payment. Confusion sets in as you recall the contract you signed, wondering why it is suddenly invalid. Panic follows as you realize the new payment is no longer affordable. Finally, frustration takes over as you grapple with the reality that you may have to return the car you've already been using despite having scheduled doctor's appointments and needing transportation to work.

In Oregon, car buyers negotiate financing at the dealership and sign what they believe to be a final contract. However, dealerships have up to 14 days to secure financing through a financial institution, leaving consumers unaware that their loan isn't finalized. This lack of transparency makes them vulnerable to predatory tactics during one of the most significant purchases of their lives. A purchase that ensures they can get to work, take their children to appointments, and buy essential items like groceries.

Recently, we heard about a community member who was a victim of these predatory practices. They purchased a car with fair credit and were initially quoted an interest rate of 25.4%. After leaving the dealership, they were informed that their rate had increased to 29.9%. Such practices cause confusion, financial hardship, and unnecessary stress for individuals and families who are already struggling to make ends meet and face constant barriers within our economy. For many BIPOC folks, buying a car is an intimidating process, and the pressure to find a reliable vehicle at an affordable rate often creates the perfect opportunity for dealerships to exploit consumers. As a result, community members, like the one we just mentioned, frequently end up with financing that leads to higher-than-expected monthly payments over extended loan periods creating yet another obstacle to building wealth and financial stability for BIPOC folks.

HB 3178 seeks to address these issues by mandating transparency in the car-buying process and ensuring that Oregon consumers can trust the payments and interest rates agreed upon at the dealership. You should be able to leave knowing you're getting what you agreed on. The bill also establishes clear guidelines for canceling deals if terms should need to change. Key changes that HB 3178 brings forward include:

- Reducing the window for finalizing a deal to four days from the previously 14 day window.
- Requiring dealerships to either honor the original contract or void the deal if financing cannot be secured.
- Mandating that dealerships notify buyers within two days if a sale is voided, returning all items of value exchanged during the transaction (including trade in car values)

HB 3178 aims to address racial disparities by eliminating discriminatory and predatory practices in car sales. This bill is an important step in protecting Oregon consumers, ensuring fairness in the car buying process, and fostering trust between buyers and sellers. We should all be able to build wealth and accumulate assets without meeting unnecessary barriers created by the dealership industry.

On behalf of the NAYA Action Fund, I strongly encourage you to consider your support of House Bill 3178.

Thank you,

Cree Bort
Advocacy and Policy Organizer