

**Testimony Submitted by
Angela Donley, Policy Analyst
Oregon Consumer Justice
To the House Committee On Commerce and Consumer Protection**

February 4, 2025

Regarding: Support for HB 3178

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, and Members of the Committee,

For the record, my name is Angela Donley. I appreciate the opportunity to provide testimony on behalf of Oregon Consumer Justice in support of HB 3178.

Oregon Consumer Justice (OCJ) envisions a vibrant future where all Oregonians live with dignity and abundance and experience health, joy, and economic opportunity. We work collaboratively across policy and advocacy, community engagement, and the law, to realize a more just and equitable Oregon where people come first. For too long, flawed systems and policies have stood in the way of this reality, with communities of color most often experiencing significant harm. Informed by consumer insights, OCJ works to make financial and business transactions reliably safe and supports Oregonians in knowing and exercising their consumer rights.

Consumers should be able to feel confident that car dealerships will fulfill their promises and stick to the financing terms agreed to at the time of purchase, especially when the buyer leaves the lot with the vehicle.

Owning a car is often essential to maintaining employment, accessing education, or obtaining medical care for yourself or a loved one. Yet, car buying, as it presently operates, is frequently a stressful process that can represent the most expensive purchase many consumers will ever make. Auto financing terms should not threaten the economic stability of Oregonian families.

If you were to go into a car dealership in Oregon today to shop for a car, you could easily sign all the required paperwork and leave with the vehicle believing you have a set contract. However, car dealers actually have 14 days to find a financial institution to secure financing. If they are unable to find a loan meeting the terms agreed to, they will come back to the consumer and ask them to pay a higher interest rate or extend the duration of their loan in order to keep their car. Many times consumers already believe they own their car and are unaware of their rights to cancel the sale or can feel pressured to agree to these different terms. While we know consumers hope to make their purchase quickly and leave with the car, 73% of Oregonians recently surveyed said they would be willing to wait 3-5 days to take possession of their car if they are assured that the interest rate and payments are final.

HB 3178 will adjust the timeframe a dealer has to secure a loan from 14 days to 4 days mirroring Washington State's law updated in 2006. This shift creates transparency for consumers, supporting their ability to walk away from an unfavorable deal if financing at the agreed-upon rate is not available. This bill also provides two options for a dealer if they can't find a financial institution to finance the loan terms: 1) they can hold the loan themselves or 2) they can choose to void the contract. HB 3178 additionally includes requirements for notification at the time of sale and if the sale is voided, along with instructions on how to unwind a deal.

Thank you for your consideration and your service in building the future that Oregonians deserve.