



DEVELOPING THRIVING COMMUNITIES

February 18, 2025

House Committee on Commerce and Consumer Protection
900 Court Street NE
Salem, Oregon 97301

RE: Support for HB 3423

Chair Sosa, Vice Chairs Chaichi and Osborne and Members of the Committee:

My name is Karen Saxe and I work for DevNW, a community development and asset building agency serving Lane, Linn, Benton, Lincoln, Marion, Polk and Clackamas Counties.

DevNW provides financial and housing education and counseling, paired with financial resources, throughout our six counties with the goal of helping low and moderate income families gain assets and build generational wealth. Despite the hard work from our clients, they often face historic and systemic barriers—one of which is the current credit system.

A history of predatory lending and a lack of access to banking and financial institutions have disproportionately affected many communities from engaging with the credit system. Additionally, a lack of non-traditional payments (such as rent and utility payments) can hinder a person's engagement with the credit system resulting in not enough credit history to generate a score.

Given this, the link between credit score and insurance rates is problematic. The Consumer Federation of America's analysis of Oregon-based data shows that drivers pay a 52% penalty on average if they have a fair credit score instead of excellent credit, even if they have never had an accident, ticket or filed a claim. When a driver has poor credit that penalty jumps to 112% on average. In addition, Consumer Reports demonstrated that in Oregon, a driver with poor credit will pay \$762 more than a driver with excellent credit and a driving while intoxicated (DWI) conviction. HB 3423 would also prohibit the use of sex or gender and marital status in auto insurance—factors that are not proven to be indicative of driving records.

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DevNW

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The need for safe, reliable and insured transportation is critical for our clients. As they are putting in the hard work to gain and maintain financial stability and build assets while facing skyrocketing housing and other costs it is imperative that we work to curb practices that have a disproportionately negatively impact on the most vulnerable amongst us. We support the goals of HB 3423 for the communities we serve.

Sincerely,



Karen Saxe
Director of Policy, Advocacy and Strategic Relationships
DevNW

devNW.org


CHARTERED MEMBER

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