



April 1, 2025

The Honorable Nathan Sosa  
Chair, House Committee on Commerce and Consumer Protection  
Oregon State Legislature

**Supportive with Amendment Testimony: House Bill  
3779**

Chair Sosa and Members of the House Committee on Commerce and Consumer Protection,

The Innovative Lending Platform Association (ILPA) appreciates the opportunity to submit testimony proposing an amendment to House Bill 3779.

ILPA is the leading trade organization for online lenders and service companies serving small businesses. Our members<sup>1</sup> provide various innovative, digital commercial financing products. They proudly supply thousands of Oregon businesses with working capital to invest, purchase inventory, hire additional staff for the busy season, expand operations, or repair damaged or outdated equipment. Using innovative underwriting and advanced technology, our members assess credit risk and deliver financing in as little as 24 hours.

ILPA is committed to promoting best practices, responsible innovation, and transparent access to capital. Our members are dedicated to offering small businesses clear, responsible financing options.

House Bill 3779 would enhance individual consumer protection by ensuring that only licensed providers can operate in the debt resolution industry, thereby reducing the potential for predatory practices. Additionally, the bill would require debt resolution service providers to disclose the terms of the agreement and additional fees and prevent them from collecting payment from a consumer until the provider negotiates, renegotiates, resolves, or reduces at least one of the consumer's debts. ILPA supports this legislation; however, we strongly believe extending these protections to small businesses is crucial.

ILPA proposes amending House Bill 3779's definitions of "debt resolution service" and "debt resolution service provider" to include organizations as well as consumers, or replace the word "consumer" with "customer," and define customer to include organizations. This amendment would expand the bill's scope to include commercial financing debt resolution services and ensure small businesses receive the same protection and support as individual consumers in managing their debt obligations.

Just as individual consumers are vulnerable to predatory practices, small businesses are often targets of

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<sup>1</sup> BackD Business Funding, Biz2Credit, Dedicated GBC, Fiserv, FundBox, iBusiness Funding, Lendio, Mulligan Funding, and OnDeck

misleading debt resolution service providers and face significant risks when dealing with them. Predatory debt resolution service providers often approach debtors, charging them pennies on the dollar of what they owe on their loan agreement, and encourage them to stop paying and communicating with their original finance provider. Meanwhile, the debt resolution service providers are not working to reach a reasonable agreement with the finance provider. This deceptive practice leads to debtors defaulting on their loans while still being responsible for the original debt, which leads to finance providers taking the debtor to court. Rather than work with predatory debt resolution services, debtors should work with their original creditors or a reputable, licensed debt resolution service provider that adheres to transparent practices.

By amending House Bill 3779, commercial debt resolution service providers would be required to adhere to the same transparency and fair practices as those servicing individual consumers. This consistency would protect Oregon small businesses from fraudulent and misleading practices and make it easier for service providers to comply with the law and for regulators to enforce it.

ILPA appreciates the committee's consideration of our proposed amendment.