From the Desk of Senator Courtney Neron Misslin

Vote YES on HB 4116

OPT-OUT OF PREDATORY INTEREST RATES

No lender should be able to ignore Oregon's law that caps interest rates for consumer loans at 36%. By closing a federal loophole, we can stop online and out-of-state lenders from trapping Oregonians in cycles of debt.

End the loophole giving a pass to predatory lenders

Section 521 of the Depository Institutions Deregulation and Monetary Control Act (DIDMCA) lets lenders partner with out-of-state banks to sidestep Oregon's 36% consumer interest rate cap and charge upwards of 225%. When financial emergencies arise, Oregonians are too often pushed toward these predatory online loan products that promise relief but ultimately cause long-term harm.

Address the systemic issues of high-interest loans

These business models are built on the financial distress of consumers with the fewest options and the least margin for error. As long as profit is tied to prolonged financial insecurity, harm is not incidental; it is embedded in the system itself. This bill does not prohibit access to credit; rather, it removes schemes that keep consumers in debt and ensures that loans made to Oregonians are transparent and consistent with Oregon law.

> Predatory loans are part of the problem that prevents the Latino community from building savings and generational wealth. Most recently, a community member shared that she was approached by a family member who desperately needed financial support. She applied for a loan with an interest rate of **99.5%**. This loan must be paid on a bi-weekly basis, which has caused financial hardship for her and her family. It has not been paid off to date.

Nansi Lopez

Centro Cultural | Washington County

"Oregonians deserve to have fair lending regardless of their credit, especially from a credit system that often perpetuates systemic racial wealth gaps by producing lower scores for communities of color. Families that are already living on the fringes of economic instability MUST be protected."

Our Partners

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