

HB 4116 A STAFF MEASURE SUMMARY

Carrier: Rep. Osborne

House Committee On Commerce and Consumer Protection

Minority Report

Action Date: 02/10/26

Action: Do pass with amendments. (Printed A-Eng.) Minority

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Report Signers: Rep. Osborne, Rep. Reschke

Prepared By: Andrew Hendrie, LPRO Analyst

Meeting Dates: 2/3, 2/10

WHAT THE MEASURE DOES:

The measure states whereas clauses. The measure establishes the Task Force on Equitable Access to Short-Term Financial Products staffed by the Department of Consumer and Business Services and requires the task force to submit a report no later than December 15, 2026. The measure sunsets the task force and reporting requirements on December 31, 2027. It takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Establishes the Task Force on Equitable Access to Short-Term Financial Products, composed of two members who are appointed by the president of the Senate, two members appointed by the speaker of the House of Representatives, and eight members appointed by the governor. Requires the task force to study and report on various topics related to short-term credit. Establishes guidelines and duties for the task force. Requires the task force to submit a report to the legislature related to consumer protection no later than December 15, 2026. Requires the Department of Consumer and Business Services to provide staff support for the task force's administration. Sunsets the task force and reporting requirements on December 31, 2027.

ISSUES DISCUSSED:

- Availability of emergency funds
- Alternative regulatory approaches to address loans exceeding a 36 percent rate
- Enforcement actions by the Department of Consumer and Business Services

EFFECT OF AMENDMENT:

The amendment replaces the measure.

BACKGROUND:

Section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is intended to create an even playing field for state-chartered banks and national banks. It does this by allowing for those federally insured state institutions to use the interest caps provided by the state they are from to serve customers in other states through federal preemption of state interest rate cap limits. Section 525 allows for states to opt out of federal preemption by statute (Section 521-525 of the Depository Institutions Deregulation and Monetary Control Act of 1980, 94 STAT. 164-167)

Currently, federal law allows state banks to use the rate caps from the states in which they are registered when doing business in Oregon. House Bill 4116 MR1 would create a task force to study the use of short-term credit in Oregon.