

HB 4116 A STAFF MEASURE SUMMARY**Carrier:** Sen. Hayden**Senate Committee On Labor and Business****Minority Report****Action Date:** 02/25/26**Action:** Do pass with amendments. (Printed A-Eng.) Minority**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Report Signers:** Sen. Drazan, Sen. Hayden**Prepared By:** Whitney Perez, LPRO Analyst**Meeting Dates:** 2/23, 2/25**WHAT THE MEASURE DOES:**

The measure establishes the Task Force on Equitable Access to Short-Term Financial Products and requires the task force to submit a report by December 15, 2026. It sunsets the task force and reporting requirements on December 31, 2027. The measure also states whereas clauses concerning Oregonians' financial vulnerability and need for short-term credit options. The measure takes effect on the 91st day following adjournment sine die.

Detailed Summary:

Specifies that the task force is composed of two members 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 specified topics related to short-term credit and loans. Establishes guidelines, procedures, and duties for the task force. Requires the task force to submit a report to the legislature's interim committee 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.

ISSUES DISCUSSED:

- Potential impact of the measure on lenders and consumers
- Current interest rate in Oregon for consumer finance loans under \$50,000, plus allowable fees
- Availability of subprime consumer finance loans in Oregon
- Need for emergency funds
- Meaning and lawfulness of "rent-a-bank schemes"
- Interest rates charged by out-of-state lenders for consumer finance loans
- Current status of litigation in Colorado based on similar legislation
- The measure not impacting national banks governed by the National Bank Act

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 federally insured state institutions to use the interest caps provided by their home state 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 (see 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.