

# Minority Report

## A-Engrossed

# House Bill 4116

Ordered by the House February 13  
Including House Minority Report Amendments dated February 13

Sponsored by nonconcurring members of the House Committee on Commerce and Consumer Protection: Representatives OSBORNE, RESCHKE

### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: Sets up a task force to look at issues related to short-term loans in this state. (Flesch Readability Score: 84.8).**

[*Digest: Declares that this state does not want a certain federal law to apply to consumer finance loans made in this state. Says who the laws that govern consumer finance loans in this state apply to and when. Says what needs to be in an application for a license to make consumer finance loans in this state. (Flesch Readability Score: 73.0).]*]

[*Declares that this state does not want the amendments set forth in section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 to apply to consumer finance loans made in this state. Specifies persons to whom the consumer finance laws of this state apply and circumstances in which the laws apply. Specifies the requirements for an application for a license to make consumer finance loans in this state.]*

**Establishes the Task Force on Equitable Access to Short-Term Financial Products. Specifies the membership of the task force. Requires the task force to study specific issues related to state resident access to short-term loans.**

**Sunsets on December 31, 2027.**

Takes effect on the 91st day following adjournment sine die.

### A BILL FOR AN ACT

1       Relating to consumer finance loans; and prescribing an effective date.

2       Whereas many Oregonians are credit-challenged and lack access to traditional forms of credit,  
3       yet still face unexpected expenses that require short-term financial solutions; and

4       Whereas short-term loans currently serve as a financial bridge for consumers who do not qualify  
5       for conventional banking products, particularly during emergencies; and

6       Whereas recent data shows that one-third of respondents report that they could not afford a  
7       \$400 emergency expense, highlighting the financial vulnerability of a significant portion of Oregon  
8       households; and

9       Whereas that same data shows an increase in the fall of 2023 from one-third to 46 percent, in-  
10      dicating worsening short-term financial resilience among Oregon consumers; and

11      Whereas urban and rural Oregon residents report nearly identical inabilities to cover a \$400  
12      emergency expense, underscoring a shared financial reality across geographic regions of the state;  
13      and

14      Whereas the potential removal or restriction of short-term loan products may have unintended  
15      consequences for credit-challenged consumers who rely on these options to meet immediate financial  
16      needs; and

17      Whereas a thoughtful, data-driven examination of consumer access to short-term credit, includ-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1      ing impacts on household stability, financial inclusion and economic equity, is necessary before any  
2      policy changes are enacted; and

3      Whereas establishing a task force to study the role of short-term loans and to explore alternatives  
4      and safeguards would provide the Legislative Assembly with informed recommendations  
5      grounded in the lived experience of Oregon consumers; now, therefore,

6      **Be It Enacted by the People of the State of Oregon:**

7      **SECTION 1. (1) The Task Force on Equitable Access to Short-Term Financial Products**  
8      **is established.**

9      **(2) The task force consists of 12 members appointed as follows:**

10     **(a) The President of the Senate shall appoint two nonvoting members from among**  
11     **members of the Senate, one from each caucus.**

12     **(b) The Speaker of the House of Representatives shall appoint two nonvoting members**  
13     **from among members of the House of Representatives, one from each caucus.**

14     **(c) The Governor shall appoint eight voting members as follows:**

15     **(A) Two Oregon residents who have taken out short-term loans in this state;**

16     **(B) Two members who represent lenders who offer short-term loans;**

17     **(C) Two members who represent consumer advocacy organizations;**

18     **(D) One member who represents financial institutions; and**

19     **(E) The Director of the Department of Consumer and Business Services, or a designee.**

20     **(3) The task force shall study the following issues:**

21     **(a) What access Oregonians have to short-term credit and the consequences of changing**  
22     **that level of access;**

23     **(b) The role short-term loans play in the finances of Oregon residents, including how**  
24     **short-term loans function as a financial bridge for consumers who lack access to traditional**  
25     **credit and the types of emergencies or expenses for which consumers use short-term credit;**

26     **(c) Features of short-term loans that benefit consumers or that affect consumers' ability**  
27     **to repay the loans, such as length or term, line size, fee structure and a lack of prepayment**  
28     **penalties;**

29     **(d) Who in the state needs short-term loan products and who lacks access to traditional**  
30     **credit, including examining urban versus rural households and which populations are dis-**  
31     **proportionately affected by limited access to credit;**

32     **(e) Potential consequences that might result from restricting or removing access to**  
33     **short-term loan products, including both intended and unintended consequences; and**

34     **(f) Alternatives, safeguards and policy options for addressing the credit needs of con-**  
35     **sumers in this state, including whether viable substitutes for short-term loans exist at scale**  
36     **and what safeguards could mitigate harm while preserving access to credit.**

37     **(4) The task force may take testimony, conduct research and perform other tasks to**  
38     **carry out the purpose specified in subsection (3) of this section.**

39     **(5) A majority of the voting members of the task force constitutes a quorum for the**  
40     **transaction of business.**

41     **(6) Official action by the task force requires the approval of a majority of the voting**  
42     **members of the task force.**

43     **(7) The Governor shall select one voting member of the task force to serve as chair-**  
44     **person and another voting member to serve as vice chairperson, for the terms and with the**  
45     **duties and powers necessary for the performance of the functions of the offices as the Gov-**

1    **ernor determines.**

2        (8) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

4        (9) The task force shall meet at times and places specified by the call of the chairperson  
5 or of a majority of the voting members of the task force.

6        (10) The task force may adopt rules necessary for the operation of the task force.

7        (11) The task force shall submit a report in the manner provided by ORS 192.245, and  
8 may include recommendations for legislation, to an interim committee of the Legislative  
9 Assembly related to consumer protection no later than December 15, 2026.

10      (12) The Department of Consumer and Business Services shall provide staff support to  
11 the task force.

12      (13) Members of the Legislative Assembly appointed to the task force are nonvoting  
13 members of the task force and may act in an advisory capacity only.

14      (14) Members of the task force who are not members of the Legislative Assembly serve  
15 as volunteers on the task force and, unless they are qualified members, as defined in ORS  
16 292.495, are not entitled to compensation or reimbursement for expenses.

17      (15) All agencies of state government, as defined in ORS 174.111, are directed to assist  
18 the task force in the performance of the duties of the task force and, to the extent permitted  
19 by laws relating to confidentiality, to furnish information and advice the members of the task  
20 force consider necessary to perform their duties.

21      (16) All appointments to the task force made under subsection (2) of this section must  
22 be completed by 100 days after adjournment sine die of the 2026 session of the Eighty-third  
23 Legislative Assembly.

24      (17) The task force shall have its first meeting on or before 100 days after adjournment  
25 sine die of the 2026 session of the Eighty-third Legislative Assembly.

26      **SECTION 2.** Section 1 of this 2026 Act is repealed on December 31, 2027.

27      **SECTION 3.** This 2026 Act takes effect on the 91st day after the date on which the 2026  
28 regular session of the Eighty-third Legislative Assembly adjourns sine die.