

HB 4086-3
(LC 127)
2/9/26 (ASD/ps)

Requested by Representative LIVELY

**PROPOSED AMENDMENTS TO
HOUSE BILL 4086**

1 On page 1 of the printed bill, line 2, after “285B.626” insert “, 285B.791”.

2 On page 4, delete lines 21 and 22 and insert:

3 **“SECTION 9.** ORS 285B.791 is amended to read:

4 “285B.791. (1) The Oregon Business Development Department shall enter
5 into a written agreement with each lender that accepts an award offered
6 under ORS 285B.787.

7 “(2) A written agreement entered into pursuant to this section must:

8 “(a) Provide for the creation of a loan loss reserve account by the lender
9 for the deposit of moneys awarded under ORS 285B.787 out of which the
10 lender may be reimbursed for principal losses incurred due to defaults on
11 qualified loans;

12 “(b) Provide that, notwithstanding ORS chapter 293 or 295, the lender
13 shall establish and maintain the loan loss reserve account with a financial
14 institution, as defined in ORS 706.008, in accordance with such policies as
15 the department may adopt;

16 “(c) Require the lender to designate, when a loan is made, whether the
17 loan is a qualified loan;

18 “(d) Provide that, upon default on a qualified loan, the lender shall[,
19 *subject to subsection (3) of this section, liquidate the borrower’s assets and*
20 *exhaust all lawful remedies for the benefit of the lender*] **pursue reasonable**
21 **collection efforts** before the lender may recover the outstanding principal

1 balance of the loan from the lender's loan loss reserve account;

2 **“(e) Provide that, if the lender reasonably estimates that the costs**
3 **of collection will exceed the outstanding principal balance of the loan,**
4 **the lender may submit a recovery request to the department without**
5 **pursuing further collection efforts;**

6 “[(e)] **(f) Provide that the liability of the State of Oregon and the de-**
7 **partment under the written agreement is limited to the amount of moneys**
8 **awarded and credited to the lender's loan loss reserve account; and**

9 “[(f)] **(g) Require the lender to file an annual report in accordance with**
10 **ORS 285B.794.**

11 “[(3)(a) *Notwithstanding the requirement under subsection (2)(d) of this*
12 *section to liquidate a borrower's assets and exhaust all lawful remedies, the*
13 *department, upon request of a lender, may waive the lender's obligations under*
14 *subsection (2)(d) of this section if:]*”

15 “[(A) *The original principal amount of the loan was not greater than*
16 *\$25,000; and]*”

17 “[(B) *The borrower had a personal net worth not greater than \$75,000 at*
18 *both the time of application and the time of default.]*”

19 “[(b) *A lender that does not comply with subsection (2)(d) of this section*
20 *or paragraph (a) of this subsection shall be considered to have breached the*
21 *written agreement the lender entered into pursuant to subsection (1) of this*
22 *section. The department, at its sole discretion, may take assignment of the loan*
23 *and pursue collection efforts under subsection (2)(d) of this section.]*”

24 “[(4)] **(3) Qualified lenders that accept awards under ORS 285B.787 shall,**
25 **within 10 years following the date on which the written agreement entered**
26 **into pursuant to subsection (1) of this section becomes binding, originate**
27 **qualified loans with a total principal amount equal to at least four times the**
28 **amount of the moneys awarded.**

29 **“SECTION 10. This 2026 Act takes effect on the 91st day after the**
30 **date on which the 2026 regular session of the Eighty-third Legislative**

1 **Assembly adjourns sine die.”.**

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