

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.”.**

2 _____