

**Testimony Submitted by**  
**Angela Donley, State Policy Director**  
**Oregon Consumer Justice**  
**To the House Committee On Commerce and Consumer Protection**

February 10, 2026

Regarding: Opposition to HB 4141

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, and Members of the Committee,

For the record, my name is Angela Donley, and I appreciate the opportunity to provide testimony on behalf of Oregon Consumer Justice today in opposition to HB 4141.

Oregon Consumer Justice (OCJ) envisions a vibrant future where all Oregonians live with dignity and abundance and experience health, joy, and economic opportunity. We work collaboratively across policy and advocacy, community engagement, and the law, to realize a more just and equitable Oregon where people come first. For too long, flawed systems and policies have stood in the way of this reality, with communities of color most often experiencing significant harm. Informed by consumer insights, OCJ works to make financial and business transactions reliably safe and supports Oregonians in knowing and exercising their consumer rights.

For many Oregonians, taking on debt has become unavoidable, whether to pay for basic needs, transportation, education, or to cover unexpected medical expenses. When debt becomes difficult to manage, and consumers need assistance or face debt collection, we believe they deserve a level playing field that respects their rights and provides transparency and fairness at every step of the process.

At present, Oregonians navigating debt have safer, more effective options than for-profit debt settlement companies, including non-profit credit counseling, affordable community lending programs, and the ability to negotiate agreed-upon terms with their creditors. Oregon does not need a high-cost, high-risk middleman model to help people manage debt.

HB 4141 would legitimize and expand a business model that has historically harmed consumers. These companies have long been viewed as predatory, with documented patterns of deceptive advertising, excessive fees, one-sided contracts, and poor consumer outcomes. While supporters claim that debt settlement companies offer an alternative to bankruptcy, the evidence shows that most consumers end up in a worse financial position than when they started.

A study by the New York City Bar Association's Consumer Affairs and Civil Court Committee documented thousands of consumer complaints reporting "net financial loss and lasting financial harm" resulting from interactions with these companies<sup>1</sup>. In practice, consumers are often instructed to stop paying their creditors and instead deposit those payments into a separate account. This leads to defaults, damaged credit, higher balances due to fees and interest, and creditors seeking retribution through lawsuits. The long-term consequences, such as lowering your credit score, make it difficult to secure housing, employment, or affordable credit, directly threatening the economic opportunities we all want for Oregonians.

We urge you to oppose HB 4141. Protect Oregonians by rejecting policies that legitimize harmful business models and instead support solutions that truly promote financial stability and economic opportunity.

Thank you for your consideration and your service in building the future that Oregonians deserve.

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<sup>1</sup> New York City Bar Association. (2012). *Profiteering from financial distress: An examination of the debt settlement industry*.  
<https://www2.nycbar.org/pdf/report/uploads/DebtSettlementWhitePaperCivilCtConsumerAffairsReportFINAL5.11.12.pdf>