

February 10, 2026

The Honorable Nathan Sosa
Chair, House Committee on Commerce & Consumer Protection

Testimony in Support of HB 4141

Chair Sosa, and members of the committee — thank you for the opportunity to be here today.

My name is Michael Lukso. I'm the Head of Government Affairs for the Association for Consumer Debt Relief.

Nationwide, our members resolve more than six billion dollars in unsecured debt every year¹. This saves consumers nearly two billion dollars annually. That represents real money staying in household budgets instead of being lost to unmanageable debt.

I'm here in support of HB 4141. The bill would modernize Oregon's debt resolution laws to create a strong, transparent, pro-consumer system. At its core, this bill is about giving Oregonians an additional safe, regulated option to get out of debt and regain their financial stability.

Debt resolution helps consumers in financial hardship reduce their principal on unsecured debt. It is a federally regulated alternative to bankruptcy and an exit ramp from the debt cycle. Debt resolution operates under Obama-era Federal Trade Commission regulations enacted in 2010². These policies transformed the industry for the consumers' benefit. Most importantly, they put an advocate squarely in their corner to negotiate against creditors.

While bankruptcy or changing loan terms may work for some consumers, debt resolution works better for others. Typically, only about ten percent of candidates qualify during the debt resolution onboarding process. For those consumers that do qualify, it can be a powerful pathway out of financial hardship. But it is a choice that Oregon consumers largely lack today.

The need for options in Oregon is real. Oregon has seen a 57 percent increase in bankruptcy filings from 2022 to 2024³.

¹ Dunham & Associates. (2023). *Economic impact of the Debt Resolution Industry*. John Dunham & Associates.

² 16 C.F.R. § 310

³ Administrative Office of the United States Courts. (2024). *Bankruptcy statistics*.

Nationally, the typical consumer enrolling in debt resolution is struggling with about \$30,000 in unsecured debt spread over seven accounts⁴. Such a consumer in a program ends up paying roughly \$24,000 all-in to resolve their debts⁵.

HB 4141 would make it possible for financially distressed Oregonians to access debt resolution services. It does this by codifying the Obama FTC regulations into Oregon law and it creates strong DCBS registration, reporting, and enforcement protections. This is on top of enforcement by state Attorneys General and the federal government.

Those protections matter. There are no upfront fees. Providers are only paid after a settlement is: 1) reached with creditors, 2) accepted by the consumer, and 3) the consumer has paid toward the settlement. Consumers can walk away at any time with no penalty. And throughout, their money is protected in FDIC-insured 3rd party accounts they control.

And this works. Independent research shows that debt resolution saves consumers about thirty-two percent of enrolled debt on average, net of fees⁶.

As people struggle with affordability and indebtedness worsens, this bill provides options—striking the right balance between strong consumer protections and expanding access. We respectfully urge your support.

Thank you.

Michael Lukso
Head of Government Affairs
Association for Consumer Debt Relief

⁴ Money. (2023). *Debt settlement: How it works and how much it saves*.
<https://money.com/debt-settlement-programs-fees-savings-rate/>

⁵ Ibid.

⁶ *Options for consumers in crisis: An updated economic analysis of the debt settlement industry (2020)*.
Greg J. Regan..