

House Democrats strengthen predatory lending protections

by Bend_Weekly_News_Sources

Package of Consumer Protection Bills Approved by Oregon House of Representatives

The Oregon House of Representatives approved today a package of consumer protection bills championed by House Democrats that strengthen protections against the predatory practices of some high-cost lending and financial services companies.

“Oregon has long needed this kind of legislation to keep many low-income consumers from losing money they desperately need for survival,” said House Consumer Protection Committee Chair, Rep. Paul Holvey (D-Eugene) following the passage of the bills. “Previously, Oregon has done little to nothing to protect citizens who have found themselves with few options to survive to the next payday except to take out short-term loans or use check cashing businesses to obtain the cash that is theirs. These are poverty-prevention measures.”

“The practice of charging an unfair or excessive amount of interest has been criticized, scorned, and restricted on moral, ethical and legal grounds for thousands of years,” said Rep. Suzanne Bonamici (D-Washington County). “Today, House Democrats have made changes in Oregon law to help address for borrowers what the Center for Responsible Lending calls “financial quicksand.”

The bills (HB 2202-2205, 2209) crack down on predatory lending and high-cost financial services that leave families with few options for climbing out of debt. This consumer protection package:

- places limits on the fees charged by check cashing outfits and payday lenders (HB 2202, HB 2203);
- limits the rate of interest and fees on car title loans (HB 2204);
- closes loopholes for out-of-state and internet payday loan lenders (HB 2203); and
- strengthens licensing requirements for check cashers and payday lenders (HB 2202, HB 2205)

puts in place additional regulations on the operations of pawn brokers (HB 2209)

House Democrats had pushed the Oregon House to pass similar protections in 2005 only to see those proposals killed by House Republican leadership.

“This legislation does not put this industry out of business,” said Holvey. “Oregon is merely joining the many other states across the country in putting reasonable limits and regulations preventing the predatory practices of much of this industry.”

“These common sense financial consumer protections are long overdue in Oregon,” said Rep. Larry Galizio (D-Tigard). “Today, we have sent a strong message to working Oregonians that House Democrats

are working for them.

“Today’s vote puts an end to the practice of out-of-state lenders using loopholes in the law to prey on hard working Oregonians,” said Rep. Chuck Riley (D-Hillsboro). “No longer will this renegade industry be allowed to confine our most vulnerable citizens to a never ending cycle of debt.”

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