

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	6 - 1 - 0
<b>Yeas:</b>	Bonamici, Galizio, Nelson, Riley, Smith P., Holvey
<b>Nays:</b>	Gilliam
<b>Exc.:</b>	0
<b>Prepared By:</b>	Steve Dixon, Administrator
<b>Meeting Dates:</b>	1/19, 1/31

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**WHAT THE MEASURE DOES:** Applies provisions of Oregon Consumer Finance Act to lenders that make loans to consumers in Oregon. Requires Director of Department of Consumer and Business Services (DCBS) to develop and implement system to permit lenders to comply with lender obligations under law. Prohibits lenders from collection of principal, interest and fees without a license and allows lenders to collect actual costs for loans in default. Declares an emergency.

**ISSUES DISCUSSED:**

- Rulemaking process and concerns resulting from Senate Bill 1105 of the 2006 special session.
- Payday loans effects on consumers and consumer debt.
- Effect of measure on short term loan industry.
- Consumer lending database provisions in House Bill 2203-A
- Security concerns surrounding potential databases

**EFFECT OF COMMITTEE AMENDMENT:** Adopted amendment clarifies collection expenses provided for under measure and requirements for lenders making loans over the internet. Amendments also extend timelines for licensee to submit required information under this measure.

**BACKGROUND:** This bill is a continuation and clarification of Senate Bill 1105 from the 2006 special session. In addition to fee limitations and rollover limits provided for in Senate Bill 1105, the bill measure creates protections for consumer residing in Oregon that receive payday loans over the internet, mail, telephone or by other out of state institutions. House Bill 2203-A requires DCBS to contract with a database provider to ensure lenders are complying with statute. This measure also provides DCBS with rulemaking authority and is operative on January 1, 2008.