

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 3 - 2 - 0

Yeas: Burdick, Rosenbaum, Bonamici

Nays: George, Girod

Exc.: 0

Prepared By: Lori Brocker, Administrator

Meeting Dates: 2/5, 3/17, 3/24

WHAT THE MEASURE DOES: Makes attempt to or threat to collect debt that person knows or should know does not exist an unlawful collection practice. Adds communicating false or misleading statements to list of unlawful collection practices. Makes violation of federal debt collection laws a violation under state law. Allows award of attorney fees to prevailing debt collector if action by debtor is brought in bad faith or to harass. Allows award of attorney fees, costs and expenses to prevailing debtor. Declares emergency; effective on passage.

ISSUES DISCUSSED:

- Current law under Oregon's Unlawful Debt Collection Practices Act
- Attorney fees in debt collection action
- Consumer experiences with debt collectors
- Identity theft and debt collection
- Debt collection practices and low-income persons
- Federal Fair Debt Collection Practices Act enforcement
- False or misleading statements

EFFECT OF COMMITTEE AMENDMENT: Clarifies definitions. Removes provision extending statute of limitations. Removes provision allowing debtor counterclaim after statute of limitations has run.

BACKGROUND: Under ORS 646.639, debt collectors cannot attempt to or threaten to enforce a right or remedy if they know or have reason to know that the right or remedy does not exist. Current law, however, does not specifically include as an unlawful collection practice an action to collect a debt that a collector knows, or has reason to know, does not exist. Senate Bill 386A adds that provision. The measure also makes several other changes to the law governing debt collection practices including a prohibition against a debt collector making false or misleading statements when collecting or attempting to collect a debt. Senate Bill 386A also revises the provisions relating to the award of attorney fees, costs and expenses, and makes a violation of the federal law a violation of state law.

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This summary has not been adopted or officially endorsed by action of the committee.