

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: George, Girod, Rosenbaum, Bonamici
Nays: 0
Exc.: Burdick
Prepared By: Lori Brocker, Administrator
Meeting Dates: 2/2

WHAT THE MEASURE DOES: Relocates and reorganizes provisions relating to payday and title lenders that: prescribe regulations for payday and title lenders; require payday and title lenders to be licensed to conduct business in Oregon; give Director of Department of Consumer and Business Services rulemaking authority over licensee activity; give director authority to investigate licensee compliance with license requirements; set allowable rate of interest for payday and title loans; allow director to assess civil penalty for violation of provisions. Declares an emergency; effective on passage.

ISSUES DISCUSSED:

- Consistency of regulations applicable to financial entities
- Accessibility of consumer information regarding financial transactions
- Accuracy of consumer information regarding financial transactions
- Enforcement mechanisms
- Interplay of enforcement between Department of Consumer and Business Services and Department of Justice
- Placement of provisions within statute
- Effect of measure on payday and title lenders
- Title and payday lender licensing fees

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Statutes regulating payday and title lenders in Oregon are currently codified in ORS Chapter 725, which governs consumer finance generally. Payday and title loans are small, short-term loans intended to cover a borrower's expenses. Payday loans are sometimes referred to as "cash advances," often paid off by the borrower at the borrower's next payday. Title loans involve borrowers using the value of their vehicle, boat or mobile home title as collateral.

Current law and SB 993 are substantively similar. SB 993, however, moves and reorganizes current law relating to payday lenders and title lenders, separating payday and title lending provisions from those relating to traditional finance companies.