O R E G O N   L A W   C E N T E R

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TESTMONY IN OPPOSITION TO HB 2600
Before the
House Consumer Protection and Government Efficiency Committee
April 2, 2013
Submitted by: Sybil Hebb

Chair Holvey Vice-Chairs Barton and Kennemer, and Members of the Committee:

On behalf of the Oregon Law Center (OLC), I submit this testimony in opposition to HB 2600, which would modify ORS 79.0503 to limit the types of identification that may be used to identify a debtor in a secured transaction for real property.

OLC is a statewide, non-profit law firm whose mission is to achieve access to justice for low-income Oregonians. Much of our work is focused on helping people resolve the issues that keep them trapped in a cycle of poverty. Passage of HB 2600 would unintentionally exacerbate this cycle. Requiring that the exact name on a driver's license or state issued ID card be the only name that can be used to identify a debtor would create a barrier to home financing for Oregonians who do not have driver's licenses.

In 2012, this legislature passed HB 4035, which adopted many of the amendments to Article 9 of the Uniform Commercial Code, as approved by the National Conference of Commissioners on Uniform State Laws (Uniform Law Commission) and the American Law Institute. At that time, the legislature considered two alternatives for addressing the requirements of an individual debtor's name, for the purpose of filing (and searching for) a financing statement. After studying the alternatives, the Oregon Law Commission recommended and the Oregon Legislature approved the adoption of Alternative B, which allows identifying documents to include the debtor's "individual name," the debtor's surname and first personal name, or the debtor's name as it appears on the most recently issued driver's license.

HB 2600 would reverse the legislature's recent decision, to require that if an individual has a state issued driver's license or identification card, that name must be used. Adoption of this standard would place debtors who do not have a license or ID card in the position of having to prove a negative in order to get financing. Individuals who do not have such identification may not be able to get financing, or at least have a harder time doing so. Additionally, lenders may begin requiring such identification, thereby making a driver's license much more than a license to drive. The current law is fair to creditors, in that is still *allows* for use of a driver's license name as a sufficient name of the debtor, but does not *require* it.

For these reasons, we urge the committee to vote "No" on HB 2600.

Thank you for your consideration.