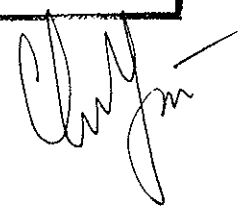


From the Desk of
Representative Chris Garrett



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**ALLOW OREGONIANS TO ACCESS
FEDERAL BANKRUPTCY EXEMPTIONS**

YES on HB 3520

HB 3520 comes to you unanimously from the House Committee on Rules, and would allow Oregonians struggling with bankruptcy to access the federal bankruptcy exemptions. The bill was drafted with input from credit unions, consumer advocates, bankers, and collectors and there is no opposition. The Oregon Law Center respectfully urges your AYE vote:

- State and federal law both allow exemptions from bankruptcy, as a way to leave the debtor with the bare minimum of assets to allow him or her to get back on their feet. A roof over the family's head, a modest vehicle, a few dollars in the bank account, tools of the trade and basic household goods. Everything else must be sold to pay creditors.
- HB 3520 would allow a person filing for bankruptcy to use either the state exemptions or the federal exemptions.
- The Oregon exemptions favor homeowners over others, while the federal exemptions provide more protection to people who do not own homes. The federal exemption list allows someone who doesn't own a home to apply an unused portion of the homestead exemption (\$10,825) to other important assets like a vehicle, tools or next month's rent.
- In this time of financial crisis for Oregonians, in the wake of the most severe foreclosure crisis in history, we ought to ensure that people in bankruptcy can elect to use the federal exemptions in place of the state exemptions.
- 21 states allow the debtor to select either the state or the federal exemptions. Oregon should join that list, so that non-homeowners can access the protections they need.
- Under HB 3520 the person would have to choose between the state exemption list or the federal exemption list. A person could not pick and choose from both lists.
- Passage of this bill will allow struggling families in the wake of bankruptcy to better meet the basic needs of their families, maintain their self-sufficiency, and get back on track.

HB 3520 is the best interests of vulnerable Oregonians, creditors, and our communities.

The bill will allow families – whether or not they are homeowners - to protect a minimum level of assets required to maintain basic stability while they are paying their debts.

For these reasons, we respectfully urge your Aye vote.