

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Rules
<b>Vote:</b>	6 - 3 - 0
<b>Yeas:</b>	Doherty, Johnson, Keny-Guyer, Lively, Vega Pederson, Holvey
<b>Nays:</b>	Richardson, Smith, Thatcher
<b>Exc.:</b>	0
<b>Prepared By:</b>	Bob Estabrook, Administrator
<b>Meeting Dates:</b>	3/28, 4/18

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**WHAT THE MEASURE DOES:** Requires debt buyer who takes legal action to collect debt to first provide certain notice to debtor. Requires debt buyer to file certain information with court before judgment can be entered against debtor. Limits interest that debt buyer may collect upon prevailing in action. Makes violation of requirements an unlawful collection practice. Specifies additional unlawful collection practices that apply to debt collector acting as or on behalf of debt buyer. Increases minimum damage award in suit for unlawful collection practice. Specifies attorney fees that may be awarded in suit. Extends statute of limitations for filing suit. Repeals provision that debt collector subject to and in compliance with federal Fair Debt Collection Practices Act is considered to be in compliance with state law.

**ISSUES DISCUSSED:**

- Consumer complaints received by Department of Justice
- Role of debt buyers in credit industry
- Potential difficulty differentiating between legitimate collections and scams
- Legal risks and cost to consumer who contests collection
- Documentation needed by debt buyer to bring collection suit
- Industry practice

**EFFECT OF COMMITTEE AMENDMENT:** Defines “original creditor” and conforms language. Clarifies that additional unlawful collection practices apply to debt collector acting as or on behalf of debt buyer. Amends statute of limitations. Clarifies attorney fees that may be awarded in suit for unlawful collection practice.

**BACKGROUND:** The Department of Justice indicates that complaints about debt collection practices have increased in recent years as collections by third-party debt buyers have increased. Oregon’s unlawful collection practices provisions are enforced by private right of action in addition to the authority of the Attorney General.

House Bill 2826 A requires debt buyers to provide notice of imminent legal action to debtor and to provide certain information in the pleading and certain documentation to the court. The measure specifies additional unlawful collection practices and amends the minimum damages and attorney fees provisions of the debt collection law.