

**Written Testimony of David Reid, Director of Government Affairs
DBA International
HB 2252 & HB 3057
House Consumer Protection & Government Efficiency Committee
March 26, 2015**

Chair Fagan and respected members of the Committee, thank you for this opportunity to offer comments concerning House Bills 2252 and 3057. My name is David Reid and I am Director of Government Affairs for DBA International. DBA is here today because we want to ensure that there is no place for bad actors that seek to prey on Oregonians through unethical or unlawful collection practices.

DBA International is the nonprofit trade association that represents the interests of more than 500 companies throughout the United States that purchase or support the purchase of receivables on the secondary market. Colloquially, these companies are often referred to as debt buyers or debt buying companies.

DBA International has a long history of advocating for increased consumer protections. One example of this can be seen in DBA's national certification program. Our certification program is recognized as the gold standard in the receivables industry because DBA's standards go above and beyond that which is required by state and federal law and those companies that are certified are subjected to independent third party audits. That's why DBA feels it is so important that certification be a component of whatever is adopted.

DBA International also works closely with legislators, regulators and consumer groups to support legislation designed to enhance consumer protections – the only thing we ask is for laws and regulations to be reasonable and balanced so as to address the legitimate interests and concerns of both the consumer and business communities.

DBA International respectfully opposes HB 2252 as originally drafted as it imposes extreme and in some cases impossible requirements on the industry which will not solve the problem of "bad actors" – it will simply serve to punish legitimate companies already complying with the law while the conduct of bad actors would continue. This bill would require debt buying companies to provide over 20 different data elements, documents, and notices to the consumer on three different occasions as proof that they have the correct consumer identity, they own the debt, and have the correct balance owed. Failure to accurately submit just one element in the required format could expunge the contractual obligation owed by the consumer and result in the company that legitimately owns the debt now having to pay the consumer countless sums for violation of the statute.

DBA sought the introduction of HB 3057 because we felt it was an appropriate and highly effective approach to regulating the debt buying community in Oregon. At the request of Chair Fagan, DBA has been working collaboratively over the past three weeks with other interested parties in an attempt to combine the best elements of HB 2252 and HB 3057 into a single bill. While all parties have had to

make certain concessions that they may not have wanted, I do believe that we are on the verge of a mutually acceptable agreement that all parties can support.

Among the items included in the negotiated draft include:

- Provides clarity that debt buying companies are included in the Oregon Unlawful Collection Practices Act which includes a private right of action
- Prohibits filing suit when a debt is beyond that statute of limitations
- Requires the FTC's Asset Decree Notice be provided on out of statute debt
- Authorizes the AG to prosecute "phantom" debt collectors
- Authorizes the AG to prosecute for violations of the act even if the person contacted was not the debtor in question
- Allows the Department of Consumer and Business Services to require debt buyers to be compliant with industry certification standards
- Expands the items that must be included in initial correspondence with a consumer
- Prohibits the sale of any debt where the debt buying company has not responded to a consumer's validation request
- Requires debt buying companies to provide to the consumer the contract, a summary of post charge-off accumulation of interest and fees, and the chain of title of the debt

I am here today with Jan Stieger who serves as DBA's Executive Director and Brian Fair who is on the DBA Board of Directors and an owner a debt buying company who will add some additional insights from the federal and local level. Thank you for your time and I will be happy to take any questions you may have now or after my colleagues speak.