

OREGON LAW CENTER

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Testimony in Support of SB 5012
Joint Ways and Means Committee
Subcommittee on Transportation and Economic Development Committee
April 2nd, 2015
Submitted by Sybil Hebb

Co-Chairs Johnson and Gomberg, and members of the Sub-Committee:

Thank you for the opportunity to submit testimony regarding the Department of Consumer and Business Services budget (DCBS).

As you know, the Oregon Law Center (OLC) is a statewide non-profit law firm whose mission is to provide equal access to justice for low-income Oregonians across the state. In furtherance of this work, we focus on issues critical to our clients' survival, such as housing, safety, health care and subsistence income. In the aftermath of our recent economic crisis, recovery has been slow for lower-income Oregonians. Many people continue to struggle to make ends meet, and are facing growing amounts of debt. Foreclosure continues to be a significant problem for our clients, with the risk of homelessness looming if a modification is not worked out. Medical and credit card debt are also of particular concern. People in dire straits often turn to high interest, short term loans. DCSB plays a vital role in ensuring sound practices in the Oregon consumer finance, mortgage lending, debt collection, and financial services marketplaces.

Through licensing, education, and enforcement, DCBS provides protection for consumers while facilitating the practices of fair and high-quality businesses. This balance is important to our low-income clients who are most at risk of abuse and are often least able to seek and obtain assistance. Agency oversight of basic minimum standards of practice helps ensure the economic health of the community.

The Agency works closely with the new federal Consumer Financial Protection Bureau and the Department of Justice to protect against foreclosure scams and other financial scams. The agency's regulatory and enforcement authority helps prevent predatory lending activities, and protects against illegal debt collection practices. Consumers now can check to see whether a company is registered in Oregon to help with debt or loan modification services, and the agency has used education and outreach techniques to help consumers avoid problems in the first place. Much of that outreach has occurred through collaboration with partner agencies and organizations, helping Oregonians to better avoid financial fraud, abuse, and identity theft, as well as foreclosure and foreclosure scams.

In our experience, DCBS is pro-active and welcoming about receiving outside input from stakeholders and partners prior to rulemaking or other decisions about practices impacting the community. In recent years, OLC has collaborated with DCBS on important consumer protection efforts that have made and will continue to make a difference in the lives of our clients. For example, DCBS participated, along with many stakeholders, in rulemaking committees regarding implementation of the foreclosure mediation program. OLC has worked with DCBS on additional mortgage lending protections designed to implement the Nationwide Mortgage Lending System to license loan originators and to ensure compliance with mortgage lending laws by tracking enforcement actions taken against loan originators. DCBS's workplace safety division has reached out to OLC for help with materials and outreach designed to ensure that Oregonian workers whose first language is not English have access to more training and education materials on job-site safety. Many other legislative, rulemaking, and educational efforts have offered opportunities for collaboration and have provided positive benefits for consumers.

In this time of economic crisis, the efforts and presence of an effective and committed Department of Consumer and Business Services is all the more essential. For these reasons, we urge your support of the budget proposed by the Department.

Thank you for the opportunity to testify today.

Sincerely,

Sybil Hebb