

## **Yes on HB 3172**

### Improving Debt Collection Practices Protecting Social Security and other Federal Benefits

#### **Seniors Hit Hard by the Great Recession**

More than 1 out of 4 Oregon seniors are economically vulnerable, living with very limited income to meet their basic living needs.<sup>1</sup> As a group, seniors were hit very hard by the Great Recession of the last decade and have had fewer opportunities to recover from job loss, declining home values, depleted savings, and loss of retirement security. One direct result has been a significant increase in the number of seniors in debt, and an increase in the total amount of debt they owe.

#### **Her Story is Like So Many**

Like so many people, the Great Recession hit Lois Hughes incredibly hard. After 16 years of working for Tektronix her pension, which had grown to more than \$400,000, was wiped out when the company's investments failed. A short time later she was laid off. A series of short-term contract positions were sporadic and did not provide her the opportunity to rebuild her nest egg before health issues forced her to retire at age 62.

By the time she received a collection call from an Oregon Department of Revenue she had lost her home and Social Security was her only source of income. The calls created a lot of fear and confusion. The revenue agent told her to sell her older model car and use the money to make payments. Fearful of losing her only means of transportation she offered to make \$25 monthly payments instead but the collection agent told her that was unacceptable. At the time she didn't know, and was never informed, that her Social Security was protected from collections and her vehicle wasn't worth enough to force a sale.

#### **Protecting Low-Income Seniors**

Federal and state debt collection law is clear: certain types of income, including Social Security, Veterans benefits, and SSDI are all protected from seizure for most debts, including state taxes. ***HB 3172 creates a process for recognizing federal law and alerting low-income seniors of their rights.***

#### **YES on HB 3172 – Protecting Low-Income Seniors**

Create a voluntary process to stop state tax collection calls on uncollectable accounts.

- ✓ Only applies to Oregonians age 62 or older
- ✓ Only applies to people with exempt income and assets
- ✓ Retains the state's right to put a lien on any real property
- ✓ Gives low-income seniors the information they need about their rights
- ✓ Eligibility would be reviewed every two years

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<sup>1</sup> Portion of Oregonians with income at or below 200% of the federal poverty level, Census Population Survey 2009, 2010, and 2011 Annual Social and Economic Supplement.