

**STAFF MEASURE SUMMARY****House Committee On Consumer Protection and Government Effectiveness****Fiscal:** Has minimal fiscal impact**Revenue:** No Revenue Impact**Action Date:** 04/21/15**Action:** Without Recommendation As To Passage And Be Referred To Rules.**Meeting Dates:** 03/26, 04/21**Vote:**

Yeas: 6 - Buehler, Fagan, Holvey, McLain, Rayfield, Stark

Nays: 1 - Nearman

**Prepared By:** Wendy Simons, Committee Administrator

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**WHAT THE MEASURE DOES:**

Establishes requirements under which debt buyer may bring legal action to collect debt, including notice debt buyer must give to debtor. Makes violation unlawful collection practice. Increases time period during which debtor may bring action for unlawful collection practice and increases amount of damages court may award. Permits court to award attorney fees and costs to prevailing plaintiff. Permits award to prevailing defendant only if court finds plaintiff did not have objectively reasonable standard for bringing action.

**ISSUES DISCUSSED:**

- Consumers' lack of understanding of rights when subject to debt collection activities and of difference between debt collectors and debt buyers
- Current status of regulation and enforcement related to debt buyers compared to debt collectors
- Availability of information about debts allegedly owed after debts have been sold multiple times and a number of years have passed
- Reactivation of debts after statute of limitations has passed
- Reluctance of consumers to pursue legal action related to alleged unlawful collection practices due to risk of owing legal fees

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Debt collection regularly places high up on the list of consumer complaints received by the Oregon Department of Justice, and in recent years there has been increased collection activity by people who have bought consumer credit card debt. Debt collectors, people who are in the business of collecting debts owed to commercial creditors, are currently regulated by state and federal law. Debt buyers are people who purchase delinquent debt and are attempting to collect on their own behalf are not covered by those regulations, however. In some cases consumers have been subject to collection activity for debts already past the statute of limitations, or have struggled to get accurate information to verify that they do in fact owe the alleged debts. House Bill 2252 provides notice requirements that debt buyers must follow in order to bring legal action to collect amounts due. The bill makes attempts to collect debts for which the statute of limitations has passed, and bringing an action against a debtor without valid documentation of the debt, unlawful collection practices.