

**STAFF MEASURE SUMMARY****House Committee On Rules****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 05/13/15**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways And Means.**Meeting Dates:** 05/13**Vote:**

Yeas: 7 - Barnhart, Gilliam, Hoyle, Kennemer, Rayfield, Smith Warner, Wilson

Exc: 2 - McLane, Nosse

**Prepared By:** Erin Seiler, Committee Administrator**WHAT THE MEASURE DOES:**

Requires debt buyer to register within Oregon Department of Consumer Business and Services (DCBS). Allows Director of DCBS to deny, suspend, revoke or impose conditions on registration if there is a repeated pattern of violations. Allows Director to require debt buyer to obtain certification from national nonprofit trade association. Establishes notice requirements for debt buyer to provide to debtor within five days of initial communication. Establishes prohibited action of debt buyer is unlawful trade practice and unlawful collection practice. Prohibits debt collector from bringing action to collect debt if no reasonable basis exists under law for debt collector to claim action was brought within statute of limitations. Establishes appropriate court in which to bring action when unlawful collection practice occurs. Allows court to award reasonable attorney fees and costs at trial and on appeal to prevailing party. Provides circumstances under which debt collector, as a defendant, is not liable. Excludes debt buyer from definition of collection agency for purpose of regulation by DCBS. Provisions of Act become operative January 1, 2016. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Growth of debt buyer industry
- Lack of regulation regarding debt buyers as compared to debt collectors
- Availability of information about debts allegedly owed after debts have been sold multiple times
- Difference between debt collectors and debt buyers
- Amendments as consensus product of stakeholders
- Reactivation of debts after statute of limitations has passed

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces original measure.

**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. 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-A creates a new registration program within the Oregon Department of Consumer and Business Services (DCBS) for debt buyers. The measure allows the Director of DCBS to deny, suspend, revoke or impose conditions on a debt buyer's registration if there is a repeated pattern of violations and may require debt buyers to obtain certification from a

national nonprofit trade association. In addition, HB 2252-A establishes the notice requirements for a debt buyer to provide to a debtor within five days of initial communication and establishes that violations are an unlawful trade practice and unlawful collection practice.