

Comments for Oregon House Committee on the Judiciary hearing March 2, 2017

I write in support of HB 2733 and HB 2734. My work as a volunteer mediator for Multnomah County Small Claims Court gives me a special perspective on the problems these bills address.

HB 2733 updates the "statutory interest" applied to debts in collection. The current statutory rate (9%) is overdue for review. HB 2733 is "set it and forget it" repair that links statutory interest to market rates. This follows the federal lead.

HB 2734 realigns small claims processes with traditions of Common Law and earlier legislative intent. Small claims courts are meant to be a public place for principals, representing themselves, to resolve conflict. In Oregon, pre-trial mediation, rather than by a judgement, is the usual path to resolution. But mediation can only be effective if the parties are, in fact, principals...able to act, in public, with full autonomy.

I believe the intended operation of small claims courts is regularly distorted in two ways.

1. Only in rare circumstances may individuals be represented by third parties (an attorney, for example). But organizations are routinely represented by third-party professionals, with little or no negotiating autonomy, rather than representatives with full authority.

This is strikingly different from the requirement imposed by Oregon's Foreclosure Avoidance Program (established by SB 558 in 2013). In that program, both parties to a resolution conference must answer affirmatively to the question: "Do you have full authority to negotiate a foreclosure avoidance measure in this case?"

2. By using third-party collection professionals, who do not "own" a debt but are simply agents, creditor organizations avoid public revelation of their debt collection practices.

HB 2734 will address these distortions. 1. It will cause all parties to small claims cases to truly self-represent, and 2. It will cause all parties to small claims cases to be clearly identified in public court records.

I believe the improvements of HB 2733 and HB 2734 will result in fairer outcomes of small claims cases and smoother operation of the small claims courts.

Thanks for your consideration.

Charles McConnell
1310 NW Naito Parkway
Unit 608
Portland, OR 97209
503 274-9606 bestofpdx@gmail.com