

**HB 2356 STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

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**Meeting Dates:** 3/27

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**WHAT THE MEASURE DOES:**

Establishes requirements under which debt buyer may bring legal action to collect debt. Specifies notice that debt buyer must provide to debtor. Makes violation of requirements an unlawful collection practice.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Debt collection practices are governed by both federal and state regulations. In Oregon, the statutes defining unlawful collection practices apply only to debt collectors and not debt buyers. Unlike a debt collector who collects a debt on behalf of a creditor, the debt buyer owns the debt and is collecting on their own behalf. Collection practices are enforced by the Attorney General and the District Attorneys. Anyone injured as a result of an unlawful collection practice may bring an action in court to enjoin the practice and to recover actual damages or \$200, whichever is greater. The court or the jury may award punitive damages, and the court may provide equitable relief and award attorney fees to the prevailing party.

House Bill 2356 brings debt buyers under the definition of debt collectors, subjecting them to claims of unlawful collection practices. In addition, the measure provides that a debt buyer has engaged in an unlawful collection practice if the specified requirements are not met when bringing legal action to collect a debt. It also establishes that it is an unlawful collection practice for a debt buyer to bring legal action when they reasonable should know that the statute of limitation bars the action or collection attempt, or to bring legal action without possessing the specified valid documentation, or to not provide the debtor with a receipt after any payment is received.