

## **HB 3184 -1 STAFF MEASURE SUMMARY**

### **House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 3/22, 4/3

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#### **WHAT THE MEASURE DOES:**

Prohibits person holding consumer finance loan license or payday loan or title loan license from making loan to Oregon resident who does not hold certificate indicating they have completed loan counseling program or passed assessment indicating they understand program material. Requires Department of Consumer and Business Services to establish loan counseling program and maintain records. Becomes operative July 1, 2018. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

-1 Replaces original measure. Authorizes Department of Consumer and Business Services to develop and implement payday and title loan tracking system that includes a loan counseling component for consumers. Prohibits payday loan or title loan licensee from charging consumer any amount to recover cost licensee pays to access loan tracking system. Becomes operative July 1, 2018. Declares emergency, effective on passage.

- Minimal expenditure impact
- No revenue impact

#### **BACKGROUND:**

Persons who make consumer finance loans, payday loans or title loans must be licensed by the Department of Consumer and Business Services (DCBS). Any such loan made by someone not licensed by DCBS is nullified. The interest rate and certain terms of these type of loans are regulated by statute and administrative rule. House Bill 3184 requires the consumer to attend a consumer loan counseling program or pass an assessment indicating they understand the material of the program in order to obtain a loan from a licensee. The Department is directed to establish the loan counseling program; the Department may choose to contract with a public or private entity to provide the loan counseling program.