

SB 337 -2 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Exempts attorneys and law firms providing debt management services in the course of practicing law from requirement to register with Department of Consumer and Business Services. Specifies attorneys and law firms are not subject to provisions of Chapter 697 of Oregon Revised Statutes governing bonds, record keeping requirements, and liability of debt management service providers. Becomes operative January 1, 2018; takes effect 91 days sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Limits exemption to attorneys or law firms improving or offering to improve consumers' credit records, credit histories, or credit ratings.

BACKGROUND:

Debt management service providers are individuals or entities who accept a fee or consideration for assisting consumers with credit repair or debt repayment. Services may include collecting money from consumers and distributing it to appropriate creditors, seeking modifications of credit terms on behalf do consumers, or providing other services to improve consumers' credit reports. Currently, under Oregon law, persons or entities providing debt management services must register with the Department of Consumer and Business Services unless they are exempt. Attorneys who offer debt management services incidentally to the practice of law are exempt from the registration requirement.

Senate Bill 337 exempts attorneys licensed to practice law in Oregon, or a law firm that employs or is affiliated with such an attorney, from the registration requirement if the attorney or law firm provides debt management services in the course of practicing law. The measure also removes attorneys from the oversight provisions of Chapter 697.