

A-Engrossed
Senate Bill 338

Ordered by the Senate March 3
Including Senate Amendments dated March 3

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Business and Transportation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Adds consumer finance company licensee to list of entities that are] **Provides that finance agreement sold to consumer finance company is** exempt from application of laws that govern guaranteed asset protection waivers.

A BILL FOR AN ACT

1
2 Relating to exemptions from the application of laws that govern guaranteed asset protection waiv-
3 ers; amending section 2, chapter 523, Oregon Laws 2015.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 2, chapter 523, Oregon Laws 2015, is amended to read:

6 **Sec. 2.** (1)(a) A guaranteed asset protection waiver is not insurance and is not subject to the
7 provisions of the Insurance Code. A person, other than an insurer, that sells a guaranteed asset
8 protection waiver in compliance with sections 1 to 7, **chapter 523, Oregon Laws 2015**, *[of this 2015*
9 *Act]* does not become subject to the Insurance Code by reason of the sale.

10 (b) Notwithstanding any other provision of law, any cost for a guaranteed asset protection
11 waiver into which a borrower enters, whether in compliance with the Truth in Lending Act, 15
12 U.S.C. 1601 et seq., and regulations promulgated under the Truth in Lending Act, or not, must be
13 stated separately in the finance agreement and is not a finance charge or interest.

14 (2) Sections 1 to 7, **chapter 523, Oregon Laws 2015**, *[of this 2015 Act]* do not apply to:

15 (a) An insurance policy that an insurer offers under the provisions of the Insurance Code;

16 (b) A debt cancellation contract or debt suspension agreement offered in compliance with 12
17 C.F.R. 37.2 or 12 C.F.R. part 721, both as in effect on *[the effective date of this 2015 Act]* **January**
18 **1, 2016**; *[or]*

19 (c) A state bank, as defined in ORS 706.008, or a credit union, as defined in ORS 723.008[.]; **or**

20 **(d) A finance agreement that is sold or assigned to a licensee, as defined in ORS 725.010.**
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NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.