

**B-Engrossed**  
**Senate Bill 338**

Ordered by the House May 15  
Including Senate Amendments dated March 3 and House Amendments  
dated May 15

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.

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

**Provides that laws that govern guaranteed asset protection waivers do not apply to addendum to finance agreement that is sold to consumer finance licensee and that is secured by motor vehicle under terms of which creditor agrees to waive creditor's right to collect all or part of amount due from borrower under finance agreement or to release borrower from obligation to pay amount if motor vehicle is total loss or is stolen and not recovered.**

**Provides that addendum to finance agreement described in Act is not insurance and is not subject to Insurance Code.**

**A BILL FOR AN ACT**

1  
2 Relating to exemptions from the application of laws that govern guaranteed asset protection waivers;  
3 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) An addendum to a finance agreement that is sold or assigned to a licensee, as de-**  
21 **defined in ORS 725.010, and that is secured by a motor vehicle, under the terms of which a**  
22 **creditor agrees to waive the creditor's right to collect all or part of an amount due from a**

**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.

1 **borrower under the terms of the finance agreement or to release the borrower from an ob-**  
2 **ligation to pay the creditor an amount due under the finance agreement if the motor vehicle:**

3 **(i) Suffers physical damage that is equivalent to a total loss; or**

4 **(ii) Is stolen and not recovered.**

5 **(B) The addendum to the finance agreement described in subparagraph (A) of this para-**  
6 **graph is not insurance and is not subject to the provisions of the Insurance Code.**

7

---