



6899 NE Columbia Blvd, Suite A, Portland, OR 97218

4/23/2019

To: Chair Prozanski, Vice-Chair Thatcher, Senator Bentz, Senator Fagan, and Senator Gelser, Senator Linthicum, Senator Manning

Re: HB 2089

Chair Prozanski, Vice-Chair Thatcher and Members of the Committee:

Verde is community-based organization in Portland that serves communities by building environmental wealth through social enterprise, outreach, and advocacy. We also advocate for policies and processes that forward principles of environmental justice more broadly, including balancing benefits and burdens. We support HB 2089 as originally written, because payday loans represent an inequitable and predatory burden on communities with lower incomes, and often, black, indigenous, and communities of color.

HB 2089 prohibits a lender from making a payday or title loan until seven days after an outstanding loan has been repaid. Verde would prefer to see the practice of payday lending eliminated in Oregon all together, or at least the kinds of things that it can be used for more restricted, but HB 2089 is a good step in continued work that began a decade ago to address predatory lending practices.


Payday loans have a significant and detrimental effect A recent report published by the Stop the Debt Trap Alliance of Oregon found that one-third of the low-income families surveyed had a payday loan they couldn't pay without having to reborrow, and other research shows that 75% of revenue from payday loans comes from borrowers trapped in a cycle of debt. From an energy system perspective, Verde is concerned about payday loans, because they are most often used to pay utility bills. Too many Oregonians are forced to decide between paying energy bills, buying medicine or food, or taking out a payday loan with an oppressively high interest rate and

impossible payment terms; once someone falls behind in their utility bills, they are more likely to end up losing housing.

Many people take out payday loans without knowing that other sources, such as energy assistance, are available. Verde's hope is that in enacting HB 2089 and creating stronger sideboards around payday lending, more families will be able to seek better payment options or restitution when they are faced with energy crises. An additional measure that could be taken would be to require payday lenders to provide posted information about anti-poverty programs such as CAP agencies and the services they provide, although it is also necessary to fund those programs more fully so that they can serve more families.

Payday loans are predatory and unjust and they must be ended as a practice in our state. HB 2098 moves Oregon in this direction by closing a loophole that catches many Oregonians. Verde urges the members of the committee to support the bill with a "do pass" recommendation to the Senate floor.

Respectfully,

A handwritten signature in black ink, appearing to read "Oriana Magnera", written over a faint rectangular stamp.

Oriana Magnera

Climate and Energy Policy Coordinator, Verde