

April 24, 2019

Senate Judiciary Committee
Oregon State Capitol
900 Court Street
Salem Oregon 97301

Chair Prozanski, Vice-Chair Thatcher and Members of the Senate Committee on Judiciary,

I am writing on behalf of Neighborhood Partnerships to urge your support of House Bill 2089, which represents an important step forward to protect Oregon consumers.

Neighborhood Partnerships is a statewide non-profit organization that works to create financial resilience and housing opportunity in all parts of Oregon. We worked together with our network of partners in 2018 to identify the challenges and barriers to financial stability that the people in the communities we serve face. The results of that research are available to you today on OLIS, in the report prepared by the Stop The Debt Trap Alliance.

House Bill 2089, as introduced, would address one of the common challenges our community members face. Oregon recognized ten years ago the harm that payday loans do, harming individuals and draining resources from our communities by trapping borrowers in a cycle of continuous loans. In spite of Oregon's common sense payday lending laws put in place ten years ago, lenders are still making multiple loans without waiting for the seven day waiting period to elapse. This is evidenced by the findings in our survey, which showed that one in four respondents with payday loans had had more than one payday loan at a time. This finding is echoed in complaints made to regulatory agencies.

HB 2089 simply clarifies existing statutory language. Payday loans will more clearly require a seven day cooling off period before a new loan could be taken. This means lenders must wait at least seven days after a previous payday loan is paid before making another triple-digit interest rate loan. HB 2089 as introduced is good policy, and will make a real difference in the communities we serve.

Thank you for your service to Oregon. We urge your yes vote to ensure that our communities are protected from practices that harm individuals and families, drain resources, and inhibit work to build financial resilience.

Carlos David Garcia
On behalf of Neighborhood Partnerships