



### **Testimony Regarding HB 4212, Sections 3-5 (Garnishment)**

On behalf of the Oregon Bankers Association and the Community Banks of Oregon, we point out that the current provisions in Sections 3 through 5 of House Bill 4212 do not simply “codify the Governor’s Executive Order” that exempts CARES Act payments to individuals and families. They significantly change the requirements of EO 20-18.

Financial institutions (banks and credit unions) have implemented new procedures in order to comply with EO 20-18, and will continue to follow its directives, which do not have any expiration date. Almost all of the CARES Act payments to individuals have been deposited into consumers’ bank accounts, and likely most have spent those funds on living expenses during these difficult times. Banks would not object to codification of the terms of EO 20-18. But creating new requirements on financial institutions to track those payments if a third-party sends a garnishment to the financial institution, beyond what they currently do for federal benefits, public assistance, workers compensation and unemployment, would be very difficult and expensive. This is not justified considering how few consumers have these funds still in their accounts.

We remain willing to continue to discuss amendments to these sections of HB 4212 that achieve the results contemplated by the Governor’s Executive Order. Unfortunately, the – 28 and – 34 amendments that have been posted do not reach that goal.

Thank you again for the opportunity to provide written testimony on the garnishment issue. If you have any question, please contact Paul Cosgrove at (503) 799-5679.