



PROBLEM

**Oregon's
debt laws
are failing
consumers**



SOLUTION

**The Family
Financial
Protection
Act (LC 54)**

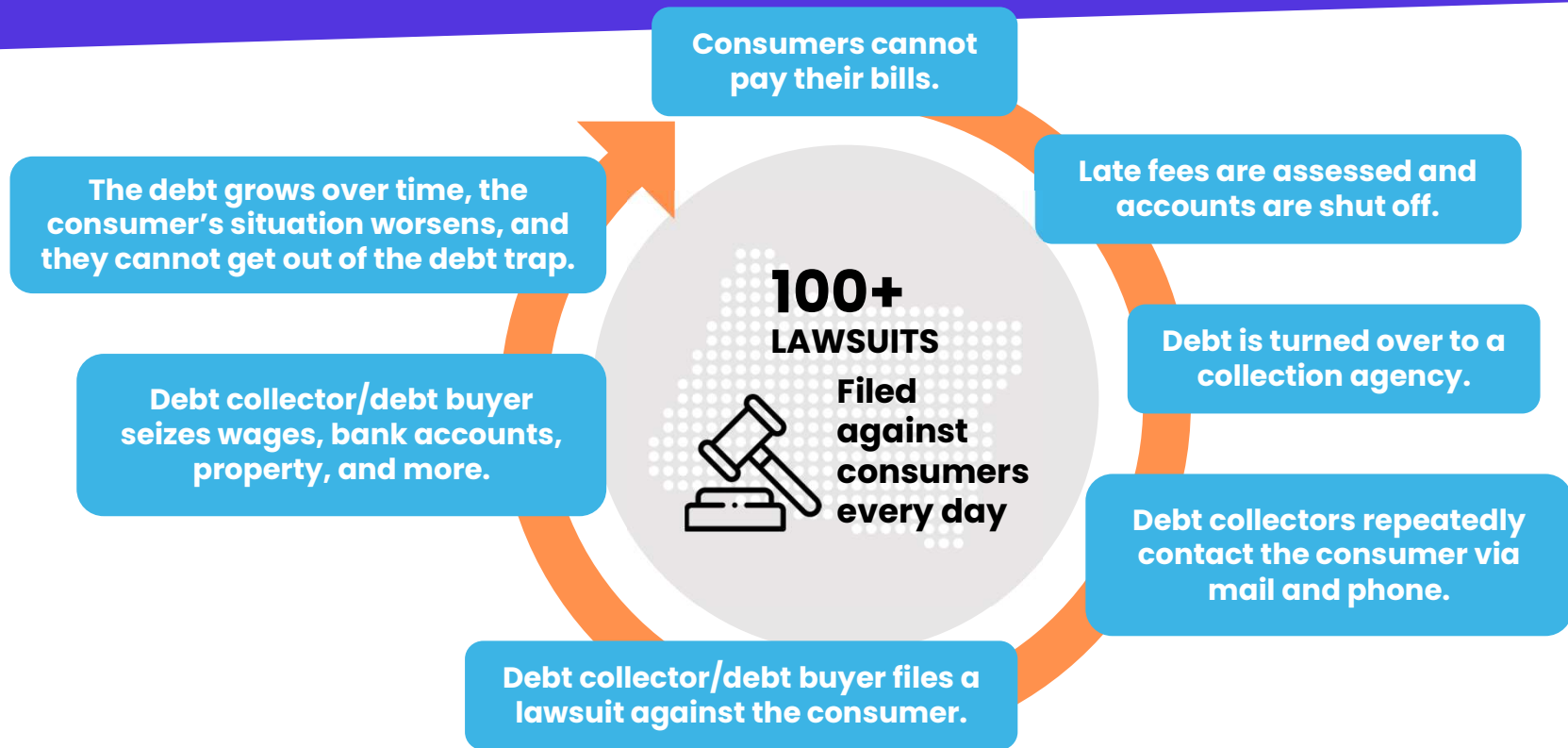
¹ The Family Financial Protection Act, LC 54

- LC 54 builds off of the concept found in House Bill 2008 from the 2023 session.
 - Advocates have held several meetings with stakeholders during the last session and over the interim to further refine the concept with input from stakeholders.
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Slide 2

- 1 possible slide 2 of 2 replacing slide 2
sybil hebb, 1/8/2024

PROBLEM: ESCALATING DEBT TRAP



KGW STORY HIGHLIGHTS LEGAL SYSTEM FLAWS

KGW8

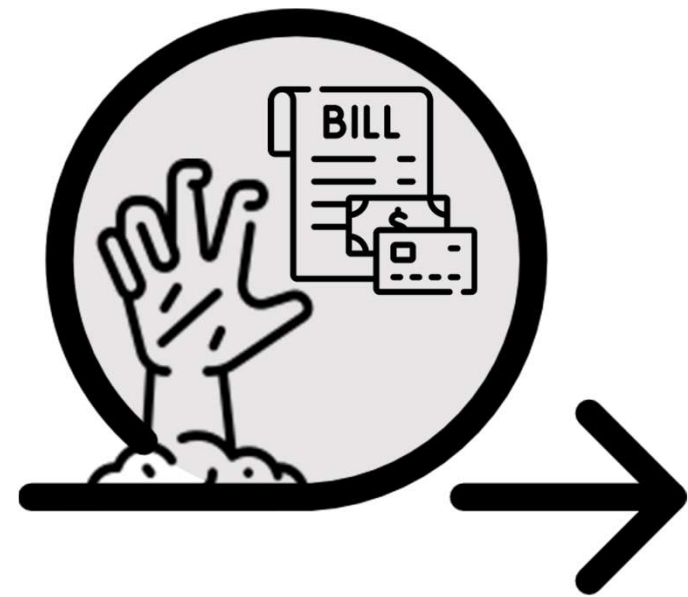
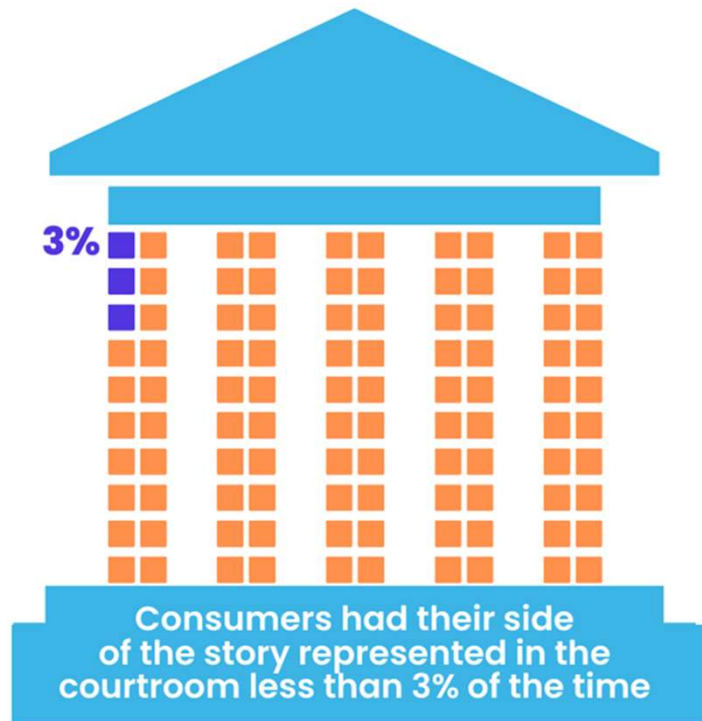
INVESTIGATIONS

‘It is like robbery’: A debt collector wrongly wiped out an Oregon man’s entire bank account

The case highlights Oregon’s lack of protections to prevent debt collectors from seizing bank accounts, wages and belongings.



PROBLEM: UNLAWFUL DEBT COLLECTION



WHY LC 54 IS NEEDED NOW:

Protect consumers from predatory, unlawful practices.

Consumers are severely disadvantaged within the court system:

- overwhelming number of cases
- short time span and almost no legal representation
- legal loophole makes it okay to collect a debt not owed or in the wrong amount



ELEMENTS OF LC 54

Solution Bucket No.1: Leveling the Courthouse Playing Field

Protect consumers from Unlawful Practices by Debt Collectors

- Violations for attempting to collect a debt not owed or the incorrect amount when the collector knew or should have known it was wrong.
 - Extend the Statute of Limitations to 3 years
 - Protect consumers from liabilities for attorney fees on good faith complaints
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WHY LC 54 IS NEEDED NOW:

Economic protections for people in collections:

- Oregon's current protections are **outdated**
- This threatens people's ability to get to work and have the tools they need to pay off debt

Examples:



Current paycheck exemption less than minimum wage



Current auto exemption is \$3k

ELEMENTS OF LC 54

Solution Bucket No. 2: Updating Economic Protections

Protection	Current Law	LC 54	HB 2008 (2023, introduced)	Examples from other states*
Paycheck/ wages	\$254/week or 75%	Tied to Standard Minimum Wage, phased in 2024-2027	\$1,000/week or 85%	WA: 80%, or 35x min wage NV: 82% or 50x min wage
Bank account	currently limited	\$2,500	\$12,000	AZ: \$5,000 ME: \$3,000
Homestead	\$40,000 for individual, \$50,000 for more	\$150,000 for an individual or \$300,000 for more	median home value of county	WA: \$125,000 or county median sale price AZ: \$400,000 NV: \$605,000
Vehicle	\$3,000	\$10,000	\$15,000 or \$25,000 for an adapted vehicle	AZ: \$15,000 NV: \$15,000

ELEMENTS OF LC 54

Additional Provisions

- Protect crime victims and families by maintaining current law for cases related to child support, spousal support or victim restitution.
 - Increase penalty for violations from \$200 to \$1000.
 - Repeal ORS 646.643, a provision that could limit effectiveness of Oregon law by allowing compliance with federal laws to be considered compliance with Oregon law.
 - Provisions related to bank accounts and homestead exemption will annually adjust with inflation.
 - Sections relating to garnishment or seizure apply to writs of garnishment or writs of execution issued on or after the effective date and to notices of wage garnishment that are in effect on or after the effective date.
 - Sections related to unlawful debt collection practices apply to attempts to collect a debt that occur on or after the effective date.
 - Bill takes effect on the 91st day after adjournment.
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