

CREDIT UNIONS

February 16, 2023
Joint Transportation Committee

Co-Chairs McLain and Gorsek and Members of the Committee,

2.3 million Oregonians trust credit unions as their preferred financial services partners. Credit unions' not-for-profit, cooperative structure inherently holds them accountable to the members they serve. They look out for members' financial well-being by providing financial education, loans to first-time homebuyers, support for rural communities, and more. Caring for the community is in credit unions' DNA. You'll find them supporting non-profits, contributing to charities, and volunteering in their communities.

Oregon credit unions support HB3080 with the appropriate changes we are discussing with Rep. McLain and proponents of the bill. Bottom line is that we encourage the Oregon DMV to move in the direction of implementation of electronic titling for vehicles.

An electronic title is a title that exists only in electronic form and is a legal document of vehicle ownership, the same as a paper title. ELT enables the state Department of Motor Vehicles (DMV) and lending institutions to exchange vehicle and title information electronically via an electronic service provider.

ORS 803.206 allows (but does not require) DMV to permit credit unions to complete the process to apply for a lien in a fully electronic manner. ORS 803.012 permits DMV to issue electronic titles. Together the two statutes should give DMV all the authority it needs.

Oregon credit unions maintain a strong process of discussing a variety of legislative and regulatory issues to help them better serve credit union members. One issue that kept coming up was the process for submitting documentation to the DMV to change ownership and lien information on vehicle title certificates. Because this is a key part of the process for completing car loans, our members asked that we begin discussions with DMV on the issue of electronic titling along with electronic signatures.

As the auto lending process becomes more streamlined through use of technology, the process for perfecting a security interest and transferring ownership on a title certificate has not kept pace. Permitting the use of digital signatures and electronic documents, subject to reasonable and appropriate safeguards, will save the state time and expense and will reduce the amount of time and effort required of borrowers and lenders to ensure that a new title certificate with the appropriate information.

This issue costs the state unnecessary time and expense, causes financial institutions and auto dealers economic harm, and causes buyers and sellers of vehicles unnecessary frustration that could easily be eliminated.

We believe that HB3080 is a step in the right direction to work toward electronic lien titling in Oregon. We will work with all interested parties for a collaborative, final bill.

Thank you for the opportunity to provide this testimony.

Pam Leavitt
GoWest Credit Union Association
503-887-2336

