



**February 7, 2024**

**To:** Chair Kathleen Taylor, Vice-Chair Daniel Bonham, Senator Bill Hansell, Senator Kayse Jama, Senator Deb Patterson

**Fr:** Matt Swanson, SEIU Oregon State Council

**Re:** Support for Senate Bill 1595

Chair Taylor, Vice-Chair Bonham and Members of the Committee:

My name is Matt Swanson, a political strategist with the SEIU Oregon State Council. On behalf of the more than 80,000 workers represented by SEIU in the State of Oregon we are pleased to offer our support for Senate Bill 1595. Oregon’s debt collection laws, while offering important tools to recover debts owed to creditors, need updates to meet the challenges that many Oregonians face when confronted with collections.

The bill before you and a forthcoming amendment represent months of work between last session and this session. We appreciate the engagement from Senator Chris Gorsek, Representative Nathan Sosa, the Senate Majority Office, Senate President’s Office, state agencies, the Oregon Collectors Association, Oregon Financial Services Association, GoWest Credit Union Association, Oregon Bankers Association, Oregon Business and Industry, Oregon Consumer Justice, the Oregon Law Center and many other stakeholders.

The legislation will provide much needed economic relief for everyday Oregonians who need space to get back on their feet after struggling to pay their debts and important consumer protections when a debt collector violates the provisions of Oregon’s Unlawful Debt Collection Practices Act (UDCPA), ORS 646.639.

Our coalition reviewed the major elements of this legislation at an informational hearing on January 11<sup>th</sup> before this committee.<sup>1</sup> Our testimony today will reflect some of the significant changes made in order to take in feedback from the many stakeholders and agencies who have worked with advocates on this bill. It is our understanding that with these changes most of the

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<sup>1</sup> [Labor and Business Senate 2023-2024 Interim - Oregon Legislative Information System \(oregonlegislature.gov\)](https://legislature.oregon.gov/Committees/StaffPages/Labor%20and%20Business/Labor%20and%20Business%20Senate%202023-2024%20Interim%20-%20Oregon%20Legislative%20Information%20System.aspx)



groups who were opposed to the bill as introduced will now be either neutral or have no official position on the bill. We appreciate the willingness of stakeholders to work with us to find solutions to the problems we aim to address and find ways to accommodate the concerns that have been raised throughout the process.

**Key Changes in the forthcoming amendment**

Two major changes will be reflected in an upcoming amendment:

1. Reducing and delaying the phase-in to a wage exemption based on the disposable income in Oregon Standard Minimum Wage. The phase in will reflect specific amounts starting in January 1, 2025, increasing each year until 2027 and ultimately indexing to inflation. This reflects the effective dates, amounts and multipliers used starting in 2027.

**Proposed wage exemptions:**

	1/1/2025	7/1/2025	7/1/2026	7/1/2027
<b>One Week</b>	\$305	\$338	\$400	Standard (x30)
<b>Two Weeks</b>	\$611	\$675	\$832	Standard (x60)
<b>Semi Monthly</b>	\$655	\$737	\$912	Standard (x65)
<b>Monthly</b>	\$1,309	\$1,458	\$1,792	Standard (x130)

2. In order to address what the Oregon Supreme Court has held was not an issue covered by the UDCPA, we address issues relating to taking action to collect a debt not owed. Also address potential confusion that was identified by the Credit Union Association. Section n.) and s.) will be revised to include:

Revise the current version of 646.639(2)(n):

Collects or attempts to **collect by any means, including initiating legal action,** interest or other charges or fees that exceed the actual debt unless the agreement,



contract or instrument that creates the debt expressly authorizes, or a law expressly allows, the interest or other charges or fees. **A debt collector may not be held liable in any action brought under this subchapter if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. The fact that the debt collector obtains a judgment for less than the amount sought in the complaint, or fails to obtain a judgment at all, does not by itself constitute evidence of a violation of this paragraph.**

Replace the current version of 646.639(2)(s) with the following:

**Collects or attempts to collect or threatens to collect a debt by any means, including through legal action, while knowing or , or through the exercise of reasonable care having reason to know that the debt does not exist or is not owed by the debtor. A debt collector may not be held liable in any action brought under this paragraph if the debt collector shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. The fact that the debt collector obtains a judgment for less than the amount sought in the complaint or fails to obtain a judgment at all does not by itself establish a violation of this paragraph.**

### **Workers deserve better economic and consumer protections.**

As Wally Walls, a member leader from SEIU local 49 discussed in his testimony<sup>2</sup>, large majorities of low wage workers would struggle to come up with \$400 to pay for an emergency expense. When this happens workers can fall behind on their bill and ultimately end up in collections or sued in court to recover past due amounts. For Oregonians like Wally, this can mean working multiple jobs and possibly ending up having to file bankruptcy all while struggling to make rent.

For others, like John Salazar<sup>3</sup>, the lack of a protected amount in a bank account can mean a long court process during which they have no access to their paycheck because a creditor was able to wipe out everything. In his case the collection was improper, almost costing him and his brother their housing. Workers like John need strong protection to ensure that they aren't

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<sup>2</sup> Testimony of Wally Walls, found at 41 minutes and 45 seconds, <https://olis.oregonlegislature.gov/liz/mediaplayer/?clientID=4879615486&eventID=2024011033>

<sup>3</sup> [Debt collector wrongly wiped out an Oregon man's bank account | kgw.com](#)



**Service Employees International Union – Oregon State Council**

swept up in collection activity that threatens their livelihood and should never have been brought in the first place.

**Thank you for the time to discuss this important legislation. We hope that you will join us in supporting Senate Bill 1595.**