



Chair Meek
Vice-Chair Boquist
Senate Committee on Finance and Revenue

Re: Support for Senate Bill 1595

Dear Chair Meek, Vice Chair Boquist, and Members of the Committee my name is Creeana Bort. I am a member of the Cheyenne River Sioux Reservation and I represent the NAYA Action Fund, located in Portland, OR. Founded by the community and for the community, NAYA Action Fund is a 501(c)(4) social welfare organization with a mission to expand political advocacy and build electoral power in partnership with the Native community. The NAYA Action Fund provides tools to shape public policy, cultivate leadership, and elect champions for issues impacting Native people. Our vision of systemic change is youth-centered, family-driven, and elder-guided. I write supporting Senate Bill 1595 the Family Financial Protection Act of Oregon. By modernizing and expanding Oregon laws, the Act provides a realistic pathway for families to recover following unexpected financial hardship rather than being pushed further into debt and poverty.

Our collective work focuses on advocating and uplifting Oregon's most vulnerable populations. We advocate for the success and well-being of our community through housing stabilization, workforce development, education, economic prosperity, and more. All too often, we see our community members grappling with practices that create burdensome experiences for individuals and families.

NAYA Action Fund urges your support of Senate Bill 1595, the Family Financial Protection Act of Oregon. Improving Oregon's consumer protection and debt collection statutes through the modernization and expansion of existing laws, SB 1595 offers a practical route for families to recover from unforeseen financial challenges, avoiding the risk of being pushed deeper into a cycle of debt and poverty.

The State Treasurer's Office revealed that too many in our state are financially vulnerable: 44.3% of Oregonians report that it is "very difficult" or "somewhat difficult" in a typical month to cover expenses and pay all their bills; almost three in ten say they likely could not come up with \$2,000 if faced with an emergency. When Oregonians cannot pay their bills, they can be taken to collections and ultimately end up in court.

Rural communities also have some of the highest rates of debt in collection. The five counties with the highest share of debt in collections are Malheur, Klamath, Sherman, Lake, and Jefferson Counties. The share of households with debt in collections in these counties ranges from 31 to 23 percent. Malheur and Klamath Counties have the highest share of residents with medical debt in collections (21 and 13 percent, respectively).

Some communities also experience financial hardship more than others. Here in Oregon, a recent survey found that 52% of BIPOC Oregonians would have difficulty paying for an emergency expense of \$400 compared with only 30% of white Oregonians. These pressures, along with rising costs, require the attention of lawmakers to ensure that those in poverty have protections against being pushed into a cycle of debt that they cannot recover from.

Key provisions of SB 1595 will improve economic protections for Oregon consumers:

- By 2027, the amount exempted from wage garnishment will **increase to the value of Oregon's standard minimum wage per week** and be adjusted annually to keep up with inflation.
- Prevent debt collectors from wiping out someone's entire bank account. Instead, **protecting the first \$2,500** ensures that Oregonians can meet their basic needs while paying off debt.
- **Increases the value of a home that a debtor can protect from seizure** to \$150,000 for an individual and \$300,000 for a couple.

A recent survey of Oregon consumers found that nearly three in ten (27%) had a debt collector attempt to collect payment for a debt that wasn't theirs. In addition, over the last five years, more than 1,300 complaints related to unfair debt collection practices have been filed with the federal Consumer Financial Protection Bureau by Oregonians. More than half of these complaints were related to creditors attempting to collect debt that was not owed or to collect the wrong amount.

Oregon's civil courts are flooded with these cases. According to data from the Oregon Judicial Department last year, nearly 55,000 lawsuits were filed against Oregon consumers by debt collectors and debt buyers. On average, more than 200 of these complaints were filed every day our courts were open in 2023/ With such a high volume of cases and complaints, lawmakers should look to improve protections for consumers who are facing lawsuits for debts that may not be legitimately theirs to pay.

SB 1595 includes important updates to the law that will protect consumers facing legal actions or collection activities:

- Make it a violation of the law to attempt to collect a debt when a collector knew or should have known that the debt did not exist or was for the wrong amount. **The law should protect Oregonians from going through a court process for debts they do not owe.**
- **Extend the time consumers have to file a complaint to three years after the date of injury.**
- Courts should award attorney fees and costs at trial and on appeal when a consumer prevails but **not make them pay for a creditor's attorney** unless they bring a frivolous claim. This is how federal debt collection cases already work.

By implementing sensible updates to Oregon's consumer protection and debt collection statutes, SB 1595 aims to establish essential safeguards for the financial security of consumers in Oregon. This bill seeks to ensure their capacity to sustain housing, afford necessities like food, and fight unjust debt proceedings.

We urge your support of SB 1595. Thank you for the opportunity to submit testimony and your service to Oregon communities.

Sincerely,

Creeana Bort
Policy and Advocacy Organizer
NAYA Action Fund