

CREDIT UNIONS

Testimony on SB605A
House Committee on Commerce and Consumer Protection
May 15, 2025

I am submitting this testimony on behalf of Oregon Credit Unions and the GoWest Credit Union Association on SB605A, a bill to prohibit medical service providers from reporting the amount or existence of medical debt to a consumer reporting agency.

We want to thank Chair Sosa and Senator Campos for their work on this legislation. We also want to thank them for listening to our comments and suggestions on what is now the -A9 Amendment. We accepted the language in the -A9 amendment because:

1. We support the intent of the bill that debt incurred directly to medical service providers isn't reported on credit reports, and:
2. It was important to update the Senate version of the bill to exclude debt that is incurred when someone comes directly to the credit union to borrow money, even if they wind up using loan proceeds to pay medical debt. The current language in the A-engrossed bill doesn't do that. It leaves open the possibility that a home equity line of credit or credit card could be medical debt under the bill just because the borrower indicates on an application or in a conversation that they plan to use some of the loan proceeds for medical services.

We believe the A-9 amendments appropriately distinguish between credit that is offered and used for the express purpose of financing medical services and ordinary consumer loans and credit lines that a borrower may happen to use to pay medical bills.

As we all work this session to improve the lives of Oregonians, we know that medical debt can drive financial instability. Lower credit scores due to medical debt can lead to higher borrowing costs, credit rejections, and even contribute to housing insecurity and homelessness. Removing medical debt from credit reports can boost credit scores making it easier to qualify for loans, rent apartments, or even get jobs.

Background on Oregon Credit Unions

2.3 million Oregonians – 55% of the population – trust credit unions as their financial partners. Credit unions' not-for-profit, member-owned, cooperative structure inherently holds them accountable to the people and communities they serve. As not-for-profit cooperatives, credit unions' commitment to the community is in their everyday DNA. Across the state, credit unions look out for consumers' financial well-

being, by providing financial education, helping them to save for a brighter future, and by making the loans that help them get the keys to their dream homes, open businesses on MainStreet, and buy the autos that help them get to work and school.

Respectfully submitted,

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