

**HB 4116 STAFF MEASURE SUMMARY**

**Senate Committee On Labor and Business**

---

**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 2/23, 2/25

---

**WHAT THE MEASURE DOES:**

The measure declares that the State of Oregon does not want any of the amendments set forth in section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 to apply to consumer finance loans made in Oregon and specifies that a person is subject to ORS Chapter 725 (consumer finance) if the person is in the business of making consumer finance loans of \$50,000 or less or if the person acts as an agent, broker, or facilitator for a person in the business of making consumer finance loans of \$50,000 or less to consumers who resides in or maintains a domicile in Oregon and meet specified criteria. It amends the requirements of what must be included in an application for a license to make certain consumer finance loans in Oregon. The measure applies to consumer finance loans made in Oregon on or after the effective date. It takes effect on the 91st day following adjournment sine die.

FISCAL: Has minimal fiscal impact

REVENUE: No revenue impact

HOUSE VOTE: Ayes, 31; Nays, 24; Excused, 5

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is intended to create an even playing field for state-chartered banks and national banks. It does this by allowing for those federally insured state institutions to use the interest caps provided by the state they are from to serve customers in other states through federal preemption of state interest rate cap limits. Section 525 allows for states to opt out of federal preemption by statute (Section 521-525 of the Depository Institutions Deregulation and Monetary Control Act of 1980, 94 STAT. 164-167)

Currently, federal law allows state banks to use the rate caps from the states in which they are registered when doing business in Oregon.