

# House Bill 4116

Sponsored by Representative SOSA, Senator NERON MISSLIN, Representatives BOWMAN, ANDERSEN, WISE, Senators CAMPOS, GOLDEN, PATTERSON, PROZANSKI; Representatives CHAICHI, GAMBA, GOMBERG, HELM, MUNOZ, NATHANSON, NELSON, PHAM H, Senators FREDERICK, JAMA, PHAM K, SOLLMAN (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Declares that this state does not want a certain federal law to apply to consumer finance loans made in this state. Says who the laws that govern consumer finance loans in this state apply to and when. Says what needs to be in an application for a license to make consumer finance loans in this state. (Flesch Readability Score: 73.0).

Declares that this state does not want 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 this state. Specifies persons to whom the consumer finance laws of this state apply and circumstances in which the laws apply. Specifies the requirements for an application for a license to make consumer finance loans in this state.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to consumer finance loans; creating new provisions; amending ORS 725.015, 725.120 and 725.370; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 725.015 is amended to read:

725.015. (1) **Except as provided in subsection (2) of this section**, [*Nothing in*] this chapter [*shall be construed or held to*] **does not** limit [*the*] **a person's** rights, powers or privileges [*granted to any person by any*] **under another** law of this state or of the United States [*whereby the loaning of money or extending of*] **that regulates lending money or extending** credit [*is regulated, provided that such person is operating in compliance with the provisions of such law*] **if the person complies with the other law.**

(2) **The Legislative Assembly hereby declares that this state does not want any of the amendments set forth in section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221, 94 Stat. 132) to apply to consumer finance loans made in this state.**

(3) **A person is subject to this chapter if the person engages 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 that engages in the business of making consumer finance loans of \$50,000 or less to a consumer who resides in or maintains a domicile in this state and the consumer:**

(a) **Negotiates, agrees to the terms of or enters into or executes a contract for a consumer finance loan of \$50,000 or less in person, by mail, by telephone or via the Internet while the consumer is physically present in this state; or**

(b) **Makes a payment on a consumer finance loan of \$50,000 or less in which:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

(A) A person debits an account that the consumer holds in this state at a financial institution or trust company, as those terms are defined in ORS 706.008; or

(B) The consumer makes the payment by means of a negotiable instrument drawn on a financial institution or trust company, as those terms are defined in ORS 706.008.

**SECTION 2.** ORS 725.120 is amended to read:

725.120. (1) *[Application]* **A person may apply** for a license required under ORS 725.045 *[shall be in writing in]* **on a form and with contents that** *[prescribed by]* the Director of the Department of Consumer and Business Services **specifies.** *[The application shall contain the name and both the residence and business addresses of each individual applicant, of each member of a partnership or association that applies for a license and of each officer or director of a corporation that applies for a license. The application shall also contain the county and city with street and number, if any, where the business is to be conducted and any other information the director may require.]*

**(2) An application under subsection (1) of this section must include:**

(a) **The name of each individual applicant, of each member of a partnership or association that applies for the license and of each director or officer of a corporation that applies for the license;**

(b) **The residential address for each individual described in paragraph (a) of this subsection;**

(c) **The business address for each individual described in paragraph (a) of this subsection and the street name and number, the city and the county of the physical address, if any, at which the applicant will conduct business under the license;**

(d) **A unique identifier that the applicant applies for and receives from the Nationwide Mortgage Licensing System and Registry;**

(e) **Fingerprints that the director or the Nationwide Mortgage Licensing System and Registry can send to a government agency that has authority to lawfully use the fingerprints to perform a statewide, nationwide or international criminal background check;**

(f) **A summary of the applicant's personal history and experience on a form and with contents that the Nationwide Mortgage Licensing System and Registry specifies;**

(g) **A written authorization for the Nationwide Mortgage Licensing System and Registry to obtain, with reference to the applicant:**

(A) **A credit report from a consumer reporting agency, as defined in 15 U.S.C. 1681a(f), or from a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as defined in 15 U.S.C. 1681a(p); and**

(B) **Information about administrative, civil or criminal proceedings, orders, judgments or other official actions in any governmental jurisdiction that involve the applicant; and**

(h) **Any other information that the director or the Nationwide Mortgage Licensing System and Registry may require.**

*[(2)]* **(3)** An applicant, at the time the applicant applies for a license under this section, shall pay to the director a license fee determined under ORS 725.185 for the period terminating on the last day of the current calendar year. If the director denies the applicant a license for cause or if the applicant withdraws the application after the director investigates the applicant, the director shall refund the license fee paid under this subsection, less an amount that reflects the director's administrative and investigative costs for the application.

**SECTION 3.** ORS 725.370 is amended to read:

725.370. **Except as provided in ORS 725.015,** this chapter does not affect loans made or payable

1 in other jurisdictions and lawful where made or payable.

2 **SECTION 4. The amendments to ORS 725.015, 725.120 and 725.370 by sections 1 to 3 of this**  
3 **2026 Act apply to consumer finance loans made in this state on or after the effective date**  
4 **of this 2026 Act.**

5 **SECTION 5. This 2026 Act takes effect on the 91st day after the date on which the 2026**  
6 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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