



February 3, 2026

TO: House Committee On Commerce and Consumer Protection
FR: Charlie Fisher, State Director, Oregon State Public Interest Research Group (OSPIRG)
RE: HB 4116- Opt Oregon Out of Predatory Interest Rates

OSPIRG is a statewide, grassroots organization representing thousands of Oregonians. We speak out for the public and stand up to special interests on problems that affect the public's health, safety and wellbeing.

OSPIRG supports HB 4116

For too long, predatory lenders have gotten away with trapping consumers in vicious cycles of debt. HB 4116 would opt Oregon out of a federal law that allows lenders to bypass Oregon regulations and charge exorbitant interest rates that keep consumers in debt.

Section 521 of federal banking law, the Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA) allows state-chartered banks to export their interest limits to other states, often through online lenders. This loophole means that Oregonians are entering into loans with interest rates of 160% or more - much higher than Oregon's 36% cap. This is simply unacceptable.

The interest rates are so high that borrowers struggle to pay off their loans while covering normal living expenses, and can end up taking out one loan after another, incurring new fees each time. These loans create a long term cycle of debt, and a host of other economic consequences for borrowers.

One in three Oregonians worry about their debt on a near-daily basis according to research from the Oregon Values and Beliefs Center.¹ And, polling consistently shows strong bipartisan support for capping interest rates at 36%.²

OSPIRG urges your support of HB 4116 to put a stop to predatory loans with triple digit interest rates that keep consumers trapped in cycles of debt.

¹ [OCJ, Predatory Interest Rates](#)

² [NCLC, Why Cap Interest Rates at 36%](#)