



Date: February 23, 2026  
To: Senate Committee on Labor and Business  
From: Mike Powers, SEIU Local 503  
RE: Support for HB 4116

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Chair Taylor, Vice-Chair Hayden, and Members of the Committee:

My name is Mike Powers and I represent our Union, SEIU Local 503. I am here today in support of HB 4116.

In 2007, the Oregon Legislature made an important decision to cap interest rates on consumer loans at 36 percent. Lawmakers understood that extremely high interest rates trap people in debt and harm working families. While 36 percent is already a high rate, it set a clear limit to prevent abusive lending.

Today, that protection is being weakened by a loophole in the federal Depository Institutions Deregulation and Monetary Control Act (DIDMCA). This 1980 federal law allows some out-of-state, state-chartered banks to “export” higher interest rates into Oregon. As a result, certain online lenders are charging Oregonians 160 percent, 200 percent, or more—far above our state’s legal cap.

At those rates, borrowers struggle to pay down the principal. Payments go mostly toward interest and fees, and many people end up taking out new loans just to cover old ones. This creates a cycle of debt that is extremely hard to escape.

Oregon’s licensed lenders are not the problem. The 190 lenders licensed in our state follow Oregon law and stay within the 36 percent cap. The harm comes from a small number of online lenders using this federal loophole to avoid our consumer protections. Since 2020, more than 22,000 high-interest loans have been made to Oregonians, draining millions of dollars from families who can least afford it.

This issue is especially serious as our population ages. More than one in four Oregonians are now over age 60. Many older adults live on fixed incomes and have little ability to recover from financial setbacks. High-interest loans can quickly deplete retirement savings and create long-term hardship.

At a time when families are already facing high costs for housing, food, and utilities, we should not allow triple-digit interest rates to make matters worse. HB 4116 offers a straightforward solution: it allows Oregon to opt out of the federal loophole and make clear that any loan made to an Oregon resident—whether online or in person—must follow our 36 percent cap.

HB 4116 upholds Oregon’s long-standing consumer protections, supports responsible lenders who follow the law, and helps prevent vulnerable Oregonians from being trapped in debt.

I respectfully urge you to pass HB 4116. Thank you for your time and consideration.

**1-844-503-SEIU**  
MAIN OFFICE

**525 NE OREGON ST.**  
PORTLAND, OR 97232

**@SEIU503**  
FACEBOOK  
INSTAGRAM  
BLUESKY  
TWITTER

**SEIU503.ORG**