



# PRESS RELEASE

## OREGON HOUSE DEMOCRATS

---

For Immediate Release  
March 26, 2019

For More Information, Contact:  
Aaron Fiedler: 503-986-1904  
aaron.fiedler@oregonlegislature.gov

### **Legislation to Strengthen Consumer Protections for Payday Lending Advances**

*Legislation clarifies existing laws protecting consumers from predatory practices*

SALEM – Legislation to strengthen and clarify Oregon’s consumer protections around payday and title loan lending advanced through the Oregon House of Representatives today. [House Bill 2089](#) prohibits a practice known as “debt stacking” where payday and title loan companies lend additional money to individuals who have outstanding debt with those companies.

“While I do believe that families should be able to take out a small loan of a few hundred dollars when their cars breakdown, someone gets sick, or they need to repair something in their home, I don’t believe that these situations should trap families into a cycle of debt,” said Rep. Teresa Alonso Leon (D-Woodburn), who carried the legislation on the House floor. “Stacking payday loans undercuts Oregon’s short-term lending laws and is detrimental to Oregonians who can least afford it.”

Legislation passed in 2007 to reform title loan and payday lending in Oregon included a provision that prohibited new loans within seven days of another loan being paid off. However, a loophole existed where companies could make new loans seven days from the previous loan’s expiration as opposed to seven days after the previous loan had been fully repaid. This legislation closes that loophole and requires a full seven day cooling off period before another loan can be made.

[A report by the advocacy group Stop the Debt Trap Alliance](#) found that one quarter of Oregonians with payday loans had more than one payday loan at a time, and one third of low-income families had a payday loan they could not pay back without borrowing again.

“As someone who championed the legislation that passed in 2007, I can say that this was our intent all along,” said Rep. Paul Holvey (D-Eugene). “This legislation makes a necessary correction to good policy protecting vulnerable Oregonians from predatory lending practices.”

The legislation, which passed the House 46 to 13, goes to the Oregon Senate for consideration.

###