



# NEWS

Oregon Legislature • House Majority Office

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## **House Requires Lenders to Play by Same Rules as Other Industries**

*HB 3706 brings lenders under the Unlawful Trade Practices Act*

SALEM – House Democrats today required the lending industry to play by the same rules as other industries, ending the exemption they previously enjoyed from the Oregon Unlawful Trade Practices Act (UTPA). The UTPA authorizes the Attorney General to prosecute lenders for fraudulent and misleading lending practices.

“This bill ends the free pass given to lenders that mislead their customers,” said Representative Nick Kahl (D-East County). “Victims of fraudulent lending practices will now have a true means of responding to these unscrupulous acts on the part of lenders. If you try to rip off an Oregon consumer, you will be held accountable under the law.”

HB 3706 brings mortgage banks and other institutions that provide loans and extend credit under the Unlawful Trade Practices Act, giving authority for the Attorney General to prosecute lenders that mislead their customers when issuing loans or extending credit. Other “heavily regulated” industries, such as energy, medicine and telecommunications, are already under UTPA. This bill levels the playing field for the lending industry.

“This bill provides protections from lenders that consumers do not currently possess, including the ability to go after national and out-of-state lenders that are not currently regulated in Oregon,” said Representative Paul Holvey (D-Eugene), who carried the bill on the floor.

The current recession – the worst economic crisis in over 70 years – was brought on in large part by lenders who provided sub-prime loans to consumers, many of whom did not have the means to repay them. Large scale defaults led to the bursting of the housing bubble and multi-million dollar settlements between lenders and states who accused them of fraudulent and deceptive lending practices.

HB 3706 now moves to the Senate for consideration.

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