



SENATE MAJORITY OFFICE

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Senate significantly strengthens anti-fraud laws against banks and lenders
HB 3706 adds loans and credit transactions to Oregon's Unlawful Trade Practices Act

SALEM – The Senate passed legislation this afternoon that broadens the state's anti-fraud laws to apply to lenders. House Bill 3706 will allow both private citizens and the Attorney General to sue lenders for misrepresentations, as they can do with most other businesses in Oregon.

"Banks and lenders should be subject to the same laws as other Oregon businesses, and if they break those laws we should be able to hold them accountable," said Senator Suzanne Bonamici (D-NW Portland/Washington Co.), chair of the Senate Consumer Protection Committee. "Strengthening consumer confidence is an important part of rebuilding our economy, and better consumer protection laws can help bring back that confidence."

HB 3706 will add "loans and extensions of credit" to the definition of "real estate, goods, or services" in the Unlawful Trade Practices Act. Consumer finance lenders, banks and trusts, credit unions, and mortgage lenders would no longer be exempt from legal action.

"This session is about sticking up for middle class families," said Senate Majority Leader Richard Devlin (D-Tualatin). "When fraud is committed, Oregonians need to be able to take action against those that did them wrong. This bill closes a major loophole."

Enforcement of HB 3706 would be both through Oregon's Attorney General and a private citizen's right to sue.

"The Oregon Legislature has plugged a gaping hole in the law that allows banks to take advantage of consumers with no repercussions," said Attorney General John Kroger. "With this new authority, the Department of Justice will hold banks and mortgage companies responsible if they violate the law."

The bill will now go to the House for a concurrence vote.

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