



*From the Offices of Representatives Sosa, Wise and Gomberg*

**FOR IMMEDIATE RELEASE**

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## **House Strengthens Protections for Oregonians Facing Financial Hardship**

**SALEM, Ore.** – The Oregon House today passed [HB 4116](#), a consumer protection measure designed to close a loophole that allows out-of-state or online lenders to evade Oregon's interest rate limits and consumer protections, helping to ensure that all lenders operating in Oregon play by the same rules.

"This bill is designed to stop online lenders from ripping people off," said **Rep. Nathan Sosa** (D - Greater Hillsboro), chief sponsor of the bill. "It will ensure that Oregon consumers, in a moment of financial need, are not being preyed upon by digital, corporate loan sharks."

For nearly 20 years, Oregon's law has said the most a lender can charge a consumer on a small personal loan is 36% interest. Of all the state-regulated finance lenders who operate in Oregon, 98% of them comply with this law. Yet, there are 5 lenders who do not.

These corporate criminals have teamed up with out-of-state banks in Utah and found a way to circumvent our interest rate cap using the federal Depository Institutions Deregulation and Monetary Control Act (DIDMCA). Using this technique, they are lending to Oregonians at rates of 73% to over 200% interest.

"Oregonians shouldn't have to choose between putting food on the table and falling into a cycle of debt," said **Rep. Lamar Wise** (D – E Portland & Damascus). "This bill strengthens the protections we've long upheld in Oregon law so that every lender plays by the same rules, and no one is preyed upon when they're trying to make ends meet."

The bill reinforces Oregon's long-standing commitment to strong consumer protections and ensures that financial companies cannot sidestep state safeguards through federal loopholes or jurisdictional ambiguity.

"Nearly two decades ago, this body made it very clear that consumers shouldn't have to put up with unconscionably high interest rates," said **Rep. David Gomberg** (D - Lincoln & Western Benton/Lane Counties). "No one should be at the mercy of predatory lending, and I'm proud to support this bill to finally close the loopholes that have allowed out-of-state lenders to gouge Oregonians."

The bill now advances to the Oregon Senate for consideration.

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