

Family Financial Protection Act of Oregon

Common-Sense Updates to Safeguard Economic Well-Being

As the cost of living continues to rise statewide, paychecks are being stretched thinner than ever to pay for housing, childcare, food, utilities, and healthcare costs. Taking on debt to cover essential needs is now common for working families. When debts go unpaid, creditors, debt buyers, and debt collectors can sue and take debt holders to court. In court, these parties are granted access to a powerful set of tools to seize wages, belongings, and bank account balances, leaving families unable to afford necessities.

Oregonians need protections to prohibit excessive wage seizures for those with consumer debt in collections. HB 2008 provides a realistic pathway for families to recover after an unexpected financial hardship, rather than being pushed further into a cycle of debt and poverty.

Most household debt in collections results from an unanticipated financial shock — such as losing a job, illness, or divorce.

Compounding matters, debt collection proceedings are flawed, with a heavy bias against consumers. This disproportionately impacts the financial stability of families of color who already bear the burden of unjust systems. In Oregon, communities of color have more than double the rate of debt in collections compared with white communities.

Oregon lags behind other states in consumer protection.

Oregon's state consumer protection and debt statutes are outdated and fail to provide this economic protection. **The National Consumer Law Center assigned Oregon a D rating on our ability to protect family finances from debt collectors, lagging behind Colorado, Florida, and Texas, among other states.** In addition, our current laws lack adequate mechanisms to fight unfair debt collection practices and little recourse for consumers who are sued for the wrong amount or for debt they don't even owe. Over the past five years, Oregonians have filed more than 1,300 complaints with the federal Consumer Financial Protection Bureau related to unfair debt collection practices.

HB 2008 protects consumers' ability to continue to work, maintain their housing, keep food on the table, and fight unfair debt proceedings by making common-sense modernizations to Oregon's consumer protection and debt collection laws:



Protects a living wage. Oregon law only requires debt collectors to leave workers with \$254 or 75%, whichever is greater, per week in take-home pay after wage seizure—nowhere near enough to cover basic needs. HB 2008 ties the minimum protected amount to Oregon's minimum wage. This would equal \$590 right now, but will update with inflation.



Protects housing. Current law protects \$40,000 of a home's value. HB 2008 would update this to protect 33% of the home's real market value. People over the age of 65 would keep 100% of real market value.



Protects bank account funds. HB 2008 ensures that Oregonians have access to at least \$2,500 in bank account funds in order to pay for basic needs.



Provides clear protection for consumers sued over unowed debt. HB 2008 fixes a loophole in the current law that limits consumers from challenging debt attributed to the wrong person or for the wrong amount.



Extends the timeframe to seek justice. Under current Oregon law, collectors have six years to pursue a debt, while consumers only have one year to pursue legal action for an unlawful collection practice. HB 2008 extends the statute of limitations to the same six-year timeframe for both groups.

HB 2008 modernizes outdated laws and enacts common-sense protections to improve racial equity and support Oregon's economic well-being.

Vote to Advance HB 2008: The Family Financial Protection Act of Oregon

Organizations supporting HB 2008:



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