

A-Engrossed
House Bill 3184

Ordered by the House April 6
Including House Amendments dated April 6

Sponsored by Representative ALONSO LEON; Senator RILEY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires Department of Consumer and Business Services to establish loan counseling program for residents of this state. Specifies required elements of program. Requires department to issue certificate to resident who completes loan counseling program or passes assessment that determines whether resident understands material covered in loan counseling program.]

[Requires department to maintain records of loan counseling for at least 10 years. Prohibits department from collecting or retaining financial or personal information.]

[Prohibits consumer finance lender, payday loan lender or title loan lender from making loan to resident of this state unless resident provides copy of or serial number for certificate.]

Permits Director of Department of Consumer and Business Services to develop and implement system that provides loan counseling to consumers who borrow from payday loan lenders and title loan lenders. Prohibits payday loan lender or title loan lender from charging consumer to compensate for cost of fee department charges for system.

Becomes operative July 1, 2018.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to consumer loan counseling for residents of this state; creating new provisions; amending
3 ORS 725A.090; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 725A.090 is amended to read:

6 725A.090. (1)(a) The Director of the Department of Consumer and Business Services, by contract
7 with a vendor or service provider or otherwise, may develop and implement a system by means of
8 which a licensee may:

9 (A) Determine whether a consumer has an outstanding loan[,];

10 (B) **Determine** the number of loans the consumer has outstanding[,];

11 (C) **Determine** the dates on which the consumer entered into or renewed a loan contract sub-
12 ject to ORS 725A.010 to 725A.092 and 725A.990;

13 (D) **Provide loan counseling to consumers in accordance with standards the director**
14 **specifies**; and

15 (E) **Obtain** other information necessary to comply with the provisions of ORS 725A.010 to
16 725A.092 and 725A.990.

17 (b) The director by rule may specify the form and content of the system, but shall ensure at a
18 minimum that the information entered into or stored by the system is:

19 [(a)] (A) Accessible to and usable by licensees and the director from any location in this state;
20 and

21 [(b)] (B) Secured against public disclosure, tampering, theft or unauthorized acquisition or use.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (2) The information in the system described in subsection (1) of this section is not subject to
2 public inspection or disclosure and is not subject to discovery, subpoena or other compulsory pro-
3 cess except in an action brought under ORS 725A.010 to 725A.092 and 725A.990.

4 (3) A vendor or service provider that operates or administers the system described in subsection
5 (1) of this section may charge a licensee a fee or fees for access to or use of the system in amounts
6 that the director approves by rule. **The licensee may not charge a consumer, directly or indi-**
7 **rectly, any amount to recover or otherwise compensate for the cost of a fee the licensee pays**
8 **under this subsection.**

9 (4)(a) If the system described in subsection (1) of this section is developed and implemented,
10 licensees subject to ORS 725A.010 to 725A.092 and 725A.990, within one business day after con-
11 ducting a loan transaction that generates information that the system described in subsection (1)
12 of this section requires, shall enter or update the information.

13 (b) A licensee, after the date on which the licensee ceases to make loans subject to ORS
14 725A.010 to 725A.092 and 725A.990, shall continue to enter and update information for loans that
15 are outstanding or that have not yet expired.

16 (c) Within 10 business days after ceasing to make loans subject to ORS 725A.010 to 725A.092
17 and 725A.990, a licensee shall submit to the director for approval a plan for continuing compliance
18 with this subsection. The director shall promptly approve or disapprove the plan and may require
19 the licensee to submit a new or modified plan that ensures compliance with this subsection.

20 (5) The director by rule shall establish requirements for retaining, archiving and deleting infor-
21 mation entered into or stored by the system described in subsection (1) of this section.

22 **SECTION 2. The amendments to ORS 725A.090 by section 1 of this 2017 Act apply to loans**
23 **that a lender makes on or after the operative date specified in section 3 of this 2017 Act.**

24 **SECTION 3. (1) The amendments to ORS 725A.090 by section 1 of this 2017 Act become**
25 **operative on July 1, 2018.**

26 (2) **The Director of the Department of Consumer and Business Services may adopt rules**
27 **and take any other action before the operative date specified in subsection (1) of this section**
28 **that is necessary to enable the director, on and after the operative date specified in sub-**
29 **section (1) of this section, to exercise all of the duties, functions and powers conferred on**
30 **the director by the amendments to ORS 725A.090 by section 1 of this 2017 Act.**

31 **SECTION 4. This 2017 Act being necessary for the immediate preservation of the public**
32 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**
33 **on its passage.**

34