

## CONFERENCE COMMITTEE ON SB 171A

May 14, 2001  
3:15 p.m.

Hearing Room 343  
Tapes 1 - 2

**MEMBERS PRESENT:**      **Sen. John Minnis, Chair**  
                                 **Sen. Roger Beyer**  
                                 **Rep. Max Williams**  
                                 **Rep. Kathy Lowe**  
                                 **Rep. Lane Shetterly**

**MEMBER EXCUSED:**      **Sen. Ginny Burdick**

**STAFF PRESENT:**        **Marilyn Odell, Counsel**  
                                 **Jane Bodenweiser, Committee Assistant**

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 1, A</b>		
005	Chair Minnis	Calls the meeting to order at 3:32 p.m. and opens a work session on SB 171A that revises Article 9 Uniform Commercial Code regulating secured transactions..
<b><u>SB 171A WORK SESSION</u></b>		
008	Counsel Odell	Introduces the –A9 amendments on structured settlements <b>(EXHIBIT A)</b> .
015	<b>Carl Bjerre</b>	<b>Professor of Law, University of Oregon</b> Submits testimony and testifies in support of SB 171A <b>(EXHIBIT B)</b> . Explains SB 171 that revises Article 9 of the Uniform Commercial Code regulating secured transactions.
074	<b>Sen. Beyer</b>	<b>MOTION: Moves to ADOPT SB 171-A9 amendments dated 5/1/01.</b> <b>VOTE: 5-0-1</b> <b>EXCUSED: 1 – Burdick</b>
076	<b>Chair Minnis</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
080	Counsel Odell	Introduces the –A11 amendments that pull regulation of title loans clearly within the authority of the Department of Consumer and Business Services <b>(EXHIBIT C)</b> .
130	<b>Rep. Vicki Walker</b>	<b>House District 41</b> Testifies in support of the –A11 amendments. Explains the need for these amendments and says they are good protections for consumers.
185	Chair Minnis	Asks if the objective is to put title loans out of business.
188	Rep. Walker	Replies that there needs to be very tight regulation on the title

		loan business.
198	<b>Mike Dewey</b>	<b>Consumer Lending Alliance</b> Testifies in support of the –A11 amendments, except for the 3-rollover loan limit.
273	<b>Mark Nelson</b>	<b>Northwest Title</b> Testifies with regard to the 3-rollover loan limit and explains that without a 6-rollover limit the title companies are out of business.
355	Rep. Shetterly	Asks why “6” is the magic number.
357	Nelson	Explains their chart of accounts and the expenses involved.
390	Rep. Shetterly	Asks what the interest rate is on a typical title loan.
393	<b>Nelson</b>	Replies 27.13 percent and submits an income table to explain expenses ( <b>EXHIBIT D</b> ).
449	Dewey	Discusses overhead expenses.
<b>TAPE 2, A</b>		
033	Rep. Lowe	Asks about the demographics of the typical title loan client.
020	Dewey	Replies that their clients generally do not have credit cards or bankcards.
062	Chair Minnis	Asks about repossessions.
068	Dewey	Replies that each case is different.
089	Chair Minnis	Asks if his business could repossess more cars with a 6-rollover limitation.
091	Dewey	Replies that it is not their desire to repossess cars.
100	Nelson	Explains that with a 6-rollover limit, there will be some repossessions.
107	Chair Minnis	Asks for an example of a restructured loan.
111	Nelson	Gives an example.
122	Chair Minnis	Asks if the amendments limit the practice in any way.
124	Nelson	Replies, no.
130	Chair Minnis	Asks what the interest rate would be if a loan was restructured.
147	Nelson	Says it may be a similar interest rate to the original loan, but would depend on the individual circumstances
154	Chair Minnis	Asks if there is abuse with regard to setting interest rates.
175	Nelson	Says there are people going out of business because the margin of profit is so narrow.
191	Chair Minnis	Asks for an example of how a loan would be handled.
196	Dewey	Says that there is a limit at 25% of income.
237	<b>Doug McKean</b>	<b>Legislative Counsel</b> Says it would take another day to amend the –A11 amendments.
251	Chair Minnis	Asks how a limit on rollovers would be regulated.
261	Dewey	Says there is an audit of all companies and rollovers must be tracked.
276	Rep. Shetterly	Says the question is whether or not to shut down the title loan business.

297	Rep. Williams	Asks to hear how the language would read.
300	McKean	Explains how the revised amendments would read.
359	Rep. Shetterly	Suggests that Section 199 might be the place to insert a new subsection 6 that establishes a limit of not more than 6 loan renewals.
391	Counsel Odell	Introduces the -A12 amendments and explains that they are conflict amendments ( <b>EXHIBIT E</b> ).
<b>399</b>	<b>Rep. Williams</b>	<b>MOTION: Moves to ADOPT SB 171-A12 amendments dated 5/11/01.</b>
		<b>VOTE: 5-0-1</b>
		<b>EXCUSED: 1 – Burdick</b>
404	<b>Chair Minnis</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
405	Chair Minnis	Adjourns the meeting at 4:25 p.m.

Submitted By,

Reviewed By,

Jane Bodenweiser  
Committee Assistant

Marilyn Odell,  
Counsel

**EXHIBIT SUMMARY**

- A – SB 171, -A9 amendments submitted by staff, dated 5/1/01 2 pp**
- B – SB 171, written testimony submitted by Carl Bjerre, dated 4/27/01, 4 pp**
- C – SB 171, -A11 amendments submitted by staff, dated 5/10/01, 4 pp**
- D – SB 171, income table submitted by Mark Nelson, 1 p**
- E – SB 171, -A12 amendments submitted by staff, dated 5/11/01, 1 p**