



American Fintech Council Testimony

TO: Oregon Senate Committee on Labor & Business

FROM: Ashley Urisman, Director-State Government Affairs, American Fintech Council (AFC)

DATE: February 23, 2026

SUBJECT: House Bill 4116

Position: Oppose

Good afternoon Chair Taylor, Vice-Chair Hayden and members of the Senate Labor & Business Committee. My name is Ashley Urisman, and I am the Director of State Government Affairs for the American Fintech Council (AFC). Thank you for the opportunity to testify in opposition to HB 4116.

AFC is a standards-based trade association representing responsible financial technology (fintech) companies and their innovative bank partners. Our mission is to promote a transparent, inclusive, and customer-centric financial system by supporting responsible innovation in financial services and encouraging sound public policy. Simply put, HB 4116 does not constitute sound public policy. It is axe approach to a problem best suited for treatment with a scalpel.

HB 4116 would opt Oregon out of DIDMCA, a federal banking law that allows state-chartered banks to operate on the same playing field with federally chartered banks. Proponents argue this bill will stop high interest lending. It will not. What HB 4116 does is restrict activities by state-chartered banks, including Oregon's own state-chartered banks, while allowing nationally chartered banks to proceed with business as usual.

AFC and the sponsors of this bill share a common goal of protecting consumers from predatory lending practices. Our members do not make loans above a 36 percent interest rate, in line with the cap in Oregon. But HB 4116 does not stop nationally chartered banks from offering loans at higher interest rates. National banks operate under federal authority and are not subject to state rate caps.

Lenders can continue to offer these products regardless of Oregon's decision to opt out. We have already seen companies adjust their business structure and acquire federal banks. That means the market does not disappear; it shifts.

In short, the bill does not eliminate the conduct it seeks to address. Instead, HB 4116 creates a competitive disadvantage for Oregon's own community banks. The institutions headquartered in the Beaver State, the ones employing Oregonians and investing in local communities, would be handcuffed, while large nationally chartered banks, many headquartered out of state, continue business as usual.

This bill also creates significant consequences for credit access. Many Oregonians do not qualify for traditional bank loans or credit cards. Studies show that one third of Oregonians cannot cover a \$400 emergency expense. For individuals with thin or damaged credit files, responsible short term lending products serve as a critical bridge during financial emergencies. Reducing the number of institutions able to offer these products does not eliminate your constituents' need for credit. It simply narrows access to supervised and transparent options and risks pushing consumers toward fewer or riskier alternatives. We must be careful not to reduce lawful credit pathways without creating workable alternatives.

This issue deserves serious and thoughtful discussion. This bill failed last session. Since then, there have been no stakeholder workgroups, no formal task forces, or structured engagement among regulators, consumer advocates, community banks, and industry. Last year's concerns of this policy being poorly vetted have not been addressed.

HB 4116 creates competitive imbalance, does not stop national lenders from operating, and risks reducing access to credit, all without the benefit of comprehensive stakeholder engagement. For these reasons, we respectfully urge a "no" vote on this bill, and instead encourage the state of Oregon to engage in a deliberate and collaborative process during the interim to develop a workable solution. Thank you.