

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-1**

POSTING REQUIREMENTS

Permit

A valid Payday Lender Permit as issued by the Revenue Bureau will be posted prominently at each location. The original permit will be posted. The permit will include payday lender permit number, business name, location address and permit expiration date. A Payday Lender permit is not transferable. Duplicate location permits will be issued only upon written request where the original permit has been damaged or is otherwise not useable. The cost of issuing a duplicate permit will be \$100.00. Refunds will not be issued for payday lenders who close locations or cease business activity at any time prior to the permit expiration date.

Disclosures

In addition to the requirement to disclose to the borrower in a minimum of bold 12-point type the cancellation of Payday Loan, Payment Plan, and Payment of Principal prior to loan renewal conditions, Lender will prominently post two posters containing the following:

1. **A Payday Lender Borrower's Rights poster.** Payday lender borrower rights will be printed on a poster size 8 ½ x 14 or larger. The title "PAYDAY LENDER BORROWER RIGHTS" will be a minimum of BOLD 36 font and the text will be a minimum 24 font. The poster will include the following subjects as stated in the Code:
 - a) Borrower's right to cancel a payday loan
 - b) Borrower's right to convert to a payment plan under conditions listed under Oregon City Code 5.32.070.
 - c) Borrower's requirement to pay at least 25% of the principal of the original payday loan prior to loan renewal. The payday lender fee schedule will be printed on a poster size 8 ½ x 14 or larger. The title will be a minimum of 36 font and the text will be a minimum 24 font.
 - d) Borrower's right to file a complaint

2. **How to File a Complaint poster.** The Payday loan borrower's complaint process will be printed on a poster size 8 ½ x 14 or larger. The title "PAYDAY LOAN BORROWERS – HOW DO I FILE A COMPLAINT" will be a minimum of BOLD 36 font and the text will be a minimum 24 font. The poster will include the following text:

Payday Loan Borrowers – How do I file a complaint?

- Payday loan borrowers may file a complaint about a payday lender by calling or delivering in writing to the Revenue Bureau, Regulatory Section:

Phone:
503-823-5327

Mailing address:
PO Box 8572

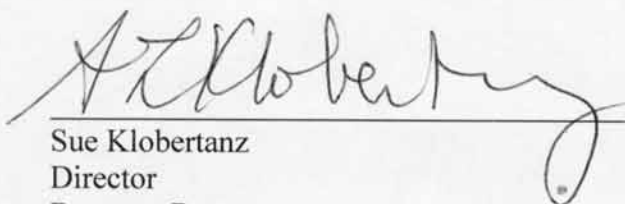
Portland OR 97207-8572

Office address:

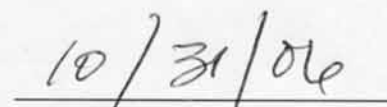
111 SW Columbia, Suite 600
Portland, OR 97201

- Payday lenders are required to investigate all complaints and report the resolution to the Bureau within two (2) business days of receipt of the complaint from the Bureau.
- The Revenue Bureau will review, investigate if necessary, and report the resolution to the complainant within five (5) business days.

Complaint forms: www.portlandonline.com/licenses



Sue Klobertanz
Director
Revenue Bureau



Date Adopted

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-2**

LOAN RENEWALS

Definitions:

"Renewal" of a loan means granting a borrower the right to postpone repayment of a Short-Term Personal Loan for a fee. Renewals are subject to the buydown provisions found in section 5.32.050.

"Roll-over" has the same meaning as "renewal." Roll-overs are likewise subject to the buydown provisions found in section 5.32.050.

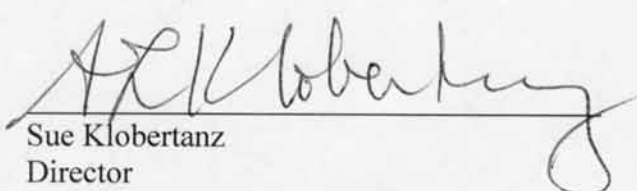
"Same day transaction" means a Short-Term Personal Loan made on the same day that a previous Short-Term Personal loan is paid-off. Same day transactions will be considered "renewal" loans.

Payday loans may be renewed only after the borrower pays 25% of the loan at the time of renewal. If the borrower is unwilling or unable to pay the 25% buydown at the time of renewal, the borrower will either need to pay the entire loan or may request a payment plan. Lenders are under no legal obligation to provide the borrower with a payment plan unless the borrower has renewed the loan three times. If the payday lender is not willing to enter into a payment plan, then they may begin collection procedures as allowed by state law.

The new regulations do not change current contracts between Payday Lenders and Borrowers. A Borrower renewing an existing contract is not required to pay an amount equal to 25% of the original Payday Loan, plus interest on the remaining balance of the loan. **All applications for new loans are subject to the new Code and requirements determined by loan origination date and presiding jurisdiction.**

New Loan Origination Dates:

Oregon City: On or after October 4, 2006 at 12:01 a.m.


Sue Klobertanz
Director
Revenue Bureau

10/31/06
Date Adopted

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-3**

PAYMENT PLANS

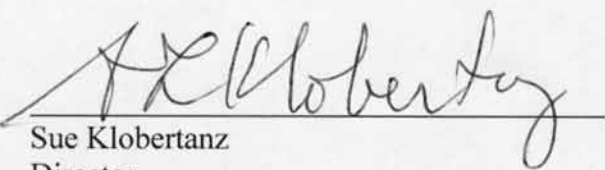
A borrower and a payday lender may enter into a payment plan at any time if BOTH parties mutually agree to one. However, the borrower may unilaterally demand a payment plan after 3 renewals, if the borrower is unable to repay the loan when due.

A payment plan that does not charge any interest or fee is not a loan, but a payment arrangement. The State's 60-day loan term applies to the original term of the loan and not to subsequent collection efforts or arrangements.

There is no maximum number of days or payments that may be agreed to as part of the payment plan. The payday lender may (but is not required to) offer more than the minimum required by State law. However, the payday lender MUST offer the minimum of 60 days and 3 payments per Oregon City Code 5.32.070.

Payday lenders may require the borrower to pay off a payment plan prior to issuing a new loan.

If the borrower defaults on their payment plan the lender has the right to pursue collection procedures as allowed by State law.



Sue Klobertanz
Director
Revenue Bureau

10/31/06

Date Adopted

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-4**

ENFORCEMENT

Enforcement of Payday Lender regulations will be conducted in person and over the phone. Regulatory program employees may conduct site visits for the purpose of:

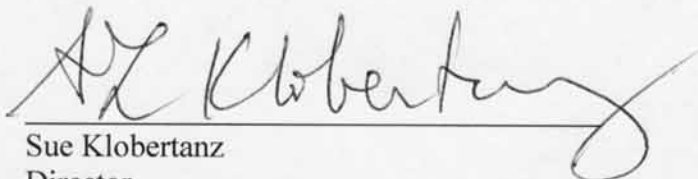
- Inspection of payday lender records
- Inspection of payday lender posting requirements
- Conducting a complaint investigation

Inspection of Records. The City of Portland reserves the right to review and/or require copies of any records necessary, which the lender will provide. Payday Lender records shall be made available for inspection during normal business hours within 24 hours of a written notice by the Director or designee.

A Regulatory program employee may review any and all records at the payday lender site and may require copies of any records necessary, which the lender will provide. All payday lenders will cooperate with regulatory staff performing inspections. Penalties may be issued for failure to cooperate.

Inspection of posting requirements. Site visits for the purposes of enforcing posting requirements may be made without notice during regular business hours. All payday lenders will cooperate with and Regulatory staff performing inspections. Penalties may be issued for failure to cooperate.

Conducting a complaint investigation. Site visits for the purposes of conducting a complaint investigation may be made without notice, notwithstanding the 24-hour written notice required for inspection of records. Payday lenders are required to cooperate with regulatory staff conducting complaint investigations. Penalties may be issued for failure to cooperate.



Sue Klobertanz
Director
Revenue Bureau

10/31/06
Date Adopted

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-5**

COMPLAINT PROCESS

Payday loan borrowers may file a complaint regarding a payday lender. Payday loan borrowers may:

- Call 503-823-5327 to file a complaint with the Revenue Bureau, Regulatory Section *or*
- Fill out a complaint form available at www.portlandonline.com/licenses and return it to the Revenue Bureau, Regulatory Section *or*
- File a complaint in our office

Mailing Address:

Revenue Bureau, Regulatory Section
Payday Lender Program
PO Box 8572
Portland OR 97207-8572

Office Address:

Revenue Bureau, Regulatory Section
111 SW Columbia, Suite 600
Portland, OR 97201

All complaints will be recorded in the Revenue Bureau Payday Lender database. Each complaint received by the Revenue Bureau will be forwarded, via telephone, email or fax to the payday lender within 5 business days for investigation. A written follow-up letter will also be mailed to the payday lender describing the complaint.

Complaint documentation will include:

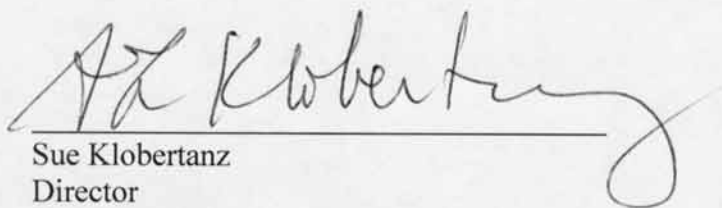
Date of occurrence
Date of complaint
Borrower Name
Borrower Address
Telephone number
Payday Lender Name
Payday Lender location address
Payday lender contact information
Loan #
Summary of complaint

The payday lender will investigate the allegations of the complaint and report the results of the investigation and the proposed resolution to the Regulatory Section by telephone or in writing within two (2) business days from the date the complaint was received. The

Regulatory section will review the investigation and proposed resolution and, if satisfactory, will authorize the payday lender to proceed with the resolution directly with the borrower.

If the proposed resolution is not satisfactory to the Director, Revenue Bureau staff shall conduct an independent investigation of the alleged complaint. The Revenue Bureau may propose alternative resolutions. The payday lender has two (2) business days to accept the proposed resolution or propose a new alternative. The Director will either accept or reject a new alternative within two (2) business days. If the Director rejects the new alternative proposal, the Bureau will impose the prior resolution as final or propose a new resolution. Once the Bureau issues a final determination, failure to comply will result in civil penalty.

Results of all investigations will be recorded and maintained in the Revenue Bureau payday lender database.



Sue Klobertanz
Director
Revenue Bureau

10/31/06
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**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-6**

CIVIL PENALTY STRUCTURE

The Revenue Bureau may impose civil penalties for each occurrence or substantial violation of Oregon City Code 5.32.080.

Upon investigation and determination that a violation has occurred, Payday lenders will be notified, in writing, of the violation and amount of civil penalty assessed. Civil Penalties will be issued per the following penalty structure:

Failure to Post Permit or Posters

1. First violation: Warning
2. Second violation: \$1,000.00
3. Third violation: \$1,500.00 for each occurrence
4. Fourth violation: \$1,500.00 for each occurrence

Failure to renew or apply for a Permit

Failure to renew a permit within 30 days of the expiration date of the previous permit or to apply for a permit within 30 days of beginning business at a new or additional location will result in civil penalty:

1. All Violations: \$1,500.00

Failure to investigate a complaint

1. All violations: \$1,500.00

Failure to report complaint resolution to the Revenue Bureau

1. All violations: \$1,500.00

Failure to cancel a Payday Loan per Oregon City Code 5.32.060

1. All violations: \$1,500.00

Failure to provide a payment plan per Oregon City Code 5.32.070

1. All violations: \$1,500.00

Failure to collect 25% of the principle prior to renewal

1. All violations: \$1,500.00

Falsification of application or renewal form

1. All violations: \$1,500.00

Retaliation to Consumers

1. All violations: \$1,500.00

Providing false or misleading information to consumers

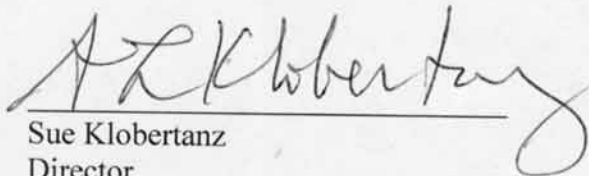
1. All violations: \$1,500.00

Failure to comply with Oregon City business license law

1. All violations: \$1,500.00

Payday lenders who are found in violation will be sent a *Notice of Violation* by certified mail. The Notice will issue a warning or assess civil penalty. Payment of penalties is due 10 days from the date of the notice of violation and is to be made payable to the City of Portland. Payments of civil penalties are accepted using cash, check, or money order.

Failure to pay a civil penalty will result in assessment of additional civil penalties for operating without a payment. All violations will be recorded in the Revenue Bureau Payday Lender database.



Sue Klobertanz
Director
Revenue Bureau

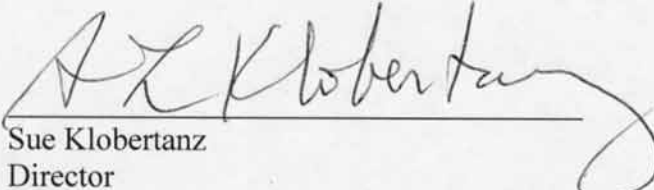
10/31/06
Date Adopted

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE #PL-7**

APPEALS

Payday lenders may appeal a civil penalty or a directive from the Regulatory Section to the Code Hearings Officer under PCC 22.10 of the City Code. Unless otherwise specified in this Code, a request for an appeal hearing shall be filed within 10 days after the date of the decision or determination. The Code Hearings Officer may waive this requirement for good cause shown.

The request for an appeal hearing shall be in writing and shall contain either a copy of, or a full and complete description of, the decision or determination appealed and a statement of grounds upon which it is contended that the decision or determination is invalid, unauthorized, or otherwise improper, together with such other information as the Code Hearings Officer may by rule require. The Code Hearings Officer may specify and provide hearing request forms to be used by persons requesting hearings.

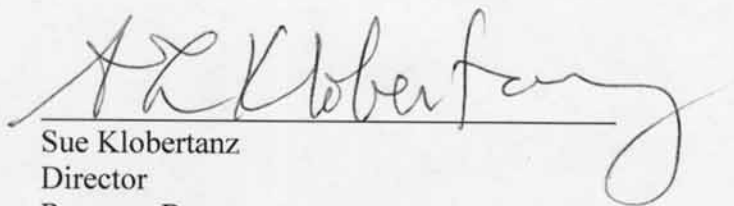


Sue Klobertanz
Director
Revenue Bureau

10/31/06
Date Adopted

**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE PL - 8**

Payday Lenders must be in full compliance with the City of Oregon City Business License Law or any other jurisdiction's business license law. Payday Lenders failing to comply with applicable Business License Law may be subject to additional civil penalties. Continued failure to be in compliance will be considered a repeat violation that is measured each 30 days and each violation will result in a new civil penalty.



Sue Klobertanz
Director
Revenue Bureau

10/31/06
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**PAYDAY LENDER
OREGON CITY ADMINISTRATIVE RULE PL-9**

APPLICATION AND RENEWAL

PERMIT APPLICATION PERIOD

Payday Lenders must apply for and obtain a Payday Lender permit within 15 days of opening a new location.

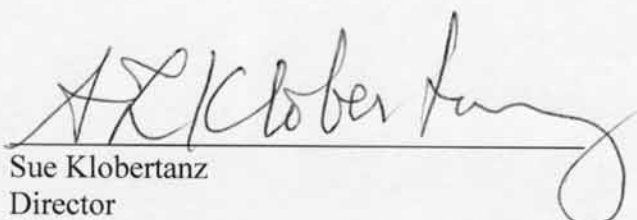
PERMIT RENEWAL PERIOD

Payday Lenders will renew their permits annually. Each permit will expire at the end of one (1) year on the last day of the month.

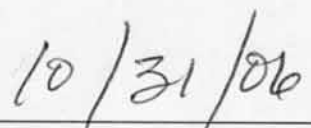
Each permit year shall begin on the first day of the month in which such permit was required to have been obtained. Each permit year shall expire at the end of the permit period on the initial date of application.

Example:

Your original permit was issued on September 20, 2006. You would be required to renew your permit no later than August 31, 2007.



Sue Klobertanz
Director
Revenue Bureau



Date Adopted

**PAYDAY LENDER
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ACCOUNT INFORMATION

Payday lenders are required to notify the Revenue Bureau of all changes to the information provided on the Payday Lender application. The Revenue Bureau may inspect the records of former payday lender locations for up to one year to verify that payday loans are not being made from the location.

CLOSING A LOCATION

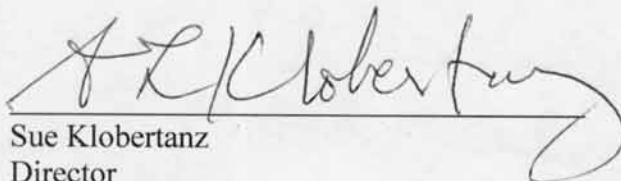
Payday Lender must notify the Revenue Bureau, in writing, of any location that closes within 10 days of location closure.

DISCONTINUING OPERATION AS A PAYDAY LENDER

Payday Lenders must notify the Revenue Bureau, in writing, of any location that discontinues offering payday loans within 10 days. Documentation must include the date of discontinuance, the reason, and include documentation notifying the State of Oregon.

ADDING A LOCATION

Any Payday Lender opening a new location must apply for and receive a Payday Lender Permit for that new location within 15 days of opening the location.



Sue Klobertanz
Director
Revenue Bureau

10/31/06
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