

O.R.S. § 82.010

82.010. Rate of interest, violation

(1) The rate of interest for the following transactions, if the parties have not otherwise agreed to a rate of interest, is nine percent per annum and is payable on:

- (a) All moneys after they become due; but open accounts bear interest from the date of the last item thereof.
- (b) Money received to the use of another and retained beyond a reasonable time without the owner's express or implied consent.
- (c) Money due or to become due where there is a contract to pay interest and no rate specified.

(2) Except as provided in this subsection, the rate of interest on judgments for the payment of money is nine percent per annum. The following apply as described:

- (a) Interest on a judgment under this subsection accrues from the date of the entry of the judgment unless the judgment specifies another date.
- (b) Interest on a judgment under this subsection is simple interest, unless otherwise provided by contract.
- (c) Interest accruing from the date of the entry of a judgment shall also accrue on interest that accrued before the date of entry of a judgment.
- (d) Interest under this subsection shall also accrue on attorney fees and costs entered as part of the judgment.
- (e) A judgment on a contract bearing more than nine percent interest shall bear interest at the same rate provided in the contract as of the date of entry of the judgment.

(f) The rate of interest on a judgment rendered in favor of a plaintiff in a civil action to recover damages for injuries resulting from the professional negligence of a person licensed by the Oregon Medical Board under ORS chapter 677 or the Oregon State Board of Nursing under [ORS 678.010](#) to [678.410](#) is the lesser of five percent per annum or three percent in excess of the discount rate in effect at the Federal Reserve Bank in the Federal Reserve district where the injuries occurred.

(3) Except as provided in [ORS 82.025](#), no person shall:

(a) Make a business or agricultural loan of \$50,000 or less at an annual rate of interest exceeding the greater of 12 percent, or five percent in excess of the discount rate, including any surcharge on the discount rate, on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district where the person making the loan is located, on the date the loan or the initial advance of funds under the loan is made; or

(b) Make a loan of \$50,000 or less, except a loan made under paragraph (a) of this subsection, at an annual rate of interest exceeding the greater of 12 percent, or five percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district where the person making the loan is located, on the date the loan or the initial advance of funds under the loan is made.

(4) Any person who violates subsection (3) of this section shall forfeit the right to collect or receive any interest upon any loan for which a greater rate of interest or consideration than is permitted by subsection (3) of this section has been charged, contracted for or received. The borrower upon such loan shall be required to repay only the principal amount borrowed.

Credits

Amended by Laws 1959, c. 365, § a; Laws 1973, c. 198, § 1; Laws 1975, c. 61, § 1; Laws 1977, c. 791, § 1; Laws 1979, c. 655, § 1; Laws 1979, c. 794, § 1; Laws 1981, c. 412, § 1; Laws 1987, c. 215, § 18; Laws 1987, c. 873, § 26; [Laws 2003, c. 774, § 1](#).

O.R.S. § 725.340

725.340. Interest or consideration for loans

(1) A licensee may:

(a) Charge, contract for and receive in connection with a consumer finance loan made in accordance with this chapter a finance charge that, when expressed as an annual percentage rate, does not exceed the greater of:

(A) 36 percent; or

(B) 30 percentage points in excess of the discount window primary credit rate. The Director of the Department of Consumer and Business Services on the second Friday of December shall determine by order from published sources available on that date the discount rate upon which the annual percentage rate set forth in this subparagraph will be based as of January 1 of the following calendar year. The annual percentage rate set forth in this subparagraph shall apply to each new loan made during the succeeding calendar year for the entire term of the loan, including all renewals of the loan.

(b) Contract for and receive in connection with a consumer finance loan made in accordance with this chapter, and in addition to the finance charge described in paragraph (a) of this subsection, other reasonable and bona fide fees, expenses or damages, subject to oversight and regulation by the Department of Consumer and Business Services. For purposes of this paragraph, “fees, expenses or damages” includes, but is not limited to:

(A) Items exempted from the computation of the finance charge in accordance with the Truth in Lending Act, [15 U.S.C. 1605\(d\)](#) and [\(e\)](#), as that Act existed on July 2, 2007, and similar pass-through fees or charges;

(B) Prepayment fees and late fees;

(C) Fees and damages in accordance with [ORS 30.701](#);

(D) Actual expenses the licensee reasonably incurs in collecting a consumer finance loan that the borrower or consumer has failed to repay according to the terms of the consumer finance loan contract; and

(E) Amounts associated with the collection of a defaulted loan that are authorized by statute or awarded by a court of law.

(c) For purposes of this subsection, “finance charge” and “annual percentage rate” have the meanings given those terms in the federal Truth in Lending Act, [15 U.S.C. 1601 et seq.](#)

(2) When a precomputed loan contract is originally scheduled to be repaid in 62 months or less and requires repayment in substantially equal or consecutive monthly installments of principal and interest combined, the interest or consideration may be precomputed, contracted for and earned on scheduled unpaid principal balances on the assumption that all scheduled payments will be made when due. In such cases, every payment may be applied to the combined total of principal and precomputed interest until the contract is fully paid, and the acceptance or payment of interest or consideration on any loan made under the provisions of this subsection does not constitute payment, deduction or receipt of the interest or consideration in advance. The precomputed interest or consideration is subject to the following adjustments:

(a) When a default of more than 10 days in the payment of any scheduled installment occurs, the licensee may charge and collect a default charge not exceeding five percent of the unpaid amount of the installment or \$5, whichever is less. A default charge may be collected only once on an installment, but may be collected at the time the default charge accrues or at any time thereafter. A default charge may not be assessed with respect to an installment that is paid in full on or within 10 days after a scheduled installment due date when an earlier maturing installment or a default or deferral charge on an earlier maturing installment may not have been paid in full even though all or part of such installment payment is applied to an earlier maturing installment, or a default or deferral charge.

(b) If the payment of all unpaid installments is deferred one or more full months, and if the contract so provides, the licensee may charge and collect a deferral charge not exceeding the annual percentage rate specified in subsection (1)(a) of this section and previously disclosed to the borrower pursuant to the federal Truth in Lending Act ¹ applied to the sum of the installments deferred for the length of the deferral period. The deferral period is that period in which no scheduled installment is required to be paid by reason of the deferral. The charge may be collected at the time of deferral or at any time thereafter. A deferral charge may not be made for the deferral of any installment with respect to which a default charge has been collected, unless the default charge is deducted from the deferral charge. If prepayment of the loan in full occurs during the deferral period, in addition to any other rebate which may be required, the borrower shall receive a rebate of the portion of the deferral applicable to the unexpired months in the deferral period, for which purpose a fraction of an unexpired month exceeding 15 days is considered to be a month.

(c) Upon prepayment in full of the unpaid balance of a precomputed loan, a rebate of unearned interest or consideration shall be made as provided in this paragraph. The amount of the rebate shall be not less than the total interest contracted for to maturity, less the greater of:

(A) Ten percent of the amount financed or \$75, whichever is less; or

(B) The interest or consideration earned to the installment due date nearest the date of prepayment, computed by applying the simple interest rate of the loan to the actual principal balances outstanding, for the periods of time the balances were actually outstanding. For purposes of rebate computations under this subparagraph, the installment due date preceding

the date of prepayment is nearest if prepayment occurs 15 days or less after that installment date. If prepayment occurs more than 15 days after the preceding installment due date, the next succeeding installment due date is nearest to the date of prepayment. In determining the simple interest rate, the licensee may apply to the scheduled payments the actuarial method by which each scheduled payment is applied first to accrued and unpaid interest or consideration and any amount remaining is applied to reduction of the principal balance.

(3) If the borrower agrees to perform certain duties to insure or preserve the collateral and fails to perform those duties, the licensee may pay for the performance of the duties and add the amounts paid to the unpaid principal balance. A charge may be made for sums advanced, at the rate provided for in the loan agreement.

(4) The loan contract may provide that after default and referral the borrower shall pay the licensee for reasonable attorney fees actually paid by the licensee to an attorney who is not a salaried employee of the licensee.

Credits

Amended by Laws 1955, c. 71, § 13; Laws 1971, c. 450, § 3; Laws 1973, c. 428, § 4; Laws 1975, c. 567, § 2; Laws 1977, c. 432, § 1; Laws 1979, c. 326, § 3; Laws 1979, c. 879, § 7; Laws 1981, c. 412, § 15; Laws 1981, c. 910, § 8a; [Laws 2006, c. 3 \(1st Sp. Sess.\), § 2](#), eff. Jan. 1, 2007; [Laws 2007, c. 473, § 3](#), eff. July 1, 2007; [Laws 2007, c. 603, § 3a](#), eff. July 1, 2007; [Laws 2009, c. 541, § 46](#), eff. Sept. 23, 2009; [Laws 2010, c. 23 \(1st Sp. Sess.\), § 32](#), eff. June 2, 2010.