

# Oregon Debt Collection Lawsuits

Data Analysis Chartbook

# About January Advisors

We're a data science consulting company with extensive experience using civil and criminal court data to help policymakers improve access to justice.

Some of our recent projects:

- Analysis of debt collection lawsuits in [Michigan](#), [Minnesota](#), and [Hamilton County, TN](#)
- Data collection for [Eviction Lab](#) and [Debt Collection Lab](#)
- Criminal record clearing in [Houston](#) and Chicago
- Criminal court data dashboards for [TCJE](#)
- Eviction [court redistricting](#) in Harris County, TX
- Jail population analysis in Dane County, WI

**DEBT COLLECTION LAB**

 **EVICTIION LAB**

MICHIGAN  
STATE BAR  
FOUNDATION **MSBF**



We've also done work in early child care in Oregon! Check out the [ELMO app](#).

# What's in this chartbook

## ➤ Key Findings

## ➤ Background on consumer debt cases in Oregon courts

- How consumer debt cases are filed in Oregon
- How consumer debt cases work
- Debt collection lawsuit process in small claims and contract cases

## ➤ Understanding the scope of Oregon's debt collection lawsuits

- How have case filings changed over time?
- How does the volume of debt collection cases compare to other civil cases?
- How many debt matters end up in court?
- How much are these lawsuits for?

## ➤ Understanding who is filing lawsuits in Oregon and for what types of debt

- Who are the top filers of debt collection lawsuits in Oregon?
- Who are the law firms representing plaintiffs?
- Who are the original creditors for the debts in these lawsuits?

# What's in this chartbook, cont.

## ➤ Understanding who in Oregon is being sued

- Where in Oregon are debt lawsuits concentrated?
- What are the income levels of people affected by debt lawsuits?
- Are there racial disparities in who is impacted by debt lawsuits?

## ➤ Understanding how Oregonians engage and their case outcomes

- How is service of process completed?
- How many people file an answer to respond to the lawsuit against them?
- How do cases end and how quickly?
- What does the data say about Alternative Dispute Resolution?

## ➤ Understanding added costs and fees in Oregon

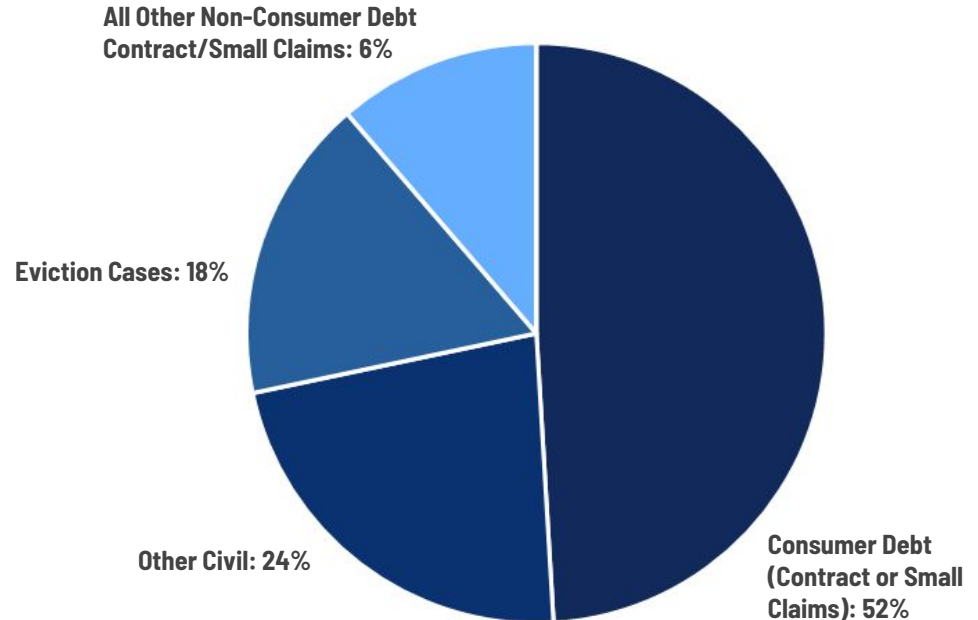
- How much money is added to the initial claim in costs and fees?
- What types of costs and fees are added and how frequently?
- Does defendant participation increase or decrease the final judgment?

# What's in this chartbook, cont.

- **Understanding Oregon's post-judgment processes**
  - How common is garnishment?
  - How many judgments are satisfied?
  - How many cases result in bankruptcy?
- **Understanding the effects of Oregon's previous debt reforms**
  - How does the data reflect the 2018 debt buyer disclosure requirements?
  - How may have policy changes affected debt trends over time?
- **Methodology**

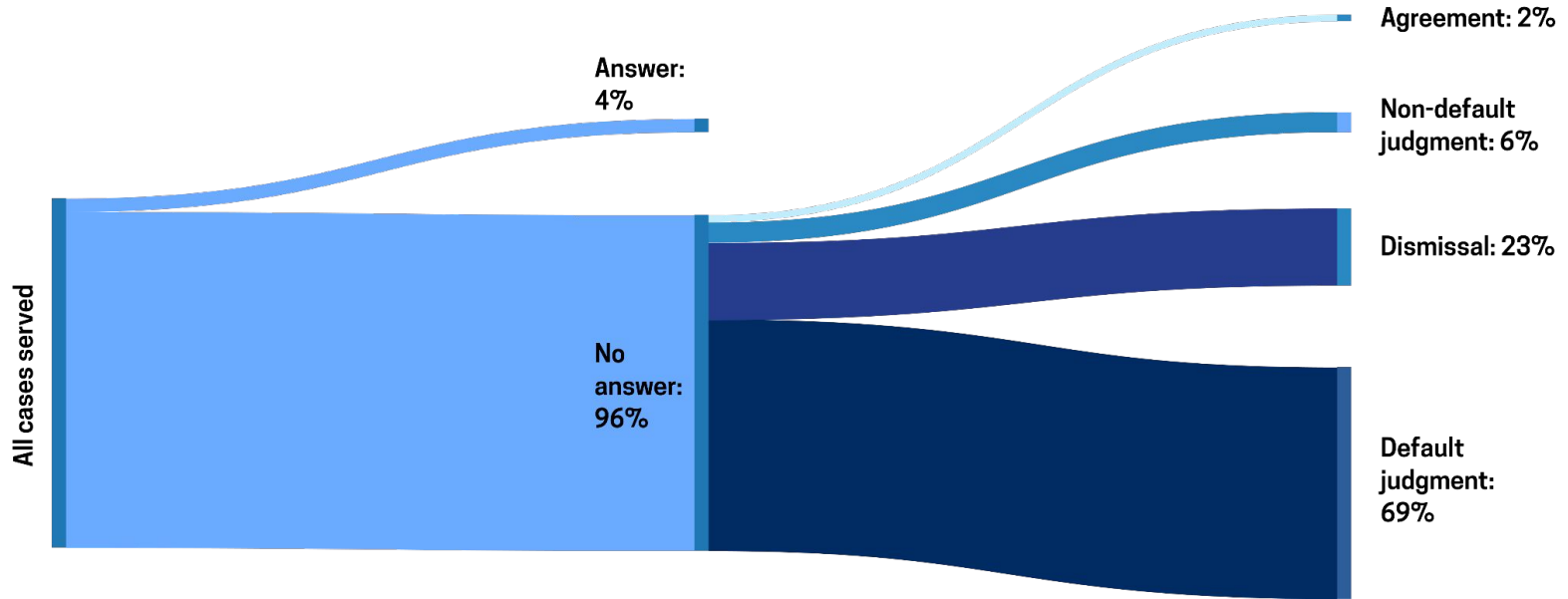
# Key findings from the analysis

**#1 - Debt collection lawsuits filed in bulk by specialized debt collection businesses dominate the Oregon circuit courts' civil dockets.** Debt collection lawsuits make up 52% of the courts' civil docket. Most cases are brought by third-party debt collectors, debt buyers and national banks suing primarily for debt owed to credit card companies and health care providers.



# Key findings from the analysis

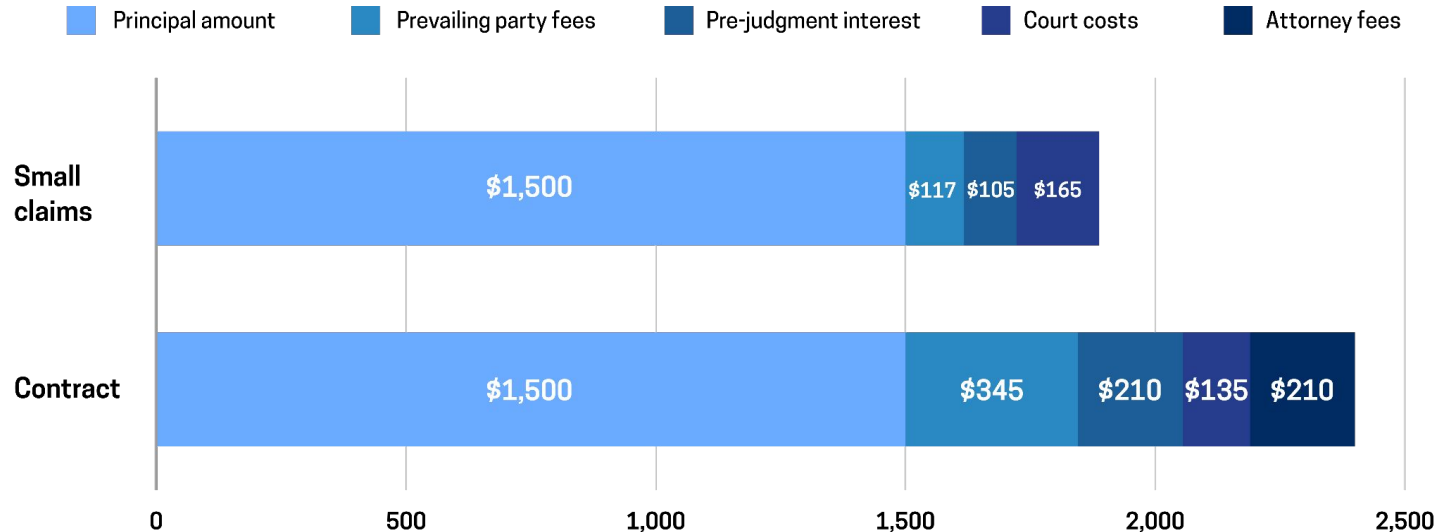
**#2 - Fewer than 4% of Oregonians file an answer to respond to the lawsuit against them.** When the defendant does not respond to the case, the plaintiff can request that the court enter a default judgment.



# Key findings from the analysis

## #3 - When a debt goes to Oregon's courts and becomes a judgment, it can rack up additional, punitive fees.

Plaintiffs can request to add attorney fees, prevailing party fees, and post-judgment interest even when the defendant does not participate and a default judgment is entered.





# Background on consumer debt cases in Oregon courts

# How consumer debt cases are filed in Oregon

Businesses trying to collect a consumer debt can file their action in Oregon's circuit court in two ways: as a **general civil breach of contract ("contract") case** or as a **small claim**.

- Lawsuits below \$750 must be filed as small claims, and cases above \$10,000 must be filed as contract cases (*ORS § 46.405*).
- Lawsuits between \$750-\$10,000, which include the vast majority of debt collection lawsuits, can be filed as either case type. For these cases, plaintiffs decide where to file. If they would like legal representation, they file in circuit court, as attorneys cannot be involved in small claims.
- While **99.9% of plaintiffs in contract cases are represented**, almost none of the people who are sued have legal representation, with **fewer than 1% of defendants having an attorney**.

*Note: Cases below \$10,000 can also be filed in Justice Courts. There are 15 counties in Oregon with Justice Courts that hear small claims, and in three of those - Tillamook, Baker, and Harney - all small claims cases are heard in Justice Courts (*ORS § 51.080*). There is little available data about consumer debt cases filed as small claims in Justice Courts, but we contacted each Justice Court to get a sense of how many small claims they were hearing. The filing numbers ranged widely, from 5 cases in Wheeler County (compared to 8 in circuit court) to 332 cases in Clackamas County (compared to 3,918 cases in circuit court).*

# How consumer debt cases work

## Filing

The business bringing the action (“the plaintiff”) files the case with the court as either a general civil contract case or a small claim.

## Service

The plaintiff has 63 days (small claims) or 91 days (contract) to serve the lawsuit papers on the person they are suing (“the defendant”).

## Response

The defendant has 14 days (small claims) or 30 days (contract) to respond to the lawsuit by filing a written answer with the court.

## Resolution

If the defendant does not file an answer, the plaintiff can request that the court enter a default judgment.

If the defendant does file an answer, the process diverges depending on whether it is a small claim or contract case (see slides 16 and 17).

## Enforcement

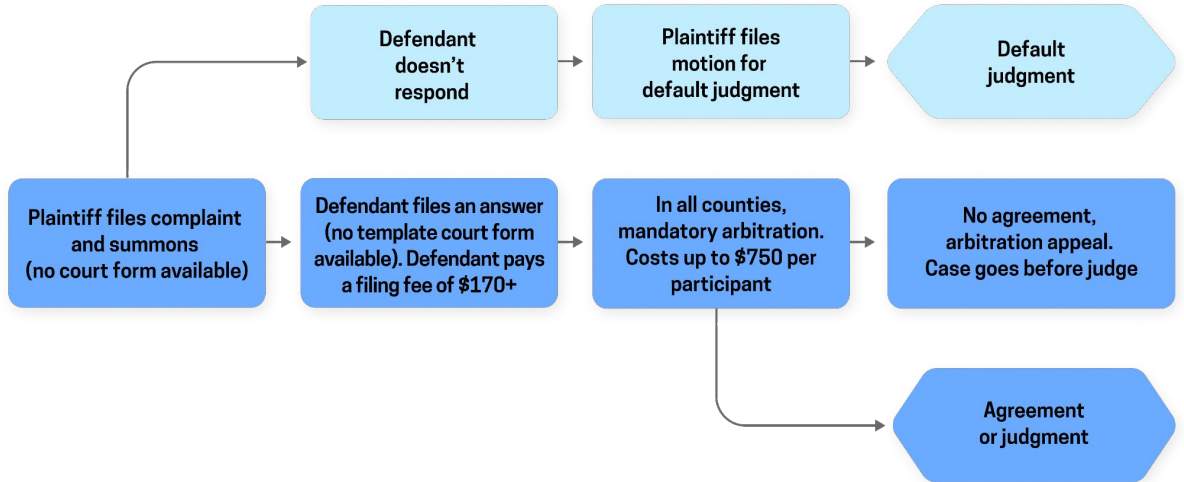
Once a judgment is entered, a judgment lien is automatically created for most cases and the business can use garnishment to seize the person’s wages or funds in their bank account to satisfy the debt.

# Oregon contract cases subject to mandatory arbitration

All lawsuits below \$50,000 filed as general civil contract cases are subject to mandatory arbitration.

If the defendant files an answer, instead of scheduling a trial, the court will send information about the arbitration process. The arbiter fee can be passed on to the defendant if they lose the case.

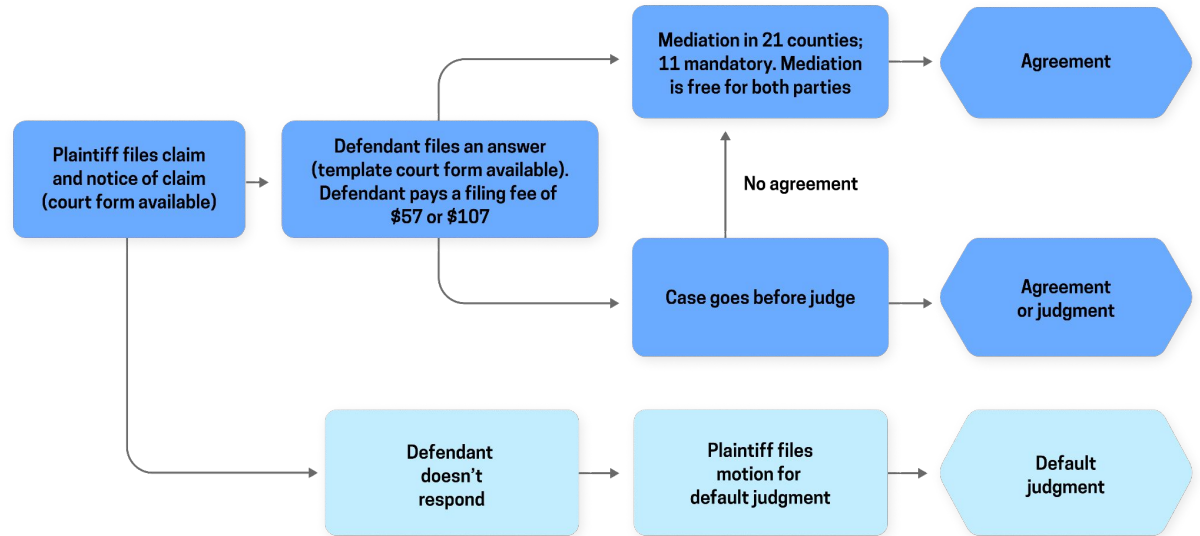
Arbitration decisions can be appealed before a judge.



# Oregon small claims are scheduled for trial or mediation

If a defendant files an answer, the court will automatically schedule a small claims trial, where parties can work out an agreement or the judge makes a decision.

Some counties have mediation programs available. In 11 counties, mediation is mandatory and the court will schedule the session if the defendant files an answer. If no agreement is reached, the case will go to a trial.



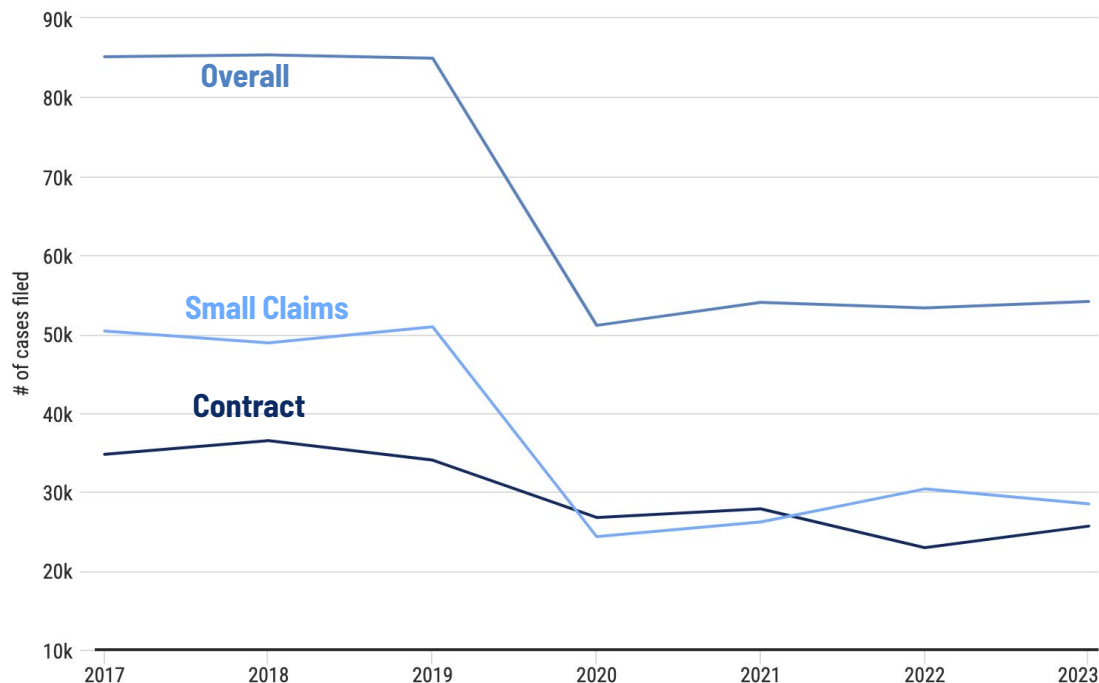
# Understanding the scope of Oregon's debt collection lawsuits

# Case filings decreased in 2020 and have not rebounded

Cases filed dropped significantly by 40% during the COVID pandemic in 2020. (52% decline in small claims; 21% in contract)

Our analyses in other states (such as [Minnesota](#) and [Michigan](#)) also found similar declines in case filing numbers during this period.

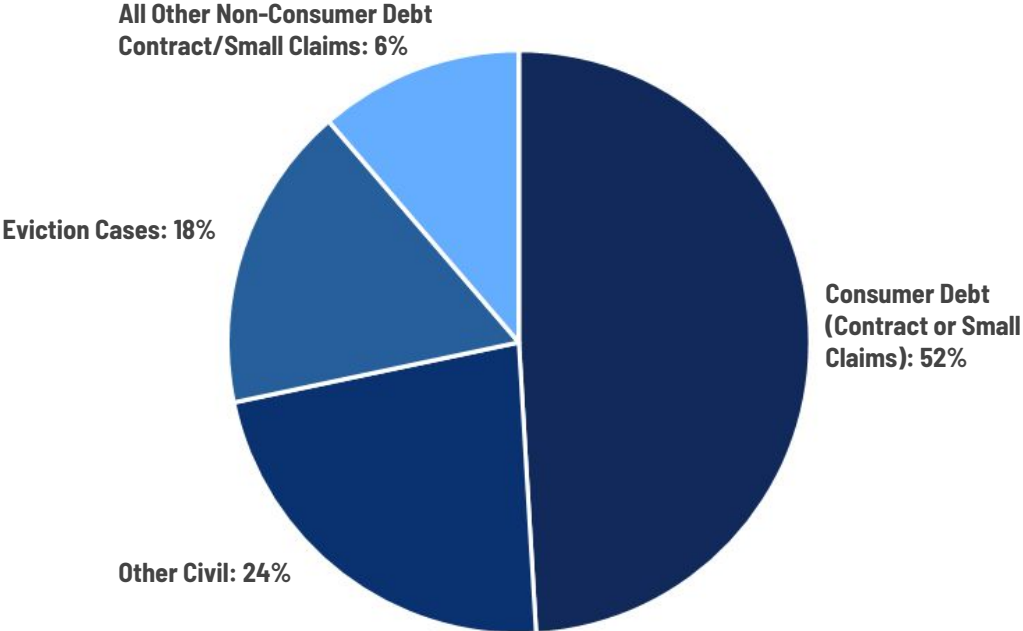
In Oregon, the decline may be due to several reasons – changes in plaintiff behavior, the impact of hospital charity care reforms, and broader economic trends. More detail about trends over time can be seen [here](#).



# Business-to-person lawsuits dominate the civil docket

**52% of all civil cases filed in Oregon circuit courts in 2022 were business-to-consumer debt collection cases.**

In total, plaintiffs filed 53,000 consumer debt cases in 2022.





# 1 in 10 debt matters in collections ends up in court

In 2022, 53,297 consumer debt cases were filed, indicating **a filing rate of 1.57 lawsuits for every 100 Oregon adults.**

We also wanted to analyze the **litigation rate** to understand the **likelihood of a past-due debt or unpaid bill ending up in court.**

According to the Urban Institute, about 26% of adults in Oregon have overdue credit lines or unpaid bills that creditors are trying to collect. Therefore, the **litigation rate is 9.77 lawsuits per 100 adults with a debt in collection.**

Note: We cannot tell with full accuracy whether defendants are being sued multiple times. While we can approximate it by searching for duplicate names and addresses, there are a number of limitations with this method that could lead to a possible undercount or overcount. We found 41,155 defendant names and addresses that appear more than once in the bulk data, so our rough estimate is that approximately 10% of defendants are sued more than once.

	2022
<b>Debt cases filed</b>	53,297
<b>Filing rate:</b> Debt cases per 100 adults	1.57
<b>% Adults with any debt in collections*</b>	26%
<b>Litigation rate:</b> Debt cases per 100 adults with any debt in collections	9.77

# More Oregonians are sued over debt than in other states

Fewer Oregonians have debt in collections than in other states, but when they do, they're more likely to be sued for it.

	<b>OR</b>	<b>IN</b>	<b>MN</b>	<b>CT</b>	<b>MO</b>
<b>Debt Cases Filed (2022)</b>	53,297	130,603	48,242	37,148	40,013
<b>Debt Cases Per 100 Adults</b>	1.57	2.48	1.09	1.28	0.83
<b>Percent of Residents with Any Debt in Collections</b>	16%	28%	13%	22%	29%
<b>Litigation Rate:</b> Cases per 100 Adults with Any Debt in Collections	9.77	8.86	8.38	5.82	3.19

# Half of all Oregon debt lawsuits are for less than \$1,549

The amount of debt at stake in these cases - a median of \$1,549 - is low relative to a mortgage foreclosure or federal student loan debts. But these amounts are significant for most Oregonian families, more than the typical [monthly rent](#).

Oregon's most recent [Financial Wellness Scorecard](#) found that almost half of Oregonians say it's somewhat or very difficult for them to cover their expenses and pay all their bills in a typical month, and 55% are not confident or don't know that they could come up with \$2,000 if an unexpected need arose in the next month.

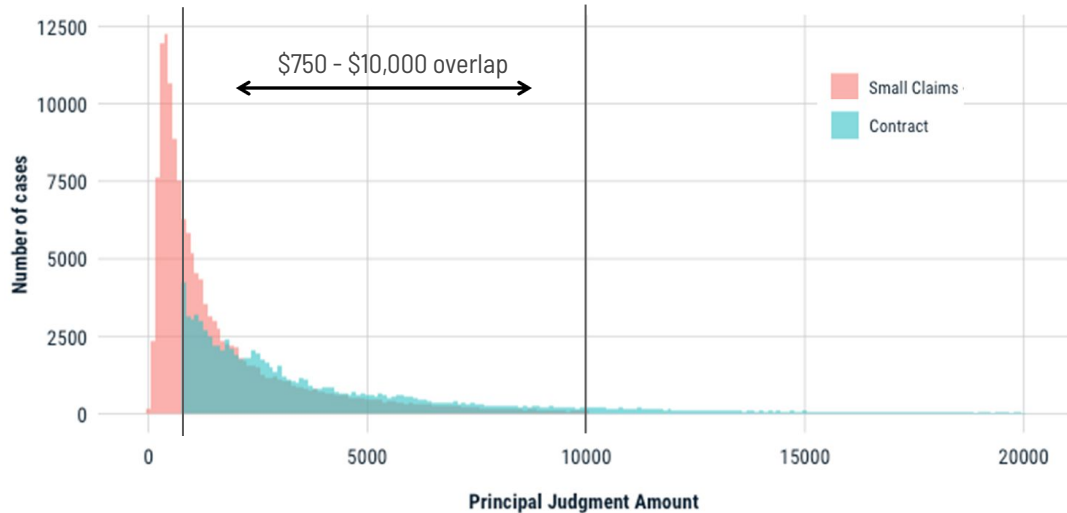
Court	Median Principal Judgment	25th Percentile	75th Percentile
All cases	\$1,549	\$720	\$3,491
Contract	\$2,699	\$1,434	\$5,563
Small claims	\$973	\$477	\$2,227

# Most cases could be filed as either small claims or contract

**69% of all cases** are between \$750-\$10,000, meaning the plaintiff can decide whether to file as a small claim or as a contract case.

**The median small claim is \$973 and 41% of small claims are under \$750.** Third-party debt collection companies are the most common filers of these smaller dollar lawsuits.

**The median contract case is for \$2,699 and fewer than 11% are above \$10,000.** Banks and credit card companies are the most common filers of \$10k+ lawsuits.



# Understanding who is filing lawsuits in Oregon and for what types of debt

# 10 companies file more than half of Oregon's debt lawsuits

**Debt lawsuits brought by the top 10 filers alone represent 53% of all debt cases.**

Most years, 35% of debt lawsuits are filed by **third-party debt collection agencies** on behalf of other creditors.

Around 20% are filed by **debt buyers**, who purchase unpaid debts to collect them.

About 15% are filed directly by national **banks or credit card companies**.

And 5% are filed directly by **high-interest lenders**, such as payday loans or auto lenders. The remaining lawsuits are filed by utility companies, medical providers, and other businesses.

Plaintiff	Num. cases	% of docket
Professional Credit Service (Ray Klein Inc.)	66,188	14.1
Midland Funding	30,743	6.6
Capital One	26,260	5.6
LVNV Funding	24,760	5.3
Portfolio Recovery Associates	23,095	4.9
Southern Oregon Credit Service	19,808	4.2
We Collect	14,485	3.1
CSO Financial	14,140	3
General Credit Service	13,691	2.9
Bonneville Billing And Collections	13,022	2.8

# Specialized collections businesses dominate top 10 plaintiff list more than other states

We see some of the same companies in Oregon that file the bulk of these cases in other states too. **Capital One Bank and debt buyers Midland Funding, LVNV Funding, and Portfolio Recovery Associates are also within the top 10 plaintiffs in [Utah](#), [Michigan](#), [Minnesota](#) and [Oklahoma](#).**

But Oregon differs from the other states whose data we've analyzed because it **allows third-party debt collectors, who do not own the debt but are just collecting on it on behalf of someone else, to sue in their own name, rather than the original creditor's name.** So, while other states have hospitals, high-interest lenders, and utility companies amongst the top plaintiffs, Oregon's list mostly consists of specialized collection businesses.

Colorado passed a [law](#) in 2024 that requires debt collectors to include the original creditor's name in the case caption. Without that transparency, entities like the largest hospital system in [Colorado](#) and medical providers in states like [Nebraska](#) and [Oregon](#) avoid public scrutiny.

Top 10 plaintiffs in contract claims are generally national; whereas small claims tend to be regional

General civil contract	
Plaintiff Name	# cases filed
Midland Funding	30,743
Capital One	26,260
LVNV Funding	24,760
Portfolio Recovery Associates	23,095
Cavalry Spv I	11,876
Discover Bank	10,602
Bank of America	7,821
Professional Credit Service (Ray Klein Inc.)	5,161
One Main Financial Service	5,060
U.S. Bank National Association	4,365

Small claims	
Plaintiff Name	# cases filed
Professional Credit Service (Ray Klein Inc.)	61,027
Southern Oregon Credit Service	19,022
We Collect	14,038
General Credit Service	13,647
CSO Financial	13,392
Bonneville Billing And Collections	12,746
Quick Collect	11,906
Valley Credit Service	11,601
Creditors Collection Service	9,855
United Finance	9,484



# Two law firms file almost half of all contract cases

**99.9% of plaintiffs are represented in general civil contract cases** (attorneys are generally not allowed in small claims).

Information about the law firms representing the plaintiffs is not available in the bulk court data, but we collected it in our case document analysis when the plaintiff was represented.

Law Firm	Percent Cases
Johnson Mark	25%
Gordon Aylworth And Tami	22%
Patenaude & Felix	9%
Dale Nordyke (Portfolio Recovery Associates)	8%
Suttell & Hammer	8%

# Plaintiffs do not necessarily reflect original creditors, who are commonly banks, hospitals, and utility companies.

Because the bulk court data does not contain information about the original creditor, we had to look for that manually in case documents.

Oregon also allows third-party debt collection agencies to sue for multiple assigned debts at once. In 5% of cases, the debt collector was collecting from multiple creditors, such as an ambulance company and a hospital.

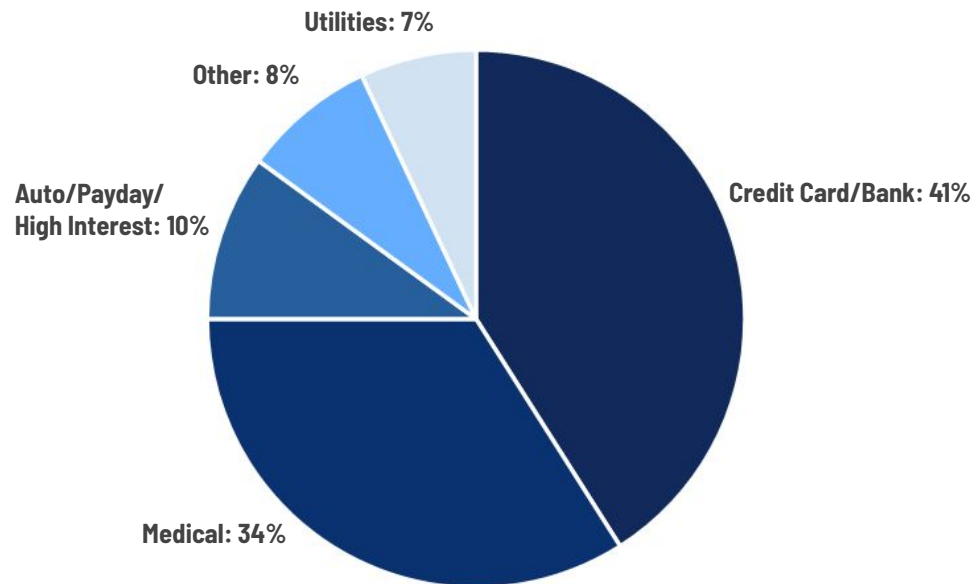
Original Creditor	Percent
Capital One	7%
Synchrony Bank	6%
Multiple Original Creditors*	5%
Citibank	5%
Credit One	4%
Asante Health	3%
Discover Bank	3%
US Bank	3%

# The top three types of debts are credit card or bank debt, medical debt, and utility debt

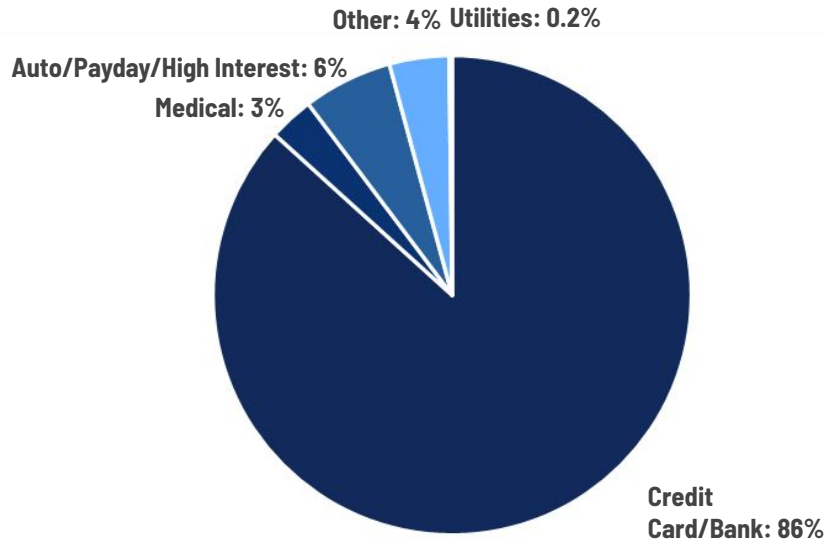
Identifying the original creditor allows us to understand the types of debt at stake.

We found debt buyers most often sue for credit card or bank debt they purchased, while debt collectors most often sue for debt assigned by health providers or utility companies.

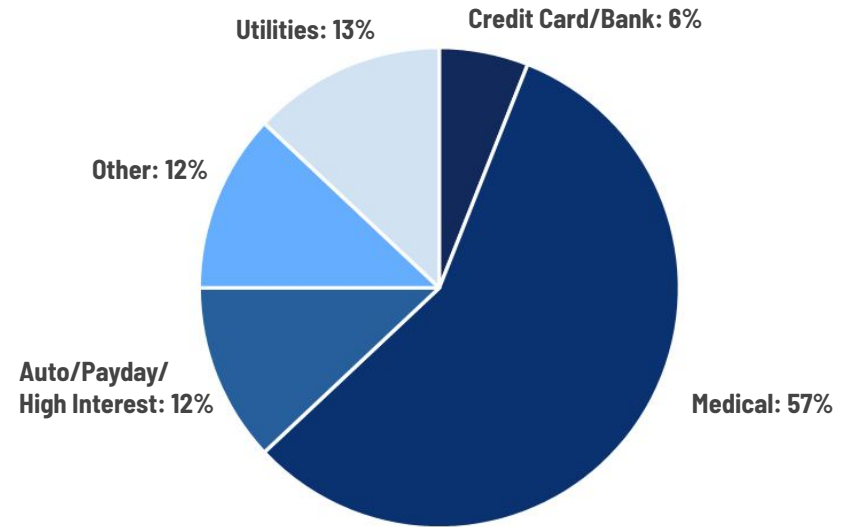
High-interest lenders are more likely to sue on their own, instead of assigning the debt.



# Medical debt dominates small claims while the underlying debt in most contract cases is from credit cards or banks



Contract



Small claims

# Medical debt is not easily identifiable from court documents

**We only categorize “medical debt” as those debts owed directly to health care providers.**

But many medical necessities like prescription drugs, supplies, or co-pays for certain visits have to be paid upfront, so people may take out loans or use credit cards.

There are also specific medical credit cards, such as Synchrony Bank’s Care Credit, and past due debts from these credit cards are often sold to debt buyers. Medical debt incurred on that card would show up in a lawsuit as simply debt owed to Synchrony Bank, making it difficult for the defendant, court, or researchers to understand what kind of debt it is.

So even when the original creditor is disclosed, the courts - and often the people sued - have no way to identify if a credit card debt was actually used to cover a necessary medical expense unless an additional flag is added.

# Case document review shows that 1 in 10 medical debt cases are filed by or on behalf of Asante

Most medical debt cases in Oregon are brought by third-party debt collectors. From the case documents, we were able to identify and classify original creditors related to medical debt. This table draws from the hand sample and shows the top percentages of medical debt cases filed on behalf of medical providers.

Unlike other states we've examined that see medical debts filed by a handful of large hospital systems, such as [Minnesota](#), Oregon's medical debt filings appear to be spread out across a number of medical providers.

Original Creditor	Percent
Asante	10%
More than one original creditor named on lawsuit	9%
St. Charles	5%
Salem Clinic	3%
Corvallis Clinic	3%
Corvallis Radiology	3%
Providence Health And Services	3%
Samaritan Clinics	3%
Bay Area Hospital	2%
Columbia Memorial Hospital	2%
Good Shepherd	2%
Santiam Memorial Hospital	2%

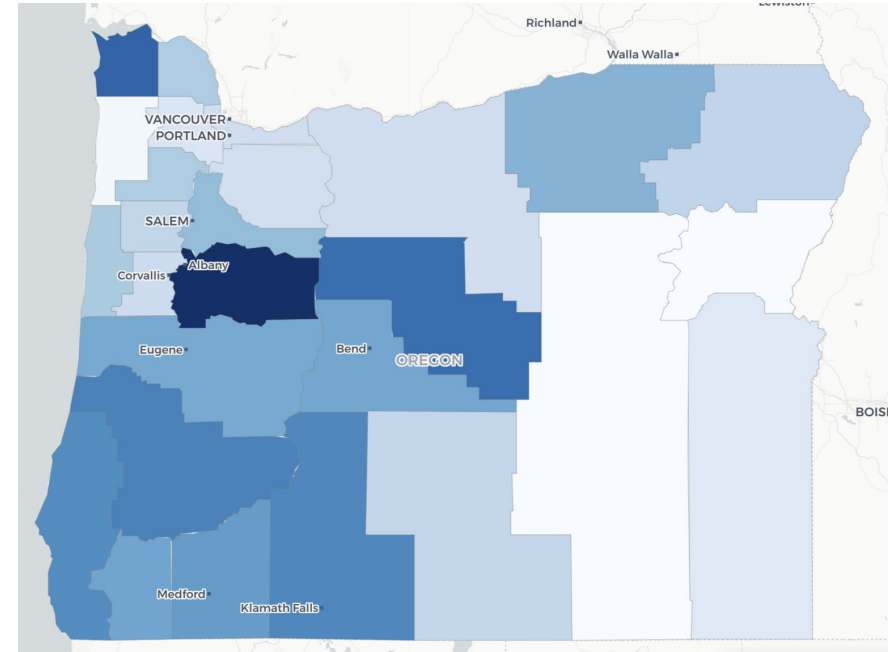
# Understanding who in Oregon is being sued

# Lawsuits impact all of Oregon with more litigious businesses likely driving higher filing rates in some counties

The map shows how the filing rate varies by county, from less than 1 case filed per 100 adults to over 3 cases filed per 100 adults.

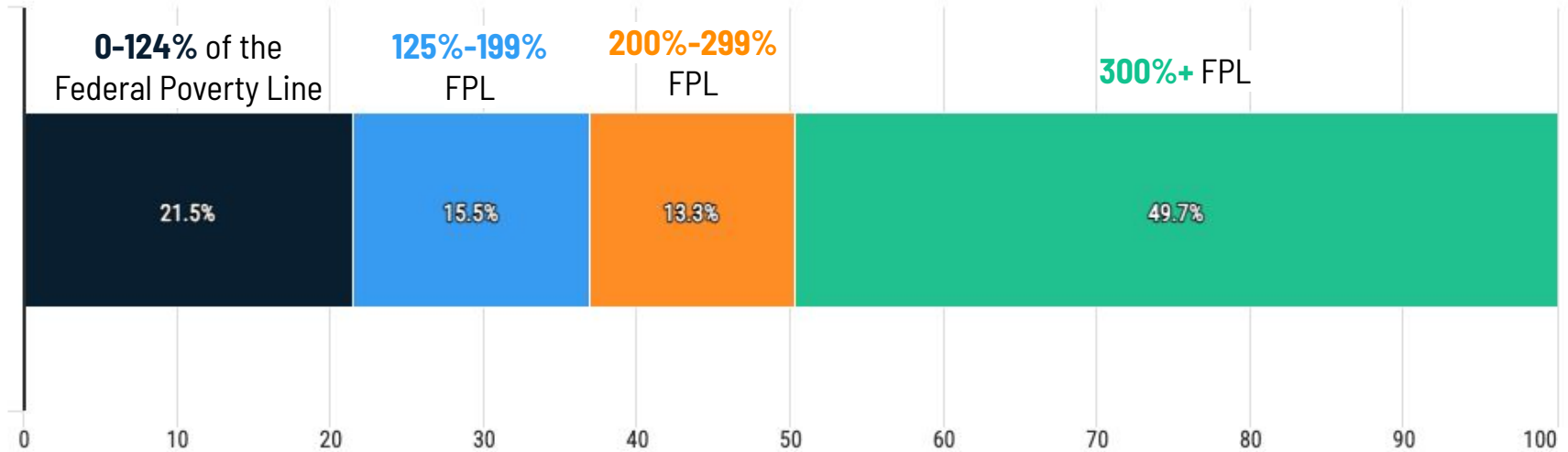
But the filing rates do not correlate with the percentage of people with a [debt in collections](#).

For example, both [Clatsop](#) and [Columbia](#) counties, in the northwest corner of the state, have 17% of adults with a debt in collections. Yet the filing rate in Clatsop is much higher than in Columbia county, which could point to more litigious local debt collection companies, high-interest loan businesses, or hospitals.

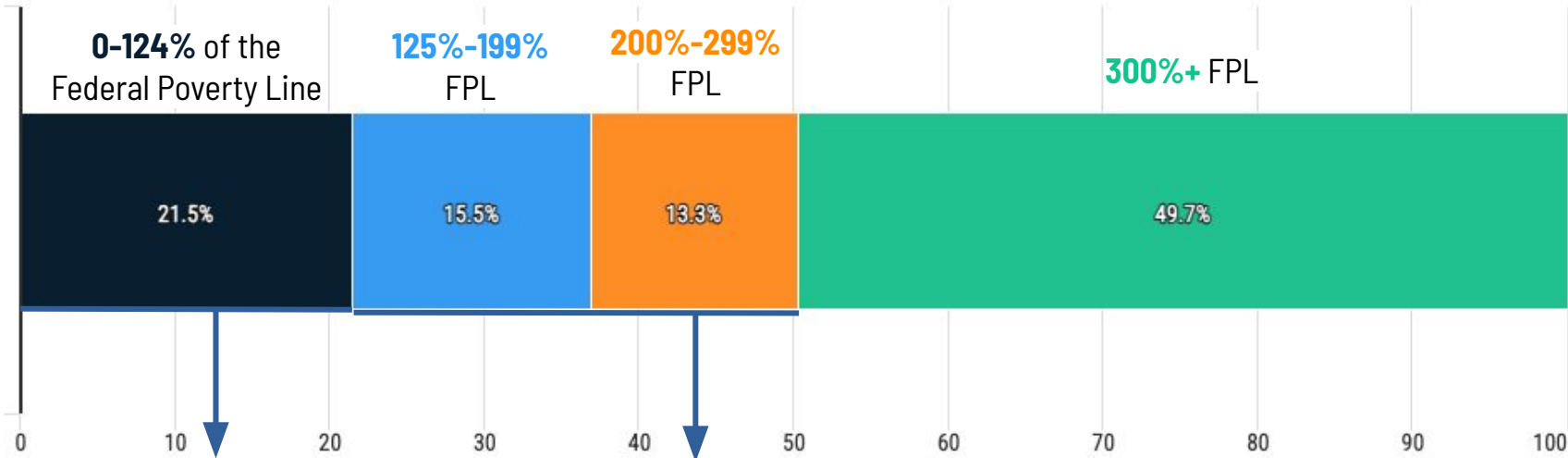




# Oregonians facing debt lawsuits span the income spectrum



# Most defendants don't qualify for legal aid services



22% of lawsuits are filed against defendants who likely qualify for legal aid. For a household of four, that's \$34k/year.

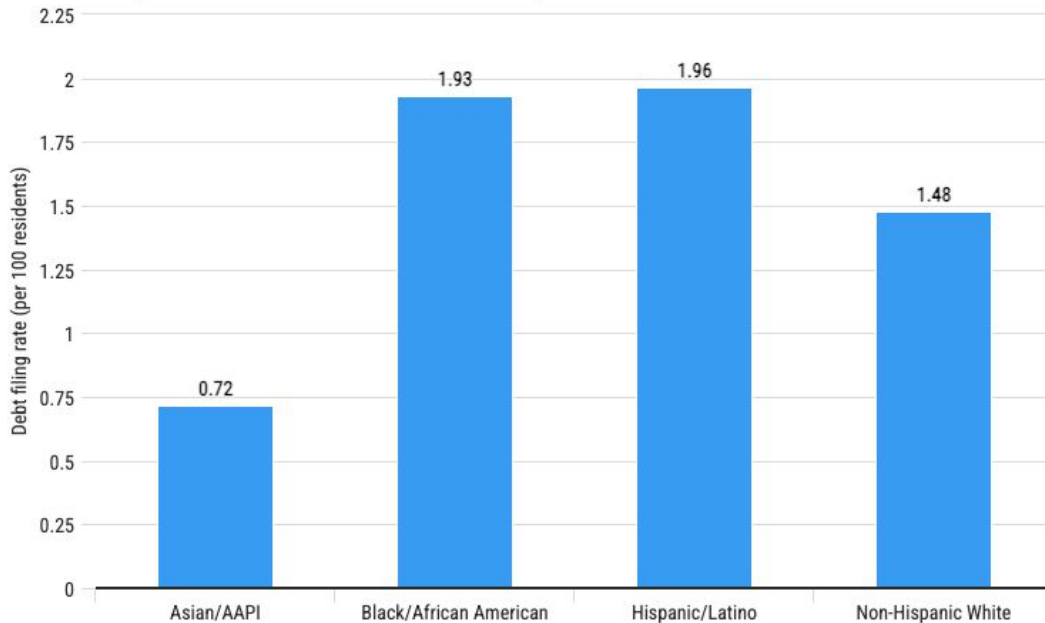
Another 29% of lawsuits are filed against defendants who likely do not qualify for legal aid but who may be unable to afford a lawyer. For a household of four, that's those making \$34k to \$83k/year.

# Lawsuits impact all of Oregon, especially some rural counties

Oregonians in rural counties are more likely to have auto, retail, and medical debt in collections, with higher debt collection filings per capita than urban areas. This disproportionality appears to be driven by local hospitals, utility companies, and high-interest lenders.

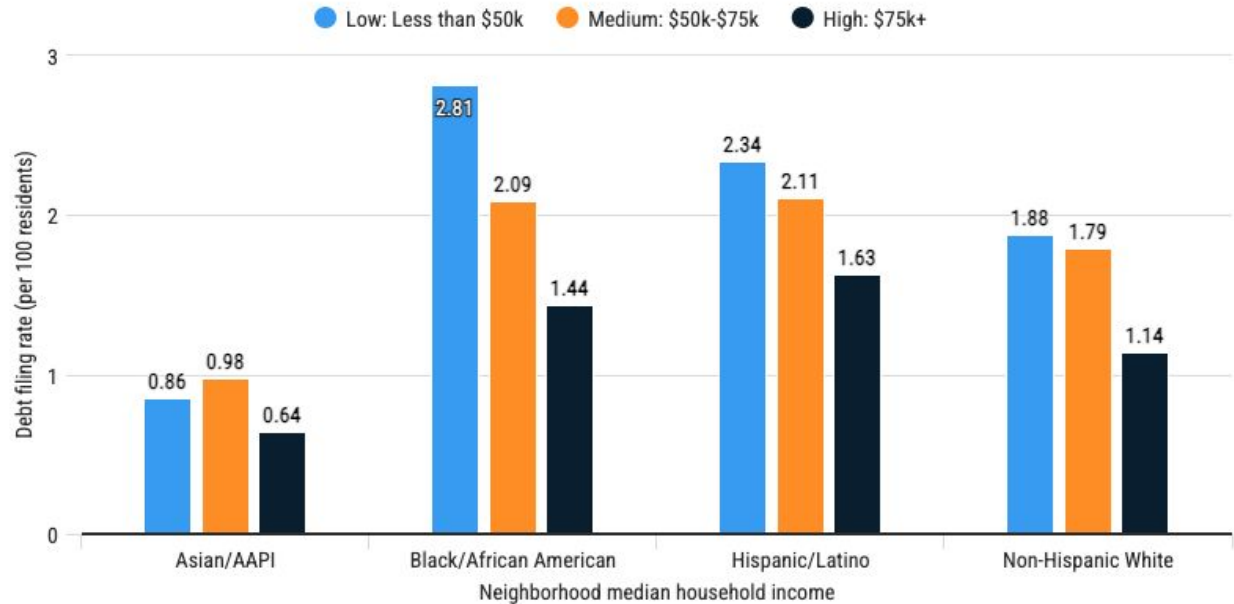
County	Filing rate	Population
Linn	3.2	100,150
Clatsop	2.7	33,669
Crook/Jefferson	2.6	52,655
Douglas	2.4	89,856
Klamath	2.4	36,501

# Filing rates are 30% higher among Black and Hispanic/Latino Oregonians compared to white Oregonians



# Black and Hispanic/Latino Oregonians at all levels of neighborhood income face higher rates of debt lawsuits

These racial disparities are evident at all levels of neighborhood income, but they are starkest among the lowest income neighborhoods.



# Understanding how Oregonians engage and their case outcomes

# There are different ways to complete service of process

Once a case is filed, plaintiffs must notify the defendant of the case, a process called service. Plaintiffs must use a third party, often a private process server, to deliver the lawsuit documents to the defendant through one of these methods:

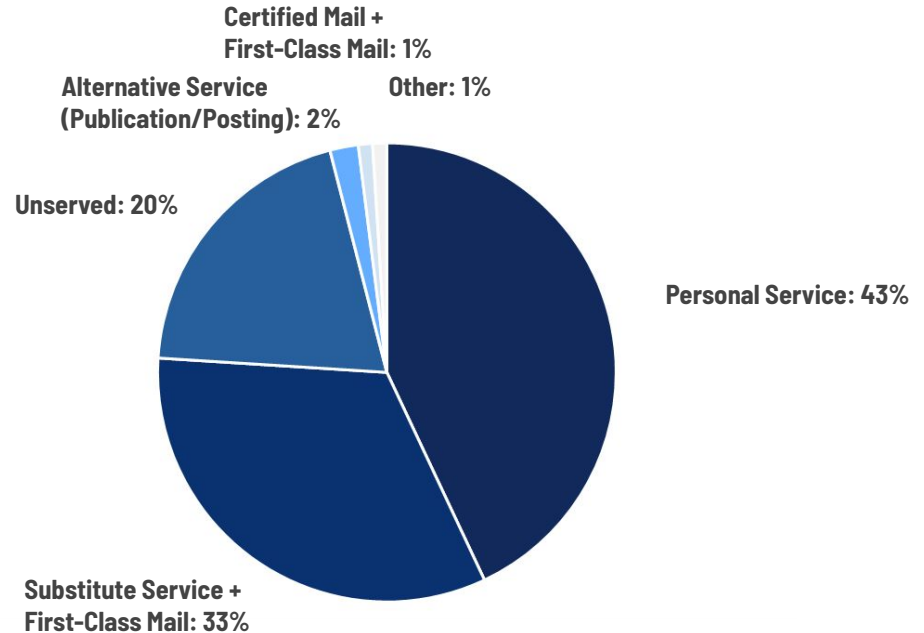
<p><b>Personal service</b>, personally delivering the lawsuit to the defendant.</p>	<p><b>Substitute service</b>, personally delivering the lawsuit to another adult in their residence.</p> <p><b>Office service</b>, personally delivering the lawsuit to defendant's office (if they own a business).</p> <p><b>Certified mail</b>, with return receipt requested.</p> <p>For any of these methods, the process server must also send a copy of the lawsuit by <b>first class mail</b>.</p>	<p><b>Alternative service</b>, such as posting the lawsuit in the courthouse or in the newspaper (must get authorization from the judge and is usually only granted if other methods have been tried and failed).</p>
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# Most plaintiffs use personal service

**Personal service** is the most common type of service, followed by **Substitute service + First-Class Mail**.

This information was not reliably captured in the bulk court data, so we recorded this information from our case document review of 1,000 cases.

Cases that are unserved are typically dismissed by the court. The bulk data shows **17% of disposed cases were dismissed for non-service**.





# Type of service appears to impact default judgment rates

Default judgment rates vary by type of service.

In our hand sample, we found that **among cases with alternative service, like posting or publication, default judgments rates were 93%.**

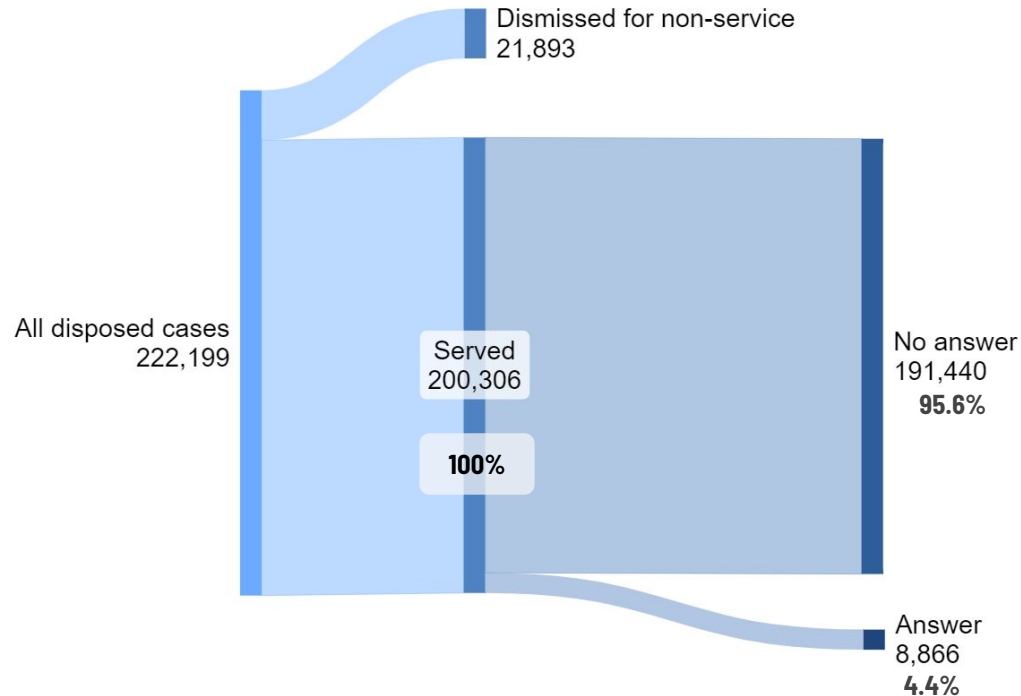
By contrast, among cases where defendants were personally served, the rate of default judgment was 65%.

Type of Service	% default judgments among cases with this service
Alternative Service (Publication/Posting)	93%
Substitute Service + First-Class Mail	74%
Personal Service	65%
Certified Mail + First-Class Mail	50%

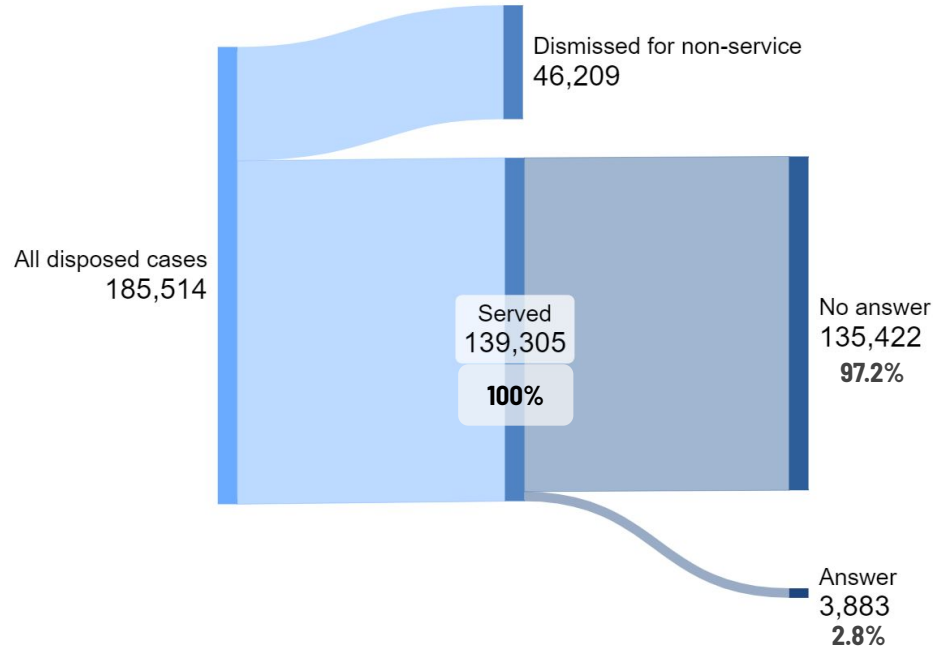
# 96% of defendants do not answer the lawsuit against them

- **Filing an answer with the court is the first step in a case** and is required in order to get a hearing, mediation, or arbitration (depending on county and case type) and avoid losing the case automatically with a default judgment.
- **Filing an answer requires defendants to pay a filing fee**, starting at \$57 for small claims and \$170 for contract.
- **Fee waivers are available, but underused.** Fee waivers or deferrals were approved 93% of the times they were requested, but they were only requested in 17% of the cases where the defendant filed an answer.
- **No template answer form is available in general civil contract cases**, making it harder for people to figure out how to respond.
- **The answer rate in small claims is still very low**, even though filing fees are lower and more self-help materials are available.

# Only 4.4% of people served file an answer in small claims



# Only 2.8% of people served file an answer in contract cases



# Oregon's answer rate is very low, even compared to other states that require an answer

	Court	Answer rate
Answer required	Oregon contract cases	2.8%
	Oregon small claims cases	4.4%
	California district courts	8.8%
	Utah district courts	9.2%
	Boston Municipal Court	13%
	Court	Initial appearance rate
No answer required	Minnesota Conciliation Court (small claims)	20-46%
	Hamilton County, TN General Sessions Court	28-44%
	Utah small claims	30-68%

There is limited data available, but in other state courts where a hearing is automatically scheduled and the summons contains a date, time, and place, studies have found significantly higher participation rates.

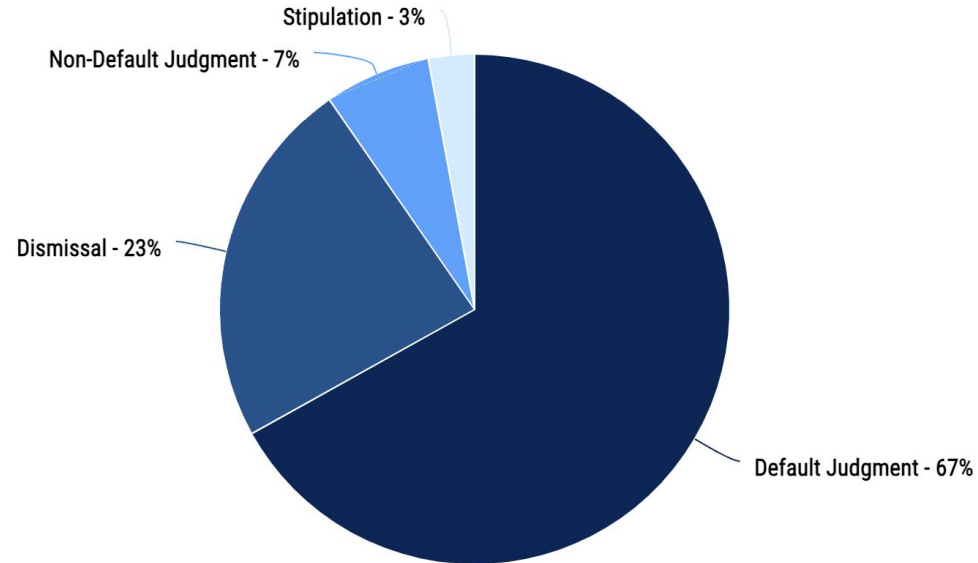
Those studies have also found that when both parties appear at the hearing, whether in person or remotely, most cases are settled without requiring a full trial before a judge.

# 7 in 10 cases end in default judgment

When defendants do not file an answer, the plaintiff can request a default judgment, meaning they automatically win the case. **67% of all cases served end in default judgments.**

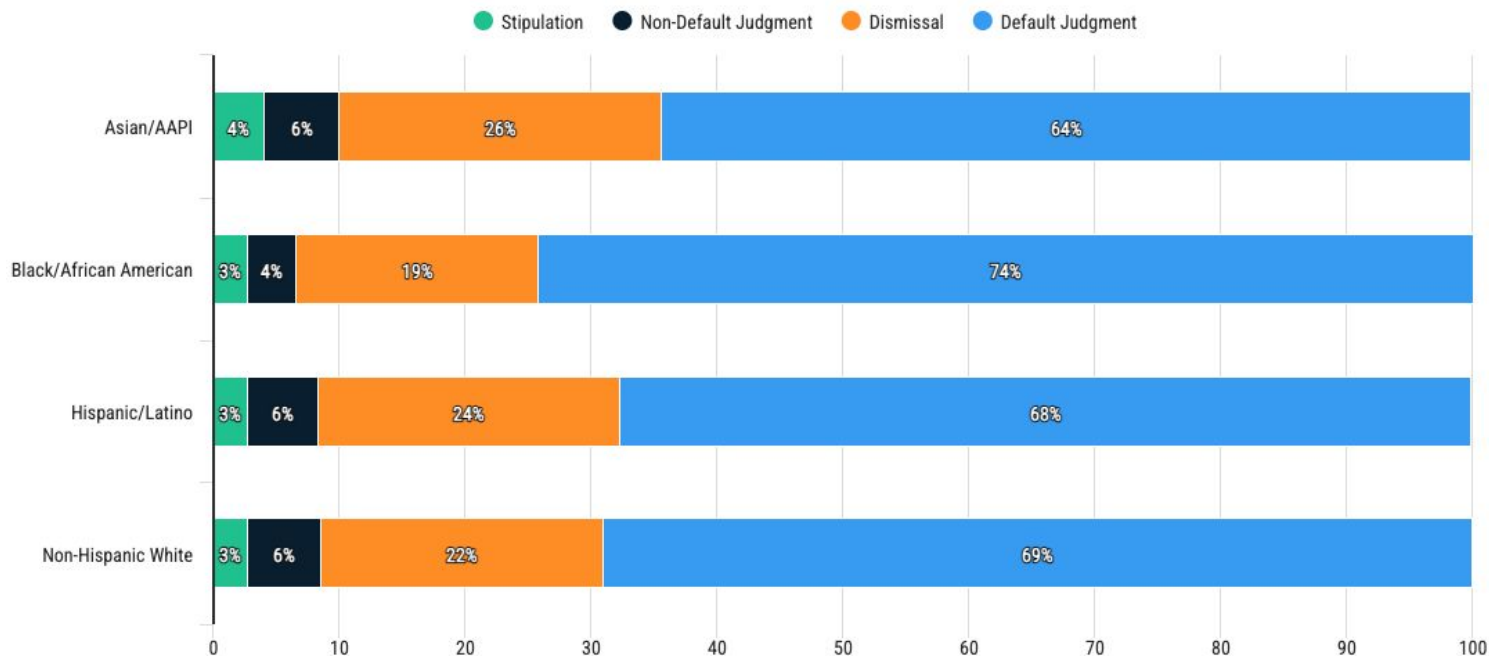
**Some unanswered cases may be dismissed for reasons not specified in the data,** including but not limited to a plaintiff failing to request a default judgment in time or an agreement reached outside the court.

Some agreements between parties may be recorded (as an agreement or stipulated judgment), while for others the plaintiff may ask to dismiss the case or simply never file a request for default judgment.



# Black Oregonians had a higher rate of default judgments than other race-ethnic groups

Black Oregonians are more likely to receive a default judgment than their white neighbors (74% vs. 69%).

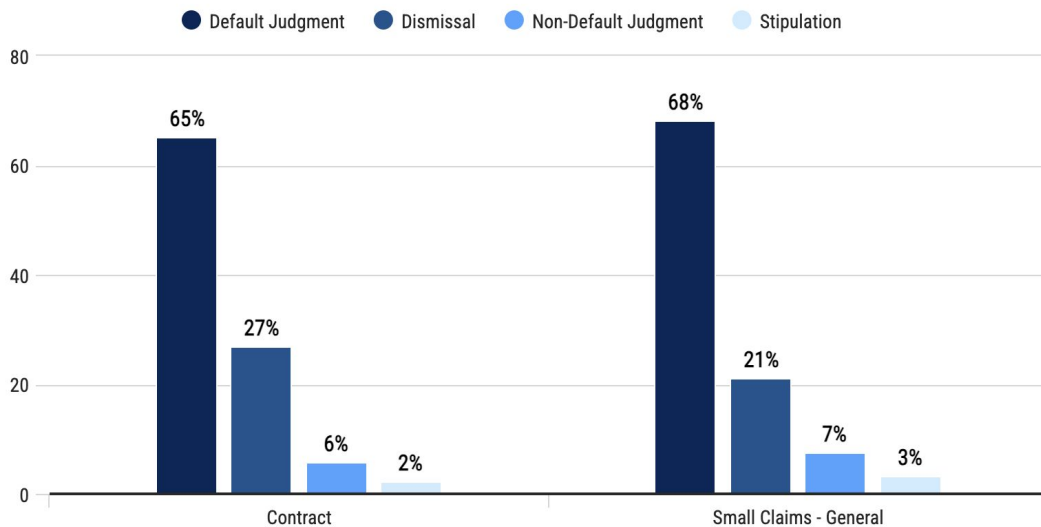


# Case outcomes in small claims and contract cases are similar

Small claims has lower filing fees and more self-help materials available than for contract cases. Despite that, small claims have a default judgment rate that is just as high.

The difference in outcomes exists only for the few cases where the defendant answers: in those cases, **small claims are more likely to resolve by agreement.**

Resolving cases by agreement leads to [fewer added costs](#) and [less garnishment](#).

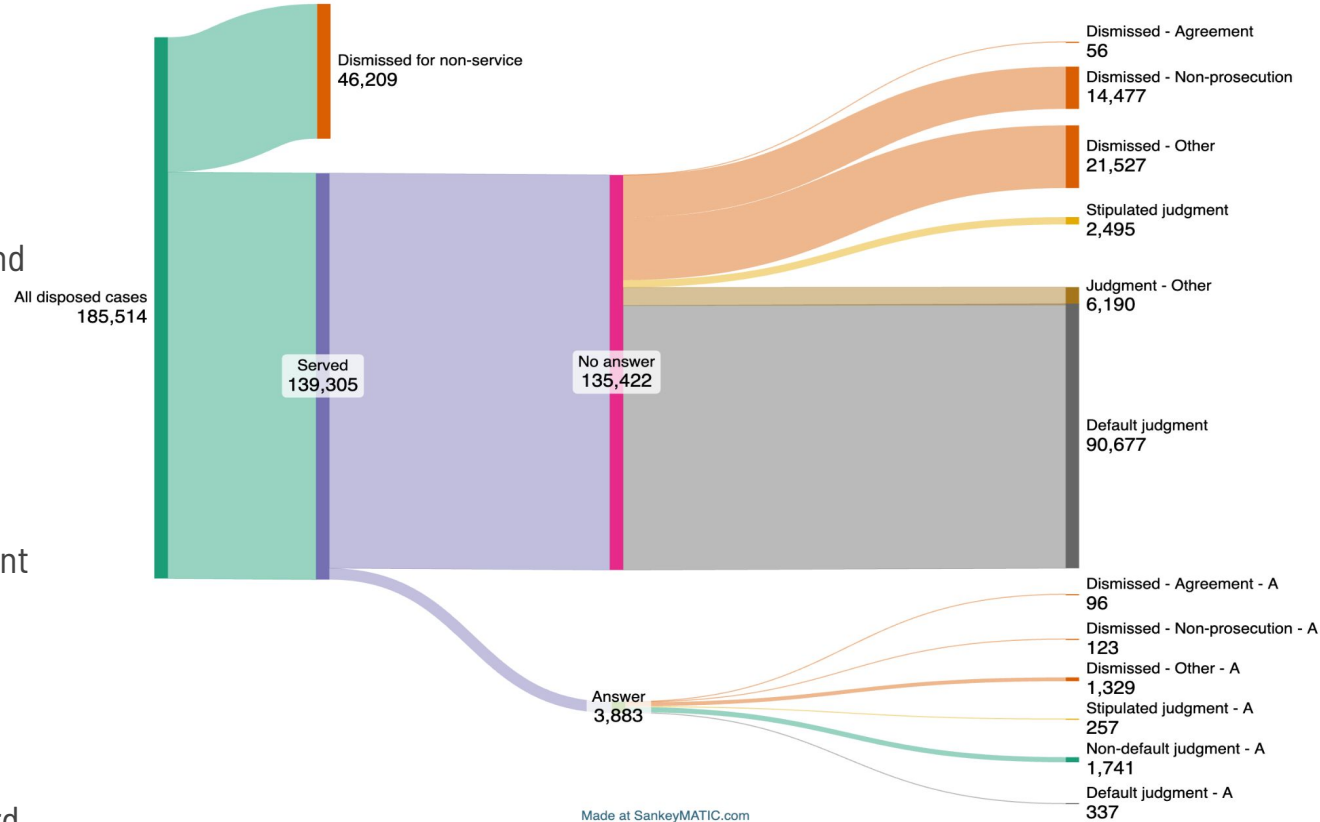




# Contract case outcomes

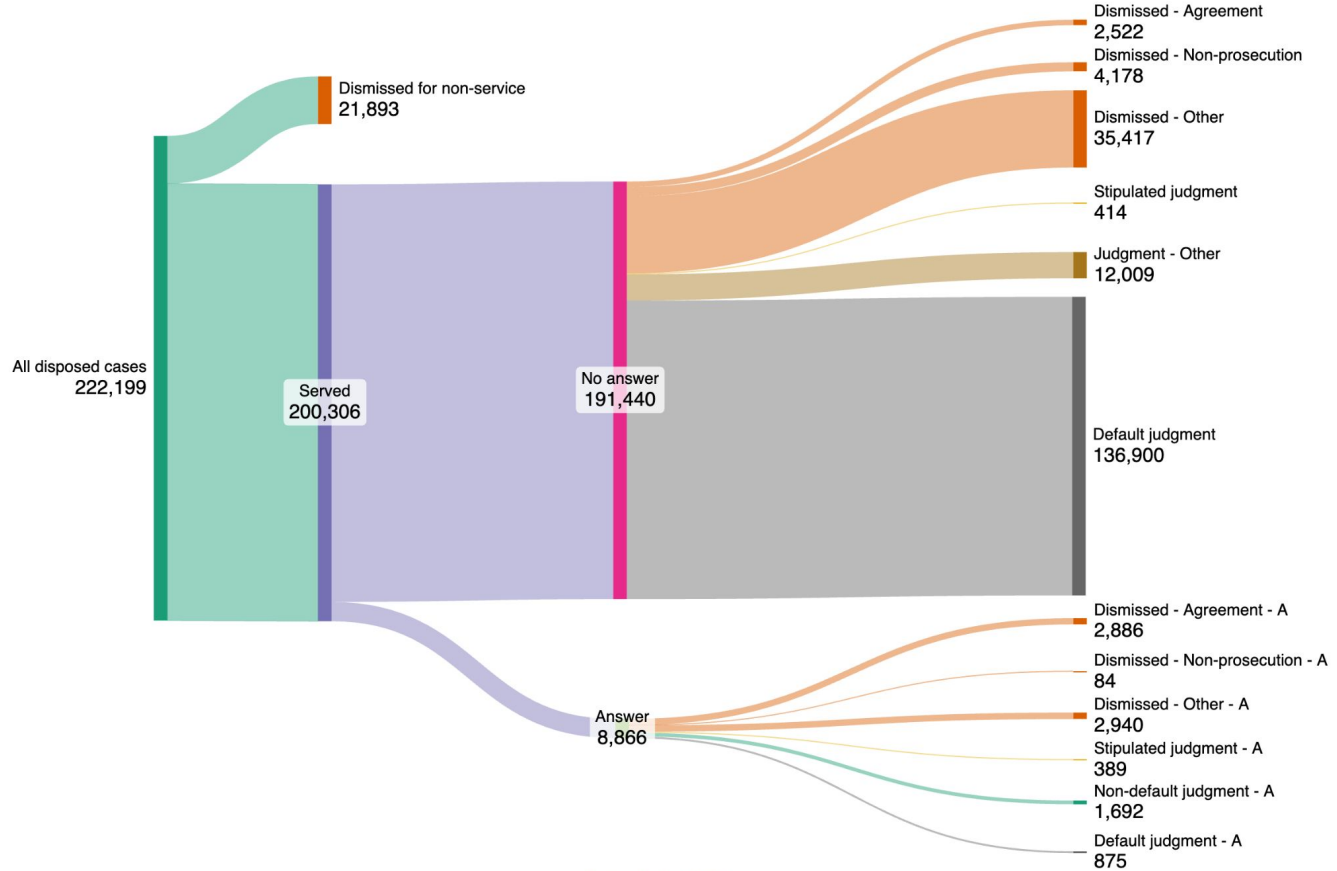
Most defendants do not answer, and default judgments are the most common outcome.

Some unanswered lawsuits are dismissed because the plaintiff does not request a default judgment in time (non-prosecution), others reach an agreement or stipulation outside of the court process. Even still, many cases do not have a reason for dismissal in court record.



# Small claims outcomes

For the few defendants that answer, small claims are more likely to be resolved by an agreement or a stipulation than contract cases.



# Small claims in Oregon have higher default rates than in other states

Small claims in Oregon are unusual compared to other jurisdictions we've studied because **Oregon small claims require defendants to file a written answer** (a process usually reserved for general civil circuit or district courts).

In Minnesota, Utah, and Hamilton County, TN, **cases in small claims automatically have a hearing scheduled**. This leads to more participation (see slide 73), but also lower default rates.

State	Circuit/District	Small Claims
Oregon	65%	68%
Minnesota	82%	54%
Michigan	68%	—
Utah	71%	29%
Hamilton, TN	—	56%

**Table shows default rates for contract and small claims cases in different jurisdictions.** Source: Oregon Judicial Department, 2017-2023. Note: The initial appearance rate is estimated as a range from those who reached an agreement or had a non-default judgment entered to also including those who had their case dismissed. [Utah](#) data is from 2019; [Minnesota](#) data is from 2018-2021, [Michigan](#) data is from 2015-2019; and [Hamilton County, TN](#) data is from 2020-2022.

# Half of all cases reach disposition within 75 days of filing

## Share of contract cases disposed in...

	...180 days	...265 days	...540 days
NCSC standard	75%	90%	98%
Oregon (2017-2023)	87%	96%	99%

Compared to the National Center for State Courts [national standards](#), Oregon's consumer debt cases filed in circuit court close relatively quickly, while small claims cases take longer to reach disposition.

## Share of small claims cases disposed in...

	...60 days	...90 days	...180 days
NCSC standard	75%	90%	98%
Oregon (2017-2023)	57%	73%	92%

The median case length for cases are:

All cases: **75 days**

Contract: **99 days**

Small Claims: **51 days**

# Few cases enter mediation in Oregon, but when they do, 72% lead to a dismissal or stipulated judgment

Twenty-one counties have a small claims mediation program with volunteer mediators run by a court coordinator or in partnership with a Community Dispute Resolution Center. In 11 of those counties, mediation is mandatory before a hearing. But the court does not refer cases to mediation until an answer is filed.

- Because defendants rarely file an answer, mediation is rarely used. **1% of all cases with a disposition record entered mediation.** Over the 5 years of data there were 3,811 cases that entered mediation.
- When there is mediation, it seems to be successful, with **72% of cases reaching an agreement** (recorded as either a dismissal or a stipulated judgment).
- Plaintiffs can request a judgment and garnishment if the defendant is not compliant with the agreement terms, but most mediated agreements never result in non-compliance. **Only 35% of mediated agreements end up with a judgment later, and only 16% of mediated agreements end up with a garnishment later.**

# With low answer rates, arbitration is rare in Oregon

In general civil court, contract cases under \$50,000 are referred to mandatory arbitration once the defendant files an answer. This involves bringing in a neutral arbitrator to conduct fact finding, hear both parties, and make a judgment. Arbitration can cost up to \$750 per participant, with the losing party required to pay all fees.

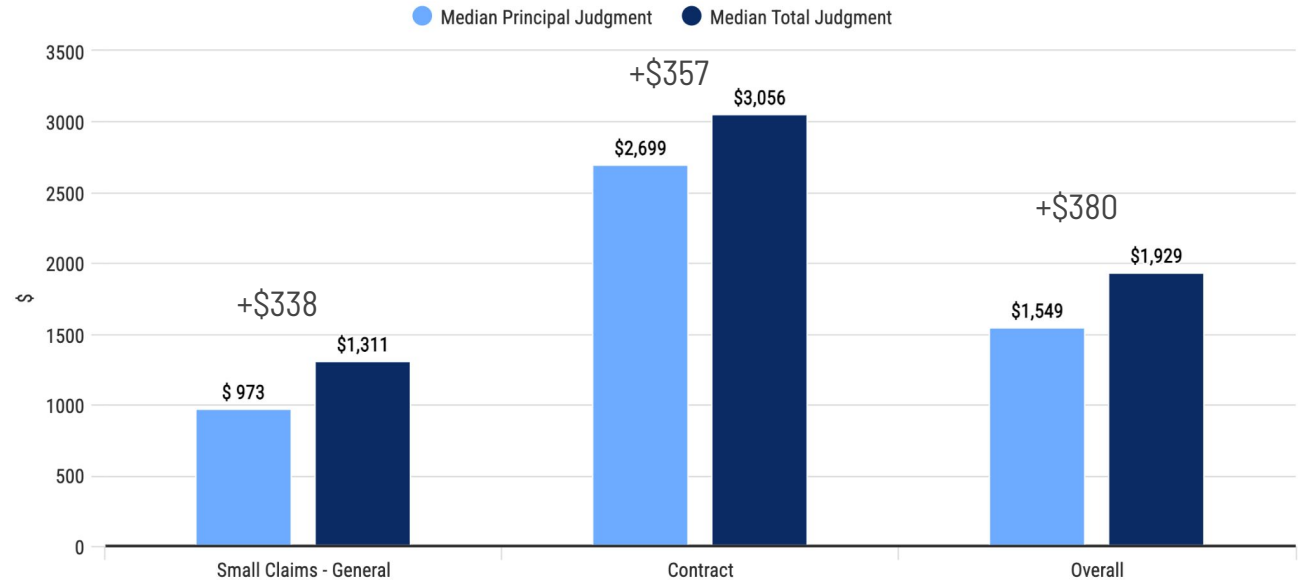
Arbitration is not assigned until the defendant responds to the lawsuit by filing an answer. **Since only 2.8% of defendants file an answer in these cases, arbitration is rare.**

When a defendant does file an answer, the court will send a notice asking both parties to select an arbitrator. **In 54% of cases where the defendant answered and the court sent a notice, the case did not move forward with arbitration.** This could be because an agreement was reached outside of the court process or because the defendant did not answer the request to select an arbitrator and a default judgment was entered.

# Understanding added costs and fees in Oregon

# Overall, a final judgment is around \$380 higher than the initial claim

The difference between the median principal judgment and the median total judgment amount indicates how much is typically added through the court process, including filing fees, attorney fees, and prevailing party fees.





# Adding pre-judgment interest is common in small claims

Plaintiffs **add pre-judgment interest in about 54% of all cases with a judgment.**

Added pre-judgment interest is more common in small claims than in contract cases, but contract cases have higher rates of pre-judgment interest, on average, and more significant amounts accrue.

Pre-judgment interest can add hundreds or sometimes thousands of dollars to the final judgment.

	Share of cases with pre-judgment interest	Median pre-judgment interest rate	Median pre-judgment interest accrued
Contract	11%	14%	\$603
Small claims	84%	7%	\$68

# The plaintiffs most likely to add pre-judgment interest are third-party debt collectors and high-interest lenders

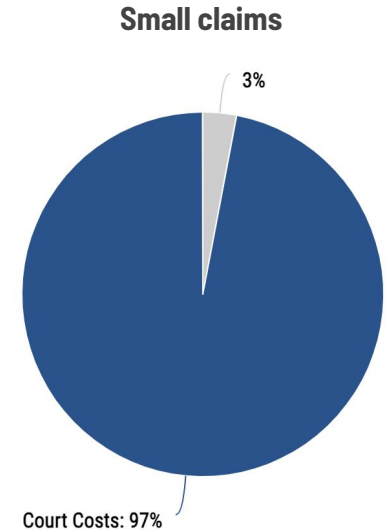
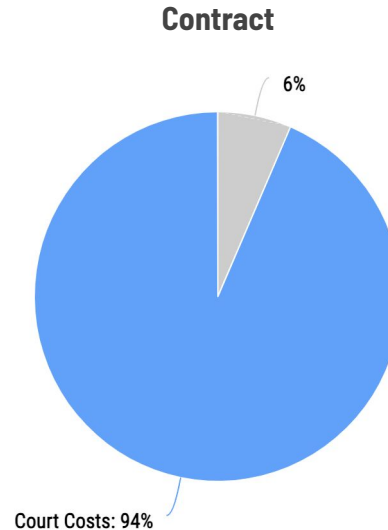
Plaintiff name	Cases with pre-judgment interest added
Professional Credit Service (Ray Klein Inc.)	92%
Southern Oregon Credit Service	89%
General Credit Service	96%
We Collect	95%
Bonneville Billing And Collections	97%
Quick Collect	97%
Cso Financial	76%
Valley Credit Service	85%
Creditors Collection Service	98%
United Finance	84%

# Adding court costs - filing and service fees - is very common

Plaintiffs have to pay a filing fee and a hire a process server to initiate a case. These costs can be passed on to the defendant.

**96% of cases with judgments** have these added costs, and the share of cases with judgments that have added court costs is similar between contract and small claims.

These court costs add a median of **\$157** to the total judgment, which is **around 10% of the initial claim.**

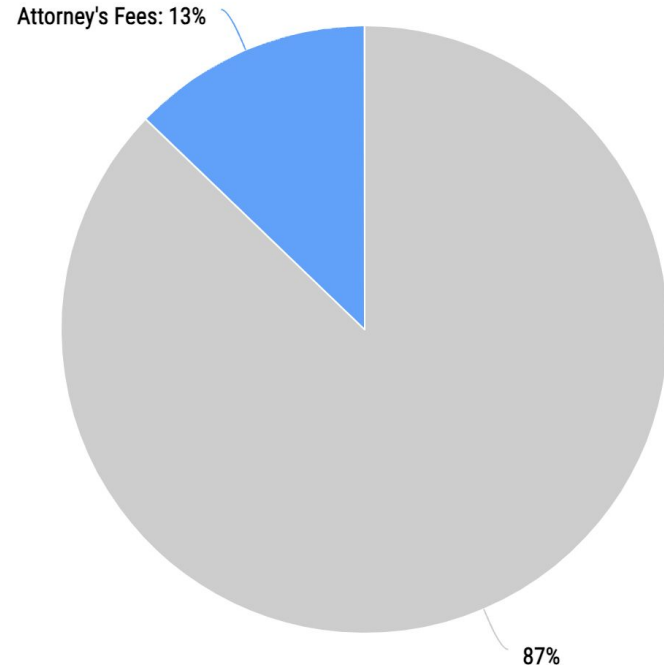


# By contrast, attorney fees are rare but can be costly

Lawyers are generally not allowed in small claims, but almost every single contract case is filed by an attorney. If they win, the plaintiff can pass on their legal fees to the defendant.

Plaintiffs **add attorney fees in only 13% of all contract cases with a judgment** (including default judgments). If we only look at cases where the defendant filed an answer, still only 19% of judgments have these fees.

Attorney fees make up a median of 14% (8% - 29%) of the principal judgment. The median attorney's fees added in dollars for judgments is \$720.

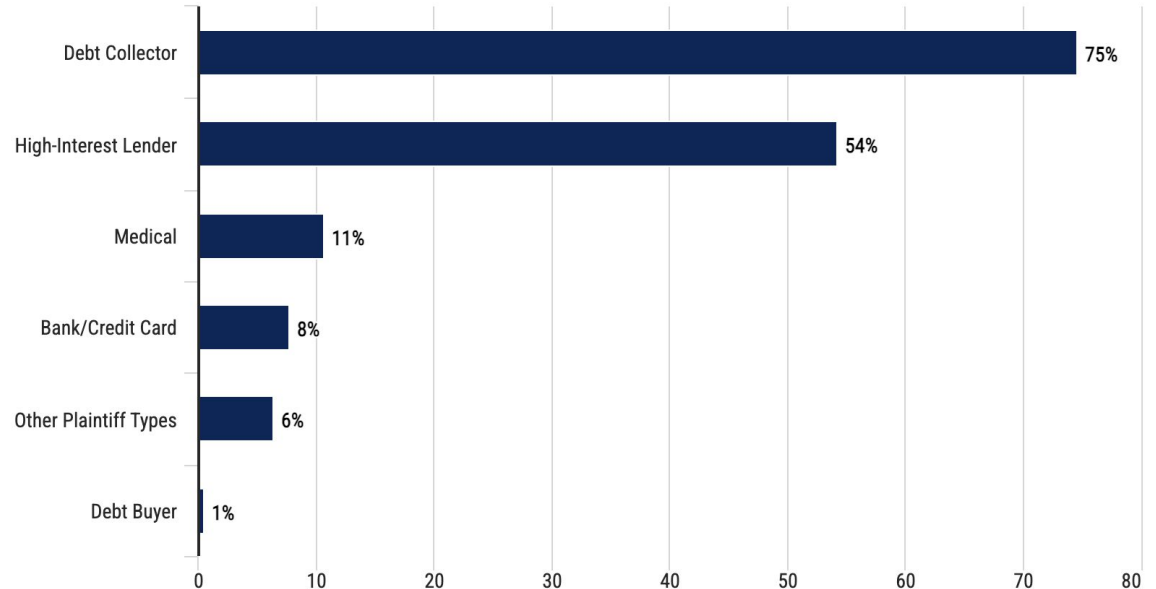


# Third-party debt collectors and high-interest lenders are most likely to request attorney fees when they file a contract case

Third-party debt collectors and high-interest lenders tend to file their cases as small claims, but when they file them as contract cases they often request attorney fees.

Banks and health care providers occasionally request attorney fees.

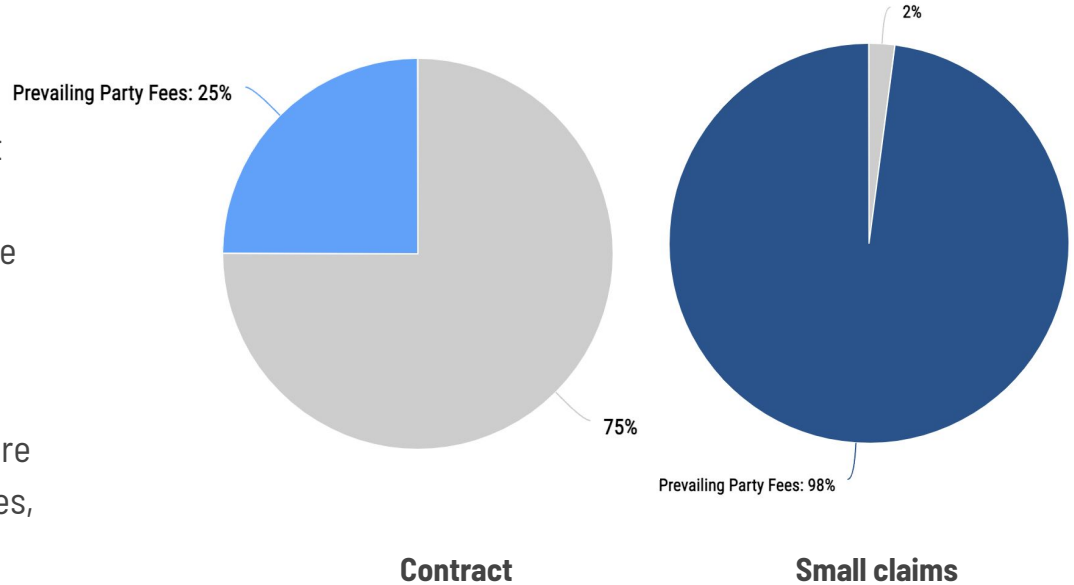
Debt buyers file most of their cases as contract cases and rarely request attorney fees.



# Prevailing party fees are frequent in small claims

Prevailing party fees are an additional flat fee of \$117 or \$345, depending on the case type, that plaintiffs can request to add to the final judgment and that the person with the judgment against them has to pay *in addition* to the money owed, the attorney fees, and court costs (*ORS § 20.190*). This fee is unique to Oregon.

This fee is added most often in **small claims**, where **98%** of judgments have added prevailing party fees, whereas only **25%** of **contract** judgments do. Third-party debt collectors and high-interest lenders are most likely to add prevailing party fees.

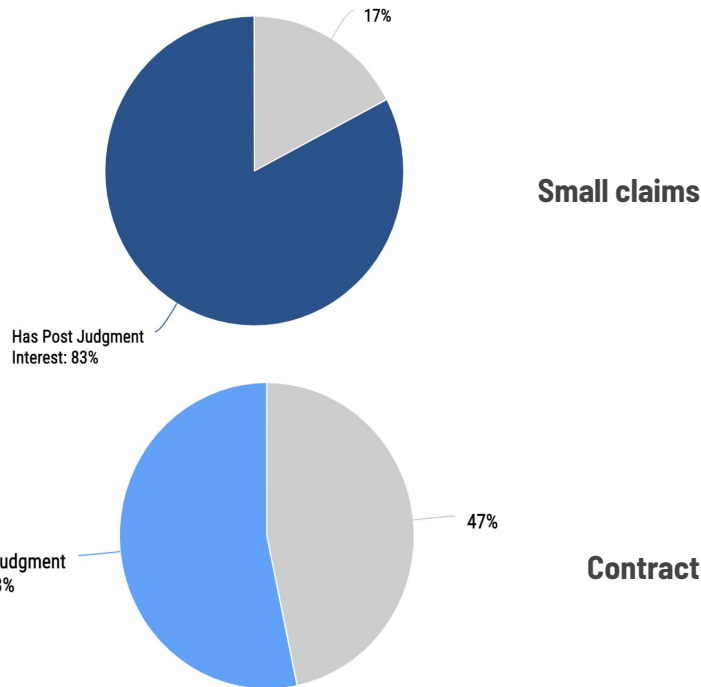


# Overall, 71% of judgments add post-judgment interest

Most plaintiffs also request that interest accrue on the judgment from the time it is entered until it is paid. Post-judgment interest is added more often in small claims judgments.

The statutory rate of interest on money judgments is 9% per annum (*ORS § 82.010*), but plaintiffs can request a higher amount if their contracts allow.

**Most cases have the statutory post-judgment interest rate, but 8% are granted a higher rate.**



# Payday lenders and auto plaintiffs - high-interest lenders - tend to request the highest post-judgment interest rates

Among cases that are granted a post-judgment interest rate above the statutory rate of 9%, median post-judgment interests range from 10% to 33%, with high-interest lenders, debt buyers, and other plaintiffs (such as retail lenders) requesting the highest interest rates.

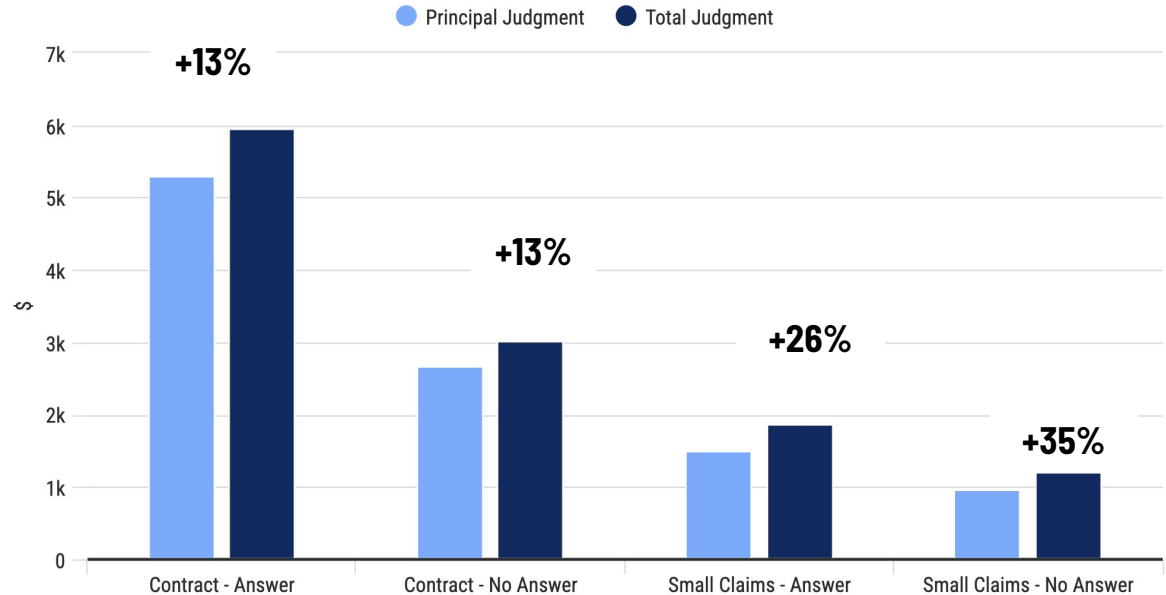
The data showed some medical providers adding post-judgment interest rates of around 18%, even though a 2019 law limited pre-judgment interest on medical debt to 5% (HB 3076). However, the law does not limit interest on medical debt after a judgment has been obtained.

<b>Plaintiff Type</b>	<b>Median Interest Rate when requesting above statutory 9%</b>
High-Interest Lender	30%
Other Plaintiff Types	24%
Debt Buyer	23%
Bank/Credit Card	13%
Debt Collector	18%
Medical	18%



# Costs are almost always added, but in small claims the added costs are lower when the defendant answers

In small claims, certain added fees, like pre-judgment interest, prevailing party fees, and filing fees were more commonly waived in cases where the defendant answered.



# Default judgments almost always result in added costs, while cases resolved by agreement often avoid them

	Percentage of <u>small claims</u> where the final amount owed was...		
	<i>Less than initial claim</i>	<i>The same as initial claim</i>	<i>More than initial claim</i>
Default	0%	4%	96%
Agreement	9%	88%	3%

	Percentage of <u>contract cases</u> where the final amount owed was...		
	<i>Less than initial claim</i>	<i>The same as initial claim</i>	<i>More than initial claim</i>
Default	0%	4%	96%
Agreement	32%	52%	16%

# Understanding Oregon's post-judgment processes

# 4 in 10 judgments have a record of garnishment, more common in small claims

The plaintiff's attorney can issue a writ of garnishment to the debtor's bank or employer to seize wages or funds in their account.

The attorney is not required to file or record the garnishment attempt with the court. The bank or employer should notify the court if they start garnishing, but practitioners warn that this is not done consistently.

Therefore, it is hard to tell with precision how often money judgments end in garnishment. **Among cases filed in 2019, 41% of judgments have a case event that points to a garnishment attempt:** a writ of garnishment or garnishee response.

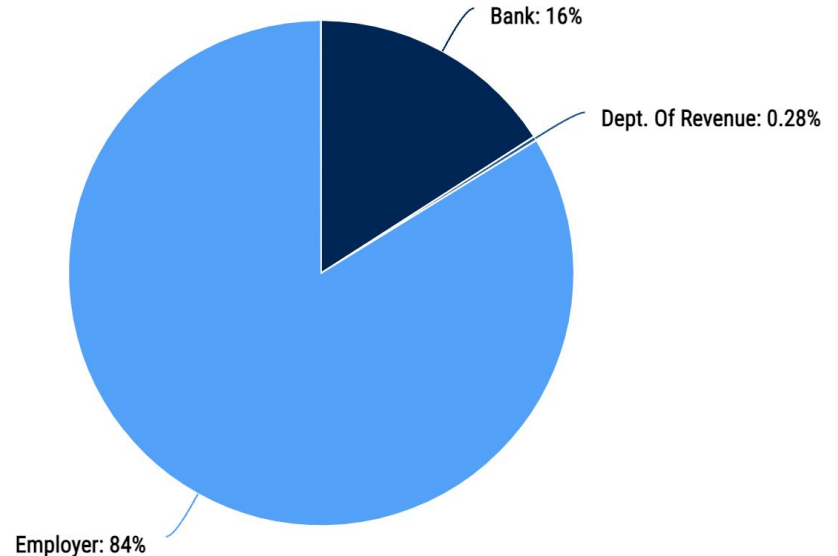
Type	Garnishment Rate
All Cases	41%
Contract	28%
Small claims	48%
High-Interest Lender	49%
Medical	48%
Debt Collector	43%
Debt Buyer	28%
Other Plaintiff Types	28%
Bank/Credit Card	23%

# Wage garnishment is the most common type of garnishment

The bulk data also does not capture any information about whether the garnishee is a bank or an employer.

We pulled this information from case documents. We found that many defendants who were garnished were garnished more than once and that of all of the types of garnishment, **wage garnishment occurred most frequently.**

We found one instance of garnishment through the Department of Revenue for a case involving medical debt collected via a third-party debt collector.



# Cases that resolve by agreement are less likely to end up in garnishment, and few defendants challenge the garnishment

Even when parties resolve a case by agreement, the plaintiff can resort to garnishment if the defendant does not comply with the agreement. The data shows that **garnishment after an agreement is rare, only 10% of the times for contract cases and 18% of the times for small claims.**

At the point of garnishment, people who are being garnished can challenge the garnishment with the court if they believe the garnishment seized protected funds, took the wrong amount, or included any other mistakes, but we see low participation there too. The court bulk data shows that these **challenges are filed in fewer than 1% of cases with a garnishment.**

# Half of all garnishments happen within 90 days of disposition

After judgments are entered, garnishments are executed sooner in small claims than in contract cases.

In small claims, half of judgments have a garnishment filed within a month.

In contract cases, a quarter of cases do not have a garnishment filed until 20 months after a judgment was entered.

Court	Median number of days	25th Percentile	75th Percentile
All cases	70 days	29 days	258 days
Contract	162 days	68 days	608 days
Small claims	54 days	23 days	175 days

# More than half of judgments have no record of satisfaction

When a judgment has been fully satisfied, the judgment creditor must file a satisfaction document with the court (ORS 18.225), though it is possible that judgment creditors are not filing them consistently.

**Only 44% of cases filed in 2019 that reached a judgment have a record of satisfaction.** Small claims are more likely to be satisfied than contract cases (48% vs 36%).

There is also variation in satisfaction rates by plaintiff type: cases brought by medical providers are more likely to have a record of satisfaction.

Plaintiff Type	Satisfaction Rate
Medical	67%
Debt Collector	42%
Debt Buyer	38%
Bank/Credit Card	36%
High-Interest Lender	34%
Other Plaintiff Types	34%



# Half of judgments that satisfy do so in under a year

Half of judgments that have a record of satisfaction satisfy in less than 317 days; 75% satisfy in less than 698 days.

Small claims judgments typically satisfy more quickly than contract cases, but this is likely because these judgments are for less money, on average.

Plaintiffs may, but are not required to, file a report of partial satisfaction. These are very rare (less than 50 as of Nov 2023).

	Percent of Satisfied Judgments Satisfied Within...		
Court	25%	50%	75%
Overall	129 days	317 days	698 days
Contract	280 days	560 days	927 days
Small claims	106 days	227 days	545 days

# Few cases result in bankruptcy

Declaring bankruptcy can provide a fresh start for people with overwhelming debt, but it also carries significant long-term consequences so it is only used as a last resort. If a person's situation becomes unmanageable, they may decide to file a petition with the U.S. Bankruptcy Court, a federal court. Once a person files for bankruptcy, and once a decision is made in federal court, they may also file a notice of bankruptcy for any open case or judgment they have in state circuit court.

3,934 judgments have either notice or discharge of bankruptcy or both. **This represents 1.5% of all judgments.**

The median judgment amount for cases with either a notice or discharge of bankruptcy is **\$2,836.**

# Understanding the effect of Oregon's previous debt reforms

# Since 2018, Oregon has required special disclosures from some plaintiffs, but not all

Multiple states have passed reforms requiring debt buyers and other third-party debt collectors to provide additional detail in their complaints before they can receive a default judgment. In 2017, Oregon passed [HB 2356](#), which created a new statutory requirement for debt buyers to include certain disclosures about the debt in their complaint (*ORS* § 646A.670). The requirements apply only to debt buyers, and do not apply to original creditors like hospitals or banks, or to third-party debt collection companies.

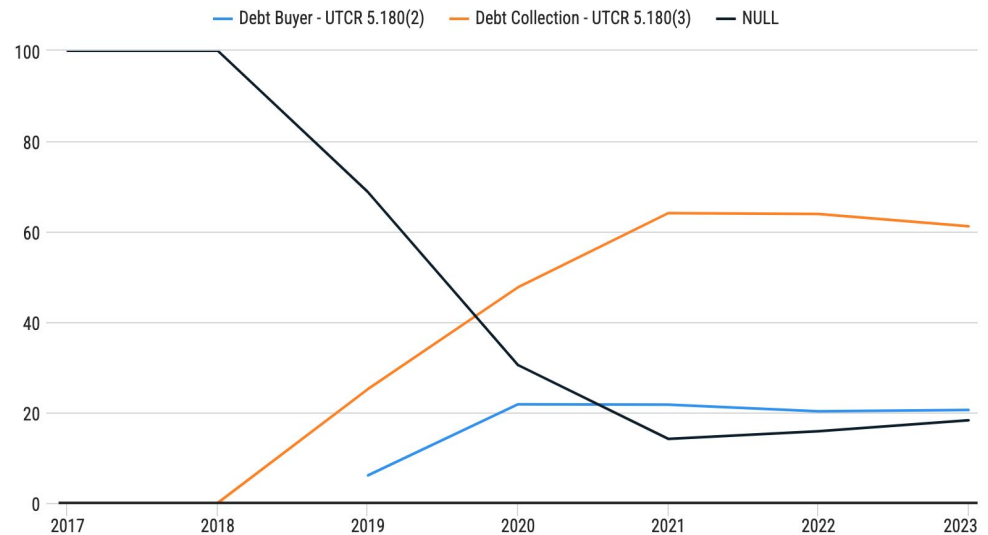
In response to the new law, a 2019 court rule created case subtypes for both contract cases and small claims: one for actions to collect purchased debt and one for all other consumer debt cases. The rule required plaintiffs in all consumer cases to self-select into the appropriate case subtype, and required debt buyers to include the additional disclosures in substantially [this form](#) (*UTC*R 5.180). But still today, many consumer debt cases are not classified in the right case subtypes, and several debt buyers include the information in the body of the complaint, rather than in a separate disclosure form, making it difficult to identify quickly.

# Consumer debt cases are not always properly classified into the correct case subtype

Implementation of UTCR reform took time and was not immediate in 2019. Even by 2023, nearly 20% of consumer debt cases were not properly classified into the consumer debt subtypes in the docket data.

For example, in 2023, about a fifth of cases brought by Portfolio Recovery Associates and Midland Funding are not in the **debt buyer** subtype.

And around 40% of cases brought by United Finance, a high-interest lender, and Ray Klein, Inc, a debt collector, are not in the **debt collection** subtype.

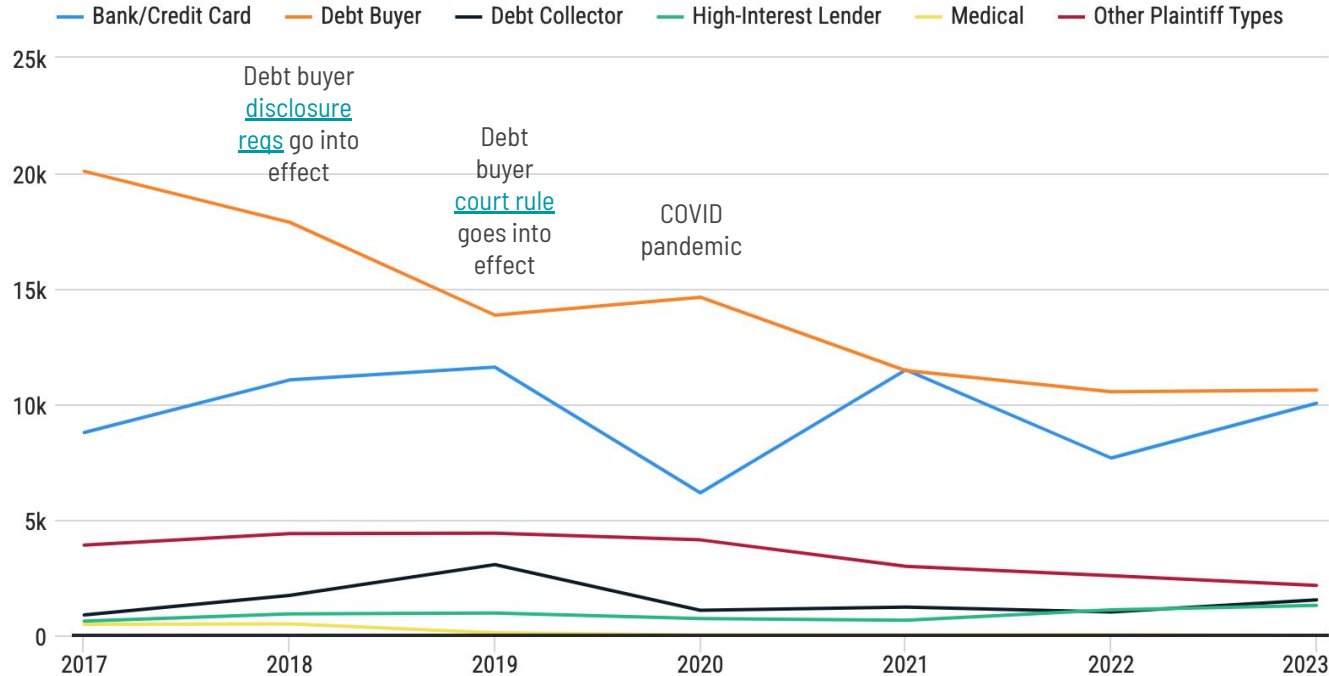


# Oregon's policy changes may help explain the decrease in case filings over time

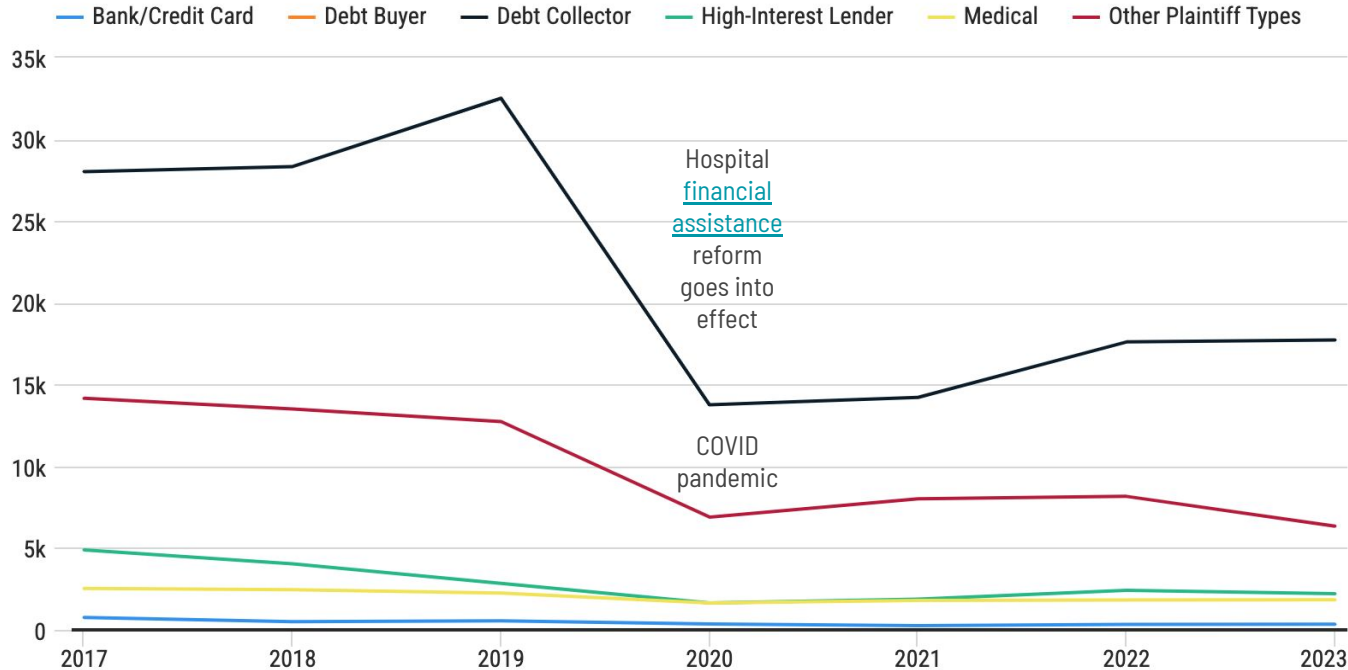
The decrease in cases in 2020, which we saw in other states as well, may be due to the pandemic. However, a deeper analysis looking at who is filing these lawsuits suggests new hypotheses for the drop.

While we cannot be certain, there were a few new policies put in place by the legislature that could have impacted filing numbers, including disclosure requirements for debt buyers or hospital charity care reforms.

# Contract cases saw a decline in cases brought by debt buyers



# Small claims saw a decline in cases brought by debt collectors





# Methodology

# Methodology

This analysis relies on **bulk court docket data from the Oregon Judicial Department on all small claims and general civil contract cases filed between January 2017 and October 2023**. The data encompasses twelve different data tables that include case details such as case filing information, party information, disposition, case events, and fees. Unless otherwise noted, this is the source of data cited throughout the chartbook.

Additional analysis relies on a **review of case documents for a random subset of 1,000 cases filed between 2019 and 2023**. These documents were accessed via the Oregon Judicial Case Information Network (OJCIN). Key fields we collected in the document analysis include information on the original amount in controversy and the name of the original creditor (in cases filed by third-party debt collectors and debt buyers). The latter allowed us to more accurately describe the types of debt at stake in consumer debt cases in Oregon.

For analyses of defendant demographics and neighborhood characteristics, we used the **American Community Survey five-year estimates** up through the most recent 2022 release. We also used the **Consumer Financial Protection Bureau's 2017 Financial Well-Being Survey** to estimate the number of defendants who may qualify for legal aid.

# How we identified consumer debt cases in the data

Both contract cases and small claims allow for a broad range of civil litigation - from business controversies to interpersonal disputes. Yet data show that both case types are dominated by consumer debt. In 2022, **92% of actions filed as contract cases in civil court and 89% of small claims were consumer debt lawsuits.**

In August of 2021, the Oregon Judicial Branch created case subtypes to distinguish consumer debt cases from other contract cases or small claims (*UTCR 5.180*). We were unable to use these subtypes alone to identify consumer debt cases because our data analysis included several years that predated the change and because plaintiffs are still not consistently using the subtype (see more detail [here](#)).

**To isolate consumer debt cases from other types of contract cases and small claims, we looked for contract and filed by businesses against individuals.** We developed an algorithm to identify common words, names, and punctuation associated with businesses and applied it to plaintiff and defendant names listed in the parties dataset.

# How we estimated race and ethnicity

We estimated defendant's race-ethnicity using defendant's surname and race-ethnicity of census tract of residence or service. To learn more about this methodology, see [this article](#). January Advisors believes that identifying racial disparities within legal processes can serve as a catalyst for systemic change.

In every jurisdiction we've analyzed, we found that Black and Latino communities see a disproportionate share of debt filings compared with their white neighbors. The factors that potentially contribute to this disproportionality, and the underlying disparity in how many people have a debt in collections, include the legacy of slavery and racial discrimination, the racial wealth gap and the necessity of credit for basic needs, and predatory lenders that specifically target Black and Latino neighborhoods.

Although courts cannot control which cases are brought before them and the underlying factors, courts must be aware of disparities to avoid perpetuating them. Racial disparities in legal outcomes can contribute to cycles of poverty and exclusion for affected communities. Whether the courts play a role in mitigating these disparities or inadvertently reinforcing them is significant for the long-term economic and social health of these communities.

# How we estimated income

To estimate income, we first used the American Community Survey to consider the share of households living at different poverty levels in each census tract. We then accounted for differences in the likelihood of facing a debt case at different poverty levels using the Consumer Financial Protection Bureau's 2017 Financial Well-Being Survey.

Generally, people with lower incomes are more likely than their wealthier neighbor to fall behind on debt payments and face debt collection cases, as adults in Oregon living below the poverty line are 2.5 times more likely to have been contacted by a debt collector in the prior year than those living above 200% of the poverty line. Similarly, adults living between 100-199% of the poverty line are 1.8 times more likely to have been contacted by a debt collector in the prior year than those living above 200% of the poverty line.

We used these estimates to refine the neighborhood estimates of the number of debt cases against defendants who qualify for legal aid, and then aggregated the data to provide a state-level estimate. We also incorporated a random sample of 1,000 cases with missing addresses to supplement the main sample and account for missing data to ensure a more accurate and comprehensive estimate.

# Contact January Advisors

David McClendon, Partner & Principal Consultant

[david@januaryadvisors.com](mailto:david@januaryadvisors.com)

Divia Kallatil, Data Scientist

[divia@januaryadvisors.com](mailto:divia@januaryadvisors.com)