

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 10 - 0 - 0

Yeas: Barton, Cowan, Gilliam, Krieger, Matthews, Riley, Tomei, Weidner, Wingard, Holvey

Nays: 0

Exc.: 0

Prepared By: Victoria Cox, Administrator

Meeting Dates: 5/4, 5/6

WHAT THE MEASURE DOES: Requires Real Estate Commissioner to establish escrow agent licensing system by rule. Provides criteria for escrow agent licensing system. Requires fingerprint and background check for initial escrow applicant, or upon change in ownership interest in escrow agent, or for corporate officers or individuals in charge of operations. Allows commissioner to require additional information from escrow agent licensee or applicant. Grants discretionary powers to commissioner for implementation of escrow agent licensing. Allows commissioner to impose disciplinary action for demonstrated incompetence, failure to maintain surety bond, and acts of fraud or dishonest conduct substantially related to applicant or licensee fitness, even if conduct did not occur in course of escrow activity. Requires escrow agents to follow written instruction of principals in escrow transactions.

ISSUES DISCUSSED:

- Background checks apply only to individuals who control funds

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Escrow agents are required by statute to be licensed to conduct business in Oregon. The Real Estate Agency implements the licensing and oversight provisions that are contained in statute, not rule. Background and fingerprint checks are currently required for licensing, but are not required for new owners and officers when there is a change in ownership. Current statutory provisions require escrow agents to have a written escrow agreement, but do not specify that the agent must follow the written instructions of the principals subject to the agreement. SB 141-A is the result of a work group of agency personnel and escrow industry representatives.