

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2188 **STATUS:** A Engrossed
SUBJECT: Relating to the mortgage transactions
GOVERNMENT UNIT AFFECTED: Department of Consumer and Business Services, Judicial
Department
PREPARED BY: Robin LaMonte
REVIEWED BY: Susie Jordan, John Borden
DATE: March 26, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Comments		

EFFECTIVE DATE: January 1, 2010

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: HB 2188 makes a number of changes mortgage lending practices. These changes result from discussions of the Governor's Mortgage Lending Work Group. The workload impact of this bill, in combination with HB 2189, is included in the Governor's recommended budget for the Department of Consumer and Business Services (DCBS). HB 2189 includes one Financial Examiner 2 position, five Financial Examiner 1 positions, one Information Systems Specialist 7, and one limited duration Financial Enforcement Officer (0.75 FTE) and related services and supplies to fully address the workload of the mortgage lending program. DCBS does not anticipate requiring any additional staff to address this workload, contingent on the full staffing for the mortgage program identified in HB 2189.

Revenue for HB 2189 and this program is from examination fees, which may not be sufficient to fully fund the new positions. DCBS estimates it will need to increase these fees at a future date. Appropriate revenue, funding, and staffing levels will need to be reviewed as part of the Joint Committee on Ways and Means budget review of DCBS.

The Judicial Department (OJD) could experience an increase in workload and court operations costs from potential increases in legal challenges from the provisions of the bill. That impact is indeterminate, as the actual number of new cases cannot be estimated. OJD notes that the average case processing cost per civil case is \$279, and that additional costs could be incurred should cases go to trial.