

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means
Vote:	3 - 2 - 0
Yeas:	Bonamici, Monroe, Shields
Nays:	Boquist, George
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/21, 3/23, 4/20

WHAT THE MEASURE DOES: Authorizes the Department of Consumer and Business Services to adopt rules to regulate specified activities of mortgage brokers, mortgage bankers, mortgage loan servicers and persons that make or service mortgage loans that are not subject to licensing under ORS 86A.095 to 86A.198. Outlines responsibilities of mortgage servicers. Designates certain violations as unlawful trade practices.

ISSUES DISCUSSED:

- Customer complaints regarding foreclosure process
- Impact of foreclosure on homeowners

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: Mortgage bankers lend money to fund loans secured by interests in real estate and either sell or service loans. Mortgage brokers sell real estate paper for themselves or for others, or accept funds from others to invest in real estate paper. Mortgage brokers also make or negotiate mortgage loans. Mortgage bankers and brokers are regulated as mortgage lenders by the Department of Consumer and Business Services (DCBS) under ORS 86A.

Senate Bill 826-A specifies that DCBS may adopt rules to allow the Department to regulate the activities of mortgage brokers, bankers and loan servicers that are not currently subject to licensing under ORS 86A.095 to 86A.198. The measure permits the Department to define, also by rule, improper and fraudulent business practices in connection to loans made by these unregulated entities.