

Senate Bill 482

Sponsored by Senator BONAMICI (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires insurers authorized to transact title insurance to make or accept, keep, maintain and produce upon request copies of documents that parties to residential mortgage transaction executed or were required to produce or disclose while closing mortgage loan or mortgage banking loan.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to documents used in closing residential mortgage transactions; creating new provisions;
3 amending ORS 744.086; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) As used in this section:**

7 (a) **"Mortgage banking loan" has the meaning given that term in ORS 86A.100.**

8 (b) **"Mortgage loan" has the meaning given that term in ORS 86A.100.**

9 (c) **"Residential mortgage transaction" has the meaning given that term in ORS 86A.100.**

10 (2) **To qualify for authority to transact title insurance in this state, an insurer shall make**
11 **or accept, keep, maintain and produce upon request copies of a complete set of the docu-**
12 **ments that the parties to a residential mortgage transaction executed or were required to**
13 **produce or disclose while closing a mortgage loan or mortgage banking loan. The copies shall**
14 **bear the signatures of the parties to the transaction where the documents require the sig-**
15 **natures to give the documents legal effect.**

16 (3) **The insurer shall keep and maintain the copies described in subsection (2) of this**
17 **section for the duration of the term of the mortgage loan or mortgage banking loan.**

18 (4) **The insurer may include the insurer's costs to make, keep, maintain and produce the**
19 **copies described in subsection (2) of this section in the insurer's fee for title insurance or**
20 **may charge a separate fee to recover the insurer's costs at the time the insurer incurs the**
21 **costs.**

22 (5) **The insurer may keep and maintain the copies described in subsection (2) of this**
23 **section in electronic form, provided that the insurer is certain that the insurer can retrieve**
24 **and print the copies upon request from the copies stored in electronic form at any time**
25 **during the term of the mortgage loan or mortgage banking loan.**

26 **SECTION 3. ORS 744.086 is amended to read:**

27 744.086. The Legislative Assembly finds that it is in the interest of the insurance-buying public
28 that insurance producers authorized to transact title insurance be subject to the Insurance Code.
29 It is *[declared to be]* the intent of the Legislative Assembly that, **except as provided in section 2**
30 **of this 2011 Act**, the Insurance Code shall apply to *[such]* **an insurance producer authorized to**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **transact title insurance** only to the extent necessary [*for the regulation of*] **to regulate** title in-
2 surance ratemaking and unfair trade practices.

3 **SECTION 4. Section 2 of this 2011 Act applies to residential mortgage transactions that**
4 **occur on or after the effective date of this 2011 Act.**

5 **SECTION 5. This 2011 Act takes effect on the 91st day after the date on which the 2011**
6 **session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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