

D R A F T

SUMMARY

Exempts from mortgage loan originator licensing requirements individual who, as seller during any 12-month period, offers or negotiates terms for not more than three residential mortgage loans as security for purchase money obligations, unless United States Department of Housing and Urban Development determines otherwise.

Becomes operative 91 days after effective date of Act.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to licensing requirements for mortgage loan originators; creating
3 new provisions; amending ORS 86A.203; and declaring an emergency.

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

5 **SECTION 1.** ORS 86A.203 is amended to read:

6 86A.203. (1) Except as provided in subsection (2) of this section, an indi-
7 vidual may not engage in business as a mortgage loan originator in this state
8 without first:

9 (a) Obtaining and maintaining a mortgage loan originator's license under
10 ORS 86A.212 or renewing a mortgage loan originator's license under ORS
11 86A.218; and

12 (b) Obtaining a unique identifier from the Nationwide Mortgage Licens-
13 ing System and Registry.

14 (2) Subsection (1) of this section does not apply to:

15 (a) A registered mortgage loan originator who acts within the scope of
16 the registered mortgage loan originator's employment;

17 (b) An individual who offers or negotiates terms of a residential mortgage
18 loan with or on behalf of the individual's spouse, child, sibling, parent,

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 grandparent, grandchild or a relative in a similar relationship with the in-
2 dividual that is created by law, marriage or adoption;

3 (c) An individual who offers or negotiates terms of a residential mortgage
4 loan that is secured by a dwelling that served as the individual's residence;
5 [or]

6 **(d) An individual who, as a seller during any 12-month period, offers**
7 **or negotiates terms for not more than three residential mortgage**
8 **loans as security for purchase money obligations, unless the United**
9 **States Department of Housing and Urban Development expressly de-**
10 **termines as of the effective date of this 2013 Act that the definition**
11 **of loan originator in section 1503 of Title V of the Housing and Eco-**
12 **nomic Recovery Act of 2008, P.L. 110-289, as the definition is in effect**
13 **on the effective date of this 2013 Act, includes an individual whose**
14 **activities are described in this paragraph; or**

15 [(d)] (e) An attorney licensed or otherwise authorized to practice law in
16 this state if the attorney:

17 (A) Negotiates the terms of a residential mortgage loan as an ancillary
18 matter in the attorney's representation of a client; and

19 (B) Does not receive compensation from a mortgage banker, mortgage
20 broker, mortgage loan originator or lender or an agent of the mortgage
21 banker, mortgage broker, mortgage loan originator or lender.

22 (3) The director by rule may exempt a person from the requirement to
23 obtain a mortgage loan originator's license under ORS 86A.200 to 86A.239 if
24 the United States Department of Housing and Urban Development requires
25 or permits the exemption under 12 U.S.C. 5101 et seq.

26 (4)(a) Except as provided in paragraph (b) of this subsection, an employee
27 of a dealer, as defined in ORS 446.003, is not subject to the provisions of ORS
28 86A.200 to 86A.239 if the employee:

29 (A) Performs only administrative or clerical tasks; and

30 (B) Receives in connection with a sale or other transaction related to a
31 manufactured structure, as defined in ORS 446.003, only a salary or com-

1 mission that is customary among dealers and employees of dealers.

2 (b) An employee of a dealer is subject to the provisions of ORS 86A.200
3 to 86A.239 if the United States Department of Housing and Urban Develop-
4 ment in a guideline, rule, regulation or interpretive letter determines that
5 the exemption granted in paragraph (a) of this subsection is inconsistent
6 with requirements set forth in 12 U.S.C. 5101 et seq.

7 **SECTION 2. (1) The amendments to ORS 86A.203 by section 1 of this**
8 **2013 Act become operative 91 days after the effective date of this 2013**
9 **Act.**

10 **(2) The Director of the Department of Consumer and Business Ser-**
11 **vices may take any action before the operative date specified in sub-**
12 **section (1) of this section that is necessary to exercise, on and after**
13 **the operative date specified in subsection (1) of this section, all of the**
14 **duties, functions and powers conferred on the director by the amend-**
15 **ments to ORS 86A.203 by section 1 of this 2013 Act.**

16 **SECTION 3. This 2013 Act being necessary for the immediate pres-**
17 **ervation of the public peace, health and safety, an emergency is de-**
18 **clared to exist, and this 2013 Act takes effect on its passage.**

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