

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Be Placed on the Consent Calendar
<b>Vote:</b>	9 - 0 - 0
<b>Yeas:</b>	Doherty, Johnson, Keny-Guyer, Lively, Richardson, Smith, Thatcher, Vega Pederson, Holvey
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Bob Estabrook, Administrator
<b>Meeting Dates:</b>	3/5, 4/2

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**WHAT THE MEASURE DOES:** Provides exemption from mortgage loan originator licensing requirements for seller who offers or negotiates terms for up to three residential mortgages per year unless federal law specifically pre-empts exemption. Limits seller to portfolio of no more than eight residential mortgages at one time. Operative 91 days after effective date. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Components of licensure requirement
- Impact of seller financing in small or rural communities
- Existing exemption for seller financing which is limited to the seller's residence
- Pending federal rulemaking on loan originator licensing exemptions
- Exemption thresholds adopted in other states

**EFFECT OF COMMITTEE AMENDMENT:** Clarifies language regarding potential federal preemption. Limits seller to portfolio of no more than eight residential mortgages at one time.

**BACKGROUND:** The Oregon Mortgage Lender Law requires individuals who take applications or offer or negotiate terms for residential mortgage loans to be licensed as mortgage loan originators by the Department of Consumer and Business Services and to obtain a unique identifier from the Nationwide Mortgage Licensing System and Registry, unless exempt from the law. Currently, exemptions exist for mortgage loan originators licensed under federal law; for individuals offering or negotiating a mortgage on behalf of a family member or a mortgage secured by the individual's residence; and for attorneys who negotiate mortgage terms as an ancillary matter to representing a client and are not compensated by a mortgage banker, mortgage broker, mortgage loan originator, lender or their agents.

House Bill 2856 A creates an additional exemption covering individuals who, as sellers, meet the definition of a mortgage loan originator for up to three residential mortgage loans per year, unless the U.S. Consumer Financial Protection Bureau determines that the Housing and Economic Recovery Act of 2008 includes such individuals in its definition of loan originator. An exempt individual is limited to holding no more than eight residential mortgages at the same time.