

REVENUE: No revenue impact
FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 3 - 1 - 1
Yeas: Monnes Anderson, Prozanski, Shields
Nays: Baertschiger
Exc.: George
Prepared By: Channa Newell, Administrator
Meeting Dates: 4/24, 5/17

WHAT THE MEASURE DOES: Specifies financial holding company or bank holding company is not mortgage broker or mortgage banker, for purposes of licensing, so long as holding company does no more than control subsidiary or affiliate and does not engage in business of a mortgage banker or mortgage broker.

ISSUES DISCUSSED:

- Greater protection for consumers in home mortgage transactions
- Fine-tuning and regulation of mortgage lending industry
- Balance between consumer protections and business interests

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon's Mortgage Lender Law requires those engaged in residential mortgage transactions within the state be licensed as a mortgage broker or mortgage banker with the Department of Consumer and Business Services. The Mortgage Lender Law specifies who is, and who is not, a mortgage banker or a mortgage broker. A mortgage banker is a person who, for compensation, negotiates or offers to make a banking loan or mortgage loan, and services or sells the mortgage banking loan. A mortgage broker is a person who sells real estate paper, accepts funds for investments in real estate paper, or negotiates or offers to make a mortgage loan for compensation. Currently, the Mortgage Lender Law specifically excludes financial holding companies and bank holding companies from the definition of mortgage banker and mortgage broker.

House Bill 2239 specifies that in order to be excluded from the definition of mortgage broker and mortgage banker, a financial holding company or bank holding company must do no more than control a subsidiary and must not engage in the business of a mortgage banker or a mortgage broker.