

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 0 - 1
Yeas:	Baertschiger, Monnes Anderson, Prozanski, Shields
Nays:	0
Exc.:	George
Prepared By:	Channa Newell, Administrator
Meeting Dates:	4/24, 5/17

WHAT THE MEASURE DOES: Allows exemption from mortgage loan originator's licensing requirement for individual who acts as seller on no more than three residential mortgage loans during any twelve-month period, unless specified as mortgage loan originator by federal law. Specifies person may not claim exemption if person holds more than eight residential mortgage loans. Becomes operative 91 days after effective date. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Effects of measure on private money lenders
- Federal Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act)
- Oregon compliance with SAFE Act
- Origin of cap on eight residential mortgage notes
- Examples of circumstances that do or do not qualify for exemption

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A mortgage loan originator is a person who takes applications for residential mortgage loans or offers or negotiates the terms of such loans for compensation. A mortgage loan originator is required to obtain and maintain a mortgage loan originator's license through the Department of Consumer and Business Services (DCBS) unless the individual falls within an exception. Exceptions include originators acting within the scope of their employment, offering or negotiating terms on behalf of a family member, offering a loan secured by the individual's residential dwelling, and attorneys acting on behalf of a client as an ancillary matter of representation.

The federal Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) of 2008 specifies certain licensing and registration requirements for loan originators. State action required under the SAFE Act was enacted in House Bill 2189 (2009) and required mortgage loan originators register with DCBS, but it included a narrow exemption for sellers selling their own residences. House Bill 2856-A adds another exception to the licensing requirement for those who act as seller on three or fewer properties per year. The exemption does not apply to those holding more than eight residential mortgages and to those specifically determined by the U.S. Consumer Financial Protection Bureau to be loan originators.

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This summary has not been adopted or officially endorsed by action of the committee.