

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

House Committee on Consumer Protection and Government Effectiveness

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: None

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Wendy Simons, Administrator

Meeting Dates:

WHAT THE MEASURE DOES: Makes material misrepresentations in commercial communications about mortgage credit products an unlawful trade practice. Requires records demonstrating compliance to be retained for 24 months.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

Proposed -1 amendment: Prohibits person advertising mortgage credit products from omitting to identify themselves, or to state or represent that a connection exists between the advertiser and another person without that person's written agreement or consent. Requires advertisers to keep copies of all advertisements, including scripts and training materials, for 24 months. Makes failing to keep such records an unlawful trade practice for which the attorney general or district attorney may bring suit.

BACKGROUND: The Unlawful Trade Practices Act (UTPA) was enacted by the Oregon Legislature in 1971. The UTPA defines and prohibits various unfair and deceptive trade practices. House Bill 2637 adds material representations in commercial communications about mortgage credit products to the list of unlawful trade practices for which there is a private party right of action. Much of the language in House Bill 2637 mirrors provisions found in the Code of Federal Regulations, 12 CFR 1014, which describe specific aspects of a mortgage credit product for which misrepresentations would violate federal law.