

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

**Action Date:** 06/03/15

**Action:** Do Pass As Amended And Be Printed Engrossed.

**Meeting Dates:** 05/27, 06/03

**Vote:**

Yeas: 11 - Barreto, Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse, Weidner

**Prepared By:** Jan Nordlund, Committee Administrator

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**WHAT THE MEASURE DOES:**

Exempts attorney from requirement to hold mortgage loan originator's license if attorney negotiates terms of residential mortgage loan in representing a client and does not receive compensation from mortgage banker, mortgage broker, mortgage loan originator or lender, unless the compensation is from client who has specified exemption from requirement to hold mortgage loan originator's license. Exempts from requirement to hold mortgage loan originator's license an individual who sells, offers or negotiates terms of up to three residential mortgage loans secured by dwelling unit owned by individual or limited liability company, of which individual is a member. Limits exemption to limited liability companies consisting of individual and family members. Prohibits individual or limited liability company from advertising that it is in business of making loans. Limits individuals to holding no more than eight residential loans; requires individual claiming this exemption to disclose all loans that limited liability companies hold in aggregate.

**ISSUES DISCUSSED:**

- Concern with starting discussion on conceptual amendment late in session
- Inclusion of Oregon State Bar and Department of Consumer and Business Services in development of amendments

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces A-engrossed measure.

**BACKGROUND:**

The federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) was enacted to create a national registry of licensed mortgage loan originators. This legislation required states to pass their own licensing legislation requiring national registration of mortgage loan originators or have them become subject to federal registration. The State of Oregon, along with all other states and territories, responded with its own legislation amending the Oregon Mortgage Lender Law. Under current Oregon law, an attorney does not need a mortgage loan originator license if negotiating the terms of a residential mortgage loan as an ancillary matter when representing a client and if compensation is not received from a mortgage banker, mortgage broker, mortgage loan originator or lender or an agent of any such. Senate Bill 879-A amends the Oregon Mortgage Lender Law to exempt certain attorneys from the requirement to hold a mortgage loan originators license and exempts certain individuals who make three or fewer loans in a year if specified conditions are met.