

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Matt Stayner, Legislative Fiscal Office

Date: June 5, 2017

Subject: SB 98 - Relating to Residential Mortgage Loan Servicers
Work Session Recommendations

The bill requires non-depository, non-governmental, third-party mortgage loan servicers that service over 5,000 loans to obtain a license from DCBS to service a loan, engage in loss mitigation activities, or hold mortgage servicing rights. Certain entities would be exempt from the licensing requirements.

The bill gives DCBS examination, investigation and enforcement authority, as well as authority to set the license and renewal fee by rule. The bill allows DCBS to assess the costs of examinations and disciplinary proceedings for violations of state licensing and federal consumer protection laws against a servicer. Any civil penalties collected for violations are to be deposited in the General Fund.

DCBS has determined that the measure will require an additional Financial Examiner 2 position to process license applications, perform compliance examinations, and both receive and investigate complaints. This is in addition to that portion of the workload that can be absorbed by existing staff.

The A5 amendment to the bill provides DCBS, Division of Financial Regulation with an additional \$166,018 Other Funds expenditure limitation to accommodate the additional position.

Recommended Changes

LFO recommends adoption of the -A5 amendment.

MOTION: I move adoption of the -A5 amendment to SB 98. (VOTE)

Final Subcommittee Action

LFO recommends that SB 98 be moved to the Ways and Means Full Committee.

MOTION: I move SB 98 to the Full Committee with a do pass recommendation.
(VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____