

## Enrolled House Bill 2007

Sponsored by Representatives RUIZ, MEEK, KROPF, NOBLE, ZIKA, Senators JAMA, MANNING JR; Representatives ALONSO LEON, BYNUM, CAMPOS, DEXTER, FAHEY, GOMBERG, GRAYBER, HUDSON, PHAM, POWER, REYNOLDS, SCHOUTEN, SMITH DB, WILDE, WILLIAMS, WITT, Senators DEMBROW, FREDERICK, KNOPP

CHAPTER .....

### AN ACT

Relating to addressing disparities; creating new provisions; amending ORS 86A.215 and 86A.221; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 86A.215 is amended to read:

86A.215. (1) An applicant for a mortgage loan originator's license shall:

(a) Complete, at a minimum, 20 hours of an approved course of prelicensing education that, at a minimum, must include:

(A) Three hours devoted to federal laws and regulations;

(B) Three hours devoted to ethics, with instruction concerning fraud, consumer protection and fair lending; and

(C) Two hours devoted to lending standards applicable to nontraditional mortgages; *[and]*

**(b) Complete additional educational requirements as the Director of the Department of Consumer and Business Services may establish by rule, including on topics of implicit bias, including racial bias; and**

*[(b)]* (c) Pass a qualified written test with a score of 75 percent correct or better. The test must measure the applicant's knowledge of:

(A) Ethics; and

(B) Federal and state laws, regulations and rules that apply to residential mortgage loan origination, including laws, regulations and rules that concern fraud, consumer protection, fair lending and nontraditional mortgages.

(2) For purposes of this section:

(a) An approved course of prelicensing education is a course that the Nationwide Mortgage Licensing System and Registry has reviewed and for which the Nationwide Mortgage Licensing System and Registry has approved the contents, provider, instructional standards and means and methods of delivery, using reasonable standards.

(b) A qualified written test is a test that the Nationwide Mortgage Licensing System and Registry develops and for which the Nationwide Mortgage Licensing System and Registry approves the test provider and method of test administration, using reasonable standards.

(3) The director shall accept for the purposes of the requirements set forth in subsection (1) of this section an approved course of prelicensing education that an applicant completed in another state.

(4) This section does not preclude:

(a) An applicant's employer or a subsidiary, agent or affiliate of the employer from providing an approved course of prelicensing education; or

(b) An approved test provider from administering a qualified test at the business location of the applicant's employer or an affiliate, subsidiary or agent of the employer or at the business location of a person with which the employer has an exclusive contractual arrangement related to mortgage loan origination.

(5) An applicant may take a qualified test four consecutive times, provided that each test administration occurs 30 days after a previous test administration. If the applicant fails the approved test four consecutive times, the applicant must wait at least six months before retaking the test.

**SECTION 2.** ORS 86A.221 is amended to read:

86A.221. (1) A licensed mortgage loan originator each year shall complete at least eight hours of an approved course of continuing education that[,]:

(a) At a minimum, must include:

[(a)] (A) Three hours devoted to federal laws and regulations;

[(b)] (B) Two hours devoted to ethics, with instruction concerning fraud, consumer protection and fair lending; and

[(c)] (C) Two hours devoted to lending standards applicable to nontraditional mortgages[.]; **and**

**(b) May include additional requirements as the Director of the Department of Consumer and Business Services may establish by rule, including on topics of implicit bias, including racial bias.**

(2) For purposes of this section, an approved course of continuing education is a course that the Nationwide Mortgage Licensing System and Registry has reviewed and for which the Nationwide Mortgage Licensing System and Registry has approved the contents, provider, instructional standards and means and methods of delivery, using reasonable standards.

(3) This section does not preclude a licensed mortgage loan originator's employer or a subsidiary, agent or affiliate of the employer from providing an approved course of continuing education.

(4) [*The Director of the Department of Consumer and Business Services shall accept*] For the purposes of the requirement set forth in subsection (1) of this section, **the director shall accept** an approved course of continuing education that a licensed mortgage loan originator completed in another state.

(5) A licensed mortgage loan originator:

(a) May receive credit for a continuing education course only in the year in which the licensed mortgage loan originator takes the course, unless the director under ORS 86A.218 permits or requires the mortgage loan originator to make up a deficiency in continuing education; and

(b) May not for the purposes of meeting the requirement set forth in subsection (1) of this section take the same approved course of continuing education in the same year or in any two successive years.

(6) A licensed mortgage loan originator who is also approved as an instructor for an approved course of continuing education may receive two hours of credit toward the licensed mortgage loan originator's own continuing education requirement for each hour of the approved course of continuing education that the licensed mortgage loan originator teaches.

**SECTION 3. The amendments to ORS 86A.215 and 86A.221 by sections 1 and 2 of this 2021 Act become operative on January 1, 2022.**

**SECTION 4. (1) The Joint Task Force on Addressing Racial Disparities in Home Ownership is established.**

**(2) The task force consists of 16 members appointed as follows:**

**(a) The President of the Senate shall appoint two members from among members of the Senate;**

**(b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives;**

(c) The President of the Senate and the Speaker of the House of Representatives shall jointly appoint 11 members who represent the following interests:

(A) One member who represents real estate licensees in this state;

(B) One member who represents entities that originate, fund or service mortgage loans;

(C) Two members who each represent an organization with a particular focus on serving persons of color that provides individuals and families counseling, education or the opportunity to purchase affordable housing;

(D) Two members who represent credit unions, banks or other financial institutions that make mortgage loans in different geographic areas of this state;

(E) One member who represents developers of affordable housing;

(F) One member who represents a fiduciary organization administering state moneys directed to individual development accounts as defined in ORS 458.670;

(G) One member who represents nonprofit organizations with experience in fair housing issues; and

(H) Two members who represent residents of this state who have suffered historic discrimination or who currently lack opportunities for homeownership because of discrimination or inadequate financial resources. The President and the Speaker shall give preferences to appointing members who represent diverse geographic regions of this state; and

(d) The Director of the Housing and Community Services Department shall appoint one nonvoting member to represent the department or the Oregon Housing Stability Council.

(3) The task force shall:

(a) Review the work and reports of the Task Force on Addressing Racial Disparities in Home Ownership;

(b) Continue, as necessary, any of the investigation or reporting tasks initiated by the Task Force on Addressing Racial Disparities in Home Ownership under section 1, chapter 110, Oregon Laws 2018; and

(c) Recommend solutions, including legislation, to eliminate discrimination and other barriers identified by the Task Force on Addressing Racial Disparities in Home Ownership under section 1, chapter 110, Oregon Laws 2018, in order to ameliorate conditions reducing or preventing homeownership among people of color in this state.

(4) The task force may consult experts, form subcommittees or advisory committees, conduct field investigations, hearings and other meetings, receive testimony in any form or format, request or require production of documents and other evidence and otherwise take any lawful action to carry out the purposes set forth in subsection (3) of this section.

(5) A majority of the voting members of the task force constitutes a quorum for the transaction of business.

(6) Official action by the task force requires the approval of a majority of the members of the task force.

(7) The task force shall elect a legislative member of the task force to serve as chairperson.

(8) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(9) The task force shall meet at times and places specified by the call of the chairperson or of a majority of the members of the task force.

(10) The task force may adopt rules necessary for the operation of the task force.

(11) The task force shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to an interim committee of the Legislative Assembly related to housing no later than September 15, 2022.

(12) The Legislative Policy and Research Director shall provide staff support to the task force.

(13) Members of the task force are entitled to compensation from the Legislative Assembly, through the Legislative Policy and Research Committee, and may be compensated for actual and necessary travel and other expenses incurred by the members in the performance of official duties in the manner and amount as provided in ORS 292.495.

(14) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of the task force's duties and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the task force consider necessary to perform their duties.

**SECTION 5.** Section 4 of this 2021 Act is repealed on December 31, 2022.

**SECTION 6.** This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

**Passed by House June 17, 2021**

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate June 22, 2021**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2021

**Approved:**

.....M.,....., 2021

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2021

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Shemia Fagan, Secretary of State