

HOUSE COMMITTEE ON
COMMERCE

Hearing Room
Tapes - 15

MEMBERS PRESENT:

Rep. Eldon Johnson, Chair
Rep. Cynthia Wooten, Vice-Chair
Rep. Chuck Carpenter
Rep. Michael Fahey
Rep. Tony Federici
Rep. Lynn Lundquist
Rep. Gail Shibley
Rep. Lynn Snodgrass
Rep. Larry Wells

MEMBER EXCUSED:

STAFF PRESENT:

Daniel Jarman, Committee Administrator
Jodie Hall, Committee Assistant

MEASURES HEARD:

HB 2653 - Possible Reconsideration and Work Session
HB 2093 - Work Session
HB 2534 - Work Session
SB 166 - Work Session

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

000 CHAIR JOHNSON OPENS MEETING AT 1:40 PM.

008 CHAIR JOHNSON: Announces work session in the Business Sub-Committee on Thursday, March 16 on the Premium Tax, will gut a bill and put in an amendment. Uncommon to have a work session before a public hearing.

026 OPENS WORK SESSION ON SB 166-A.

027 REP. WOOTEN: Summarizes SB 166-A.

048 MOTION: REP. WOOTEN moves to send SB A-Engrossed to the Floor with a DO
PASS recommendation.

052 VOTE: In a roll call vote, all members present vote AYE.

055 CHAIR JOHNSON: MOTION is ADOPTED.

057 REP. WOOTEN will lead discussion on the House Floor.

059 CLOSES WORK SESSION ON SB 166.

062 OPENS WORK SESSION ON HB 2534.

064 REP. WELLS: Summarizes HB 2534 and the -1 Amendments submitted by Sacred Heart Hospital dated 3/6/95.

092 -Responds to Rep. Wooten's concerns over deleting the requirement in the lien for an itemized statement.

099 MOTION: REP. WELLS: Moves HB 2534 AS AMENDED to the Floor with a DO PASS recommendation.

103 VOTE: In a roll call vote, all members present vote AYE.

107 CHAIR JOHNSON: MOTION is ADOPTED.

109 REP. WELLS will carry HB 2534 to the Floor.

111 CLOSES WORK SESSION ON HB 2534.

112 OPENS WORK SESSION ON HB 2093.

114 REP. SNODGRASS: Summarizes HB 2093 and the -1 and -2 amendments adopted by the Sub-Committee on Business.

129 REP. WOOTEN: Requests reasons for exempting sightseeing flights. Explains situation in Hawaii with accidents due to sightseeing flights.

137 CHAIR JOHNSON: Under Federal control.

141 CHAIR LUNDQUIST: Explains further that the Sub-Committee did adopt amendments that exempt helicopter skiing.

143 MOTION: REP. SNODGRASS: Moves HB 2093 AS AMENDED be sent to the Floor with a DO PASS recommendation.

145 VOTE: In a roll call vote, all members present vote AYE.

150 CHAIR JOHNSON: MOTION is ADOPTED.

153 REP. SNODGRASS will carry HB 2093 to the Floor.

156 CLOSES WORK SESSION ON HB 2093.

160 OPENS WORK SESSION ON HB 2653.

167 REP. WELLS: Explains HB 2653 and motion to reconsider.

181 FRANK BRAWNER, Oregon Bankers Association: Explains HB 2653 further. Statute passed in 1977, only covers Oregon's commercial banks, does not cover Federal Savings and Loans, would cover State-chartered Savings and Loan is there were any. Does not cover loans once there is an 80% loan to value reached.

200 -Mortgage broker makes a HUD loan then sells loan to a commercial bank.

213 -Addresses constitutionality.

217 -Commercial banks must estimate how much they need in your escrow

account to pay your property taxes. If they estimate you need \$1200 add \$100 to the payment for a margin of error.

233 -Up until 1977, no interest paid on these accounts, the Legislature put a limit on how much commercial banks could accumulate - their margin of error.

240 -Reads from the bill, specifying that a lender cannot be requested to pay more than needed with a margin of error or 1/12th. Under this bill commercial banks could estimate \$200 for a margin of error.

293 -In response to Rep. Wells: Explains margin of error further, and the monthly payments.

312 -In response to Rep. Wells: Could affect your monthly payment. Referring to your target for your monthly payment. Last thing want to do is require the consumer to pay more money next year to cover greater costs this year.

335 -Explains that surplus in the payees account is returned to the payee. There was no problem until HUD adopted the 1/12th percentage whereas Oregon

has a 1/6th.

357 -In response to Rep. Federici: Explains difference between commercial and mortgage banks. Mortgage banks makes mortgage loans, using their own money, they do no portfolio their loans. Mortgage broker uses other peoples

money to fund the loan. Neither institution are deposit taking institutions.

386 -In response to Rep. Shibley: Explains the effect of Section 6. Does not affect the mortgage. Collects 12 payments for the mortgage.

414 -In response to Rep. Shibley: It is generally rule of thumb that regardless of when a loan was made, if you have greater than 80% loan value, you must have an escrow account.

432 -In response to Rep. Shibley: When a loan gets to the 80% plateau, asks

if the customer wants to keep the account. If they decide to, payments will most likely increase, but would probably increase anyway.

TAPE 15, SIDE A

040 BRAWNER: In response to Rep. Snodgrass: This legislature cannot invade

a contract, constitutionally the Legislature does not have this power. Whatever is in a contract currently, will prevail.

055 REP. WELLS: Why does Line 15, page 2 mean? Why was "not less than" added? Please explain line 22, front page.

060 BRAWNER: Explains Line 15, page 2, "not less than quarterly". Explains line 22, front page, in compliance with HUD Regulation X.

099 CLOSES WORK SESSION ON HB 2653

102 ADJOURNS MEETING AT 2:15 PM.

Submitted by, Reviewed by,

Jodie Hall Daniel Jarman
Committee Assistant Committee Administrator