

SENATE COMMITTEE ON
LABOR AND GOVERNMENT OPERATIONS

February 10, 1995 Hearing Room B
8:00 AM Tapes 42 - 43

MEMBERS PRESENT:

Sen. Gene Derfler, Chair
Sen. Brady Adams, Vice-Chair
Sen. Bob Kintigh
Sen. Neil Bryant
Sen. Bill McCoy
Sen. Randy Leonard

MEMBER EXCUSED:

STAFF PRESENT:

Rita Thomas, Committee Counsel
Henry Tilghman, Research Assistant
Glenda Fields, Committee Assistant

MEASURES HEARD:

SB 276 WORK SESSION
SB 363 WORK SESSION
SB 109 PUBLIC HEARING / WORK SESSION
SB 202 PUBLIC HEARING / WORK SESSION
SB 200 PUBLIC HEARING

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 42, A

015 CHAIR DERFLER: Calls meeting to order at 8:05 AM.

017 CHAIR DERFLER: Opening WORK SESSION on SB 363.

020 MOTION: SEN. KINTIGH: Moves SB 363 be returned to the Speaker's desk with a letter requesting that the bill be referred to the Committee on Rules and Elections without recommendation as to its passage.

022 VOTE: CHAIR DERFLER: Hearing no objection the motion CARRIES.

023 CHAIR DERFLER: Closing WORK SESSION on SB 363.

024 CHAIR DERFLER: Opening WORK SESSION on SB 276.

025 MOTION: SEN. LEONARD: Moves that SB 276 be sent to the Judiciary Committee in accordance with its prior referral without recommendation as to its passage.

027 VOTE: CHAIR DERFLER: Hearing no objection the motion carries.

030 CHAIR DERFLER: Closing WORK SESSION on SB 276

035 CHAIR DERFLER: Opening PUBLIC HEARING on SB 202

040 RITA THOMAS: SB 202 was heard before the Committee on Jan. 27th. The Treasury is coming back with an amendment.

047 BILL NESSLY: OR Dept. of Justice, testifying on SB 202

064 SEN. KINTIGH: Do we have another amendment.

066 RANDALL EDWARDS: OR Treasury Dept., No, LC has completed the amendment we discuss earlier.

071 CHAIR DERFLER: Closing PUBLIC HEARING on SB 202.
Opening WORK SESSION on SB 202.

075 MOTION: SEN. KINTIGH: Moves SB 202 be sent to the floor with do pass as amended.

080 VOTE: 4-0 MOTION PASSES
AYE: Leonard, Kintigh, McCoy, Derfler
NO: None

086 CHAIR DERFLER: SEN. ADAMS: will carry the bill.

090 CHAIR DERFLER: Closing Work Session on SB 202

095 CHAIR DERFLER: Opening PUBLIC HEARING on SB 109

096 RITA Thomas: Explaining SB 109.

106 JON MANGIS: Director, Oregon Department of Veterans' Affairs, testifying on SB 109 (EXHIBIT A)

150 JON MANGIS: We are required to charge a fee for assessments. We would like to wave this fee.

156 CHAIR DERFLER: Are other lenders going that far at this point?

164 FRANK WALLIS: Deputy Director, OR Dept. of Veterans' Affairs. FHA loans require this today. We would like to move in this direction.

181 CHAIR DERFLER: How much does that raise the insurance cost?

187 SEN. LEONARD: I was a beneficiary of this program a number of years ago.

195 JON MANGIS: No loans were insured until 1986.

240 FRANK WALLIS: We don't care if the veterans can get a better rate somewhere else. We can process in 30 to 45 days.

264 CHAIR DERFLER: Sounds like a free enterprise system.

270 SEN. ADAMS: Declare a conflict of interest. Apprehension for the change from 95% to 97%.

308 FRANK WALLIS: I do agree with you that a small equity in a transaction can get a lender in trouble.

340 SEN. ADAMS: Will recommend a 95% loan amount in work session.

350 SEN. KINTIGH: Do you have outside appraisals? Are they conservative?

365 JON MANGIS: Using outside fee appraisers.

400 CHAIR DERFLER: The lowest I got was 4 1/2%.

402 SEN. LEONARD: What is the maximum loan now?

405 JON MANGIS: \$135,000.

435 SEN. ADAMS: We did not even make 80% loans. I think most lenders would have these tools at this time.

455 JON MANGIS: Section 3 of the Bill. Loans that are more than 80%.

TAPE 43, A

033 JON MANGIS: Weatherization.

050 JON MANGIS: Historic value.

070 SEN. LEONARD: Change on Section 5. Are we going backwards on energy conservation?

085 FRANK WALLIS: I believe people in the oil industry do offer loans and a very low rate.

120 CHAIR DERFLER: Closing PUBLIC HEARING on SB 109

Opening WORK SESSION on SB 109.

121 SEN. ADAMS: Declares a Conflict of interest because he is the President of a Savings and Loan which is in the lending business.

MOTION: With an amendment to SECTION 1, (3) lines 24 and 25 to remove the following words "or 97% when not more than 2% of the loan is applied tot he purchase of mortgage insurance;" I would move that SB 109 DO PASS as AMENDED to the floor of the Senate.

123 SEN. LEONARD: I have a objection.

124 SEN. MCCOY: I would like an explanation.

140 SEN. LEONARD: Fewer people would be eligible for loans.

157 VOTE: To amend SB 109, SECTION 1, (3) lines 24 and 25.
4-2 MOTION PASSES
AYE: Adams, Bryant, Kintigh, Derfler
NO: Leonard, McCoy

163 SEN. LEONARD: Would like to make an amendment to SECTION: 5, (2), c.,
lines 15 and 16 to leave in the section on weatherization.

185 SEN. KINTIGH: I believe a prudent buyer would go ahead with
weatherization.

187 MOTION: SEN. LEONARD makes motion to leave in lines 15 & 16 of SECTION
5 (2), c.

190 VOTE: To amend SB 109, to leave in SECTION 5 (2), c, lines 15 and 16.
2-4 MOTION FAILS
AYE: Leonard, McCoy
NO: Adams, Bryant, Kintigh, Derfler

202 MOTION: SEN ADAMS: Move SB 109 as amended be sent to the floor with a
DO PASS RECOMMENDATION.

205 VOTE: DO PASS SB 109 as amended.
6-0 MOTION PASSES
AYE: Adams, Bryant, Kintigh, Leonard, McCoy, Derfler
NO: None

214 SEN. MCCOY: Will probably oppose bill on the floor as it is.

216 CHAIR DERFLER: SEN. ADAMS. will carry this bill.

218 CHAIR DERFLER: Closing WORK SESSION on SB 109.

220 CHAIR DERFLER: Opening PUBLIC HEARING on SB 200.

225 RITA THOMAS: Explaining SB 200.

237 RANDALL EDWARDS: Dept. of Treasury, testifying on SB 200.

245 GARY COMBS: Real Estate Investment Officer for the Oregon State
Treasury, testifying on SB 200. (EXHIBIT B)

290 CHAIR DERFLER: Wouldn't a Federal law overrule a state law?

291 BILL NESSLY: DOJ, testifying on SB 200.

328 SEN. LEONARD: Can the Committee generate bills after the dead line?

337 MORELLA LARSEN: Real Estate Commission, testifying against SB 200.

368 CHAIR DERFLER: Has this been going on for years?

370 MORELLA LARSEN: People working with the treasury were required to get
an Oregon license.

395 CHAIR DERFLER: Would like the agencies to work together and come back
with an agreement.

400 SEN. BRYANT: This is - we will have our attorneys talk to your attorneys?

410 SEN. MCCOY: Are the people giving investment advice to the Treasury licensed and bonded?

420 STEVE HAWES: The Oregon investment advisors have to have a \$10,000 bond.

440 CHAIR DERFLER: Closing PUBLIC HEARING on SB 200.

Submitted by, Reviewed by,

Glenda Fields Rita Thomas
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - Testimony on SB 109 - Jon Mangis, OR Dept. of Veterans' Affairs. - 9 pages

B - Testimony on SB 200 - Gary Combs, Treasury - 2 pages