

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON BUSINESS

March 16, 1993      Hearing Room 50 8:30 a.m.      Tapes 59 - 60

MEMBERS PRESENT:    Rep. Bob Repine, Chair Rep. Hedy Rijken, Vice-Chair  
Rep. Lisa Naito Rep. Liz VanLeeuwen Rep. Cynthia Wooten

STAFF PRESENT:            Janet McComb, Committee Administrator Debbie  
Schieno, Committee Clerk

MEASURES CONSIDERED:            HB 2727 - Public Hearing/Possible Work  
Session HB 3121 - Public Hearing

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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. [--- Unable To Translate Graphic ---]

TAPE 59, SIDE A

002      CHAIR REPINE:    Calls the meeting to order at 8:35 a.m.

PUBLIC HEARING ON HB 3121

014      JANET McCOMB, COMMITTEE ADMINISTRATOR:    Outlines Preliminary Staff Measure Summary (EXHIBIT A) and refers to the hand engrossed bill

(EXHIBIT B) and a news article from The Business Journal (EXHIBIT C).

034      RAY GRIBLING, OREGON MORTGAGE BANKERS ASSOCIATION:    Submits and reviews testimony in favor of HB 3121 (EXHIBIT D).

057      JACK ZUBER, OREGON MORTGAGE BANKERS ASSOCIATION:    Submits and reviews testimony in favor of HB 3121 (EXHIBIT E).

132      DENNIS JORDAN, PHOENIX MORTGAGE & INVESTMENT:    Submits and reviews testimony in favor of HB 3121 and outlines the bill section by section

(EXHIBIT F).

336      REP. NAITO:    Can a person go through an educational course to become a mortgage banker?

340      MR. JORDAN:    This language is not in the bill. The best education comes through dealing with consumers.

356      REP. NAITO:    What type of experience are you looking for in an applicant? 363      MR. JORDAN:    An applicant gains experience in the position of a loan processor or loan officer. They gain direct experience in all phases of the loan application process.

380 REP. WOOTEN: Is it your intent to have the Director of Insurance and Finance do the approval in the application process?

MR. JORDAN: Yes. The president or CEO will provide the evidence of the experience requirement.

TAPE 60, SIDE A

003 REP. WOOTEN: Do the registered agent and the director go through the same review process?

MR. JORDAN: Yes.

049 REP. VanLEEUEWEN: Will the bill assure that nothing will be made public before the mortgage broker has an opportunity to protect himself?

049 MR. JORDAN: Reviews Section 10, page 6(3).

066 REP. VAN: Section 3, page 4, questions surety bond.

MR. JORDAN: Anticipates this will require a \$10,000 deposit by the entity. 103 -A loan default will not be covered under this bond.

115 REP. VAN: Is this adequate for the amount of money involved?

CHAIR REPINE: This money would be those deposit monies, not the mortgage closure.

132 REP. WOOTEN: How many mortgage brokers exist today?

DAVID SHIRK, FRONTIER COMPANIES: There are approximately 75 firms as members of the Mortgage Brokers Association.

168 REP. WOOTEN: Fiscal impacts or assessments in terms of the workload?

JACK ZUBER, OREGON MORTGAGE BROKERS ASSOCIATION: We are confident the level of licensing and license fees will be adequate. There will be no requirements on the general fund, it will be a self-supporting activity.

221 REP. NAITO: Questions language on page 6, section 7 (2).

MR. SHIRK: Outlines language, stating it was a carryover from the securities statute.

280 REP. NAITO: Questions the civil liabilities section.

MR. JORDAN: It would be up to the aggrieved party to pursue judicially.

329 REP. NAITO: Questions the bond section.

MR. JORDAN: The bond provides verifiable, attachable assets for the

director and allows the consumer to recover funds. This is modeled after the bonding requirement for general contractors and the bonding requirement for broker/dealers.

395 REP. WOOTEN: Is it a provision of the bill to require deposits be made or is this an opportunity left to the discretion of the mortgage banker or mortgage broker?

MR. JORDAN: This does not require deposits.

TAPE 59, SIDE B

011 DAVID SHIRK, FRONTIER COMPANIES: Submits and review testimony in favor of HB 3121 (EXHIBIT G).

136 REP. WOOTEN: Will the field narrow from the implementation of this bill in the Statute?

MR. SHIRK: Mortgage brokering is a growing industry. This bill provides guidelines and structure.

220 FRANK BRAUNER, OREGON BANKERS ASSOCIATION: Supports the passage of HB 3121. -Admires what mortgage bankers and mortgage brokers have done in their

studies during the past 18 months. -Every effort has been made to make this a reasonable bill.

308 DAVE BARROWS, PRESIDENT, OREGON LEAGUE OF FINANCIAL INSTITUTIONS: Testifies in favor of HB 3121. -HB 3121 is an important step for Oregon consumers.

327 JOHN MANGAN, STANDARD INSURANCE COMPANY: Submits and reviews testimony in favor of HB 3121 (EXHIBIT H).

TAPE 60, SIDE B

041 CHAIR REPINE: Page 6, lines 6-7, is this in conflict with other sections of the bill? -Is cash money being put up in the best interest of the consumer? What

is the authority of the director in licensing either by name or business title?

085 CHAIR REPINE: Recessed meeting at 10:05 a.m.

CHAIR REPINE: Reconvenes the meeting at 10:20 a.m.

PUBLIC HEARING ON HB 2727

092 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines the bill and speaks to the proposed amendments (EXHIBIT I).

113 FRANK BRAUNER, OREGON BANKERS ASSOCIATION: Speaks to the HB 272 7-1 amendments.

143 CHAIR REPINE: Submits a letter of support from Cecil Monroe

(EXHIBIT J).

WORK SESSION ON HB 2727

170 MOTION: Rep. Rijken moves the HB 2727-1 amendments.

VOTE: Hearing no objection, the motion carries.

MOTION: Rep. Rijken moves HB 2727, as amended, to the full Commerce Committee with a do pass recommendation.

VOTE: Hearing no objection, the motion carries..

REP. WOOTEN will lead discussion in the full Commerce Committee.

187 CHAIR REPINE: Adjourns the meeting at 10:27 a.m.

Submitted by:

Reviewed by:

Debbie Schieno  
Administrator

Janet McComb Clerk

EXHIBIT LOG:

A - Preliminary Staff Measure Summary HB 3121 - 1 page B - Amendments to HB 3121 - Mortgage Bankers - 29 pages C - News Article - Gribbling - 1 page D - Testimony on HB 3121 - Gribbling - 1 page E - Testimony on HB 3121 - Zuber - 4 pages F - Testimony on HB 3121 - Jordan - 11 pages G - Testimony on HB 3121 - Shirk - 7 pages H - Testimony on HB 3121 - Mangan - 1 page I - Amendments to HB 2727 - 2 pages J - Testimony on HB 272 - Monroe - 1 page