

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON BUSINESS

March 29, 1993      Hearing Room 343 8:30 a.m.      Tapes 68-70

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 3062 - Work Session HB 3121 - Public  
Hearing

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

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 68, SIDE A

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

PUBLIC HEARING ON HB 3121

005      JANET McCOMB,      COMMITTEE ADMINISTRATOR:    Outlines the    HB  
312 1-3 amendments (EXHIBIT A).

023      CECIL MONROE,      ADMINISTRATOR,      DEPARTMENT OF INSURANCE AND  
FINANCE: Introduces Jim Harlan.

034      JIM HARLAN,      POLICY ANALYST,      DEPARTMENT OF INSURANCE AND  
FINANCE: Reviews the HB 3121-3 amendments page by page (See Exhibit A).

231      REP. NAITO:    Are broker/dealers licensed by DIF?

MR. HARLAN:    Yes.

234      REP. NAITO:    Are broker/dealers required to pose a bond or  
security?

MR. HARLAN:    They are required to have a \$10,000 surety bond.

253      REP. NAITO:    What are the policy reasons for exemption?

MR. HARLAN:    Explains possible situations.

374      REP. NAITO:    Questions the licensing requirements on property  
located in another state.

MR. HARLAN:    This bill would apply if the real property is located in  
another state and the mortgage banker is located in this state.

TAPE 69, SIDE A

009 REP. NAITO: If the broker and the property are located out of state and the state is not regulated, are they required to get a license in this

state to work with an Oregon borrower?

MR. HARLAN: Explains.

039 REP. WOOTEN: Section 3(2), how would a person qualify for a license without direct lending experience?

MR. HARLAN: Explains.

MR. MONROE: This language is flexible.

093 MR. HARLAN: Continues outline.

169 REP. WOOTEN: Concerned that the program be implemented with fewer people?

MR. MONROE: Agrees that they need to be extremely careful.

244 REP. NAITO: Was it your intent to extend the statute for fraudulent acts?

MR. HARLAN: Outlines statutes relating to fraudulent acts.

352 REP. NAITO: What is the rationale for a felony?

MR. HARLAN: Responds and speaks of past cases.

TAPE 68, SIDE B

001 Continues outline.

049 REP. WOOTEN: Suggests using appropriate language regarding a minimum of probable cause.

086 REP. NAITO: Questions Section 2, how does this language interplay with a right not to self incriminate? Could you suspend a license if they

invoke their rights not to incriminate?

MR. HARLAN: The individual cannot be compelled against their 5th amendment under the current conditions of the bill. Although the refusal could be grounds for a license revocation.

189 REP. WOOTEN: What are the maximum penalties under a Class C felony?

MR. McCOMB: Outlines felonies.

344 GREG NIEDERMEYER, G.E. NIEDERMEYER & COMPANY: Submits and reviews testimony on HB 3121 (EXHIBIT C).

TAPE 69, SIDE B

001 MR. NIEDERMEYER: Continues testimony. -Responds to questions.

098 MARELLA LARSEN, REAL ESTATE AGENCY: The Real Estate Agency is in support of the regulation of the mortgage broker/banker. -Receives complaints from consumer regarding the problems with the

mortgage portion of their transactions. -Concerned with the lack of regulation of the financial transactions. -Suggested amendment to bring this into compatibility with the Real

Estate Statute.

177 STEVE HAWES, DEPUTY REAL ESTATE COMMISSIONER: Outlines regulations not in the bill and experiences of the Real Estate Agency. -Responds to questions.

TAPE 70, SIDE A

001 TERRY ANN LEGGERT, DEPARTMENT OF JUSTICE: Submits and reviews testimony on HB 3121 (EXHIBIT D).

102 MIKE CLARK, CITIZEN: Relates the personal experience of buying a home. Supports legislation regulating to mortgage brokering.

123 FRANK BRAWNER, OREGON BANKERS ASSOCIATION AND OREGON MORTGAGE BANKERS ASSOCIATION: There is a need to remember where this bill comes from and the efforts put forth over two years. The mortgage bankers have never

been regulated. Mortgage bankers should be regulated and licensed on the lenders side, rather than the real estate side. -Suggests a work group to respond to concerns of the bill.

195 CHAIR REPINE: Asks that the Attorney General's office, Real Estate Agency and the banking/mortgage representatives to meet with staff to

work out some of the difficulties.

223 CHAIR REPINE: Recesses the meeting at 10:45 a.m.

CHAIR REPINE: Reconvenes the meeting at 11:00 a.m.

WORK SESSION ON HB 3062

231 JANET McCOMB, COMMITTEE ADMINISTRATOR: Outlines HB 3062 and the previous testimony.

252 MOTION: REP. RIJKEN moves HB 3062 to the full Commerce Committee with a do pass recommendation.

VOTE: Hearing no objection, the motion carries.

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

275 Announcements.

314 CHAIR REPINE: Adjourns the meeting at 11:07 a.m.

Submitted by:

Reviewed by:

Debbie Schieno  
Administrator

Janet McComb Clerk

EXHIBIT LOG:

A - Amendments to HB 3121 - 5 pages B - Fiscal Analysis on HB 3121 - 2  
pages C - Testimony on HB 3121 - Niedermeyer - 3 pages D - Testimony  
on HB 3121 - Leggert - 3 pages