

Enforcement Issues

MLWG
12/11/07

- Exclusion of LOs working for Oregon licensed mortgage bankers - ORS 59.840(4)(d)
- Expansion of enforcement powers over LOs to ban or suspend – ORS 59.971 and 59.973
- Expansion and clarification of LO registry – 59.969(8)
- Annual filing of report of lending activity – ORS 59.860
- Expanded Private Right of Action ORS - 59.925

LO Definition

59.840 Definitions for ORS 59.840 to 59.980. As used in ORS 59.840 to 59.980:

(1) "Director" means the Director of the Department of Consumer and Business Services.

(2) "Fraud," "deceit" and "defraud" are not limited to common-law deceit.

(3) "License" means a license issued to a mortgage banker or mortgage broker under ORS 59.840 to 59.980.

(4)(a) "Loan originator" means an individual employed by or purporting to act as an agent or independent contractor for a mortgage banker or mortgage broker that is required to be licensed under ORS 59.840 to 59.980, with the expectation by the individual of compensation or gain that is determined by the amount borrowed or the terms and conditions agreed to by the mortgage loan borrower, and having primary job responsibilities that include negotiating with a borrower or potential borrower for the purpose of establishing the terms and conditions of a mortgage loan.

(b) "Loan originator" includes a person employed at a location outside this state whose primary job responsibilities include contacting or attempting to contact a borrower or potential borrower within this state through any medium or mode of communication for purposes of providing a mortgage loan within this state.

(c) "Loan originator" does not include an individual whose responsibilities are clerical or administrative functions, including but not limited to gathering information, requesting information, word processing, soliciting general interest in mortgage loans, sending correspondence and assembling files.

~~(d) "Loan originator" does not include an employee of a mortgage banker that is rated as good or better under the federal rating system in effect on May 1, 2001, for seller servicers of Federal Housing Administration, Federal Home Loan Mortgage Corporation or Federal National Mortgage Association loans and that has an office within this state at which the mortgage banker maintains complete and current copies of all employment records and other records as required by the Director of the Department of Consumer and Business Services by order or rule, in a format acceptable to the director.~~