

B-Engrossed House Bill 2007

Ordered by the House June 15
Including House Amendments dated April 12 and June 15

Sponsored by Representatives RUIZ, MEEK, KROPF, NOBLE, ZIKA, Senators JAMA, MANNING JR; Representatives ALONSO LEON, BYNUM, CAMPOS, DEXTER, FAHEY, GOMBERG, GRAYBER, HUDSON, PHAM, POWER, REYNOLDS, SCHOUTEN, SMITH DB, WILDE, WILLIAMS, WITT, Senators DEMBROW, FREDERICK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Allows Department of Consumer and Business Services to require implicit bias training for mortgage loan originators.

Establishes Joint Task Force on Addressing Racial Disparities in Home Ownership. Requires task force to report to interim committee of Legislative Assembly on or before September 15, 2022. Sunsets task force on December 31, 2022.

[Appropriates moneys to Legislative Policy and Research Committee to compensate task force.]
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to addressing disparities; creating new provisions; amending ORS 86A.215 and 86A.221; and
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 86A.215 is amended to read:

6 86A.215. (1) An applicant for a mortgage loan originator's license shall:

7 (a) Complete, at a minimum, 20 hours of an approved course of prelicensing education that, at
8 a minimum, must include:

9 (A) Three hours devoted to federal laws and regulations;

10 (B) Three hours devoted to ethics, with instruction concerning fraud, consumer protection and
11 fair lending; and

12 (C) Two hours devoted to lending standards applicable to nontraditional mortgages; *[and]*

13 **(b) Complete additional educational requirements as the Director of the Department of**
14 **Consumer and Business Services may establish by rule, including on topics of implicit bias,**
15 **including racial bias; and**

16 *[(b)]* **(c)** Pass a qualified written test with a score of 75 percent correct or better. The test must
17 measure the applicant's knowledge of:

18 (A) Ethics; and

19 (B) Federal and state laws, regulations and rules that apply to residential mortgage loan origi-
20 nation, including laws, regulations and rules that concern fraud, consumer protection, fair lending
21 and nontraditional mortgages.

22 (2) For purposes of this section:

23 (a) An approved course of prelicensing education is a course that the Nationwide Mortgage Li-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 censing System and Registry has reviewed and for which the Nationwide Mortgage Licensing System
2 and Registry has approved the contents, provider, instructional standards and means and methods
3 of delivery, using reasonable standards.

4 (b) A qualified written test is a test that the Nationwide Mortgage Licensing System and Reg-
5 istry develops and for which the Nationwide Mortgage Licensing System and Registry approves the
6 test provider and method of test administration, using reasonable standards.

7 (3) The director shall accept for the purposes of the requirements set forth in subsection (1) of
8 this section an approved course of prelicensing education that an applicant completed in another
9 state.

10 (4) This section does not preclude:

11 (a) An applicant's employer or a subsidiary, agent or affiliate of the employer from providing
12 an approved course of prelicensing education; or

13 (b) An approved test provider from administering a qualified test at the business location of the
14 applicant's employer or an affiliate, subsidiary or agent of the employer or at the business location
15 of a person with which the employer has an exclusive contractual arrangement related to mortgage
16 loan origination.

17 (5) An applicant may take a qualified test four consecutive times, provided that each test ad-
18 ministration occurs 30 days after a previous test administration. If the applicant fails the approved
19 test four consecutive times, the applicant must wait at least six months before retaking the test.

20 **SECTION 2.** ORS 86A.221 is amended to read:

21 86A.221. (1) A licensed mortgage loan originator each year shall complete at least eight hours
22 of an approved course of continuing education that[,]:

23 (a) At a minimum, must include:

24 [(a)] (A) Three hours devoted to federal laws and regulations;

25 [(b)] (B) Two hours devoted to ethics, with instruction concerning fraud, consumer protection
26 and fair lending; and

27 [(c)] (C) Two hours devoted to lending standards applicable to nontraditional mortgages[.]; **and**

28 **(b) May include additional requirements as the Director of the Department of Consumer**
29 **and Business Services may establish by rule, including on topics of implicit bias, including**
30 **racial bias.**

31 (2) For purposes of this section, an approved course of continuing education is a course that the
32 Nationwide Mortgage Licensing System and Registry has reviewed and for which the Nationwide
33 Mortgage Licensing System and Registry has approved the contents, provider, instructional stan-
34 dards and means and methods of delivery, using reasonable standards.

35 (3) This section does not preclude a licensed mortgage loan originator's employer or a subsid-
36 iary, agent or affiliate of the employer from providing an approved course of continuing education.

37 (4) [*The Director of the Department of Consumer and Business Services shall accept*] For the
38 purposes of the requirement set forth in subsection (1) of this section, **the director shall accept**
39 an approved course of continuing education that a licensed mortgage loan originator completed in
40 another state.

41 (5) A licensed mortgage loan originator:

42 (a) May receive credit for a continuing education course only in the year in which the licensed
43 mortgage loan originator takes the course, unless the director under ORS 86A.218 permits or re-
44 quires the mortgage loan originator to make up a deficiency in continuing education; and

45 (b) May not for the purposes of meeting the requirement set forth in subsection (1) of this sec-

1 tion take the same approved course of continuing education in the same year or in any two suc-
2 cessive years.

3 (6) A licensed mortgage loan originator who is also approved as an instructor for an approved
4 course of continuing education may receive two hours of credit toward the licensed mortgage loan
5 originator's own continuing education requirement for each hour of the approved course of contin-
6 uing education that the licensed mortgage loan originator teaches.

7 **SECTION 3. The amendments to ORS 86A.215 and 86A.221 by sections 1 and 2 of this 2021**
8 **Act become operative on January 1, 2022.**

9 **SECTION 4. (1) The Joint Task Force on Addressing Racial Disparities in Home Owner-**
10 **ship is established.**

11 **(2) The task force consists of 16 members appointed as follows:**

12 **(a) The President of the Senate shall appoint two members from among members of the**
13 **Senate;**

14 **(b) The Speaker of the House of Representatives shall appoint two members from among**
15 **members of the House of Representatives;**

16 **(c) The President of the Senate and the Speaker of the House of Representatives shall**
17 **jointly appoint 11 members who represent the following interests:**

18 **(A) One member who represents real estate licensees in this state;**

19 **(B) One member who represents entities that originate, fund or service mortgage loans;**

20 **(C) Two members who each represent an organization with a particular focus on serving**
21 **persons of color that provides individuals and families counseling, education or the opportu-**
22 **nity to purchase affordable housing;**

23 **(D) Two members who represent credit unions, banks or other financial institutions that**
24 **make mortgage loans in different geographic areas of this state;**

25 **(E) One member who represents developers of affordable housing;**

26 **(F) One member who represents a fiduciary organization administering state moneys di-**
27 **rected to individual development accounts as defined in ORS 458.670;**

28 **(G) One member who represents nonprofit organizations with experience in fair housing**
29 **issues; and**

30 **(H) Two members who represent residents of this state who have suffered historic dis-**
31 **crimination or who currently lack opportunities for homeownership because of discrimi-**
32 **nation or inadequate financial resources. The President and the Speaker shall give**
33 **preferences to appointing members who represent diverse geographic regions of this state;**
34 **and**

35 **(d) The Director of the Housing and Community Services Department shall appoint one**
36 **nonvoting member to represent the department or the Oregon Housing Stability Council.**

37 **(3) The task force shall:**

38 **(a) Review the work and reports of the Task Force on Addressing Racial Disparities in**
39 **Home Ownership;**

40 **(b) Continue, as necessary, any of the investigation or reporting tasks initiated by the**
41 **Task Force on Addressing Racial Disparities in Home Ownership under section 1, chapter**
42 **110, Oregon Laws 2018; and**

43 **(c) Recommend solutions, including legislation, to eliminate discrimination and other**
44 **barriers identified by the Task Force on Addressing Racial Disparities in Home Ownership**
45 **under section 1, chapter 110, Oregon Laws 2018, in order to ameliorate conditions reducing**

1 or preventing homeownership among people of color in this state.

2 (4) The task force may consult experts, form subcommittees or advisory committees,
3 conduct field investigations, hearings and other meetings, receive testimony in any form or
4 format, request or require production of documents and other evidence and otherwise take
5 any lawful action to carry out the purposes set forth in subsection (3) of this section.

6 (5) A majority of the voting members of the task force constitutes a quorum for the
7 transaction of business.

8 (6) Official action by the task force requires the approval of a majority of the members
9 of the task force.

10 (7) The task force shall elect a legislative member of the task force to serve as chair-
11 person.

12 (8) If there is a vacancy for any cause, the appointing authority shall make an appoint-
13 ment to become immediately effective.

14 (9) The task force shall meet at times and places specified by the call of the chairperson
15 or of a majority of the members of the task force.

16 (10) The task force may adopt rules necessary for the operation of the task force.

17 (11) The task force shall submit a report in the manner provided by ORS 192.245, and
18 may include recommendations for legislation, to an interim committee of the Legislative
19 Assembly related to housing no later than September 15, 2022.

20 (12) The Legislative Policy and Research Director shall provide staff support to the task
21 force.

22 (13) Members of the task force are entitled to compensation from the Legislative As-
23 sembly, through the Legislative Policy and Research Committee, and may be compensated
24 for actual and necessary travel and other expenses incurred by the members in the per-
25 formance of official duties in the manner and amount as provided in ORS 292.495.

26 (14) All agencies of state government, as defined in ORS 174.111, are directed to assist
27 the task force in the performance of the task force's duties and, to the extent permitted by
28 laws relating to confidentiality, to furnish information and advice the members of the task
29 force consider necessary to perform their duties.

30 **SECTION 5.** Section 4 of this 2021 Act is repealed on December 31, 2022.

31 **SECTION 6.** This 2021 Act takes effect on the 91st day after the date on which the 2021
32 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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