

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
MORTGAGE LENDING SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

M-15-0021

Network for Oregon Affordable
Housing

ORDER OF EXEMPTION AND CONSENT
TO ENTRY OF ORDER

WHEREAS the Network for Oregon Affordable Housing (hereinafter “NOAH”) has submitted a request to be exempt from the definition of “mortgage banker” as contained in ORS 86A.100(3) and “mortgage broker” as contained in ORS 86A.100(5);

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (“Director”) has determined that the public interest is served by issuing an order exempting NOAH from the definitions of mortgage banker and mortgage broker,

NOW THEREFORE, the Director GRANTS an exemption to NOAH from the definition of mortgage banker and broker as stated hereinafter:

FINDINGS OF FACT

The Director FINDS that:

1. NOAH is an Oregon non-profit corporation formed in 1990 as a community development corporation with the charitable purpose to develop and implement programs to assist low and moderate income Oregonians to obtain affordable and appropriate housing.

2. NOAH’s primary office is located at 1020 SW Taylor, Suite 585 in Portland, Oregon 97205.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





- 1 3. The Internal Revenue Service has granted NOAH 501(c)(3) status.
- 2 4. NOAH is currently registered with the Oregon Attorney General as a charitable
3 organization.
- 4 5. NOAH has provided permanent financing for multi-family low-income housing projects
5 throughout Oregon since 1990 including loans to develop, rehabilitate or provide for energy
6 efficiency for multi-family affordable housing developments.
- 7 6. Although NOAH has loan originators, they do not originate one-to-four family residential
8 mortgage loans and do not receive training in laws appropriate for these residential mortgage
9 loans, such as training in the Real Estate Settlement Procedures Act and the Truth in Lending
10 Act.
- 11 7. NOAH intends to pilot a loan program to provide owner-occupied loans on manufactured
12 homes for single-family lending to low-income consumers. The loans will be made in a few of
13 the most economically disadvantaged counties in Oregon to limited to low- to moderate-income
14 borrowers with limited assets. Borrowers will be required to complete education with an HUD-
15 approved counseling agency. NOAH will charge below market rate interest. It may charge fees
16 that exceed one percent of the loan amount, but are still no more than is reasonably necessary to
17 administer the program.
- 18 8. Such loans will be originated through the Portland Housing Center, an Oregon licensed
19 mortgage banker/broker that employs licensed loan originators. The loan originators are not
20 compensated in such a manner to incentivize them to act other than in the best interest of the
21 borrower. Portland Housing Center will also underwrite, document and close the loans. The
22 loans will be originated in Portland Housing Center's name. NOAH will purchase each loan
23 simultaneously with the closing of the loan. NOAH will retain and service the loans.
- 24 9. NOAH will not solicit the borrowers directly or indirectly and will only communicate
25 with consumers through licensed or exempt mortgage loan originators. While NOAH does set
26



1 the terms under which it will make or fund the loan, NOAH does not negotiate the terms of the
2 loan with the borrower.

4 CONCLUSIONS OF LAW

5 The Director CONCLUDES that:

6 1. NOAH currently meets the criteria for a bona fide nonprofit organization as set forth in
7 OAR 441-880-0008 except that it does not require its own loan originators to obtain education in
8 laws appropriate for residential mortgage lending.

9 2. NOAH currently meets the criteria to be exempt as a wholesale lender under ORS
10 86A.100(3)(H), except that it has a location in Oregon in connection with the funding of
11 mortgage loans.

12 3. NOAH's purpose and anticipated lending present a real benefit of affordable housing for
13 low- or moderate-income Oregonians in economically disadvantaged counties and present little
14 risk since the loans involved include better than market terms and do not incentivize those
15 involved to act other than in the best interests of the borrower, even though it fails to meet all of
16 the criteria necessary for exemption under ORS 86A.100(3)(H) or to be a bona fide nonprofit
17 organization as set forth in OAR 441-880-0008.

19 ORDER

20 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

21 4. The Director, pursuant to ORS 86A.100(3)(b)(N) and 86A.100(5)(b)(N), hereby orders
22 that NOAH is exempt from the definitions of "mortgage banker" and "mortgage broker" as
23 contained in ORS 86A.100 until further order of the Director.

24 5. NOAH must originate all Oregon residential mortgage loans using the services of a
25 licensed or exempt loan originators or NOAH must obtain recognition as a bona fide non-profit
26 organization under OAR 441-880-0008.

1 NOAH further assures the Director that neither NOAH nor its officers, directors,
2 employees, or agents will effect mortgage transactions in Oregon unless such activities are in
3 full compliance with the Oregon Mortgage Lender Law and this order of the Director. NOAH
4 understands that this Consent Order is a public document.

5
6 Dated this 13th of April, 2015.

7
8 By /s/ William A. Van Vliet
9 Signature of Officer

10 William A. Van Vliet
11 Printed Name of Officer

12 Executive Director
13 Office Held

14
15 **ENTITY ACKNOWLEDGMENT**

16 There appeared before me this 13th day of April, 2015,
17 William A. Van Vliet, who was first duly sworn on oath, and stated that
18 (s)he was and is an officer of NOAH and that (s)he is authorized and empowered to sign this
19 Consent to Entry of Order on behalf of NOAH and to bind NOAH to the terms hereof.

20
21 /s/ Jake Daniel Kirsch
Signature of Notary Public

22 Notary Public for the State of: Oregon
23 My commission expires: 8/9/2015
24
25
26

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