

441-860-0020

Application Requirements

Each person applying for a mortgage banker or mortgage broker license shall submit to the director all the following required application materials and information:

- (1) A completed Form MU1 submitted through the Nationwide Mortgage Licensing System and Registry and approved by the director.
- (2) A completed Form MU2 submitted through the Nationwide Mortgage Licensing System and Registry and approved by the director for any individual that acts as a control person for the mortgage banker or mortgage broker.
- (3)(a) A corporate surety bond submitted through the Nationwide Mortgage Licensing System and Registry that meeting-meets specified terms ~~and~~ calculated using the appropriate loan volume amounts under OAR 441-860-0085 if the applicant acts as the applicant's sole mortgage loan originator or employs a mortgage loan originator; or
- (b) A corporate surety bond ~~or irrevocable letter of credit submitted through the Nationwide Mortgage Licensing System and Registry that meeting-meets~~ specified terms ~~and~~ calculated using the appropriate loan volume amounts under OAR 441-860-0090 ~~if the applicant is a mortgage banker and the applicant is either not a mortgage loan originator or the applicant is not required to employ a mortgage loan originator; or:~~
- (c) An irrevocable letter of credit filed with the director that meets specified terms calculated using the appropriate loan volume amounts under OAR 441-860-0090 if the applicant is a mortgage banker and the applicant is either not a mortgage loan originator or the applicant is not required to employ a mortgage loan originator.
- (4) Financial statements prepared in accordance with generally accepted accounting principles, including a balance sheet and a statement of income or operations, dated not more than six months prior to submission of the application through the Nationwide Mortgage Licensing System and Registry.
 - (a) The financial statements may be prepared by the mortgage banker or mortgage broker, except that if the director finds it in the public interest, the director may require that a mortgage banker or mortgage broker submit financial statements prepared by an independent accountant.
 - (b) If the financial statements are more than six months old, interim period financial statements prepared by the mortgage banker or mortgage broker for the period ending the last full month prior to the date of application shall also be submitted.
- (5) A written authorization to examine the applicant's Clients' Trust Account under ORS 86A.157 or, in the case of a neutral escrow depository, a copy of the escrow agreement under OAR 441-875-0040.
- (6) A copy of the written notice to financial institution of establishment of Clients' Trust Accounts under ORS 86A.160. In the event the applicant does not receive client funds except at the time of closing, an affidavit and undertaking in the form and on terms approved by the director.
- (7) The name of the registered agent of the mortgage banker or mortgage broker appointed under ORS 60.111 to accept process, notices or demands served upon the mortgage banker or mortgage broker listed on the application submitted through the Nationwide Mortgage Licensing System and Registry.
- (8) Biographical information required by OAR 441-860-0021 submitted through the Nationwide Mortgage Licensing System and Registry.

(9) The information required under OAR 441-860-0030 for each branch office submitted through the Nationwide Mortgage Licensing System and Registry.

(10) Payment of fees for application or renewal, as applicable, under OAR 441-860-0101, paid through the Nationwide Mortgage Licensing System and Registry.

441-860-0025

Rules for Use of Assumed Business Names

(1) In addition to any requirements for registering an assumed business name with the Secretary of State, a mortgage banker or mortgage broker who intends to use an assumed business name to identify the person's mortgage banker or mortgage broker business shall also comply with the following before doing business under the assumed business name:

(a) If the assumed business name contains words or phrases described in ORS 56.023, the mortgage banker or mortgage broker must obtain specific written approval from the director under ORS 705.635 and OAR 441-005-0010.

~~(b) The assumed business name must be added to the corporate surety bond of the mortgage banker or mortgage broker under either OAR 441-860-0085 or 441-860-0090.~~

~~(c) The mortgage banker or mortgage broker may purchase a separate corporate surety bond for the assumed business name if:~~

~~(A) The separate corporate surety bond contains the name of the principal mortgage banker or mortgage; and~~

~~(B) The separate corporate surety bond complies with either OAR 441-860-0085 or 441-860-0090, as applicable.~~

~~(d) Any corporate surety bond must be in force as of the date of the addition of the assumed business name, and must be forwarded to the director within two weeks from the addition of the assumed business name; and~~

(be) The assumed business name must be placed upon any client trust account maintained by the mortgage banker or mortgage broker.

(2) Regardless of the lack of any ownership interest in the assumed business name, the mortgage banker or mortgage broker is responsible for all actions of those acting under the assumed business name which relate to mortgage banking loans or mortgage loans.

441-860-0050

Renewal of Mortgage Banker and Mortgage Broker License

(1) A mortgage banker or a mortgage broker license shall expire on December 31 of each calendar year. At least 30 days prior to the expiration of a mortgage banker or mortgage broker license, the mortgage banker or the mortgage broker shall submit a renewal request for the license to the director through the Nationwide Mortgage Licensing System and Registry and shall:

(a) Complete a renewal request with an attestation that the records are true and accurate; and

(b) Pay any applicable renewal fees prescribed under OAR 441-860-0101.

(2) A mortgage banker or mortgage broker shall each calendar year:

~~(a) Submit, or confirm, through the Nationwide Mortgage Licensing System and Registry file with the director each calendar year a corporate surety bond meeting specified terms and calculated using the appropriate loan volume amounts under OAR 441-860-0085 or a corporate surety bond or irrevocable letter of credit meeting specified terms and calculated using the appropriate loan volume amounts under OAR 441-860-0090; or~~

~~(b) File or have on file with the director an irrevocable letter of credit which meets specified terms calculated using the appropriate loan volume amounts under OAR 441-860-0090~~

(3) The director may refuse to renew a license if a reason exists under ORS 86A.095 through 86A.198 or 86A.200 through 86A.239.

(4) If a mortgage banker or mortgage broker submits an application for renewal which is incomplete in any respect, the director shall notify the mortgage banker or broker of the deficiencies on the application. The mortgage banker or mortgage broker shall have 30 days from the date of the notice or the end of the renewal period, whichever occurs first, to complete the application for renewal. If the mortgage banker or mortgage broker fails to complete the application for renewal, and the license shall be terminated on the expiration date by reason of failure to renew.

441-885-0010

Cancellation of Mortgage Banker Or Mortgage Broker License for Failure to Maintain Corporate Surety Bond or Irrevocable Letter of Credit

(1) The director may cancel the license of a mortgage banker or mortgage broker for failing to maintain a corporate surety bond or irrevocable letter of credit as required by ORS 86A.106 and OAR 441-860-0090 or ORS 86A.227 and OAR 441-860-0085. The procedure for canceling a mortgage banker or mortgage broker license under this rule is as follows:

(a) Upon notification from the surety of notice of intent to cancel the corporate surety bond, or upon notification from the financial institution of notice of intent to cancel the irrevocable letter of credit, the director shall ~~send written notice to notify~~ the mortgage banker or mortgage broker. This notice ~~shall~~ may be sent by setting a deficiency on the company's license in the Nationwide Mortgage Licensing System and Registry certified mail within three business days of receipt of notification from the surety or financial institution. Failure to send the notice within three business days will not preclude cancellation under subsection (1)(b) of this rule.

(b) If ~~the director does not receive~~ an effective corporate surety bond ~~or irrevocable letter of credit is not submitted through the Nationwide Mortgage Licensing System and Registry or an irrevocable letter of credit filed with the director~~ by 5 p.m. Pacific Time ~~seven business~~ within thirty (30) calendar days after receiving the notice in subsection (a) of this rule ~~the corporate surety bond or letter of credit cancellation date,~~ the director shall cancel the license of the mortgage banker or mortgage broker. The cancellation of the mortgage banker or mortgage broker license shall be effective as of the corporate surety bond or irrevocable letter of credit cancellation date. For purposes of this rule, an effective corporate surety bond or irrevocable letter of credit is one that commences no later than the cancellation date of the previous corporate surety bond or irrevocable letter of credit.

(2) A mortgage banker or mortgage broker whose license has been cancelled may obtain a mortgage banker or mortgage broker license in Oregon by submitting a new application.

(3) Upon cancellation of a mortgage banker or mortgage broker license all rights under the license are terminated, except that the director shall retain jurisdiction to investigate the professional activities pursuant to ORS 86A.124.

(4)(a) The director may change the mortgage loan originator's license status to inactive if the director finds that the mortgage loan originator is not covered by a corporate surety bond or the corporate surety bond covering the mortgage loan originator is maintained in an insufficient amount under OAR 441-860-0085.

(b) The director may change the mortgage loan originator's license status to approved if the mortgage loan originator provides evidence acceptable to the director that the mortgage loan originator is covered by a corporate surety bond or the corporate surety bond covering the mortgage loan originator is maintained in a sufficient amount under OAR 441-860-0085.

441-730-0026

Corporate Surety Bond for Consumer Finance Licensees Employing a Mortgage Loan Originator

(1) This rule applies to a consumer finance company licensed under ORS 725.010 to 725.270 and OAR chapter 441, division 730 that employs one or more mortgage loan originators. The corporate surety bond must be in a form and on terms approved by the director.

(2) A corporate surety bond under this rule must be renewed or replaced each calendar year, concurrently with the license renewal of any mortgage loan originators employed by the consumer finance company. The corporate surety bond shall be submitted through the Nationwide Mortgage Licensing System and Registry ~~delivered to the director~~ by December 1 of each calendar year but may be made effective as of December 31 of each calendar year. In no case shall any applicant, mortgage banker or mortgage broker subject to this rule reduce the amount of a corporate surety bond before October 1 of each calendar year.

(3) A consumer finance company must maintain a corporate surety bond during the period the company employs a mortgage loan originator. The corporate surety bond must remain in effect for at least five years after the person ceases to employ one or more mortgage loan originators. A person must file a claim against the corporate surety bond before the bond expires as described in this section.

(4) At least five years after a consumer finance company ceases to originate residential mortgage loans, the person or the writer of the corporate surety bond may apply to the director for release of the corporate surety bond. Unless the director determines that claims are pending against the person for violation of ORS 86A.095 through 86A.198, the director will release the corporate surety bond.

(5) The sum of the corporate surety bond for a consumer finance company that employs one or more mortgage loan originators must be calculated based on the last required annual report submitted under OAR 441-730-0320. The sum of each consumer finance company's corporate surety bond must be determined as follows:

(a) For a consumer finance company that has not previously conducted business involving the origination of residential mortgage loans, the corporate surety bond must be in the amount of \$50,000.

(b) For a consumer finance company making or negotiating less than \$10,000,000 in residential mortgage loans in the previous calendar year, the corporate surety bond must be in the amount of \$50,000.

(c) For a consumer finance company making or negotiating \$10,000,000 or more but less than \$25,000,000 in residential mortgage loans in the previous calendar year, the corporate surety bond must be in the amount of \$75,000.

(d) For a consumer finance company making or negotiating \$25,000,000 or more but less than \$50,000,000 in residential mortgage loans in the previous calendar year, the corporate surety bond must be in the amount of \$100,000.

(e) For a consumer finance company making or negotiating \$50,000,000 or more but less than \$100,000,000 in residential mortgage loans in the previous calendar year, the corporate surety bond must be in the amount of \$150,000.

(f) For a consumer finance company making or negotiating more than \$100,000,000 in residential mortgage loans in the previous calendar year, the corporate surety bond must be in the amount of \$200,000.

(6) Notwithstanding section (5) of this rule, a person that obtains and maintains one or more consumer finance licenses in this state may provide a corporate surety bond in an amount to cover the entire surety amounts required for one or more of the person's consumer finance companies in an amount meeting the minimum bond amounts of sections (5)(a) through (f) of this rule.

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