STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION
NON-DEPOSITORY PROGRAMS SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:	**M-24-0053**
NETWORK FOR OREGON AFFORDABLE HOUSING,	ORDER OF EXEMPTION AND CONSENT TO ENTRY OF ORDER
Respondent.	

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 Division of Financial Regulation (the "Division"), acting on behalf of 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.

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2. NOAH's primary office is located at 1750 S. Harbor Way, Suite 245, Portland, Oregon 97201.

3. The Internal Revenue Service has granted NOAH 501(c)(3) status.

4. NOAH is currently registered with the Oregon Attorney General as a charitable organization.

5. NOAH has provided permanent financing for multi-family low-income housing projects throughout Oregon since 1990 including loans to develop, rehabilitate or provide for energy efficiency for multi-family affordable housing developments.

6. Although NOAH has loan originators, they do not originate one-to-four family residential mortgage loans and do not receive training in laws appropriate for these residential mortgage loans, such as training in the Real Estate Settlement Procedures Act and the Truth in Lending Act.

7. NOAH intends to pilot a loan program called the "Amplify Oregon Accelerated Mortgage Program" (the "Program") utilizing a shared equity model.

8. The public investment for this program was a direct result of a legislative task force appointed to examine Oregon's racial disparities in homeownership.

9. The Program will offer low interest rates and shorter-term primary mortgages (20 years, instead of 30) to accelerate the equity build-up for the owner. The owner also saves on total interest paid for the loan because NOAH will charge interest at below market rates.

10. NOAH may charge fees that exceed one percent of the loan amount, but are still no more than is reasonably necessary to administer the Program.

11. NOAH will not solicit the borrowers directly or indirectly and will only communicate with consumers through licensed or exempt mortgage loan originators. While NOAH does set the terms under which it will make or fund the loan, NOAH does

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not negotiate the terms of the loan with the borrower.

12. The Amplify Oregon Accelerated Mortgage Program will operate throughout the State of Oregon and will be administered by three non-profit CDFIs: Network for Oregon Affordable Housing (NOAH); Portland Housing Center (PHC) (NMLS ID #268117); and Community Lending Works (CLW) (NMLS ID #2601625), a subsidiary of DevNW.

13. NOAH will be the lead agency and responsible for fund capitalization and management. PHC will be responsible for mortgage underwriting, and CLW will provide loan servicing.

14. Both PHC and CLW will originate the mortgages. The loans will be documented in the originator's name, either PHC or CLW.

15. NOAH will purchase each loan simultaneously with loan closing.

16. NOAH will enter into a loan servicing agreement with CLW to provide loan servicing with borrowers.

17. While this program cannot limit participation in the program to minority homebuyers, NOAH's outreach will be designed to intentionally reach minority buyers.

18. NOAH agrees to comply with all fair lending standards in effecting loans under the Program.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

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

20. NOAH currently meets the criteria to be exempt as a wholesale lender under ORS 86A.100(3)(b)(H), except that it has a location in Oregon in connection with the

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funding of mortgage loans.

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

ORDER

Now, therefore, the Director issues the following Order:

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

23. NOAH must originate all Oregon residential mortgage loans using the services of a licensed or exempt loan originator; otherwise, NOAH must obtain recognition as a bona fide non-profit organization under OAR 441-880-0008.

24. NOAH is ordered to notify the Director within 14 days of any change in the factors of its organization or residential lending program that change from what is set forth in the Findings of Fact and, upon written request of the Director, NOAH is required to certify that it continues to meet the criteria upon which this exemption is granted.

SO ORDERED this 21st day of August, 2024 in Salem, Oregon.

ANDREW STOLFI, Director
Department of Consumer and Business Services

/s/ T.K. Keen
TK Keen, Administrator
Division of Financial Regulation

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ENTITY CERTIFICATION AND

CONSENT TO ENTRY OF ORDER

I, /s/ William A. VanVliet, state that I am an officer of NOAH and I am authorized to act on its behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. NOAH voluntarily and without any force or duress consents to the entry of this Order expressly waiving any right to a hearing in this matter. NOAH understand that the Director reserves the right to take action to enforce this Order or to take appropriate action upon discovery of violations of the Oregon Mortgage Lender Law, including rescinding this Order. NOAH will fully comply with the terms and conditions stated herein. In order for the Director to determine if the exemption granted herein is still appropriate, NOAH agrees that it will allow the Director access to its books and records on the terms provided for in ORS 86A.112 and that the Director has supervisory authority to examine the residential mortgage lending activities of NOAH as provided for in ORS 86A.124.

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

Dated this 8th day of August, 2024.

NETWORK FOR OREGON AFFORDABLE HOUSING

By /s/ William A. VanVliet
Signature of Officer

/s/ William A. VanVliet
Printed Name of Officer, Office Held

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ENTITY ACKNOWLEDGMENT

State of Oregon }

County of Multnomah }

There appeared before me this 8th day of August, 2024, /s/ William A. VanVliet, who was first duly sworn on oath, and stated that (s)he was and is an officer of NOAH and that (s)he is authorized and empowered to sign this Entity Certification and Consent to Entry of Order on behalf of NOAH and to bind NOAH to the terms hereof.

/s/ Cynthia Ann Barber

Signature of Notary Public

Notary Public for the State of : Oregon

My commission expires: October 30, 2027

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