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: Heart to Heart Church	M-15-0139 ORDER OF EXEMPTION AND CONSENT TO ENTRY OF ORDER

WHEREAS the Heart to Heart Church ("Church") 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) as well as a representative of the Church to be exempt from the definition of "mortgage loan originator" as contained in ORS 86A.200(4) for the purposes of a single mortgage transaction contemplated by the Church;

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 the Church and its representative from the definitions of mortgage banker, mortgage broker and mortgage loan originator as those terms are statutorily defined for the purposes of one transaction,

NOW THEREFORE, the Director GRANTS an exemption to the Church and its representative from the definition of mortgage banker, mortgage broker and loan originator as stated hereinafter:

FINDINGS OF FACT

The Director FINDS that:

1. The Church is a non-profit corporation that received its IRS 503(c)(3) exemption on

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December 22, 2005 because it is "included in a group ruling issued to Evangelical Church of North America Denominational Office, located in Minneapolis, MN."

2. The Church's primary office is located at 191 N. Monmouth Avenue, Monmouth, OR according to Oregon Secretary of State Corporation Division records.

3. The Church intends a one-time sale of residential real property located at 819 Main Street E, Monmouth, Oregon in Oregon County, legally described as Multiple lots Tax Lot Id # 4200, ("Property") to Jimmy R. Miller and Lisa J. Miller ("Buyers") under the terms of a written agreement ("Contract for Deed"), which calls for the Buyers to make payments to the Church at terms and conditions negotiated by and for the Church.

4. Under the terms of the Contract for Deed, the Buyers are purchasing the Property for the sales price of $80,000 with interest on the unpaid principal balance at a rate of .00075% per annum.

5. The Church is not in the business of selling residential real property.

6. The Church is not in the business of funding or originating residential mortgage loans for compensation and gain.

7. The Church is not in the business of providing affordable housing and financing or offering homeownership education and counseling nor does it require its representatives to obtain education in laws related to mortgage loan origination.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

1. The transaction between the Church and the Buyers for the sale of residential real estate located in Oregon requires the Church to have a mortgage banker license or mortgage broker license under ORS 86A.095 to 86A.198 in accordance with ORS 86A.103, unless a statutory or regulatory exemption applies.

2. ORS 86A.100(3)(b)(C) and ORS 86A.100(5)(b)(C) provides that a person who provides seller-carry financing, such as that contemplated by the Church in this transaction, is exempt

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from the definition of mortgage banker and mortgage broker.

3. The Oregon Mortgage Lender Law expressly allows the Director to issue an order finding that a "person" does not meet the statutory definition of a "mortgage banker" or "mortgage broker" for licensing purposes under ORS 86A.100(3)(b)(N) and 86A.100(5)(b)(N), respectively.

4. The Church 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 representatives to obtain education in laws appropriate for residential mortgage lending.

5. The licensure of persons who fund or originate residential mortgage loans for compensation or gain is intended to cover traditional private-sector, for-profit mortgage lending or mortgage brokerage businesses that in the ordinary course interact with consumers interested in purchasing a home.

6. Because the Church is not engaged in the business of mortgage banking or mortgage brokerage activities for compensation or gain as contemplated by Oregon mortgage lending laws and intends to engage in just one transaction that provides a loan on terms that are substantially better than those available in the marketplace, an order exempting the Church and its representative from licensing requirements as a mortgage banker, mortgage broker, and loan originator is warranted.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

7. The Director, pursuant to ORS 86A.100(3)(b)(N) and 86A.100(5)(b)(N), hereby orders that Heart to Heart Church is exempt from the definitions of "mortgage banker" and "mortgage broker" as contained in ORS 86A.100 until further order of the Director and determines that for the transaction described in the Findings of Fact herein is a bona fide nonprofit organization and is not required to use a licensed loan originator to originate the transaction..

8. Heart to Heart Church is ordered to notify the Director within 14 days of any change in

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the factors of its organization that change from what is set forth in the Findings of Fact and, upon written request of the Director, the Heart to Heart Church is required to certify that it continues to meet the criteria upon which this exemption was granted.

Dated this 24th day of December, 2015.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Administrator
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