

HB 2624 STAFF MEASURE SUMMARY

Carrier: Rep. Kennemer

House Committee On Business and Labor

Action Date: 02/20/17

Action: Do Pass.

Vote: 9-0-0-0

Yeas: 9 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey, Kennemer

Fiscal: No fiscal impact

Revenue: No revenue impact

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WHAT THE MEASURE DOES:

Exempts out-of-state banks, extranational institutions and foreign associations that hold certificate of authority to conduct banking business issued by Department of Consumer and Business Services from requirement to file additional notice with and paying fee to Department prior to dealing in notes secured by mortgages or trust deeds.

ISSUES DISCUSSED:

- Unintentional deletion of language when Bank Act rewritten in 2015

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Out-of-state banks and extranational institutions that engage in banking business in Oregon are subject to the applicable provisions of the Bank Act (ORS Chapters 706 through 716). The Department of Consumer and Business Services (DCBS) is directed to issue a certificate of authority to conduct banking activities in Oregon to an out-of-state bank or extranational institution that applies for a certificate, pays a \$2,500 application fee, and complies with the relevant requirements. The DCBS Director may revoke or suspend the certificate of authority for specified violations. There are certain activities that an out-of-state bank, extranational institution or foreign association can do without holding a certificate of authority as long as they file a notice with the Director and pay a relatively small fee (\$200 initial application and \$200 annually).

House Bill 2624 clarifies that an out-of-state bank, extranational institution or foreign association that holds a certificate of authority to transact banking business does not need to file notice and pay additional fee to the Department to deal in notes secured by mortgages or trust deeds.