

HB 2624 STAFF MEASURE SUMMARY

Carrier: Sen. Riley

Senate Committee On Business and Transportation

Action Date: 05/17/17
Action: Do pass.
Vote: 5-0-0-0
Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen
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 a certificate of authority issued by the Department of Consumer and Business Services to conduct banking business, from the requirement to file additional notice with, and paying a fee to, the Department prior to dealing in notes secured by mortgages or trust deeds.

ISSUES DISCUSSED:

- Intended to eliminate duplicative application process

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, provided they file a notice with the DCBS Director and pay a comparatively small fee (\$200 initial application, \$200 annual renewal).

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