



September 12, 2014

Mr. David C. Tatman
Administrator
Department of Consumer and Business Services,
Division of Finance and Corporate Securities
350 Winter Street NE, Room 410
Salem, OR 97301-3881

Dear Mr. Tatman,

The Mortgage Bankers Association¹ and the Oregon Mortgage Bankers Association (OMBA) support three important changes currently under consideration by the Oregon Division of Finance and Corporate Securities (the Division) in the proposed rulemaking entitled, *Further harmonizes mortgage lending licensing rules with the Nationwide Mortgage Licensing System & Registry (NMLS)*:

- Adoption of the Uniform State Test (UST) for all state-licensed mortgage loan originators (MLOs);
- Greater reliance on pre-licensing and continuing education requirements to ensure that MLOs operating in Oregon understand and abide by all of Oregon's mortgage lending laws; and
- The replacing of Oregon's specific mortgage banking reporting requirements in favor of the NMLS Mortgage Call Report (MCR).

The NMLS National Test Component with Uniform State Content² (more commonly known as the UST) was developed by state regulators for use by state regulators. MBA has supported UST adoption throughout the nation, because it helps reduce the disproportionate financial burden faced by smaller mortgage lenders. Moreover, states that have implemented the test are seeing many benefits. For example, license

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the Nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information on the Mortgage Bankers Association, visit MBA's website: www.mba.org.

² Developed by the NMLS and the State Regulatory Registry, LLC.

applications have increased which has, in turn, enhanced competition for the most talented MLOs which help local lenders better serve consumers. MBA and OMBA commend the Division's consideration of the UST and urge its swift adoption.

The Division has also proposed adding Oregon-specific education into current licensing requirements for state-regulated MLOs. Given that state legislation and regulation will likely change in the future, this is the most effective approach to ensure all state-licensed MLOs are aware of, understand and obey each new requirement. MBA and OMBA support the Division's proposal to incorporate this new obligation into the current requirement (20 pre-licensing and ten annual continuing).

Finally, the Division has proposed adopting the NMLS quarterly report of condition — more commonly known as the MCR — as the “report on business and operations” required of mortgage bankers under Oregon law. MBA and OMBA support this proposal, because it will eliminate expensive duplicity. Currently, a state-specific report and the MCR must both be filed by Oregon's mortgage bankers. In addition, for Oregon's lenders operating in multiple states, similar reports must be filed by each state that has not yet adopted the MCR as its report. The Division's leadership on this issue will reduce an expensive regulatory burden for Oregon's small lenders without jeopardizing consumer protections.

Thank you for this opportunity to comment on the Division's proposed changes. If you have any questions, please feel free to contact Pete Mills at pmills@mba.org or Amy Frazey at amy.frazey@standard.com.

Respectfully,



Pete Mills
Senior Vice President
Residential Policy and Member Services
Mortgage Bankers Association



Amy Frazey
President
Oregon Mortgage Bankers Association