

Oregon Department of Consumer and Business Services (OR-DCBS) Pre-Licensure Education (PE) Notice

Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 4-hour state specific pre-licensure education (PE) requirement which must be met as a condition for obtaining a mortgage loan originator (MLO) license with the Oregon Department of Consumer and Business Services.

PE requirements are as follows:

- 3 hours of Federal law;
- 3 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 8 hours of general electives;
- 4 hours of Oregon state-specific defined electives

Total PE: 20 Hours

OR-DCBS has established the following required learning objectives and topics list for the 4 hours of state-specific PE:

Required Learning Objectives:

- Know Oregon's definition of residential mortgage loan, and how it differs from TILA
- Describe when a company may allow a MLO to originate Oregon loans.
- Explain Oregon's restriction on originating for more than one mortgage banker/broker.
- Recognize the licensee's obligations for keeping the NMLS record up-to-date and responding to deficiencies timely.
- Discuss Oregon's rate-lock disclosure form
- Identify the disclosures that are required to be provided in a language other than English
- Describe the limitations on negative amortization loans
- Discuss the special disclosure for reverse mortgage loans
- Know that MLO is required to sign initial and final loan applications
- Explain the requirements for handling of client funds, including determining when funds are considered trust funds, refunds of funds as well as manner of deposit and disbursement of trust funds.
- Know the requirement to keep copies of correspondence with applicants
- Demonstrate the advertising requirements and prohibitions
- Explain the definition of dishonest, fraudulent, unfair and unethical practices and prohibited activities for loan originators.

Required Topics:

- Licensing and Operation of Mortgage Brokers, Mortgage Bankers, and Mortgage Loan Originators
- Records, Financial Statements and Reports
- Escrow and Trust Accounts
- Disclosures and Advertising
- Conditions and Limitations of Certain Mortgage Transactions
- Residential Mortgage Loans
- Investigation of Violations and Unsafe Practices
- Prohibited Acts

References:

- Statutes: [The Oregon Mortgage Lending Law and Oregon SAFE Act \(ORS Chapter 86A\)](#)
- Rules:
 - Licensing - [OAR Chapter 441, Div. 860](#)
 - License Cancellation - [OAR Chapter 441, Div. 885](#)
 - Loan Originators - [OAR Chapter 441, Div. 880](#)
 - Custody of Client Funds - [OAR Chapter 441, Div. 875](#)
 - Public Records, Fees, Opinion Requests, Rulemaking - [OAR Chapter 441, Div. 850](#)
 - Records and Reports Requirements - [OAR Chapter 441, Div. 865](#)
 - Dishonest, Fraudulent, Unfair and Unethical Practices - [OAR Chapter 441, Div. 870](#)

Specifically:

- Licensing:
 - ORS 86A.100(3)-(8), 86A.103, 86A.200(4) and (8), 86A.203
 - ORS 86A.183 and OAR 441-880-0315
 - ORS 86A.178(2)
 - OAR 441-860-0024, 441-860-0070, 441-880-0020, 441-880-0310, and 441-880-0320.
- Loan application and disclosure requirements:
 - OAR 441-860-0060(1)(c)
 - ORS 86A.198
 - ORS 86A.195
 - ORS 86A.196
 - OAR 441-860-0060(1)(a)
- Requirements for handling of client funds: ORS 86A.157; OAR 441-850-0005(28), 441-875-0030, and 441-875-0040.
- Record keeping requirements: ORS 86A.112; OAR 441-850-0035 and OAR 441-865-0010 through 441-865-0090.
 - Requirement to keep copies of correspondence with applicants: OAR 441-865-0060(1)(d)
- Advertising requirements and prohibition: ORS 86A.163, 86A.196, 86A.198, 86A.236(8); 86A.239(1); OAR 441-865-0030 and OAR 441-870-0080

- Definition of dishonest, fraudulent, unfair and unethical practices and prohibited activities for loan originators: ORS 86A.115, 86A.183 and 86A.236; OAR 441-870-0010 – 441-870-0081

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.