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 an 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.
• Discuss the use of assumed business names as set forth in OAR 441-860-0025.
• Identify the limitations on the use of certifications or professional designations for mortgage loan originators included in OAR 441-870-0081.
• Know that providing financial advice related to a security, such as advice to take a loan against a retirement account for a down payment, requires additional licensure as a broker-dealer or investment advisor representative.

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:
  o The Oregon Mortgage Lending Law and Oregon SAFE Act (ORS Chapter 86A)
  o The Oregon Securities Law (ORS Chapter 59)
• Rules:
  o Licensing - OAR Chapter 441, Div. 860
  o License Cancellation - OAR Chapter 441, Div. 885
  o Loan Originators - OAR Chapter 441, Div. 880
  o Custody of Client Funds - OAR Chapter 441, Div. 875
  o Public Records, Fees, Opinion Requests, Rulemaking - OAR Chapter 441, Div. 850
  o Records and Reports Requirements - OAR Chapter 441, Div. 865
  o Dishonest, Fraudulent, Unfair and Unethical Practices - OAR Chapter 441, Div. 870

Specifically:
• Licensing:
  o ORS 86A.100(3)-(8), 86A.103, 86A.200(4) and (8), 86A.203
  o ORS 86A.183 and OAR 441-880-0315
  o ORS 86A.178(2)
• Loan application and disclosure requirements:
  o OAR 441-860-0060(1)(c)
  o ORS 86A.198
  o ORS 86A.195
  o ORS 86A.196
  o 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
• Securities licensing requirement: ORS 59.015, 59.165, and 59.345.

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.