



**Department of Consumer and Business Services
Legislative Summary – 2009**

The Oregon Legislative Assembly enacted a variety of measures affecting DCBS and the accomplishment of its mission during the regular session in 2009. Highlights include:

- **Debt management services.** HB 2191 protects financially vulnerable Oregonians who are increasingly turning to consumer debt management services for assistance, by prohibiting misleading advertising, requiring specific disclosures, and requiring all providers of debt management services to be registered with the state, including debt settlement companies and loan modifiers.
- **Health care reform.** HB 2009 makes a variety of reforms to Oregon's health care system to contain costs and improve quality. HB 2116 provides health care coverage for 80,000 children and 35,000 low-income adults through a hospital tax and a 1 percent assessment on health insurance premiums.
- **Protecting Oregon mortgage borrowers.** HB 2188 restricts the sale of negative amortization loans and requires lenders to provide translated disclosures when loans are marketed and negotiated in languages other than English. HB 2189 allows DCBS to enforce new federal laws that require additional disclosures to borrowers and restrict loan servicing abuses and misleading advertising. HB 2189 also increases surety bond requirements and enables Oregon to participate in a national licensing system for loan originators.
- **Energy efficiency.** SB 79 reduces energy use in Oregon buildings by requiring an increase in building energy efficiency by 2012 and creating an optional construction code containing new and innovative methods for obtaining energy efficiency in buildings. HB 2950 creates a Construction Industry Energy Board, to streamline the process of adopting energy efficiency and conservation standards into the state building code.
- **Workers' compensation death benefits.** SB 110 enhances death benefits for surviving family members of workers who die on the job.
- **Insurance payments for totaled cars.** HB 2190 helps consumers whose cars are declared totaled as a result of an accident. The bill requires insurance companies to provide information about how they determine the value and enhances owner protections related to total-loss settlement payments.
- **Health care premium assistance.** HB 2433 ensures Oregonians who were laid off during the economic downturn can take full advantage of health care premium assistance available through the federal economic stimulus package.

While not intended to be comprehensive, a more detailed list of major legislation related to DCBS and its mission follows:

MORTGAGE LENDING AND FORECLOSURE RELIEF

Mortgage lending practices – HB 2188. Protects Oregon mortgage borrowers against abusive lending practices by restricting the sale of negative amortization loans and by requiring lenders to provide translated disclosures when loans are marketed and negotiated in languages other than English.

Enforcement of new federal mortgage lending standards – HB 2189. Protects mortgage borrowers by allowing the department to enforce new federal laws that require additional disclosures to borrowers and restrict loan servicing abuses and misleading advertising. The bill also increases surety bond requirements and enables Oregon to participate in a national licensing system for loan originators, to ensure they have met education requirements, passed background checks, and followed the laws in other states.

Foreclosure prevention – SB 628. Oregonians facing foreclosure often have difficulty contacting their lender to discuss their options, such as a possible loan modification. SB 628 requires that the lender or loan servicer notify a homeowner facing foreclosure of the right to a meeting (either face-to-face or by phone) and that the lender/loan servicer assess whether the borrower is eligible for a loan modification.

Tenants in foreclosure – SB 952 and HB 3004. These bills help Oregon renters living in foreclosed homes by requiring advance notice of the foreclosure proceedings and providing protections related to leases and security deposits. The notice will provide information about tenants' rights and where they can go for assistance.

Deficiency judgments after foreclosure – HB 3004. Prior to the mortgage lending crisis, many homebuyers financed 80 percent of the purchase price with a mortgage and trust deed and the remaining 20 percent with second mortgage financed from the same lender. However, these consumers did not have the same protections under Oregon's foreclosure laws as borrowers with a single mortgage loan. HB 3004 closes that loophole by precluding lenders that foreclosure on borrower with an 80/20 loan from collecting from the second loan if the home sells for less than what the borrower owes.

OTHER CONSUMER PROTECTION

Debt management services – HB 2191. Protects financially vulnerable Oregonians who are increasingly turning to consumer debt management services for assistance in dealing with debt, including mortgage loans, car loans, and credit card debt. The bill prohibits misleading advertising, requires specific disclosures, and requires all providers of debt management services to be registered with the state, including debt settlement companies and loan modifiers. HB 2191 also limits upfront fees and gives debtors the right to cancel contracts.

Insurance payments for totaled cars – HB 2190. Helps consumers whose cars are declared totaled as a result of an accident. Insurers typically offer a cash settlement when a car is totaled, but consumers often do not understand how their insurer valued the vehicle. The bill requires insurance companies to provide information about how they determine the value, allows owners of totaled motor vehicles to obtain a portion of the claim payment to which they are entitled while the settlement of the claim is being negotiated, and allows owners to recover appraisal costs in some cases.

Debt collection practices – SB 328. Allows the Attorney General to enforce debt collection statutes and to investigate instances of unfair debt collection practices, such as making threats or calling a borrower repeatedly or at unreasonable hours.

Life-settlement insurance transactions – SB 973. Protects consumers, particularly seniors, who are convinced to buy additional life insurance for the purpose of selling or transferring the policy to investors. The bill requires additional disclosures, protects a consumer's personal financial and medical information and bans certain types of life-settlement transactions.

Garnishment of exempt funds – SB 731. Protects exempt funds such as Social Security benefits, veteran's benefits, workers' compensation benefits, and unemployment benefits from garnishment. Consumers whose benefits are directly deposited in their accounts will no longer be forced to go to court to recover exempt funds as these funds will not leave the consumer's account.

ACCESS TO AFFORDABLE HEALTH CARE

Health care reform – HB 2009. Makes a variety of reforms to Oregon's health care system that will improve health care quality and contain costs. The bill includes a focus on preventive care and evidence-based medicine, development of a "health insurance exchange" to allow comparison shopping for insurance plans, stronger standards for review of insurance rates, and streamlining administrative functions by consolidating the state's health care functions into one agency.

Health care coverage for children – HB 2116. Provides health care coverage for 80,000 children and 35,000 low-income adults through a hospital tax and a 1 percent assessment on health insurance premiums.

Health care premium assistance – HB 2433. Ensures Oregonians who were laid off during the economic downturn can take full advantage of health care premium assistance available through the federal economic stimulus package. The bill expands the state continuation plan from six months to nine months, gives Oregonians who lost their job before the stimulus package was announced a second opportunity to elect to continue coverage, and establishes notification requirements for insurers.

Community-based health care programs – SB 862. Improves access to health care for those without insurance by establishing a limited number of community-based health care programs that are exempt from the Insurance Code.

Reinsurance study – HB 2755. Insurance companies obtain “reinsurance” to protect themselves from greater risk and higher losses and as a means to keep premiums lower. HB 2755 requires DCBS, in collaboration with the Office of Health Policy and Research, to conduct a study on reinsurance for individual and small employer markets. A state reinsurance program could potentially reduce the cost of overall health insurance premiums in Oregon.

Expanded health insurance coverage – HB 2794. Requires insurance coverage for the human papillomavirus (HPV) vaccine for females between the ages of 11 and 26. HPV is the main cause of cervical cancer in women.

Wellness programs – SB 679. Authorizes insurers to pay cash rewards to members who participate in approved programs to promote healthy behaviors.

WORKER PROTECTION AND WORKERS’ COMPENSATION

Workers’ compensation death benefits – SB 110. Enhances death benefits for surviving family members by expanding the scope of the burial benefit and doubling it to 20 times the state average weekly wage; creating a new benefit for college-aged surviving children; and clarifying that if the worker has no surviving spouse or dependents, the insurer must pay the full remainder of permanent partial disability payments to the worker’s estate.

Cancer presumption for firefighters – HB 2420. Adds 12 types of cancer to the list of diseases presumed to be work-related among full-time firefighters under the workers’ compensation system.

Interagency Compliance Network – HB 2815. Creates the Interagency Compliance Network to help increase compliance with tax and employment laws. The network is expected to raise revenue for the state as well as protect workers who work for such employers.

Workers’ compensation attorney fees – HB 3345. Makes changes to how attorney fees are rewarded in workers’ compensation cases, to provide more incentive for attorneys to take on cases and assist injured workers. The bill increases the maximum attorney fees that may be rewarded and allows DCBS to impose attorney fees if payment is due on a disputed claim settlement and the insurer or self-insured employer has failed to make the payment within five business days after the insurer’s receipt of written notification of the required payment.

ENERGY EFFICIENCY

Energy efficiency standards – SB 79. Reduces energy use in Oregon buildings by requiring an increase in building energy efficiency by 2012 and creating an optional construction code containing new and innovative methods for obtaining energy efficiency in buildings. The bill directs DCBS to amend the state building code to increase energy efficiency in residential structures 10 percent to 15 percent above current standards and in commercial structures by 15 percent to 25 percent, by 2012. The bill also requires DCBS to develop and periodically amend a

“reach code,” which will contain optional construction standards and methods for achieving greater energy efficiency than under the standard building code.

Construction Industry Energy Board – HB 2950. Creates a Construction Industry Energy Board, to streamline the process of adopting energy efficiency and conservation standards into the state building code. The board will make recommendations to DCBS on standards across various specialty codes.

OTHER

Services for Oregon’s minority, women, and emerging small businesses – HB 2152. Integrates the DCBS Office of Minority, Women, and Emerging Small Business into the Economic and Community Development Department, to making it easier for small businesses to navigate state programs and access the services available to them.

Financial regulation – HB 2199. Clarifies the department’s ability to take corrective actions when Oregon-chartered banks or credit unions violate state and federal laws or regulations related to financial institutions. The bill also streamlines several regulations to make them less burdensome for financial institutions and financial services companies.

Boiler inspections – HB 2200. Helps to ensure that inspections for boiler safety continue on a regular basis by increasing fees that pay for the program. The bill also helps contractors, building owners, and others more easily comply with boiler and elevator requirements by making the fee structures and processes for the two programs consistent as well as exempting certain beverage service tanks and portable beverage tanks from inspection.