 *NWCUA and member credit unions in Oregon collaborate to keep the charter relevant so that credit unions can best meet their members’ needs in a rapidly changing environment. NWCUA is promoting three priority initiatives including an update to the Oregon Credit Union Act.*

**Oregon Credit Unions’**

**2019 Legislative Priorities**

**Northwest Credit Union Association - Priority Bills**

1. **HB2425 – Allows county clerk to record electronic record or record bearing electronic signature.**

**Introduction**

Today, almost any consumer with access to the internet can use technology that allows them to access, sign, and submit mortgage closing documents online (“E-Closing”). E-Closing offers a variety of benefits for consumers such as:

* Ability to execute documents at their convenience rather than taking time away from work to visit a title company or lender’s office;
* More time to review loan documents and disclosures; and
* For borrowers in isolated rural areas, E-Closing avoids the need to travel long distances to a title company or lender office.

Oregon’s counties have the technical capability to accept documents created and submitted electronically for recording. However, varying interpretations of current Oregon law have prevented lenders and title companies from offering E-Closing as an alternative to traditional closings. Specifically, ORS 93.804 requires “original signatures” on documents submitted for recording. The statute permits electronic submission of documents, but electronic submission of documents requires a certification that the document from which the electronic image is produced contains “original signatures.” There is no definition of the term “original signatures” in the statute, but some observers have interpreted it to refer to a “wet” signature on an actual paper document. This uncertainty has prevented lenders, title companies, and others from making E-Closing available for mortgage loans in Oregon. NWCUA supports legislation that would resolve the uncertainty in order to permit recordable documents to be created, signed, and recorded electronically without need for a “wet” signature on paper.

**A Simple Change -** To address this issue, NWCUA supports legislation that would amend ORS 93.804 to clarify that: (i) a recordable “instrument” includes an “electronic record” (i.e. a document created electronically) as defined in Oregon’s version of the Uniform Electronic Transaction Act (“UETA”), ORS Chapter 84; and (ii) an “original signature” that is required for all recordable documents can include an “electronic signature” as defined in UETA. This would give lenders, title insurers, and county recording offices assurance that electronically signed documents can be recorded as long as they satisfy all applicable recording requirements.

**FAQs:**

***Does E-Closing affect notary requirements for recorded documents?***

No, all documents submitted for recording must be notarized. Oregon’s notary laws already permit electronic notarization: the notary’s signature can be an electronic signature. This could occur in a variety of ways. For example, the notary and the document signer can use the same computer equipment to sign and notarize the document, or the notary could observe the document signer execute the document on one computer and then electronically notarize the document using a different computer. However, the notary must be physically present with the signer of the document when it is signed in order to notarize the document, irrespective of whether it is notarized electronically or on paper. Oregon’s notary laws do not currently permit remote notarization.

***Would this legislation require use of E-Closing?***

No, this change would not require anyone to adopt E-Closing technology or procedures. It would simply enable the use of E-Closing by those who wish to do so.

***Would E-Closing reduce recording fee income for counties?***

No, E-Closing simply makes it possible to submit documents for recording that have been created and signed electronically. If anything, it might reduce the cost to counties of handling paper documents submitted for filing.

1. **HB2426 - Permits credit unions to prescribe terms of executive officers in bylaws. Changes threshold date to January 1, 2019, from January 1, 2017, for exercise by state credit unions of powers available to federal credit unions without director approval.**

* Update 723.276 (2) Executive Officers: The terms of the officers are one year, or until the successors of the officers are chosen and have duly qualified. Concept: Remove the one-year term and allow bylaws to prescribe.
* Timing and Implementation of federal laws through parity- 723.156 needs to update strike date under the parity section, “Exercise Powers of Federal Credit Unions.” Concept: Update strike date. Current Law: Notwithstanding any other provision of law, in addition to the powers and authorities provided under the laws of this state, a credit union may exercise any of the powers that were available to a federal credit union as of January 1, 2017.
* Change Oregon law to allow for electronic annual meetings - 723.196. (1) The annual meeting and any special meetings of the members of the credit union shall be held at the time [*and place*] and in the manner indicated by the bylaws.

1. **HB2411 - Allows financial institutions, after obtaining person’s permission, to swipe person’s driver license or identification card for purpose of establishing or maintaining contract or account.**

ORS 807.750 prevents financial institutions from scanning the bar code on an ODL to then populate a loan or membership application. ID Scan technology takes the name, address and DOB from the driver’s license scan bar and imports it into the member or loan application.  These are the only 3 items it imports.  This capability is represented in every state except Oregon\*

*\*Source: online application provider – Meridian Link*

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