



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF CONSUMER SERVICES

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October 1, 2010

Concise Explanatory Statement

Pursuant to RCW 34.05.325(6)

Rule Amendments to the Mortgage Broker Practices Act (MBPA), chapter 19.146 RCW and chapter 208-660 WAC

Agency reasons for adopting the rules. (RCW 34.05.325(6)(a)(i))

The proposed amendments implement amendments to the law from the Laws of 2010 and provide clarification and consistency to the rules.

Describe differences between the text of the proposed rules as published in the Washington State Register and the text of the rules as adopted, other than editing changes, stating the reasons for differences. (RCW 34.05.325(6)(a) (ii))

See Attachment 1.

Summary of comments received by DFI during the rulemaking process, and DFI's responses to the comments. (RCW 34.05.325(6)(a) (iii))

DFI began soliciting comments on the amendments to the laws very early in the rulemaking process. The comment period was open until September 24, 2010.

I. Written comments received.

1. March 26, 2010. Brian Baarstad. Mr. Baarstad responded to the ListServ notice to the MBPA licensees giving notice of the CR-101 filing. Mr. Baarstad commented on his dissatisfaction with the NMLS licensing system. Mr. Baarstad's other comment seem more directed to elected officials and do not address the MBPA specifically. **RESPONSE:** The proposed rules were not changed due to these comments.

2. July 16, 2010. Jeff Lorsch, Evergreen State Mortgage. Mr. Lorsch commented on the proposed rules for website advertising. **RESPONSE:** This section of the rules received comments from another licensee as well. The final proposed rules reflect consideration of and some changes due to the comments.

3. September 16, 2010. Jeff Lorsch, Evergreen State Mortgage. Mr. Lorsch commented on approximately 17 sections the proposed rules. **RESPONSE:** Several of Mr. Lorsch's comments involved language in the proposed rules that either is statutory language in the MBPA or is federal SAFE Act language. Those provisions were not changed based on Mr. Lorsch's comments. As to the other provisions, DFI considered the comments and some changes were made based on the comments.

II. Oral comments received during the public hearing held September 16, 2010, on the Capitol Campus, Olympia, Washington:

1. Jeff Lorsch, Evergreen State Mortgage. See the complete text of Mr. Lorsch's comments on the rulemaking website. See also No. 3 above. Mr. Lorsch explained his comments detailed in his September 16, 2010 comment document. See the Response to No. 3 above.

CONCLUSION

The proposed amendments implement the Laws of 2010 affecting this chapter. The proposed amendments also provide clarification and consistency to the rules. DFI made the proposed rules available to all interested parties and published all the proposed amendment drafts on the department website along with all rulemaking notices and audio of public meetings. The final proposed rules are the product of an open, deliberative process.