



RULE-MAKING ORDER

CR-103 (June 2004) (Implements RCW 34.05.360)

Agency: Department of Financial Institutions

- Permanent Rule
 Emergency Rule

Effective date of rule:

Permanent Rules

- 31 days after filing.
 Other (specify) _____ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Effective date of rule:

Emergency Rules

- Immediately upon filing.
 Later (specify) _____

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain:

Purpose: Amending the rules in chapter 208-660 in the Washington Administrative Code (WAC), implementing the Mortgage Broker Practices Act, chapter 19.146 Revised Code of Washington (RCW).

Citation of existing rules affected by this order:

Repealed: N/A
 Amended: See attached.
 Suspended: N/A

Statutory authority for adoption: RCW 43.320.040; RCW 19.146.223

Other authority : N/A

PERMANENT RULE ONLY (Including Expedited Rule Making)

Adopted under notice filed as WSR 08-01-038 on January 2, 2008.
 Describe any changes other than editing from proposed to adopted version: See attached.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: _____ phone () _____
 Address: _____ fax () _____
 e-mail _____

EMERGENCY RULE ONLY

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
 That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding:

Date adopted: February 20, 2008

CODE REVISER USE ONLY

NAME (TYPE OR PRINT)

Deborah Bortner

SIGNATURE

TITLE

Director, Division of Consumer Services

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Federal rules or standards:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Recently enacted state statutes:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

The number of sections adopted at the request of a nongovernmental entity:

	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
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The number of sections adopted in the agency's own initiative:

	New	<u>0</u>	Amended	<u>18</u>	Repealed	<u>0</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

	New	<u>0</u>	Amended	<u>18</u>	Repealed	<u>00</u>
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The number of sections adopted using:

Negotiated rule making:	New	<u>0</u>	Amended	<u>18</u>	Repealed	<u>0</u>
Pilot rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>
Other alternative rule making:	New	<u>0</u>	Amended	<u>0</u>	Repealed	<u>0</u>

Attachment 1 to CR-103

Citation of existing rules amended by this order:

WAC 208-660-006	Definitions.
WAC 208-660-007	Good Standing.
WAC 208-660-008	Exemption from licensing.
WAC 208-660-163	Mortgage brokers -- Licensing.
WAC 208-660-180	Mortgage brokers -- Main office.
WAC 208-660-195	Mortgage brokers -- Branch offices.
WAC 208-660-250	Designated brokers -- General.
WAC 208-660-260	Designated brokers -- Testing.
WAC 208-660-300	Loan Originators -- General.
WAC 208-660-350	Loan Originators -- Licensing.
WAC 208-660-370	Loan Originators - Continuing education.
WAC 208-660-400	Reporting requirements and notices to the department.
WAC 208-660-430	Disclosure requirements.
WAC 208-660-440	Advertising.
WAC 208-660-500	Prohibited practices.
WAC 208-660-530	Director and department powers - Enforcement authority.
WAC 208-660-550	Department fees and costs.
WAC 208-660-600	Administration and facilitation of continuing education.

Attachment 2 to CR-103

Description of changes from proposed (CR-102) to adopted (CR-103).

WAC 208-660-250: Designated brokers -- General.

At (1)(b), the designated broker appointee must have two years additional experience instead of three years.

At (1)(e)(ii)(C), a corporate officer may sign corporate tax returns.

At (1)(g), you may not be eligible to become a designated broker if you have a history of unpaid debts.

WAC 208-660-300: Loan originators -- Licensing.

At (8)(a), the mortgage broker demand must authorize the loan originator to receive payment at closing.

At (8)(b), the loan originator must provide a copy of the settlement statement to the mortgage broker within 24 hours of receiving funds from closing.

At (2)(d), a loan originator is not eligible to receive a loan originator license if they have a certain amount of tax lien debt. A loan originator may not be eligible to receive a loan originator license if their financial history shows unpaid debt.

WAC 208-660-400: Reporting requirements and notices to the department.

At (13), the mortgage broker must give notice of a sale of the business to borrowers whose loans are in process, and to third party service providers who have or will provide services for loans in process, and third parties the mortgage broker owes money to.

WAC 208-660-430: Disclosure requirements.

At (5)(a), the YSP should be disclosed in the 800 series of lines on the GFE.

At (5)(b), the mortgage broker must direct the settlement service provider how to disclose the YSP.