



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Department of Financial Institutions

- | | |
|---|---|
| <input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR 07-07-114; or | <input checked="" type="checkbox"/> Original Notice |
| <input type="checkbox"/> Expedited Rule Making--Proposed notice was filed as WSR _____; or | <input type="checkbox"/> Supplemental Notice to WSR _____ |
| <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4). | <input type="checkbox"/> Continuance of WSR _____ |

Title of rule and other identifying information: (Describe Subject)

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).

Hearing location(s):

Renton City Hall
1055 South Grady Way
Renton, WA 98055

Date: **January 30, 2008**
Time: **1:00 pm to 3:00 pm**

Date of intended adoption: **February 20, 2008**
(Note: This is NOT the effective date)

Submit written comments to:

Name: Cindy Fazio
Address: POB 41200, 150 Israel Road, Olympia,
Washington, 98504-1200
e-mail lfazio@dfi.wa.gov
fax (360)586-5068 by (date) **January 25, 2008**

Assistance for persons with disabilities: Contact
Cindy Fazio by **January 25, 2008**

TTY (360) 664-8126 or (360) 902-8786

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

The purpose of the rule amendments is to clarify the department's interpretation of the law. The changes include, but are not limited to: addition of the definition of advertising material, addition of a federal law reference to the definition of federal laws, addition of the definition of underwriting, clarifying the following: license requirements of independent contractor loan originators who work for exempt entities, exemption for lenders under Fannie Mae and Freddie Mac programs, the use of DBA names, requirements for supervisory plans for branch offices, licensing requirements for designated brokers, financial background requirements for licensees, required tests for designated brokers, requirements for loan originators working for more than one mortgage broker, requirements for loan originators who get paid by escrow at closing, inactive licenses, continuing education requirements for loan originators, changing the date for submission of the mortgage broker annual report, disclosing the YSP, refunding fees to borrowers, providing a clear written explanation with re-disclosures, failing to disclose under TILA, advertising using a borrower's current loan information, disclosing the APR, adoption of federal guidance, fee adjustments, report requirements of continuing education providers and consequences of failure to report, and technical corrections.

Reasons supporting proposal: To clarify the department's interpretation of chapter 19.146 RCW.

Statutory authority for adoption: RCW 43.320.040;

Statute being implemented: chapter 19.146 RCW

Is rule necessary because of a:

- | | | |
|-------------------------|------------------------------|--|
| Federal Law? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

DATE December 11, 2007

NAME (type or print)
Deborah Bortner

SIGNATURE *Deborah Bortner*

TITLE Director, Division of Consumer Services

CODE REVISER USE ONLY

**OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED**

**DATE: December 10, 2007
TIME: 10:38 PM**

WSR 08-01-038

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None.

Name of proponent: (person or organization)

- Private
- Public
- Governmental

Department of Financial Institutions

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Cindy Fazio	150 Israel Road, Olympia, Washington	(360) 902-8800
Implementation....Cindy Fazio	150 Israel Road, Olympia, Washington	(360) 902-8800
Enforcement.....Cindy Fazio	150 Israel Road, Olympia, Washington	(360) 902-8800

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No. Explain why no statement was prepared.

The rule amendments will not impose more than minor costs on the businesses impacted by the proposed rules.

Is a cost-benefit analysis required under RCW 34.05.328?

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

No: Please explain: Not applicable to the proposed rules.