

# SHB 2770 Rulemaking - "Disclosure Summary" Comments

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**Received:** June 25, 2008

## **Comments:**

Re: Comments on WAC 208-600-200 & Disclosure Summary Draft 2

WAC 208-600-200 Item 4:

Item 4(a) states the initial disclosure must be provided within three business days of application. Item 4(b) states re-disclosure must occur within three days of the change or at least three days before closing. It is unclear if omitting "business" when referring to days in item 4(b) was intentional. It is also unclear what is considered a "business day" as it is not defined.

The use of the word "change" in 4b should also be defined. Requiring this form to be provided at least three days before closing when there is a change is going to have a material impact on the borrower. Circumstances will exist where a delay in closing could also result in negative consequences to the borrower (for example, in a purchase transaction where the consumer is under contract to close by a certain date). It is presumed that the intent behind requiring three day advanced notice of a "change" is to allow the borrower to have adequate notice of an increase in rates or fees. But what if the "change" has a positive impact and results lower fees? Must we still re-disclose and potentially delay closing? Furthermore, when the change is minute and is necessary but immaterial overall, must the lender still re-disclose and delay closing? It is recommended that the term "change" be defined more clearly and whether there are tolerances for what constitutes a change.

Disclosure Summary Draft #2:

Because the starting monthly payment might constitute and interest only payment, "(principal + interest)" should be removed from that line and additional boxes should be added with the option to check "This monthly payment consists of principal and interest" or "Your loan has an interest only feature; therefore, this payment consists of only interest".

Sometimes you can impound taxes or insurance (it's not always both). So this should be clarified so the borrower gets the whole picture.

Under the fees section, a bullet point should be added that refers the applicant to the Good Faith Estimate for a complete listing of fees. Simply grouping them all together without a reference to where they are broken down is not as clear and conspicuous.

Thank you.