



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS

DIVISION OF CONSUMER SERVICES

P.O. Box 41200 ● Olympia, Washington 98504-1200

Telephone (360) 902-8700 ● TDD (360) 664-8126 ● FAX (360) 586-5068 ● <http://www.dfi.wa.gov>

October 20, 2008

Concise Explanatory Statement

Pursuant to RCW 34.05.325(6)

New Rules under chapter 208-600 WAC to Implement RCW 19.144.020 (SHB 2770)
Residential Mortgage Loan Disclosure Summary

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

The Department of Financial Institutions (DFI) is required by RCW 19.144.020 to adopt rules to implement the law.

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))

1. 208-600-200(2)(f)(i). The sentence is amended to clarify that when calculating the fully indexed rate, the current value of the rate index is taken from the time the loan was made. The CR-102 version did not include this clarifying language.
2. 208-600-200(j). The definition of yield spread premium is removed as a material term. The CR-102 version included a definition of yield spread premium. The statute does not require the definition.
3. 208-600-200(4)(a). A sentence is added to instruct the form preparer where the contents of (a) are placed on the form. The CR-102 did not include this sentence.
4. 208-600-200(4)(o). Rate lock information is added as a material term. The CR-102 did not include rate lock information as a material term although the rate lock checkbox has been included on the forms since the first version of the forms.

5. 208-600-200(9). The section is renumbered to (7) and moved to follow (6); the rest of the section is renumbered accordingly. The CR-102 version placed this section last; it is more helpful to have the information in the CR-103 version location.

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 draft rules on June 2, 2008. The comment period ended on October 17, 2008.

Written comments received.

The written comments received are too numerous to reproduce for inclusion with this document. They are available on the department's rulemaking Web page and are available upon request for inspection or copying. See Attachment No. 1 for a list of the comment providers and the disposition of the comments.

Oral comments received. See Attachment No. 2 for summaries of testimony and disposition.

Conclusion

The final proposed rules are necessary to implement the law. Throughout the rulemaking process, the proposed rules were available to all interested parties, were posted on DFI's website, and the language was negotiated by all parties through extensive written and oral comments. The final proposed rules are the product of an open, deliberative process.