



RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

CODE REVISER USE ONLY

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STATE OF WASHINGTON
FILED

DATE: October 22, 2019

TIME: 12:23 PM

WSR 19-21-157

Agency: Department of Financial Institutions, Division of Consumer Services

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) November 24, 2019 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

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

- Yes No If Yes, explain:

Purpose: The rules are being amended to implement amendments (Sec. 106 of S. 2155, Public Law No. 115-174) to the federal SAFE act, the federal law requiring the licensure of individual mortgage loan originators (MLOs). Other amendments include changes to the rules for student education loan servicing, and technical changes for clarity and consistency.

Citation of rules affected by this order:

- New: WAC 208-620-554, 563, 715
- Repealed: 208-620-240
- Amended: 208-620-232, 301, 442, 490, 510, 520, 550, 555, 560, 620, 621, 622, 630, 700, 710, 720, 850, 950, 960-
- Suspended: None

Statutory authority for adoption: RCW 43.320.040 and 31.04.165

Other authority: N/A

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 19-17-084 on August 21, 2019 (date).

Describe any changes other than editing from proposed to adopted version:

1. WAC 208-620-232. The requirement to apply for and obtain a license waiver for each transaction was added to make that requirement clear.
2. WAC 208-620-301(6). Added more information to clarify what must be included in a supervisory plan.
3. WAC 208-620-490. Subsection (1)(e) added the requirement that disclosure of new control people must be added at least ten days prior to the change. Subsection (1)(f) adds clarification about responses to disclosure questions and the uploading of explanatory information. Subsection (1)(g) adds clarification that any change from that provided in the original application requires notification to the director. Subsection (5) changed the time period within which to provide notice to the department of data breaches and actions by employees is shortened to thirty days.
4. WAC 208-620-520. Subsection (3)(l) was amended to clarify that recorded communications, if made, must be kept as part of the file correspondence or log. Subsection (4)(c) was amended to clarify that the requirement to keep recorded telephone conversations only applies if you record telephone conversations. Licensees do not need to start recording telephone conversations if they otherwise don't record them.
5. WAC 208-620-555. This section was amended to reduce confusion around the fees that are allowed to be charged for the different types of loan products (junior lien mortgage, first lien mortgage, consumer loans, etc.).
6. WAC 208-620-560. The section was also amended to reduce confusion around the types of fees that are restricted or conditional for the different types of loan products.

7. WAC 208-620-563. This section was also amended to reduce confusion about prohibited fees for the different types of loan products.
8. WAC 208-620-622. Language was moved and other changes were made to clarify existing requirements.
9. WAC 208-620-630(8). This subsection was amended to make it current with federal law.
10. WAC 208-620-700(10). Technical changes were made to this subsection.
11. WAC 208-620-710. Subsection (3)'s subsections were re-ordered with no changes to the language. Subsection (19) language about date received requirements were removed because NMLS provides this functionality.
12. WAC 208-620-715. Language was amended for accuracy and citation was provided.

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

Name:
 Address:
 Phone:
 Fax:
 TTY:
 Email:
 Web site:
 Other:

**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	1	Amended	___	Repealed	___
Federal rules or standards:	New	___	Amended	___	Repealed	___
Recently enacted state statutes:	New	___	Amended	___	Repealed	___

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

New	___	Amended	___	Repealed	___
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The number of sections adopted on the agency's own initiative:

New	<u>2</u>	Amended	___	Repealed	<u>1</u>
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	2	Amended	___	Repealed	___
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The number of sections adopted using:

Negotiated rule making:	New	3	Amended	<u>19</u>	Repealed	<u>1</u>
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

Date Adopted: 10/22/2019

Name: Richard St. Onge

Title: Acting Division Director

Signature:

A handwritten signature in black ink that reads "R. St. Onge". The signature is written in a cursive style with a large, stylized "R" and "O".