

Objections to DFI rule making

Page 29 of 2019 proposed rule changes objection to adding this:

. including residential mortgage loan activity reports and financial condition reports.

RCW 19.146.390

Mortgage brokers—Call reports—Licensing system and registry.

Each mortgage broker licensee must submit call reports through the nationwide mortgage licensing system and registry in a form and containing the information as prescribed by the director or as deemed necessary by the nationwide mortgage licensing system and registry.

Adding the requirement of completing financial condition reports is a state requirement is subject to <http://lawfilesexternal.wa.gov/biennium/2007-08/Pdf/Bills/Session%20Laws/House/1525.SL.pdf>

RCW 43.320.040

Director's authority to adopt rules.

The director of financial institutions may adopt any rules, under chapter **34.05** RCW, necessary to implement the powers and duties of the director under this chapter.

RCW 19.146.225

Director—Rule-making powers.

In accordance with the administrative procedure act, chapter **34.05** RCW, the director may issue rules under this chapter only for the purpose of governing the activities of licensed mortgage brokers, loan originators, and other persons subject to this chapter.

WAC 208-660-520

Director and department powers—Investigation authority.

(1) **What is an investigation?** An investigation is an inquiry to determine compliance with the act and rules, to assess allegations of wrongdoing, or to evaluate the licensing qualifications of persons subject to the act. The inquiry may involve extensive research, fact gathering, the issuance of directives and subpoenas, witness interviews, and financial and legal analysis. Depending on the results of these efforts, an investigation may result in the pursuit of an enforcement action. An investigation may proceed at the same time as other matters and may continue during an enforcement action.

(2) **How often may the department investigate my mortgage broker or loan originator operations?** For the purpose of **investigating violations or complaints**, the department may investigate your business as often as necessary to carry out the purpose of the act.

Proposed rule change

RCW 19.146.235

Director's authority to conduct investigations and examinations—Rules—Penalty.

The director or a designee has authority to conduct investigations and examinations as provided in this section.

(1) For the purposes of **investigating violations or complaints** arising under this chapter, the director or his or her designee may make an investigation of the operations of any mortgage broker or loan originator as often as necessary in order to carry out the purposes of this chapter. Once the initial exam is completed all future exams will be in response to a known violation or complaint.