



October 9, 2019

Department of Financial Institutions
150 Israel Road SW
Tumwater, WA 98501

Subject: DFI Rulemaking – MBPA

This letter is in addition to my comments of September 23, 2019.

1. **WAC 208-660-106 How does the department interpret the definition of loan processor in RCW 19.146.010 (12)?** The newly added sentence "See WAC 208-60-300(13)" is incorrectly referenced. Please provide full reference.
2. **WAC 208-660-300 Loan Originators – General. (4) May I work from any location when I am a licensed loan originator?** No. You can only work from a licensed location. The licensed location can be the main office, or any licensed branch.
 - a. 100% compliance with this rule may be unattainable. Is the simple act of --
 - i. Reading an email when not in a licensed location deemed non-compliant? or
 - ii. Taking a client's call when not in the office deemed non-compliant? or
 - iii. Taking a loan application at the client's home deemed non-compliant?
 - b. And what about the risks to MLO's if they must continue to list their personal residences as licensed locations so they can work from home outside of normal business hours? Must we wait to address this requirement only after an MLO is abused, stalked or even killed by a

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disgruntled or troubled client who simply finds the MLO's residence via the NMLS consumer access website?

- c. With today's 24/7 access to information, it may be time to change from regulating the location of where the LO is stationed to one which further expands the safeguarding of consumer's non-public personal information as mandated under the Gramm-Leach-Bliley Act.

3. WAC 208-660-355 Loan originators-Prelicensing education. (4) Does prelicensing education expire? I have multiple concerns with the proposed three year period allowed to apply for licensure.

- a. Three years is too long for anyone not using this information regularly, let alone that it does little to address the fact that laws and norms can change within that timeframe.
- b. Applying is insufficient, as an application can be withdrawn or take additional time to complete.
- c. Suggested language – After completing prelicensing education you must become licensed within one year.

4. WAC 208-660-400 Reporting requirements and notices to the department. (1) What are my NMLS mortgage call report and filing requirements? Currently, MB's are instructed to complete their annual Financial Condition reporting by inputting data in specific fields in NMLS. Depending upon how DFI uses this information, would it be permissible to instead of entering data in NMLS to upload to NMLS financial reports, consisting of profit and loss statements, balance sheets and cash-flow statements, in a pdf format? This would greatly reduce the amount of time MB's spend extracting information from their financial statements to complete the on-line data field requirements.

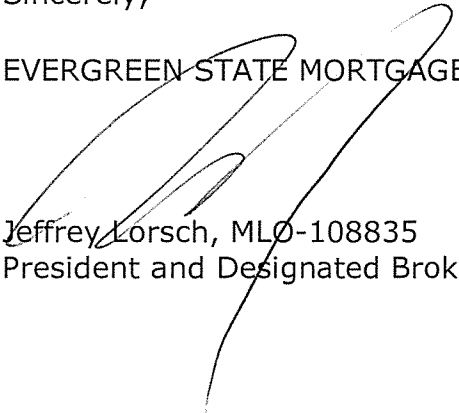
5. WAC 208-660-700 Mortgage broker commission.

I'm glad to see that the rules still address the MBC as mandated by the RCW. Consideration should be given to the re-establishment of this much needed commission. By doing so, increased dialogue, understanding and education between industry and regulator would materialize, with the high likelihood of seeing a significant reduction in the number of enforcement actions against MBs, DBs and MLOs.

Thank you for allowing my additional comments.

Sincerely,

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