



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: 9:04 AM

WSR 19-21-142

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 regulating trust accounts to reduce conflict with other state laws, and technical changes for clarity and consistency.

Citation of rules affected by this order:

New: WAC 208-660-107, 108, 109, 143, 352
 Repealed: None
 Amended: 208-660-006,008,106,163,175,195,350,400,410,430,440,445,446,500
 Suspended: None

Statutory authority for adoption: 43.320.040, 19.146.225

Other authority: N/A

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 19-17-090 on August 21, 2019 (date).

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

1. WAC 208-660-006. Definition of discount points. Clarification that “fees paid” includes fees paid at both upfront and closing. Also clarifying that the disclosure of discount points must be as both a point, and a dollar amount.
2. WAC 208-660-006. Definition of federal statutes and regulations. Clarification that the list is not meant to be exhaustive.
3. WAC 208-660-006. Definition of MAP. Adding this identification of a federal statute will aid licensees in being compliant with applicable federal laws.
4. WAC 208-660-106. The amended citation corrects a scrivener’s error.
5. WAC 208-660-350. Loan originator licensing. Section (1) is re-ordered, without changes to the language.
6. WAC 208-660-352. Temporary authority. Subsection (1) is amended for accuracy and a citation is added.
7. WAC 208-660-355. Subsection (4) is deleted as functionality to implement this section is not yet available in NMLS; because that was the only change to the existing rule, the existing rule is no longer being amended.
8. WAC 208-660-400. Subsection (2)(a)(iv) is added to clarify that any change to a business from that that existed at the time of original application requires notification through the NMLS.

9. WAC 208-660-400. Subsection (2)(b)(iv) is added to give licensees notice that certain changes in ownership require additional background checks. This is not a new requirement but is rather being codified to give licensees advance notice.

10. WAC 208-660-400. Subsection (2)(d)(iv) is added to give licensees notice that closure or surrendering a license requires notice to the department within twenty business days.

11. WAC 208-660-410. Subsection (1) is amended for clarification.

12. WAC 208-660-440. Subsection (3) is amended for word choice.

13. WAC 208-660-446. Subsection (1) is amended for clarification.

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	<u>1</u>	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>4</u>	Amended	<u>14</u>	Repealed	___
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	<u>4</u>	Amended	___	Repealed	___
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The number of sections adopted using:

Negotiated rule making:	New	<u>4</u>	Amended	<u>14</u>	Repealed	___
Pilot rule making:	New	___	Amended	___	Repealed	___
Other alternative rule making:	New	___	Amended	___	Repealed	___

Date Adopted: 10/22/2019

Signature:

Name: Richard St. Onge

Handwritten signature of Richard St. Onge in black ink.

Title: Acting Division Director