



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do NOT use for expedited rule making

Agency: Department of Financial Institutions, Securities Division

Subject of possible rule making: The Securities Division is considering amending and/or supplementing the rules set forth in chapter 460-33A, WAC, which provide an optional method of registration for "mortgage paper securities" as defined in WAC 460-33A-015(4).

Statutes authorizing the agency to adopt rules on this subject: RCW 21.20.060, .070, .090, .100, .180, .210, .250, .270, and .450.

Reasons why rules on this subject may be needed and what they might accomplish: It has been several years since the Securities Division evaluated the rules set forth in chapter 460-33A, WAC. The Division is considering amending and/or supplementing these rules to enhance their effectiveness in providing protection to the investing public and to take into consideration current practices.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: Offerings of mortgage paper securities registered under the rules set forth in chapter 460-33A, WAC are ordinarily offered and sold in reliance upon an exemption from federal registration with the Securities and Exchange Commission ("SEC"). The SEC does, however, maintain authority to enforce anti-fraud laws in exempt securities offerings. None of the broker-dealers registered to sell mortgage paper securities under the rules set forth in chapter 460-33A, WAC are registered with the SEC or the Financial Industry Regulatory Authority (FINRA). Thus, the Securities Division is the primary regulator of these types of offerings and broker-dealers in this State and there is no necessity to coordinate our rules with either the SEC or FINRA.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study

Other (describe) The Division is soliciting comments from interested persons and those already registered to sell mortgage paper securities under the rules set forth in chapter 460-33A, WAC.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

(List names, addresses, telephone, fax numbers, and e-mail of persons to contact; describe meetings, other exchanges of information, etc.)

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DATE
June 1, 2009

NAME (TYPE OR PRINT)
Michael E. Stevenson

SIGNATURE

TITLE
Director of Securities

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