



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

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Notice of Proposed Rulemaking Concerning Mortgage Broker-Dealer Rules

March 14, 2012

To Interested Persons:

As you are on our interested persons list for securities registrations and exemptions, we are writing to inform you that the Securities Division is proposing to amend Chapter 460-33A WAC, which provides an optional method of registration for “mortgage paper securities” as defined in WAC 460-33A-015(4).

The proposed rules would strengthen investor suitability requirements; revise the calculation of the number of investors that may participate in a loan; establish requirements for participation agreements; revise net worth and bonding requirements; revise provisions regarding escrow accounts and escrow agreements; establish requirements for servicing agreements; codify the requirement for a disclaimer in advertisements; clarify the fiduciary duties of a mortgage broker-dealer; include additional “dishonest and unethical practices” in WAC 460-33A-090; clarify the requirements for appraisals; clarify investors’ rights to receive information and access records concerning their investments; update recordkeeping requirements in WAC 460-33A-115; and make other updates and changes.

Please find attached a copy of the Proposed Rulemaking (Form CR-102) and text of the proposed amendments that were filed with the Office of the Code Reviser on March 14, 2012. The Form CR-102 will be published on April 4, 2012 (WSR Issue # 12-07-033).

If you have any questions, please contact the undersigned by telephone at (360) 902-8801 or by e-mail at jvallely@dfi.wa.gov.

Sincerely,

Jill M. Vallely
Associate General Counsel