

FINAL BILL REPORT

SB 6617

C 103 L 96
Synopsis as Enacted

Brief Description: Imposing fines or sanctions against mortgage brokers.

Sponsors: Senators Prentice, Sellar and Fraser; by request of Department of Financial Institutions.

Senate Committee on Financial Institutions & Housing
House Committee on Financial Institutions & Insurance

Background: In response to consumer complaints, the Legislature adopted a permanent mortgage broker licensing program in 1994. Mortgage brokers operating in Washington are required to possess a license issued by the Department of Financial Institutions (DFI).

The DFI is responsible for implementing and enforcing the provisions of this licensing program. The director of the DFI has specific authority to suspend, revoke or deny licenses or to impose penalties upon violators of cease and desist orders or other orders of the director. Current law also includes language that attempts to provide the director with authority to impose fines for violations of provisions of the Mortgage Broker's Practices Act and rules adopted under this act. The DFI has been challenged regarding whether the director does, in fact, possess this explicit authority under current law.

Summary: The director of the DFI's authority to deny licenses, suspend or revoke licenses, and impose fines and penalties for certain actions is clarified. The director is given explicit authority to suspend, revoke or deny licenses or impose penalties or fines for specific violations of the Mortgage Broker's Practices Act.

Votes on Final Passage:

Senate	47	0
House	95	1
House	96	0 (House reconsidered)

Effective: July 1, 1996