

WAC 208-620-552 Third-party residential loan modification service providers—What business practices are prohibited? In addition to RCW 31.04.027, you are prohibited from:

- (1) Collecting an advance fee.
- (2) Charging total fees in excess of usual and customary charges, or total fees that are not reasonable in light of the service provided when providing residential mortgage loan modification services.
- (3) Failing to provide a written agreement as prescribed by the director when providing residential mortgage modification services. See also WAC 208-620-545.
- (4) As a condition to providing loan modification services requiring or encouraging a borrower to:
 - (a) Waive his or her legal defenses, counterclaims, and other legal rights against the servicer for future acts;
 - (b) Waive his or her right to contest a future foreclosure;
 - (c) Waive his or her right to receive notice before the owner or servicer of the loan initiates foreclosure proceedings;
 - (d) Agree to pay charges not enumerated in any agreement between the borrower and the lender, servicer, or owner of the loan; or
 - (e) Cease communication with the lender, investor, or loan servicer or stop or delay making regularly scheduled payments on an existing mortgage unless a mortgage loan modification is completely negotiated and executed with the lender or investor and the modification agreement itself provides for a cessation or delay in making regularly scheduled payments; or
 - (f) Enter into any contract or agreement to purchase a borrower's property.
- (5) You are further prohibited from failing in a timely manner to:
 - (a) Communicate with or on behalf of the borrower;
 - (b) Act on any reasonable request from or take any reasonable action on behalf of a borrower.
- (6) Engaging in false or misleading advertising. In addition to WAC 208-620-630, examples of false or misleading advertising include:
 - (a) Advertising which includes a "guarantee" unless there is a bona fide guarantee which will benefit a borrower.
 - (b) Advertising which makes it appear that a licensee has a special relationship with lenders when no such relationship exists.
- (7) Leading a borrower to believe that the borrower's credit record will not be negatively affected by a mortgage loan modification when the licensee has reason to believe that the borrower's credit record may be negatively affected by the mortgage loan modification.

[Statutory Authority: RCW 43.320.040 and 31.04.165. WSR 13-24-024, § 208-620-552, filed 11/22/13, effective 1/1/14; WSR 12-18-047, § 208-620-552, filed 8/29/12, effective 11/1/12. Statutory Authority: RCW 43.320.040, 31.04.165 and 2010 c 35. WSR 10-20-122, § 208-620-552, filed 10/5/10, effective 11/5/10.]