

Chapter 208-700 WAC
PROCESSING APPLICATIONS FOR GRANTS FROM THE MORTGAGE LENDING FRAUD
PROSECUTION ACCOUNT

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WAC

DEFINITIONS

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DEFINITIONS

WAC 208-700-010 Definitions. The definitions in this section apply throughout the chapter unless the context clearly requires otherwise.

(1) "Department" means the department of financial institutions.

(2) "Director" means the director of the department.

(3) "Mortgage lending fraud prosecution account" or "account" means the account established under RCW 36.22.181, and 43.32.140 (chapter 289, Laws of 2003).

(4) "Mortgage lending process" means the process through which a person seeks or obtains a residential mortgage loan or residential mortgage loan modification including, but not limited to, solicitation, application, or origination; negotiation of terms; third-party provider services; underwriting; signing and closing; and funding of the loan. Documents involved in the mortgage lending process include, but are not limited to, uniform residential loan applications or other loan applications, appraisal reports, settlement statements, supporting personal documentation for loan applications such as W-2 forms, verifications of income and employment, bank statements, tax returns, payroll stubs, and any required disclosures.

(5) "Person" means a natural person, corporation, company, limited liability corporation, partnership, or association.

(6) "Prosecutorial agency" means the office of the Washington attorney general, the office of the United States Attorney, or the office of any county prosecutor in the state of Washington.

(7) "Residential mortgage loan" means any loan primarily for personal, family, or household use secured by a mortgage or deed of trust on residential real estate upon which is constructed or intended to be constructed a single family dwelling or multiple family dwelling of four or fewer units.

(8) "Third-party provider" means any person other than a mortgage broker or lender who provides goods or services in connection with the preparation of a borrower's loan and includes, but is not limited to, credit reporting agencies, title companies, appraisers, structural and pest inspectors, or escrow companies.

[Statutory Authority: Chapter 43.320 RCW. WSR 16-08-030, § 208-700-010, filed 3/30/16, effective 4/30/16. Statutory Authority: RCW 43.320.040, 36.22.181. WSR 04-02-008, § 208-700-010, filed 12/29/03, effective 1/29/04.]

WAC 208-700-020 Authorization for use of funds. The director is authorized to disburse funds held under this chapter to cover the expenses of any prosecutorial agency for the purposes of prosecuting fraudulent activities in the mortgage lending process, whether the knowledge of such activity arises from a direct complaint or the independent investigation of the department of any law enforcement agency. Such prosecution expenses may include, but are not limited to:

- (1) Training.
- (2) Investigation.
- (3) Discovery.
- (4) Trial preparation and trial.
- (5) Witness expenses.
- (6) Sentencing.
- (7) Appeal.

[Statutory Authority: RCW 43.320.040, 36.22.181. WSR 04-02-008, § 208-700-020, filed 12/29/03, effective 1/29/04.]

WAC 208-700-030 Application and approval for disbursement of funds. (1) At the director's discretion, the department may establish any of the following means for application, approval and disbursement of funds:

a. A written agreement or memorandum of understanding with a prosecutorial agency covering expenses for a set period of time or the expenses for a particular prosecution. Each agreement or memorandum of understanding shall identify the effective period, the expenses to be covered, the dollar limit, the manner and form of billing expenses and the process for disbursement of the funds, and shall be signed by an authorized representative of the prosecutorial agency, and the director or the director's designee.

b. A written application submitted to the department for payment of prosecution expenses. Such written application shall be in a form acceptable to the director and shall include at a minimum the following information:

i. The prosecutorial agency applicant name, address and contact information.

ii. The case name and description including the details of persons and crimes under consideration.

iii. The court and county where the charges are or may be filed.

iv. The expenses or range of expenses to be reimbursed.

c. An invoice and voucher submitted after the prosecutorial expenses have been incurred, which shall include all the information required under "b," above.

(2) The department will approve or deny the application in a written letter. The letter of approval shall contain the terms of payment including the maximum amount to be reimbursed, the billing process to be followed by the prosecutorial agency, reporting requirements to the department and the procedures by which the department shall disburse the funds.

(3) A completed invoice or voucher in a form acceptable to the director shall be submitted for all prosecution expenses for which payment or reimbursement from the account is sought.

[Statutory Authority: RCW 43.320.040, 36.22.181. WSR 04-02-008, § 208-700-030, filed 12/29/03, effective 1/29/04.]

WAC 208-700-040 Disbursement limitation. The director is not required to disburse any funds unless the mortgage lending fraud prosecution account contains sufficient funds to cover planned disbursements under an agreement, memorandum of understanding or approved application. At no time shall the director or the department be required to make disbursements from the department's own operating funds.

[Statutory Authority: RCW 43.320.040, 36.22.181. WSR 04-02-008, § 208-700-040, filed 12/29/03, effective 1/29/04.]