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State Specific Consumer Mortgage Disclosures- Washington

Disclosures	Initial Disclosures	Prior to Closing	At Closing	Disclosures provided by PPDocs, Inc.	PPDocs, Inc. Number	Purchase				Refinance				Misc		State Law Citation	Notes
						1st Lien Purchase 1 - 4 Primary Residence	1st Lien Purchase 1 - 4 Second Home / Vacation	Subordinate Lien Purchase 1 - 4 Primary Residence	Subordinate Lien Purchase 1 - 4 Second Home / Vacation	1st Lien Refinance 1 - 4 Primary Residence	1st Lien Refinance 1 - 4 Second Home / Vacation	Subordinate Lien Refinance 1 - 4 Primary Residence	Subordinate Lien Refinance 1 - 4 Second Home / Vacation	HELOCs	Lot Loans/Bare Ground		
State																	
Right to Choose Insurance Provider (If lender solicits insurance sales)	Y	Y	N	Y	5210	✓	✓	✓	✓	✓	✓	✓	✓	✓		WA Rev Code Section 48-30-260(2)	
Rate Lock Disclosure/Agreement (Licensed Mortgage Lender Only)	Y	Y	Y	Y	5230	✓	✓	✓	✓	✓	✓	✓	✓	✓		WA Rev Code Section 19.146.030(2)(c) and (3); WA Ad Code Section 208-660-430 am by 208-620-510(3) am by WSR 16-08-026	
Disclosure Summary-Fixed Rate	Y	N	N	Y	5193	✓	✓	✓	✓	✓	✓	✓	✓			WA Rev Code Sections 19.144.020 and 31.04.102(4); WA Admin Code Section 208-600-200(5)	
Disclosure Summary -ARM	Y	N	N	Y	5207	✓	✓	✓	✓	✓	✓	✓	✓			WA Rev Code Sections 19.144.020 and 31.04.102(4); WA Admin Code Section 208-600-200(5)	
Waiver of Valuation Documentation (Only if appraisal or evaluation is not provided to borrower before closing)	N	Y	Y	Y	5236	✓	✓	✓	✓							WA Rev Code Section 19.149.020	
Dual Capacity Disclosure/ Conflict of Interest (Licensed Mortgage Lender Only)	Y	N	Y	Y	5192	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	WA Rev Code Section 19.146.0201(14)(b); WA Admin Code Section 208-620-700(3)	

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	Initial Disclosures	Prior to Closing	At Closing	Disclosures provided by PPDocs, Inc.	PPDocs, Inc. Number	1st Lien Purchase 1 - 4 Primary Residence	1st Lien Purchase 1 - 4 Second Home / Vacation	Subordinate Lien Purchase 1 - 4 Primary Residence	Subordinate Lien Purchase 1 - 4 Second Home / Vacation	1st Lien Refinance 1 - 4 Primary Residence	1st Lien Refinance 1 - 4 Second Home / Vacation	Subordinate Lien Refinance 1 - 4 Primary Residence	Subordinate Lien Refinance 1 - 4 Second Home / Vacation	HELOCs	Lot Loans/Bare Ground		
Domestic Partnership Addendum to Loan Application	Y	N	Y	Y	6369	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	WA Rev Code Sections 26-60-015 and 26-60-020	

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State Specific Consumer Mortgage Disclosures- Washington

Washington : Firsts

Disclosures

Appraisal, Credit Report and Title Report Copies - If a loan is declined or if the borrower is unable to obtain a loan for any reason and the borrower has paid for an appraisal, title report, or credit report in full, the mortgage broker must give a copy of the document to the borrower and transmit the originals to any other mortgage broker or lender to whom the borrower directs that the documents be transmitted. Regardless of whether the borrower has obtained a loan, the mortgage broker must provide the copies or transmit the documents within 5 days after the borrower has made the request in writing. [\[WA Rev Code Section 19.146.080\]](#)

Broker Agreement - Every contract between a borrower and a mortgage broker, or a loan originator, must be in writing and contain the entire agreement of the parties. [\[WA Rev Code Section 19.146.040\]](#) [Lender Specific]

Broker Application Disclosure – Within 3 business days following receipt of an application or any fees being collected, the mortgage broker or loan originators on behalf of the mortgage broker must provide to the borrower a disclosure containing an itemization and explanation of all fees and costs that the borrower will be required to pay. The disclosure must also specify fee(s) which inure to the benefit of the mortgage broker. It is not required to disclose the distribution or breakdown of loan fees, discounts, or points between the mortgage broker and any lender or investor. Disclosures complying with Truth in Lending Act (Reg. Z) and the Real Estate Settlement Procedures Act (Reg. X) will be deemed to comply with this requirement. [\[WA Rev Code Section 19.146.030\]](#)(1) and (2) amended [2015 SB5299](#); [WA Admin Code Sections 208-660-430](#) and [208-620-510](#)] The Department of Financial Institutions has posted a [model disclosure form](#) on their website.

The Washington Department of Financial Institutions communicated that if a financial institution provides the borrower with the new TILA-RESPA integrated disclosures required by CFPB's *Know Before You Owe - Mortgages* final rule then there is no need to also provide the consumer with this specific disclosures required by [WA Rev Code Section 19.146.030](#). [Washington Department of Financial Institutions non-binding guidance via email communication]

In addition to the above disclosure the broker or loan originator must provide a written statement indicating:

- Whether and under what conditions any lock-in fees are refundable to the borrower;
- That third-party fees paid by borrower will be held in a trust account and any remaining fees after the third parties have been paid will be refunded to the borrower; and
- If the borrower does not obtain the loan, the broker will provide any other broker or lender with copies of the appraisal, credit report and title report within 5 days of written request by borrower. [\[WA Rev Code Section 19.146.030\]](#)

[\[VMP-1048\(WA\)](#), WA Application Disclosure]

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State Specific Consumer Mortgage Disclosures- Washington

Broker Dual Capacity Disclosure - Prior to providing mortgage services to the borrower, a loan originator who acts or has acted as a real estate broker or salesperson or in which another person doing business under the same licensed real estate broker acts or has acted as a real estate broker or salesperson is required to provide the following disclosure:

THIS IS TO GIVE YOU NOTICE THAT I OR ONE OF MY ASSOCIATES HAVE/HAS ACTED AS A REAL ESTATE BROKER OR SALESPERSON REPRESENTING THE BUYER/SELLER IN THE SALE OF THIS PROPERTY TO YOU. I AM ALSO A LOAN ORIGINATOR, AND WOULD LIKE TO PROVIDE MORTGAGE SERVICES TO YOU IN CONNECTION WITH YOUR LOAN TO PURCHASE THE PROPERTY.

YOU ARE NOT REQUIRED TO USE ME AS A LOAN ORIGINATOR IN CONNECTION WITH THIS TRANSACTION. YOU ARE FREE TO COMPARISON SHOP WITH OTHER MORTGAGE BROKERS AND LENDERS, AND TO SELECT ANY MORTGAGE BROKER OR LENDER OF YOUR CHOOSING.

[\[WA Rev Code Section 19.146.0201\(14\)\(b\); WA Admin Code Section 208-620-700\]](#)

[Lender Specific]

Construction Lien Disclosure - Washington requires lenders to provide borrowers with construction lien information. A model of the disclosure can be obtained from the Department of Labor and Industries. [\[WA Rev Code Section 60.04.255\]](#)

[\[VMP-1084\(WA\)\]](#), WA Construction Lien Disclosure]

Copy of Appraisal - In purchase money residential mortgage loan transactions, a lender must give the borrower, prior to closing, a true and complete copy of all appraisals or other documents used in evaluating the value of the dwelling. A borrower may waive, in writing, the lender's duty to provide the document before closing but this waiver does not limit the lender's duty to provide the information at a reasonable later date. [\[WA Rev Code Section 19.149.020\]](#)

[\[VMP-1083\(WA\)\]](#), WA Purchase Money Borrower Notification]

Domestic Partner Disclosure - "State registered domestic partners" means 2 adults who meet the requirements for a valid state registered domestic partnership under [WA Rev Code Section 26.60.030](#) and who have been issued a certificate of state registered domestic partnership by the Secretary. Washington law provides that registered domestic partners will be treated the same as married spouses, and will be liberally construed to achieve equal treatment, to the extent not in conflict with federal law, of state registered domestic partners and married spouses. [\[WA Rev Code Sections 26-60-015 and 26-60-020\]](#)

[\[VMP-964\]](#), Addendum to Loan Application]

Insurance Disclosure - The lender must notify borrowers of their right to choose an insurance agent, insurance company or broker of their choice. [\[WA Rev Code Section 48-30-260\(2\)\]](#)

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State Specific Consumer Mortgage Disclosures- Washington

[[VMP-1039\(WA\)](#), WA Choice of Insurance Notice]

Loan Modification Fee Agreement - Persons providing loan modification services must provide the borrower, for their agreement and signature, a fee agreement that includes specific fee and activity information. There must be a conspicuous disclosure on the agreement that free HUD approved housing counseling is available and include HUD's counseling telephone number and website link to the State of Washington counselors. [[WA Admin Code Sections 208-660-430, 208-620-510 and 208-620-545](#); [WA DFI Fee Agreement Model](#)] [Lender Specific]

Material Terms Disclosure Summary - Any lender, broker or loan originator must give to the borrower a summary of all material terms for a residential mortgage loan on a separate sheet of paper within 3 business days following receipt of the loan application. [[WA Rev Code Sections 19.144.020 and 31.04.102](#) amended by [2015 SB5299](#); [WA Admin Code Section 208-660-430](#)] The Department of Financial Institutions approved final rules to adopt separate disclosure summary forms for fixed interest rate and variable rate loans. [[WA Admin Code Section 208-600-200](#) and [Department Forms](#)]

The Washington Department of Financial Institutions communicated that if a financial institution provides the borrower with the new TILA-RESPA integrated disclosures required by CFPB's *Know Before You Owe - Mortgages* final rule then there is no need to also provide the consumer with the disclosure required by [WA Rev Code Section 19.144.020](#). [Washington Department of Financial Institutions non-binding guidance via email communication]

Mortgage Insurance Disclosure - If mortgage insurance is required as a condition of entering into a residential mortgage transaction, the lender shall disclose whether and under what conditions the borrower has the right to cancel the mortgage insurance in the future, The disclosure shall include:

- Any identifying loan or insurance information, or other information, necessary to permit the borrower to communicate with the servicer or lender concerning the mortgage insurance;
- The conditions that are required to be satisfied before the mortgage insurance may be canceled; and
- The procedures required to be followed by the borrower to cancel the mortgage insurance.

The disclosure must be given in writing at the time the transaction is entered into. [[WA Rev Code Section 61.10.020\(1\)](#)]

According to [WA Rev Code Section 61.10.010\(3\)](#), a "residential mortgage transaction" means entering into a loan for personal, family, household, or purchase money purposes that is secured by a deed of trust or mortgage on owner-occupied, one-to-four unit, residential real property located in Washington. [WA Rev Code Section 61.10.020\(7\)](#) states that a lender or person servicing a residential mortgage transaction who complies with federal requirements, as now or hereafter enacted, prescribing mortgage insurance disclosures and notifications shall be deemed in compliance with this section. The federal Homeowners Protection Act of 1998 preempts the state law. [[12 U.S.C. 4901 et al.](#)]

[[VMP-976\(WA\)](#), WA Notice of Right to Cancel Private Mortgage Insurance 2-4 Family, Second Homes, Investor]

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State Specific Consumer Mortgage Disclosures- Washington

Mortgage Insurance Disclosure (Annual) - For residential mortgage transactions with mortgage insurance, the lender, or the person servicing the residential mortgage transaction, if it is not the lender, shall provide the borrower annually with the following:

- A notice containing the same information as required to be disclosed in [WA Rev Code Section 61.10.020\(1\)](#); or
- A statement that the borrower may be able to cancel the mortgage insurance and that the borrower may contact the lender or loan servicer at a designated address and phone number to find out whether the insurance can be canceled and the conditions and procedures to effect cancellation.

The notice or statement required shall be provided in writing in or with each annual statement of account. [\[WA Rev Code Section 61.10.020\(2\)\]](#) [Lender Specific]

Rate Lock Agreement/Disclosure - A rate lock disclosure and a rate lock agreement must be provided to borrower within 3 business days of receipt of a residential mortgage loan application. Mortgage brokers and loan originators must disclose the cost, terms, duration and conditions of the agreement and whether the lock-in agreement is guaranteed by the mortgage broker or lender. If the borrower wants to lock the rate after initial disclosure, lender must provide a new rate lock disclosure and a rate lock agreement within 3 business days of the rate lock date. When a rate lock agreement is confirmed, the mortgage broker or loan originator must disclose whether and under what conditions any lock-in fees are refundable to the borrower, number of days in the rate lock period, expiration date of rate lock and rate of interest locked. If applicable, the index and a brief explanation of the type of index used, the margin, the maximum interest rate, and the date of the first interest rate adjustment and any other terms that may apply. If the borrower wants to lock the rate after the initial disclosure, a rate lock agreement must be provided within 3 business days of the rate lock date. [\[WA Rev Code Section 19.146.030\(2\)\(c\) and \(3\)\]](#); [WA Admin Code Section 208-660-430](#) amended by [WSR 16-08-027](#) and [208-620-510](#) amended by [WSR 16-08-026](#)

[\[VMP-1070\(WA\)\]](#), WA Rate Lock Agreement/Disclosure]

Reverse Mortgage Lending - Consumer loan licensees must comply with certain requirements before offering proprietary reverse mortgage loans which must be approved by the Department of Financial Institutions before they are made available. A proprietary reverse mortgage loan is defined as any reverse mortgage loan product that is not a home equity conversion mortgage loan or other federally guaranteed or insured loan. In addition to any disclosures required by federal law, licensees must provide, at a minimum, the following:

- Counseling disclosure. You must provide the following plain language statement in conspicuous bold sixteen-point type or larger, prior to receiving a complete and final loan application:

"Important notice to reverse mortgage loan applicant: A reverse mortgage is a complex financial transaction that provides a means of using the equity you have built up in your home, or the value of your home, as a way to access home equity. If you decide to obtain a reverse mortgage loan, you will sign binding legal documents that will have important legal, tax, and financial implications for you and your estate. It is very important for you to understand the terms of the reverse mortgage and its effect. Before entering into this transaction, you are required by law to consult with an independent loan counselor. A list of approved counselors will be provided to you by the lender or broker. You may also want to discuss your decision with family members or others on whom you rely for financial advice."

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State Specific Consumer Mortgage Disclosures- Washington

- Loan statements. Licensee or the loan servicer must provide an annual, or more frequent, disclosure statement to the borrower, providing details of the loan advances, balance, other terms, and the name and telephone number of the lender's employee or agent who has been specifically designated to respond to inquiries concerning reverse mortgage loans.
- Benefits and tax disclosure. You must provide the following statement prior to or simultaneously with receiving an initial loan application:

"If you receive advances under the terms of a reverse mortgage, you may lose your right to receive certain public funds, such as Medicaid, and possibly others. Also, receiving advances under the terms of a reverse mortgage may have tax consequences for you. You may wish to obtain advice from a tax professional or an attorney before you decide on a reverse mortgage."

[\[WA Rev Code Chapter 31.04.500; WA Admin Code Sections 208-620-800 through 208-620-835\]](#) [Lender Specific]

Servicer Statements - Fees charged by a servicer must be explained clearly and conspicuously in a statement mailed to the borrower no more than 30 days after assessing the fee. [\[WA Rev Code Sections 31.04.290 and 31.04.293\]](#) [Lender Specific]

Shared Appreciation Mortgage (SAM) or Mortgage Shared Appreciation Provisions - Within 3 business days following receipt of a loan application a consumer loan licensee must provide each borrower with a written disclosure, in addition to the disclosures required by federal law or by this chapter, containing at a minimum the following:

- The percentage of shared equity or shared appreciation you will receive (or a formula for determining it);
- The value the borrower will receive for sharing his or her equity or appreciation;
- The conditions that will trigger the borrower's duty to pay;
- The conditions that may cause the lender to terminate the mortgage or shared appreciation provision early;
- The procedure for including qualifying major home improvements in the home's basis (if any);
- Whether a prepayment penalty applies or other conditions applicable; and
- The date on which the SAM terminates and the equity or appreciation becomes payable if no triggering event occurs.

[\[WA Admin Code Section 208-620-510\]](#) [Lender Specific]

Statement of Credit Denial, Termination or Change - Under [WA Admin Code Section 162-40-171](#) compliance with Federal Regulation B Equal Credit Opportunity Act is required.

[\[VMP-132L\]](#), Notice of Action Taken]

[\[VMP-30\]](#), Statement of Credit Denial, Termination or Change]

Tangible Net Benefit - There are no laws, regulations or rules governing tangible net benefits. However, it is a best practice for lenders to document the benefits borrower(s) will receive as a result of refinancing.

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State Specific Consumer Mortgage Disclosures- Washington

[\[VMP-1386M1\]](#), Tangible Net Benefit Worksheet]

Washington : Closed-End Seconds

Disclosures

Appraisal, Credit Report and Title Report Copies - If a loan is declined or if the borrower is unable to obtain a loan for any reason and the borrower has paid for an appraisal, title report, or credit report in full, the mortgage broker must give a copy of the document to the borrower and transmit the originals to any other mortgage broker or lender to whom the borrower directs that the documents be transmitted. Regardless of whether the borrower has obtained a loan, the mortgage broker must provide the copies or transmit the documents within 5 days after the borrower has made the request in writing. [\[WA Rev Code Section 19.146.080\]](#)

Under the Consumer Loan Act, a copy of the appraisal must be given to borrower even if reimbursement is not collected for the cost of the appraisal. [\[WA Admin Code Sections 208-620-555 added by 2013 WSR 13-24-024\]](#)

Broker Agreement - Every contract between a mortgage broker, or a loan originator, and a borrower must be in writing and contain the entire agreement of the parties. [\[WA Rev Code Section 19.146.040\]](#) [Lender Specific]

Broker Application Disclosure – Within 3 business days following receipt of an application or any fees being collected, the mortgage broker or loan originators on behalf of the mortgage broker must provide to the borrower a disclosure containing an itemization and explanation of all fees and costs that the borrower will be required to pay. The disclosure must also specify fee(s) which inure to the benefit of the mortgage broker. It is not required to disclose the distribution or breakdown of loan fees, discounts, or points between the mortgage broker and any lender or investor. Disclosures complying with Truth in Lending Act (Reg. Z) and the Real Estate Settlement Procedures Act (Reg. X) will be deemed to comply with this requirement. [\[WA Rev Code Section 19.146.030\(1\) and \(2\) amended 2015 SB5299; WA Admin Code Sections 208-660-430 and 208-620-510\]](#) The Department of Financial Institutions has posted a [model disclosure form](#) on their website.

The Washington Department of Financial Institutions communicated that if a financial institution provides the borrower with the new TILA-RESPA integrated disclosures required by CFPB's *Know Before You Owe - Mortgages* final rule then there is no need to also provide the consumer with this specific disclosures required by [WA Rev Code Section 19.146.030](#). [Washington Department of Financial Institutions non-binding guidance via email communication]

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- Whether and under what conditions any lock-in fees are refundable to the borrower;
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[\[VMP-1048\(WA\)\]](#), WA Application Disclosure]

Broker Dual Capacity Disclosure - Prior to providing mortgage services to the borrower, a loan originator who acts or has acted as a real estate broker or salesperson or in which another person doing business under the same licensed real estate broker acts or has acted as a real estate broker or salesperson is required to provide the following disclosure:

THIS IS TO GIVE YOU NOTICE THAT I OR ONE OF MY ASSOCIATES HAVE/HAS ACTED AS A REAL ESTATE BROKER OR SALESPERSON REPRESENTING THE BUYER/SELLER IN THE SALE OF THIS PROPERTY TO YOU. I AM ALSO A LOAN ORIGINATOR, AND WOULD LIKE TO PROVIDE MORTGAGE SERVICES TO YOU IN CONNECTION WITH YOUR LOAN TO PURCHASE THE PROPERTY.

YOU ARE NOT REQUIRED TO USE ME AS A LOAN ORIGINATOR IN CONNECTION WITH THIS TRANSACTION. YOU ARE FREE TO COMPARISON SHOP WITH OTHER MORTGAGE BROKERS AND LENDERS, AND TO SELECT ANY MORTGAGE BROKER OR LENDER OF YOUR CHOOSING.

[\[WA Rev Code Section 19.146.0201\(14\)\(b\)\]](#); [\[WA Admin Code Section 208-620-700\]](#)

[Lender Specific]

Construction Lien Disclosure - Washington requires lenders to provide borrowers with construction lien information. A model of the disclosure can be obtained from the Department of Labor and Industries. [\[WA Rev Code Section 60.04.255\]](#)

[\[VMP-1084\(WA\)\]](#), WA Construction Lien Disclosure]

Copy of Appraisal - In purchase money residential mortgage loan transactions, a lender must give the borrower, prior to closing, a true and complete copy of all appraisals or other documents used in evaluating the value of the dwelling. A borrower may waive, in writing, the lender's duty to provide the document before closing but this waiver does not limit the lender's duty to provide the information at a reasonable later date. [\[WA Rev Code Section 19.149.020\]](#)

[\[VMP-1083\(WA\)\]](#), WA Purchase Money Borrower Notification]

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[[VMP-964](#), Addendum to Loan Application]

Insurance Disclosure - The lender must notify borrowers of their right to choose an insurance agent, insurance company or broker of their choice. [[WA Rev Code Section 48-30-260\(2\)](#)]

[[VMP-1039\(WA\)](#), WA Choice of Insurance Notice]

Loan Modification Fee Agreement - Persons providing loan modification services must provide the borrower, for their agreement and signature, a fee agreement that includes specific fee and activity information. There must be a conspicuous disclosure on the agreement that free HUD approved housing counseling is available and include HUD's counseling telephone number and website link to the State of Washington counselors. [[WA Admin Code Sections 208-660-430, 208-620-510](#) and [208-620-545](#); [WA DFI Fee Agreement Model](#)] [Lender Specific]

Material Terms Disclosure Summary - Any lender, broker or loan originator must give to the borrower a summary of all material terms for a residential mortgage loan on a separate sheet of paper within 3 business days following receipt of the loan application. [[WA Rev Code Sections 19.144.020](#) and [31.04.102](#) amended by [2015 SB5299](#); [WA Admin Code Section 208-660-430](#)] The Department of Financial Institutions approved final rules to adopt separate disclosure summary forms for fixed interest rate and variable rate loans. [[WA Admin Code Section 208-600-200](#) and [Department Forms](#)]

The Washington Department of Financial Institutions communicated that if a financial institution provides the borrower with the new TILA-RESPA integrated disclosures required by CFPB's *Know Before You Owe - Mortgages* final rule then there is no need to also provide the consumer with the disclosure required by [WA Rev Code Section 19.144.020](#). [Washington Department of Financial Institutions non-binding guidance via email communication]

Mortgage Insurance Disclosure - If mortgage insurance is required as a condition of entering into a residential mortgage transaction, the lender shall disclose whether and under what conditions the borrower has the right to cancel the mortgage insurance in the future. The disclosure shall include:

- Any identifying loan or insurance information, or other information, necessary to permit the borrower to communicate with the servicer or lender concerning the mortgage insurance;
- The conditions that are required to be satisfied before the mortgage insurance may be canceled; and
- The procedures required to be followed by the borrower to cancel the mortgage insurance.

The disclosure must be given in writing at the time the transaction is entered into. [[WA Rev Code Section 61.10.020\(1\)](#)]

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[[VMP-976\(WA\)](#), WA Notice of Right to Cancel Private Mortgage Insurance 2-4 Family, Second Homes, Investor]

Mortgage Insurance Disclosure (Annual) - For residential mortgage transactions with mortgage insurance, the lender, or the person servicing the residential mortgage transaction, if it is not the lender, shall provide the borrower annually with the following:

- A notice containing the same information as required to be disclosed in [WA Rev Code Section 61.10.020\(1\)](#); or
- A statement that the borrower may be able to cancel the mortgage insurance and that the borrower may contact the lender or loan servicer at a designated address and phone number to find out whether the insurance can be canceled and the conditions and procedures to effect cancellation.

The notice or statement required shall be provided in writing in or with each annual statement of account. [[WA Rev Code Section 61.10.020\(2\)](#)] [Lender Specific]

Rate Lock Agreement/Disclosure - A rate lock disclosure and a rate lock agreement must be provided to borrower within 3 business days of receipt of a residential mortgage loan application. Mortgage brokers and loan originators must disclose the cost, terms, duration and conditions of the agreement and whether the lock-in agreement is guaranteed by the mortgage broker or lender. If the borrower wants to lock the rate after initial disclosure, lender must provide a new rate lock disclosure and a rate lock agreement within 3 business days of the rate lock date. When a rate lock agreement is confirmed, the mortgage broker or loan originator must disclose whether and under what conditions any lock-in fees are refundable to the borrower, number of days in the rate lock period, expiration date of rate lock and rate of interest locked. If applicable, the index and a brief explanation of the type of index used, the margin, the maximum interest rate, and the date of the first interest rate adjustment and any other terms that may apply. If the borrower wants to lock the rate after the initial disclosure, a rate lock agreement must be provided within 3 business days of the rate lock date. [[WA Rev Code Section 19.146.030\(2\)\(c\)](#) and (3); [WA Admin Code Section 208-660-430](#) amended by [WSR 16-08-027](#) and [208-620-510](#) amended by [WSR 16-08-026](#)]

[[VMP-1070\(WA\)](#), WA Rate Lock Agreement/Disclosure]

Reverse Mortgage Lending - Consumer loan licensees must comply with certain requirements before offering proprietary reverse mortgage loans which must be approved by the Department of Financial Institutions before they are made available. A proprietary reverse mortgage loan is defined as any reverse mortgage loan product that is not a home equity conversion mortgage loan or other federally guaranteed or insured loan. In addition to any disclosures required by federal law, licensees must provide, at a minimum, the following:

- Counseling disclosure. You must provide the following plain language statement in conspicuous bold sixteen-point type or larger, prior to receiving a complete and final loan application:

Disclaimer: The material below is for general informational purposes only, and is not intended to be a substitute for professional compliance assistance. Anyone reviewing the below information should contact his or her own compliance professionals to obtain advice with respect to any issues or questions related to a particular transaction. The material below is designed for use by state or federal financial institutions. State licensed lenders or brokers should consult alternate reference materials.

State Specific Consumer Mortgage Disclosures- Washington

"Important notice to reverse mortgage loan applicant: A reverse mortgage is a complex financial transaction that provides a means of using the equity you have built up in your home, or the value of your home, as a way to access home equity. If you decide to obtain a reverse mortgage loan, you will sign binding legal documents that will have important legal, tax, and financial implications for you and your estate. It is very important for you to understand the terms of the reverse mortgage and its effect. Before entering into this transaction, you are required by law to consult with an independent loan counselor. A list of approved counselors will be provided to you by the lender or broker. You may also want to discuss your decision with family members or others on whom you rely for financial advice."

- Loan statements. Licensee or the loan servicer must provide an annual, or more frequent, disclosure statement to the borrower, providing details of the loan advances, balance, other terms, and the name and telephone number of the lender's employee or agent who has been specifically designated to respond to inquiries concerning reverse mortgage loans.
- Benefits and tax disclosure. You must provide the following statement prior to or simultaneously with receiving an initial loan application:

"If you receive advances under the terms of a reverse mortgage, you may lose your right to receive certain public funds, such as Medicaid, and possibly others. Also, receiving advances under the terms of a reverse mortgage may have tax consequences for you. You may wish to obtain advice from a tax professional or an attorney before you decide on a reverse mortgage."

[\[WA Rev Code Chapter 31.04.500; WA Admin Code Sections 208-620-800 through 208-620-835\]](#) [Lender Specific]

Servicer Statements - Fees charged by a servicer must be explained clearly and conspicuously in a statement mailed to the borrower no more than 30 days after assessing the fee. [\[WA Rev Code Sections 31.04.290 and 31.04.293\]](#) [Lender Specific]

Shared Appreciation Mortgage (SAM) or Mortgage Shared Appreciation Provisions - Within 3 business days following receipt of a loan application a consumer loan licensee must provide each borrower with a written disclosure, in addition to the disclosures required by federal law or by this chapter, containing at a minimum the following:

- The percentage of shared equity or shared appreciation you will receive (or a formula for determining it);
- The value the borrower will receive for sharing his or her equity or appreciation;
- The conditions that will trigger the borrower's duty to pay;
- The conditions that may cause the lender to terminate the mortgage or shared appreciation provision early;
- The procedure for including qualifying major home improvements in the home's basis (if any);
- Whether a prepayment penalty applies or other conditions applicable; and
- The date on which the SAM terminates and the equity or appreciation becomes payable if no triggering event occurs.

[\[WA Admin Code Section 208-620-510\]](#) [Lender Specific]

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State Specific Consumer Mortgage Disclosures- Washington

Statement of Credit Denial, Termination or Change - Under [WA Admin Code Section 162-40-171](#) compliance with Federal Regulation B Equal Credit Opportunity Act is required.

[[VMP-132L](#), Notice of Action Taken]

[[VMP-30](#), Statement of Credit Denial, Termination or Change]

Tangible Net Benefit - There are no laws, regulations or rules governing tangible net benefits. However, it is a best practice for lenders to document the benefits borrower(s) will receive as a result of refinancing.

[[VMP-1386M1](#), Tangible Net Benefit Worksheet]

Transfer of Servicing Notice: Wash Rev Code Ann Section 19.148.030. <http://app.leg.wa.gov/RCW/default.aspx?cite=19.148.030>. PPDocs form #7558 is deemed to comply with it.

Oral Agreement Notice: Wash Rev Code Ann Section 19.36.140. <http://app.leg.wa.gov/RCW/default.aspx?cite=19.36.140>. INAPPLICABLE, per 19.36.120

PMI Disclosure: Wash Rev Code Ann Section 61.10.020. <http://app.leg.wa.gov/RCW/default.aspx?cite=61.10.020> Inapplicable due to 61.10.020(7). Compliance with Fed regulations.

Shared Appreciation Mortgage Disclosure: WA Admin Code Section 208-620-510(5). We don't facilitate shared appreciation mortgages.