

This is a message from the Washington State Department of Financial Institutions

It has come to our attention that clarification is needed on the following rule:

WAC 208-620-301 If I make residential mortgage loans and employ managers, must they license individually as mortgage loan originators?

Your managers, including branch managers, must license individually as mortgage loan originators if they conduct the following activities:

- (1) Take residential mortgage loan applications, negotiate the terms or conditions of residential mortgage loans, or hold themselves out as being able to conduct these activities;
- (2) Supervise your loan processor or underwriting employees; or
- (3) Supervise your licensed mortgage loan originators.

[Statutory Authority: RCW [43.320.040](#) and 31.04.165. WSR 13-24-024, § 208-620-301, filed 11/22/13, effective 1/1/14.]

Clarification:

(1) Any manager or any person who takes a residential mortgage loan application in Washington, negotiates the terms or conditions of a residential mortgage loan on Washington property, or holds themselves out as being able to conduct those activities, must have a Washington MLO license. Washington licensed MLOs must work from a licensed location.

(2) Any manager who directly supervises loan processor or underwriting employees must hold an MLO license. The MLO license can be from any state. Washington licensed MLOs must work from a licensed location.

(3) Any manager who directly supervises Washington licensed MLOs must themselves hold a Washington MLO license. Washington licensed MLOs must work from a licensed location.

For items (2) and (3) we are looking for licensure of the day to day operational supervisors. The supervisory plan must be written. The details of the plan and how it is implemented must include consideration of the location of the supervisor and employees supervised, the number of employees supervised, and the volume of work performed by the supervised employees. You must maintain your written supervisory plan as part of your business books and records.

If you still have questions about the rule please contact Cindy Fazio at lfazio@dfi.wa.gov