
SENATE BILL 6621

State of Washington 57th Legislature

2002 Regular Session

By Senators Gardner and Winsley

Read first time 01/23/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to residential mortgage loans; and adding a new
2 section to chapter 31.04 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 31.04 RCW
5 to read as follows:

6 (1) A licensee making a residential mortgage loan to a resident of
7 this state must have reasonable grounds for believing that the loan is
8 suitable for the customer upon the basis of the facts, if any,
9 disclosed by the customer as to his or her financial circumstances,
10 needs, and objectives.

11 (2) Before making a residential mortgage loan a licensee shall make
12 reasonable efforts to obtain information concerning:

13 (a) The customer's financial status;

14 (b) The customer's tax status;

15 (c) The customer's sophistication and expertise in mortgage
16 financing;

17 (d) The condition, appraised value, and equity of the property to
18 be mortgaged;

1 (e) The customer's capacity to meet the terms of any proposed loan;
2 and
3 (f) Other information used or considered to be reasonable by the
4 licensee in making recommendations to the customer.

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