2020 in Review

Washington State Department of Financial Institutions

"Leading the way in consumer protection and financial services regulation."

DFI Consumer Services Pandemic Response

Cindy Fazio, Director of Consumer Services

Pandemic Response
Cindy Fazio, Director of Consumer Services

Mortgage Servicer Guidance

Forbearances, not reporting to credit bureaus, waiving late fees, postponing foreclosure, communicating with borrowers.

- Issued originally March 20, 2020.
- Amended to track with Government Sponsored. Entities (GSEs)
- Expires February 28, 2021.

Mortgage Assistance Team
DFI Consumer Services

Made up of Financial Legal Examiners.

With the assistance of DFI's front desk staff and the Enforcement Unit's Program Specialists, takes calls from Washington homeowners, landlords, business owners, and other Washington residents.

Callers always reach a live person.

Student Loans
DFI Consumer Services

Student Education Loan Servicing

Negotiations for forbearance to track with the Department of Education's guidance to its contractors servicing federal loans.

Mortgage Forbearances in Washington

Washington State first-lien 1-4 family residential mortgage loans reported by servicers to Mortgage Bankers Association as of September 30, 2020; 31,530 out of a total of 34,406 (or 91.6%) are in forbearance.

Paycheck Protection Program - Past and Present

Roberta Hollinshead, Director of Banks

Paycheck Protection Program in Review
Roberta Hollinshead, Director of Banks

	Loan Count	Net Dollars	Avg. Loan Size
TOTAL	5,212,128	$525,012,201,124	$101K
WA TOTAL	107,659	$12,464,918,993	$116K

Source : https://home.treasury.gov/system/files/136/SBA-Paycheck-Protection-Program-Loan-Report-Round2.pdf

PPP Program ended 8/8/2020

PPP Lending in 2020 - Breakdown

Loan Size	Loan Count	Net Dollars	% of # Count	% of $ Amount
$50K and Under	3,574,110	$62,742,565,653	**68.6%**	12.0%
>$50K - $100K	683,785	$48,676,961,052	**13.1%**	9.3%
>$100K - $150K	294,557	$36,058,010,813	**5.7%**	6.9%
>$150K - $350K	377,797	$84,782,932,509	7.2%	16.1%
>$350K - $1M	199,679	$113,558,427,234	3.8%	21.6%
>$1M - $2M	53,218	$73,887,171,387	1.0%	14.1%
>$2M	28,982	$105,306,132,476	0.6%	20.0%
Percent of # Count < $150K = 87.4%				

Emergency Coronavirus Relief Act of 2020
Passed December 21, 2020

Title III – *Continuing the Paycheck Protection Program and Other Small Business Support*

- **$325 billion in additional small business assistance.**
- **Loan forgiveness process simplified for borrowers with PPP loans of $150,000 or less.**
- **Hardest-hit small businesses to receive a 2nd PPP loan.**

Emergency Coronavirus Relief Act of 2020
Passed December 21, 2020

Title III – *Continued.*

- Extends eligibility to additional business types and forgivable business expenses.
- Funding set-asides for loans made by small community lenders to small businesses with 10 or fewer employees.
- Ext. of Sec. 1112 of the CARES Act - provides payment of principal, interest, and associated fees on qualifying SBA 7(a), 504 and microloans.

Click here for the full text of the [Emergency Coronavirus Relief Act of 2020]()

Debenture Company Act Repeal

Bill Beatty, Director of Securities

Debenture Company Act Repeal

- **At DFI's request, Senate Bill 6131 (2020) repealed the debenture company laws from the Securities Act of Washington, chapter 21.20 RCW.**

- **These provisions were obsolete and effectively prevented the registration of debt offerings by nonprofit entities.**

Applications Post Repeal

- Since the passage of SB 6131, DFI has received two dozen applications for registration of debt offerings.
- These offerings came from a variety of issuers, including:
  - Church extension funds (19)
  - Social impact investing fund (1)
  - For-profit start-up company (1)
  - Community Development Financial Institutions (2)
  - CUSO (1)

Review of New Applications

- Each of these applications has been carefully reviewed by staff attorneys.
- Issues we have addressed include automatic renewal of term notes, ensuring appropriate controls are in place for affiliated transactions, and marketing concerns.
- To date, of the two dozen applications we have received, seven offerings have been registered.

2021 DFI Request Legislation

Drew Bouton, Policy & Legislation

DFI Bills

HB 1104 – Extending the Operations of the Mortgage Lending Fraud Prosecutions Account.

SB 5077 – Mortgage Loan Originators Residence Workplace

No companions.

Thank You

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