

**RCW 19.146.200 Mortgage broker or loan originator—License required—Suit or action for collection of compensation—Designated broker required.** (1) A person, unless specifically exempted from this chapter under RCW 19.146.020, may not engage in the business of a mortgage broker or loan originator without first obtaining and maintaining a license under this chapter.

(2) A person may not bring a suit or action for the collection of compensation in connection with a residential mortgage loan unless the plaintiff alleges and proves that he or she was a duly licensed mortgage broker, or exempt from the license requirement of this chapter, at the time of offering to perform or performing any such an act or service regulated by this chapter.

(3) Every licensed mortgage broker must at all times have a designated broker responsible for all activities of the mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or owner who has supervisory authority over a mortgage broker is responsible for a licensee's, employee's, or independent contractor's violations of this chapter and its rules if:

(a) The designated broker, principal, or owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows the conduct; or

(b) The designated broker, principal, or owner who has supervisory authority over the licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known of the conduct, at a time when its consequences can be avoided or mitigated and fails to take reasonable remedial action. [2012 c 17 § 12; 2006 c 19 § 9; 1997 c 106 § 8; 1994 c 33 § 7; 1993 c 468 § 5.]

**Severability—1997 c 106:** See note following RCW 19.146.010.

**Effective dates—1993 c 468:** "(1) Sections 2 through 4, 9, 13, and 21 through 23 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [May 17, 1993].

(2) Sections 6 through 8, 10, 18, and 19 of this act shall take effect September 1, 1993.

(3) Sections 1, 5, 11, 12, 14 through 17, and 20 of this act shall take effect October 31, 1993. However, the effective date of section 5 of this act may be delayed thirty days upon an order of the director of licensing under section 7(3) of this act." [1993 c 468 § 26.] The director of licensing did not delay the effective date.

**Adoption of rules—Severability—1993 c 468:** See notes following RCW 19.146.0201.