



# PREPROPOSAL STATEMENT OF INQUIRY

## CR-101 (October 2017) (Implements RCW 34.05.310)

Do NOT use for expedited rule making

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER  
STATE OF WASHINGTON  
FILED

DATE: March 10, 2025

TIME: 8:49 AM

WSR 25-07-017

**Agency:** Department of Financial Institutions, Division of Consumer Services

**Subject of possible rule making:** Amending the rules (chapter 208-620 WAC) under the Consumer Loan Act (chapter 31.04 RCW) to clarify regulatory requirements for home equity sharing agreement products. The Division of Consumer Services is soliciting comments on the proposed rules.

**Statutes authorizing the agency to adopt rules on this subject:** RCW 43.320.040 and RCW 31.04.165

**Reasons why rules on this subject may be needed and what they might accomplish:** Home equity sharing agreement (HESA) products and similar shared equity products, provide consumers with an up-front payment in exchange for a share of the future equity or value appreciation of the consumer's home. HESA products meet the definition of "residential mortgage loan" as set forth in the Consumer Loan Act, chapter 31.04 RCW. The Division of Consumer Services is considering amendments to provide clarity on the regulation of HESA products.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** Pursuant to Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. 5481, et seq., the Consumer Financial Protection Bureau (CFPB) has the statutory authority to implement a number of federal laws and regulations that industry must comply with.

**Process for developing new rule (check all that apply):**

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) The Division of Consumer Services is soliciting comments from interested persons and will adopt rules after consideration of public comments.

**Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:**

Name: Rochelle Henderson	(If necessary) Name:
Address: P.O. Box 41200, Olympia, WA 98504-1200.	Address:
Phone: 360-701-0581	Phone:
Fax:	Fax:
TTY:	TTY:
Email: Rochelle.henderson@dfi.wa.gov	Email:
Web site: <a href="http://www.dfi.wa.gov">www.dfi.wa.gov</a>	Web site:
Other:	Other:

Additional comments:

**Date:** 03/10/2025

**Name:** Ali Higgs

**Title:** Director, Division of Consumer Services

**Signature:**