
SENATE BILL 5075

State of Washington

62nd Legislature

2011 Regular Session

By Senators Fain, Hobbs, Benton, Litzow, Keiser, and Tom; by request of Department of Financial Institutions

Read first time 01/12/11. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to the expiration dates of the mortgage lending
2 fraud prosecution account and its revenue source; amending RCW
3 43.320.140 and 36.22.181; providing an effective date; providing
4 expiration dates; and declaring an emergency.

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

6 **Sec. 1.** RCW 43.320.140 and 2006 c 21 s 2 are each amended to read
7 as follows:

8 (1) The mortgage lending fraud prosecution account is created in
9 the custody of the state treasurer. All receipts from the surcharge
10 imposed in RCW 36.22.181, except those retained by the county auditor
11 for administration, must be deposited into the account. Except as
12 otherwise provided in this section, expenditures from the account may
13 be used only for criminal prosecution of fraudulent activities related
14 to mortgage lending fraud crimes. Only the director of the department
15 of financial institutions or the director's designee may authorize
16 expenditures from the account. The account is subject to allotment
17 procedures under chapter 43.88 RCW, but an appropriation is not
18 required for expenditures.

19 (2) This section expires June 30, (~~2011~~) 2016.

1 **Sec. 2.** RCW 36.22.181 and 2006 c 21 s 1 are each amended to read
2 as follows:

3 (1) Except as provided in subsection (2) of this section, a
4 surcharge of one dollar shall be charged by the county auditor at the
5 time of recording of each deed of trust, which will be in addition to
6 any other charge authorized by law. The auditor may retain up to five
7 percent of the funds collected to administer collection. The remaining
8 funds shall be transmitted monthly to the state treasurer who will
9 deposit the funds into the mortgage lending fraud prosecution account
10 created in RCW 43.320.140. The department of financial institutions is
11 responsible for the distribution of the funds in the account and shall,
12 in consultation with the attorney general and local prosecutors,
13 develop rules for the use of these funds to pursue criminal prosecution
14 of fraudulent activities within the mortgage lending process.

15 (2) The surcharge imposed in this section does not apply to
16 assignments or substitutions of previously recorded deeds of trust.

17 (3) This section expires June 30, (~~2011~~) 2016.

18 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 June 29, 2011.

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