

SENATE BILL REPORT

SHB 1348

As Reported By Senate Committee On:
Financial Institutions & Housing, March 17, 1995

Title: An act relating to the regulation of escrow agents.

Brief Description: Regulating escrow agents.

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Cole, Fuhrman and Wolfe; by request of Department of Licensing).

Brief History:

Committee Activity: Financial Institutions & Housing: 3/16/95, 3/17/95 [DPA].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar and Sutherland.

Staff: Catherine Mele (786-7470)

Background: Escrow agents are companies certified by the Department of Licensing to assist in the closing of real property transactions. Escrow agents effectuate the sale and transfer of real property between buyers and sellers. Each escrow agent must employ or designate an escrow officer who is responsible for supervising the escrow activities of the company. The responsible escrow officer must also be licensed by the Department of Licensing. Escrow agents must comply with other statutory requirements, such as obtaining a fidelity bond and an errors and omissions insurance policy.

The Escrow Commission comprises the Director of the Department of Licensing and five members from the escrow industry appointed by the Governor, and advises the Department of Licensing about issues regarding regulation of the escrow agents and officers.

Summary of Amended Bill: Regulation of escrow agents and officers is transferred from the Department of Licensing to the Department of Financial Institutions. The Director of the Department of Financial Institutions, rather than the Governor, appoints representatives to the Escrow Commission. Escrow licensing fees are placed into the banking examination fund.

Amended Bill Compared to Substitute Bill: Technical changes are made.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Witnesses referred to testimony provided on the companion Senate bill.

Testimony Against: None.

Testified: PRO: Representative Les Thomas, prime sponsor; Mike Collins, Dept. of Licensing; Mark Thomson, DFI; Tamara Warnke, Escrow Assn.