

5118-S

Sponsor(s): Senate Committee on Financial Services, Insurance & Housing (originally sponsored by Senators Prentice, Winsley, Reardon, Schmidt, Esser, Zarelli and Keiser)

Brief Description: Providing funds to investigate and prosecute mortgage lending fraud.

SB 5118-S - DIGEST

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Provides that a surcharge of one dollar shall be charged by the county auditor at the time of recording of each residential first mortgage deed of trust, which will be in addition to any other charge authorized by law. The auditor may retain up to five percent of the funds collected to administer collection.

Requires the remaining funds to be transmitted monthly to the state treasurer who will deposit the funds into the mortgage lending fraud prosecution account created in this act.

Declares that the department of financial institutions is responsible for the distribution of the funds in the account and shall, in consultation with the attorney general and local prosecutors, develop rules for the use of these funds to pursue criminal prosecution of fraudulent activities within the mortgage lending process.

Expires June 30, 2006.

Provides that, before December 31st of every year, the department of financial institutions shall provide the senate and house of representatives committees that address matters related to financial institutions with a written report outlining the activity of the mortgage lending fraud prosecution account.