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HOUSE BILL 2338

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State of Washington

59th Legislature

2006 Regular Session

By Representatives Kirby, Roach, Chase, Dickerson, Ericks, Simpson, Upthegrove and Schual-Berke; by request of Department of Financial Institutions

Prefiled 12/20/2005. Read first time 01/09/2006. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the extension of the mortgage lending fraud  
2 prosecution account; amending RCW 36.22.181, 43.320.140, and  
3 43.320.1401; and providing expiration dates.

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

5 **Sec. 1.** RCW 36.22.181 and 2003 c 289 s 1 are each amended to read  
6 as follows:

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

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

3 (3) This section expires June 30, (~~2006~~) 2011.

4 **Sec. 2.** RCW 43.320.140 and 2003 c 289 s 2 are each amended to read  
5 as follows:

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

17 (2) This section expires June 30, (~~2006~~) 2011.

18 **Sec. 3.** RCW 43.320.1401 and 2003 c 289 s 3 are each amended to  
19 read as follows:

20 (1) Before December 31st of every year, the department of financial  
21 institutions shall provide the senate and house of representatives  
22 committees that address matters related to financial institutions with  
23 a written report outlining the activity of the mortgage lending fraud  
24 prosecution account.

25 (2) This section expires June 30, (~~2006~~) 2011.

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