

SENATE BILL REPORT

HB 1104

As of March 12, 2021

Title: An act relating to extending the operation of the mortgage lending fraud prosecution account until June 30, 2027.

Brief Description: Extending the operation of the mortgage lending fraud prosecution account until June 30, 2027.

Sponsors: Representatives Ryu and Kloba; by request of Department of Financial Institutions.

Brief History: Passed House: 2/25/21, 97-1.

Committee Activity: Business, Financial Services & Trade: 3/16/21.

Brief Summary of Bill

- Extends the operation of the Mortgage Lending Fraud Prosecution Account until June 30, 2027.
- Extends the surcharge for prosecution of mortgage lending fraud until June 30, 2027.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Staff: Clinton McCarthy (786-7319)

Background: The Mortgage Lending Fraud Prosecution Account will expire on June 30, 2021. The account is in the custody of the state treasurer, and only the director of the Department of Financial Institutions or the director's designee may authorize expenditures from the account. Expenditures from the account may be used only for criminal prosecution of fraudulent activities related to mortgage lending fraud crimes.

The account contains revenue from a \$1 surcharge collected by the county auditor at the time of recording of each deed of trust. This surcharge does not apply to assignments or

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substitutions of previously recorded deeds of trust. The auditor may retain up to 5 percent of the surcharge, and the remainder is transmitted monthly to the state treasurer, who deposits the funds into the account. The surcharge will expire on June 30, 2021.

Summary of Bill: The expiration date for the Mortgage Lending Fraud Prosecution Account and the \$1 surcharge on deeds of trust is extended until June 30, 2027.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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