S-0115.1

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**SENATE BILL 5109**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Senators Kauffman, Stanford, Lovelett, and Nobles

AN ACT Relating to the mortgage lending fraud prosecution account; and amending RCW 36.22.181 and 43.320.140.

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

**Sec.**  RCW 36.22.181 and 2021 c 31 s 1 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a surcharge of ((~~one dollar~~)) $5 shall be charged by the county auditor at the time of recording of each 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. The remaining funds shall be transmitted monthly to the state treasurer who will deposit the funds into the mortgage lending fraud prosecution account created in RCW 43.320.140. 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.

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

((~~(3) This section expires June 30, 2027.~~))

**Sec.**  RCW 43.320.140 and 2021 c 31 s 2 are each amended to read as follows:

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

((~~(2) This section expires June 30, 2027.~~))

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