

SENATE BILL REPORT

SB 5109

As of January 21, 2025

Title: An act relating to the mortgage lending fraud prosecution account.

Brief Description: Concerning the mortgage lending fraud prosecution account.

Sponsors: Senators Kauffman, Stanford, Lovelett and Nobles.

Brief History:

Committee Activity: Business, Financial Services & Trade: 1/23/25.

Brief Summary of Bill

- Increases the charge to support the Mortgage Lending Fraud Prosecution Account at the time of recording a deed of trust by county auditors from \$1 to \$5.
- Removes sunset provisions related to this Mortgage Lending Fraud Prosecution Account that are set to expire on June 30, 2027.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES & TRADE

Staff: Clint McCarthy (786-7319)

Background: The Mortgage Lending Fraud Prosecution Account (account) was established in 2003, and authorized county auditors charge \$1 at the time of recording each deed of trust to fund the account. The auditor is allowed to retain 5 percent of the funds that they collect to administer the collection of the fund. The remaining funds are deposited into the account. The Department of Financial Institutions distributes the funds and develops rules for the use of the funds to pursue criminal prosecution of fraudulent activities as part of the mortgage lending process. The account is set to expire on June 30, 2027.

Summary of Bill: The charge collected at the recording time of each deed of trust by

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county auditors is increased from \$1 to \$5. The sunset provisions for the account are removed.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.