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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

Prefiled 12/23/24. Read first time 01/13/25. Referred to Committee on Business, Financial Services & Trade.

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

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

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

6 (1) Except as provided in subsection (2) of this section, a  
7 surcharge of (~~one dollar~~) \$5 shall be charged by the county auditor  
8 at the time of recording of each deed of trust, which will be in  
9 addition to any other charge authorized by law. The auditor may  
10 retain up to five percent of the funds collected to administer  
11 collection. The remaining funds shall be transmitted monthly to the  
12 state treasurer who will deposit the funds into the mortgage lending  
13 fraud prosecution account created in RCW 43.320.140. The department  
14 of financial institutions is responsible for the distribution of the  
15 funds in the account and shall, in consultation with the attorney  
16 general and local prosecutors, develop rules for the use of these  
17 funds to pursue criminal prosecution of fraudulent activities within  
18 the mortgage lending process.

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

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

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

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

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

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