

WAC 208-680-265 Reporting significant events. What significant events am I required to report to the department, and how quickly must I report them? Depending on the significant event, you will have different reporting periods.

(1) **Ten-day prenotification required.** You must report to the director, in writing, changes to the following information at least ten days before they occur:

(a) Your location or mailing address. See RCW 18.44.061 and WAC 208-680-235;

(b) The form of your business organization or its place of organization. For example, if your business is changing from a sole proprietorship to a corporation, or from a corporation to a limited liability corporation, you must notify the department and may be required to file a new escrow agent application;

(c) The name and mailing address of your registered agent if you are an out-of-state escrow agent; or

(d) Your legal or trade name.

(2) **Twenty-four hour post-notification required.**

(a) You must notify the director in writing within twenty-four hours of any change to the trust status of your trust account. For example, if you use an interest-bearing trust account because you are required to under a limited practice officer or attorney license, and the status of your interest-bearing account changes for any reason, you must notify the department in writing within twenty-four hours. This notification does not affect your responsibility to comply at all times with the trust account requirements of the act and WAC 208-680-410.

(b) You must notify the director in writing within twenty-four hours of receiving any information from a financial institution that your trust account is overdrawn. The notice to the director must contain the name of the financial institution holding the trust account and the trust account number. The notice must also contain a detailed written statement signed by the designated escrow officer explaining the insufficiency in your trust account and a copy of any information received from the financial institution, including, if applicable, a copy of any items returned for insufficient funds.

(c) You must notify the director in writing within twenty-four hours of receiving service of or within the discovery of the initiation of a civil lawsuit, criminal complaint or administrative action against you, your escrow officers or employees providing escrow services or with access to the trust account. See WAC 208-680-570.

(3) **Ten-day post-notification required.** You are required to notify the director in writing within ten days of the occurrence of any of the following:

(a) The cancellation or expiration of your Washington state master business license;

(b) For an in-state escrow agent, a change in your standing with the Washington secretary of state, including the resignation or change of your registered agent. If you are an out-of-state escrow agent, you are subject to subsection (1) of this section, which requires ten-day prenotification;

(c) The escrow agent filing for bankruptcy;

(d) The personal bankruptcy filing of one or more of your principal officers, controlling persons, licensed escrow officers, designated escrow officers, or branch designated escrow officers; or

(e) Any change in a principal officer, if no other reporting period is specified in the act or these rules. This includes changes in ownership affecting ten percent or more of the escrow agent's equity.

(4) **Other notification requirements.** In addition to the notice requirements under this section, you are required to follow any other notification requirements in the act or in these rules. These include, but are not limited to:

(a) For an escrow office closure, see WAC 208-680-245.

(b) For a transfer involving all or substantially all of its assets, the escrow agent must comply with WAC 208-680-125.

(c) For a change in principal officer or controlling person of a licensed escrow agent, the escrow agent must comply with WAC 208-680-125 and 208-680-110 and may be required to file a new application for an escrow agent license.

(d) For changes in designated escrow officer or branch designated escrow officer, see WAC 208-680-174.

(e) For termination of a licensed escrow or limited practice officer, the escrow agent must notify the department within three business days that the escrow or limited practice officer no longer represents the escrow agent. If the escrow or limited practice officer was terminated for dishonesty or financial misconduct involving the business, the escrow agent must provide the department with a detailed written statement signed by the designated escrow officer explaining the dishonesty or financial misconduct; a copy of any information provided to the police; and a copy of any claim filed under your surety bond or errors and omissions policy.

Within ten business days of the termination, the escrow agent must deliver the escrow officer's license to the department. See RCW 18.44.101. If the terminated escrow officer was the escrow agent's designated escrow officer, see WAC 208-680-176 for additional notification requirements.

(f) For the filing of quarterly reports, see WAC 208-680-425.

(g) For civil lawsuit, criminal complaint or administrative action notification see WAC 208-680-570.

(h) Within five business days of the escrow agent's license being revoked, surrendered, suspended, or the license expiring, the escrow agent shall notify the principal parties of preexisting escrows of the action. The contents of the notification must comply with RCW 18.44.465.

(i) Within forty-five days of a data breach you must notify the director in writing. This notification requirement may change based on directives or recommendations from law enforcement. See also WAC 208-680-533.

[Statutory Authority: Chapter 43.320 RCW, RCW 18.44.410. WSR 16-08-028, § 208-680-265, filed 3/30/16, effective 4/30/16. Statutory Authority: RCW 43.320.040 and 18.44.410. WSR 13-24-022, § 208-680-265, filed 11/22/13, effective 1/1/14. Statutory Authority: RCW 43.320.040 and chapter 18.44 RCW (as amended by 2010 c 34). WSR 10-20-124, § 208-680-265, filed 10/5/10, effective 11/5/10.]