

RCW 64.04.220 Handling of earnest money—Definitions—Notice from holder—Interpleader action, forms—Application. (1) As used in this section:

(a) "Day" means calendar day.

(b) "Earnest money" means money placed with a holder by a prospective buyer of residential real property to show a good-faith intention to perform pursuant to an executed purchase and sale agreement.

(c) "Holder" means the party holding the earnest money pursuant to an executed purchase and sale agreement including, but not limited to, any of the following:

(i) A real estate firm, as defined in RCW 18.85.011;

(ii) An escrow agent, as defined in RCW 18.44.011;

(iii) A title insurance company issued a certificate of authority pursuant to chapters 48.05 and 48.29 RCW; or

(iv) A title insurance agent licensed pursuant to chapter 48.29 RCW.

(d) "Party" means a person or entity identified as a buyer or seller in an executed purchase and sale agreement for residential real property.

(e) "Residential real property" has the same meaning as defined in RCW 64.06.005.

(2) If a holder receives a written demand from a party to a transaction for all or any part of the earnest money held by the holder in relation to that transaction, the holder must, within fifteen days of receipt of the written demand: (a) Notify all other parties to the transaction of the demand in writing and comply with the other requirements of this section; (b) release the earnest money to one or more of the parties; or (c) commence an interpleader action.

(3) The holder's notice to the other parties must include a copy of the demand and advise the other parties that: (a) They have twenty days from the date of the holder's notice to notify the holder in writing of their objection to the release of the earnest money; and (b) their failure to deliver a timely written objection will result in the holder releasing the earnest money to the demanding party in accordance with the demand upon expiration of the twenty-day period. The holder's notice must also specify an address where written objections to the release of the earnest money must be sent.

(4) The twenty-day period commences upon the date the holder places the holder's notice in the United States postal service mail and sends an email pursuant to subsection (6) of this section. The holder must maintain a log or other method of evidencing the mailing of the holder's notice.

(5) If the holder does not receive, at the address specified in the holder's notice, a written objection from one or more of the other parties within the twenty-day period, the holder must, within ten days of the expiration of the twenty-day period, deliver the earnest money to the demanding party in accordance with the party's written demand. If the holder receives, at the specified address, a written objection or inconsistent demand from another party to the transaction within the twenty-day period, the holder must not release the funds to any party, but must commence an interpleader action within sixty days of receipt of the objection or inconsistent demand, unless the parties provide subsequent consistent instructions that authorize the holder to (a) disburse the earnest money or (b) refrain from commencing an interpleader action for a specified period of time.

(6) The notice from the holder to the other parties must be sent via United States postal service mail and via email using the last known mailing address and email address for such parties to the extent such information is provided by the parties and is contained in the holder's records for that transaction. The holder has no obligation to search outside its records to determine the current mailing or email address of the other parties, and is not liable for unsuccessfully locating the other parties' current mailing or email addresses if outside records are used.

(7) Unless a holder releases the earnest money pursuant to subsection (2)(b) of this section, a holder that complies with this section is not liable to any party to the transaction, or to any other person, for releasing the earnest money to the demanding party.

(8) This section does not prohibit a holder from interpleading the earnest money at any time, including after receiving a written demand as described in subsection (2) of this section and before the expiration of the twenty-day period as described in subsections (3) and (4) of this section.

(9) If the holder commences an interpleader action, the court must award the holder its reasonable attorneys' fees and costs.

(10) The holder may use the following form of summons for the interpleader action:

SUPERIOR COURT OF WASHINGTON
FOR.....COUNTY

..... Interpleader Plaintiff,	}	NO. INTERPLEADER SUMMONS
vs.		
..... Defendant Seller,		
and Defendant Buyer.		

TO: THE DEFENDANTS

This interpleader lawsuit has been started against you in the above court. The plaintiff's claim is stated in the complaint.

In order to protect any right you have in the money described in the complaint, you must file a response to the complaint and serve a copy of your response on the other defendant within twenty (20) days after the service of this summons, if served within the state of Washington [or within sixty (60) days after service if served outside the state of Washington], excluding the day of service. The day of service is the day that this summons is personally served or postmarked, if served by mail. If you do not respond to the complaint within this time period, the other defendant may enter a default judgment against you, without notice and you would lose any interest you may have in the money described in the complaint. If you serve a "Notice of Appearance" on the other defendant, you are entitled to notice before such a default judgment is entered.

The plaintiff has waived all claims to the money deposited with the court, except for reimbursement of its reasonable attorneys' fees and costs.

You may wish to seek the advice of an attorney. In such case, you should do so promptly so that your response, if any, can be served within the applicable time.

This summons is issued pursuant to Rule 4 of the superior court civil rules of the state of Washington.

Interpleader Plaintiff
By:
Dated:
Address:

(11) The holder may use the following form of complaint for the interpleader action:

SUPERIOR COURT OF WASHINGTON
FOR.....COUNTY

.....,
Interpleader Plaintiff,
vs. }
....., } NO.
Defendant Seller, } INTERPLEADER
and } COMPLAINT
....., }
Defendant Buyer. }

COMES NOW the interpleader plaintiff, and alleges as follows:

- 1. INTERPLEADER. Plaintiff is holding earnest money related to the attached real estate purchase and sale agreement (the "agreement").
- 2. DEFENDANTS' AGREEMENT. Defendants are the "buyer" and "seller" under the agreement.
- 3. EARNEST MONEY - CONFLICTING CLAIMS. Pursuant to the agreement, buyer deposited the earnest money with plaintiff in the amount of \$. The sale contemplated by the agreement did not close. Both buyer and seller have made conflicting claims for the earnest money.
- 4. DEPOSIT WITH COURT. At the time of filing of this complaint, plaintiff has deposited the earnest money with the clerk of the court pursuant to RCW 4.08.170 and superior court civil rule 22.
- 5. PLAINTIFF'S CLAIM. Plaintiff disclaims any interest in the earnest money, except for reimbursement of its reasonable attorneys' fees and costs. Pursuant to RCW 4.08.170, plaintiff asks that this complaint be accepted without payment of a filing fee or other cost to plaintiff.
- 6. The defendants' names and addresses last known to plaintiff are:

Defendant Buyer:
Address:

Defendant Seller:
Address:

WHEREFORE, Plaintiff having interplead the earnest money, respectfully requests:

- 1. That the court adjudicate who is entitled to the earnest money.
- 2. That the court award plaintiff its reasonable attorneys' fees and costs.

Interpleader Plaintiff
By:
Dated:

Address:

(12) This section:

(a) Applies to all earnest money held by a holder on July 24, 2015, even if the earnest money was deposited with the holder before July 24, 2015;

(b) Applies only to a transaction involving improved residential real property and unimproved residential real property as each are defined in RCW 64.06.005. [2015 c 51 § 1.]