

WAC 284-29-330 Controls for escrow trust accounts. (1) All escrow trust account funds received by a title insurance agent must be deposited in the account not later than the first banking day following the receipt thereof.

(2) A title insurance agent must not make any disbursement from an escrow trust account unless it is in compliance with RCW 48.29.190 (1)(c).

(3) Escrow trust accounts and operating accounts of the title insurance agent must be separately maintained and not commingled with the title insurance agent's operating account or an employee or manager's personal account.

(4) On at least a monthly basis, the title insurance agent must prepare trial balances for all escrow trust accounts using a three-way reconciliation method which requires that the escrow trial balance, the book balance, and the reconciled bank balance be verified on all open escrow balances. If all three parts of the three-way reconciliation do not agree, the title insurance agent must identify and reconcile the difference within a commercially reasonable period of time.

(5) On at least a daily basis, reconciliation of the receipts and disbursements of the escrow trust account must be performed.

(6) Segregation of duties must be in place to ensure the reliability of the reconciliation and reconciliations must be conducted by someone other than those with signing authority.

(7) Results of the reconciliation must be reviewed and approved by management.

(8) Appropriate identification must appear on all account-related documentation including bank statements, bank agreements, disbursement checks, and deposit tickets to identify the account as an escrow trust account.

(9) Outstanding escrow trust account file balances must be documented.

(10) Appropriate authorization levels must be set by the title insurance agent and reviewed annually for updates. Former employees must immediately be deleted as listed signatories on all bank accounts of the title insurance agent.

(11) Unless directed by the beneficial owner, all escrow trust accounts must be maintained in federally insured financial institutions.

(12) The title insurance agent must use positive pay or reverse positive pay, automated clearing house blocks and international wire blocks, if available.

[Statutory Authority: RCW 48.02.060 and 48.29.005. WSR 20-01-119 (Matter R 2016-05), § 284-29-330, filed 12/16/19, effective 1/16/20.]