

**WAC 460-33A-055 Escrow account. (1) Escrow account required.**

All funds received from investors to purchase mortgage paper securities shall be deposited within forty-eight hours of receipt in an escrow account acceptable to the director. All checks by which purchases or investments are made shall be made payable to the escrow account.

(2) **Escrow agent.** The escrow account shall be maintained in a financial institution as set forth in WAC 460-33A-015(6), with an escrow agent registered under chapter 18.44 RCW, or with some other independent escrow agent acceptable to the director. The entity acting as the escrow agent must be independently audited or examined, in a manner acceptable to the director, on a regular basis.

(3) **Disbursements from escrow account.** All necessary disbursements shall be made from the escrow account. Funds held in the escrow account shall be returned to investors on the sixty-first day from deposit in the account if the funds have not previously been disbursed following the recordation of the applicable instrument in accordance with WAC 460-33A-060(1).

(4) **Interest on funds held in escrow account.** No interest earned on escrow account funds shall be paid to the mortgage broker-dealer or its affiliates.

(5) **Prohibition on commingling funds of mortgage broker-dealer in escrow account.** Funds belonging to the mortgage broker-dealer shall not be commingled in the escrow account except insofar as the mortgage broker-dealer purchases mortgage paper securities for its own account. Payments to which a mortgage broker-dealer is entitled in connection with a particular loan or sale of mortgage paper securities shall be promptly distributed to the mortgage broker-dealer upon the closing of the loan or the recordation of the applicable instrument in accordance with WAC 460-33A-060(1).

(6) **Contents of escrow agreement.** The escrow account required to be maintained pursuant to WAC 460-33A-055 shall be governed by an agreement that provides:

(a) Funds may be disbursed from the escrow account only to a specific loan escrow, where funds will be disbursed only upon closing and recordation, or to return the funds to the investors;

(b) Funds will not be held in the escrow account for more than sixty days without disbursing the funds and that funds maintained in such account shall be returned to the investor on the sixty-first day from deposit in the account;

(c) Funds held in the escrow account will not be subject to the mortgage broker-dealer's creditors;

(d) The escrow agent agrees that the escrow account is subject to examination at any reasonable time by the securities division; and

(e) The escrow agent agrees to follow the law of escrow and maintain its independence from all parties to the agreement, including the mortgage broker-dealer.

[Statutory Authority: RCW 21.20.060, [21.20].070, [21.20].090, [21.20].100, [21.20].180, [21.20].210, [21.20].250, [21.20].270, and [21.20].450. WSR 12-11-087, § 460-33A-055, filed 5/17/12, effective 6/17/12. Statutory Authority: RCW 21.20.450. WSR 01-23-002, § 460-33A-055, filed 11/7/01, effective 12/8/01. Statutory Authority: RCW 21.20.045. WSR 92-18-009, § 460-33A-055, filed 8/21/92, effective 9/21/92. Statutory Authority: RCW 21.20.450. WSR 89-17-078 (Order SDO-124-89), § 460-33A-055, filed 8/17/89, effective 9/17/89. Statutory Authority: RCW 21.20.250 and 21.20.450. WSR 86-21-107 (Order SDO-140-86), § 460-33A-055, filed 10/20/86. Statutory Authority: RCW

21.20.450. WSR 83-03-025 (Order SDO-7-83), § 460-33A-055, filed  
1/13/83.]