

SHB 1081 - S COMM AMD

By Committee on Financial Services, Insurance & Housing

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 36.22 RCW
4 to read as follows:

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

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

20 (3) This section expires June 30, 2006.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.320 RCW
22 to read as follows:

23 (1) The mortgage lending fraud prosecution account is created in
24 the custody of the state treasurer. All receipts from the surcharge
25 imposed in section 1 of this act, except those retained by the county
26 auditor for administration, must be deposited into the account. Except
27 as otherwise provided in this section, expenditures from the account
28 may be used only for criminal prosecution of fraudulent activities
29 related to mortgage lending fraud crimes. Only the director of the

1 department of financial institutions or the director's designee may
2 authorize expenditures from the account. The account is subject to
3 allotment procedures under chapter 43.88 RCW, but an appropriation is
4 not required for expenditures.

5 (2) This section expires June 30, 2006.

6 NEW SECTION. **Sec. 3.** (1) Before December 31st of every year, the
7 department of financial institutions shall provide the senate and house
8 of representatives committees that address matters related to financial
9 institutions with a written report outlining the activity of the
10 mortgage lending fraud prosecution account.

11 (2) This section expires June 30, 2006."

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12 On page 1, line 1 of the title, after "account;" strike the
13 remainder of the title and insert "adding a new section to chapter
14 36.22 RCW; adding a new section to chapter 43.320 RCW; creating a new
15 section; and providing expiration dates."

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