

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2338

Chapter 21, Laws of 2006

59th Legislature
2006 Regular Session

MORTGAGE LENDING FRAUD PROSECUTION ACCOUNT

EFFECTIVE DATE: 6/7/06

Passed by the House January 25, 2006
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate February 28, 2006
Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved March 9, 2006.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2338** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

March 9, 2006 - 1:38 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2338

Passed Legislature - 2006 Regular Session

State of Washington

59th Legislature

2006 Regular Session

By Representatives Kirby, Roach, Chase, Dickerson, Ericks, Simpson, Upthegrove and Schual-Berke; by request of Department of Financial Institutions

Prefiled 12/20/2005. Read first time 01/09/2006. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the extension of the mortgage lending fraud
2 prosecution account; amending RCW 36.22.181, 43.320.140, and
3 43.320.1401; and providing expiration dates.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 36.22.181 and 2003 c 289 s 1 are each amended to read
6 as follows:

7 (1) Except as provided in subsection (2) of this section, a
8 surcharge of one dollar shall be charged by the county auditor at the
9 time of recording of each deed of trust, which will be in addition to
10 any other charge authorized by law. The auditor may retain up to five
11 percent of the funds collected to administer collection. The remaining
12 funds shall be transmitted monthly to the state treasurer who will
13 deposit the funds into the mortgage lending fraud prosecution account
14 created in RCW 43.320.140. The department of financial institutions is
15 responsible for the distribution of the funds in the account and shall,
16 in consultation with the attorney general and local prosecutors,
17 develop rules for the use of these funds to pursue criminal prosecution
18 of fraudulent activities within the mortgage lending process.

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

3 (3) This section expires June 30, ((2006)) 2011.

4 **Sec. 2.** RCW 43.320.140 and 2003 c 289 s 2 are each amended to read
5 as follows:

6 (1) The mortgage lending fraud prosecution account is created in
7 the custody of the state treasurer. All receipts from the surcharge
8 imposed in RCW 36.22.181, except those retained by the county auditor
9 for administration, must be deposited into the account. Except as
10 otherwise provided in this section, expenditures from the account may
11 be used only for criminal prosecution of fraudulent activities related
12 to mortgage lending fraud crimes. Only the director of the department
13 of financial institutions or the director's designee may authorize
14 expenditures from the account. The account is subject to allotment
15 procedures under chapter 43.88 RCW, but an appropriation is not
16 required for expenditures.

17 (2) This section expires June 30, ((2006)) 2011.

18 **Sec. 3.** RCW 43.320.1401 and 2003 c 289 s 3 are each amended to
19 read as follows:

20 (1) Before December 31st of every year, the department of financial
21 institutions shall provide the senate and house of representatives
22 committees that address matters related to financial institutions with
23 a written report outlining the activity of the mortgage lending fraud
24 prosecution account.

25 (2) This section expires June 30, ((2006)) 2011.

Passed by the House January 25, 2006.
Passed by the Senate February 28, 2006.
Approved by the Governor March 9, 2006.
Filed in Office of Secretary of State March 9, 2006.