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**Business & Financial Services Committee**

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**SB 6282**

**Brief Description:** Addressing the expiration date of the mortgage lending fraud prosecution account.

**Sponsors:** Senators Benton, Hasegawa, Mullet and Angel; by request of Department of Financial Institutions.

**Brief Summary of Bill**

- Delays the expiration date of the Mortgage Lending Fraud Prosecution Account and related \$1 surcharge until June 30, 2021.

**Hearing Date:** 2/16/16

**Staff:** Peter Clodfelter (786-7127).

**Background:**

The Mortgage Lending Fraud Prosecution Account.

In 2003, the Legislature created the Mortgage Lending Fraud Prosecution Account (Account), a specific fund to aid in the prosecution of consumer fraud in the mortgage lending process. The Account is administered by the Department of Financial Institutions (DFI). Funds for the Account are generated by a \$1 surcharge, assessed at the recording of a deed of trust. In order to defray the costs of collection, the county auditor may retain up to 5 percent of the funds collected. Once collected by a county, the funds must be transferred monthly to the State Treasurer who, in turn, must deposit the funds into the Account.

The DFI may use funds in the Account to reimburse prosecutors for costs related to the investigation and criminal prosecution of mortgage fraud cases. The Director of the DFI or designee may authorize expenditures from the fund. The DFI is required to consult with the Attorney General and local prosecutors in developing rules for the distribution of the funds.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Account and the surcharge created in 2003 were originally set to expire on June 30, 2006. In 2006, the expiration of the Account and the surcharge was delayed until June 30, 2011. In 2011, the expiration of the Account and the surcharge was delayed until June 30, 2016.

**Summary of Bill:**

The expiration date of the Mortgage Lending Fraud Prosecution Account and the related \$1 surcharge is extended until June 30, 2021.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.