
HOUSE BILL 2268

State of Washington

69th Legislature

2026 Regular Session

By Representatives Bernbaum, Reed, Ryu, Taylor, Berg, Parshley, Macri, Fosse, and Hill

Prefiled 01/06/26. Read first time 01/12/26. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to residential mortgage loan escrow accounts; and
2 adding a new chapter to Title 61 RCW.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Mortgage loan servicer" means an entity who has an agreement
8 with a lender or investor of a residential mortgage loan to collect
9 or receive payments on existing obligations due and owing to the
10 lender or investor, including payments of principal, interest, escrow
11 amounts, and other amounts due; collecting fees due to the servicer;
12 or working with the borrower and the licensed lender or servicer to
13 collect data and make decisions necessary to modify certain terms of
14 those obligations either temporarily or permanently.

15 (2) "Residential mortgage loan" means any loan primarily for
16 personal, family, or household use that is secured by a mortgage,
17 deed of trust, or other consensual security interest on a dwelling,
18 as defined in the truth in lending act, or residential real estate
19 upon which is constructed or intended to be constructed a dwelling.

1 NEW SECTION. **Sec. 2.** (1) Beginning January 1, 2027, a mortgage
2 loan servicer that collects funds in advance for payment of taxes and
3 insurance held in an escrow account for a residential mortgage loan
4 secured by real property of one to four units located in the state
5 shall pay interest to the borrower at a rate of at least two percent
6 simple interest per annum.

7 (2) A mortgage loan servicer subject to this section is
8 prohibited from imposing any fee or charge in connection with the
9 maintenance or disbursement of money received and held in an escrow
10 account that will result in an interest rate of less than that
11 required in subsection (1) of this section.

12 (3) This section only applies to residential mortgage loans
13 executed on or after January 1, 2027.

14 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act constitute a
15 new chapter in Title 61 RCW.

--- END ---