

The Escrow Commission met on October 18, 2006 at HiLine Community College for a morning open session. Commissioners in attendance were Robert Golden, Stan Pilon, Laurie LeMay, Susan Kinyon, and Sharon Holman. 8 industry guests were present. Members of the DFI in attendance were Chuck Cross, Division Director, Whittier Johnson, Licensing Program Manager, James Brussleback, Enforcement Program Manager, Lana Monfort, Financial Examiner, Jeannette Terry, Administrative Assistant and Beth Craig, Administrative Assistant.

Enforcement: 3rd ¼ 2006

James Brussleback stated there are: 21 open investigations. Administrative Orders/Actions Complaints: 32 new one's received, 21 Open Complaints, and 14 Complaints closed. There are 12 pending Investigations and 5 open Litigations. All outstanding orders are posted to the DFI website.

Examination: Lana Monfort reviewed recent examinations and reviewed the five exceptions that come up frequently. They are as follows:

1. Still finding a high percent of Escrow Company's writing their **Excise check** out of their Trust Account without funds in the specific escrow to cover it. The Interpretive letter that authorized 18.44 licensees's to advance issue Excise Checks was rescinded **08/08/03**. You must have money in the account you are writing the check from during the same 24 hr period that you write it in OR write a check from your general account.
2. **Reconveyance tracking** is still a problem. Tracking fees need to be itemized separately on the HUD from the Trustee/Recording Fee. If you are keeping the entire fee, auditors will want proof of performance. An Interpretive Letter regarding Reconveyance Tracking will be issued in the near future.
3. **Wires** need to have verification in the escrow file.
4. **Funds transferred** between files will need a debit and credit memo in the file.
5. Interest earned on **Interest Bearing Savings Accounts** on behalf of a client has to be posted to the clients trust account.

OLD BUSINESS:

Vessel Escrow Services: All entities who do vessel escrow have been deemed to be covered under 18.44. Interpretive letter #06 – 01 ES will be issued with an effective date of January 1, 2007. Joe Vincent, General Counsel, confirmed the definitive legal opinion that Vessel Transfer is an "escrow" as defined under the Escrow Act, at RCW 18.44.011 (4).

Contract Collection: Joe Vincent General Counsel stated Contract Collection is not covered under 18.44. He does not feel it meets the definition of "escrow" in 18.44.

Escrow Officer Testing: Chuck Cross stated the new test questions are being used in the current test base of questions.

NEW BUSINESS:

Commission Vacancy: Sharon Holman will complete ten years of commission service as of December 31st, which will leave a commission seat open. Anyone interested (especially 18.44 companies) in serving on the commission are encouraged to go on line and print out the application form, complete, and send to DFI as instructed on the form.

Attorney Closings: Joe Vincent General Council will review and provide an interpretive letter of what constitutes a violation of 18.44 by Attorneys, by the January 9, 2007 commission meeting.

RENEW your **escrow license** on the WEB: To renew your license within minutes, access DFI website. RENEW Your Escrow License on Line and use your Credit card to renew, then immediately print out your new license at your desk.

Dates for 2007 Commission Meetings are as follow: January 9, 2007, April 10, 2007, July 10, 2007, and October 9, 2007.

Sharon Holman Commissioner