

523A.202 Trust fund deposit requirements.

1. All funds held in trust pursuant to section 523A.201 shall be deposited in a financial institution within fifteen days after the close of the month a seller receives the funds. The financial institution shall hold the funds for the designated beneficiary until released.
2. All funds required to be deposited by the purchaser or the seller for a purpose described in section 523A.201 shall be deposited consistent with one of the following methods:
 - a. The payments shall be deposited directly into an interest-bearing burial account in the purchaser's name.
 - b. The purchaser or the seller shall deposit payments directly into a separate trust account in the purchaser's name. The account may be made payable to the seller upon the death of the purchaser or the designated beneficiary, provided that, until death, the purchaser retains the exclusive power to hold, manage, pledge, and invest the trust account funds and may revoke the trust and withdraw the funds, in whole or in part, at any time during the term of the agreement.
 - c. The purchaser or the seller shall deposit payments directly into a separate trust account in the name of the purchaser, as trustee, for the named beneficiary, to be held, invested, and administered as a trust account for the benefit and protection of the beneficiary. The depositor shall notify the financial institution of the existence and terms of the trust, including at a minimum, the name of each party to the agreement, the name and address of the trustee, and the name and address of the beneficiary. The account may be made payable to the seller upon the beneficiary's death.
 - d. The payments shall be deposited in the name of the trustee, as trustee, under the terms of a master trust agreement and the trustee may invest, reinvest, exchange, retain, sell, and otherwise manage the trust fund for the benefit and protection of the named beneficiary.
3. The commissioner may by rule authorize other methods of deposit upon a finding that such methods provide equivalent safety of the principal and interest or income and the seller lacks access to the proceeds prior to performance.
4. This section does not prohibit moving trust funds from one financial institution to another if the commissioner is notified of the change within thirty days of the transfer of the trust funds.

2001 Acts, ch 118, §20; 2002 Acts, ch 1119, §79; 2007 Acts, ch 175, §9