
FISCAL TOPICS

Fiscal Services Division

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Housing Trust Fund Real Estate Trust Accounts Interest

Purpose and History

Interest on real estate trust accounts was used to support the Title Guaranty Fund and used for public purposes and the benefit of the public pursuant to the Title Guaranty Program beginning with the 1995 enactment of [SF 577](#) (Financing Act). The Title Guaranty Program is currently established in Iowa Code section [16.91](#).

The 1997 enactment of [HF 732](#) (Housing Development Act) changed the use of the interest to the Department of Economic Development for deposit in the Local Housing Assistance Program Fund.

The 2008 enactment of [SF 2136](#) (Iowa Finance Authority Housing Programs and Real Estate Broker Trust Accounts Act) changed the use of the interest to the Iowa Finance Authority (IFA) for deposit in the [Housing Trust Fund](#) established in Iowa Code section [16.181](#).

According to the provisions of Iowa Code section [543B.46](#), each real estate broker must maintain a common trust account in a bank, savings association, or credit union for the deposit of all down payments, earnest money deposits, or other trust funds received by the broker or the broker's salespersons on behalf of the broker's principal, except that a broker acting as a salesperson must deposit these funds in the common trust account of the broker for whom the broker acts as salesperson. The account must be an interest-bearing account. The interest on the account must be transferred quarterly to the Treasurer of State and transferred to the IFA for deposit in the Housing Trust Fund, unless there is a written agreement between the buyer and seller to the contrary.

Fund Revenue

The Housing Trust Fund receives approximately \$51,000 annually in interest from real estate trust accounts.

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More Information

State Housing Trust Fund: www.iowafinance.com/state-housing-trust-fund
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