

Amend. 2 per 53546
Do Pass 3/6/80 (p. 931)

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FILED JAN 31 1980

SENATE FILE 2110

By WALDSTEIN and HOLDEN

Passed Senate, Date 3-18-70 (p. 935) Passed House, Date _____
Vote: Ayes 48 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to require state depository financial institutions to
2 give written disclosure of all transactions on mortgage-
3 loan escrow accounts.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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2110

1 Section 1. Chapter five hundred twenty-four (524), division
2 eight (VIII), Code 1979, is amended by adding the following
3 new section:

4 NEW SECTION. A bank which maintains an escrow account
5 with respect to real property which is mortgaged to the bank,
6 whether or not the mortgage has been assigned to a third per-
7 son, shall deliver to the mortgagor written disclosure of
8 all transactions made on the escrow account during the calendar
9 year. The disclosure shall include all of the following:

10 1. The date of each debit or credit.

11 2. The amount and source or purpose of each debit or
12 credit.

13 3. Summations of credits according to source, and summa-
14 tions of debits according to purpose of disbursement.

15 4. The balances of the escrow account as of the beginning
16 and end of the calendar year.

17 The disclosure shall be delivered not later than January
18 thirty-first following the year to which the disclosure
19 relates.

20 Sec. 2. Chapter five hundred thirty-three (533), Code
21 1979, is amended by adding the following new section:

22 NEW SECTION. A credit union which maintains an escrow
23 account with respect to real property which is mortgaged to
24 the credit union, whether or not the mortgage has been assigned
25 to a third person, shall deliver to the mortgagor written
26 disclosure of all transactions made on the escrow account
27 during a calendar year. The disclosure shall include all
28 of the following:

29 1. The date of each debit or credit.

30 2. The amount and source or purpose of each debit or
31 credit.

32 3. Summations of credits according to source, and summa-
33 tions of debits according to purpose of disbursement.

34 4. The balances of the escrow account as of the beginning
35 and end of the calendar year.

1 The disclosure shall be delivered not later than January
2 thirty-first following the year to which the disclosure
3 relates.

4 Sec. 3. Chapter five hundred thirty-four (534), Code 1979,
5 is amended by adding the following new section:

6 NEW SECTION. A savings and loan association which maintains
7 an escrow account with respect to real property which is
8 mortgaged to the association, whether or not the mortgage
9 has been assigned to a third person, shall deliver to the
10 mortgagor written disclosure of all transactions made on the
11 escrow account during the calendar year. The disclosure shall
12 include all of the following:

13 1. The date of each debit or credit.

14 2. The amount and source or purpose of each debit or
15 credit.

16 3. Summations of credits according to source, and summa-
17 tions of debits according to purpose of disbursement.

18 4. The balances of the escrow account as of the beginning
19 and end of the calendar year.

20 The disclosure shall be delivered not later than January
21 thirty-first following the year to which the disclosure
22 relates.

23 Sec. 4. This Act takes effect January first following
24 its enactment, and applies to transactions made to escrow
25 accounts during years which commence on and after the effective
26 date of this Act.

27 EXPLANATION

28 This bill would require each bank, credit union or savings
29 and loan association organized under state law and maintaining
30 an escrow account with respect to real property mortgaged
31 to the institution to deliver to the mortgagor not later than
32 January thirty-first of each year a written summary of activity
33 on the account during the previous calendar year. The dis-
34 closure would include the date, amount and purpose or source
35 of each debit or credit, summations of debits and credits

1 according to purpose or source, and the beginning and ending
2 balances. The bill would take effect January first following
3 its enactment, and the first disclosure would be required
4 the following January.

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SENATE FILE 2110

14 S-5393

1 Amend Senate File 2110 as follows:

2 1. Page 1, line 4, by inserting after the period
3 the words "A state bank may act as an escrow agent,
4 and may receive deposits and make disbursements from
5 deposits in that capacity. The state bank shall be
6 deemed to be acting in a fiduciary capacity with
7 respect to these funds."

8 2. Page 1, line 22, by inserting after the period
9 the words "A credit union may act as an escrow agent,
10 and may receive deposits and make disbursements from
11 deposits in that capacity. The credit union shall
12 be deemed to be acting in a fiduciary capacity with
13 respect to these funds."

14 3. Page 2, line 6, by inserting after the period
15 the words "A savings and loan association may act
16 as an escrow agent, and may receive deposits and make
17 disbursements from deposits in that capacity. The
18 association shall be deemed to be acting in a fiduciary
19 capacity with respect to these funds."

S-5393 FILED
MARCH 17, 1980
Adopted 3/18 (p. 905)

BY BERL E. PRIEBE
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S-5354

- 1 Amend Senate File 2110 as follows:
- 2 1. Page 1, by striking lines 7 through 19 and
- 3 inserting in lieu thereof the following: "son, shall
- 4 deliver to the mortgagor a written summary of all
- 5 transactions made with respect to the loan and escrow
- 6 accounts during each calendar year. The summary shall
- 7 be delivered or mailed not later than January thirty-
- 8 first of the following year. The summary shall contain
- 9 all of the following information:
- 10 1. The name and address of the mortgagee.
- 11 2. The name and address of the mortgagor.
- 12 3. A summary of escrow account activity during
- 13 the calendar year as follows:
- 14 a. The balance of the escrow account at the
- 15 beginning of the year.
- 16 b. The aggregate amount of deposits to the escrow
- 17 account during the year.
- 18 c. The aggregate amount of withdrawals from the
- 19 escrow account for each of the following categories:
- 20 (1) Payments against loan principal.
- 21 (2) Payments against interest.
- 22 (3) Payments against real estate taxes.
- 23 (4) Payments for real property insurance premiums.
- 24 (5) All other withdrawals.
- 25 d. The balance of the escrow account at the end
- 26 of the year.
- 27 4. A summary of loan principal for the calendar
- 28 year as follows:
- 29 a. The amount of principal outstanding at the
- 30 beginning of the year.
- 31 b. The aggregate amount of payments against
- 32 principal during the year.
- 33 c. The amount of principal outstanding at the
- 34 end of the year."
- 35 2. By striking page 1, line 25 through page 2,
- 36 line 3, and inserting in lieu thereof the following:
- 37 "to a third person, shall deliver to the mortgagor
- 38 a written summary of all transactions made with respect
- 39 to the loan and escrow accounts during each calendar
- 40 year. The summary shall be delivered or mailed not
- 41 later than January thirty-first of the following year.
- 42 The summary shall contain all of the following
- 43 information:
- 44 1. The name and address of the mortgagee.
- 45 2. The name and address of the mortgagor.
- 46 3. A summary of escrow account activity during
- 47 the calendar year as follows:
- 48 a. The balance of the escrow account at the
- 49 beginning of the year.
- 50 b. The aggregate amount of deposits to the escrow

- 1 account during the year.
- 2 c. The aggregate amount of withdrawals from the
- 3 escrow account for each of the following categories:
- 4 (1) Payments against loan principal.
- 5 (2) Payments against interest.
- 6 (3) Payments against real estate taxes.
- 7 (4) Payments for real property insurance premiums.
- 8 (5) All other withdrawals.

9 d. The balance of the escrow account at the end
10 of the year.

11 4. A summary of loan principal for the calendar
12 year as follows:

13 a. The amount of principal outstanding at the
14 beginning of the year.

15 b. The aggregate amount of payments against
16 principal during the year.

17 c. The amount of principal outstanding at the
18 end of the year."

19 3. Page 2, by striking lines 10 through 22 and
20 inserting in lieu thereof the following: "mortgagor
21 a written summary of all transactions made with respect
22 to the loan and escrow accounts during each calendar
23 year. The summary shall be delivered or mailed not
24 later than January thirty-first of the following year.
25 The summary shall contain all of the following

26 information:

- 27 1. The name and address of the mortgagee.
- 28 2. The name and address of the mortgagor.
- 29 3. A summary of escrow account activity during
30 the calendar year as follows:

31 a. The balance of the escrow account at the
32 beginning of the year.

33 b. The aggregate amount of deposits to the escrow
34 account during the year.

35 c. The aggregate amount of withdrawals from the
36 escrow account for each of the following categories:

- 37 (1) Payments against loan principal.
- 38 (2) Payments against interest.
- 39 (3) Payments against real estate taxes.
- 40 (4) Payments for real property insurance premiums.
- 41 (5) All other withdrawals.

42 d. The balance of the escrow account at the end
43 of the year.

44 4. A summary of loan principal for the calendar
45 year as follows:

46 a. The amount of principal outstanding at the
47 beginning of the year.

48 b. The aggregate amount of payments against
49 principal during the year.

50 c. The amount of principal outstanding at the

Page 3

1 end of the year."

2 4. Page 2, by striking lines 23 through 26 and
3 inserting in lieu thereof the following:

4 "Sec. 4. This Act takes effect January first
5 following its enactment. This Act applies to mortgage
6 loan accounts which are in existence as of the
7 effective date of this Act and those which are
8 established after the effective date of this Act.
9 The disclosures required by this Act apply only with
10 respect to calendar years commencing on or after the
11 effective date of this Act."

SENATE FILE 2110

By WALDSTEIN and HOLDEN

(AS AMENDED AND PASSED BY THE SENATE MARCH 18, 1980)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to require state depository financial institutions to
2 give written disclosure of all transactions on mortgage-
3 loan escrow accounts.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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_____ = New Language
by the Senate

1 Section 1. Chapter five hundred twenty-four (524), division
2 eight (VIII), Code 1979, is amended by adding the following
3 new section:

4 NEW SECTION. A state bank may act as an escrow agent,
5 and may receive deposits and make disbursements from deposits
6 in that capacity. The state bank shall be deemed to be acting
7 in a fiduciary capacity with respect to these funds. A bank
8 which maintains an escrow account with respect to real property
9 which is mortgaged to the bank, whether or not the mortgage
10 has been assigned to a third person, shall deliver to the
11 mortgagor a written summary of all transactions made with
12 respect to the loan and escrow accounts during each calendar
13 year. The summary shall be delivered or mailed not later
14 than January thirty-first of the following year. The summary
15 shall contain all of the following information:

16 1. The name and address of the mortgagee.
17 2. The name and address of the mortgagor.
18 3. A summary of escrow account activity during the calendar
19 year as follows:

20 a. The balance of the escrow account at the beginning
21 of the year.
22 b. The aggregate amount of deposits to the escrow account
23 during the year.

24 c. The aggregate amount of withdrawals from the escrow
25 account for each of the following categories:

- 26 (1) Payments against loan principal.
27 (2) Payments against interest.
28 (3) Payments against real estate taxes.
29 (4) Payments for real property insurance premiums.
30 (5) All other withdrawals.

31 d. The balance of the escrow account at the end of the
32 year.

33 4. A summary of loan principal for the calendar year as
34 follows:

35 a. The amount of principal outstanding at the beginning

1 of the year.

2 b. The aggregate amount of payments against principal
3 during the year.

4 c. The amount of principal outstanding at the end of the
5 year.

6 Sec. 2. Chapter five hundred thirty-three (533), Code
7 1979, is amended by adding the following new section:

8 NEW SECTION. A credit union may act as an escrow agent,
9 and may receive deposits and make disbursements from deposits
10 in that capacity. The credit union shall be deemed to be
11 acting in a fiduciary capacity with respect to these funds.
12 A credit union which maintains an escrow account with respect
13 to real property which is mortgaged to the credit union,
14 whether or not the mortgage has been assigned to a third
15 person, shall deliver to the mortgagor a written summary of
16 all transactions made with respect to the loan and escrow
17 accounts during each calendar year. The summary shall be
18 delivered or mailed not later than January thirty-first of
19 the following year. The summary shall contain all of the
20 following information;

21 1. The name and address of the mortgagee.

22 2. The name and address of the mortgagor.

23 3. A summary of escrow account activity during the calendar
24 year as follows:

25 a. The balance of the escrow account at the beginning
26 of the year.

27 b. The aggregate amount of deposits to the escrow account
28 during the year.

29 c. The aggregate amount of withdrawals from the escrow
30 account for each of the following categories:

31 (1) Payments against loan principal.

32 (2) Payments against interest.

33 (3) Payments against real estate taxes.

34 (4) Payments for real property insurance premiums.

35 (5) All other withdrawals.

1 d. The balance of the escrow account at the end of the
2 year.

3 4. A summary of loan principal for the calendar year as
4 follows:

5 a. The amount of principal outstanding at the beginning
6 of the year.

7 b. The aggregate amount of payments against principal
8 during the year.

9 c. The amount of principal outstanding at the end of the
10 year.

11 Sec. 3. Chapter five hundred thirty-four (534), Code 1979,
12 is amended by adding the following new section:

13 NEW SECTION. A savings and loan association may act as
14 an escrow agent, and may receive deposits and make
15 disbursements from deposits in that capacity. The association
16 shall be deemed to be acting in a fiduciary capacity with
17 respect to these funds. A savings and loan association which
18 maintains an escrow account with respect to real property
19 which is mortgaged to the association, whether or not the
20 mortgage has been assigned to a third person, shall deliver
21 to the mortgagor a written summary of all transactions made
22 with respect to the loan and escrow accounts during each
23 calendar year. The summary shall be delivered or mailed not
24 later than January thirty-first of the following year. The
25 summary shall contain all of the following information:

26 1. The name and address of the mortgagee.

27 2. The name and address of the mortgagor.

28 3. A summary of escrow account activity during the calendar
29 year as follows:

30 a. The balance of the escrow account at the beginning
31 of the year.

32 b. The aggregate amount of deposits to the escrow account
33 during the year.

34 c. The aggregate amount of withdrawals from the escrow
35 account for each of the following categories:

- 1 (1) Payments against loan principal.
- 2 (2) Payments against interest.
- 3 (3) Payments against real estate taxes.
- 4 (4) Payments for real property insurance premiums.
- 5 (5) All other withdrawals.
- 6 d. The balance of the escrow account at the end of the
- 7 year.

8 4. A summary of loan principal for the calendar year as
9 follows:

- 10 a. The amount of principal outstanding at the beginning
- 11 of the year.
- 12 b. The aggregate amount of payments against principal
- 13 during the year.
- 14 c. The amount of principal outstanding at the end of the
- 15 year.

16 Sec. 4. This Act takes effect January first following
17 its enactment. This Act applies to mortgage loan accounts
18 which are in existence as of the effective date of this Act
19 and those which are established after the effective date of
20 this Act. The disclosures required by this Act apply only
21 with respect to calendar years commencing on or after the
22 effective date of this Act.

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