

535B.11 Servicing mortgages and payoffs.

A licensee or other mortgagee who services mortgages on residential real estate located in this state shall do all of the following:

1. Disburse required funds paid by the mortgagor and held in escrow for the payment of real estate taxes and insurance payments no later than their final due date.

2. Pay penalties incurred by the mortgagor due to the licensee's or mortgagee's failure to meet the due dates referred to in [subsection 1](#) unless the licensee or mortgagee can show that the failure was due solely to the fact that the mortgagor received a statement of the amount due more than fifteen days before the due date and has failed to remit it to the licensee or mortgagee.

3. *a.* Perform an annual escrow analysis for each escrow account. A clear and legible copy of the annual escrow analysis shall be delivered to the mortgagor within thirty calendar days of the end of the escrow account computation year, as defined in [12 C.F.R. §1024.17](#), to which disclosure relates, and shall include the information required for annual escrow account statements under [12 C.F.R. §1024.17](#).

b. Compliance with [sections 524.905, 533.315, and 536A.20](#) shall constitute compliance with [this subsection](#).

4. As required by [12 C.F.R. §1026.36](#), answer in writing any written request for payoff information received from a mortgagor or the mortgagor's designated representative.

5. If a person in connection with a mortgage loan has possession of an abstract of title and fails to deliver the abstract to the borrower within twenty calendar days of the borrower's request made by certified mail return receipt requested in connection with a proposed sale of the property, then the borrower may authorize the preparation of a new abstract of title to the property and the person failing to deliver the original abstract shall pay to the borrower the reasonable costs of preparation. If the borrower brings an action against the person failing to deliver to recover the payment and in the action recovers the payment, then the borrower shall also be entitled to recover attorney fees and court costs incurred in the action.

6. When the servicing of a mortgage loan is transferred, sold, purchased, or accepted by a licensee or registrant, the licensee or registrant who is transferring or selling the servicing shall issue to the mortgagor, within fifteen calendar days prior to the effective date of the transfer, a notice which shall include at a minimum:

a. The name and address of the licensee or registrant transferring or selling the servicing.

b. The name and address of the licensee or registrant accepting or purchasing the servicing.

c. The effective date of the transfer.

d. A statement concerning the effect of the transfer on the terms and conditions of the mortgage.

e. The address where payments are to be submitted for at least the next three months.

f. The name and address of the licensee or registrant to whom questions related to the mortgage may be addressed.

[88 Acts, ch 1146, §11; 89 Acts, ch 133, §9; 2006 Acts, ch 1042, §22, 23; 2007 Acts, ch 174, §94; 2012 Acts, ch 1017, §135; 2018 Acts, ch 1036, §1; 2024 Acts, ch 1038, §4, 5](#)

Referred to in [§535B.2, 535B.10, 535D.23](#)