

WAC 284-29-320 Title insurance agent escrow records. Under RCW 48.29.190 title insurance agents are required to keep adequate records of all transactions handled by the title insurance agent. These records must be in an organized form and must include and conform with the following requirements:

(1) An individual ledger for each escrow trust account for which funds are received. All of the transactions in the individual ledger must be accurate, posted, and kept current to the date of the most recent activity.

(2) All receipts and disbursements must be posted in the individual ledger, including:

(a) Credit entries that show the date of the deposit, amount, and name of the remitter;

(b) Debit entries that show the date of payment, amount of payment, name of the payee, wire transfer reference number, electronic payment reference number, or check number; and

(c) A monthly trial balance of each individual ledger.

(3) All documents pertinent to all individual trust account transaction activity must be retained, including:

(a) Original or imaged copies of checks clearing the bank (both front and back of the check);

(b) Bank debit memos when funds are disbursed via wire transfer and a copy of the instructions signed by the owner of the funds to be wire transferred identifying the receiving entity and account number;

(c) ACH confirmation or a copy of the confirmation screen. This retained documentation must, at a minimum, include payee, payment date, escrow account number debited, and the confirmation number assigned to the ACH transaction;

(d) Voided items and documents supporting all adjustments. All voided transactions must be posted or reflected in the individual client ledger and the receipts and disbursements ledger; and

(e) Bank statements.

(4) Transaction files containing all escrow instructions, closing statements, correspondence for each transaction, agreements, contracts, leases, and any other pertinent supporting documents necessary to validate the transaction.

(5) A computerized accounting system must:

(a) Provide a capability to back-up all data files; and

(b) At least monthly the receipt and check registers, bank reconciliation, client trial balance and transaction activity must be printed out or imaged and retained as a permanent record.

(6) At least quarterly, do the following:

(a) Conduct a review of all open client escrows and ensure that all outstanding payments are made for the purpose of resolving client escrow accounts and identifying unclaimed funds; and

(b) Contact the department of revenue for disposition instructions under chapter 63.29 RCW in the event that the title agent finds unclaimed funds. All correspondence related to unclaimed funds must be retained for five years.

[Statutory Authority: RCW 48.02.060 and 48.29.005. WSR 20-01-119 (Matter R 2016-05), § 284-29-320, filed 12/16/19, effective 1/16/20.]