

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1020

By: Key

4
5 AS INTRODUCED

6
7 An Act relating to banking; requiring mortgagees to
8 pay dividends or interest on escrow accounts to
9 mortgagors; establishing method of determining
10 dividends or interest rate; prohibiting account
11 service or maintenance reductions; requiring that
12 interest be computed daily; establishing method of
13 computing and crediting interest or dividends;
14 requiring mortgagees to provide annual statements to
15 mortgagors; providing an exception to requirements in
16 certain circumstances; providing that requirements
17 apply beginning on a certain date; providing for
18 codification; and providing an effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 810 of Title 6, unless there is
22 created a duplication in numbering, reads as follows:

23 A. Each mortgagee holding funds of a mortgagor in a required
24 escrow account for the payment of taxes or insurance premiums with
respect to mortgaged property located in this state shall pay the
mortgagor, at least quarterly, dividends or interest on the account
at a rate of not less than fifty percent (50%) of the one-year
Treasury Note rate or rate of a comparable instrument if the one-

1 year Treasury Note is not offered, as published in a financial
2 newspaper of national circulation, as of the first business day of
3 the year in which the quarterly interest or dividend is paid. The
4 dividends or interest paid under this subsection shall not be
5 reduced by any charge for service or maintenance of the account.

6 B. Under subsection A of this section, interest shall be
7 computed on the daily balances in the account from the date of
8 receipt to the date of disbursement and shall be credited to the
9 account as of the last business day of each quarter of a calendar or
10 fiscal year. If the account is closed or discontinued before the
11 last business day of a quarter of a calendar or fiscal year,
12 interest shall be computed and credited as of the day the account is
13 closed or discontinued. For the purposes of calculating interest
14 under subsection A of this section, the mortgagee may take into
15 account debit balances resulting from advances and may elect to
16 compute interest on the basis of the actual number of days in each
17 quarter and year, or on the basis of a thirty-day month and a three-
18 hundred-sixty-day year. At least once a year, the mortgagee shall
19 give the mortgagor a statement showing the interest credited on the
20 escrow account during the period that the statement covers.

21 C. This section does not apply to mortgage transactions under
22 which the payment of interest on escrow accounts is prohibited by
23 federal law.

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

D. The requirements of this section shall apply to any funds in an escrow account on November 1, 2009, and to any funds deposited in an escrow account after that date.

SECTION 2. This act shall become effective November 1, 2009.

52-1-5014 SDR 12/04/08