

**Version A**

**Money Held by a Producer**  
Proposed Rule

**R592. Insurance, Title and Escrow Commission.**

**R592-XX. Money Held by a Producer**

**R592-XX-1. Authority.**

This rule is promulgated by the Title and Escrow Commission pursuant to Subsection 31A-2-404(2).

**R592-XX-2. Purpose and Scope.**

- (1) The purpose of this rule is to clarify and implement the statutory prohibition on holding money in Section 31A-23a-406.
- (2) This rule applies to an individual title insurance producer, an agency title insurance producer and an officer or employee of an agency title insurance producer.

**R592-XX-3. Implementation of Prohibition on Holding Money.**

- (1) A person to whom this rule applies may not maintain control of escrow funds for disbursement to a recipient identified in Subsection (2) more than two business days after:
  - (a) a real estate transaction closes; or
  - (b) an endorsement on a lender's policy of title insurance is issued.
- (2) A recipient referenced in Subsection (1) is:
  - (a) a borrower under a construction loan;
  - (b) a general contractor;
  - (c) a sub-contractor; or
  - (d) a supplier.
- (3) In a real estate exchange transaction under Section 1031, Internal Revenue Code, a person to whom this rule applies may not maintain control of escrow funds more than two business days after the transaction closes.

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**31A-23a-406. Title insurance producer's business.**

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(2) An individual title insurance producer or agency title insurance producer may do escrow involving real property transactions if all of the following exist:

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(c) except as provided in Subsection (4), the individual title insurance producer or agency title insurance producer issues one or more of the following as part of the transaction:

- (i) an owner's policy offering title insurance;
- (ii) a lender's policy offering title insurance; or
- (iii) if the transaction does not involve a transfer of ownership, an endorsement to an owner's or a lender's policy offering title insurance;

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### Rulewriting Manual for Utah Utah Office of Administration Rules

“There may be any number of reasons why we want to quote statute in rule. Don't do it.”

Reasons:

- It is redundant.
- It has no legal purpose.
- The Governor's Office of Planning and Budget (GOPB) reviews rules and routinely tells agencies not to quote statute in rule.
- It increases unnecessarily the size of the administrative code.