

5-Year Reviews of Title Insurance Rules

- **R592-17:** Requirements for an Interest Bearing Account Used for Trust Fund Deposits.

Utah statute requires all state agencies to do 5-year reviews of their rules to ensure they continue to make sense in a changing world.

What must be done at the February 9 Title & Escrow Commission meeting is to make a yes-or-no determination of whether the above rules should stay on the books.

Rules cannot be amended as part of a 5-year review, but the need for future amendments can be discussed for inclusion on a future agenda.

State of Utah
Administrative Rule Analysis
 Revised May 2025

NOTICE OF FIVE-YEAR REVIEW AND STATEMENT OF CONTINUATION		
	R592-17	Filing ID: OFFICE USE ONLY
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Agency Information

	Insurance, Title and Escrow Commission	
	Taylorsville State Office Building	
	4315 S. 2700 W.	
	Taylorsville, UT	
	PO Box 146901	
	Salt Lake City, UT 84114-6901	
Steve Gooch	801-957-9322	sgooch@utah.gov

General Information

R592-17. Requirements for an Interest Bearing Account Used for Trust Fund Deposits	
Section 31A-2-404	Requires the Title and Escrow Commission to write rules related to title insurance.
No comments have been received since the last five-year review of this rule.	
The rule specifies the characteristics of a trust account used by a title insurance agency to hold money for parties to a real estate transaction. The rule must be continued because it contains provisions that are critical for keeping a consumer's money safe during such a transaction. The Title and Escrow Commission voted to continue this rule by a vote of .	

Agency Authorization Information

	Steve Gooch, Public Information Officer	

R592. Insurance, Title and Escrow Commission.

R592-17. Requirements for an Interest Bearing Account Used for Trust Fund Deposits.

R592-17-1. Authority.

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

R592-17-2. Purpose and Scope.

(1) The purpose of this rule is to specify the type of depository account that a title insurance company, an agency title insurance producer, or an individual title insurance producer shall use for depositing trust funds.

(2) This rule applies to:

- (a) a title insurance company;
- (b) an agency title insurance producer;
- (c) or an individual title insurance producer; and
- (d) an employee, representative, or any other party working for or on behalf of a title insurance company, an agency title insurance producer, or an individual title insurance producer, whether as a full-time or part-time employee or as an independent contractor.

R592-17-3. Definitions.

Terms used in this rule are defined in Sections 31A-1-301, 31A-2-402, and 31A-23a-102. Additional terms are defined as follows:

(1) "Demand deposit account" means a federally insured deposit account from which withdrawals may be made at any time without advance notice.

(2) "Depositor" means a person that deposits, in a qualifying trust account, funds held in trust in connection with a real estate transaction.

(3) "Depository institution" means a depository institution as defined in Section 7-1-103.

(4) "Money market mutual fund" means a mutual fund that:

(a) invests in highly liquid, near-term instruments;

(b) is registered under federal and state securities laws to sell its shares to the public; and

(c) maintains a par value of \$1 per share.

(5) "Repurchase agreement" means an agreement in which a depository institution agrees to sell to a depositor a security or other asset at a specified price with a commitment to repurchase the security or other asset at a later date for a specified price.

(6) "Sweep account" means a demand deposit account subject to an agreement authorizing the depository institution to withdraw funds from the account that exceed a specified amount and deposit those funds into an interest bearing account, purchase specified securities subject to a repurchase agreement, or purchase shares of a mutual fund, then redeposit those funds into the demand deposit account to pay checks presented for payment or other requests for withdrawal.

(7) "Trust account" means an account denominated as a trust account in which the depositor is a trustee.

R592-17-4. Account Requirements.

(1) A title insurance company, an agency title insurance producer, and an individual title insurance producer shall retain adequate records of each deposit in a trust account or a sweep account to establish individual account balances for each person whose funds are held in trust.

(2) Funds subject to this rule must be deposited in:

(a) a deposit account insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or any successor federal deposit insurance; or

(b) a sweep account that meets the following qualifications:

(i) funds are initially deposited into a federally insured demand deposit account;

(ii) the depository institution purchases:

(A) U.S. Government securities held in a segregated account, subject to a repurchase agreement between the depositor and the depository institution; or

(B) shares in a money market mutual fund that only holds obligations of the U.S. Treasury or agencies of the U.S. Government; and

(iii) the depository institution can repurchase the securities or sell or redeem the shares or interest, at any time, at par and deposit the funds in the demand deposit account to maintain a minimum balance and pay withdrawals.

(3) A depositor may only deposit funds into a sweep account if it agrees to reimburse a trust beneficiary for any decline in value below par of the funds deposited, regardless of the cause of the decline in value.

(4) A depositor who uses an account described in Subsection R592-17-4(2)(b) must:

(a) receive written authorization from each trust beneficiary stating that the depositor may receive any earnings that are realized from the trust fund deposit; and

(b) provide full written disclosure to each trust beneficiary explaining the characteristics of a sweep account deposit as described in Subsection R592-17-4(2)(b).

R592-17-5. Severability.

If any provision of this rule, Rule R592-17, or its application to any person or situation is held invalid, such invalidity does not affect any other provision or application of this rule that can be given effect without the invalid provision or application. The remainder of this rule shall be given effect without the invalid provision or application.

KEY: insurance, title

Date of Last Change: December 23, 2021

Notice of Continuation: March 11, 2021

Authorizing, and Implemented or Interpreted Law: 31A-2-201(3)(a); 31A-2-201(1); 31A-23a-409(2)(b)