

Washington's prefiled House Bill 2193 (2025-26)—with companion SB 5109—makes a narrow but important change to the recording-fee statute that funds the Mortgage Lending Fraud Prosecution Account. The bill was pre-filed for the 2026 regular session on December 24 2025 and has not yet been heard in committee, so its effects are prospective. The relevant provisions, which amend RCW 36.22.181 and RCW 43.320.140, are summarized below. Key provisions of HB 2193/SB 5109

Provision Details Increase in recording surcharge The bill increases the surcharge county auditors must collect when recording a deed of trust from \$1 to \$5lawfilesext.leg.wa.gov. Up to 5 % may still be retained by the county for administrative costslawfilesext.leg.wa.gov. Deposits and uses of funds Revenue (after the auditor's 5 % share) must continue to be transmitted monthly to the Mortgage Lending Fraud Prosecution Account in the custody of the state treasurerlawfilesext.leg.wa.gov. The Department of Financial Institutions will, in consultation with the Attorney General and local prosecutors, develop rules for using the funds to prosecute mortgage-lending fraudlawfilesext.leg.wa.gov. Expiration date removed Existing law provides that the current \$1 surcharge expires on June 30 2027app.leg.wa.gov. HB 2193 removes this sunset, allowing the \$5 surcharge and the account to continue indefinitelylawfilesext.leg.wa.gov. Scope The surcharge still does not apply to assignments or substitutions of previously recorded deeds of trustlawfilesext.leg.wa.gov. There is no change to recording fees for other documents. Effective date If enacted, the bill would take effect 90 days after adjournment of the 2026 sessionlawfilesext.leg.wa.gov. Legislative intent and testimony The Mortgage Lending Fraud Prosecution Account was created in 2003 with a \$1 recording surchargeapp.leg.wa.gov, but testimony on SB 5109 indicates that inflation has eroded the account's purchasing power. The fund that once supported two prosecutors and an investigator now covers less than half of a prosecutorapp.leg.wa.gov. Proponents argue that increasing the surcharge to \$5 and removing the sunset will restore prosecutorial capacity and protect consumers from increasingly sophisticated mortgage-fraud schemesapp.leg.wa.gov. During a March 2025 appropriations hearing, the King County Prosecutor's Office stated that the higher fee would be "virtually imperceptible to lenders and consumers"citizenportal.ai because it is collected on high-value transactions. Opponents (e.g., the Community Bankers of Washington) testified that, instead of raising fees, unspent funds in other accounts could be transferred to maintain fraud-prosecution fundingapp.leg.wa.gov. Likely impact on Washington's title insurance and escrow industry Higher recording-fee line item on closing statements. Title and escrow companies coordinate the recording of deeds of trust when real-estate loans close. Under current law, recording a deed of trust includes a base recording fee and a \$1 mortgage-fraud surchargeapp.leg.wa.gov. HB 2193 would raise this surcharge to \$5, adding an extra \$4 per deed of trustlawfilesext.leg.wa.gov. Given that closing costs often exceed thousands of dollars, this increase is relatively small; testimony characterized it as "virtually imperceptible" to consumerscitizenportal.ai. Nevertheless, title/escrow agents will need to adjust their fee schedules, software and closing-disclosure templates to collect the higher surcharge and ensure accurate remittance. Administrative updates and training. Escrow personnel will need to ensure that the new \$5 surcharge is collected on every deed-of-trust recording (but not on assignments or substitutionslawfilesext.leg.wa.gov). This may require updating fee tables in

transaction-management software, re-programming escrow accounting systems and training staff to distinguish when the surcharge applies. Stable fee environment. Removing the 2027 sunset means the surcharge will not automatically expire. This gives the industry certainty and avoids future fee fluctuations; title insurers and escrow companies can treat the surcharge as a permanent part of recording costs, rather than planning for a reduction in 2027. Indirect benefits from reduced fraud. The additional revenue will fund the Mortgage Lending Fraud Prosecution Account for investigative and prosecutorial activities lawfilesexternal.wa.gov. More robust enforcement could deter mortgage-lending fraud schemes—such as bogus loan-flip schemes, forged deeds or escrow theft—that sometimes result in unpaid payoffs or fraudulent releases of liens. Reduced fraud risk protects title insurers from claims and protects escrow companies from losses due to misappropriated settlement funds. Minimal impact on transactions involving assignments or substitutions. The bill explicitly retains the exemption for assignments or substitutions of previously recorded deeds of trust lawfilesexternal.wa.gov. Escrow companies handling assignments (e.g., after a loan sale) will not need to collect the surcharge. Conclusion HB 2193 (and its companion SB 5109) does not alter Washington's regulatory framework for title insurance or escrow services, nor does it change underwriting requirements or escrow licensing. Its direct effect is to increase the deed-of-trust recording surcharge from \$1 to \$5 and make the charge permanent, generating more revenue for the Mortgage Lending Fraud Prosecution Account. Title insurers and escrow agents should prepare to collect and disclose the higher fee, but because the surcharge remains modest and is assessed only on deed-of-trust recordings, the measure is unlikely to materially affect closing volumes. By increasing funding for fraud-prosecution efforts, the bill could improve consumer protection and reduce fraud-related losses, yielding long-term benefits for the title insurance and escrow industry in Washington state.