

SB 5929

This Bill reduces recording cost by removing deed of trust assignments or substitutions from the \$183 surcharge. We should monitor and quietly back this Bill. It may help in our efforts to have other documents exempted from recording costs.

AN ACT Relating to exempting assignments or substitutions of previously recorded deeds of trust from the document recording fee and the covenant homeownership program assessment; amending RCW 36.22.185; and reenacting and amending RCW 36.22.250.

AI REVIEW

SB 5929 (2026) — as prefiled by Senators Goehner and Gildon — amends RCW 36.22.250, which governs Washington’s document recording surcharge. The principal functional change is the addition of new exemptions from the \$183 per-document recording surcharge and the reenactment of distribution provisions for housing-related funds.

Here’s a breakdown of its likely impact from both consumer and title insurance provider perspectives:

Overview of Key Change

New Exemptions Added

The bill exempts two categories of documents from the existing \$183 surcharge:

1. Public liens and satisfactions — those recorded by a federal, state, county, city, water-sewer district, or wage lien claimant.
2. Assignments or substitutions of previously recorded deeds of trust.

These documents are frequently recorded by lenders, trustees, and title companies during mortgage servicing and title clearing processes.

Impact on Title Insurance Providers

Positive Effects

- Reduced transaction costs for standard title operations.
Title insurers and escrow agents routinely record *assignments* and *substitutions of trustee* when servicing deeds of trust. These filings often arise during foreclosures, trustee changes, or securitizations. Exempting them from the \$183 surcharge reduces recording fees for these common instruments — a tangible per-transaction savings (often \$183–\$366 per file).
- Improved recording efficiency and industry alignment.
By removing the surcharge, counties may face fewer multi-document recording avoidance tactics (e.g., consolidating assignments or delaying recordings), leading to clearer title chains and fewer post-closing defects for insurers.
- Enhanced competitive fairness.
Lenders and servicers that record in multiple states often face steep Washington-specific surcharges. This bill makes the state’s structure more consistent with regional norms (e.g., Oregon, Idaho, Alaska), simplifying cross-border title operations.

Potential Downsides

- Reduced local housing funds could face pushback.
Because each exemption means forgone surcharge revenue, the bill may reduce total collections under the Home Security Fund and Affordable Housing for All Fund. This could generate political or public relations tension for an industry already seen as a revenue source for housing programs.

Impact on Consumers

Positive Effects

- Slightly lower closing costs.
Borrowers, sellers, and refinancing homeowners often indirectly pay for recording fees charged by counties. Removing this surcharge from assignment or substitution documents can trim total closing costs by a few hundred dollars — a small but welcome consumer benefit in high-cost transactions.
- Improved housing affordability indirectly.
Cleaner title documentation and reduced administrative costs can speed up foreclosures, reconveyances, and refinancing, improving fluidity in the housing finance system.

Negative or Neutral Effects

- Minimal impact on housing funds.
Because these exempted documents are more institutional in nature, the effect on overall housing surcharge revenue should be modest, but it could marginally reduce funding available for homelessness and low-income housing programs statewide.

Overall Assessment

Stakeholder	Likely Impact	Summary
Title insurance providers	Beneficial	Saves fees, streamlines recordings, mitigates administrative complexity.
Consumers (borrowers, refinancers)	Mildly beneficial	Modestly lowers closing costs and improves document flow.
Counties & housing advocates	Slightly negative	Modest reduction in surcharge revenue for housing and homelessness programs.

Bottom line:

SB 5929 is beneficial for consumers and the title insurance industry, largely neutral in economic scale, and slightly adverse for local housing revenue programs. It reflects an industry-supported technical correction more than a policy overhaul.

Would you like me to outline how this bill compares to the 2025 amendments in RCW 36.22.250 (which created the current \$183 surcharge structure)? That could show how much fiscal change this exemption introduces.