Property: impound trust accounts on loans secured by. real property

The University of the Pacific, McGeorge School of Law

Follow this and additional works at: https://scholarlycommons.pacific.edu/nlr

Part of the Legislation Commons

Recommended Citation

Available at: https://scholarlycommons.pacific.edu/nlr/vol1989/iss1/126

This Legislative Review is brought to you for free and open access by the Journals and Law Reviews at Scholarly Commons. It has been accepted for inclusion in Pacific Law Journal Review of Selected Nevada Legislative by an authorized editor of Scholarly Commons. For more information, please contact mgibney@pacific.edu.
Property: impound trust accounts on loans secured by real property

**NEV. REV. STAT. § 100._** (new).
AB 313 (Callister); 1989 STAT. Ch. 503

Existing law provides that a mortgage company must establish an impound trust account when advance payments are made for taxes or insurance premiums on real property used as security for a loan. Chapter 503 expands existing law to cover advance payments for taxes, insurance, assessments, and other expenses that are required by any lender making a loan secured by real property.

The lender is required to analyze the account at least once a year in order to determine if there are sufficient funds to pay the estimated expenses. If there are not sufficient funds, the lender must supply the borrower with an analysis of the account. The borrower may increase the amount in the account by either increasing the monthly payments, or by making a lump sum deposit. If the analysis shows that there are excess funds in the account and no delinquent payments, the borrower may choose to apply any surplus to the outstanding principal balance, keep the surplus in the account, or have the lender return the surplus to the borrower.

---

4. See 1989 Nev. Stat. ch. 503, sec. 1, at 1068 (enacting NEV. REV. STAT. § 100._) (other expenses include rental or leasehold payments and fire or hazard insurance).
5. See id. (definition of lender).
6. Id.
7. Id.
8. See id. (definition of borrower).
9. Id. If the analysis shows a need for increased contributions, a statement to the borrower must include the methods of determining the amount in the account, the estimated amount of expenses, and the amount which must be held in reserve to comply with federal rules. Id.
10. Id. See also NEV. REV. STAT. § 645B.175 (1987) (limitations on, and accounting of, monies placed in impound trust accounts).
11. 1989 Nev. Stat. ch. 503, sec. 1, at 1068 (enacting NEV. REV. STAT. § 100._).