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

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**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<sup>1</sup> must establish an impound trust account<sup>2</sup> when advance payments are made for taxes or insurance premiums on real property used as security for a loan.<sup>3</sup> Chapter 503 expands existing law to cover advance payments for taxes, insurance, assessments, and other expenses<sup>4</sup> that are required by any lender<sup>5</sup> making a loan secured by real property.<sup>6</sup>

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.<sup>7</sup> If there are not sufficient funds, the lender must supply the borrower<sup>8</sup> with an analysis of the account.<sup>9</sup> The borrower may increase the amount in the account by either increasing the monthly payments, or by making a lump sum deposit.<sup>10</sup> 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.<sup>11</sup>

HMA

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1. See NEV. REV. STAT. § 645B.010 3 (1987) (definition of mortgage company).
  2. See NEV. REV. STAT. § 645B.170 (1987) (creation of impound trust account).
  3. *Id.* § 645B.170 (1987). See generally *id.* §§ 645B.165, .170, .175 (1987) (use of impound trust account for taxes, insurance, and other expenses).
  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.\_\_\_\_).