



Ohio Revised Code

Section 3953.231 Establishing and maintaining interest-bearing trust account for deposit of non-directed escrow funds.

Effective: January 1, 1996

Legislation: House Bill 117 - 121st General Assembly

(A)(1) Each title insurance agent or title insurance company shall establish and maintain an interest-bearing trust account for the deposit of all non-directed escrow funds that meet the requirements of sections 1349.20 to 1349.22 of the Revised Code.

(2) The account shall be established and maintained in any federally insured bank, savings and loan association, credit union, or savings bank that is authorized to transact business in this state.

(3) The account shall be in the name of the title insurance agent or company, and shall be identified as an "interest on trust account" or "IOTA." The name of the account may contain additional identifying information to distinguish it from other accounts.

(4) The title insurance agent or company establishing the account shall submit, in writing, to the superintendent of insurance the name, account number, and location of the bank, savings and loan association, credit union, or savings bank in which the trust account is maintained.

(B) Each title insurance agent or company shall deposit all non-directed escrow funds that are nominal in amount or are to be held for a short period of time into the account established under division (A) of this section no later than the next business day after receipt.

(C) Each account established under division (A) of this section shall comply with all of the following:

(1) All funds in the account shall be subject to withdrawal or transfer upon request and without delay, or as soon as permitted by law;

(2) The rate of interest payable on the account shall not be less than the rate paid by the bank, savings and loan, credit union, or savings bank to its regular depositors. The rate may be higher if



there is no impairment of the right to the immediate withdrawal or transfer of the principal;

(3) All interest earned on the account, net of service charges and other related charges, shall be transmitted to the treasurer of state for deposit in the legal aid fund established under section 120.52 of the Revised Code. No part of the interest earned shall be paid to the title insurance agent or company.

(D) The title insurance agent or company establishing an account under division (A) of this section shall direct the bank, savings and loan association, credit union, or savings bank to do both of the following:

(1) Remit interest or dividends on the average monthly balance in the account, or as otherwise computed in accordance with the standard accounting practice of the bank, savings and loan association, credit union, or savings bank, less reasonable service charges and other related charges, to the treasurer of state at least quarterly for deposit in the legal aid fund established under section 120.52 of the Revised Code;

(2) At the time of each remittance, transmit to the treasurer of state, and if requested, to the Ohio legal assistance foundation, and the title insurance agent or company, a statement showing the name of the title insurance agent or company for whom the remittance is sent, the rate of interest applied, the accounting period, the net amount remitted to the treasurer of state for each account, the total remitted, the average account balance for each month of the period for which the report is made, and the amount deducted for service charges and other related charges.

(E) The statements and reports submitted by the bank, savings and loan association, credit union, or savings bank under this section, are not public records subject to section 149.43 of the Revised Code and shall be used only to administer the legal aid fund.

(F) No funds belonging to a title insurance agent or company shall be deposited into an account established under division (A) of this section except funds necessary to pay service charges and other related charges of the bank, savings and loan association, credit union, or savings bank that are in excess of earnings on the account.



(G) No liability arising out of any negligent act or omission of any title insurance agent or company with respect to any account established under division (A) of this section shall be imputed to the bank, savings and loan association, credit union, or savings bank.

(H) No liability or responsibility arising out of any negligent act or omission of any title insurance agent with respect to any account established under division (A) of this section shall be imputed to a title insurance company.

(I) The superintendent may adopt, in accordance with Chapter 119. of the Revised Code, rules that pertain to the use of accounts established under division (A) of this section and to the enforcement of this section.