

1301:8-7-37**Timely escrow payments and treatment of escrow account balances.**

- (A) If the terms of a residential mortgage loan require the borrower to make payments to the mortgage servicer of the residential mortgage loan for deposit into an escrow account to pay taxes, insurance premiums, and other charges for the mortgaged property, the mortgage servicer will make payments from the escrow account in a timely manner, that is, on or before the deadline to avoid a penalty, so long as the borrower's payment is not more than thirty days overdue.
- (B) Except as provided in paragraph (C) of this rule, within twenty business days of a borrower's payment of a residential mortgage loan in full, a mortgage servicer will return to the borrower any amounts remaining in an escrow account that is within the mortgage servicer's control.
- (C) If the borrower agrees, a mortgage servicer may credit any amounts remaining in an escrow account that is within the mortgage servicer's control to an escrow account for a new residential mortgage loan as of the date of the settlement of the new residential mortgage loan if the new residential mortgage loan is provided to the borrower by a mortgage lender that meets any of the following criteria:
- (1) The mortgage lender was also the lender to whom the prior residential mortgage loan was initially payable;
  - (2) The mortgage lender is the owner or assignee of the prior residential mortgage loan;
  - (3) The mortgage lender uses the same mortgage servicer that serviced the prior residential mortgage loan to service the new residential mortgage loan.

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CERTIFIED ELECTRONICALLY

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Certification

09/05/2025

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Date

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