

DEPARTMENT OF ADMINISTRATION
DIVISION OF BANKING & FINANCIAL INSTITUTIONS



STEVE BULLOCK
GOVERNOR

MELANIE G. HALL
COMMISSIONER

STATE OF MONTANA

301 SOUTH PARK AVE, SUITE 316
HELENA, MT 59601

PHONE: (406)841-2920 • FAX: (406)841-2930
E-MAIL: BANKING@MT.GOV



MEMORANDUM

TO: Montana Escrow Business Licensees

FROM: Chris Romano, Non-Depository Bureau Chief
Montana Division of Banking and Financial Institutions

RE: Annual Financial Statement and Escrow Activities Report

DATE: March 1, 2018

Background

The Montana Division of Banking and Financial Institutions (Division) adopted [ARM 2.59.1713](#) (effective July 22, 2017). This administrative rule fulfills the requirements of the Montana Regulation of Escrow Businesses Act (Act) as set forth in [Mont. Code Ann. § 32-7-115\(5\)](#). The rule incorporates by reference an [Annual Financial Statement and Escrow Activities Report](#) (Annual Report) that Montana escrow business licensees must file annually by April 30th.

Issue

It has come to the Division's attention that the Annual Report requires an independent public accountant to certify that he/she has "audited" the financials of the escrow business. Mont. Code Ann. § 32-7-115(5) requires that the financials be "certified" by an independent public accountant. Due to the questions raised by Montana escrow business licensees and their accountants, for only the Annual Report due April 30, 2018, the Division will accept either audited financials as stated in the Annual Report or an independent public accountant to replace the word "audited" with "certified/compiled pursuant to MCA § 32-7-115(5)" on the Annual Report. The Division will seek to bring legislation in the 2019 session to clarify the requirement.

Questions

Questions regarding this memo should be directed to Non-Depository Bureau Chief Chris Romano via email (cromano@mt.gov) or phone (406-841-2928).