**Section 1050.440 Escrow**

a) Escrow funds shall be disclosed as a part of the licensee's financial statement package. Escrow funds collected pursuant to Section 1050.1335 of this Part and for payment of real property taxes or any other purpose authorized by the mortgage contract shall be maintained in a depository institution as described in subsection (b) and may not be commingled with any licensee funds.

b) When escrow funds have been collected pursuant to Section 1050.1335 of this Part, or when servicing includes maintenance of an escrow (impound) account for payment of tax bills and/or hazard insurance premiums, the funds collected for the account shall be placed in a federally insured depository institution, or a Federal Home Loan Bank, or a Federal Reserve Bank, or other similar government-sponsored enterprise, to be removed and used only for:

1) authorized payments from the related escrow (impound) account for tax bills and/or hazard insurance premiums;

2) refunds to the mortgagor;

3) transferring to another institution as described in subsection (b);

4) forwarding to the appropriate servicer in case of a transfer of servicing;

5) any other purpose authorized by the mortgage contract;

6) compliance with a regulatory or court order; or

7) payment to a licensee pursuant to the provisions of Section 1050.1335 of this Part.

c) All escrow funds are subject to examination by agents of the Director.

(Source: Amended at 29 Ill. Reg. 14808, effective September 26, 2005)