

119TH CONGRESS
2D SESSION

S. 4636

To amend the Real Estate Settlement Procedures Act of 1974 to provide
for interest on escrow balances.

IN THE SENATE OF THE UNITED STATES

MAY 21, 2026

Mr. BLUMENTHAL (for himself and Ms. WARREN) introduced the following
bill; which was read twice and referred to the Committee on Homeland
Security and Governmental Affairs

A BILL

To amend the Real Estate Settlement Procedures Act of
1974 to provide for interest on escrow balances.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homeowners’ Escrow
5 Savings Act”.

6 **SEC. 2. INTEREST ON ESCROW BALANCES.**

7 The Real Estate Settlement Procedures Act of 1974
8 (12 U.S.C. 2601 et seq.) is amended—

9 (1) in section 3 (12 U.S.C. 2602)—

1 (A) in paragraph (8), by striking “and” at
 2 the end;

3 (B) in paragraph (9), by striking the pe-
 4 riod at the end and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(10) the term ‘reasonably anticipated’ means,
 7 with respect to estimated taxes—

8 “(A) any reassessment of the property
 9 value that may be anticipated based on the ex-
 10 perience of the servicer or local custom;

11 “(B) any significant improvements made
 12 or to be made to the property;

13 “(C) any known future changes in the ap-
 14 plicable tax rate;

15 “(D) any exemptions or other adjustments
 16 for which—

17 “(i) the borrower may be eligible; and

18 “(ii) the borrower has notified the
 19 servicer;

20 “(E) any other relevant information avail-
 21 able to the servicer; and

22 “(F) any other factor that the Bureau may
 23 require.”; and

24 (2) in section 10 (12 U.S.C. 2609)—

1 (A) in subsection (c), by adding at the end
 2 the following:

3 “(3) ACCURACY.—Any statement required
 4 under this subsection shall be as accurate as pos-
 5 sible, based on information reasonably known or ac-
 6 cessible to the servicer.”;

7 (B) by redesignating subsection (d) as sub-
 8 section (e); and

9 (C) by inserting after subsection (c) the
 10 following:

11 “(d) PAYMENT OF INTEREST ON FUNDS IN ES-
 12 CROW.—

13 “(1) IN GENERAL.—Any servicer that has es-
 14 tablished an escrow account in connection with a
 15 federally related mortgage loan shall pay interest to
 16 the borrower on the funds in the escrow account in
 17 accordance with paragraph (2).

18 “(2) CALCULATION.—

19 “(A) IN GENERAL.—The interest described
 20 in paragraph (1) shall be determined by multi-
 21 plying the actual average daily balance for each
 22 month, by the quotient obtained by dividing the
 23 annual rate described in subparagraph (B) by
 24 12.

1 “(B) ANNUAL RATE.—The annual rate de-
2 scribed in this subparagraph shall be not less
3 than the weekly average yield on 1-year United
4 States Treasury securities for such year and
5 rounded to the nearest tenth of a percentage
6 point.

7 “(3) CREDIT.—Any interest credited under this
8 subsection shall be credited to the escrow account
9 when the servicer issues the statement required by
10 subsection (c)(2).

11 “(4) EFFECT ON STATE LAW.—Nothing in this
12 subsection may be construed to preempt or super-
13 sede any State law that requires—

14 “(A) an interest rate higher than the inter-
15 est rate calculated under this subsection; or

16 “(B) the payment of interest in a different
17 manner, including by check or as a credit to the
18 loan balance, that is provided by this sub-
19 section.”.

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