

POLICY STATEMENT ON SIGNATORIES TO ESCROW ACCOUNTS

The Massachusetts Board of Registration of Brokers and Salespersons (“the” Board”) approved this policy statement on February 27, 2019. The purpose of this policy statement is to clarify the Board’s interpretation of signatories to escrow accounts pursuant to 252 CMR 3.10(a) which provides:

“(10) Client Funds

(a) Escrow Accounts. Unless otherwise agreed to in writing by the parties in transactions involving the sale, purchase, renting or exchange of real property, all money of whatever kind and nature paid over to a real estate broker to be held during the pendency of a transaction shall be immediately deposited in a bank escrow account and such broker shall be responsible for such money until the transaction is either consummated or terminated, at which time a proper account and distribution of such money shall be made. An escrow account is an account where the broker deposits and maintains the money of other parties in a real estate transaction and such broker has no claim to such money. An escrow account may be interest or non-interest bearing but where it is interest bearing the broker must make a proper account of such interest at either the consummation or termination of the transaction....”

The Board has long interpreted 262 CMR 3.10 as allowing for *only* Brokers, as defined by G.L. c. 112, §87PP, to keep, maintain and be signatories to escrow accounts. Only the Broker of Record and Brokers employed by or affiliated with that Broker of Record, may be signatories on Escrow Accounts. Salespersons and non-licensees are strictly prohibited from being signatories on Escrow Accounts.