

Authority: 12 U.S.C. 2601 *et seq*; 42 U.S.C. 3535(d).

20. Amend § 3500.17 by revising paragraph (m)(1) to read as follows:

§ 3500.17 Escrow accounts.

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(m) *Penalties.* (1) A servicer's failure to submit to a borrower an initial or

annual escrow account statement meeting the requirements of this part shall constitute a violation of section 10(d) of RESPA (12 U.S.C. 2609(d)) and this section. For each such violation, the Secretary shall assess a civil penalty of 65 dollars (\$65), except that the total of the assessed penalties shall not exceed \$120,000 for any one servicer for

violations that occur during any consecutive 12-month period.

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Dated: February 24, 2003.

Mel Martinez,

Secretary.

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