



**Date:** July 1, 2024

**To:** All Financial Institutions

**From:** Terese Fritchman

Financial Analyst

[htf.mhfa@state.mn.us](mailto:htf.mhfa@state.mn.us)

651.215.5581

## **RE: Procedure for Reporting Interest on Real Estate Brokerage Trust Accounts**

Effective August 1, 1988, all Licensed Real Estate Brokers were required to advise their financial institution to open an interest-bearing trust account for deposit of client funds. (1988 Session Laws, Chapter 654)

This statute requires financial institutions to:

- a. Pay the interest, (highest current passbook savings account rate) less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the Minnesota Housing Finance Agency, and
- b. Send a statement (report) to the Minnesota Housing Finance Agency showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charge deducted, and the account balance for the period in which the report is made.

NOTE: The word "statement" means "interest reporting form" NOT a Customer Bank Statement.

Attached is the mailing address, general information related to remitting and reporting, and a reporting form. Please make copies of the reporting form for future use.

## **PROCEDURES FOR REMITTING REAL ESTATE BROKERAGE TRUST FUND INTEREST**

Interest and report should be sent to:

Mailing Address:   Housing Trust Fund  
                          Minnesota Housing Finance Agency  
                          PO Box 64104  
                          St. Paul, MN 55164-0104

Report only can be emailed to: [HTF.MHFA@state.mn.us](mailto:HTF.MHFA@state.mn.us)

REMITTING AND REPORTING DATES: Interest and reports are due at least quarterly within 10 days following each calendar quarter end date, that is; September 30, 1998 is due by October 10, 1998.

INTEREST PAYMENTS: Payments are to be made in check form only. It is desired that you send one check payable to: Housing Trust Fund Account. If you have more than one Real Estate Broker Housing Trust Fund Account, you may list all of the accounts and the required information for each on one report and remit the total. You may not offset new losses on one account with net interest earned on a different account.

REPORTS ONLY: You must complete and send a report, even though a particular account accumulated no interest and/or the reasonable service charges exceeded the interest earned. The report would show zero remittance. If only submitting a report, you can email the report to [htf.mhfa@state.mn.us](mailto:htf.mhfa@state.mn.us)

BALANCE AND RATE OF INTEREST: Inasmuch as the interest rates applied may fluctuate from month to month and the balances daily, you may report the average rate of interest and average balance for the calendar quarter reporting period. We are aware that, for various reasons, when calculating the average interest to the average balance the amount may be different that that reported in the interest earned column.

ADDITIONAL OR SUBSTITUTE REPORTING FORMS: You should make copies of the enclosed form for future use. You may also use a report form of your design; however, for uniformity, we ask that you follow our format.

TAX IDENTIFICATION NUMBER AND IRS FORM 1099: TIN for all pooled accounts is: 41-1613970. 1099 forms should be forwarded to:

Housing Trust Fund Account  
c/o Deputy Director  
400 Wabasha St. N., Suite 400  
St. Paul, MN 55102

QUESTIONS should be directed to the Minnesota Housing at 651.215.5581.

**STATE OF MINNESOTA**  
**Real Estate Brokerage Trust Account Report**

Name of Financial Institution: \_\_\_\_\_

Address of Financial Institution: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Email: \_\_\_\_\_

Phone #: \_\_\_\_\_ Quarter End Date: \_\_\_\_\_

Account Name of Real Estate Broker or Real Estate Firm	Average Account Balance for Report Period	Average Interest Rate	Amount of Interest Earned	Amount of Service Charge	Amount of Remittance Each Account

TOTAL REMITTANCE ALL ACCOUNTS: \_\_\_\_\_

Mail To: Housing Trust Fund  
 Minnesota Housing Finance Agency  
 PO Box 64104  
 St. Paul, MN 55164-0104

A computer-prepared report is acceptable if this format is followed.

## REAL ESTATE TRUST ACCOUNT NOTICE AND AUTHORIZATION

(REV: 04/2011)

Chapter 654 passed by the 1988 Minnesota Legislature requires that real estate broker's trust accounts which are non-interest bearing, will, effective August 1, 1988, bear interest. Real estate brokers must, prior to August 1, 1988, open a new trust account or convert an existing trust account, which instructs the financial institution to:

- a. Establish interest-bearing trust fund accounts paying the highest current passbook savings account rate of interest;
- b. Pay the interest, less reasonable transaction costs, computed in accordance with standard accounting practice, at least quarterly, to Housing Trust Fund, c/o Minnesota Housing Finance Agency, PO Box 64104, St. Paul, MN 55164-0104, for low-income housing; and
- c. Send a statement to Minnesota Housing Finance Agency showing the name of the broker for when the payment is made, the rate interest applied, the amount of service charge deducted, and the account balance for the period in which the report is made.

The Housing Trust Fund is administered by the Minnesota Housing Finance Agency. Questions from financial institutions should be directed to 651.215.5581 or [htf.mhfa@state.mn.us](mailto:htf.mhfa@state.mn.us).

The single Federal Tax Identification Number (TIN) in the name of the Housing Trust Fund to be used for all accounts established under this statute is 41-1613970. The name to be used is: Housing Trust Fund Account, c/o Deputy Director, 400 Wabasha St N. Ste 400, St. Paul, MN 55102.

By signature below, I direct \_\_\_\_\_ to pay the interest on my trust account to Minnesota Housing Finance Agency for the Housing Trust Fund pursuant to MN Stat. S82.24, subd. 8.

---

Name of Real Estate Broker

---

Business Address of Broker

---

Signature of Real Estate Broker

---

Date