

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 6.1-2.23 of the Code of Virginia, relating to CRESPA; depositing funds*
3 *in conjunction with an escrow, settlement or closing.*

4 [H 1760]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 6.1-2.23 of the Code of Virginia is amended and reenacted as follows:**

8 § 6.1-2.23. Conditions for providing escrow, closing, or settlement services and for maintaining
9 escrow accounts.

10 A. All funds deposited with the settlement agent in connection with an escrow, settlement or closing
11 shall be handled in a fiduciary capacity and submitted for collection to or deposited in a separate
12 fiduciary trust account or accounts in a financial institution licensed to do business in this
13 Commonwealth no later than the close of the ~~next~~ *second* business day, in accordance with the
14 following requirements:

15 1. The funds shall be the property of the person or persons entitled to them under the provisions of
16 the escrow, settlement, or closing agreement and shall be segregated for each depository by escrow,
17 settlement, or closing in the records of the settlement agent in a manner that permits the funds to be
18 identified on an individual basis; and

19 2. The funds shall be applied only in accordance with the terms of the individual instructions or
20 agreements under which the funds were accepted.

21 B. Funds held in an escrow account shall be disbursed only pursuant to a written instruction or
22 agreement specifying how and to whom such funds may be disbursed and, if applicable, in accordance
23 with § 6.1-2.13. A settlement statement which has been signed by the seller and the purchaser or
24 borrower shall be deemed sufficient to satisfy the requirement of this subsection.

25 C. A settlement agent may not retain any interest received on funds deposited in connection with any
26 escrow, settlement, or closing; provided, however, that an attorney settlement agent shall maintain
27 escrow accounts in accordance with applicable rules of the Virginia State Bar and the Supreme Court of
28 Virginia.

29 D. Nothing in this chapter shall be deemed to prohibit the recording of documents prior to the time
30 funds are available for disbursement with respect to a transaction, provided all parties consent to such
31 recordation.

32 E. All settlement statements for transactions related to real estate governed by this chapter shall be in
33 writing and identify, by name and business address, the settlement agent.

34 F. Nothing in this section is intended to amend, alter or supersede other sections of this chapter, or
35 the laws of this Commonwealth or the United States, regarding the duties and obligations of the
36 settlement agent in maintaining escrow accounts.

ENROLLED

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