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**HOUSE BILL NO. 440**

Offered January 9, 2002

Prefiled January 8, 2002

*A BILL to amend and reenact § 6.1-2.20 of the Code of Virginia, relating to CRESPA; definition of settlement agent.*

Patrons—Woodrum, Callahan and Howell

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That § 6.1-2.20 of the Code of Virginia is amended and reenacted as follows:****§ 6.1-2.20. Definitions.**

"Escrow" means written instruments, money or other items deposited by a party with a settlement agent for delivery to other persons upon the performance of specified conditions or the happening of a certain event.

"Escrow, closing or settlement services" means the administrative and clerical services required to carry out the terms of contracts affecting real estate. These services include, but are not limited to, placing orders for title insurance, receiving and issuing receipts for money received from the parties, ordering loan checks and payoffs, ordering surveys and inspections, preparing settlement statements, determining that all closing documents conform to the parties' contract requirements, setting the closing appointment, following up with the parties to ensure that the transaction progresses to closing, ascertaining that the lenders' instructions have been satisfied, conducting a closing conference at which the documents are executed, receiving and disbursing funds, completing form documents and instruments selected by and in accordance with instructions of the parties to the transaction, handling or arranging for the recording of documents, sending recorded documents to the lender, sending the recorded deed and the title policy to the buyer, and reporting federal income tax information for the real estate sale to the Internal Revenue Service.

"Licensing authority" shall mean the (i) State Corporation Commission acting pursuant to this title or Title 38.2; (ii) the Virginia State Bar acting pursuant to this chapter or Chapter 39 (§ 54.1-3900 et seq.) of Title 54.1; or (iii) the Virginia Real Estate Board acting pursuant to this chapter or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1.

"Party to the real estate transaction" means with respect to that real estate transaction, a lender, seller, purchaser or borrower, and with respect to a corporate purchaser, any entity which is a subsidiary of or under common ownership with that corporate purchaser.

"Person" means a natural person, partnership, association, cooperative, corporation, limited liability company, trust or other legal entity.

"Settlement agent" means a person other than a party to the real estate transaction who provides escrow, closing or settlement services in connection with a transaction related to real estate in this Commonwealth and who is listed as the settlement agent on the settlement statement for such transaction. *Any person, other than a party to the transaction, who conducts the settlement conference and receives or handles money shall be deemed a "settlement agent" subject to the applicable requirements of this chapter.*

"Settlement statement" means the statement of receipts and disbursements for a transaction related to real estate including, but not limited to, a statement prescribed under the Real Estate Settlement Procedures Act of 1974 (RESPA), 12 U.S.C. § 2601, et seq., as amended, and the regulations thereunder.

INTRODUCED

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