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SENATE BILL NO. 587

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee for Courts of Justice
on March 1, 2004)

(Patron Prior to Substitute—Senator Deeds)

*A BILL to amend and reenact §§ 6.1-2.25 and 17.1-223 of the Code of Virginia, relating to duty of clerk to record writings; title insurance.***Be it enacted by the General Assembly of Virginia:****1. That §§ 6.1-2.25 and 17.1-223 of the Code of Virginia are amended and reenacted as follows:****§ 6.1-2.25. Rules and regulations.**

Except as provided in § 6.1-2.26, the appropriate licensing authority may issue rules, regulations and orders, including educational requirements, consistent with and necessary to carry out the provisions of this chapter. *When the registration of a settlement agent is renewed, the appropriate authority shall notify the registrant of the provisions of § 17.1-223.* A title insurance company domiciled in this Commonwealth or acting in the capacity of a settlement agent pursuant to this chapter shall account for funds held and income derived from escrow, closing or settlement services in accordance with the applicable instructions of, and the accounting practices and procedures manuals adopted by, the National Association of Insurance Commissioners when filing the annual statements and reports required under Chapter 13 (§ 38.2-1300 et seq.) of Title 38.2.

§ 17.1-223. Duty of clerk to record writings, etc., and make index.

Every writing authorized by law to be recorded, with all certificates, plats, schedules or other papers thereto annexed or thereon endorsed, upon payment of fees for the same and the tax thereon, if any, shall, when admitted to record, be recorded by or under the direction of the clerk on such media as are prescribed by § 17.1-239. However, the clerk may refuse to accept any writing for filing or recordation unless (i) each individual's surname only, where it first appears in the writing, is underscored or written entirely in capital letters, (ii) each page of the instrument or writing is numbered, (iii) the Code section under which any exemption from recordation taxes is claimed is clearly stated on the face of the writing, (iv) the names of all grantors and grantees are listed as required by §§ 55-48 and 55-58, and (v) the first page of the document bears an entry showing the name of either the person or entity who drafted the instrument, except that papers or documents prepared outside of the Commonwealth shall be recorded without such an entry. ~~In addition, no~~ No deed shall be accepted for record by the clerk unless it is accompanied by a current business or residence address of the grantee or a designee. ~~However, if~~ *The person or entity submitting a deed or deed of trust conveying not more than four residential dwelling units may state on the first page of the document the name of the title insurance underwriter insuring such instrument and the title insurance policy number or a statement that there is no title insurance in effect with respect to the document or a statement that such identifying number is not available or is unknown.* If the writing or deed is accepted for record and spread on the deed books, it shall be deemed to be validly recorded for all purposes. Such books shall be indexed by him as provided by § 17.1-249 and carefully preserved. Upon admitting any such writing or other paper to record the clerk shall endorse thereon the day and time of day of such recordation. More than one book may be used contemporaneously under the direction of the clerk for the recordation of the writings mentioned in this section whenever it may be necessary to use more than one book for the proper conduct of the business of his office. After being so recorded such writings may be delivered to the party entitled to claim under the same.