

# 2009 SESSION

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## HOUSE BILL NO. 2568

Offered January 21, 2009

A BILL to amend and reenact § 6.1-2.22 of the Code of Virginia, relating to disclosures under the Consumer Real Estate Settlement Protection Act.

Patron—Scott, J.M.

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-2.22 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-2.22. Disclosure.

All contracts involving the purchase of real estate containing not more than four residential dwelling units shall include in bold face, ten-point type the following language:

Choice of Settlement Agent: ~~You have~~ *Virginia's Consumer Real Estate Settlement Protection Act provides that the purchaser has* the right to select ~~a the~~ settlement agent to handle the closing of this transaction. The settlement agent's role in closing ~~you~~ *this* transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, ~~you~~ *the lender for the purchaser* will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

*Variation by agreement: The provisions of the Consumer Real Estate Settlement Protection Act may not be varied by agreement, and rights conferred by this chapter may not be waived. The seller may not require the use of a particular settlement agent as a condition of the sale of the property.*

Escrow, closing and settlement service guidelines: The Virginia State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, you are entitled to receive a copy of these guidelines from your settlement agent, upon request, in accordance with the provisions of the Consumer Real Estate Settlement Protection Act.

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