

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 6.1-2.22 of the Code of Virginia and to amend the Code of Virginia by*
3 *adding a section numbered 6.1-2.21:1, relating to disclosures under the Consumer Real Estate*
4 *Settlement Protection Act.*

5 [H 2568]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**

8 **1. That § 6.1-2.22 of the Code of Virginia is amended and reenacted and that the Code of Virginia**
9 **is amended by adding a section numbered 6.1-2.21:1 as follows:**

10 § 6.1-2.21:1. *Choice of settlement agent.*

11 *A purchaser or borrower in a transaction related to real estate in the Commonwealth shall have the*
12 *right to select the settlement agent to provide escrow, closing, or settlement services in connection with*
13 *the transaction. The seller in such a transaction may not require the use of a particular settlement agent*
14 *as a condition of the sale of the property.*

15 § 6.1-2.22. *Disclosure.*

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

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

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

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

ENROLLED

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