

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 59.1-200.1 of the Code of Virginia, relating to prohibited practices*  
3 *under the Virginia Consumer Protection Act; foreclosure rescue.*

[S 1169]

Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 59.1-200.1 of the Code of Virginia is amended and reenacted as follows:**

8 § 59.1-200.1. Prohibited practices; foreclosure rescue.

9 A. In addition to the provisions of § 59.1-200, the following fraudulent acts or practices committed  
10 by a supplier, as defined in § 59.1-198, in a consumer transaction involving residential real property  
11 owned and occupied as the primary dwelling unit of the owner, are prohibited:

12 1. The supplier of service to avoid or prevent foreclosure ~~is to be paid charges or receives a fee (i)~~  
13 ~~prior to the full and complete performance of the services it has agreed to perform, if the transaction~~  
14 ~~does not involve the sale or transfer of residential real property, or (ii) prior to the settlement on a the~~  
15 ~~sale or transfer of such residential real property, regardless of whether the fee is charged or collected as~~  
16 ~~part of the transaction involving a if the transaction involves the sale or transfer of such residential real~~  
17 ~~property;~~

18 2. The supplier of such services (i) fails to make payments under the mortgage or deed of trust that  
19 is a lien on such residential real property as the payments become due, where the supplier has agreed to  
20 do so, regardless of whether the purchaser is obligated on the loan, and (ii) applies rents received from  
21 such dwellings for his own use;

22 3. The supplier of such services represents to the seller of such residential real property that the  
23 seller has an option to repurchase such residential real property, after the supplier of such services takes  
24 legal or equitable title to such residential real property, unless there is a written contract providing such  
25 option to repurchase on terms and at a price stated in such contract; or

26 4. The supplier advertises or offers such services as are prohibited by this section.

27 B. This section shall not apply to any mortgage lender or servicer regularly engaged in making or  
28 servicing mortgage loans that is subject to the supervisory authority of the State Corporation  
29 Commission, a comparable regulatory authority of another state, or a federal banking agency.

30 C. ~~Any~~ *In connection with any consumer transaction covered by subsection A, any provision in an*  
31 *agreement with between the supplier of such services and the owner of such residential real property*  
32 *that requires the owner to submit to mandatory arbitration shall be null and void, and notwithstanding*  
33 *any such provisions, the owner of such residential real property shall have the rights and remedies under*  
34 *this chapter.*

ENROLLED

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