

2015 SESSION

INTRODUCED

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HOUSE BILL NO. 1399

Offered January 14, 2015

Prefiled December 17, 2014

A *BILL to amend the Code of Virginia by adding a section numbered 6.2-413.1, relating to loans secured by lien on real estate; escrowing flood insurance premiums.*

Patrons—Rasoul; Senator: Edwards

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 6.2-413.1 as follows:

§ 6.2-413.1. *When borrower may require lender to establish escrow account for flood insurance premiums.*

A. Any lender making a loan to a borrower secured by a first mortgage or first deed of trust on owner-occupied residential real estate in the Commonwealth consisting of one-family to four-family dwelling units shall establish and maintain an escrow account for monthly payments to defray future premiums for flood insurance obtained pursuant to the National Flood Insurance Act of 1968, 42 U.S.C. § 4001 et seq., if:

1. The lender maintains one or more escrow accounts for monthly payments to defray future payments of taxes, hazard insurance premiums, or any other charges with respect to property securing the loan; and

2. The borrower requests in writing that the lender establish an escrow account for such purpose.

B. The obligation of a lender to establish and maintain an escrow account for flood insurance premiums pursuant to subsection A shall not be contingent upon whether (i) the lender is subject to any requirement of 42 U.S.C. § 4012a(d) that the lender establish and maintain an escrow account for flood insurance premiums or (ii) the property securing the loan is mapped by the Federal Emergency Management Agency as being in a Special Flood Hazard Area.

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