

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend the Code of Virginia by adding in Chapter 1 of Title 6.1 a section numbered 6.1-2.9:6, relating to mortgage refinancings; cancellation of insurance policy.

[S 726]

Approved

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 1 of Title 6.1 a section numbered 6.1-2.9:6 as follows:

§ 6.1-2.9:6. Lender not to cancel insurance policy at time of refinancing under certain circumstances.

No lender shall require a borrower or debtor, for the protection of property securing the credit or lien, to cancel an existing insurance policy on such property at the time of a refinancing solely to change the effective dates of coverage under the policy, unless the expiration date of such policy is within four months of the date of the closing. Nothing herein shall prevent a lender from requesting a new policy when the coverage under the existing policy is inadequate or there is reasonable concern over the soundness or services of the insurer.

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