

1996 SESSION

LEGISLATION NOT PREPARED BY DLS
INTRODUCED

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HOUSE BILL NO. 1523

Offered January 22, 1996

A BILL to amend and reenact § 38.2-4614 of the Code of Virginia, relating to the prohibition against payment or receipt of title insurance kickbacks, rebates, commissions and other payments.

Patron—Cantor

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-4614 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-4614. Prohibition against payment or receipt of title insurance kickbacks, rebates, commissions and other payments.

A. No person selling real property, or performing services as a real estate agent, attorney, or lender, which services are incident to or a part of any real estate settlement or sale, shall pay or receive, directly or indirectly, any kickback, rebate, commission or other payment in connection with the issuance of title insurance for any real property that is a part of such sale or settlement; and no title insurance company, title insurance agency or agent shall make any such payment. This section shall not prevent any federally insured lenders, holding companies to which they belong, or subsidiaries of such lenders or holding companies from being licensed by the Commission as title insurance agents or agencies and receiving commissions from the sale of the title insurance policies in their capacities as title insurance agents or agencies.

B. Any person violating this section shall be guilty of a misdemeanor and subject to a fine of not more than \$1,000 or imprisonment for not more than six months, or both, in the discretion of the court.

C. No person shall be in violation of this section solely by reason of ownership in a title insurance company, title insurance agency or agent as defined in this chapter. *No attorney licensed by the Virginia State Bar shall be prohibited from acting directly or indirectly as, nor from performing any function of a title insurance agent or agency operated concurrently with or as an adjunct of the attorney or the attorney's law firm, notwithstanding the attorney's role as an attorney in a real estate transaction.*

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