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SENATE BILL NO. 571

Offered January 22, 1996

A BILL to amend the Code of Virginia by adding a section numbered 6.1-2.16, relating to banking and finance; Wet Settlement Act; settlement agents.

Patron—Edwards

Referred to the 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 § 6.1-2.16 as follows:

§ 6.1-2.16. Fiduciary obligations of settlement agents; registration; regulations.

A. In the performance of their duties, settlement agents shall act in accordance with the highest standards of fiduciary conduct. Accordingly, such agents shall (i) avoid or promptly resolve conflicts of interests, (ii) prevent improper influences from affecting their actions, and (iii) assure their compliance with all applicable laws and regulations including such registration and financial responsibility requirements as may be established by the Commission.

B. The Commission shall promulgate rules and regulations establishing annual registration and financial responsibility requirements for all settlement agents. Such requirements may include the submission of an initial registration and subsequent annual renewals thereof, payment of registration fees and the furnishing of surety bonds, or other sufficient securities, in amounts satisfactory to the Commission. In establishing such requirements, the Commission may exempt therefrom settlement agents who are otherwise licensed pursuant to the provisions of Chapter 39 (§ 54.1-3900, et seq.) of Title 54.1. Before promulgating any such rules or regulations, the Commission shall give reasonable notice of their content and shall afford interested parties an opportunity to be heard, in accordance with the Rules of Practice and Procedure of the Commission.

INTRODUCED

SB571