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SENATE BILL NO. 571**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Corporations, Insurance and Banking
on February 27, 1996)

(Patron Prior to Substitute—Senator Edwards)

A BILL to amend the Code of Virginia by adding in Chapter 1.1 of Title 6.1 a section numbered 6.1-2.16, and by adding in Title 54.1 a chapter numbered 21.1, consisting of sections numbered 54.1-2145 through a 54.1-2147, relating to settlement agents.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding by adding in Chapter 1.1 of Title 6.1 a section numbered 6.1-2.16, and by adding in Title 54.1 a chapter numbered 21.1, consisting of sections numbered 54.1-2145 through 54.1-2147 as follows:

§ 6.1-2.16. Professional obligations of settlement agents.

In the performance of their duties, settlement agents shall act in accordance with the highest standards of professional conduct. Accordingly, such agents shall ensure their compliance with all applicable laws and regulations including registration and financial responsibility requirements established by the Department of Professional and Occupational Regulation pursuant to Chapter 21.1 (§ 54.1-2145, et seq.) of Title 54.1.

Chapter 21.1.

Settlement Agents.

§ 54.1-2145. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Department" means the Department of Professional and Occupational Regulation.

"Settlement agent" shall have the same meaning as such term has in the Wet Settlement Act (§ 6.1-2.10, et seq.).

§ 54.1-2146. Exemptions.

The provisions of this chapter shall not apply to (i) persons who are otherwise licensed pursuant to the provisions of Chapter 21 (§ 54-2100 et seq.) or Chapter 39 (§ 54.1-3900, et seq.) of Title 54.1, (ii) title insurance companies and agents who are otherwise licensed pursuant to the provisions of Chapter 46 (§ 38.2-4600, et seq.) of Title 38.2, or (iii) any person or entity who is a seller, purchaser, borrower, or lender in connection with a real estate transaction.

§ 54.1-2147. Registration and financial responsibility.

The Department shall promulgate regulations establishing annual registration and financial responsibility requirements for settlement agents not otherwise exempt under § 54.1-2146. Such requirements may include the submission of an initial registration and subsequent annual renewals thereof and the payment of registration fees.

2. That the provisions of this act shall become effective on July 1, 1997.

3. That the Board for Professional and Occupational Regulation shall conduct a study to determine the appropriate level of regulation for settlement agents. The Department shall report its findings to the Governor and the 1997 Session of the General Assembly by December 1, 1996.