

1999 SESSION

INTRODUCED

994633312

HOUSE BILL NO. 2600

Offered January 21, 1999

A BILL to amend the Code of Virginia by adding a section numbered 6.1-2.13:2, relating to real estate settlements; prohibitions against required use of settlement services providers.

Patrons—Deeds, Armstrong, Barlow, Day, Jones, J.C. and Keating; Senators: Edwards, Lucas, Reynolds and Stolle

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 6.1-2.13:2 as follows:

§ 6.1-2.13:2. Prohibition against required use of a settlement service provider; affiliated business; presumptions.

A. No person making a referral to a settlement service provider shall require the use of that provider.

B. Whenever a person refers an individual to a settlement service provider with whom such person is affiliated, the following actions on the part of such person shall be presumed to violate subsection A, unless such presumption is overcome by a preponderance of evidence to the contrary:

1. Withholding a settlement service, including, but not limited to, declining to make a loan, unless a particular affiliate settlement service provider is employed.

2. Conditioning payment of a thing of value, as defined in subsection A of § 6.1-2.13:1, upon the employment of a particular settlement service provider.

3. Withholding a bona fide discount unless a particular affiliate settlement service provider is employed.

4. Referral by a lender to its affiliate settlement service provider, including a title insurance agency, in violation of subsection C of § 38.2-513 of the Code of Virginia.

D. Any person requiring use of an affiliate in violation of this section shall be subject to such penalties as may be imposed under the provisions of 12 U.S.C. § 2607, including such private rights of action as may be provided therein which, to the extent permitted by 12 U.S.C. § 2607, may be brought in the general district or circuit courts of this Commonwealth.

INTRODUCED

HB2600