

996481607

SENATE BILL NO. 1278

Offered January 21, 1999

A BILL to amend the Code of Virginia by adding in Title 6.1 a chapter numbered 1.4 , consisting of sections numbered 6.1-2.30, 6.1-2.31, and 6.1-2.32, relating to real estate settlement practices; real estate settlement agent registration.

Patrons—Barry, Bolling, Chichester, Colgan, Hanger, Hawkins, Holland, Howell, Lambert, Lucas, Martin, Newman, Potts, Puckett, Saslaw, Schrock, Stosch, Ticer, Watkins, Whipple, Williams and Woods; Delegates: Abbitt, Albo, Behm, Black, Blevins, Brink, Bryant, Byron, Callahan, Cantor, Cox, Croshaw, Darner, Davis, Day, Dickinson, Dillard, Drake, Dudley, Hall, Hamilton, Hargrove, Howell, Hull, Ingram, Keating, Landes, Marshall, May, McEachin, McQuigg, Moran, Morgan, O'Brien, Parrish, Plum, Puller, Reid, Rhodes, Rust, Scott, Sherwood, Shuler, Tata, Thomas, Van Landingham, Van Yahres, Wagner, Wardrup, Ware, Watts and Williams

Referred to 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 in Title 6.1 a chapter numbered 1.4, consisting of sections numbered 6.1-2.30, 6.1-2.31, and 6.1-2.32 as follows:

CHAPTER 1.4.

REAL ESTATE SETTLEMENT AGENT REGISTRATION ACT.

§ 6.1-2.30. Title, purpose and applicability.

A. This chapter shall be known as the Real Estate Settlement Agent Registration Act.

B. The purpose of this chapter is to require lay persons performing escrow, closing or settlement services in relation to any real property located in the Commonwealth to comply with certain safeguards relating to licensure, registration, financial responsibility and the handling of settlement funds as detailed in the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq.).

C. This chapter applies to transactions involving the purchase of or lending on the security of real estate located in this Commonwealth not otherwise covered by the provisions of the Consumer Real Estate Settlement Protection Act.

D. Nothing in this chapter shall be construed to prevent a person licensed under Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1, or such licensee's employees or independent contractors, from performing escrow, closing or settlement services, as defined by § 6.1-2.20, to facilitate the settlement of a transaction in which the licensee is involved without complying with the provisions of this chapter, so long as the licensee, the licensee's employees or independent contractors, are not named as the settlement agent on the settlement statement and the licensee is otherwise not prohibited from performing such services by law or regulation.

§ 6.1-2.31. Definitions.

Unless otherwise provided for in this chapter, the definitions set forth in § 6.1-2.20 shall apply to the provisions of this chapter.

§ 6.1-2.32. Lay real estate settlement agents.

A. Notwithstanding any rule of court to the contrary, (i) a lay real estate settlement agent may provide escrow, closing and settlement services for any real property located within the Commonwealth, and receive compensation for such services, provided he is registered pursuant to and is in compliance with the provisions of the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq.), with the exception of subsection C of § 6.1-2.19; and (ii) a party to the real estate transaction shall have the same authority under this chapter as a party to the real estate transaction under the Consumer Real Estate Settlement Protection Act.

B. As used in this chapter, "lay real estate settlement agent" means a person who (i) is not licensed as an attorney under Chapter 39 (§ 54.1-3900 et seq.) of Title 54.1, (ii) is not a party to the real estate transaction, (iii) provides escrow, closing or settlement services in connection with a transaction related to any real estate in this Commonwealth, and (iv) is listed as the settlement agent on the settlement statement for such transaction.

INTRODUCED

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