

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 6.1-2.20 of the Code of Virginia, relating to CRESPA; definition of*
3 *settlement agent.*

4 [H 440]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 6.1-2.20 of the Code of Virginia is amended and reenacted as follows:**

8 § 6.1-2.20. Definitions.

9 "Escrow" means written instruments, money or other items deposited by a party with a settlement
10 agent for delivery to other persons upon the performance of specified conditions or the happening of a
11 certain event.

12 "Escrow, closing or settlement services" means the administrative and clerical services required to
13 carry out the terms of contracts affecting real estate. These services include, but are not limited to,
14 placing orders for title insurance, receiving and issuing receipts for money received from the parties,
15 ordering loan checks and payoffs, ordering surveys and inspections, preparing settlement statements,
16 determining that all closing documents conform to the parties' contract requirements, setting the closing
17 appointment, following up with the parties to ensure that the transaction progresses to closing,
18 ascertaining that the lenders' instructions have been satisfied, conducting a closing conference at which
19 the documents are executed, receiving and disbursing funds, completing form documents and instruments
20 selected by and in accordance with instructions of the parties to the transaction, handling or arranging
21 for the recording of documents, sending recorded documents to the lender, sending the recorded deed
22 and the title policy to the buyer, and reporting federal income tax information for the real estate sale to
23 the Internal Revenue Service.

24 "Licensing authority" shall mean the (i) State Corporation Commission acting pursuant to this title or
25 Title 38.2; (ii) the Virginia State Bar acting pursuant to this chapter or Chapter 39 (§ 54.1-3900 et seq.)
26 of Title 54.1; or (iii) the Virginia Real Estate Board acting pursuant to this chapter or Chapter 21
27 (§ 54.1-2100 et seq.) of Title 54.1.

28 "Party to the real estate transaction" means with respect to that real estate transaction, a lender, seller,
29 purchaser or borrower, and with respect to a corporate purchaser, any entity which is a subsidiary of or
30 under common ownership with that corporate purchaser.

31 "Person" means a natural person, partnership, association, cooperative, corporation, limited liability
32 company, trust or other legal entity.

33 "Settlement agent" means a person other than a party to the real estate transaction who provides
34 escrow, closing or settlement services in connection with a transaction related to real estate in this
35 Commonwealth and who is listed as the settlement agent on the settlement statement for such
36 transaction. *Any person, other than a party to the transaction, who conducts the settlement conference*
37 *and receives or handles money shall be deemed a "settlement agent" subject to the applicable*
38 *requirements of this chapter.*

39 "Settlement statement" means the statement of receipts and disbursements for a transaction related to
40 real estate including, but not limited to, a statement prescribed under the Real Estate Settlement
41 Procedures Act of 1974 (RESPA), 12 U.S.C. § 2601, et seq., as amended, and the regulations
42 thereunder.

ENROLLED

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