

2006 SESSION

INTRODUCED

062610396

HOUSE BILL NO. 1190

Offered January 11, 2006

Prefiled January 11, 2006

A BILL to amend the Code of Virginia by adding a section numbered 6.1-2.8:1, relating to mortgage lending; establishment of escrow accounts.

Patron—Marshall, R.G.

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 section numbered 6.1-2.8:1 as follows:

§ 6.1-2.8:1. Charge for opting to avoid escrow account prohibited.

A bank or lender on a loan secured by a mortgage or deed of trust on real property comprised of one-to-four-family residential dwelling units that provides the borrower the option to pay the real estate taxes and insurance premiums with respect to the property directly, as an alternative to maintaining an escrow account for such payments, shall not require the borrower, as a condition to his exercise of the option, to pay a specific fee or other charge for allowing the borrower to make such payments directly.

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