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## SENATE BILL NO. 684

Offered January 26, 1998

A *BILL to amend and reenact § 6.1-2.20 of the Code of Virginia, relating to Consumer Real Estate Settlement Protection Act; party to the real estate transaction.*

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Patron—Reasor

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Referred to the Committee on Commerce and Labor

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

"Escrow" means written instruments, money or other items deposited by one party with a settlement agent for delivery to another party upon the performance of a specified condition or the happening of a certain event.

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

"Licensing authority" shall mean the (i) State Corporation Commission acting pursuant to this chapter, Title 6.1 or Title 38.2; (ii) the Virginia State Bar acting pursuant to this chapter or Chapter 39 (§ 54.1-3900 et seq.) of Title 54.1; or (iii) the Virginia Real Estate Board acting pursuant to this chapter or Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1.

"Party to the real estate transaction" means a lender, seller, purchaser or borrower, *or any corporation which is the parent of or a subsidiary of, or is under common ownership with a lender, seller, purchaser or borrower, or any employee thereof* with respect to that real estate transaction.

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

"Settlement agent" means a person other than a party to the real estate transaction who provides any escrow, closing or settlement service in connection with a transaction related to real estate in this Commonwealth.

INTRODUCED

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