

SENATE BILL REPORT

ESHB 2248

AS OF FEBRUARY 19, 1992

Brief Description: Requiring disclosure of certain interests during real estate transactions.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Broback, Dellwo, Mielke, Forner, Tate, Zellinsky, Winsley, D. Sommers, Casada, Paris, May and Silver)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Traci Anderson (786-7452)

Hearing Dates: February 27, 1992

BACKGROUND:

The federal Real Estate Settlement Procedures Act (RESPA) requires certain disclosures when a person who has either an affiliate relationship with or a direct or beneficial interest of more than 1 percent in a real estate settlement services company influences the borrower to use the company. At or prior to the time the borrower is referred to the company, such as a title or escrow company, the borrower must be told of the relationship and must be informed of the range of charges usually made by the company. The referral is not permitted if the buyer is required to use the particular title or escrow company. The law applies only to first mortgages on residential properties.

SUMMARY:

Ownership interests in real estate settlement service providers must be disclosed when conveying real property. "Real estate settlement service providers" is defined to parallel RESPA.

Appropriation: none

Revenue: none

Fiscal Note: none requested