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VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact § 55.1-903 of the Code of Virginia, relating to duty of settlement agent; restrictive covenants.

[H 39]

Approved

Be it enacted by the General Assembly of Virginia:
1. That § 55.1-903 of the Code of Virginia is amended and reenacted as follows:
§ 55.1-903. Duty of settlement agent.

The settlement agent shall cause recordation of the deed, the deed of trust, or the mortgage or other documents required to be recorded and shall cause disbursement of settlement proceeds within two business days of settlement. A settlement agent may not disburse any or all loan funds or other funds coming into its possession prior to the recordation of any instrument except (i) funds received that are overpayments to be returned to the provider of such funds, (ii) funds necessary to effect the recordation of instruments, or (iii) funds that the provider has by separate written instrument directed to be disbursed prior to recordation of any instrument. Additionally, in any transaction involving the purchase or sale of an interest in residential real property, the settlement agent shall provide notification to the purchaser of (a) the availability of owner's title insurance as required under § 38.2-4616 and (b) the purchaser's right under § 55.1-300.1 to remove a restrictive covenant prohibited by § 36-96.6 that is contained in an instrument affecting the title of the property and disclosed as the result of a title search performed pursuant to the transaction.

ENROLLED
HB39ER