

HOUSE BILL REPORT

HB 2248

*As Reported By House Committee on:
Financial Institutions & Insurance*

Title: An act relating to the conveyance of real property.

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

Sponsor(s): Representatives Broback, Dellwo, Mielke, Forner, Tate, Zellinsky, Winsley, D. Sommers, Casada, Paris, May and Silver.

Brief History:

Reported by House Committee on:
Financial Institutions & Insurance, January 24, 1992,
DPS.

**HOUSE COMMITTEE ON
FINANCIAL INSTITUTIONS & INSURANCE**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 11 members: Representatives Zellinsky, Vice Chair; Broback, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Anderson; Dorn; Inslee; R. Johnson; R. Meyers; Paris; Schmidt; and Winsley.

Staff: John Conniff (786-7119).

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 of Substitute Bill: The federal RESPA disclosure of ownership interests in real estate settlement service

providers is extended to all real estate transactions except those residential transactions governed by federal law.

Substitute Bill Compared to Original Bill: Disclosure of ownership interests in real estate settlement service providers is changed to parallel federal requirements.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: (Original bill) Requiring disclosure of financial interests in real estate settlement service providers is desirable, but this approach to disclosure should parallel the federal standards.

Witnesses: (Original bill) (Con) Dave Patterson, Washington Association of Realtors; Larry Shannon, Washington Mortgage Bankers Association; and Bud Morgan, Washington Land Title Association.