

HOUSE BILL REPORT

ESHB 2248

*As Passed House
February 14, 1992*

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

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

Sponsor(s): By House Committee on Financial Institutions & Insurance (originally sponsored by 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;
Passed House, February 14, 1992, 95-0.

**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 Bill: 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.

Fiscal Note: Not requested.

Effective Date: 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.