

HB5677



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5677

Introduced 2/9/2010, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

215 ILCS 155/26

Amends the Title Insurance Act. In the provision concerning settlement funds, provides that a purchaser, a seller, or a lender are each considered a single party to the transaction, regardless of the number of people or entities making up the purchaser, seller, or lender. Effective January 1, 2011.

LRB096 17726 RPM 33091 b

A BILL FOR

1 AN ACT concerning insurance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Title Insurance Act is amended by changing
5 Section 26 as follows:

6 (215 ILCS 155/26)

7 Sec. 26. Settlement funds.

8 (a) A title insurance company, title insurance agent, or
9 independent escrowee shall not make disbursements in
10 connection with any escrows, settlements, or closings out of a
11 fiduciary trust account or accounts unless the funds in the
12 aggregate amount of \$50,000 or greater received from any single
13 party to the transaction are good funds as defined in
14 paragraphs (2), (6), or (7) of subsection (c) of this Section;
15 or are collected funds as defined in subsection (d) of this
16 Section.

17 (b) A title insurance company or title insurance agent
18 shall not make disbursements in connection with any escrows,
19 settlements, or closings out of a fiduciary trust account or
20 accounts unless the funds in the amount of less than \$50,000
21 received from any single party to the transaction are collected
22 funds or good funds as defined in subsection (c) of this
23 Section.

- 1 (c) "Good funds" means funds in one of the following forms:
- 2 (1) lawful money of the United States;
- 3 (2) wired funds unconditionally held by and credited to
- 4 the fiduciary trust account of the title insurance company,
- 5 the title insurance agent, or independent escrowee;
- 6 (3) cashier's checks, certified checks, bank money
- 7 orders, official bank checks, or teller's checks drawn on
- 8 or issued by a financial institution chartered under the
- 9 laws of any state or the United States and unconditionally
- 10 held by the title insurance company, title insurance agent,
- 11 or independent escrowee;
- 12 (4) a personal check or checks in an aggregate amount
- 13 not exceeding \$5,000 per closing, provided that the title
- 14 insurance company, title insurance agent, or independent
- 15 escrowee has reasonable grounds to believe that sufficient
- 16 funds are available for withdrawal in the account upon
- 17 which the check is drawn at the time of disbursement;
- 18 (5) a check drawn on the trust account of any lawyer or
- 19 real estate broker licensed under the laws of any state,
- 20 provided that the title insurance company, title insurance
- 21 agent, or independent escrowee has reasonable grounds to
- 22 believe that sufficient funds are available for withdrawal
- 23 in the account upon which the check is drawn at the time of
- 24 disbursement;
- 25 (6) a check issued by this State, the United States, or
- 26 a political subdivision of this State or the United States;

1 or

2 (7) a check drawn on the fiduciary trust account of a
3 title insurance company or title insurance agent, provided
4 that the title insurance company, title insurance agent, or
5 independent escrowee has reasonable grounds to believe
6 that sufficient funds are available for withdrawal in the
7 account upon which the check is drawn at the time of
8 disbursement.

9 (d) "Collected funds" means funds deposited, finally
10 settled, and credited to the title insurance company, title
11 insurance agent, or independent escrowee's fiduciary trust
12 account.

13 (e) A purchaser, a seller, or a lender are each considered
14 a single party to the transaction for the purposes of this
15 Section, regardless of the number of people or entities making
16 up the purchaser, seller, or lender.

17 (Source: P.A. 96-645, eff. 1-1-10.)

18 Section 99. Effective date. This Act takes effect January
19 1, 2011.