



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB2510

Introduced 1/12/2010, by Sen. Iris Y. Martinez

SYNOPSIS AS INTRODUCED:

215 ILCS 155/25.5 new

Amends the Title Insurance Act. Provides that, for each residential mortgage loan transaction involving residential real property in which a title insurance company, title insurance agent, or independent escrowee engages in handling of escrows, settlements, or closings, the title insurance company, title insurance agent, or independent escrowee may not disburse any proceeds of a residential mortgage loan until the title insurance company, title insurance agent, or independent escrowee has received from the person or entity making the residential mortgage loan, or any other person or entity to the transaction, the names and license or registration numbers, if applicable, of each financial institution, residential mortgage licensee, loan originator, loan processor, real estate appraiser, and real estate licensee involved in the residential mortgage loan transaction. Requires that the title insurance company, title insurance agent, or independent escrowee that disbursed the proceeds of a residential mortgage loan must file with the Secretary the names and license or registration numbers, if applicable, of each financial institution, residential mortgage licensee, loan originator, loan processor, real estate appraiser, and real estate licensee involved in the residential mortgage loan transaction. Provides that a title insurance company, title insurance agent, or independent escrowee may not be subject to any liability or be subject to disciplinary action for any inaccurate or false information contained in the disclosure if the inaccurate or false information is provided to the title insurance company, title insurance agent, or independent escrowee by the person or entity making a residential mortgage loan or any other person or entity to the residential loan transaction. Effective immediately.

LRB096 15490 AMC 30720 b

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 adding
5 Section 25.5 as follows:

6 (215 ILCS 155/25.5 new)

7 Sec. 25.5. Named parties on transactions.

8 (a) For each residential mortgage loan transaction
9 involving residential real property, as defined in this Act, in
10 which a title insurance company, title insurance agent, or
11 independent escrowee engages in handling of escrows,
12 settlements, or closings, the title insurance company, title
13 insurance agent, or independent escrowee may not disburse any
14 proceeds of a residential mortgage loan until the title
15 insurance company, title insurance agent, or independent
16 escrowee has received from the person or entity making the
17 residential mortgage loan, or any other person or entity to the
18 transaction, the names and license or registration numbers, if
19 applicable, of each financial institution, residential
20 mortgage licensee, loan originator, loan processor, real
21 estate appraiser, and real estate licensee involved in the
22 residential mortgage loan transaction.

23 (b) Within 7 days following the settlement date of a

1 residential mortgage loan transaction, the title insurance
2 company, title insurance agent, or independent escrowee that
3 disbursed the proceeds of the residential mortgage loan must
4 file with the Secretary, on a form prescribed by the Secretary
5 that is no longer than one 8.5 by 11 inch piece of paper or its
6 electronic equivalent, the names and license or registration
7 numbers, if applicable, of each financial institution,
8 residential mortgage licensee, loan originator, loan
9 processor, real estate appraiser, and real estate licensee
10 involved in the residential mortgage loan transaction.

11 (c) A title insurance company, title insurance agent, or
12 independent escrowee may not be subject to any liability or be
13 subject to disciplinary action for any inaccurate or false
14 information contained in the disclosure required by this
15 Section if the inaccurate or false information is provided to
16 the title insurance company, title insurance agent, or
17 independent escrowee by the person or entity making a
18 residential mortgage loan, or any other person or entity to the
19 residential loan transaction, excluding employees or
20 independent contractors of the title insurance company, title
21 insurance agent, or independent escrowee.

22 (d) All information obtained by the Department pursuant to
23 this Section is exempt from disclosure under Section 7 of the
24 Freedom of Information Act.

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.