

Regular Session, 2010

HOUSE BILL NO. 154

BY REPRESENTATIVE SAM JONES

BANKS/BANKING: Allows the consumer to choose a closing attorney or title company in certain real estate transactions

1 AN ACT

2 To enact R.S. 6:1096(K), relative to residential mortgages; to permit a consumer to choose
3 a title company or attorney; to provide for disclosure of a consumer's right to choose
4 the title company or attorney; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:1096(K) is hereby enacted to read as follows:

7 §1096. Residential mortgage loans

8 * * *

9 K.(1) No residential mortgage lender or originator shall require, in a
10 purchase for four or less units or single lots of residential properties, as a condition
11 of the sale or loan, that a consumer choose a particular title company or attorney to
12 act as the settlement agent for the mortgage. Upon approving a consumer for a
13 mortgage in a purchase for four or less units or single lots of residential properties,
14 the residential mortgage lender or originator shall provide written disclosure to the
15 consumer that the consumer has the right to choose the title company or real estate
16 attorney that will act as the settlement agent for the mortgage.

17 (2) No person shall give and no person shall accept any fee, kickback, or
18 thing of value pursuant to any agreement of understanding, oral or otherwise, that
19 business incident to or a part of a real estate settlement service involving the

1 purchase of four or less units or single lots of residential properties shall be referred
2 to any person.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Sam Jones

HB No. 154

Abstract: Allows a consumer to choose the title company or attorney to act as the settlement agent for a mortgage in a purchase for four or less units or single lots of residential properties. Prohibits a person from giving or accepting any fee, kickback, or thing of value for the referral of a real estate settlement service.

Proposed law prohibits a residential mortgage lender or originator from requiring, in a purchase for four or less units or single lots of residential properties, as a condition of the sale or loan, that a buyer choose a particular title company or attorney to act as the settlement agent for the mortgage.

Proposed law requires the residential mortgage lender or originator, upon approval of the buyer's application for a mortgage, to provide written disclosure to the buyer that the buyer has the right to choose the title company or real estate attorney that will act as the settlement agent for the mortgage.

Proposed law prohibits any person from giving or accepting any fee, kickback, or thing of value pursuant to any agreement of understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving the purchase of four or less units or single lots of residential properties shall be referred to any person.

(Adds R.S. 6:1096(K))