

By: Darby

H.B. No. 652

A BILL TO BE ENTITLED

AN ACT

relating to licensing of certain residents of a state as escrow officers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2652.051(c), Insurance Code, is amended to read as follows:

(c) The completed application must state that:

(1) the proposed escrow officer is an individual who is a bona fide resident of:

(A) this state; or

(B) a state adjacent to this state;

(2) the proposed escrow officer is an attorney or is a bona fide employee of:

(A) an attorney licensed as an escrow officer; or

(B) a title insurance agent or direct operation;

(3) the proposed escrow officer has reasonable experience or instruction in the field of title insurance; ~~and~~

(4) the title insurance agent or direct operation does not know of any fact or condition that disqualifies the proposed escrow officer from receiving a license; and

(5) the proposed escrow officer is a bona fide employee of a title insurance agent or direct operation with an office in this state.

SECTION 2. Section 2652.103, Insurance Code, is amended to

1 read as follows:

2           Sec. 2652.103. AMOUNT OF BOND OR DEPOSIT. (a) The amount  
3 of the bond or deposit required under this subchapter is determined  
4 by multiplying the number of escrow officers employed by the title  
5 insurance agent or direct operation by:

6                   (1) \$5,000 for an application of an individual who is a  
7 bona fide resident of this state; or

8                   (2) \$10,000 for an application of an individual who is  
9 a bona fide resident of a state adjacent to this state.

10           (b) Notwithstanding Subsection (a), [~~except that~~] the  
11 maximum amount of the bond or deposit required under this  
12 subchapter is \$50,000.

13           SECTION 3. Section 2652.201, Insurance Code, is amended to  
14 read as follows:

15           Sec. 2652.201. GROUNDS FOR LICENSE DENIAL OR DISCIPLINARY  
16 ACTION. (a) The department may deny an application for a license  
17 or discipline an escrow officer under Sections 4005.102, 4005.103,  
18 and 4005.104 if the department determines that the applicant or  
19 license holder has:

20                   (1) wilfully violated this title;

21                   (2) intentionally made a material misstatement in the  
22 license application;

23                   (3) obtained or attempted to obtain the license by  
24 fraud or misrepresentation;

25                   (4) misappropriated or converted to the escrow  
26 officer's own use or illegally withheld money belonging to a title  
27 insurance agent, direct operation, or another person;

- 1           (5) been guilty of fraudulent or dishonest practices;  
2           (6) materially misrepresented the terms and  
3 conditions of a title insurance policy or contract; or  
4           (7) failed to complete all educational requirements.

5           (b) The department may not deny an application for a license  
6 or discipline an escrow officer under Section 4005.102, 4005.103,  
7 or 4005.104 solely because the individual acts as an escrow officer  
8 in this state and is a bona fide resident of a state adjacent to this  
9 state.

10           SECTION 4. This Act applies to an application to act as an  
11 escrow officer that is filed with the Texas Department of Insurance  
12 on or after the effective date of this Act. An application filed  
13 before that date is governed by the law in effect on the date the  
14 application was filed, and the former law is continued in effect for  
15 that purpose.

16           SECTION 5. This Act takes effect September 1, 2009.