

1-1 By: Darby (Senate Sponsor - Eltife) H.B. No. 652  
1-2 (In the Senate - Received from the House April 14, 2009;  
1-3 April 15, 2009, read first time and referred to Committee on  
1-4 Business and Commerce; May 6, 2009, reported favorably by the  
1-5 following vote: Yeas 7, Nays 0; May 6, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to licensing of escrow officers.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 2652.051, Insurance Code, is amended by  
1-11 amending Subsection (c) and adding Subsection (d) to read as  
1-12 follows:

1-13 (c) The completed application must state that:

1-14 (1) the proposed escrow officer is an individual who  
1-15 is a bona fide resident of:

1-16 (A) this state; or

1-17 (B) a state adjacent to this state;

1-18 (2) the proposed escrow officer is an attorney or is a  
1-19 bona fide employee of:

1-20 (A) an attorney licensed as an escrow officer; or

1-21 (B) a title insurance agent or direct operation;

1-22 (3) the proposed escrow officer has reasonable  
1-23 experience or instruction in the field of title insurance; ~~and~~

1-24 (4) the title insurance agent or direct operation does  
1-25 not know of any fact or condition that disqualifies the proposed  
1-26 escrow officer from receiving a license; and

1-27 (5) the proposed escrow officer is a bona fide  
1-28 employee of a title insurance agent or direct operation with an  
1-29 office in this state.

1-30 (d) Notwithstanding Sections 406.004 and 406.020,  
1-31 Government Code, a person qualified under this section as an escrow  
1-32 officer may hold a license and operate as a notary public under  
1-33 Chapter 406, Government Code.

1-34 SECTION 2. Section 2652.103, Insurance Code, is amended to  
1-35 read as follows:

1-36 Sec. 2652.103. AMOUNT OF BOND OR DEPOSIT. (a) The amount  
1-37 of the bond or deposit required under this subchapter is determined  
1-38 by multiplying the number of escrow officers employed by the title  
1-39 insurance agent or direct operation by:

1-40 (1) \$5,000 for an application of an individual who is a  
1-41 bona fide resident of this state; or

1-42 (2) \$10,000 for an application of an individual who is  
1-43 a bona fide resident of a state adjacent to this state.

1-44 (b) Notwithstanding Subsection (a), ~~[except that]~~ the  
1-45 maximum amount of the bond or deposit required under this  
1-46 subchapter is \$50,000.

1-47 SECTION 3. Section 2652.201, Insurance Code, is amended to  
1-48 read as follows:

1-49 Sec. 2652.201. GROUNDS FOR LICENSE DENIAL OR DISCIPLINARY  
1-50 ACTION. (a) The department may deny an application for a license  
1-51 or discipline an escrow officer under Sections 4005.102, 4005.103,  
1-52 and 4005.104 if the department determines that the applicant or  
1-53 license holder has:

1-54 (1) wilfully violated this title;

1-55 (2) intentionally made a material misstatement in the  
1-56 license application;

1-57 (3) obtained or attempted to obtain the license by  
1-58 fraud or misrepresentation;

1-59 (4) misappropriated or converted to the escrow  
1-60 officer's own use or illegally withheld money belonging to a title  
1-61 insurance agent, direct operation, or another person;

1-62 (5) been guilty of fraudulent or dishonest practices;

1-63 (6) materially misrepresented the terms and  
1-64 conditions of a title insurance policy or contract; or

2-1 (7) failed to complete all educational requirements.  
2-2 (b) The department may not deny an application for a license  
2-3 or discipline an escrow officer under Section 4005.102, 4005.103,  
2-4 or 4005.104 solely because the individual resides in an adjacent  
2-5 state and acts as an escrow officer in this state as a bona fide  
2-6 employee of a title insurance agent or direct operation in this  
2-7 state.

2-8 SECTION 4. This Act applies to an application to act as an  
2-9 escrow officer that is filed with the Texas Department of Insurance  
2-10 on or after the effective date of this Act. An application filed  
2-11 before that date is governed by the law in effect on the date the  
2-12 application was filed, and the former law is continued in effect for  
2-13 that purpose.

2-14 SECTION 5. This Act takes effect September 1, 2009.

2-15 \* \* \* \* \*