

Senate File 2117 - Enrolled

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SENATE FILE 2117

AN ACT

RELATING TO COVERAGE OF CLOSING PROTECTION LETTERS IN REAL ESTATE TRANSACTIONS AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 16.93, subsection 1, Code 2007, is amended to read as follows:

1. The authority through the title guaranty division may issue a closing protection letter to a person to whom a proposed title guaranty is to be issued, upon the request of the person, if the division issues a commitment for title guaranty or title guaranty certificate. The closing protection letter shall conform to the terms of coverage and form of the instrument as approved by the division board and may indemnify a person to whom a proposed title guaranty is to be issued against loss of settlement funds due to only the following acts of the division's named participating attorney, ~~or participating abstractor, or closer~~:

a. Theft of settlement funds.

b. Failure by the participating attorney, ~~or participating abstractor, or closer~~ to comply with written closing instructions of the person to whom a proposed title guaranty is to be issued relating to title certificate coverage when agreed to by the participating attorney, ~~or participating abstractor, or closer~~.

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

JOHN P. KIBBIE
President of the Senate

PATRICK J. MURPHY
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2117, Eighty-second General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2008

CHESTER J. CULVER
Governor