

HB

13

HFIN

FILE

HOUSE COMMITTEE REPORT

3-10-99
Rules

(11)

Date Referred to Committee: February 19, 1999

FURTHER REFERRALS:

Date of Committee Action: 3/9/99

The FINANCE Committee considered:

CSHB 13(L&C) am
(Draft version)

CS FOR HOUSE BILL NO. 13(L&C) am

REGULATION OF ESCROW ACCOUNTS

"An Act relating to the characterization of, use of, segregation of, deposit of, interest on, and disbursement of escrow money; relating to the recording, filing, and delivery of escrow documents; relating to civil penalties for violations of certain escrow provisions by escrow settlement agents; relating to the supervision by the Department of Commerce and Economic Development of escrow settlement agents; authorizing the adoption of regulations to implement certain escrow provisions; and providing for an effective date."

recommends it be replaced
with the following committee substitute

CS HB 13 (FIN)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) HFC

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<i>Al Mulda</i>	Mulda			<input checked="" type="checkbox"/>	
<i>Bob Bunde</i>	Bunde	<input checked="" type="checkbox"/>			
<i>Bob Foster</i>	Foster RB	<input checked="" type="checkbox"/>			
<i>John Kohring</i>	Kohring	<input checked="" type="checkbox"/>			
<i>Alvin Austman</i>	Austman	<input checked="" type="checkbox"/>			
<i>J. Davis</i>	J. Davis			<input checked="" type="checkbox"/>	
<i>Grussendorf</i>	Grussendorf			<input checked="" type="checkbox"/>	
<i>Caplan & Moses</i>	Moses			<input checked="" type="checkbox"/>	13
<i>John Davis</i>	DAVIS			<input checked="" type="checkbox"/>	
<i>W.K. Williams</i>	Williams	<input checked="" type="checkbox"/>			

CO CHAIR'S SIGNATURE

Gene Therriault
Therriault

Al Mulda
Mulda

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSHB 13 (FIN)

Revision Date: _____
Title: Regulation of Escrow Accounts
Sponsor: Rep. Rokeberg
Requester: _____

Dept. Affected Commerce & Econ. Dev.
BRU Banking Securities & Corp.
Component Banking Securities & Corp.
Component Serial No. 233

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by
Rep. Eldon Mudd, Co-Chair House Finance Committee

Rep. Gene Therriault, Co-Chair House Finance Committee

Phone 465-2647
Phone 465-4797
Date 3/9/99

3-9-99

to HB 13

AMENDMENT

①

NO OBJ

OFFERED IN THE HOUSE

TO: CSHB13()
Version "M" 2/19/99

Page 2, line 7

After "segregate"

Insert "on the records of the settlement agent"

Page 2, line 8

After "transactions."

Insert "Escrow money from more than one escrow transaction may be deposited into a single depository escrow account."

Page 2, lines 8-9

Delete "The records of a settlement agent must reflect this segregation."

CS FOR HOUSE BILL NO. 13()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the characterization of, use of, segregation of, deposit of,
2 interest on, and disbursement of escrow money; relating to the recording, filing,
3 and delivery of escrow documents; authorizing civil actions for violations of
4 certain escrow requirements; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. LEGISLATIVE PURPOSE. The purpose of this Act is to provide maximum
7 assurance to the public that their money will not be placed in jeopardy when entrusted to a
8 settlement agent in the course of residential real property transactions.

9 * Sec. 2. AS 21.66.250 is amended to read:

10 Sec. 21.66.250. Trust funds. Except as provided in AS 34.80, trust
11 [TRUST] funds or assets held in a fiduciary capacity by a title insurance company that
12 is authorized to do a trust business shall be invested in accordance with AS 06.25.

13 * Sec. 3. AS 34 is amended by adding a new chapter to read:

14 Chapter 80. Escrow Transactions for Residential Real Property.

1 **Sec. 34.80.010. Characterization of escrow money.** The money that is
2 received by a settlement agent for an escrow transaction is not the property of the
3 settlement agent and is not subject to execution, attachment, or other form of collection
4 for a claim against the settlement agent. Escrow money may not be used for a purpose
5 other than to fulfill the terms of the escrow transaction agreement.

6 **Sec. 34.80.020. Segregation and deposit of escrow money.** (a) A settlement
7 agent shall segregate the escrow money from one escrow transaction from all other
8 money, including the escrow money of other escrow transactions. The records of a
9 settlement agent must reflect this segregation.

10 (b) A settlement agent shall deposit escrow money in a depository escrow
11 account of a financial institution located in this state.

12 **Sec. 34.80.030. Interest on escrow money.** Notwithstanding any other
13 provision of law, interest may not be collected or paid by a settlement agent on
14 money held for an escrow transaction unless authorized in writing by the parties to the
15 escrow transaction, including the settlement agent.

16 **Sec. 34.80.040. Disbursement of escrow money.** (a) A settlement agent may
17 not disburse escrow money unless items that are at least equal in value to the proposed
18 disbursements have been received by the settlement agent for the escrow transaction,
19 have been deposited as required by AS 34.80.020(b), and are available for withdrawal
20 as a matter of right from the depository escrow account.

21 (b) A settlement agent may not disburse escrow money on the same business
22 day as the items are deposited under AS 34.80.020(b) unless the deposit is made in
23 cash, by interbank electronic transfer, or in a form that permits conversion of the
24 deposit to cash on the same day the deposit is made.

25 (c) A settlement agent may not disburse escrow money on the business day
26 after the business day on which the items are deposited under (a) of this section unless
27 the deposit is made by

28 (1) a cashier's check or a certified check and the cashier's check or
29 certified check is payable in the state and drawn on a financial institution located in
30 the state;

31 (2) a cashier's check, a negotiable order of withdrawal, a money order,

1 or another item and the check, order of withdrawal, money order, or other item has
2 been finally paid before the disbursement; or

3 (3) a depository check, including a cashier's, certified, or teller's check,
4 that is governed by 12 U.S.C. 4001 - 4010 (Expedited Funds Availability Act).

5 (d) In (a) of this section, "available for withdrawal as a matter of right" means

6 (1) when the item has been submitted for collection and payment for
7 the item has been received;

8 (2) when the financial institution where an item has been deposited
9 considers the money represented by the item available for withdrawal; or

10 (3) unless written notification has been received from the financial
11 institution where the item was deposited establishing a longer period for an item drawn
12 on an out-of-state financial institution, after a reasonable time has passed for
13 prohibiting customers from drawing on the item.

14 **Sec. 34.80.050. Recording, filing, or delivery of escrow transaction**
15 **documents.** A settlement agent may not record in the office of the recorder in this
16 state or record in an office in another state that is equivalent to the office of the
17 recorder, file under AS 45.09 in this state or file under an equivalent statute in another
18 state, or deliver a conveyance of property, loan documents, documents establishing a
19 security interest in property, or other documents from an escrow transaction until the
20 money required by the escrow transaction agreement to be disbursed at the same time
21 is available for disbursement under AS 34.80.040.

22 **Sec. 34.80.060. Civil action.** A person who suffers a loss of money or other
23 property as a result of a settlement agent's violation of this chapter may bring a civil
24 action against the agent to recover monetary damages that equal the value of the
25 money or other property lost. A court may not award punitive damages to the person.
26 In this section, "settlement agent" does not include an employee of a person who
27 handles an escrow transaction for compensation.

28 **Sec. 34.80.090. Definitions.** In this chapter,

29 (1) "depository escrow account" means an account that holds escrow
30 money pending completion of an escrow transaction and that is in a financial
31 institution;

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(2) "escrow money" means the money that is received by a settlement agent for an escrow transaction;

(3) "escrow transaction" means a transaction where, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, leasing, or other disposition of an interest in a single piece of residential real property, persons agree that

(A) money, written documents, evidence of title to real or personal property, or other things of value will be delivered to a person for retention until the happening of a specific event or the performance of a prescribed condition; and

(B) upon the happening of the event or performance of the condition, the person holding the things of value will deliver them to the persons entitled to them under the escrow transaction agreement;

(4) "financial institution" means a financial institution

(A) whose accounts are insured by an agency of the federal government;

(B) that is located in this state and does not meet the requirements of (A) of this paragraph, but is subject to regulation by the division of banking, securities and corporations in the Department of Commerce and Economic Development; or

(C) that is located in another state and does not meet the requirements of (A) of this paragraph, but is subject to regulation in the other state by an agency comparable to the division of banking, securities and corporations in the Department of Commerce and Economic Development;

(5) "item" means cash, a check, a negotiable order of withdrawal, a share draft, a traveler's check, a money order, or an interbank electronic transfer; in this paragraph, "check" includes a cashier's check;

(6) "residential real property" means real property on which there are one to four attached or detached dwelling units, or any number of apartments if the apartments are in a horizontal property regime formed under AS 34.07 or any number of units if the units are in a common interest community created under AS 34.08;

1 (7) "settlement agent" means a person who handles an escrow
2 transaction for compensation, but does not mean a financial institution or other person
3 when the financial institution or other person collects money for the sole purpose of
4 applying the money to the payment of an indebtedness; "settlement agent" includes an
5 employee of a person who handles an escrow transaction for compensation when the
6 employee is carrying out employment duties related to the escrow transaction.

7 **Sec. 34.80.095. Short title.** This chapter may be cited as the Good Funds Act.

8 * **Sec. 4.** This Act applies to escrow transactions that begin on or after the effective date
9 of this Act. In this section, "escrow transaction" has the meaning given in AS 34.80.090,
10 enacted by sec. 3 of this Act.

11 * **Sec. 5.** This Act takes effect July 1, 1999.

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS:

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JUDICIARY COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON UTILITY RESTRUCTURING, MEMBER
SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT &
TOURISM, MEMBER

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us



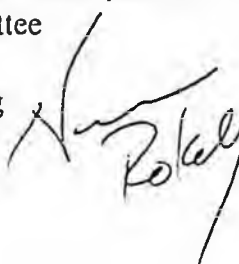
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Representative Norman Rokeberg

MEMORANDUM

TO: The Honorable Gene Therriault, Co-Chairman
House Finance Committee

FROM: Rep. Norman Rokeberg 

DATE: February 23, 1999

RE: CSHB 13 (L&C)
"Good Funds"

I would request that CSHB 13 (L&C) be scheduled for a hearing before your committee.

As you know, this bill was returned to House Rules from the House Floor. Some potential revisions to the bill would have resulted in a fiscal note so the bill was then referred to House Finance. It is my desire to obtain zero fiscal notes on this legislation and I am attaching a proposed CS that would accomplish two goals (1) keep the basic premises of the bill that funds should be available before documents are recorded and (2) have a zero fiscal impact.

Attached are:

1. CSHB 13 (L&C)
2. Fiscal Note
3. Sponsor Statement
4. Sectional Analysis
5. Letters of Support
6. Proposed blank CS
7. Proposed CS sectional analysis

As to the amendments adopted on the House floor:

Memorandum
February 23, 1999
Page 2

Amendment #1 is addressed on page 2, line 5 where the language after "transaction agreement" has been deleted.

Amendment #2 is not addressed in this legislation since that particular section ("Civil Penalty") has been replaced by "Civil Action" on page 3, lines 22-27. This "Civil Action" section removes all departments from the legislation and makes the violation of the Good Funds Act a private right of action.

Amendment #3 was withdrawn.

Amendment #4 is addressed on page 6, lines 28-29; however, this definition has also had the following language added after "dwelling units," "or any number of apartments if the apartments are in a horizontal property regime formed under AS 34.07 or any number of units if the units are in a common interest community created under AS 34.08"

Amendment #5 also dealt with the "Civil Penalty" section that has been changed to the "Civil Action" section (see Amendment #2 above).

Amendment #6 was pending; however, all references to the Department of Commerce & Economic Development, its supervisory authority, investigative authority, and regulation making authority are deleted from Version M. Also deleted is reference to the referral to the attorney general's office if voluntary compliance was not obtained.

Amendment #7 again dealt with the "Civil Penalty" section that is no longer in the legislation.

Amendment #8 is not needed as with the removal of the Department of Commerce and Economic Development since there are no provisions for an audit.

If you have any questions, please do not hesitate to contact me.

FISCAL NOTE

Bill Version: CSHB 13 (L&C)

(H) Publish Date: 2/1/99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Commerce & Econ Dev
 Title Regulation of Escrow Accounts BRU Banking, Securities and Corporations
 Component Banking, Securities and Corporations
 Sponsor Rep Rokeburg
 Requester House Labor and Commerce Component Sena No '233

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Please see attached bill analysis

Prepared by Franklin T. Elder, Acting Director Phone 465-2521
 Division Banking, Securities and Corporations Date/Time 1/22/99 9:00 AM
 Approved by Commissioner Deborah B. Sedwick Date 1/22/99
 Agency Commerce and Economic Development

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ALASKA STATE LEGISLATURE

House of Representatives

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Judiciary Committee, Member
Legislative Council, Member

Special Committees:

Utility Restructuring, Member
Economic Development, Member

Budget Subcommittees:

Commerce & Economic Development, Member
Corrections, Member
Labor, Member



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State Capitol
Juneau, AK 99801-1182
PHONE: (907) 465-4968
FAX: (907) 465-2040

REPRESENTATIVE NORMAN ROKEBERG

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

The "Good Funds" Bill

SPONSOR STATEMENT CSHB 13 (L&C)

At the request of the Alaska State Escrow Association, this legislation was reintroduced in an effort to assure consumers that their money will be safely received in a timely manner, and properly accounted for when delivered to a settlement agent for a residential real property transaction. Currently, there are no Alaskan laws addressing these concerns.

Consumers need to be assured that their funds (which can be rather large amounts) will not be jeopardized and will be available when needed during the course of a residential real estate transaction. From the seller's viewpoint, the execution of a deed and the deposit of that deed will bring forth proceeds upon recording of the deed. Under current Alaskan business practices, a buyer deposits a cashier's check prior to recording a property deed; however, this is not the case if a lender provides the purchase funds. In the case of a lender, the deed is recorded along with the lender's lien and the funds are deposited after the deed and other documents have been recorded.

This procedure exposes sellers and settlement agents to potential liability. The seller's interest in the property has been transferred but no funds have been received. This bill requires that before a settlement agent records documents transferring residential property (not commercial property) or creating a security interest in the property that the money required under the escrow agreement must be "Good Funds" available for distribution.

An increasing number of incidents have occurred demonstrating the need for Alaska to join the large number of states having "Good Funds" legislation, including Washington, California, and Oregon. In the age of growing electronic commerce, people are shopping the Internet for mortgages and there is an increase in competition from "outside" mortgage companies caused by low interest rates. Problems have arisen from failure of these "outside" companies to properly fund these transactions in a timely fashion, or, in the case of a bankruptcy, at all.

In drafting this bill, we have worked with various interested citizens, business groups, and financial institutions throughout Alaska.

I would urge your support of this legislation.

ED1:02/01/99

HB 13

An Act relating to escrow accounts

Sec. 34.75.070 provides that the Department of Commerce and Economic Development has some supervisory responsibility should a person party to an escrow closing have a complaint. This provision, as written, is not acceptable. It would appear that the department has an obligation to "supervise" when no specific authority is granted. Action could be initiated against the state for "not supervising" in case of loss.

Possible amendment to address what the department's responsibility actually is to "supervise" settlement agents. The following is taken, in part, from AS 45.50.495: 45.50.501: and 45.50.511.

In HB 13, see Section 3, page -3-, line 25, Sec 34.75.070. Department supervision.

Sec. 34.75.070. Investigative power of the department. (a) When the department, upon receipt of a written complaint from a party to an escrow of the settlement agent, has cause to believe that a settlement agent has engaged in, is engaging in, or is about to engage in a practice in violation of this chapter, the department may

1. Request persons, party to the escrow, to file a statement or report in writing, under oath, on forms prescribed by the department, setting out all facts and circumstances concerning the proposed violation, and other information considered necessary;

2. Examine under oath the settlement agent and any person subject to the complaint;

3. Examine record, books, documents, account, or paper that the department considers necessary;

4. Make true copies of any or all items listed in (3) of this subsection, which may be offered in evidence in place of originals.

(b) The department may issue subpoenas to require the attendance of witnesses or the production of documents or other evidence, administer oaths, and conduct hearings to aid in the investigation or inquiry into the complaint.

(c) As a result of the investigation by the department a finding of violation may exist the department shall

1. Seek assurances of voluntary compliance or,

2. Refer the findings to the Attorney General who may bring an action in the name of the state against the settlement agent found to be in violation of this chapter. The action may be brought in the superior court in the judicial district in which the settlement agent is doing business or the settlement agent's principal place of business in the state, or, with the consent of the parties, in any other judicial district in the state.

[Note: the attempt is to allow an aggrieved person a process to file a complaint with some assurance that any alleged violation would be reviewed. The department's responsibility would be to review the complaint and determine summary findings. These findings could

1. Dismiss the complaint as unfounded.

2. Work with the settlement agent to assure voluntary compliance.

3. Refer the findings to the Attorney General's office for action (restrain by injunction).]

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ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

LABOR & COMMERCE COMMITTEE, CHAIRMAN
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LEGISLATIVE COUNCIL, MEMBER
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Representative Norman Rokeberg

SECTIONAL ANALYSIS CSHB 13 () VERSION M, WORK DRAFT, 2/19/99 "GOOD FUNDS"

Prepared by: Rep. Rokeberg

Section 1: Purpose of the Act is to assure the public that their money will be safe when delivered to a settlement agent for a residential real property transaction. "Residential real property" is defined to mean real property on which is located a building containing one to four dwelling units in Section 3.

Section 2. Amends AS 21.66.250 (in the chapter on title insurance companies) to make its trust fund provisions subject to the proposed new chapter on escrow transactions.

Section 3. Establishes a new chapter on escrow transactions.

Sec. 34.80.010. States that the money in an escrow transaction does not belong to the settlement agent and cannot be used to satisfy a claim against the agent. Prohibits using escrow money for anything other than what the escrow transaction agreement calls for.

Sec. 34.80.020. Directs a settlement agent to separate the money of one escrow transaction from all other money and to show this in the records. Requires the settlement agent to deposit escrow money in a bank or other financial institution in this state.

Sec. 34.80.030. Prohibits collecting or paying interest on escrow money unless the parties agree to do so.

Sec. 34.80.040. (a) Establishes the circumstances when a settlement agent may pay out escrow money.

(b) Prohibits paying out escrow money on the same business day as when the checks, drafts, money orders, and transfers are deposited, unless the money is received for deposit in certain forms, e.g. cash, or interbank electronic transfer.

(c) Describes the circumstances when a settlement agent can pay out escrow money on the business day after the business day the items representing the money are deposited.

(d) Defines the phrase "available for withdrawal as matter of right" for this section.

Sec. 34.80.050. Prohibits a settlement agent from recording, filing, or delivering escrow documents until the money to be paid out is available under AS 34.80.040 for payment.

Sec. 34.80.060. Creates a private right of action for violation of this law.

Sec. 34.80.090. Definition section.

Sec. 34.80.085. Short title: "Good Funds Act"

Section 4. This applies to escrow transactions that begin on or after the effective date of this Act.

Section 5. Effective date is July 1, 1999.

ED 2:02/22/99

FEB 22 1999



February 22, 1999

Representative Norman Rokeberg
State Capitol
Juneau, AK 99801

RE: Good Funds Legislation (HB 13)

Dear Mr. Rokeberg,

This letter is on behalf of the Alaska State Escrow Association. We are in full support of this bill. I wrote a letter to you on January 22, 1998 supporting the bill. A lot of our members have faxed support letters to you and to their legislators.

We all want to see this bill passed this year. If there is anything more we can do to help support the bill, please let me know. We appreciate your support.

Sincerely,

BERNICE BAKER
PRESIDENT
ALASKA STATE ESCROW ASSOCIATION

January 22, 1999

FEB 22 1999



Representative Norman Rokeberg
State Capitol
Juneau, AK 99801-1182

RE: GOOD FUNDS LEGISLATION

Dear Representative Rokeberg,

On behalf of the Alaska State Escrow Association, I am writing this letter in support of the "Good Funds" legislation. We feel that this legislation is necessary to protect consumers as well as all other parties involved in a real estate transaction.

As Settlement Agents, our customers trust that when we record a transaction, we are in a position to fund that transaction. In order to do that, we must have the lenders' funds in our possession prior to the recordation of documents. We have, in recent months, had cases where the lender did not fund the loan on the day of recordation, and one case where the lender did not fund the loan at all. This is not the kind of service we want to give our customers.

The Good Funds legislation is necessary to protect consumers and to give them the service they deserve and expect.

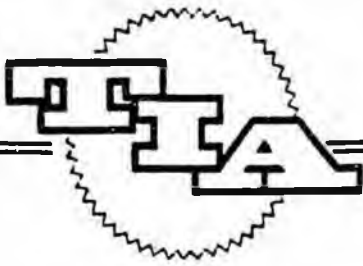
Thank you for all your assistance in getting this bill into the legislature. We appreciate your help again this year, as well as in the past.

If I can be of any assistance, please feel free to contact me at (907) 561-1844.

Sincerely

A handwritten signature in cursive script, appearing to read "Bernice Baker", is written over the typed name.

BERNICE BAKER
PRESIDENT
ALASKA STATE ESCROW ASSOCIATION



TITLE INSURANCE AGENCY

9097 Glacier Highway
Juneau, Alaska 99801

Phone (907) 789-1671

Fax (907) 789-2375

E-mail tia@alaska.net

January 28, 1999

Representative Bill Hudson
State Capitol, Room 430
Juneau, Alaska 99801-1182

FEB 01 1999

Re: Proposed Good Funds Legislation

Dear Bill:

I am joining with the Alaska Land Title Association in asking you to support the good funds legislation proposed by Representative Norman Rokeberg, HB 13. The legislation would require title companies to record loan documents only after the loan proceeds have been deposited in their trust account. The bill will protect Alaskans against the risks that occur when documents are recorded prior to disbursement of loan proceeds.

Like any title company, Title Insurance Agency holds documents and money in trust for our customers. However, if funds are not provided prior to the recording of real estate documents, both buyers and sellers run the risk that a bank may refuse to fund a loan, or fail prior to disbursement. If this occurs, title to the property is transferred, but the property is not paid for. Both buyer and seller would be adversely affected, and the potential for litigation is high.

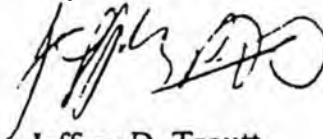
Both situations are very real risks. While we have been fortunate to avoid such a situation, it is my understanding that it has occurred in other companies. While the risk of such an event is low, the result can be catastrophic for any company and its customers. No matter how diligent a company or its customers may be, there is no way to avoid this risk as long without good funds legislation.

HB 13 is a consumer protection bill that will benefit all Alaskans. As you know, title companies are highly regulated institutions. We hold people's money in trust, and have a fiduciary responsibility to those we serve. The interest of our customers, and all Alaskans, will be served by this bill.

Letter to Hon. B. Hudson
01/28/99

I would appreciate your support of this important legislation.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Jeffery D. Troutt". The signature is fluid and cursive, with a large loop at the end.

Jeffery D. Troutt
President

Cc: Hon. Norman Rokeberg
Mary Ann Rowe - Alaska Land Title Association
Mark Tomlinson - Fairbanks Title Agency

Facsimile Cover Sheet

**To: Representative Norman
Rokeberg**

Company:
Phone:
Fax: 279-9641

From: Frances Guthrie.
Company: AK ESCROW ASSOCIATION
Phone: 907-333-5939
Fax: 907-265-2170

Date: JANUARY 22, 1998

Pages including this 1
cover page:

Mr Rokeberg.

I am writing this letter in support of the "good funds" legislation.

This Legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in a transaction.

Real estate transactions have been closed and deeds recorded wherein the lenders have not funded the loans, when all parties have acted in good faith to meet all the lenders' requirements. This should not be allowed to happen and with the passage of the "good funds" legislation, it will not happen.

Please support this legislation for the good of all consumers.

Sincerely,

Frances Guthrie

January 22, 1999

JAN 22 1999



Representative Norman Rokeberg
State Capitol
Juneau, AK 99801-1182

RE: GOOD FUNDS LEGISLATION

Dear Representative Rokeberg,

On behalf of the Alaska State Escrow Association, I am writing this letter in support of the "Good Funds" legislation. We feel that this legislation is necessary to protect consumers as well as all other parties involved in a real estate transaction.

As Settlement Agents, our customers trust that when we record a transaction, we are in a position to fund that transaction. In order to do that, we must have the lenders' funds in our possession prior to the recordation of documents. We have, in recent months, had cases where the lender did not fund the loan on the day of recordation, and one case where the lender did not fund the loan at all. This is not the kind of service we want to give our customers.

The Good Funds legislation is necessary to protect consumers and to give them the service they deserve and expect.

Thank you for all your assistance in getting this bill into the legislature. We appreciate your help again this year, as well as in the past.

If I can be of any assistance, please feel free to contact me at (907) 561-1844.

Sincerely

A handwritten signature in cursive script, appearing to read "Bernice Baker", is written over the typed name.

BERNICE BAKER
PRESIDENT
ALASKA STATE ESCROW ASSOCIATION

Pacific Rim Title Insurance Agency, Inc.
307 E. Northern Lights Boulevard
Anchorage, Alaska 99503

January 22, 1999

Rep. Norman Rokeberg
House of Representatives
State Capitol
Juneau, Alaska 99801-1182
Fax (907) 465-2040

Dear Rep. Rokeberg:

Subject: House Bill 13 - Good Funds Legislation

I am writing in support of your proposed legislation involving the subject of "good funds" as set out in House Bill 13. I feel ~~that~~ this is important legislation which speaks to the protection of the consumer involved in real estate transactions.

As you discovered last year in hearings because of the fact that funds are not transmitted at the time of closing there is the potential of a property having been sold to a buyer without the sales price being available to the seller. This delay of funds also raises the potential of interest being paid on the seller's loan which the buyer is paying interest on his/her new loan.

As pointed out in the letter sent by the Alaska Land Title Association all parties other than the lender are presently required to deposit "good funds" with the settlement agent prior to closing and since the lender's funds represent a major portion of the sales price then it is fitting that the lender's follow the same requirement as the buyer/borrower.

The practice of not dispersing funds to the settlement agent until after the transaction has been completed appears to have been developed for the benefit of lenders and not the buyers or sellers of a house.

I will be attending by teleconference the hearing on Monday January 25, 1999.

Very truly yours,


Jeff Blake

SOUTHEASTERN TITLE AGENCY, INC.

P.O. BOX 1223
SITKA, ALASKA 99835

PHONE (907) 747-3278
FAX (907) 747-3616
E MAIL stai@ptialaska.net

Rep. Norman Rokeberg
716 West 4th Avenue, Suite 640
Anchorage, Alaska 99501

JANUARY 7, 1999

RE: GOOD FUNDS LEGISLATION

Rep. Rokeberg,

As one of the smaller Title Companies within Alaska, I am very familiar with the problems that have been outlined regarding past and existing practices by some lenders causing undue problems on real estate transactions. This has become an increasing problem in Alaska, especially with increased action by out-of-state lenders entering our markets. We also notice that individuals, deal shopping on the Internet, has created increased interest by these "super market lenders" from Florida, New Jersey, and others that don't even have a clue where Alaska is, or whether we utilize American Money.

The Title industry has, for years, required certified bank checks, wire transfers from banks, or other similar requirements to assure funds are available at the time of closing to assure prompt honest disbursement for the clients. I heartedly agree that similar requirements for lenders should be made a state law. This would go a long ways towards discouraging (Often never heard of before) speculative lenders who can cause greivous losses or great harm to persons attempting to do honest business in Alaska.

I appreciate your efforts in this regard.

Sincerely,



Michael V. Schmidt
President

: Sen Taylor
: Rep. Grussendorf
: Alaska Land Title Assoc.

ALASKA LAND TITLE ASSOCIATION

P. O. BOX 241811, ANCHORAGE AK 99524-1811

January 6, 1999

Rep. Norman Rokeberg
716 West 4th Avenue, Suite 640
Anchorage AK 99501

Dear Rep. Rokeberg

SUBJECT: PROPOSED GOOD FUNDS LEGISLATION

On behalf of the Alaska Land Title Association, I am writing in support of the proposed "good funds" legislation which you forwarded to our membership under cover letter of November 23, 1998. We feel that this is important legislation which is necessary to protect the consumer from consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in connection with said transaction.

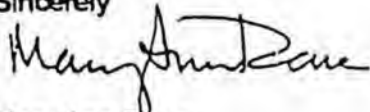
In the last several years many new lenders have entered the Alaska market place with a practice of delaying funding until such time as the lien has been recorded, costing both buyers and sellers unnecessary interest and costs in connection with their transaction. Some lenders have even failed to fund or delayed funding causing undo hardship and severe consequences to the consumer and the settlement agent who have acted in good faith with the lender to meet their loan requirements.

Buyers are currently required by a settlement agent to deposit funds by cashiers check or bank wire service prior to a closing. The same requirement should also be held for a lender.. In this age of electronic mail, computers and bank wire services, this bill should not create any undue hardship on any party to a real estate transaction.

The proposed legislation is necessary to give the consumer the protection they deserve and the service they expect.

If you have any questions, please feel free to contact me at (907) 235-8196.

Sincerely



Mary Ann Rowe

President

FBI NO. 001002110
11/01/01

National Bank of Alaska

Facsimile Cover Sheet

To: Rep. Norman Rokeberg
Company: Alaska State Legislature
Phone: 907-465-4954
Fax: 907-465-2040

From: MARY NELL LARSON, Treasurer,
AK State Escrow Association
Company: NATIONAL BANK OF ALASKA
Escrow Service Department
Phone: 907-265-2163
Fax: 907-265-2170

Date: JANUARY 22, 1999

**Pages including this
cover page: 1**

RE: House Bill 13 - Good Funds Legislation

Dear Mr. Rokeberg:

I am writing this letter in support of the "good funds" legislation.

This legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in a transaction.

Real estate transactions have been closed and deeds recorded wherein the lenders have not funded the loans, when all parties have acted in good faith to meet all the lenders' requirements. This should not be allowed to happen and with the passage of the "good funds" legislation, it will not happen.

Please support this legislation for the good of all consumers

Sincerely,



This document contains confidential information. No copy or reproduction shall be made without permission of National Bank of Alaska. If you have received this communication in error, please notify initiator immediately and return original message to us via U.S. Postal Service at address provided by initiator.

Please support this bill, unfortunately
 it has become the practice of
 some lenders to require escrow
 agents to close and record
 transactions before the lenders
 have funded and delivered
 the actual monies needed
 to finalize the transaction.
 This procedure should be
 stopped now by statute. I
 can think of no reason the
 title to a seller's home should
 be transferred prior to the
 escrow agent having all
 of the buyer's monies ready
 to disburse to the seller or
 a lender holding a lien
 put against their home
 without the money they are

RE: HB 13 - Regulations of Escrow Accounts

SEN. M. KILIE
 REP. AN STEINMAN
 REP. ROJBERG
 H.L.T.C. committee

PAGE 2

borrowing ready for disbursement,
I believe the term ESCROW
means monies being held
by a third party BEFORE
the transaction is completed,
NOT AFTER. THE PROPOSED
HB 13 IS GOOD BUSINESS
PRACTICE FOR ALL
CONCERNED AT NO ADDITIONAL
COST. to anybody.

Timothy J. Hurley
Box 864
KODIAK, AK 99615
907 486-5584

John and Ann Ringstad
757 Illinois Street
Fairbanks, Alaska 99701
(907) 456-8336
ringstad@polamet.com

TO: Representative Norm Rokeberg, Chairman
House Labor & Commerce Committee

FROM: John and Ann Ringstad

DATE: January 21, 1999

RE: HB 13 – Good Funds Legislation

We support HB 13 and ask that you do the same. This legislation would close a loophole in the escrow laws, protecting all parties involved in a residential real estate transaction. We have nothing to gain by this legislation – except the protection of buyers and sellers in future residential real estate transactions in the state of Alaska.

Crazy as it may seem; without this legislation, it is entirely possible to sell your home and not be compensated in any way for the transaction, including payment of your mortgage, even if you correctly complete the closing transactions with an escrow agent.

We can personally vouch that we found ourselves in this exact situation. In our case, after both the buyer and seller completed all the necessary closing documents in the sale of our home, the escrow agent called the buyers' out-of-state lender to verify that the funds were being wired to complete the transaction that day. (This is a very typical business practice in this state.) With that affirmative information in hand, the closing documents were recorded and property ownership transferred to the buyer. The same day as the buyers' deed was recorded and they took possession of the property, the buyers called their out-of-state lending institution and requested that transfer of the funds be stopped. Now the property was in the name of the buyer, our mortgage was still in effect and we were liable for the property without any compensation. Getting the property back was nothing short of a nightmare – it took over four months to straighten out the mess. Needless to say, if the funds were actually received prior to closing and recording, this situation would never have transpired.

Please pass this bill as expediently as possible. It could prove to be very important to you someday.

KACHEMAK BAY TITLE AGENT

3891 Ben Wallers Ln #1 • Homer AK 99603
Phone (907)235-8196 • Fax (907)235-2420

January 19, 1999

Sen John Torgerson
State of Alaska
Juneau AK 99801

Dear Sen. Torgerson

RE: HB 13 "Good Funds Legislation"

I am writing in support of the proposed House Bill 13 introduced by Rep. Norman Rokeberg and would like to ask your support of this bill.

As a professional title agent with escrow settlement services, this bill will assure the public that their funds will not be jeopardized and will be available at the close of a real estate transaction. The settlement agent acts as a third party to a transaction wherein money and documents are deposited and then exchanged under agreed upon conditions. A seller executes a deed to the property and understands they will receive his proceeds of sale upon recordation of his deed. A buyer provides his down payment funds and executes loan papers for the balance owed toward the purchase price of the property. Current business practice requires that the buyers funds be certified prior to recordation. The same is not held to the lender who provides the balance of the funds.

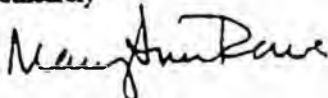
This may appear to be a reasonable business practice, however it could easily become a volatile situation when those lenders funds are delayed or not forthcoming causing the seller additional costs on his outstanding loans and not being able to provide the consumer (seller) his funds upon transfer of his property to a buyer. The consumer has in good faith executed the necessary papers (including the buyer who has executed the loan documents) yet funds have not been forthcoming in a timely fashion.

The need for good funds legislation is stronger now as we have increased our lending community as interest rates have continued to stay low. With electronic mail and wire services, funding prior to recordation should not cause any undue hardship on any party to a transaction and will protect the consumer from delayed funding.

I urge you to support this important legislation as I am convinced that its passage will provide the consumer with the protection they deserve and the service they expect.

Please feel free to give me a call at (907)235-8196 if you have any questions.

Sincerely



Mary Ann Rowe
President

cc: Rep. Norman Rokeberg ✓

SPONSORED BY REP. ROKEBERG
HB 13

January 12, 1999

Mr. Pete Kott
State Capitol
Juneau, Alaska 99801-1182
FAX (907)465-2819

RE: GOOD FUNDS LEGISLATION

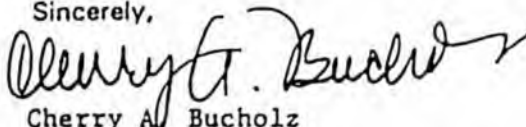
I am writing this letter in support of the "good funds" legislation.

This Legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in a transaction.

Real estate transactions have been closed and deeds recorded wherein the lenders have not funded the loans, when all parties have acted in good faith to meet all the lenders' requirements. This should not be allowed to happen and with the passage of the "good funds" legislation, it will not happen.

Please support this legislation for the good of all consumers.

Sincerely,



Cherry A. Bucholz
9197 W. Parkview Terrace Loop
Eagle River, Alaska 99577
Phone (907) 561-1844
FAX (907) 561-1948



JAN 20 1999

First American Title Insurance Company

510 W. Tudor, Suite 1 Anchorage, Alaska 99503
Phone (907) 562-0510 Fax (907) 562-2748
Sender's Direct Dial (907)-786-9569

January 20, 1999

Representative Norman Rokeberg
Alaska State Capitol
Juneau, Alaska 99801-1182

Re: HB 13 "Good Funds" Legislation

Dear Representative Rokeberg:

This letter is to advise you of First American Title's support of House Bill 13, the "Good Funds" bill. This is an important piece of consumer legislation. First American Title Insurance Company is a long time underwriter of title insurance in the United States (tracing our origins to 1889) and in Alaska (since 1965). In recent years, real estate sales transactions have become more complex, but are handled more quickly thanks to technology and better communications. The speed and technology can, however, lead to new problems, among which is the issue of "good funds".

Lenders many times require that we record transactions before they fund them, requiring title and escrow agents to take risks which they should not be required to take. Just recently, after requiring recording before funding, a lender from outside Alaska went bankrupt, leaving the parties, our agent, the real estate agents and brokers with no recourse but to attempt to find other financing. The seller spent days in a hotel in the town to which he was moving, waiting for loan proceeds that were delayed. This nearly cost him the purchase of his new home.

I urge you and the rest of the legislature to pass HB 13 to avoid losses like this one in the future. Thank you for your efforts.

Very truly yours,

FIRST AMERICAN TITLE INSURANCE CO.

Bryan S. Merrell, Esq.
State Counsel & Underwriter



TransAlaska Title

105 Trading Bay Rd., STE 103 • Kenai, AK. 99611 • (907) 283-7503 • FAX: (907) 282-7719

January 20, 1999

JAN 21 1999

Representative Hel Smalley
145 Main Street Loop
Kenai, AK 99611

RE: House Bill 13, Good Funds Bill

Dear Representative Smalley:

The Alaska State Escrow Association, together with the Alaska Land Title Association is currently working towards a "Good Funds" Bill. This is a very important matter and it affects every Alaskan who purchases or sells a home.

I, and hundreds of others in the real estate industry support this legislation. I am writing to ask that you also support this legislation. Thank you for your help on this issue of critical importance.

Sincerely,

Patsy Mizera
Vice President

JAN 18 1999

January 13, 1999

Representative Norm Rokeberg
716 West 4th Avenue
Suite 640
Anchorage, Alaska 99501

Re: Good Funds Legislation

Dear Norm:

Thank you for supporting and introducing "good funds" legislation. Only yesterday, a lender in New York asked me if we were a "funds protected" State.

This is a title and escrow issue, as well as, a banking issue. More importantly it is a consumer issue. Willing parties come to the closing table to complete a property transfer and transfer made be delayed or in some cases cancelled due to lack of funding or funding late from lenders. This is particularly true today with so many lenders in the marketplace. With the onset of the internet, borrowers are finding lenders other than local to provide funding. Unfortunately, not all of them are as reputable as the more established lenders.

Thanks again for your support and your continued efforts on behalf of your constituents and all residents of the State of Alaska.

Sincerely,


Frank R. Price

JAN 18 1999

January 18, 1999

Representative Ramona Barnes
State Capitol
Juneau, AK 99801-1182

FAXED: (907) 465-4565

RE: GOOD FUNDS LEGISLATION

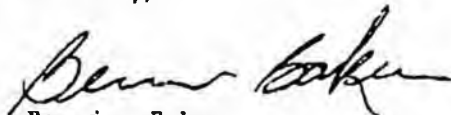
I am writing this letter in support of the "good funds" legislation.

This Legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in a transaction.

Real estate transactions have been closed and deeds recorded wherein the lenders have not funded the loans, when all parties have acted in good faith to meet all the lenders' requirements. This should not be allowed to happen and with the passage of the "good funds" legislation, it will not happen.

Please support this legislation for the good of all consumers.

Sincerely,



Bernice Baker
House District 22

CC: Representative Norm Rokeberg



ALASKA ASSOCIATION OF REALTORS, INC.
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133 • Fax 907-561-1779

January 12, 1999

Representative Norm Rokeberg
State Capital
Juneau, AK 99801

Dear Representative Rokeberg,

The Alaska Association of REALTORS®, with its over 1100 members statewide, joins with the Alaska Escrow Association in support of HB 13, an act relating to escrow funds.

This legislation would assure the public that funds are in fact available to pay off a seller's existing loan upon recording of documents. Settlement agent policies and procedures will be standardized and clear to both the real estate and lending communities. In addition Alaska statutes will parallel the statutes of most of the States in the Western U. S.

AAR supports passage of HB 13

Sincerely,

Charlie Sandberg, CCIM, CRS, GRI
President

The Voice for Real Estate™ in Alaska

REALTOR® is a registered mark which identifies a professional in real estate who subscribes to a strict Code of Ethics as a member of the NATIONAL ASSOCIATION OF REALTORS®



dec 1/12/99

Subject: Fw: GOOD FUNDS LEGISLATION

Date: Wed, 13 Jan 1999 20:03:50 -0900

From: LaRose <bbarndt@mtaonline.net>

To: <Representative_Norman_Rokeberg@legis.state.ak.us>

-----Original Message-----

From: bbarndt@mtaonline.net <bbarndt@mtaonline.net>

To: Senator Rick Halford@legis.state.ak.us <Senator_Rick_Halford@legis.state.ak.us>

Date: Wednesday, January 13, 1999 7:38 PM

Subject: Fw: GOOD FUNDS LEGISLATION

-----Original Message-----

From: bbarndt@mtaonline.net <bbarndt@mtaonline.net>

To: Representative Fred Dyson@legis.state.ak.us <Representative_Fred_Dyson@legis.state.ak.us>

Date: Wednesday, January 13, 1999 7:33 PM

Subject: GOOD FUNDS LEGISLATION

Dear Senator Halford:

I am writing this letter in support of the "good funds" legislation.

I am an escrow officer at a title company in Anchorage. In September I was a part of a transaction for a sale of a four-plex. Buyer, Seller, Listing Agent, Selling Agent, and me, the escrow officer. On Wednesday, September 24, 1998 I received documents for closing from Southern Pacific Mortgage out of Oregon. On Thursday, September 25, the listing agent signed by Power of Attorney for the seller who was out of state. The buyers sister signed by by Power of Attorney for her. Recording of this transaction was to take place on Tuesday, September 29. After signing, documents were sent off federal express to the lender for approval. The lender received the documents on Friday, September 26. So far no problem. On Monday, September 28, I received approval from the lender to record on Tuesday as planned. Tuesday, the documents were recorded, and the lender was called with clearance and to balance with the wired loan funds. The funding department told me to call back. FUNDS NEVER ARRIVED. The nightmare began. It took 3 more days, and several phone calls before I found out the lender had filed bankruptcy on Thursday, October 1.

So has the nightmare ended? It hasn't. A horrendous lawsuit involving the lender, mortgage broker, listing agent, selling agent, seller, buyer and title company was imminent. To prevent lawsuit, the title company, stepped forward and made a short-term bridge loan to the buyer, conditioned on finding another funding source. The seller received his money and his loan was paid off. The buyer then defaulted on her first bridge loan payment to the title company. The title company is now foreclosing on a four-plex.

December, 1998. I received approval from a lender to record on another transaction. We recorded. I called and balanced with the lender. Funds were wired. However, the funds wired were the wrong amount from what we balanced with. \$83,000 less. It took two days before we received the rest of the money. It cost the seller two days more interest on their payoff. Listing and selling agents didn't receive their commissions.

Without "good funds" legislation, we all could be faced with recording transactions with no money to follow.

This Legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in a trasaction.

Real estate transactions have been closed and deeds recorded wherein the lenders have not funded the loans, when all parties have acted in good faith to meet all the lenders' requirements. This should not be allowed to happen and with the passage of the "good funds" legislation, it will not happen.

Please support this legislation for the good of all consumers.

Sincerely,

Ann D. Barndt
18006 Teklanika Drive
Eagle River, AK 99577
e-mail bbarndt@mtaonline.net

January 14, 1999

Wanda Tredway
12801 Silver Spruce Drive
Anchorage, AK 99516

DT10

JAN 21 1999

Joe Green, Legislator
State Capitol
Juneau, AK 99801-1182

RE: GOOD FUNDS LEGISLATION

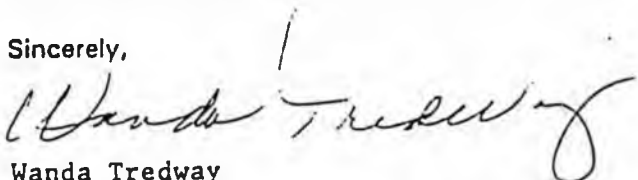
I am writing this letter in support of the "good funds" legislation.

This Legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time of recordation of the documents in a transaction.

Real estate transactions have been closed and deeds recorded wherein the lenders have not funded the loans, when all parties have acted in good faith to meet all the lenders' requirements. This should not be allowed to happen and with the passage of the "good funds" legislation, it will not happen.

Please support this legislation for the good of all consumers.

Sincerely,


Wanda Tredway

cc: Norm Rokeberg
716 West 4th Avenue, Suite 640
Anchorage, AK 99501

JAN 21 1999

January 14, 1999

Michelle Scheevel *st 24*
13731 N. Lowrie Loop
Eagle River, AK 99577

Pete Kott
State Capitol
Juneau, AK 99801-2069

RE: GOOD FUNDS LEGISLATION

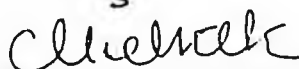
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Please support this legislation for the good of all consumers.

Sincerely,


Michelle Scheevel

cc: Norm Rokeberg
716 West 4th Avenue, Suite 640
Anchorage, AK 99501

Subject: House Bill 13
Date: Wed, 20 Jan 99 17:27:00 -0800
From: Chris Ohler <chriso@akttitle.com>
Organization: PACIFIC NORTHWEST TITLE
To: Representative_Joe_Green@legis.state.ak.us, Senator_Jerry_Ward@legis.state.ak.us
CC: Representative_Norman_Rokeberg@legis.state.ak.us

I am writing to express my support of House Bill 13. I have been informed that the House Labor & Commerce Committee will be hearing House Bill 13 on Monday, January 25, 1999. This matter affects every Alaskan who purchases or sells a home or real property. I urge you to support passage.

Christina M. Ohler
President, Pacific Northwest Title of Alaska, Inc.
& District 10 Registered Voter

FAX

Date 1/22/99

Number of pages including cover sheet

TO: **REPRESENTATIVE
NORMAN ROKEBERG
%ALASKA STATE
LEGISLATURE**

FROM: Jackie Zuspan, president-
elect.
Alaska State Escrow
Assn.
301 W. Northern Lights
Blvd
Anchorage, Ak 99503

Phone
Fax Phone 907-465-2040

Phone 907-265-2162
Fax Phone 907-265-2170

CC:

REMARKS: Urgent For your review Reply ASAP Please Comment

RE: GOOD FUNDS LEGISLATION HB#13

The House Labor & Commerce Committee will be hearing this bill on Monday January 25, 1999.

I support the "good funds" legislation.

This legislation must be passed in order to protect consumers from the consequences when funds due in a real estate transaction are not available at the time documents are recorded.

Real estate transactions have been closed, documents recorded, and lenders **HAVE NOT** funded the loans, even when the parties have acted in good faith to meet all of the lenders requirements.

This should not be allowed. Passing the "good funds" bill will eliminate possible risk to parties of the transaction.

please support this bill for the good of all consumers