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## Conference Committee Synopsis

Legislative Service Commission

### Sub. S.B. 185 126th General Assembly

*The Conference Committee recommends the bill as passed by the Senate with the following changes:*

Topic	Senate Version	House Version	Conference Committee Recommendation
<b>Offenses that may disqualify a mortgage broker, loan officer, or real estate appraiser license, permit, or certification applicant</b>	In addition to the criminal offenses that under existing law may exclude an applicant from receiving a mortgage broker certificate or loan officer license, adds that the Superintendent must also find that the applicant has not pled guilty to or been convicted of a violation of existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the criminal offenses listed ( <i>R.C. 1322.04 and 1322.041</i> ). Also, prohibits the Superintendent from issuing or renewing a real estate appraiser certificate, license, or registration to any person who	Maintains these provisions from the Senate version, and adds a specific clause prohibiting the Superintendent from granting a certificate of registration as a mortgage broker to any applicant who has received a felony or misdemeanor conviction of theft and stipulates that no person acting as a mortgage broker is exempt from the registration requirements of the Mortgage Broker Law on the basis of prior work as a mortgage broker ( <i>R.C. 1322.03</i> ).	House version, but removes a clause from the House bill that prohibited the Superintendent from granting a certificate of registration as a mortgage broker to any applicant who has received a felony or misdemeanor conviction of theft ( <i>R.C. 1322.03</i> ).

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	has been convicted or pled guilty to certain criminal offenses ( <i>R.C. 4763.05(H)(2) and 4763.06(A)</i> ).		
<b>Prepayment penalties for refinancing penalties, generally</b>	No provision.	Prohibits penalties for the prepayment or refinancing of any mortgage obligation of less than \$50,000 issued by a mortgage broker, loan officer, or nonbank mortgage lender ( <i>R.C. 1343.011</i> ).	House version, but increases from \$50,000 to \$75,000 the minimum size of a residential mortgage for which prepayment or refinancing penalties may be charged, and provides for the minimum loan amount to be adjusted by the annual percentage change in the consumer price index. The Department of Commerce must publish the adjusted amounts on its web site. ( <i>R.C. 1343.011</i> .)
<b>Entities exempt from Mortgage Broker Law</b>	No provision.	In addition to the financial institutions and their affiliates that current law exempts from the requirements of the Mortgage Broker Law, exempts credit union service organizations. Specifically, defines an "affiliate" as an entity that controls, is controlled by, or is under common control with the exempted financial institution (would also include credit union service organizations), and is subject to oversight from various federal regulators ( <i>R.C. 1322.02</i> ).	House with technical revision ( <i>R.C. 1322.02(C)(1)(a)</i> ).



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<b>Mortgage broker and loan officer education requirements</b>	No provision.	Requires any person who applies for a mortgage broker certificate or loan officer license on or after January 1, 2007 to meet certain qualifying education requirements, which include 24 hours of classroom instruction within the preceding ten years (broken down: 8-real estate finance/lending; 8-Ohio real estate, federal civil rights law; 4-real estate appraisal; and 4-ethics). Furthermore, requires that applicants, in lieu of actual submission of transcripts, maintain, for five years, transcript records substantiating successful completion of the pre-license education requirements for inspection by the Superintendent. Also, the Superintendent may require an applicant to submit a "statement" affirming the existence of such transcripts and makes same available for inspection if required ( <i>R.C. 1322.03 and 1322.031</i> ).	Keeps House requirement for 24-hour pre-license education requirements, but modifies course content requirements ( <i>R.C. 1322.03 and 1322.031</i> ).
<b>Mortgage loan origination disclosure statement</b>	Mortgage brokers currently are required to deliver a mortgage loan origination disclosure	In addition to the new requirements contained in the Senate bill, requires a mortgage	House version with an additional specification that the registrant shall deliver to the buyer, a copy



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	<p>statement (MLODS) to a buyer within three business days after taking an application for a loan. Among other things, the MLODS must include a description of the method by which the fee to be paid by the buyer to the mortgage broker will be calculated. Adds that, the MLODS also must provide a "good faith estimate" of the total amount of that fee.</p> <p>Adds a requirement that, if the loan applied for will exceed 90% of the value of the real property, the MLODS must include a statement warning the buyer of certain risks.</p> <p>Alters the time frame governing the existing law requirement of delivery of a revised MLODS to the buyer from three days after a change occurs (and why) to no later than 24 hours after certain changes occur, or 24 hours before the loan is closed, whichever deadline is earlier.</p> <p>Also, if the increase in the total amount of the fee to be paid by the buyer is not disclosed as required, the mortgage broker</p>	<p>broker to provide a copy of any credit score and report obtained regarding the buyer for the purpose of the mortgage loan application. Requires a mortgage broker to deliver a good faith estimate that discloses the amount or range of charges for the specific settlement services the buyer is likely to incur. The good faith estimate must meet the requirements of the federal <i>Real Estate Settlement Procedures Act</i> and include a specifically defined notice that advises the nature of the relationship between the buyer and the mortgage broker, specific warnings, and the conditions for termination of the agreement (<i>R.C. 1322.062 and 1322.063</i>).</p>	<p>of any "non-proprietary or publicly available" credit report (<i>R.C. 1322.062 and 1322.063</i>).</p>

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	must refund to the buyer the amount of the fee that exceeds the previous estimate, and if the fee is financed, the amount of interest on the fee that would accrue over the term of the loan ( <i>R.C. 1322.062</i> ).		
<b>Prohibited acts, mortgage brokers</b>	Prohibits mortgage brokers and loan officers from failing to "timely" (defined as within 24 hours of the change or before the loan closes, whichever is the earlier) inform the buyer (1) of any "material change" (defined in bill) in the terms of the loan and (2) if the estimated cash out available to the buyer changes by more than 10% ( <i>R.C. 1322.064</i> ); and from promising to refinance a loan in the future at a lower interest rate or with more favorable terms unless the promise is set forth in writing and is initialed by the buyer ( <i>R.C. 1322.07</i> ).	Rather than require mortgage brokers and loan officers to timely inform the buyer if the estimated cash out ((2) in the Senate bill) available to the buyer changes by more than 10%, requires buyers to be informed if any fees payable to the broker or lender increase by more than 10% or \$100, whichever is greater ( <i>R.C. 1322.064</i> ).	House version.
<b>Influencing an appraiser's judgment</b>	Prohibits a broker or loan officer, registrant, or applicant or any other person from knowingly compensating, instructing, inducing, coercing, or intimidating, or attempting to	Modifies the Senate prohibition related to improperly influencing a real estate appraisal to prohibit any mortgage broker or real estate appraiser from knowingly instructing, influencing, bribing,	Senate version.

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	compensate, instruct, induce, coerce, or intimidate, a person licensed or certified under the Real Estate Appraisers Law for the purpose of corrupting or improperly influencing their judgment. A violation of this prohibition is made a fifth degree felony, and a buyer injured by a violation may bring an action for the recovery of damages ( <i>R.C. 1322.07, 1322.99, 4763.12, and 4763.99</i> ).	coercing, or extorting a person certified, licensed, or registered as a real estate appraiser.  Adds a qualifier to the prohibition that permits a lender, mortgage bank, or mortgage broker to ask an appraiser to consider additional appropriate property information, to provide further detail, substantiation, or explanation for the appraiser's conclusion or to correct errors in an appraisal report ( <i>R.C. 1322.07, 1322.99, 4763.12, and 4763.99</i> ).	
<b>Mortgage broker ownership interest in a title insurance or appraisal company</b>	Prohibits a mortgage broker, and any member of the mortgage broker's immediate family, from owning or controlling a majority interest in a title insurance company or appraisal company. This prohibition does not apply to any mortgage broker, or any member of the mortgage broker's immediate family, who--on the bill's effective date--owns or controls a majority interest in a title insurance company or appraisal company as long as the broker or family member must not increase the ownership	Removes the prohibitions against ownership interest in a title insurance company but maintains the prohibition against ownership interest in an appraisal company ( <i>R.C. 1322.074</i> ).	House version.



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	interest. The Superintendent, as an alternative to suspending the broker's registration or imposing a fine for commission of any of the various criminal offenses listed may require divestiture of the ownership interest ( <i>R.C. 1322.074</i> ).		
<b>Title agents prohibited practices</b>	No provision.	No provision.	Prohibits a title insurance agent from engaging in the following acts, which are declared to be unfair and deceptive acts or practices in violation of the <i>Consumer Sales Practices Act</i> : (1) knowingly coerce or wrongfully instruct a consumer to enter into a mortgage loan, (2) knowingly fail to disclose to the consumer that the consumer does not have to close on a mortgage loan, (3) knowingly make a material misrepresentation to the consumer regarding the terms of a mortgage loan, (4) knowingly make a material misrepresentation to the consumer regarding the terms of a mortgage loan ( <i>R.C. 3953.35</i> ).



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<b>Mortgage broker referrals to title insurance or appraisal companies</b>	Prohibits mortgage brokers or loan officers from referring a buyer to a title insurance company or to an appraisal company, if the mortgage broker or loan officer, or a member of the immediate families, has an ownership or investment interest in the company or any compensation arrangement with the company. Also, prohibits knowingly entering into an arrangement or scheme, including a cross-referral arrangement with such companies ( <i>R.C. 1322.075</i> ).	Removes the prohibition against referring a buyer to a specific title insurance company and maintains the prohibition against a mortgage broker referring a buyer to an appraisal company. A mortgage broker, however, is permitted to refer a buyer to any settlement service provider, including any title insurance company if the buyer is provided with a written notice disclosing any business relationship, or ownership interest ( <i>R.C. 1322.075</i> ).  Requires the broker or loan officer to retain for four years proof that the buyer received the written disclosures covered in this section.	House version.
<b>Fiduciary duty and lender responsibility</b>	Stipulates that, with respect to a mortgage loan transaction, a mortgage broker, loan officer, as well as a nonbank mortgage lender when the consumer has less than \$25,000 net worth, are fiduciaries of the buyer and must use their best efforts to further the interest of the buyer, including complying with the buyer's reasonable and lawful	Removes the fiduciary requirements in favor of a requirement that, a mortgage broker or loan officer has a fiduciary duty with respect to any funds received from or on behalf of the buyer and must follow reasonable and lawful instructions from the buyer, act with reasonable skill, care, and diligence, and make reasonable	Stipulates that a mortgage broker or loan officer, in addition to duties imposed by other statutes or common law, shall do all of the following: (1) safeguard and account for any money handled for the borrower, (2) follow reasonable and lawful instructions from the borrower, (3) act with reasonable skill, care, and diligence, (4) act in



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	<p>instructions and acting with reasonable care, skill, and diligence on behalf of the buyer. Additionally, the duty cannot be waived or modified, however, in the case of a nonbank lender, this duty cannot be construed to obligate the lender to seek more favorable loan terms or make referrals to a non-affiliated lending institution (<i>R.C. 1322.081 and 1349.41</i>).</p>	<p>efforts with lenders with whom the registrant or licensee regularly does business to secure a loan that is reasonably advantageous to the borrower. Also adds that, if a buyer is approved for more than one loan product by more than one lender, the registrant or licensee must present each option to the buyer (<i>R.C. 1322.081</i>).</p> <p>Removes any fiduciary duty requirements as they relate to nonbank mortgage lenders.</p>	<p>good faith and with fair dealing in any transaction, practice or course of business in connection with the brokering or originating of any mortgage loan, and (5) make reasonable efforts to secure a mortgage loan, from lenders with whom the registrant or licensee regularly does business, with rates, charges, and repayment terms that are advantageous to the borrower. Wholesale lenders (companies that enter into transactions with borrowers exclusively through unaffiliated third party mortgage brokers), are exempted from the above responsibilities (<i>R.C. 1322.081</i>).</p> <p>Nonbank mortgage lenders are prohibited from engaging in a transaction, practice, or course of business that is not in good faith or fair dealing, or which operates a fraud upon any person, in connection with the attempted or actual making of, or purchase of, or sale of, any mortgage loan (<i>R.C. 1249.41</i>).</p>



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			Mortgage brokers, loan officers, or nonbank lenders who fail to comply with the above stated duties are subject to damages that shall not be less than all compensation paid directly and indirectly to the broker or lender from any source, plus reasonable attorney's fees and court costs ( <i>R.C. 1322.11 and 1349.41</i> ).
<b>Prehearing suspensions</b>	Authorizes the Superintendent of Financial Institutions to suspend, without a prior hearing, the certificate of registration of a mortgage broker, or the license of a loan officer, who is convicted of or pleads guilty to certain criminal violations, or the certificate of registration of a mortgage broker who violates the existing surety bond requirement. Subsequently, pursuant to the Administrative Procedure Act, the Superintendent may revoke a registration. ( <i>R.C. 1322.10.</i> )	Adds authorization to the Superintendent to, without a hearing, require a registrant or licensee, or an applicant, in lieu of school transcripts, to provide a written statement that they have met the pre-license education requirements, and conduct an investigation of qualifying education transcripts, unannounced, at any registrant's or licensee's place of business. Also, requires the Superintendent to suspend the certificate of registration or license of a registrant or licensee who has failed to meet the continuing education requirements of the Mortgage Broker/Loan Officer Law ( <i>R.C. 1322.10</i> ).	House version.



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<b>Enforcement actions, damages (mortgage brokers and loan officers)</b>	<p>Alters the enforcement authority for the Mortgage Brokers/Loan Officers Law by, under specific circumstances, permitting the county prosecuting attorney to bring an action. Also permits the county prosecuting attorney to initiate criminal proceedings, and permits the Attorney General to initiate criminal proceedings when the prosecuting attorney agrees not to.</p> <p>Requires the clerk of court to mail a copy of a final judgment to the Superintendent (<i>R.C. 1322.11</i>).</p>	<p>Maintains the provisions of the Senate bill.</p> <p>Also, under current law, damages awarded to a buyer may not be less than the amount paid by the buyer to the mortgage broker. Adds a requirement that damages be not less than all compensation paid directly and indirectly to a mortgage broker from any source (<i>R.C. 1322.11</i>).</p>	House version.
<b>Enforcement actions, damages (covered loans)</b>	<p>Modifies the enforcement authority for sections 1349.26 and 1349.27 of the Revised Code, which govern creditor disclosures and practices regarding covered loans. Under certain circumstances, the county prosecuting attorney, the attorney general, or the superintendent of financial institutions may bring an action. The attorney general may specifically bring an action with the same rights, privileges, and</p>	Same as Senate version.	<p>Maintains this provision, but specifies that the county prosecuting attorney or the superintendent of financial institutions may only bring an action, under this section, against mortgage brokers, loan officers, or nonbank mortgage lenders (<i>R.C. 1349.31</i>).</p>

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	powers that the attorney general has under the Consumer Sales Practices Act ( <i>R.C. 1349.31</i> ).		
<b>Definition of "covered loan" under the Consumer Credit Mortgage Loan Law</b>	No provision.	Existing Ohio law includes the definition of a "covered loan" under the federal Home Owner Equity Protection Act by reference. This definition is modified to mean a loan related to a consumer credit transaction that is secured by the consumer's principal dwelling and either of one of two arrangements for financing exist: (1) a first-lien loan with an annual percentage rate of more than 8%, or a subordinate-lien loan with a rate of more than 10% above the yield on treasury securities having comparable periods of maturity, or (2) a loan where the total points and fees exceed 5% of the total loan amount, or 6% of the total loan amount including all fees paid if the transaction contains a yield spread premium, are considered covered loans ( <i>R.C. 1349.25</i> ).	Expands the House version definition of "covered loan" to also include "an open end credit plan." Specifies that "points and fees" do not include fees paid to a federal or state government agency that insures payment of some portion of a home loan, such as the federal housing administration and the United States department of veterans affairs. Also, revises the points and fees criteria for covered loans. ( <i>R.C. 1349.25</i> .)
<b>Covered loans, prohibited acts</b>	No provision.	No provision.	Regarding covered loans, prohibits a creditor (in addition to the prohibitions under current



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			law) from making a covered loan that increases the consumer's debt to a specified level, without providing the appropriate disclosure and without verifying that the consumer has received pre-purchase counseling from an approved counseling service ( <i>R.C. 1349.27</i> ).
<b>CSPA, definition of "consumer transaction" and application to loan officer, mortgage broker, and nonbank mortgage lender</b>	Under the existing CSPA, transactions excluded from the definition of "consumer transaction" include, among other things, transactions involving dealers in intangibles. Changes the definition of "consumer transaction" so as to expressly include transactions between certain loan officers, mortgage brokers, and nonbank mortgage lenders and their customers thereby subjecting such transactions to enforcement procedures by the Attorney General pursuant to the CSPA. Transactions involving loan officers, mortgage brokers, and nonbank lenders who work for a bank, savings bank, savings and loan association, and a credit union, or a subsidiary or affiliate	Restores the CSPA back to current law, and establishes new consumer protections relative to certain mortgage loans. Adds a separate definition of "consumer transaction" to specifically apply to a loan transaction between a loan officer, mortgage broker, or nonbank mortgage lender and their customers. Without limiting the scope of what the Superintendent of Financial Institutions may by rule determine to be an unfair or deceptive act, adds a twenty-point definition for an unfair or deceptive act or practice which applies only to loan officers, mortgage brokers, and nonbank mortgage lenders ( <i>R.C. 1349.38</i> ).	<p>Alters the definition of several terms from the Senate version for application within the <i>Consumer Sales Practices Act</i> (<i>R.C. 1345.01</i>).</p> <p>"Consumer transaction" now includes transactions "in connection with residential mortgages between loan officers, mortgage brokers, or nonbank mortgage lenders and their customers."</p> <p>"Supplier" is changed to specifically exclude an assignee or purchaser of the loan for value, except in specific circumstances.</p> <p>"Seller" means a loan officer, mortgage broker, or nonbank</p>

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	<p>of any of these, remain not covered under the CSPA (R.C. 1345.01).</p>	<p>Authorizes the Superintendent of Financial Institutions, in consultation with the Attorney General, to adopt rules to further define the practices that will violate the list of unfair or deceptive acts or practices (R.C. 1349.39) and sets certain standards for these rules.</p> <p>Gives to a consumer who is harmed by a violation of these provisions all the rights, actions, and remedies available to consumers under the CSPA (R.C. 1349.42).</p>	<p>mortgage lender (as "seller" is used in the definition of supplier, and when the consumer transaction is in connection with a residential mortgage).</p> <p>"Mortgage" or "residential mortgage" means an obligation to pay a sum of money evidenced by a note and secured by a lien upon real property located within this state containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a residential condominium or cooperative unit.</p> <p>Establishes that certain acts or practices, concerning a consumer transaction in connection with a mortgage, are deceptive (R.C. 1345.02).</p> <p>Establishes that certain acts or practices, concerning a consumer transaction in connection with a mortgage, are unconscionable (R.C. 1345.031).</p>



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			<p>Requires the Attorney General to publish a document that lists, for lenders and consumers, the acts or practices by certain lenders that will be a violation of the CSPA (<i>R.C. 1345.05</i>).</p> <p>Requires the Attorney General to consult with the Superintendent of Financial Institutions when adopting, amending, or repealing rules concerning consumer transactions in connection with a residential mortgage (<i>R.C. 1345.05</i>).</p>
<b>CSPA, damages</b>	<p>Consumers are currently provided with a private right of action for violations of CSPA. In an individual action, a consumer may rescind the transaction or recover the consumer's "damages." In certain circumstances, the consumer may recover three times the amount of "actual damages" or \$200, whichever is greater, or recover "damages" in a class action. Specifies that, to be recoverable under the CSPA, the consumer's damages must be "actual damages." Additionally,</p>	<p>The bill returns CSPA to existing law.</p>	<p>Returns CSPA to existing law, except that a provision from the Senate version, which provides that revocation of the consumer transaction, in any action for rescission, is only available to a consumer in an individual action and must occur not later than the time limit permitted by the <i>Truth in Lending Act</i>, has been retained (<i>R.C. 1345.09</i>).</p>



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	changes from permissive to mandatory the awarding of reasonable attorney's fees to the prevailing party if the consumer brought or maintained an action that is groundless and filed or maintained the action in bad faith ( <i>R.C. 1345.09</i> ).		
<b>Assignee liability</b>	Generally provides that no claim or defense under the CSPA, <u>except</u> a claim or defense of rescission by a consumer may be asserted by the Attorney General or any consumer against an assignee or purchaser of a mortgage loan for value if any one of the following applies: (1) the violation was not committed by the assignee or purchaser <u>after</u> the assignment or purchase, (2) the assignee or purchaser is not affiliated by common control with the seller of the loan at the time of such assignment or purchase and the loan was not in default at the time of such assignment or purchase, (3) the assignee or purchaser is a bank, savings bank, savings and loan association, credit union, or credit union service organization	Revises the provision (which is transferred in the bill to the Consumer Credit Mortgage Loan sections in the Revised Code--in Chapter 1349.), to provide that no claim or defense by a consumer may be asserted by the Attorney General or any consumer against an assignee or purchaser of a mortgage loan for value <u>unless any one</u> of the following applies: (1) the violation was committed by the assignee or purchaser <u>before</u> the assignment or purchase, (2) the assignee or purchaser is affiliated by common control with the seller of the loan at the time of such assignment or purchase and the loan was in default at the time of such assignment or purchase. Does not exempt a claim or defense of rescission	Revises the House version of this provision (which is transferred in the bill back to the Consumer Sales Practices Act), to provide that no claim or defense may be asserted by the Attorney General or any consumer against an assignee or purchaser of a mortgage loan for value unless any one of the following applies: (1) the violation was committed by the assignee or purchaser, (2) the assignee or purchaser is affiliated by common control with the seller of the loan at the time of such assignment or purchase ( <i>R.C. 1345.091</i> ).



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	organized under the laws of this state, another state, or the United States; a subsidiary of such a bank, savings bank, savings and loan association, or credit union; or certain affiliates ( <i>R.C. 1345.091</i> ).	from the options available to a consumer as is done with respect to the CSPA in Senate version. ( <i>R.C. 1349.40</i> .)	
<b>Financing of insurance</b>	No provision.	Prohibits the financing of insurance, although premiums calculated and paid on a monthly basis may not be considered as financed by the lender ( <i>R.C. 1349.41</i> ).	This provision from the House bill has been included in the list of unconscionable acts under the Consumer Sales Practices Act ( <i>R.C. 1345.031(B)(11)</i> ).
<b>Flipping</b>	No provision.	Prohibits "flipping." Defined as making a consumer home loan that refinances an existing consumer home loan when the new loan does not have a reasonable, tangible net benefit to the borrower ( <i>R.C. 1349.41</i> ).	This provision from the House bill has been included in the list of unconscionable acts under the Consumer Sales Practices Act ( <i>R.C. 1345.031(B)(12)</i> ).
<b>Electronic database of enforcement actions</b>	Requires the Department of Commerce to establish and maintain an electronic database accessible through the internet that contains information on certain enforcement actions taken by the Superintendent of Financial Institutions and the Attorney General regarding noncompliance with the	Adds additional language that prohibits confidential information from being included in the electronic database and only administrative and judicial actions that are public records.	House version.

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	Mortgage Brokers/Loan Officers Law and the Consumer Sales Practices Act (CSPA). The Attorney General is required to submit the information related to the CSPA to the Department on the first day of each January, April, July, and October ( <i>R.C. 1349.43</i> ).		
<b>Consumer Finance Education Board</b>	No provision.	Creates the Consumer Finance Education Board in the Department of Commerce. Among other things, the Board will create a pilot program in financial literacy to be operated in the five Ohio counties having the highest foreclosure rates and to mandate the development of an education curriculum in financial literacy for elementary and secondary school students. Also, creates a financial literacy and counseling program that will be mandatory for any consumer seeking a mortgage loan with origination fees greater than 5%, and is funded through the Department of Commerce Consumer Finance Fund created under R.C. 3121.21. ( <i>R.C. 1349.71 and 1349.72</i> .)	Maintains the House provision for the Consumer Finance Education Board and the pilot program in financial literacy. Modifies the number of members, and the organizations represented, on both the Board and the Advisory Committee. Removes the requirement that the Board design a pilot program to develop an educational curriculum for public schools ( <i>R.C. 1349.71 and 1349.72</i> ).



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<b>Title insurance</b>	No provision.	<p>Requires title insurance agents to notify purchasers of the availability of owner's title insurance when issuing lender's title insurance in conjunction with a residential mortgage loan (<i>R.C. 3953.30</i>).</p> <p>Requires title insurance agents or any subcontractor performing a title search, to maintain an errors and omission policy that includes coverage for the agent's delegation of any function. The Superintendent must establish minimum limits for this coverage. (<i>R.C. 3953.23</i>.)</p> <p>Requires title insurance companies to issue closing or settlement protection to the lender, borrower and seller of the property, and to any applicant for title insurance, except when the lender, borrower, seller or applicant has signed a written document declining the protection (<i>R.C. 3953.32</i>).</p> <p>Also, requires every title insurance agent or agency that handles escrow, settlement, closing, or security deposit</p>	House version.



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		accounts to maintain records of those accounts, to have an annual independent review made of those accounts, and to allow the Superintendent and title insurers reasonable access to those accounts ( <i>R.C. 3953.33</i> ).	
<b>Title agents prohibited practices</b>	No provision.	<p>Requires a title insurance company to offer closing or settlement protection to the lender, borrower, and seller of the property, and to any applicant for title insurance, which shall indemnify those parties against the loss of settlement funds resulting from certain specific acts (<i>R.C. 3953.32</i>).</p> <p>Requires title insurance agencies that handle escrow, settlement, closing, or security deposit accounts to have an annual independent review made of these accounts (<i>R.C. 3953.33</i>).</p>	House version, also prohibits a title insurance agent from engaging in the following acts, which are declared to be unfair and deceptive acts or practices in violation of the <i>Consumer Sales Practices Act</i> : (1) knowingly coerce or wrongfully instruct a consumer to enter into a mortgage loan, (2) knowingly fail to disclose to the consumer that the consumer does not have to close on a mortgage loan, (3) knowingly make a material misrepresentation to the consumer regarding the terms of a mortgage loan, (4) knowingly make a material misrepresentation to the consumer regarding the terms of a mortgage loan ( <i>R.C. 3953.35</i> ).
<b>Real estate appraiser experience</b>	No provision.	Under current law, an applicant for a residential real estate appraiser certificate or	Senate version.



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		residential real estate appraiser license must possess at least two years of experience in real estate appraisal, or any equivalent experience the board prescribes. Establishes that a minimum of two years of classroom instruction and an associate's degree in the field of real estate and real estate appraisal at an institution of higher education will meet the necessary requirements ( <i>R.C. 4763.05</i> ).	
<b>Real estate appraiser report to mortgage borrower</b>	No provision.	Requires a copy of a real estate appraisal done in connection with a mortgage loan be given to the borrower and accompanied by a copy of the county auditor's current appraisal of the property ( <i>R.C. 4763.12</i> ).	Senate version.
<b>Effective date clause</b>	Stipulates that R.C. sections 4763.13 and 4763.19, which require a license or certification to perform a real estate appraisal for a mortgage loan, take effect six months after the effective date ( <i>Section 3</i> ).	Stipulates that the entire act is to take effect on January 1, 2007 ( <i>Section 3</i> ).	House version (January 1, 2007).

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