

By: Pickett

H.B. No. 2491

Substitute the following for H.B. No. 2491:

By: Meyer

C.S.H.B. No. 2491

A BILL TO BE ENTITLED

AN ACT

relating to licensing and appointment of title insurance escrow officers; changing the limit applicable to a fee; authorizing a fee.

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

SECTION 1. Sections 2652.001, 2652.002, and 2652.006, Insurance Code, are amended to read as follows:

Sec. 2652.001. LICENSE AND BOND OR DEPOSIT REQUIRED. An individual may not act as an escrow officer unless the individual:

- (1) holds a license issued by the department; ~~and~~
- (2) is covered by ~~[maintains]~~ a surety bond or deposit required under Subchapter C; and
- (3) is appointed under Section 2652.1511 as an escrow officer by a title insurance agent or direct operation.

Sec. 2652.002. EMPLOYMENT OF ESCROW OFFICER. (a) A title insurance agent or direct operation may not employ an individual as an escrow officer unless the individual:

- (1) holds a license issued by the department;
- (2) is covered by ~~[and maintains]~~ a surety bond or deposit as required under Subchapter C; and
- (3) is appointed under Section 2652.1511 as an escrow officer by the title insurance agent or direct operation ~~[by this chapter]~~.

(b) A title insurance agent or direct operation may not

1 permit an individual to act as an escrow officer in this state
2 before the agent or direct operation has complied with Sections
3 2652.151 and 2652.1511 [~~2652.152~~] with respect to the individual.

4 Sec. 2652.006. RECORD OF ESCROW OFFICERS; PUBLIC
5 INFORMATION. (a) The department shall maintain a record of [~~the~~
6 ~~name and address of~~] each escrow officer licensed by the department
7 in a manner that ensures that the escrow officers employed and
8 appointed under Section 2652.1511 by any title insurance agent or
9 direct operation in this state may be conveniently determined.

10 (b) The department shall make available to the public from
11 the records maintained under Subsection (a) or from other records
12 of the department each escrow officer's name, license number,
13 continuing education compliance status, and appointment history.

14 SECTION 2. Section 2652.051(a), Insurance Code, is amended
15 to read as follows:

16 (a) Before an initial license is issued to an individual to
17 act as an escrow officer in this state for a title insurance agent
18 or direct operation, the individual [~~title insurance agent or~~
19 ~~direct operation~~] must file an application for an escrow officer's
20 license with the department on forms provided by the department and
21 the title insurance agent or direct operation must file an
22 appointment of the escrow officer under Section 2652.1511.

23 SECTION 3. Section 2652.052(b), Insurance Code, is amended
24 to read as follows:

25 (b) License [~~fees~~] and renewal fees collected under this
26 chapter and appointment fees collected under Section 2652.1511
27 [~~Section 2652.152~~] shall be deposited to the credit of the Texas

1 Department of Insurance operating account to be used by the
2 department to enforce this chapter and any other law of this state
3 that regulates escrow officers for title insurance agents or direct
4 operations.

5 SECTION 4. Sections 2652.055 and 2652.056, Insurance Code,
6 are amended to read as follows:

7 Sec. 2652.055. LICENSE TERM. Unless a system of staggered
8 license renewal is adopted or required under Chapter 4003 [~~under~~
9 ~~Section 4003.002~~], a license expires on the second June 1 following
10 the date of issuance.

11 Sec. 2652.056. PROCEDURE FOR LICENSE RENEWAL. An
12 individual may renew an unexpired escrow officer license by:

13 (1) submitting to the department on a form provided by
14 the department a completed application, signed and sworn by the
15 individual, stating that the applicant is an individual who is a
16 bona fide resident of this state or a state adjacent to this state;
17 and

18 (2) paying to the department a renewal fee in an amount
19 set by the department [~~AUTOMATIC TERMINATION OF LICENSE. The~~
20 ~~license of each escrow officer employed by a title insurance agent~~
21 ~~or direct operation that surrenders its license or has its license~~
22 ~~revoked by the department is automatically terminated without~~
23 ~~notice~~].

24 SECTION 5. Section 2652.058, Insurance Code, is amended by
25 adding Subsection (g) to read as follows:

26 (g) Continuing education programs to satisfy the
27 requirements of this section must be certified under Subchapter C,

1 Chapter 4004. The department may enter into an agreement with an
2 independent contractor as authorized by Section 4004.104 to certify
3 and register the programs and providers of those programs.

4 SECTION 6. Section 2652.101(a), Insurance Code, is amended
5 to read as follows:

6 (a) A title insurance agent or direct operation shall
7 obtain, at its own expense, a bond for its escrow officers appointed
8 under Section 2652.1511 payable to the department. The bond shall
9 obligate the principal and surety to pay for any pecuniary loss
10 sustained by the title insurance agent or direct operation through
11 an act of fraud, dishonesty, forgery, theft, embezzlement, or
12 wilful misapplication by an escrow officer, either directly and
13 alone or in conspiracy with another person.

14 SECTION 7. Section 2652.151(a), Insurance Code, is amended
15 to read as follows:

16 (a) A title insurance agent or direct operation shall
17 certify to the department, not later than the expiration date of the
18 title insurance agent's or direct operation's license, the name and
19 address of each individual employed and appointed under Section
20 2652.1511 by the title insurance agent or direct operation to serve
21 as an escrow officer in this state.

22 SECTION 8. Subchapter D, Chapter 2652, Insurance Code, is
23 amended by adding Section 2652.1511 to read as follows:

24 Sec. 2652.1511. APPOINTMENT OF ESCROW OFFICER. (a) An
25 escrow officer may be employed and appointed by more than one title
26 insurance agent or direct operation.

27 (b) Before an escrow officer may act in that capacity for a

title insurance agent or direct operation, the title insurance agent or direct operation must appoint the escrow officer and file the escrow officer's appointment with the department on the electronic or nonelectronic form provided by the department.

(c) The appointment form must:

(1) be accompanied by a nonrefundable appointment fee;

(2) certify that:

(A) the escrow officer is a bona fide employee of the title insurance agent or direct operation making the appointment; and

(B) the title insurance agent or direct operation has an office in this state;

(3) be signed and sworn to by the title insurance agent or direct operation and by the escrow officer; and

(4) acknowledge that the escrow officer is covered by a surety bond or deposit required under Subchapter C.

(d) The appointment of the escrow officer expires on the revocation, termination, or nonrenewal of the escrow officer's license or termination of the escrow officer's employment with the title insurance agent or direct operation that made the appointment.

(e) Unless otherwise notified by the department, the escrow officer may act as an escrow officer for the appointing title insurance agent or direct operation after:

(1) the second business day after the date the appointment is submitted to the department electronically; or

(2) the eighth business day after the date the

1 appointment is submitted to the department on a nonelectronic form.

2 SECTION 9. Section 2652.153, Insurance Code, is amended to
3 read as follows:

4 Sec. 2652.153. NOTICE OF TERMINATION. A title insurance
5 agent or direct operation that terminates the employment of a
6 licensed escrow officer shall:

7 (1) immediately notify the department in writing of
8 the termination and request cancellation of the appointment under
9 Section 2652.1511 ~~[license]~~; and

10 (2) notify the escrow officer of the action by the
11 title insurance agent or direct operation.

12 SECTION 10. Section 2652.203, Insurance Code, is amended by
13 amending Subsections (a) and (d) and adding Subsection (e) to read
14 as follows:

15 (a) The department shall notify a license holder of a
16 disciplinary action or enforcement action against the license
17 holder not later than the 30th business day after the date the
18 department assigns a file number to the action, except that this
19 subsection does not apply to a file or action:

20 (1) that is the subject of a pending criminal
21 investigation or prosecution; or

22 (2) about which the ~~[deputy commissioner of the title~~
23 ~~division of the]~~ department makes a good faith determination that
24 there is a credible suspicion that there are ongoing or continuing
25 acts of fraud by a person who is the subject of the action.

26 (d) The department may provide information about an
27 enforcement action, including a copy of a notice issued under this

1 section, to each title insurance agent or direct operation with
2 which an escrow officer has, or proposes to obtain, an appointment
3 under Section 2652.1511 [~~employment~~].

4 (e) Except as prohibited by Chapter 552, Government Code, or
5 any other law, on the date an enforcement action against an escrow
6 officer becomes final, the department shall provide information
7 about the action, including a copy of a commissioner's order or
8 department warning issued under this section, to each title
9 insurance agent or direct operation for which the escrow officer
10 holds appointment under Section 2652.1511.

11 SECTION 11. Sections 2652.057(b) and 2652.152, Insurance
12 Code, are repealed.

13 SECTION 12. The changes in law made by this Act apply only
14 to the issuance or renewal of the license of an escrow officer on or
15 after January 1, 2016. The issuance or renewal of a license before
16 January 1, 2016, is governed by the law as it existed immediately
17 before the effective date of this Act, and that law is continued in
18 effect for that purpose.

19 SECTION 13. This Act takes effect September 1, 2015.