

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Senator Moore**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND THE DISBURSEMENT OF FUNDS AS PART OF REAL
9 ESTATE CLOSING AND SETTLEMENT SERVICES ACT; AND FOR OTHER
10 PURPOSES."

Subtitle

13 "TO AMEND THE DISBURSEMENT OF FUNDS AS PART OF REAL ESTATE
14 CLOSING AND SETTLEMENT SERVICES ACT."

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. Arkansas Code 18-12-702 is amended by inserting at the end
19 thereof an additional paragraph to read as follows:

20 "(4) Approved mortgage lender means a lender that has demonstrated
21 its financial integrity and ability to the satisfaction of the abstract and
22 title company that has been employed to close a real estate transaction."

24 SECTION 2. Arkansas Code 18-12-703(a) is amended to read as follows:

25 "(a) No person, firm, partnership, corporation, or other entity that
26 provides closing and settlement services for a real estate transaction shall
27 disburse funds as a part of such services until those funds have been received
28 from an approved mortgage lender or are available for immediate withdrawal as
29 a matter of right from the financial institution in which the funds have been
30 deposited. Provided, however, the person, firm, partnership, corporation, or
31 other entity providing closing and settlement services may advance funds, not
32 to exceed five hundred dollars (\$500), on behalf of interested parties for the
33 transaction, to pay incidental fees and charges pertaining to the closing and
34 settlement of the transaction."

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1 SECTION 2. All provisions of this act of a general and permanent nature
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
3 Revision Commission shall incorporate the same in the Code.

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5 SECTION 3. If any provision of this act or the application thereof to
6 any person or circumstance is held invalid, such invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provision or application, and to this end the provisions of this
9 act are declared to be severable.

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11 SECTION 4. All laws and parts of laws in conflict with this act are
12 hereby repealed.

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