

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

April 30, 2007
Date

Committee on Business Affairs and Labor.

After consideration on the merits, the Committee recommends the following:

SB07-249 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend reengrossed bill, page 9, after line 21, insert the following:

2 **"10-11-129. Escrow funds.** (1) A TITLE ENTITY OR
3 CLOSING/SETTLEMENT SERVICE PROVIDER, AS DEFINED IN SECTION
4 10-11-202, SHALL HOLD ALL THIRD-PARTY FUNDS IN A SEPARATE, INSURED
5 DEPOSITORY ACCOUNT AT A DEPOSITORY INSTITUTION. STATEMENTS
6 RECEIVED FROM SUCH DEPOSITORY INSTITUTION, WITH RESPECT TO SUCH
7 ACCOUNTS, SHALL BE KEPT AND PRESERVED BY THE TITLE ENTITY OR
8 SETTLEMENT/CLOSING SERVICE PROVIDER FOR AT LEAST SEVEN YEARS.
9 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2) OF THIS SECTION,
10 INTEREST EARNED ON SUCH ACCOUNTS, LESS ANY DEDUCTION FOR SERVICE
11 CHARGES OR FEES, AS COMPUTED IN ACCORDANCE WITH THE INSTITUTION'S
12 STANDARD ACCOUNTING PRACTICE, SHALL BELONG TO THE THIRD PARTY
13 HAVING THE RIGHT TO SUCH FUNDS, AND THE TITLE ENTITY OR
14 CLOSING/SETTLEMENT SERVICE PROVIDER SHALL HAVE NO RIGHT OR CLAIM
15 TO SUCH FUNDS OR INTEREST EARNED THEREON.

16 (2) IF THIRD-PARTY FUNDS ARE NOT HELD IN ACCOUNTS WITH
17 INTEREST PAID TO THE THIRD PARTY, THE TITLE ENTITY OR
18 CLOSING/SETTLEMENT SERVICE PROVIDER SHALL DEPOSIT SUCH FUNDS
19 EITHER IN A POOLED, INTEREST-BEARING INSURED DEPOSITORY ACCOUNT
20 WITH INTEREST, NET OF ANY SERVICE CHARGES OR FEES AS COMPUTED IN
21 ACCORDANCE WITH THE INSTITUTION'S STANDARD ACCOUNTING PRACTICE,
22 TO BE REMITTED QUARTERLY TO THE COLORADO HOUSING AND FINANCE

1 AUTHORITY, CREATED IN SECTION 29-4-704, C.R.S., TO BE USED TO AID
2 PERSONS IN NEED OF LOW-COST HOUSING; OR, IF APPLICABLE, A COLTAF
3 ACCOUNT OPERATED IN ACCORDANCE WITH THE COLORADO RULES OF
4 PROFESSIONAL CONDUCT."

5 Page 11, after line 24, insert the following:

6 "(f) THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED
7 IN SECTION 29-4-704, C.R.S., OR ANY EMPLOYEE OR AGENT THEREOF."

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