

joint stock company, business trust, partnership, or any association for business purposes of two or more individuals; and

(3) "financial organization" means any savings and loan association, building and loan association, credit union, or investment company engaged in business in the United States.

(Pub. L. 93-495, title VI, §602, Oct. 28, 1974, 88 Stat. 1525.)

**§ 2503. State entitlement to escheat or custody**

Where any sum is payable on a money order, traveler's check, or other similar written instrument (other than a third party bank check) on which a banking or financial organization or a business association is directly liable—

(1) if the books and records of such banking or financial organization or business association show the State in which such money order, traveler's check, or similar written instrument was purchased, that State shall be entitled exclusively to escheat or take custody of the sum payable on such instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum;

(2) if the books and records of such banking or financial organization or business association do not show the State in which such money order, traveler's check, or similar written instrument was purchased, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, until another State shall demonstrate by written evidence that it is the State of purchase; or

(3) if the books and records of such banking or financial organizations or business association show the State in which such money order, traveler's check, or similar written instrument was purchased and the laws of the State of purchase do not provide for the escheat or custodial taking of the sum payable on such instrument, the State in which the banking or financial organization or business association has its principal place of business shall be entitled to escheat or take custody of the sum payable on such money order, traveler's check, or similar written instrument, to the extent of that State's power under its own laws to escheat or take custody of such sum, subject to the right of the State of purchase to recover such sum from the State of principal place of business if and when the law of the State of purchase makes provision for escheat or custodial taking of such sum.

(Pub. L. 93-495, title VI, §603, Oct. 28, 1974, 88 Stat. 1525.)

**CHAPTER 27—REAL ESTATE SETTLEMENT PROCEDURES**

- Sec.
- 2601. Congressional findings and purpose.
- 2602. Definitions.
- 2603. Uniform settlement statement.
- 2604. Special information booklets.

- Sec.
- (a) Distribution by Secretary to lenders to help borrowers.
- (b) Form and detail; cost elements, standard settlement form, escrow accounts, selection of persons for settlement services; consideration of differences in settlement procedures.
- (c) Estimate of charges.
- (d) Distribution by lenders to loan applicants at time of receipt or preparation of applications.
- (e) Printing and distribution by lenders of booklets approved by Secretary.
- 2605. Servicing of mortgage loans and administration of escrow accounts.
  - (a) Disclosure to applicant relating to assignment, sale, or transfer of loan servicing.
  - (b) Notice by transferor of loan servicing at time of transfer.
  - (c) Notice by transferee of loan servicing at time of transfer.
  - (d) Treatment of loan payments during transfer period.
  - (e) Duty of loan servicer to respond to borrower inquiries.
  - (f) Damages and costs.
  - (g) Administration of escrow accounts.
  - (h) Preemption of conflicting State laws.
  - (i) Definitions.
  - (j) Transition.
- 2606. Exempted transactions.
  - (a) In general.
  - (b) Interpretation.
- 2607. Prohibition against kickbacks and unearned fees.
  - (a) Business referrals.
  - (b) Splitting charges.
  - (c) Fees, salaries, compensation, or other payments.
  - (d) Penalties for violations; joint and several liability; treble damages; actions for injunction by Secretary and by State officials; costs and attorney fees; construction of State laws.
- 2608. Title companies; liability of seller.
- 2609. Limitation on requirement of advance deposits in escrow accounts.
  - (a) In general.
  - (b) Notification of shortage in escrow account.
  - (c) Escrow account statements.
  - (d) Penalties.
- 2610. Prohibition of fees for preparation of truth-in-lending, uniform settlement, and escrow account statements.
- 2611 to 2613. Repealed.
- 2614. Jurisdiction of courts; limitations.
- 2615. Contracts and liens; validity.
- 2616. State laws unaffected; inconsistent Federal and State provisions.
- 2617. Authority of Secretary.
  - (a) Issuance of regulations; exemptions.
  - (b) Liability for acts done in good faith in conformity with rule, regulation, or interpretation.
  - (c) Investigations; hearings; failure to obey order; contempt.
  - (d) Delay of effectiveness of recent final regulation relating to payments to employees.

**CHAPTER REFERRED TO IN OTHER SECTIONS**

This chapter is referred to in section 4903 of this title; title 15 section 1638; title 42 sections 3541, 4012a, 8232.

**§ 2601. Congressional findings and purpose**

(a) The Congress finds that significant reforms in the real estate settlement process are needed