

with or without reimbursement, as the Commission may request to assist it in carrying out its functions.

(Pub. L. 93-495, title II, §207, Oct. 28, 1974, 88 Stat. 1510.)

§ 2408. Authorization of appropriations

There are authorized to be appropriated without fiscal year limitations such sums, not to exceed \$2,000,000, as may be necessary to carry out the provisions of this chapter.

(Pub. L. 93-495, title II, §208, Oct. 28, 1974, 88 Stat. 1511.)

CHAPTER 26—DISPOSITION OF ABANDONED MONEY ORDERS AND TRAVELER'S CHECKS

- Sec. 2501. Congressional findings and declaration of purpose.
- 2502. Definitions.
- 2503. State entitlement to escheat or custody.

§ 2501. Congressional findings and declaration of purpose

The Congress finds and declares that—

(1) the books and records of banking and financial organizations and business associations engaged in issuing and selling money orders and traveler's checks do not, as a matter of business practice, show the last known addresses of purchasers of such instruments;

(2) a substantial majority of such purchasers reside in the States where such instruments are purchased;

(3) the States wherein the purchasers of money orders and traveler's checks reside should, as a matter of equity among the several States, be entitled to the proceeds of such instruments in the event of abandonment;

(4) it is a burden on interstate commerce that the proceeds of such instruments are not being distributed to the States entitled thereto; and

(5) the cost of maintaining and retrieving addresses of purchasers of money orders and traveler's checks is an additional burden on interstate commerce since it has been determined that most purchasers reside in the State of purchase of such instruments.

(Pub. L. 93-495, title VI, §601, Oct. 28, 1974, 88 Stat. 1525.)

APPLICABILITY TO SUMS PAYABLE ON MONEY ORDERS, ETC., DEEMED ABANDONED ON OR AFTER FEBRUARY 1, 1965; EXCEPTION

Section 604 of Pub. L. 93-495 provided that: "This title [enacting this chapter] shall be applicable to sums payable on money orders, traveler's checks, and similar written instruments deemed abandoned on or after February 1, 1965, except to the extent that such sums have been paid over to a State prior to January 1, 1974."

§ 2502. Definitions

As used in this chapter—

(1) "banking organization" means any bank, trust company, savings bank, safe deposit company, or a private banker engaged in business in the United States;

(2) "business association" means any corporation (other than a public corporation),

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

to insure that consumers throughout the Nation are provided with greater and more timely information on the nature and costs of the settlement process and are protected from unnecessarily high settlement charges caused by certain abusive practices that have developed in some areas of the country. The Congress also finds that it has been over two years since the Secretary of Housing and Urban Development and the Administrator of Veterans' Affairs submitted their joint report to the Congress on "Mortgage Settlement Costs" and that the time has come for the recommendations for Federal legislative action made in that report to be implemented.

(b) It is the purpose of this chapter to effect certain changes in the settlement process for residential real estate that will result—

(1) in more effective advance disclosure to home buyers and sellers of settlement costs;

(2) in the elimination of kickbacks or referral fees that tend to increase unnecessarily the costs of certain settlement services;

(3) in a reduction in the amounts home buyers are required to place in escrow accounts established to insure the payment of real estate taxes and insurance; and

(4) in significant reform and modernization of local recordkeeping of land title information.

(Pub. L. 93-533, § 2, Dec. 22, 1974, 88 Stat. 1724.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (b), was in the original "this Act", meaning Pub. L. 93-533, Dec. 22, 1974, 88 Stat. 1724, as amended, known as the Real Estate Settlement Procedures Act of 1974, which is classified principally to this chapter (§ 2601 et seq.). For complete classification of this Act to the Code, see Short Title note below and Tables.

CHANGE OF NAME

Reference to Administrator of Veterans' Affairs deemed to refer to Secretary of Veterans Affairs pursuant to section 10 of Pub. L. 100-527, set out as a Department of Veterans Affairs Act note under section 301 of Title 38, Veterans' Benefits.

EFFECTIVE DATE

Section 20, formerly 19, of Pub. L. 93-533, as renumbered by Pub. L. 94-205, § 10, Jan. 2, 1976, 89 Stat. 1159, provided that: "The provisions of this Act, and the amendments made thereby [see Short Title note below], shall become effective one hundred and eighty days after the date of the enactment of this Act [Dec. 22, 1974]."

SHORT TITLE OF 1976 AMENDMENT

Section 1 of Pub. L. 94-205, Jan. 2, 1976, 89 Stat. 1157, provided: "That this Act [enacting section 2617 of this title, amending sections 2602, 2603, 2604, 2607, 2609 and 2616 of this title and section 1631 of Title 15, Commerce and Trade, repealing sections 2605 and 2606 of this title, enacting provisions set out as a note under section 2602 of this title and amending provisions set out as a note under this section] may be cited as the 'Real Estate Settlement Procedures Act Amendments of 1975'."

SHORT TITLE

Section 1 of Pub. L. 93-533 provided that: "This Act [enacting this chapter and sections 1730f and 1831b of this title and provisions set out as notes under this sec-